The Queen's University of Belfast

Northern Ireland · Charity number 101788

Details

Known as	Queen's University Belfast (QUB)
Status	Received
Registered	2015-07-03
Register	View on the Charity Commission for Northern Ireland register

Contact

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Activities

Purposes: The objects of the University, as set out in its Charter and Statutes, shall be the advancement and dissemination of learning and knowledge by teaching and research, and through the practice and inculcation of professional and other skills appropriate to the provision of higher education, and by the example and influence of its corporate life.

What the charity does: The advancement of education

How the charity works: Advice/advocacy/information,Education/training,Research/evaluation

Who the charity helps: General public

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Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£489,483,000	£512,274,000	£-668,670,000	4832
2024-07-31	£472,337,000	£485,018,000	£-570,061,000	4738

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Trustees

Name	Role	Appointed
Baroness Sue Gray		
Dr Feargal Mccormack		
Dr Kevin Morgan		
Dr Len O'hagan		
Dr Leonie Hannan		
Dr Veronique Altglas		
Miss Patricia Hampson		
Mr Adrian Doran		
Mr Eoin Mcmullan		
Mr Keith Jess		
Mr Leo O'reilly		
Mr Lyle Watters		
Mr Roy Bailie Cbe		
Mrs Gillian Riddell		
Mrs Honor Mallon		
Ms Amy Smith		
Ms Anna Beggan		
Ms Briege Arthurs		
Ms Kelly Robinson		
Ms Mairead Regan		
Ms Nadine Curtis		
Ms Patricia Slevin		
Ms Roisin Costelloe		
Professor Kenda Crozier Phd		
Professor Sir Ian Greer		

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The Queen's University of Belfast

Northern Ireland - Charity number 101788

Accounts

QUEEN'S UNIVERSITY BELFAST

180 YEARS

ANNUAL REPORT 2024–25

PRO TANTO QUID RETRIBUAMUS

WHAT SHALL WE GIVE IN RETURN FOR SO MUCH?



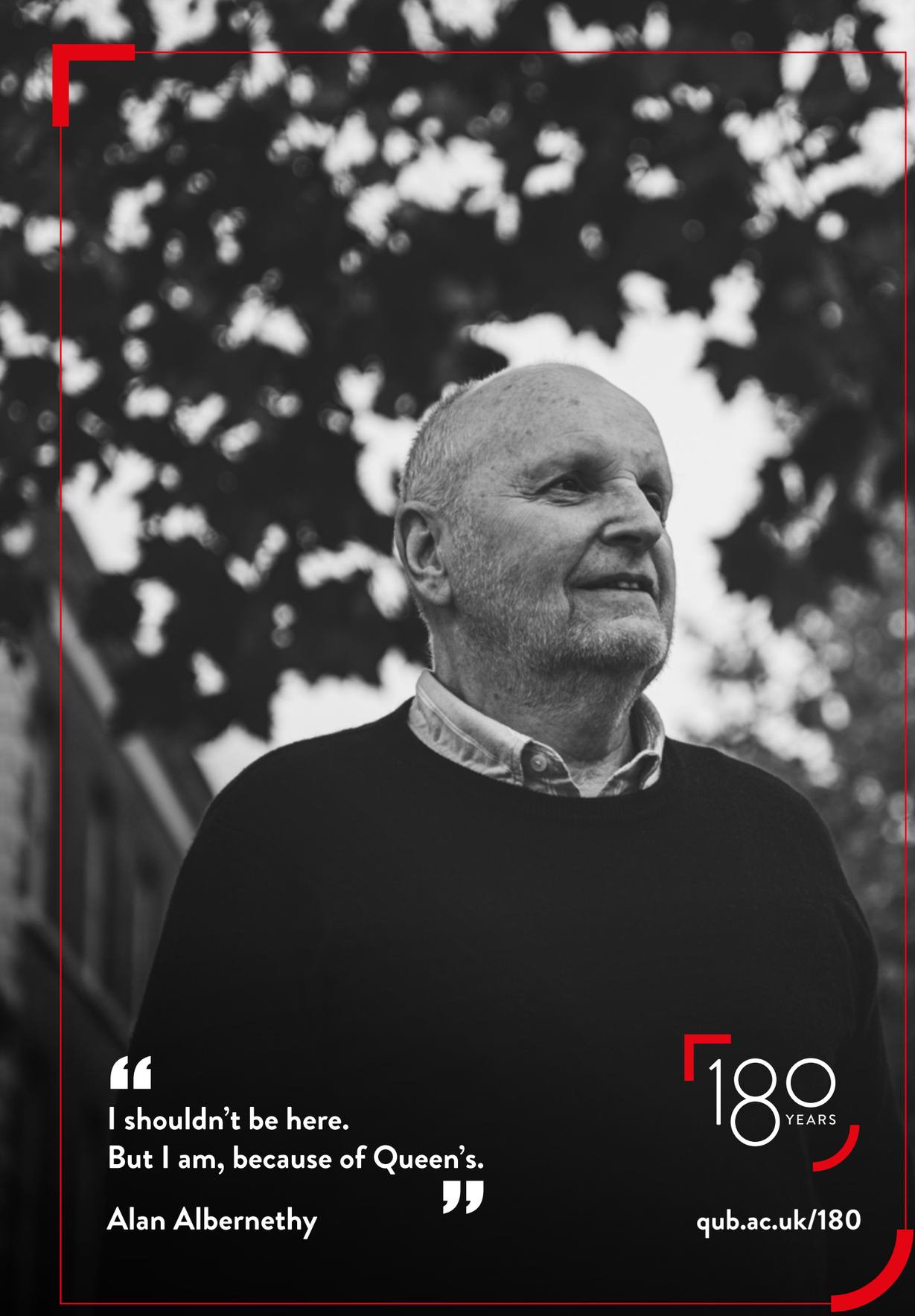
SHAPING A BETTER WORLD FOR 180 YEARS

Queen's has an estimated annual economic impact of over

£3.35 BILLION

(London Economics, 2025)





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MESSAGE FROM THE PRESIDENT AND VICE-CHANCELLOR

This year has been one of the most significant in the history of Queen's University Belfast. In our 180th anniversary year, we look back with pride on generations of achievement and service to society, while looking forward with renewed purpose to the decades ahead.

I am delighted to report that this has been our most successful year to date in terms of performance and impact. We secured £124.6 million in research income, placing Queen's at the forefront of discovery and innovation across health, engineering, the humanities, and emerging fields such as Artificial Intelligence (AI) and sustainability. We also raised a record £11.6 million in philanthropic income, the majority of which was directed to support students from low-income backgrounds as part of our widening participation programme.

Our commitment to excellence has been recognised internationally. In the QS World University Rankings 2026, Queen's broke into the top 200 universities globally, a landmark achievement reflecting our growing reputation for teaching, research, and impact. Our independent economic impact assessment shows Queen's contributes £3.35 billion annually to the UK economy, confirming our role as a true anchor institution for Northern Ireland and beyond.

This year, we were awarded official University of Sanctuary status, in recognition of the facilitated support provided to local refugee, asylum-seeker and migrant communities, and the enhanced opportunities to access higher education.

Yet, these successes cannot disguise the reality that higher education in Northern Ireland is facing a funding crisis. Despite our achievements, we carry the burden of a £22.8 million financial shortfall this year, driven by rising costs and structural underfunding. To address this, we took the difficult decision to proceed with 295 voluntary severance exits. We owe our departing colleagues immense gratitude for their service to Queen's, and we wish them every success in the next stage of their lives and careers.

Northern Ireland remains the only part of the UK where student numbers are artificially constrained by the Maximum Student Numbers (MaSN) cap. This policy is unfairly limiting opportunities for young people here, forcing thousands to leave Northern Ireland each year to pursue higher education elsewhere

If we are to deliver on our mission and if Northern Ireland is to secure its future, there must be a sustainable funding model for higher education and an urgent review of the MaSN cap. Without this, the region will continue to export talent and import skills gaps, undermining the progress we have worked so hard to build.

At the same time, we must be alive to the opportunities and risks ahead. The rise of AI will reshape higher education, challenging us to rethink pedagogy, assessment, and research practice. At Queen's, we will embrace these changes responsibly, ensuring our students are equipped with the skills and values to thrive in a fast-changing world.

To all who make up our Queen's community - students, staff, alumni, partners, and supporters, I offer my heartfelt thanks. Together, we will secure the next chapter of Queen's as a university of impact, inclusion, and inspiration.

Professor Sir Ian Greer
President and Vice-Chancellor

MESSAGE FROM PRO-CHANCELLOR AND CHAIR OF SENATE

As we draw the curtain on 2024-25, Queen's University Belfast can reflect on a year in which we have excelled in our mission of advancing world-class research and education, strengthening civic leadership, and contributing to the prosperity and wellbeing of Northern Ireland and beyond. This year also marks the University's 180th anniversary – a moment to celebrate our proud history, but more importantly, to look forward with confidence and ambition.

I want to acknowledge the stewardship of my predecessor, Dr Stephen Kingon CBE, whose service as Chair of Senate leaves a strong foundation for the next chapter. I also wish to recognise Orla Corr Nixon OBE for her outstanding contribution as Pro-Chancellor over many years, and to place on record Senate's gratitude to Professor Sir Ian Greer for his leadership and work in advancing the University's mission and reputation.

Looking ahead, I am delighted to welcome two new Pro-Chancellors, Sue Gray and Dr Feargal McCormack, as well as new Lay Members, Anna Beggan and Lyle Watters. Their insight and experience will strengthen Senate's oversight and leadership at a critical time for the University and the sector.

At the heart of Queen's is our civic mission. We are an anchor institution supporting economic prosperity, advancing social progress and contributing to cultural life. But above all, our focus remains on people: on the students whose futures we help shape, and on the communities and societies our research seeks to serve.

The holistic student experience is central to everything we do. A Queen's education goes beyond the classroom, embedding civic values, creativity and complex reasoning into every graduate's journey. Our mission is to ensure that each student leaves Queen's not only with the skills and knowledge to succeed in their chosen field, but also with the confidence and resilience to make a positive impact in the world.

Our research too is making a tangible difference to people's lives, from pioneering advances in healthcare and the fight against disease, to new technologies transforming industry and innovation, to insights in the humanities and social sciences that help us understand our society and build peace. Queen's is not only producing knowledge but applying it to meet the great challenges of our time.

The challenges facing UK higher education are significant. Now, more than ever, we require a sustainable funding model to widen access and ensure that our universities can continue to deliver on their civic mission while competing on a global stage.

The opportunities before us are equally extraordinary. AI is already transforming how we work, learn and create. At Queen's, we are harnessing AI to accelerate discovery, improve healthcare and deepen understanding. Yet in a world dominated by speed, scale and metrics, we remain committed to those human skills such as creativity, civic awareness, and critical reasoning that cannot be automated, which define the very essence of a Queen's education.

Senate is proud of the achievements of our University, of the staff, students and alumni, and of the partnerships we continue to build locally, nationally and internationally. As we enter the next chapter of Strategy 2030, we do so with confidence, clarity of purpose, and a deep belief in the power of education and research to change lives.

This is an exciting and demanding time for Queen's. Senate will continue to provide challenge, support and leadership, as the University navigates both opportunity and uncertainty. I look forward to working with colleagues across the institution to ensure that Queen's remains a global university for the future, rooted in Northern Ireland but reaching the world.

Dr Len O'Hagan CBE DL DSc FIoD
Pro-Chancellor and Chair of Senate





MESSAGE FROM THE STUDENTS' UNION PRESIDENT

This year has been defined by powerful advocacy for our members and progress has been achieved through a strong partnership between the Students' Union and the University.

As I reflect on my time as President, I am incredibly proud of what the Students' Union has accomplished for every student at Queen's.

In response to the continuing cost of living challenges, we strengthened our partnership with the University, especially Queen's accommodation to expand our support package for students. We continued to support and expand the Pantry adding on the SU Swap Shop, providing students a financial lifeline while also promoting sustainability and a circular economy on campus.

Our voice on the national stage grew stronger than ever. We led the Russell Group Students' Unions in this year's focus on responsible investment and divestment, and we worked with the University to make history by becoming the first university in the UK and Ireland to implement a comprehensive ethical investment roadmap.

Furthermore, our collective lobbying helped secure an increase in maintenance loans for Northern Ireland students and we lobbied Stormont on the need to reform the tuition fee system in NI.

Wellbeing continued to be a cornerstone of our work. The groundbreaking Drug and Alcohol Impact programme is transforming our approach to harm reduction, while our new Social Prescribing Coordinator continues to put the Students' Union front and centre when it comes to early intervention in tackling isolation and loneliness.

In a similar vein we worked with the University to redevelop and enhance the University welcome programme, making sure new students feel supported as they transition to their new life.

We also supplied the largest freshers events the University has ever had, with more students than ever getting involved in over 260 clubs and societies. We championed inclusivity, helping Queen's to become a University of Sanctuary, and celebrated our diverse community through vibrant cultural events.

We have worked with the University to create the best academic environment that we can for our members. We worked to standardise lecture recording and redesign the academic year to work better for staff and students. We also enhanced our Course, School, and Faculty rep system to allow students to give more effective feedback to their lecturers.

Towards the end of the year, we also laid the groundwork for a revolutionary student housing co-operative - one of the few in the UK and the first in Northern Ireland. In partnership with the University, we have delivered lasting change that will enhance the student experience for years to come.

Our hard work was reflected in our rankings with the Students' Union ranked No. 1 SU in the UK (Whatuni Awards), 2nd Best SU in the UK (Student Crowd 2024) and No. 1 Students' Union (International Student Barometer).

Kieran Minto
Students' Union President, 2024-25

MOMENTS OF THE YEAR



GROUNDBREAKING CAMPUS

As one renovation project reaches completion in August 2024 with the opening of Reboot gaming café on Lisburn Road, construction begins with the sod-cut of new Passivhaus eco-accommodation on Dublin Road. And in February 2025, Queen's becomes the first Russell Group university to establish a campus in India's GIFT City.



POLITICAL PROWESS

In September 2024, Queen's and Northern Ireland Chamber jointly host an event at the Labour Party conference focussing on the future of the Northern Ireland economy. In October, Queen's Centre for Public Policy and Administration launched to strengthen relationships with policymakers, and the University takes its world-leading research to governments in Stormont and the Dáil, highlighting its real-life impact for citizens in each jurisdiction.



ECONOMIC IMPACT

In November 2024, Queen's hosted the Global Federation of Competitiveness Council's annual Global Innovation Summit. Over three days, leaders from business, politics, and academia joined students and start-ups to explore Accelerating Global Sustainability and Economic Inclusion. In July 2025, Queen's Business School convened some of the world's top business minds for an Economic Forum on how AI could boost Northern Ireland as a global economic powerhouse.



PROMOTING PEACE

Chancellor Emeritus Senator George J Mitchell returns to campus, fostering a lasting legacy of peace amongst young people - meeting with first 'peace baby' Erin McArdle in September 2024 and 'passing the torch' to Sixth Form pupils in April 2025.



WOMEN IN LEADERSHIP

As part of Queen's Gender Initiative, Queen's first female Chancellor, Secretary Hillary Rodham Clinton, hosted a Women in Leadership event in November 2024, celebrating and empowering women in leadership roles, and exploring the challenges and opportunities faced by women in leadership positions on a local and global scale.



SPORTING SUCCESSES

Queen's Athletics Club marked its 150-year anniversary in September 2024, whilst the Vice Chancellor celebrated Queen's students and alumni returning from Paris Olympics and those leading Armagh GAA to become All Ireland champions. The University also played host to the Ladies GAA O'Connor Cup competition in March 2025.



EDUCATIONAL OUTCOMES

The Department for the Economy sign up to Northern Ireland's first Educational Outcomes Agreement in October 2024, aligning the ways higher education can make a positive impact on the region with government priorities.



CIVIC AND COMMUNITY COMMITMENT

Queen's became Northern Ireland's first University of Sanctuary in May 2025, recognising its inclusive culture and support for refugee, asylum-seeking, and migrant communities. That same month, the Queen's Communities and Place (QCAP) initiative secured €6.8m (£5.7m) in PEACEPLUS funding for a community research project using digital interventions to support people affected by substance use and mental health challenges.



AWARDS AND RECOGNITION

In January 2025, Queen's received the NNECL (National Network for the Education of Care Leavers) Award for its extensive support for students with experience of care. In May, the University also achieved 'Ambassador' status - the highest tier - in Belfast City Council's Belfast Business Promise, recognising its commitment to equality, inclusivity, civic engagement, and sustainability.



HONORARY GRADS

DJ Annie Mac, writer Anne Devlin, former Taoiseach Enda Kenny, and rugby star Iain Henderson were amongst those who received Honorary degrees for outstanding contributions in their fields.



EFFECTIVE GOVERNANCE

Queen's appointed new members to its Senate Governing Body in July 2025, including Baroness Sue Gray and Dr Feargal McCormack as Pro-Chancellors.



HEALTH AND SOCIAL IMPACT

In December 2024, Economy Minister Conor Murphy launched the £55 million Future Medicines Institute (FMI) at Queen's University. The industry-led collaboration, supported by leading academics from Queen's and Ulster University, will drive innovation and productivity in precision medicine - accelerating the development of new drugs and diagnostics while strengthening Northern Ireland's global reputation in health innovation and economic growth.

OVERVIEW OF THE UNIVERSITY

1 August 2024 – 31 July 2025

Queen's University Belfast is a leading university across the island of Ireland, a member of the Russell Group and is ranked in the top 200 universities in the world (QS World Rankings 2026).

Celebrating our 180th anniversary, this academic year has been a significant period to reflect on our distinguished heritage and history, whilst also maintaining focus on our future impact locally and globally.

Since 1845, Queen's University Belfast has been at the heart of progress, transforming lives through education, research, and innovation, with a student-focused approach and a strong commitment to civic and social responsibility.

Queen's is the ninth oldest university in the UK and is pivotal to Northern Ireland's social and economic development, and in shaping the world we live in.

Queen's students benefit from a world leading education and experience, with the University ranked **ninth in the UK for Graduate Prospects** (Complete University Guide 2026) and **Queen's Students' Union ranked number one in the UK** (Whatuni Student Choice Awards 2025).

The University has continued to grow its global reputation for delivering research with real impact and acting as a trusted strategic partner to government, business and civic society.

Queen's now ranks among the **top 14% of universities worldwide** in the **QS World University Rankings 2026**, with **21 subjects placed in the global top 200** (QS World University Rankings 2025).

In the **Times Higher Education World University Rankings 2025**, Queen's was listed **fifth in the world for international outlook** and **117th for research quality**, underscoring our global reach and research excellence. Further cementing this, the **Research Excellence Framework (REF 2021)** confirmed that **over 99% of our research environment** and **88% of our research outputs are world-leading or internationally excellent.**

We have strong partnerships and collaborative networks across the globe including America, China, India, the Middle East and Asia, and are placed in the **top 20 universities across Europe for international faculty** (2025 QS Europe University Rankings).

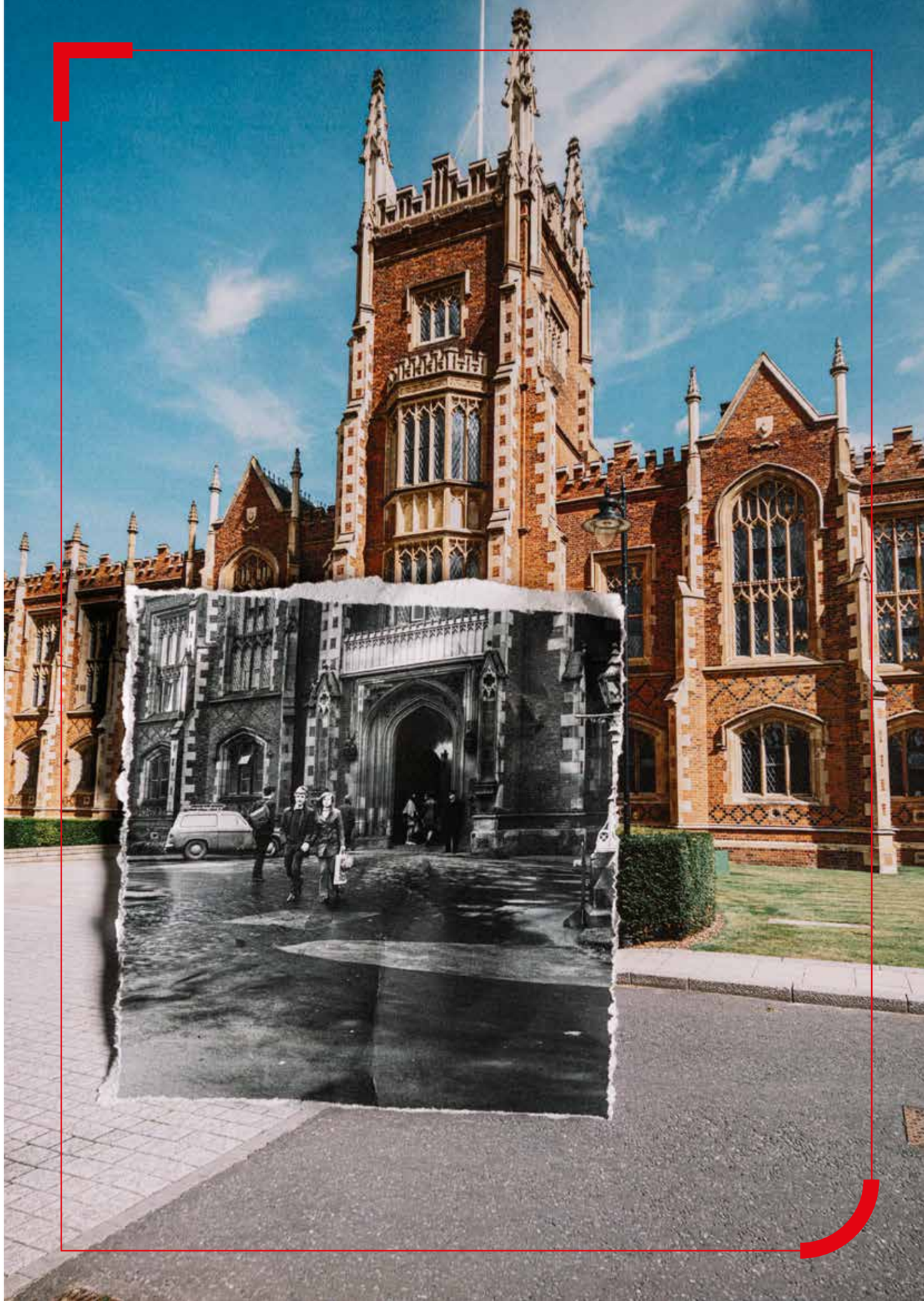
Locally, we make significant contributions across society by offering young people from diverse backgrounds the opportunity to realise their potential, while also ensuring that our graduates are equipped with the skills and knowledge required to meet the evolving needs of our communities.

We are a key player in the Belfast Region City Deal (BRCD), accelerating economic growth and ensuring a talent pipeline of fully equipped, future ready graduates to meet demand.

Our economic impact extends across the UK, with a London Economics Report estimating the **total impact** of our activities at over **£3.35 billion per annum**.

Our **research and knowledge** exchange activities account for approximately **£1.5 billion**; **teaching and learning £1.05 billion**; and **educational exports £371m**.

The impact generated by **Queen's operating and capital expenditure stands at £434m**.





OUR COMMUNITY

STUDENTS

With over **26,000 students** from more than **120 countries**, our diverse student body makes a rich and exciting contribution to campus life.

COLLEAGUES

We have over **4,500 members of staff** from almost **100 countries** helping to ensure that diversity and inclusion are embedded into all elements of our work and activities.

ALUMNI

We maintain lifelong relationships with **230,000 Queen's Graduates** from more than **150 countries**, keeping our global Queen's community connected.

QUEEN'S COMMUNITY

OUR CITY BELFAST

Queen's is committed to the community, and we are proud of the contribution our students make, with over **18,500 students** involved in volunteering, clubs and societies through the Students' Union.

There are **244 active Clubs & Societies.**

PARTNER ORGANISATIONS

We work in partnership with business, government, community and education sectors, including universities in the UK and around the world. These include the Mohammed Bin Rashid University of Medicine and Health Sciences; Northeastern University; University of North Carolina at Chapel Hill; Belmonth University; Queen's Joint College, China Medical University; and Borys Grinchenko Kyiv Metropolitan University and Shupyk National Healthcare University as part of the UUKi's UK-Ukraine Twinning Initiative.

FUNDERS, REGULATORS AND THE PUBLIC

The University is registered with the Charity Commission for Northern Ireland, and through Senate, is aware of its responsibilities, as a charity, to act for the public benefit across all of its activities.

STRATEGY 2030

Strategy 2030 sets out our 10-year ambition to shape a better world through life-changing education and research. We will generate internationally-leading research with outstanding teaching and learning, focused on the needs of our society, locally and globally. Our ambition for 2030:

01

A GLOBAL UNIVERSITY

From our hub in Belfast we will build partnerships and collaborations across the globe, attracting the brightest and the best, being known for our exceptional record in diversity, inclusion and sustainability.

02

SCALE NEW HEIGHTS

Climbing the Global league tables and ranked in the top 175 in the world.

03

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

That inspires and delivers the global citizens of tomorrow with flexible and broad-based learning opportunities that are lifelong, coupled with outstanding support.

04

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

A University known for research of the highest quality, with impact and exceptional translation into strong partnerships with industry and business.

05

A GREAT PLACE TO WORK

A leading employer for equality, diversity and inclusion with an organisational culture that supports and empowers staff to be the best.

06

AN ANCHOR INSTITUTION

An anchor Institution in Northern Ireland that takes pride in social and civic responsibility, supporting progressive social change and economic growth in an environmentally sustainable way.

07

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

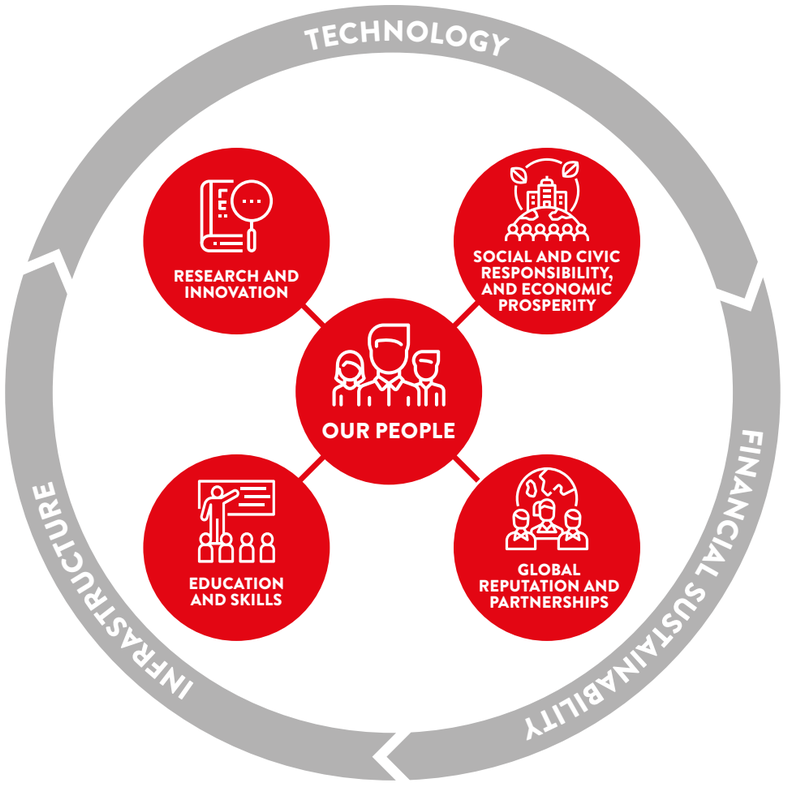
A University that is financially sustainable, with the capacity to invest and deliver the best opportunities for students, staff and society in a changing world.

REALISING OUR VISION

We will realise our vision by focusing on four strategic pillars:

- **Education and Skills**
- **Research and Innovation**
- **Global Reputation and Partnerships**
- **Social and Civic Responsibility, and Economic Prosperity**

These are underpinned by Operational Excellence through our people, technology, infrastructure and financial sustainability.



STRATEGIC PILLAR
EDUCATION AND SKILLS

A Queen's education enables every student to thrive, personally, academically, and professionally.

Our mission empowers all students through transformative learning and future-ready skills. Student success lies at the heart of Strategy 2030, shaping how we educate, innovate, and engage globally.

Education and skills at Queen's evolve to meet global change. At Queen's, education and skills are where inclusive, research-led teaching meets innovation in digital and AI; where partnership drives belonging and wellbeing; and where education translates into opportunity, impact, and leadership. This realises our ambition to be globally recognised for educational excellence.

Transformative Student Experiences

Student success drives everything we do. Our approach follows the student journey, ensuring every learner feels supported and empowered. Through the lenses of Welcome and Transitions, Belonging, and Student Voice, we reimagined how our students experience Queen's, creating the conditions for them to thrive.

Working with students, we redesigned the academic year to support success, reshaping assessment, feedback, and reflection for clearer expectations, improved pacing, and stronger wellbeing.

Our One Elmwood Student Centre is home to the Queen's Students' Union, named the UK's No. 1 Students' Union 2025 (WhatUni? Student Choice Awards). One Elmwood anchors an integrated student support ecosystem with the Student Information Point providing seamless, triaged support across academic, wellbeing, and personal needs.



A renewed Welcome, co-designed with the Students' Union, engaged over 2,700 students in its pilot year and will expand further in 2025–26. Student positivity rose to 83%, surpassing the Russell Group average, with five subjects achieving 100% satisfaction. The Student Information Point handled over 22,000 interactions in 2024–25, ensuring every query finds a resolution.

A strong sense of Belonging is nurtured through social prescribing, inclusive sport and recreation engaging over 18,500 participants, and targeted support for key student groups. This year we became Northern Ireland's first university to receive the NNECL Quality Mark, recognising our commitment to care-experienced and estranged students.

Our students are partners in shaping their education. The new Student-Staff Partnership Framework and platforms such as 'Student Voice Online' give every learner the opportunity to influence decisions and co-design solutions. Innovative 'Reverse Mentoring' builds understanding between students and leaders, ensuring our strategy reflects lived experience.

#1
Students' Union in the UK
WhatUni? Student Choice awards 2025

93%
of graduates in employment or further study within 15 months
HESA Graduate Outcomes 2022-23

Education for the Future

Our Education and Skills Strategy drives a University-wide transformation of curricula, assessment, and learning design. Across all Faculties, we are embedding inclusive design, authentic assessment, and flexible delivery that prepare students for the future of work and lifelong learning.

Investment in digital and AI-enhanced education has accelerated. The Queen's DigiHub and AI Hub (visited 456,000+ times) build digital fluency across staff and students. AI tools such as AskAVA and tailored chatbots are reshaping assessment support and guidance, making Queen's a UK leader in the responsible use of AI in education.

Participation in Jisc projects (the higher education equivalent to "NHS digital") places Queen's at the forefront of the national conversation on flexible, inclusive learning. Using Universal Design for Learning, we ensure every student can achieve their learning goals.

These efforts have seen 93% of our graduates progress to employment or further study within 15 months, placing Queen's 9th in the UK for graduate prospects (Times and Sunday Times and Complete University Guide 2026). The Education for the Future framework now underpins curriculum reform, improving feedback consistency, while the Assessment Support Hub recorded 63,000 visits, demonstrating engagement and transparency.



Institute of Excellence

Queen's is shaping its own future and the future of higher education in Northern Ireland and beyond. We now offer 146 professionally accredited programmes across disciplines. In 2024–25, seven Schools secured new or renewed accreditations, including AACSB and UNPRME recognition for Queen's Business School.

Our educators are at the core of excellence. Over 65% of academic staff hold Advance HE Fellowships, placing Queen's above sector and Russell Group averages. Two academics, Dr Kevin Morgan and Dr Garry Mitchell, received National Teaching Fellowships for exceptional impact on student outcomes this year.

Building on this foundation, we have launched the Global Institute for Educational Excellence, the Queen's Merit Award, and new Teaching Excellence Awards, recognising over 200 colleagues for innovation, collaboration, and student impact.

Through the Belfast Region City Deal Innovation Centres – AMIC, iREACH Health, and Momentum One Zero – Queen's drives skills development, research translation, and inclusive economic growth. Our Expansion of Higher-Level Apprenticeships, Executive Education, and micro-credentials centres Queen's in regional productivity and the global skills economy.

Ranked
9th
IN THE UK
for graduate prospects
Times and Sunday Times Good University Guide 2026 and the Complete University Guide 2026

Looking Ahead

Our collective purpose is clear: to ensure every Queen's student reaches their potential and every staff member is empowered to innovate and excel.

Education at Queen's extends beyond classrooms and labs – it is the foundation of social mobility, civic engagement, and global leadership. Through Strategy 2030, we are shaping the next generation of ideas, skills, and citizens who will drive progress and positive change in the decades ahead.

STRATEGIC PILLAR
RESEARCH AND INNOVATION

We are enhancing research culture and enabling high-quality, impactful research with integrity for real societal benefit.



Queen's representatives at the WE Innovate 2025 Grand Final

In 2024-25, we have achieved significant progress across research and innovation, delivering against priority actions and strengthening our position within a rapidly evolving global landscape.

We are enjoying continued momentum in our research and innovation work, with a strong performance across all measures of quality, funding and impact. Competitive research awards rose to £124.6m, exceeding our annual target and extending a five-year trajectory of growth. UKRI funding reached its highest level in recent years at £76.9m, representing 62 per cent of total awards, while industry-led awards totalled £38.8m, 13 per cent above a three-year average. Our global research quality and impact also advanced, reflected in rising positions in the QS World University Rankings 'Citations per Faculty' indicator (from 345th to 304th) and Times Higher Education World University Rankings 'Research Quality' score (from 117th to 105th).

Our people remain central to this success. We secured multiple doctoral training programmes including a £7m award to establish NILAB – a Queen's-led project to drive better health outcomes and bolster our local economy with AI, which will provide 60 PhD studentships over the next five years. We again had significant success in external Fellowship Schemes including prestigious UKRI Future Leaders and Leverhulme Trust fellowships.

This year, we developed a new institutional Research Culture Roadmap, building on the 2021–24 Action Plan, reinforcing our commitment to inclusivity, integrity and excellence across our thriving research community.

Our collaborative ethos continues to underpin our approach. We have supported a portfolio of Horizon Europe applications, securing 12 new awards worth €6m. Our all-island partnerships grew further with 10 PEACEPLUS (€20m) and three North–South Research Programme (£3.6m) awards, administered by the Higher Education Authority. The Personal and Public Involvement (PPI) Network expanded to 170 members, with new seed funding enabling further engagement and co-production of research. These achievements highlight the strength of Queen's partnerships locally, nationally and internationally.

Ranked
NUMBER 2 UNIVERSITY IN THE UK
for entrepreneurial impact

Octopus Ventures Rankings

Industry collaboration remained a core driver of impact. We launched the Future Medicines Institute, a £55m collaborative initiative advancing precision medicine in Northern Ireland. We also delivered the Collaborative Studentship Scheme, enabling more than 40 postgraduate researchers to work directly with business partners, while continuing to be one of the UK's leading knowledge base partners with around 30 active Knowledge Transfer Partnerships (KTPs), supporting businesses across Northern Ireland by providing high skilled jobs for graduates. We secured more than £900,000 in competitive Impact Acceleration Account funding to deliver a diverse portfolio of initiatives aimed at enhancing research impact. In addition, we supported projects through the Net Zero Accelerator, funded through the Higher Education Innovation Fund, to drive innovation in sustainability and low-carbon solutions.



QUBIS CEO Brian McCaul outside No. 10 Downing Street with Dr Darragh McArt, Founder and CEO of Sonrai (Queen's spinout and QUBIS portfolio company).

Queen's continues to stand out as a leader in innovation and entrepreneurship, retaining its position as the UK's second most entrepreneurial university, as recognised by Octopus Ventures. We were also named among the top 10 universities for spinouts in a recent report by the Royal Academy of Engineering and Beauhurst, ranking first in Northern Ireland.

This success is underpinned by the strongest innovation pipeline in our history, with 88 inventions disclosed in a single year – the highest number ever recorded. Queen's also achieved a 100 per cent success rate in UKRI Proof of Concept projects, further evidence of both the strength of our research base and our ability to translate cutting-edge ideas into commercial opportunities.

Our innovation excellence is gaining national attention. At 10 Downing Street, QUBIS CEO Brian McCaul joined leading university tech transfer offices and investors to advocate for investment to enable world-class innovation from devolved nations for global impact.

That global impact is already being realised. Re-Vana Therapeutics, a Queen's spinout, secured a landmark $1 billion partnership with Boehringer Ingelheim to advance long-acting treatments for eye diseases. This transformative deal showcases the commercial power of Queen's research, the strength of Northern Ireland's life sciences sector and our capacity to deliver innovation with worldwide reach.

Through these achievements, we are strengthening our reputation as a research-intensive university delivering world-class discovery, innovation and enterprise. Our work continues to be guided by Strategy 2030 – nurturing talent, enhancing research quality and maximising impact for the benefit of society and the economy.

£124.6m
in research awards

Ranked
105 in the world
for research quality

Times Higher Education World University Rankings 2026

STRATEGIC PILLAR GLOBAL REPUTATION AND PARTNERSHIPS

In 2024-25, a rapidly evolving global higher education landscape further underscored the importance of a strong international profile and strategic partnerships to sustain our success.

In the latest Quacquarelli Symonds (QS) World University Rankings, Queen's was confirmed in the top 200 universities worldwide. This major ranking success firmly positions Queen's as one of the leading universities in the world and will underpin enhanced performance in student recruitment and partnership development.

In addition, an impressive 21 subject areas also achieved a global Top 200 ranking, with four of these in the Top 100 – demonstrating our world-class subject-specific expertise.

Strategic global partnerships continued to strengthen Queen's international impact through education, research, mobility and innovation, including:

- A strengthened strategic partnership with Northeastern University through a two-year MoU, expanding the Northeastern University programme and growing enrolments by 20%+ annually.
- A deepened collaboration with University of North Carolina at Chapel Hill in education, research and student mobility across multiple disciplines.
- Celebrating 10 years of China Queen's College, with 600+ current students and plans to expand programmes and enrolment.
- Advanced China partnerships through inbound/outbound delegations, including China University of Political Science and Law and Hunan Normal University, building new education initiatives.
- Sustained UK–Ukraine collaboration with Borys Grinchenko Kyiv Metropolitan University and Shupyk National Healthcare University of Ukraine through the Twinning Initiative, supporting research and joint programmes.



Students from Northeastern University who spent a semester at Queen's.

- Expanded strategic ties with Narxoz University in Kazakhstan, including student mobility and founding membership of the Kazakhstan Council of Strategic Partners.
- Strengthened partnership with British University in Egypt through transnational education (TNE) projects, joint workshops, and new collaborations in medicine and engineering.

Institutional partnerships play a vital role in enhancing our global reputation and the University is committed to nurturing and developing deep strategic partnerships with other world-leading universities across education and research.

To spearhead this work, the University established a central International Partnerships team that will co-ordinate our partnership activity across all three Faculties. This investment is a key part of our international strategy going forward and will set the foundations for a vibrant and productive partnership portfolio for the future.

Ranked in the **Top 200 universities worldwide**

QS World Rankings 2026

India

A key factor in Queen's international success over recent years has been the development of strong links with India.



Artist's impression of the GIFT City campus, which will open in January 2026.

In 2019, the University took a strategic decision to invest in the India market, developing a thriving network of institutional and commercial partners. This has resulted in the number of Indian students studying at Queen's more than trebling - growing from 230 in 2019-20 to nearly 800 in 2024-25.

Keen to nurture and develop the growing number of alumni and industry networks in India, in 2024-25, the University chose to invest in the establishment of a dedicated graduate employment service in the country. This first-of-its-kind service in the UK sector provides Queen's graduates with tailored support for their career and providing access to a network of over 500 Indian employers seeking to recruit Queen's graduates.

The University's success in establishing such a strong presence in the country has underpinned the recent establishment of a branch campus in Gujarat International Finance Tec-City (GIFT City), the first UK university and the only Russell Group member to do so.

The GIFT City campus will open in January 2026 and represents one of the most significant Trans National Education (TNE) projects undertaken by a UK institution on the sub-continent.

As well as expanding the University's student population and providing local access to a world-class UK education, the campus will also be the vehicle for stronger partnerships with local industry and academic research partners, further strengthening the bonds between Queen's and Northern Ireland with one of the world's largest and fastest growing economies.

International Student Recruitment

Despite challenges for the UK sector in terms of international student recruitment, Queen's continued to perform well in 2024-25, attracting over 3,800 international students to study in Belfast from over 110 countries across the world.

Students from South Asia (India, Bangladesh, Nepal) remained our largest source market, comprising nearly a quarter of these students with over 500 students also choosing to study with us from each of Southeast Asia, China and Hong Kong and North America.

Our international cohort is well balanced with approximately half of our international students pursuing undergraduate or study abroad programmes with a similar number on postgraduate programmes.

STRATEGIC PILLAR SOCIAL AND CIVIC RESPONSIBILITY, AND ECONOMIC PROSPERITY



Celebrating our University of Sanctuary Award.

This year has been a defining chapter in Queen's ongoing commitment to our civic mission. Building on last year's pledge to become a Civic University, we have continued to strengthen our collaboration with community partners to drive positive change. Over the past year, we've reinforced our position as a trusted anchor institution, deepened existing partnerships, and broadened our impact both locally and across the globe.

In May 2025, Queen's was officially recognised as a University of Sanctuary, the first in Northern Ireland, joining some 40 institutions across the UK and just eight others on the island of Ireland. This recognition represents a significant step forward in our commitment to inclusion and diversity. It reflects our values as a University committed to providing a welcoming and supportive environment for all, including those seeking sanctuary. We value the knowledge and experiences of refugee, asylum-seeking, and migrant communities and incorporate their perspectives to shape our work, inform our vision, and strengthen our inclusive culture.

Continued collaborations with partners such as the Market Development Association, Forward South Partnership, Greater Shankill Partnership, Foróige and RCITY have helped us to make meaningful progress toward turning our Civic University vision into reality.

Our work to widen access to education was recognised in January 2025 when we became the first higher education institution in Northern Ireland to be awarded the National Network for the Education of Care Leavers (NNECL) Quality Mark, acknowledging our tailored and holistic support for students with experience of care. This support includes year-round accommodation, financial support, academic guidance and prioritised work placements.

In April 2025, we welcomed Chancellor Emeritus Senator George J Mitchell back to campus for a special 'Passing the Torch' event in Queen's Whitla Hall. Over 600 young people and political leaders gathered to hear from a panel of students on how their voices can shape the future. The event, designed to inspire the next generation of peacebuilders, highlighted the vital role of education, inclusivity and civic engagement in sustaining democracy, and positioned Queen's as a key convener in these critical discussions.

Queen's is leading the transition to a net zero society in Northern Ireland. Our ambitious Net Zero Plan, launched last year, outlines our commitment to achieving net zero greenhouse gas emissions by 2040, and builds on our strong foundation of world-leading research, education and civic engagement in sustainability. This year, we reached a significant milestone by becoming the first, and only, university in the UK to be awarded a Sustainability Tracking, Assessment & Rating System (STARS) GOLD rating. This landmark achievement recognises our deep institutional commitment to sustainability across all areas of university life.

Queen's continues to play a central role in driving economic development across Northern Ireland and beyond, with our estimated annual economic impact exceeding £3.35 billion (London Economics, 2025). In July 2025, we helped place Northern Ireland at the centre of the global AI conversation by hosting a high-level Economic Forum. The event brought together over 100 senior leaders from investment, technology, and public policy to explore the opportunities and challenges of the AI-driven economy, reinforcing Queen's position as a strategic facilitator of global expertise and innovation.

In November 2024, Queen's proudly hosted the 2024 Global Innovation Summit and the annual conference of the Global Federation of Competitiveness Councils (GFCC), welcoming over 1,000 international delegates. These landmark events united world-leading voices from industry, academia, and government to address urgent global themes of sustainability and economic inclusion – areas closely aligned with our Net Zero Plan and civic mission.

By holding these conversations, Queen's, and Northern Ireland more broadly, was positioned at the heart of global dialogue, reinforcing our role as a hub for thought leadership and meaningful change. We continue to provide space for bold ideas and difficult discussions, supporting the exchange of knowledge that drives innovation and societal progress.

Contributes more than

£3.35 BILLION TO THE UK ECONOMY

London Economics Report

Queen's is driving long-term economic and social impact through the Belfast Region City Deal (BRCD), leading three major Innovation Centres – Advanced Manufacturing Innovation Centre (AMIC), iREACH Health and Momentum One Zero – to deliver research aligned to industry needs, create over 4,000 jobs, boost GDP by £4.6 billion, and position Northern Ireland as a leader in advanced manufacturing, clinical trials and digital innovation. All three centres have progressed from planning into business delivery. AMIC is strengthening Northern Ireland's manufacturing ecosystem ahead of its 2026 completion, while iREACH Health construction is underway and is already attracting clinical trial partners. Momentum One Zero – transforming Northern Ireland's digital economy by substantially increasing digital innovation in the region – is set to break ground in 2025, and has secured major investment to support digital and AI innovation.

As an anchor institution, we are proud to drive civic and economic development, provide leadership on the global stage, and remain committed to delivering inclusive, impactful change for Northern Ireland and beyond.



Professor Brian Cox speaking at the Global Federation of Competitiveness Councils (GFCC) annual conference.

OPERATIONAL EXCELLENCE

People



The Staff Excellence Awards celebrate the high standards achieved by Queen's employees

During the academic year, Queen's University continued to deliver on its People and Culture priorities, with focused activity across organisational culture, employee listening and recognition.

We remain committed to strengthening our sector-leading reputation in Equality, Diversity, Inclusion (EDI) and Staff Wellbeing. In support of this, we launched a new three-year Staff Health and Wellbeing Plan and are currently developing a revision of our EDI Strategy and Framework. This includes re-affirming our commitment to inclusive workplace policies and targeted training interventions to drive meaningful change for staff, students, and researchers across campus in 2026 and beyond.

In response to financial challenges, including student funding constraints, the University introduced a Voluntary Severance Scheme (VSS) in February 2025. The scheme was designed to reduce recurrent costs and improve organisational efficiency, while offering eligible staff the opportunity to leave the University voluntarily. The programme was successfully delivered, resulting in 295 staff exits, the majority of which were completed by 31 July 2025. This initiative supported the University's commitment to return to a break-even operating position and enable continued strategic investment in staff and students.

Throughout the VSS period, the Staff Forum played a vital role in supporting staff engagement. Meeting fortnightly, the Forum provided a space for staff to have a conversation with senior leaders to raise and resolve concerns. It also served as a channel for leadership to share updates and seek real-time feedback on planned changes. The Forum continues to ensure that all staff have a representative voice, contributing to meaningful dialogue on workplace issues.

As part of our evolving Total Reward Offering, a proposal to introduce an Electric Vehicle (EV) salary sacrifice scheme was approved. This initiative will allow employees to lease EVs or hybrid vehicles through salary deductions and supports Queen's sustainability agenda, reinforcing our commitment to environmental, social, and economic resilience.

Staff contributions were celebrated throughout the year via a range of recognition initiatives. Through the Performance Awards, Recognition Awards, and Staff Excellence Awards, over 2,000 awards were issued, celebrating everyday excellence and honouring outstanding individuals and teams aligned with our core values.

Over
2,000
staff awards were issued throughout the academic year.

Technology

2024-25 saw the development of a comprehensive digital transformation strategy, aligned with our institutional ambitions as articulated in Strategy 2030.

This forward-thinking approach ensures that every aspect of our digital agenda is underpinned by the University's overarching strategic goals, driving innovation, enhancing operational excellence, and empowering our students, staff, and researchers to succeed in an increasingly digital world.

The Applicant Management System (AMS) has been instrumental in transforming the postgraduate application journey, delivering significant improvements in efficiency and transparency for both applicants and administrative staff.

By digitising and automating key elements of the admissions process, the system has reduced processing times, minimised paperwork, and enhanced communication between prospective students and university departments.

Its positive impact is further reflected in consistently high applicant-satisfaction scores and a notable increase in postgraduate application numbers. In recognition of its innovative approach and outstanding contribution to the University, the AMS was honoured with an Innovation Award at the University's Staff Excellence Awards, cementing the team's reputation as a leader in technology-driven student services.

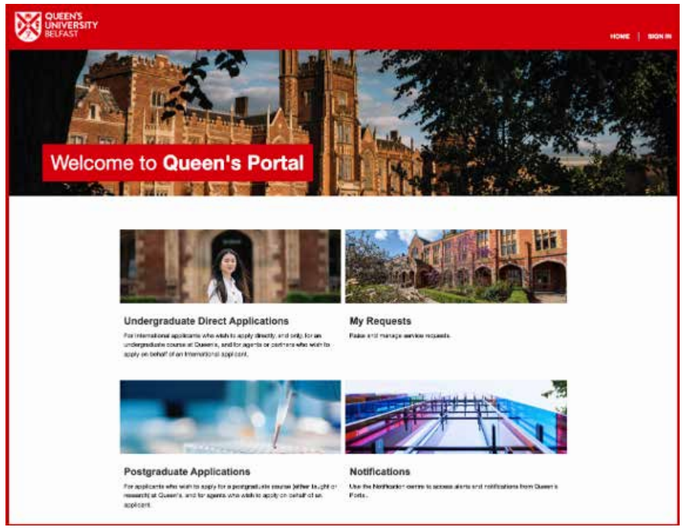
Our commitment to cloud infrastructure remains a cornerstone of our technological advancement, providing a solid framework for our hybrid cloud environment. This strategy offers greater flexibility and scalability, positioning us to better meet the diverse needs of our academic and research communities.

The MyQueens portal has further enhanced Student Administrative Processes by allowing students to efficiently manage exceptional circumstances, submit queries, and access official documentation. This centralised system has greatly reduced administrative overhead, minimised manual interventions and significantly improved the efficiency of student engagement throughout the University.

During 2024–25, Digital and Information Services has enhanced our cyber-security measures to ensure the safety of sensitive, personal information for students and staff, while also protecting our pioneering research initiatives.

To support adaptable learning, we are upgrading lecture-capture systems with AI features like real-time transcription, smart content indexing, and personalised study recommendations. This enhances flexibility and customisation for students.

We will continue to invest in teaching, learning and research, data, AI, cloud, and cyber resilience as part of our digital strategy. Queen's aims to lead change by equipping our community to thrive in the digital era through innovation and operational excellence.



The MyQueens Portal has streamlined admin processes for students

OPERATIONAL EXCELLENCE

Infrastructure

Significant progress has continued across Queen's University's infrastructure portfolio, with major developments under the Belfast Region City Deal (BRCD) entering full delivery phase. All three flagship projects - AMIC, iREACH Health, and Momentum One Zero - have now secured full business-case approval and are actively on-site:

- AMIC's Factory of the Future, located at Global Point in Newtownabbey, is a cornerstone for advanced manufacturing innovation and is scheduled for completion in Spring 2026.
- iREACH Health, a transformative clinical research centre spanning both sides of the Lisburn Road in Belfast, continues to progress, with completion forecast for Q2 2027.
- Momentum One Zero, Queen's global innovation centre for advanced digital technologies at Titanic Quarter, began construction on expanded facilities in September 2025, targeting completion in Q4 2027.

In addition to BRCD projects, Queen's has commenced construction of Weavers Hall, a purpose-built student accommodation development. Designed to Passivhaus standards, it sets a new benchmark for sustainable living and is the largest of its kind in the island of Ireland, reinforcing the University's commitment to environmental performance and student wellbeing.

Further infrastructure enhancements delivered during the year include:

- Completion of a 500-seat lecture theatre at Elmwood Hall, expanding teaching capacity in a landmark venue.
- A wide range of infrastructure upgrades and end-of-life plant replacements, improving operational resilience.
- Installation of coloured lighting at the front of the Lanyon Building, enhancing the visual impact of the campus's architectural heritage.
- Deployment of photovoltaic (PV) panels across the main site, supporting Queen's net zero ambitions.
- Upgrades to the EV charging infrastructure, enabling broader access to sustainable transport options for staff, students, and visitors.

These developments reflect Queen's continued investment in future-proofing its estate, aligning with the University's strategic priorities around innovation, sustainability, and community impact.

Financial Sustainability

Financial sustainability is a key tenet of our Strategy 2030. A detailed analysis of the University's financial performance for 2024-25 is set out in the Consolidated Financial Review.



SUSTAINABILITY AT QUEEN'S

As the University recognises 180 years of progress, transformation and impact, Queen's continues to view sustainability as a key priority area of action. Over the last number of years, our community is facing key, sustainability-related challenges – heat waves, cost of living crises, discrimination – meaning our commitment to sustainability has never been more important.

The University continues to perform well in sustainability, consistently building on past achievements and striving for even greater impact.

Our Net Zero Plan launched in 2023, commits us to achieve Net Zero emissions by 2040. This goal aligns with our ongoing Strategy 2030, which aims to embed the Sustainable Development Goals (SDGs) across our teaching, research, engagement, and operations.

In the Times Higher Education Impact Rankings 2025, the University was placed first in the UK and in the Top 15 globally for Sustainable Development Goal 14: Life Below Water. Overall, the University was ranked in the Top 80, globally.

In the QS World University Sustainability Rankings 2025 the University also ranked in the top 100; at 67 globally.

Sustainability in Campus Activities

As part of our Net Zero Plan, we have increased our on-site renewable-electricity generation, by installing new solar photovoltaics (PVs) in 2025 with a combined capacity of 84 kW, generating around 70,000 kWh annually and reducing imports from the National Grid.

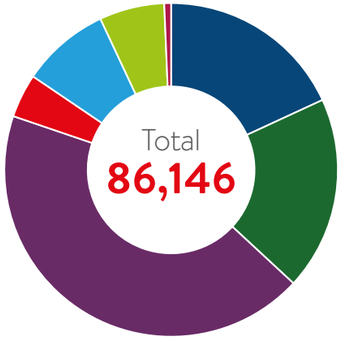
In October 2024, the Belfast Lord Mayor Councillor Micky Murray and Infrastructure Minister John O'Dowd visited Queen's to launch three on-campus cycle-parking facilities at a 'Transforming Travel Through Partnership' event. The new facilities provide secure parking for 80 bicycles, e-bike charging, and parking for non-standard cycles, promoting active travel, health and wellbeing. The University is committed to embedding sustainability in procurement to enhance the social value of its supply chain and support the delivery of our Net Zero 2040 target. Key initiatives introduced during 2024-25 include updates to the Supply Chain Code of Conduct, new sustainability criteria in contracts, and supplier sustainability plans, with a focus on high impact areas such as construction, IT, and laboratories. A new staff sustainability engagement programme was launched in November 2024, the Local Sustainability Action Plan (LSAP) Programme. LSAP enables Schools and Directorates to understand their environmental impacts and develop bespoke plans to reduce emissions, contributing directly to Queen's journey to Net Zero. The University has embedded circular-economy principles across various campus activities. In the 2024-25 year, this included the opening of the SU Swap Shop, the launch of a lab repair fund to encourage the repair and reuse of laboratory equipment, and the first university on-site Repair Café in partnership with Carryduff Repair Café.

Laboratories remain a major carbon focus, through the Laboratory Efficiency Assessment Framework (LEAF) and GreenDiSc, 65 labs (covering 170 spaces) were accredited in 2024-25, improving waste management, energy efficiency, and procurement.

In 2023-24 the University continued to make good progress against our carbon reduction targets, achieving a 29% reduction in our scope 1 and 2 carbon emissions against our 2018-19 baseline. Our scope 3 indirect emissions account for 82% of the University's total carbon footprint in 2023-24, a 1% decrease from 2018-19. The reduction in carbon is due to procurement of electricity from renewable sources, adjusting on-site energy generation, changes to working patterns and reduction in emissions associated with capital goods.

Graph: Total Net Scope 1, 2 and 3 Emissions for 2023-24 (tCO_2e)

Breakdown of Queen's University Belfast scope 1, 2 and 3 emissions for August 2023 to July 2024. In keeping with best practice and Environmental Association for University and Colleges guidance, the University is using dual reporting method which includes reporting on location-based together with market-based emissions. For reporting purposes, this is referred to as gross emissions and net emissions reporting. This graph provides a breakdown of our net (market-based) emissions.



Scope 1	Energy – 15,605 tCO_2e
Scope 3	Student Travel to and from Home Address – 16,179 tCO_2e
Scope 3	Procurement of Goods and Services – 37,326 tCO_2e
Scope 3	Capital Goods (Building Works) – 3,658 tCO_2e
Scope 3	Staff and Student Commuting – 7,375 tCO_2e
Scope 3	Business Travel – 5,434 tCO_2e
Scope 3	Other – 569 tCO_2e

Sustainability in our Education

Queen's continues to embed sustainability across teaching and learning, ensuring graduates gain the skills and knowledge to address environmental and societal challenges. In 2025, a University-wide Education for Sustainable Development (ESD) Framework was approved, providing a structured approach to embedding sustainability across education, staff development, and student engagement.

The framework is underpinned by the European Commission's GreenComp model, which builds the competencies needed to live, work, and act sustainably through learning.

More than 900 students completed Carbon Literacy Training delivered by Keep Northern Ireland beautiful, gaining scientific and policy insights on climate change and sustainability.



Sustainability is being embedded across the curriculum for all students

Research and Sustainable Solutions

In February 2025, Queen's became a signatory to the UKRI Concordat for the Environmental Sustainability of Research and Innovation Practice (R&I), reinforcing its commitment to integrate sustainability and the Sustainable Development Goals (SDGs) into research, innovation, and leadership.



Decision-making and engagement



Procurement



Fostering a healthy living environment



Carbon



Efficient use of resources



Interactions with the physical environment

Academics continue to address sustainability challenges through impactful research, one study, within 'the 'End Discrimination against Cancer Survivors' initiative, revealed that 25% of European cancer survivors face financial discrimination when accessing services such as insurance or mortgages. Queen's researchers are contributing to legislation aimed at ending this inequality.

Outreach, Partnership and Engagement around Sustainability

Inspiring the hearts and minds of our staff, students, and local communities not only fosters positive societal change but deepens our collective understanding of sustainability.

In April 2025, the Queen's Reach '25 Art and Sustainability Festival showcased the role of art in addressing the climate crisis through exhibitions, performances and workshops, including 'Art as Medicine: The Power of Social Prescribing' and 'Lough Neagh: Environmental Challenges and Solution – Artist's Response.' As part of the festival, 25 children from Victoria College Preparatory School took part in an artistic workshop with Ingrid Hess, US artist and Associate Professor of Graphic Design at the University of Massachusetts Lowell, creating posters that expressed their feelings about the ecological controversy at Lough Neagh. (Note: Image available, contact Rachel Vaughan rachel.vaughan@qub.ac.uk)

In August 2024, the Queen's Marine Lab in Portaferry Open Day invited the public to explore marine research and conservation, with hands-on activities celebrating the rich maritime culture of the region and providing visitors with a chance to witness the groundbreaking research undertaken in the Marine Lab. (Note: Image available, contact Rachel Vaughan rachel.vaughan@qub.ac.uk) Staff across the University have continued to embed sustainability within their day-to-day activities. This includes staff within the Physical Education Centre (PEC) who have created a vibrant allotment site within their grounds. (Note: Image available, contact Rachel Vaughan rachel.vaughan@qub.ac.uk) Since its launch, staff have been busy growing in the ten raised beds and polytunnel, producing a range of produce – tomatoes, potatoes, corn, beans, and cauliflower. As part of the project, staff manage and harvest the vegetables, sharing healthy, nutritious recipes as part of the wellbeing initiative.

In March 2025, the University launched a sustainability-themed podcast called 'The Ripple Effect' which is a fun, informal channel on key sustainability topics. Hosted by Alice Hawthorne, part of our Queen's community, the podcast shines a light on the initiatives taking place at Queen's, the challenges we face, and how we can all make an impact. Alice is joined by guests who are making their mark on the sustainability space at Queen's, and topics have included the Reach'25 Art and Sustainability Festival, biodiversity and volunteering.



Children from Victoria College Preparatory School took part in a workshop themed around the ecological challenges at Lough Neagh



Queen's staff and members of the public at the Marine Lab's annual Open Day



Staff from the Physical Education Centre (PEC) have created a vibrant allotment within the grounds

PUBLIC BENEFIT STATEMENT

A Queen's Education

Since 1845, Queen's has maintained the belief that education empowers individuals, transforms communities, and drives societal progress. Our commitment to this belief has generated social value that extends far beyond our campus.

Queen's Civic Mission is rooted in the idea that high-quality, lifelong learning should be open to people of all ages and backgrounds, making education accessible and impactful for generations to come.

Widening Participation and Access



Former World Champion boxer, Carl Frampton, engages with young boys on Widening Participation's Junior Academy Sports Programme.

Throughout our history, Queen's has worked to remove barriers to education and build lasting benefits to communities. Our Widening Participation Unit creates opportunities for groups underrepresented in higher education to ensure their talent and ambition are not limited by circumstance.

In 2024-25, 1,881 young people took part in Widening Participation initiatives which are supported by staff and student ambassadors across the University.

The Professor Fluffy Programme introduces local primary pupils to the possibilities of Higher Education, while Reading Together, Numeracy Together and Steps to Success equip Care Experienced young people with the skills and confidence needed for the transition to post-primary education. Last year, 349 school children took part in these initiatives. Our students with care-experience also benefitted from tailored guidance, one-to-one mentoring and financial support throughout their time at Queen's through the University's Care Experienced Bursaries and SUQCESS fund.

At secondary school level, the Junior Academy helps Year 9-12 pupils experience university life through taster sessions and masterclasses, while our Junior Academy Sports Programme introduces Higher Education to Year 8-10 pupils though sport.

Senior Academy and Pathway Opportunity Programmes empower Year 13 and 14 pupils to envision Queen's as a part of their own future by helping them navigate clear routes into higher education. Many participants will have engaged with other Widening Participation initiatives earlier in their educational journey.

Queen's also administered over £645k in bursaries through the Widening Participation Unit, supported by both institutional and philanthropic partners helping to reduce financial pressures for eligible students and promote equity in access.

Lifelong Learning



Participants of the Level 4 Certificate in Youth Leadership and Community Action on graduation day at Whitla Hall.

Education at every age remains a cornerstone of Queen's Civic Mission.

Each year, the University's Open Learning Programme offers more than 200 courses across a wide range of subjects – from practical skills such as First Aid and Personal Finance, to study opportunities in art, history, literature and politics. In 2024–25, these Open Learning courses attracted 3,588 enrolments.

Open Learning's Continuing Professional Development courses and Civic Engagement Programme are often co-designed with community organisations and government partners to ensure our educational delivery addresses real-world needs and deliver social change in issues such as active citizenship amongst young people, ageing, mental health and migration.

In October 2024 we proudly celebrated the graduation of 32 young people from Belfast's Ardoyne and Shankill areas, with the Queen's University Belfast Level 4 Certificate in Youth Leadership and Community Action (30 CATS). The programme is delivered in partnership with community partners Foróige and RCITY, and will have a significant impact on the young peoples' educational and career aspirations, providing a foundation for further study and open doors to future employment.

Grants, Scholarships and Bursaries

Queen's continues to invest in people and communities through a comprehensive range of scholarships and financial support schemes that help to nurture talent and deliver social impact.

International mobility enriches both the student experience and Queen's global engagement, with scholarships such as the Clinton and Copty awards supporting study and collaboration across borders.

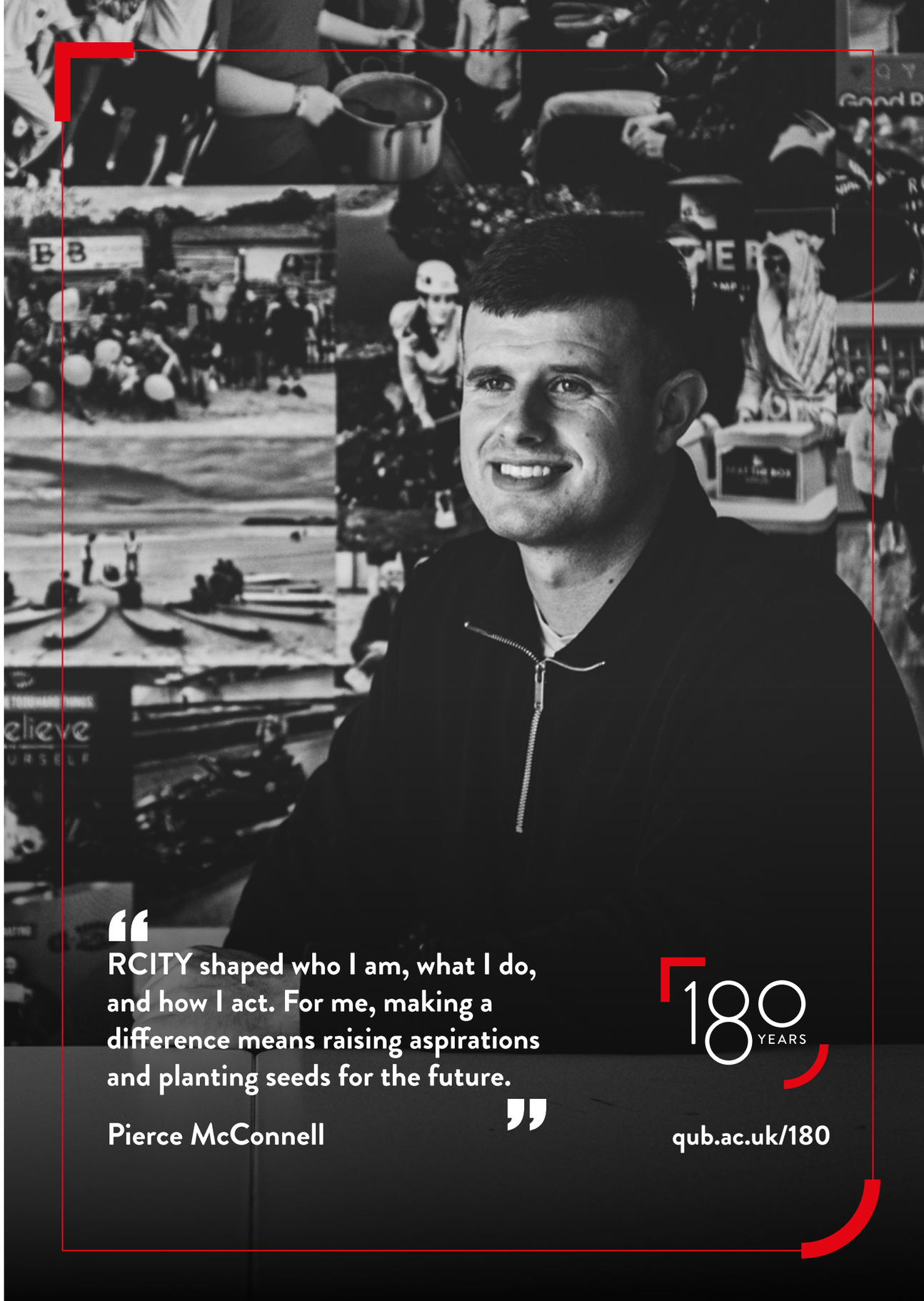
At home, Entrance Scholarships celebrate academic excellence, while financial assistance programmes, including the Queen's Bursary (for NI and UK students), the Student Support Fund, the University Financial Assistance Fund (for ROI, EU, and Overseas students), and the Care Leavers and Pathway Bursaries, ensure that no student is left behind due to financial constraints.

Our growing portfolio of philanthropically funded scholarships, including the Kathleen Shott Scholarships and the Van Morrison Music Scholarships, highlights the generosity and shared commitment of our donors. Across all three Faculties, a wide range of Master's and PhD scholarships further supports academic excellence and innovation.

The Junior Academy of Music (JAM) Bursary nurtures the musical talents of young people from lower-income families, while bespoke awards recognise the dedication of elite athletes and mature learners, celebrating excellence in all its forms.



The Van Morrison Scholarship will fully-fund two students in their ambitions to become professional musicians.



Our Research Benefits

Alongside delivering a world-class education, Queen's is home to research that addresses pressing global challenges. Our academics are shaping real-world solutions - improving health outcomes, tackling emerging social issues, advancing sustainability and planetary understanding, and driving innovation that benefits society and the economy.

Medicine, Health and Life Sciences Faculty

Throughout 2024-25, research undertaken in the Faculty of Medicine, Health and Life Sciences (MHLS) continued to have real-world impact.

In 2024, Economy Minister Conor Murphy launched the Future Medicines Institute (FMI) at Queen's University. FMI is a £55 million industry-led collaborative initiative which will advance Northern Ireland's precision medicine sector.

Backed by a consortium of leading companies and supported by leading academics from Queen's and Ulster University, FMI will drive innovation and productivity in precision medicine, building on our strong reputation in diagnostics and therapeutics. It will foster collaboration across industry, academia, and healthcare to accelerate the development of new drugs and diagnostics, driving growth in our economy.

In 2025, Queen's academics led an important part of a world-first trial involving people with colon cancer from six different countries which showed that a structured exercise regime can significantly reduce the risk of colon cancer. The scale of benefit from exercise was as large as is sometimes seen with new cancer drug therapies. Every year, around 31,800 people are diagnosed with colon cancer in the UK. Thanks to the power of research, trials like this can inform clinical practice and help to improve people's chances of survival.

Our researchers also conducted a groundbreaking study that outlined the profound ecological impact and significant environmental and public health risks that blue-green algae in Lough Neagh present. Queen's researchers detected a large array of toxins in the water that confirmed Lough Neagh as 'hypertrophic', the worst category of waterway nutrient pollution, indicative of decades of agricultural, industrial, and domestic runoff. The findings ignited significant conversations amongst local politicians who called for action.

In April 2025, the doors to Northern Ireland's first Multiple Sclerosis (MS) Research Hub opened. Based at Queen's, this innovative new centre brings together a collaborative team of MS research experts who are using cutting-edge techniques to provide faster, simpler ways to monitor how MS progresses, and how people with MS respond to treatments.

A spin-out from Queen's University's School of Pharmacy – Re-Vana Therapeutics – signed a major collaboration deal worth up to $1 billion with Boehringer Ingelheim to develop cutting-edge treatments for eye disease, in a move that puts Northern Ireland at the forefront of global medical innovation.

This agreement will see the companies jointly develop a new class of long-acting treatments to tackle conditions that lead to vision loss. The technology, originally developed at Queen's, has the potential to drastically reduce the number of eye injections patients with conditions like macular degeneration need – improving outcomes and quality of life.

A team from the School of Nursing and Midwifery joined the Health Minister for Northern Ireland, Mike Nesbitt, at Parliament Buildings to launch a pioneering digital game, 'Inhale the Truth', to raise awareness about the dangers of smoking and vaping. This interactive game aims to engage with the public in Northern Ireland with the intention of promoting smoking and vaping risk awareness and cessation.

Arts, Humanities and Social Sciences Faculty

Throughout 2024-25, research undertaken in the Faculty of Arts, Humanities and Social Sciences (AHSS) has continued to shape policy, society and public understanding across a wide range of issues.

A Queen's Business School (QBS) led project secured a £6.25m UKRI investment to model and reimagine supply chains across the UK in food, critical minerals and fashion. Research led by Queen's also explored the global rise in atheism, revealing that atheists now outnumber theists in the UK, with findings that deepen understanding of social change, secularisation and beliefs worldwide.

Other significant studies included Toddlers, Tech and Talk, a groundbreaking investigation into how children under three engage with technology, offering insights that will inform early years education and parenting support. In partnership with Belfast City Airport, Queen's supported children with autism on their first flight around Belfast, rehearsing check-in, security, and boarding without real-world pressure. Breaking complex situations into manageable steps, potentially stressful journeys are now confident adventures, making future travel more accessible and stress-free.

Queen's launched the £2.5 million Media Lab, an interdisciplinary research facility focused on virtual production, to drive R&D for the screen industries and further upskill the creative sector. And a School of Law report proposed a new justice framework and reform of key legal processes to better meet the needs of victims and survivors of non-recent institutional abuses across the island of Ireland.

Faculty of Engineering and Physical Sciences

Queen's is at the forefront of research on climate change and driving forward sustainability.

World-leading research published in 2024-25 revealed that warm temperatures and erratic rainfall are taking a toll on Northern Ireland's health and farming industry.

It also showed that almost 90 per cent of stadiums hosting the 2026 World Cup could face potentially dangerous levels of heat and match timings may need to be revised.

Globally, researchers have been working hard to solve major problems and are part of an international team awarded £2.9m to develop sustainable technologies for e-waste recycling in Malaysia.

The Faculty is harnessing huge opportunities through the Belfast Region City Deal, where its two Innovation Centres have enabled researchers to collaborate with industry, government and communities.

Through Momentum One Zero, based in Titanic Quarter, researchers are co-leading the CyberUnite programme. After securing £3.6m in funding through the North-South Research Programme, they have been tackling cybersecurity, language and identity, and Parkinson's disease.

In another major Momentum One Zero project, researchers have been using technology to improve piglet welfare. Using computer vision and AI, the feeding patterns of sows and their piglets are monitored, helping to improve animal husbandry practices.

The Advanced Manufacturing Innovation Centre is a powerhouse of innovation and researchers have kick-started a new £1.7m project, helping to drive forward engineering design. Working with other universities and industry partners, they are combining expertise to help utilise digital design technologies to transition to net zero faster.

Using cutting-edge technology, Queen's academics are also driving forward innovation in healthcare. Using high-powered intensity lasers, they've created a simple way to make high-quality proton beams, which could potentially be used for cancer treatment to target and destroy cancerous tissue.

Queen's-led research has also been instrumental in addressing social and economic inequalities across Northern Ireland. A study revealed that levels of deprivation in Northern Ireland exceed those found in comparable regions of England, Scotland, and Wales, highlighting long-standing regional disparities. The findings are now informing government policy discussions, providing a robust evidence base to support more equitable economic and social outcomes.

Community outreach was also a key priority for the Faculty, with Queen's archaeologists carrying out excavations in Omagh, Moira and Downpatrick. Working alongside Queen's archaeologists, school children and community members were able to unlock some of their local hidden history.

Queen's in the Community

In May 2025, Queen's was officially recognised as a University of Sanctuary, the first in Northern Ireland, and one of just eight across the island of Ireland. This recognition celebrates how Queen's actively fosters a welcoming and supportive environment for those seeking sanctuary. It also highlights the meaningful ways we engage with the knowledge and experiences of refugee, asylum-seeking, and migrant communities to shape our work and vision, ensuring that we continue to build an inclusive culture together.

Our Sanctuary Work continued this year with our Weekly Sanctuary Coffee Mornings on campus which offer a safe and welcoming space for newcomers to connect, a week of events was held on campus for Refugee Week, and our support for displaced scholars and students was expanded. Queen's has now commenced a three-year Sanctuary Action Plan, shaped and driven by a Path to Sanctuary operational group, made up of students, and academic and professional staff, ensuring that this important work continues, and that the University remains committed to playing an active role in promoting equality and compassion.

Becoming a Civic University

In June 2024 we pledged to become a Civic University, ensuring Queen's continues to work closely with our community partners to improve outcomes for everyone in our society, particularly for children and young people, and for those who face a greater degree of obstacles in accessing higher education. Since then, we have taken meaningful steps to bring this vision to life.

One key initiative was the launch of the CiviContribution Fund, which offers our staff and students funding to work with partners to deliver projects that make diverse, impactful contributions to society. This year, we funded 11 projects, each one unique, and deeply connected to community needs. Whether it's through promoting equity, improving education, enhancing wellbeing, or strengthening intercultural dialogue, the aim is to collaborate with partners on initiatives that create genuine, tangible impact, work that directly aligns with our Social Charter and wider Civic Mission.

Queen's Communities and Place (QCAP) is a leading example of our commitment to civic engagement. In close partnership with communities across Belfast, QCAP creates opportunities for education and meaningful experiences that empower local residents. This year, QCAP secured major funding to support transformative initiatives, including a key role in a new £10 million project focused on building stronger, more resilient communities. Additionally, a Queen's-led project received €7 million in PEACEPLUS funding to harness digital technology to improve healthcare interventions related to substance use and mental health interventions. QCAP also made significant developments in two emerging school networks in the Greater Shankill and South Belfast areas of the city.

In September 2024, we reaffirmed our Civic Commitment to South Belfast, a collaborative pledge to strengthen community wellbeing, build lasting relationships, and support everyone who lives, works, or studies in the University area.

In October, the first cohort of young people to complete the Level 4 Certificate in Youth Leadership and Community Action (30 CATS) graduated at a special ceremony at Queen's. Delivered in partnership with Foróige and R-CITY, the two-year programme supported 32 young leaders aged 16–18 from Belfast's Ardoyne and Shankill communities. The programme opened new pathways to employment and education while helping participants develop essential leadership skills, including critical thinking, empathy, and resilience, through practical, community-led projects.

All these co-designed initiatives have had a powerful local impact and demonstrate the strength of inclusive partnerships between communities, policymakers, and academia. They reflect our belief that educational opportunities should be accessible, empowering, and transformative for all, regardless of background or circumstance.



PHILANTHROPY AT QUEEN'S

Philanthropy is crucial at Queen's. It enables the University to enhance our world-class research, student experience and facilities, work that is only possible due to the generosity of the individuals, charitable organisations, trusts, funds and businesses who support our projects.

The Queen's University of Belfast Foundation is an independent charity which generates philanthropic support for the University and works with donors to create both vision and legacy using their gifts.

In 2024-25, the Foundation received £11.6m in funding / pledges to support agreed priorities including medical research, Widening Participation, scholarships and the student experience. This includes the largest legacy gift ever received by Queen's – the £3.76m gift was left to the University by an anonymous donor who wished for it to be used by Medicine Health and Life Sciences (MHLS) for the benefit of Diabetes, Ophthalmology, Alzheimer's Disease and Cancer research.

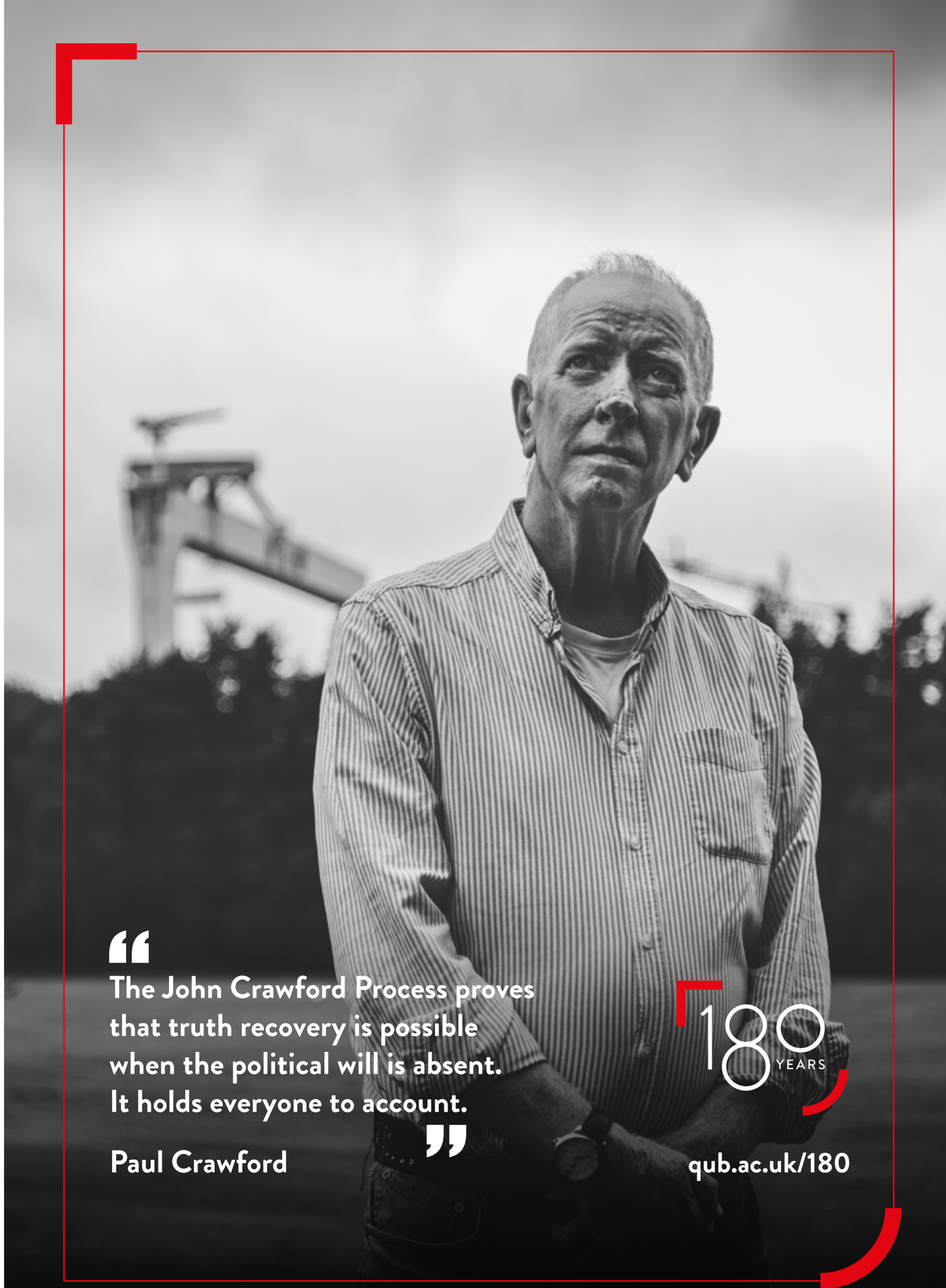
The year also saw a generous philanthropic gift which will seed fund the new Global Institute of Educational Excellence, serving as a catalyst for evidence-based innovation and transformative teaching, learning and assessment strategies.

The generous gifts made by donors continue to provide support for scholarships, student enterprise and employability initiatives, and Widening Participation. During the last year, the Bright Future Collective has engaged businesses and organisations in supporting the Pathway Bursary Fund. Our current supporters include Henderson Group, Fibrus, A&O Shearman, the Bar of Northern Ireland and Aflac, with Natural World Products joining the initiative for the first time this year.

A gift from Everyway means that Queen's staff and their families can benefit from world-leading inclusive software. Additionally, new scholarships to empower and support the next generation of students have been established. This includes The Kathleen Shott Scholarship that will support Maths and Physics students facing financial barriers and a new scholarship programme developed with the Burdett Trust for Nursing, which will empower the next generation of nursing leaders.

A significant investment from Boeing will boost Queen's world-class aerospace engineering research and support from the Caterpillar Foundation will support STEM outreach and engagement programmes in schools across Northern Ireland.

For over 25 years, the Queen's Annual Fund has been instrumental in providing thousands of students with a transformative student experience. In 2024-25 over £154k was awarded and disbursed to 88 clubs, societies and initiatives, helping students to deliver a range of initiatives including community engagement, sustainability, and mental health and wellbeing. These initiatives sit alongside significant projects to support student entrepreneurship, women's sport and Widening Participation bursaries.



CONSOLIDATED FINANCIAL REVIEW

Key financial indicators	2024–25 £m	2023–24 £m
Total Income	489.5	472.3
Surplus / (deficit) before tax*	(22.8)	(12.7)
Surplus / (deficit) before tax as a % of income	(4.7%)	(2.7%)
EBITDA**	(10.4)	(2.1)
EBITDA as a % of income	(2.1%)	(0.4%)
Cash	119.9	145.4
Net assets	753.7	821.4

*Excludes movement in USS provision and other items as explained further in the SOCI
**Earnings before interest, tax, depreciation, and amortisation

The financial environment across the higher education sector remains challenging, with the University facing significant declines in Government funding (when adjusted for inflation), volatility in the international student market, rising costs and a number of other financial challenges specific to Northern Ireland institutions. Notwithstanding these headwinds, the University has a strong track record of financial sustainability along with a robust balance sheet which leave us well placed to achieve the key tenet of Strategy 2030 in respect of Financial Sustainability and thereby continue to support our staff and students.

The outturn position for 2024–25 shows an operational deficit of £(22.8)m with EBITDA of £(10.4)m. We have focused on the operational position and EBITDA as the most appropriate measures of financial sustainability.

EBITDA excludes certain items (as defined below) which are 'non-cash' in nature, and more closely demonstrates cash generation from operating activities during the year. As noted above, the University has reported a negative EBITDA for the year which reflects the challenging operating environment. Further information regarding forward-looking expectations and plans are set out at the end of the Consolidated Financial Review.

In addition, as shown in the table above, the University has reported a reduction in cash balances of £25.5m reflecting increased investment in long term investments, continuing operational pressures and changes in working capital. The University balance sheet continues to reflect a strong net asset position of £753.7m (a decline of £67.7m on last year) which is discussed in more detail later in the Consolidated Financial Review.

As outlined further in this Financial Review, the University remains focused on ensuring the long-term sustainability of the institution and plans are in motion to deliver operational break even.

-4.7%
OPERATIONAL DEFICIT AS A PERCENTAGE OF INCOME

-2.1%
EBITDA AS A PERCENTAGE OF INCOME

£112.4m
INCOME FROM RESEARCH GRANTS CONTRACTS

-8.2%
DECREASE IN INTERNATIONAL STUDENT INCOME

8%
INCREASE IN STAFF COSTS

4%
INCREASE IN OPERATING EXPENSES

NOTES
1. (Deficit) is prior to the gain to disposal of fixed assets and investments; the movement in the USS provision, the fair value loss on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.
3. Staff Costs exclude the movement associated with the USS Pension Scheme.

Reconciliation of operating deficit to EBITDA	2024–25 £m	2023–24 £m
Surplus / (deficit) before tax	(22.8)	(12.7)
Depreciation and amortisation	29.9	29.3
Amortisation of deferred capital grants	(18.8)	(22.5)
New endowments	(0.8)	(1.7)
Interest payable	2.1	5.5
EBITDA	(10.4)	(2.1)

The SOCI position includes a number of accounting adjustments and exceptional items below 'Surplus / (deficit) before tax' as set out below:

- During 2024–25 the University operated a Voluntary Severance Scheme with a view to reducing recurrent costs and improving overall organisational efficiency. Total costs incurred for this scheme in 2024–25 were £25.4m and the scheme is expected to generate future costs savings of more than £17m per annum. The University remains committed to its strategy of investing in the continued development of the University and the future of its staff and student experience.
- A gain of £0.4m was realised in respect of the disposal of fixed assets during the year.
- The valuation of our fixed asset investments and investment properties as of 31 July 2024 resulted in a net unrealised fair value loss of £19.9m. This primarily relates to a loss of £17.8m on non-current investments and a fair value loss on investments in associates of £1.9m.
- The deficit funding position for the Retirement Benefits Plan (RBP), has reduced from £44.5m on 31 July 2024, to a deficit of £40.2m. The SOCI position reflects the resulting actuarial gain of £3.7m.

The application of the accounting adjustments outlined above, have resulted in a final overall SOCI deficit for the year of £67.7m.

Income and Expenditure

Total income for the year was £489.4m, representing an increase of £17.2m (6.3%). The main components of this income are shown in Chart 1.

Growth in income is largely attributable to:

- Growth in government grant income (increased £10.3m to £118.1m) – The total recurrent grant position takes account of the 2023–24 budget settlement to HE within NI, which for Queen's included a number of additional funded medical places in 2020–21 and 2021–22, as a result of A Level regrading during Covid-19. These places will remain funded for the duration of the degree programmes. In addition, the University was allocated additional non-recurrent funding allocations of £7.3m relating to Quality Related Research and Knowledge Exchange.
- Tuition fee income (increased £0.1m to £160.1m) – consistent with the sector the University has seen significant challenges on international student recruitment with international student fees down by £4.9m (8.2%), this has been offset by increases in tuition fees from domestic students, short courses and research training.

CHART 1: Income Analysis

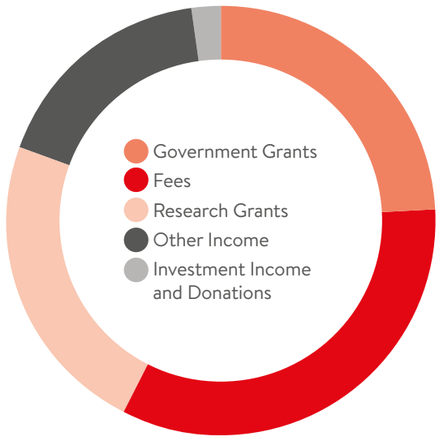
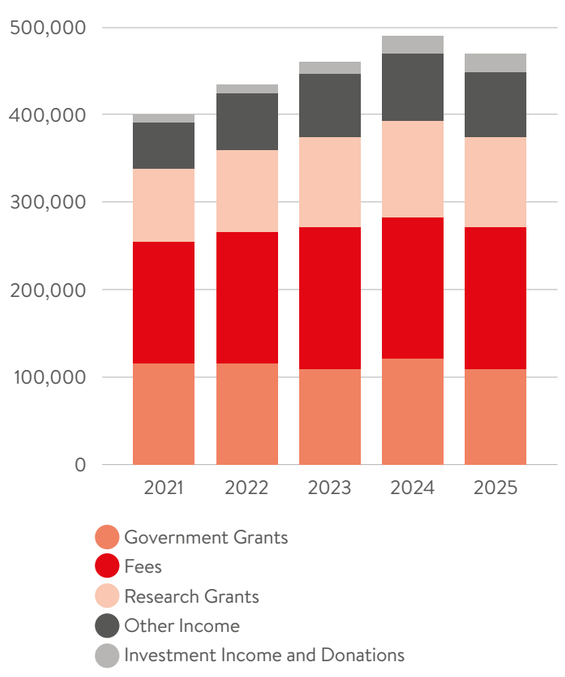


CHART 2: Income Sources YoY



- Research grants and contracts (increased £7.2m to £112.4m) income – as set out within Chart 2, the University continues to demonstrate growth in Research Income, which has increased £7.2m in 2024–25 (7%) and an overall increase of 27% in total research income in the period since 2021.
  - It should be noted further that Research awards increased from £124.3m in the prior year to £124.5 in 2024–25, with significant growth in awards from UKRI and, Innovate and UK and EU Government sources over the period from 2021.
- Other Income, including investment income (up £0.3m to £96.1m) – this includes accommodation, catering, conferencing and investment income.

CHART 3: Income from Research Grants and Contracts

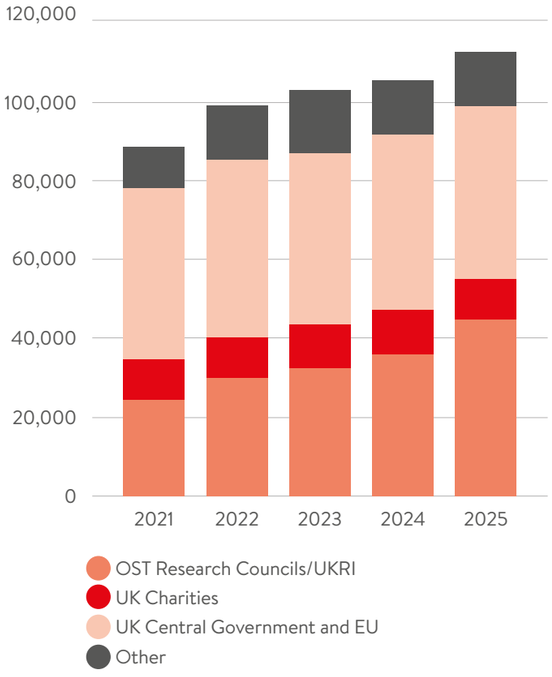
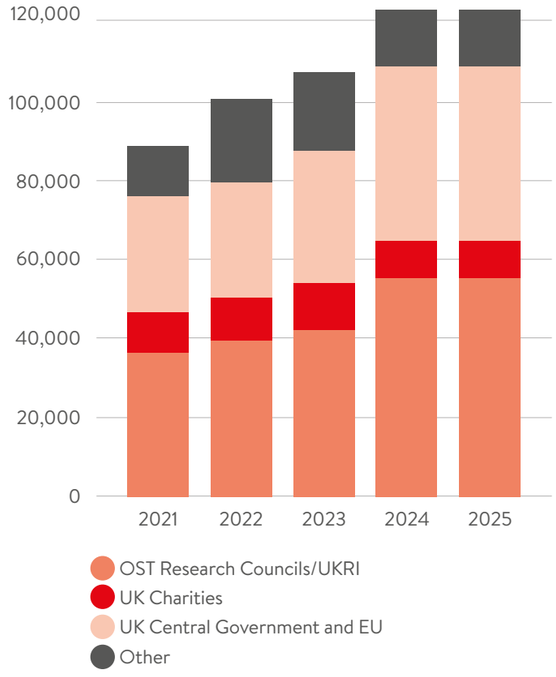


CHART 4: Value of Research Grant Awards



Total operating expenditure for the year, excluding the exceptional expenditure related to the VSS Scheme and other non-operating items (as documented on the SOCI), was £512.3m, representing an increase of £27.3m (5.6%) from the prior year. The main components of expenditure are shown in Chart 5.

Staff costs remain our single largest area of expenditure, representing 60% of total expenditure (excluding exceptional expenditure in respect of the VSS scheme). During the year staff costs have increased by £23.5m (8.4%), however, as noted above, the University delivered a Voluntary Severance Scheme in 2024–25, which will deliver recurrent savings of around £17m going forward.

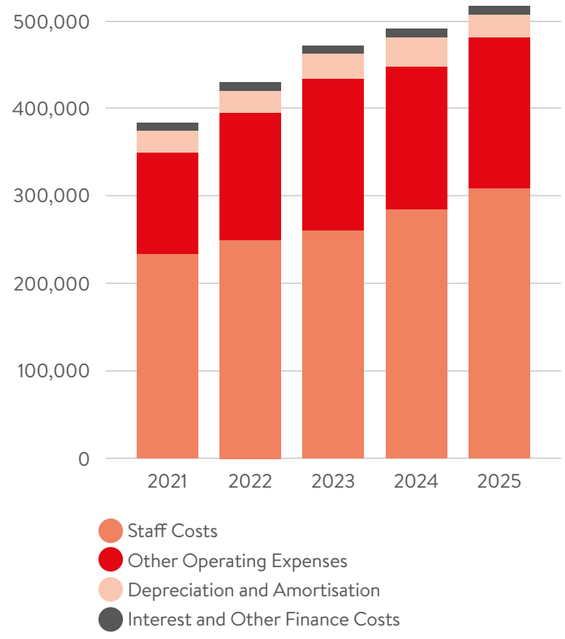
CHART 5: Expenditure Analysis



We continue to invest in our staff, with the increase in staff costs noted above primarily attributable to annual pay award, and costs related to incremental progression, academic promotions and increased National Insurance costs.

Other operating expenses increased by 3.7% to £175m, reflecting inflationary cost increases across most spend areas, which have been mitigated in particular areas by efficiency measures where possible.

CHART 6: Expenditure YoY



Capital

The University holds approximately £750m in fixed assets, the majority of which (80%) is in freehold land and buildings, underpinning the vibrant campus University at the heart of Belfast City. This campus was ranked 3rd in the UK for University Campus and Facilities (StudentCrowd University Awards 2025).

The University continues to focus on the delivery of its Estates Masterplan, 'Queen's Future Campus' focused on providing the key infrastructure required to support the priorities and vision of strategy 2030. During 2024–25 assets under construction have increased by more than £56.8m with progress being made on:

- The development of Weavers' Hall on the Dublin Road, which is the first Passivhaus purpose-built student accommodation in Belfast and will be a net-zero ready building, designed with sustainability and students' wellbeing in mind. Students will be welcomed to Weavers' Hall in 2026.
- The Advanced Manufacturing Innovation Centre (AMIC), an Innovation Centre part of the Belfast Regional City Deal, continues on schedule, with the state-of-the-art Factory of the Future expected to be open in November 2026
- iREACH Health, another Innovation Centre being developed as part of BRCD is being purpose built to streamline clinical trials, equip healthcare professionals with specialised training. The centre is expected to open in Spring 2027.

Balance Sheet

As of 31 July 2025, the University's consolidated net assets of £753.7m, which represents a decrease of £67.7m from the prior year.

Non-current assets have increased by £33.9m reflecting the continued investment in the University estate, as outlined above.

Investments balances have reduced £10.4m in the current year, this is comprised of increases in the University Investment Fund of £3.9m, an increase in the General Investment Fund of £16.4m along with an increase in pooled investment values of £19.4, however this has been offset in the reduction in listed investments of in year of £50.1m.

The deficit funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from £44.6m to £40.2m. This reduction in deficit position reflects reductions in future liabilities driven by movements in discount rates, amongst other factors.

Future Outlook

Like all HE institutions in the UK, the University continues to face a challenging environment including undergraduate fees increasing more slowly than inflation, Government under-funding, volatility of the international student market and wider economic and geo-political issues. Notwithstanding, financial sustainability remains one of the key enablers of the Strategy 2030 and thus a key strategic priority for the University. The University has a robust financial operating framework in place and believes that the University is well placed to meet these challenges.

The University has already taken steps to reduce our cost base through the operation of the Voluntary Severance Scheme, and this will be an area of continued focus. The University Management Board and our governing body, Senate, recognises that operational deficits cannot be sustained and the Board is committed to, and the Senate have approved a glide path to return the institution to breakeven. This plan is predicated upon the delivery of a number of significant interventions focusing primarily on institutional growth, as well as robust monitoring and control of our cost base, which will support the delivery of efficient revenue growth in the future.



REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

The University is committed to ensuring that it makes investment decisions responsibly and with integrity, while fulfilling the Trustees' primary and overarching duty to further the purposes of the University and its Trust Funds.

Investment Summary and Performance

The University has a range of non-current investments comprising: assets invested for the long-term in the University Investment Fund and the General Investment Fund, both of which were managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock) as at 31 July 2025; the University's allocations to sustainable infrastructure and private equity allocations in private market funds which are at an early stage of investment; and assets invested for the medium-term held in pooled funds managed by Aegon Asset Management (Aegon) and Royal London.

The University Investment Fund is administered under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982 and consists of endowment funds donated and bequeathed to the University for specific purposes. On 31 July 2025 this was valued at £66.4m, representing an increase of £4m or 6.3% on the previous year's valuation. Endowment fundholders receive an annual distribution from the Fund which is used promote the donors' wishes.

The General Investment Fund is for the longer-term investment of university unrestricted funds. On 31 July 2025, the fund was valued at £167.1m. This represents an increase of £16.5m, or 11.0% on the previous year's valuation.

As of 31 July 2025, a total of £130.7m was invested in pooled funds which are designated as medium-term investments. These funds continued to perform satisfactorily with returns in excess of expected benchmarks. Further details on non-current investments are included in note 18 to the financial statements.

Investment Strategy

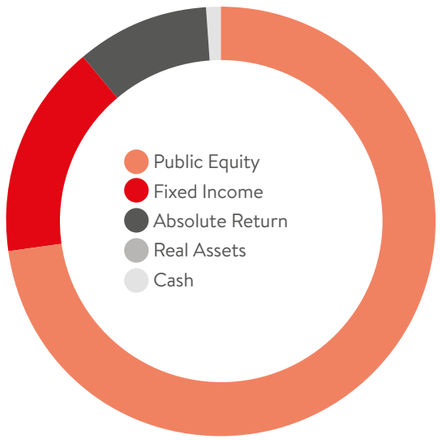
Over the last two years, with support from Lane, Clark and Peacock (LCP), the University has undertaken a fundamental review of its Investment Portfolio across long term, medium term and operating funds, with a view to ensuring cashflow needs are met, investment returns are optimised, and the University's Responsible Investment ambition, and the University's purposes more broadly, are integrated into investment management processes.

In line with the outworkings of the review, the University approved the re-allocation of over £55m of medium-term funds to be invested in longer-term sustainable infrastructure and private equity assets which are expected to deliver strong financial return alongside positively supporting the University's sustainability objectives and its commitment to enhancing the local economy. Following a comprehensive and competitive selection process, the University approved the appointment of two sustainable infrastructure managers with a strong focus on renewable energy generation and the transition to net zero. Through a similar process the University has also made capital commitments to four private equity managers whose investments are expected to deliver positive social or environmental benefits and/or support the local economy.

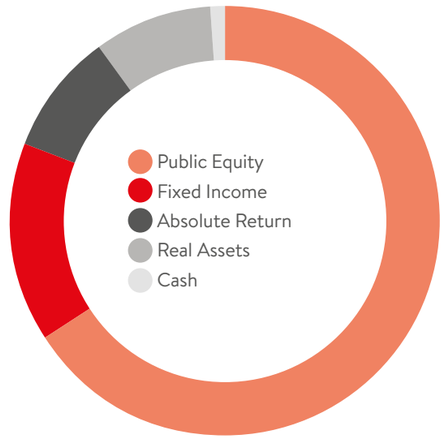
In addition, following the University's commitment in May 2024 to initiate a process to divest from companies that are listed by the UN Human Rights Council as operating in the occupied Palestinian territories and shares or securities listed in Israel, the University's Investment Committee continued the review of its investment portfolios to ascertain how best to address this commitment. This review confirmed that the University held no direct investment with marginal investments held indirectly via managed fund products.

As part of this process and in line with best practice and good governance, the University has commenced a re-tender of the management of the University Investment Fund and the General Investment Fund with the view of selecting an investment manager that will satisfy the University's strategic objectives including its Responsible Investment Policy, with a specific focus on ethical investment. The process is ongoing, and the University expects to confirm the outcome of the review later in 2025–26.

General Investment Fund



University Investment Fund



Market Commentary

2024–25 was a volatile year for investment markets. The period from August to December 2024 was dominated by election outcomes, concerns about resurgent inflation, and central bank interest rate decisions. This backdrop of fiscal anxiety led to increased yields on developed government bonds. Strong US earnings and AI optimism contributed to global equities ending the year on a positive.

Equity markets seemed poised to continue their upwards trajectory in the first quarter of 2025, however global equity markets (dominated by US equities, in particular, technology stocks) dipped suddenly when news emerged that China's DeepSeek had developed a rival AI model. While these technology stocks rebounded towards the end of the first quarter, simmering trade tensions and rising inflation fears weighed on equity performance. As growth weakened, government bond yields dropped, providing fixed income investors with positive returns.

April 2025 saw markets grapple with significant volatility, starting with significant selloffs in equity and bond markets following US tariff announcements. Despite the initial sell-off, tariff concerns eased, and markets recovered quickly.

Fixed income investments, particularly for longer dated sovereign bonds, struggled in the second quarter of 2025 as yields rose on the back of investor fears around persistent inflation, the sustainability of debt levels, and unclear fiscal policies.

The second half of the 2025 year started with equity markets continuing to reach new heights and technology stocks 'priced for perfection'. At the same time, government bond yields for major economies have increased, with some notably rising above corporate bonds, indicating investors' increasing concerns about fiscal discipline.

Against this backdrop, the University has maintained a meaningful proportion of its investment funds in equities with the view that, long-term growth ahead of normalised inflation is likely. During the year ended 31 July 2025, gross performance for the University Investment Fund was up over 6% whilst for the General Investment Fund it was up 11%.

A summary of the University's asset allocation in the University Investment Fund and General Investment Fund as of 31 July 2025 is set out in the charts above.

Responsible Investment and Stewardship

All decisions in respect of investments are made on the recommendation of the Investment Committee guided by the University's Responsible Investment Policy.

The policy has, at its core, a proactive approach to Environmental, Social, and Governance (ESG) matters and clearly sets out the University's position on Responsible Ownership, a commitment to exclude companies involved in the extraction and production of fossil fuels from its investments, and a commitment to have no meaningful exposure to fossil fuel companies. The University also expects its fund managers to avoid investment in companies with significant revenues derived from controversial weapons or tobacco production and distribution.

The University has worked with BlackRock, its investment manager for its long-term funds, to define the metric by which fossil fuel exposure is measured; specifically, the percentage of the portfolio allocated to companies and/or issuers who derive more than 5% of their revenue from the extraction and production of oil and gas, oil sands or thermal coal. Based on this metric, the University's exposure within each of its University Investment Fund and General Investment Fund was below 0.9% as of 31 July 2025.

Mindful of the need to balance responsible investment with maintaining returns in respect of the University's investments, the Investment Committee meets with its investment advisors and managers on a regular basis to review the investments and their performance through both a financial and responsible investment lens.

When selecting investments to achieve its objectives, the University actively considers opportunities to invest locally (Belfast City or Northern Ireland more generally) and/or in sustainable or impact investments that are expected to deliver positive social or environmental benefits (provided they are consistent with the University's overall investment objectives and are not expected to be detrimental to financial performance). For example, when selecting for the new sustainable infrastructure and private equity mandates, the ability to adhere to the University's Responsible Investment Policy and strategic objectives were a key factor in the consideration of appropriate funds, and investment managers were selected on the basis of their strong ESG credentials, ability to align with University's objectives, including the University's pledge in respect of Israeli investments, and performance/ track record.

The Investment Committee, with support from LCP, periodically reviews BlackRock's and its other fund managers' responsible investment practices and their alignment with the University's Responsible Investment Policy. In this regard, the University aims to have an ongoing dialogue with managers to clarify expectations and encourage improvements and primarily does this through organising manager presentations at Investment Committee meetings and through LCP's ongoing manager research programme.

The Investment Committee also recognises that engagement with the companies in which it invests is a valuable tool, encouraging more sustainable behaviours. For example, in the period from July 2024 to June 2025, BlackRock's investment stewardship team for the University Investment and General Investment Funds held more than 2,500 engagements with 1,950 unique companies in 44 markets, representing ~70% of the value of their clients' equity assets. This resulted in over 152,000 management votes, at over 17,470 companies.

In addition to the commitments within its Responsible Investment Policy, the University, in recognition of the conflict in Gaza and in line with the International Court of Justice's finding on genocide, continues to engage with its investment managers to progress the process of divesting from companies that are listed by the UN Human Rights Council as operating in the occupied Palestinian territories and to refrain from investing in companies based in Israel.

In this regard, the Investment Committee has ensured that any new investment mandates have agreed to comply with the University's requirements on excluding Israeli investments and companies on the UN Human Rights Council 'blacklist.' This includes the ongoing re-tender exercise for the management of the University Investment Fund and the General Investment Fund.

It is important that the student role is part of the overall decision making and governance structures of the University and as such, in addition to the changes in the University's Responsible Investment Policy, the Senior University Executives regularly meet with representatives from the Students' Union and discussions include various aspects of Institutional Investment Policies.

Future Outlook

These activities outlined demonstrate the University's and Investment Committee's ongoing commitment to responsible investment and their willingness to align the University's investment objectives with the views of its students and staff.

As we look forward to 2025-26, the University will aim to strengthen its commitment to responsible investment and deliver on its exclusion commitments, whilst continuing to seek optimal risk-adjusted returns for its investments. The University will continue to develop its long-term investment strategy in partnership with our investment advisers and in consultation with our students and staff as appropriate.

PENSION SCHEMES

The University is committed to fostering a supportive and rewarding work environment, which includes the provision of pension benefits. It participates in two separate defined benefit pension schemes: the Retirement Benefits Plan, available to staff in posts graded 1–5, and the Universities Superannuation Scheme, available to staff at grade 6 and above.

Retirement Benefits Plan (RBP)

The funding position of the RBP is calculated annually for accounting purposes in line with FRS 102.

As outlined in note 23 of the Financial Statements, the RBP funding shows a deficit of £40.2m as of 31 July 2025 (£44.6m on 31 July 2024).

The improvement is primarily due to an increase in the discount rate assumption, offset partially by (i) an increase in pensions payable due to higher CPI inflation and (ii) decline in asset returns.

The latest Actuarial Valuation of the RBP, as at 31 March 2023 was finalised in the prior year and resulted in an agreed Schedule of Contributions whereby the member contribution rate decreased from 9% to 6.1% (in line with the USS member contribution rate) and the employer contribution rate from 16.2% to 10%. The University is also liable for the Deficit Recovery Contribution (DRC) and the updated plan resulted in an increased DRC of 11% (up from 4.8%), resulting in an overall employer contribution of 21%.

The University and the Trustees have agreed on a Recovery Plan to address the deficit by 31 March 2030.

Universities Superannuation Scheme (USS)

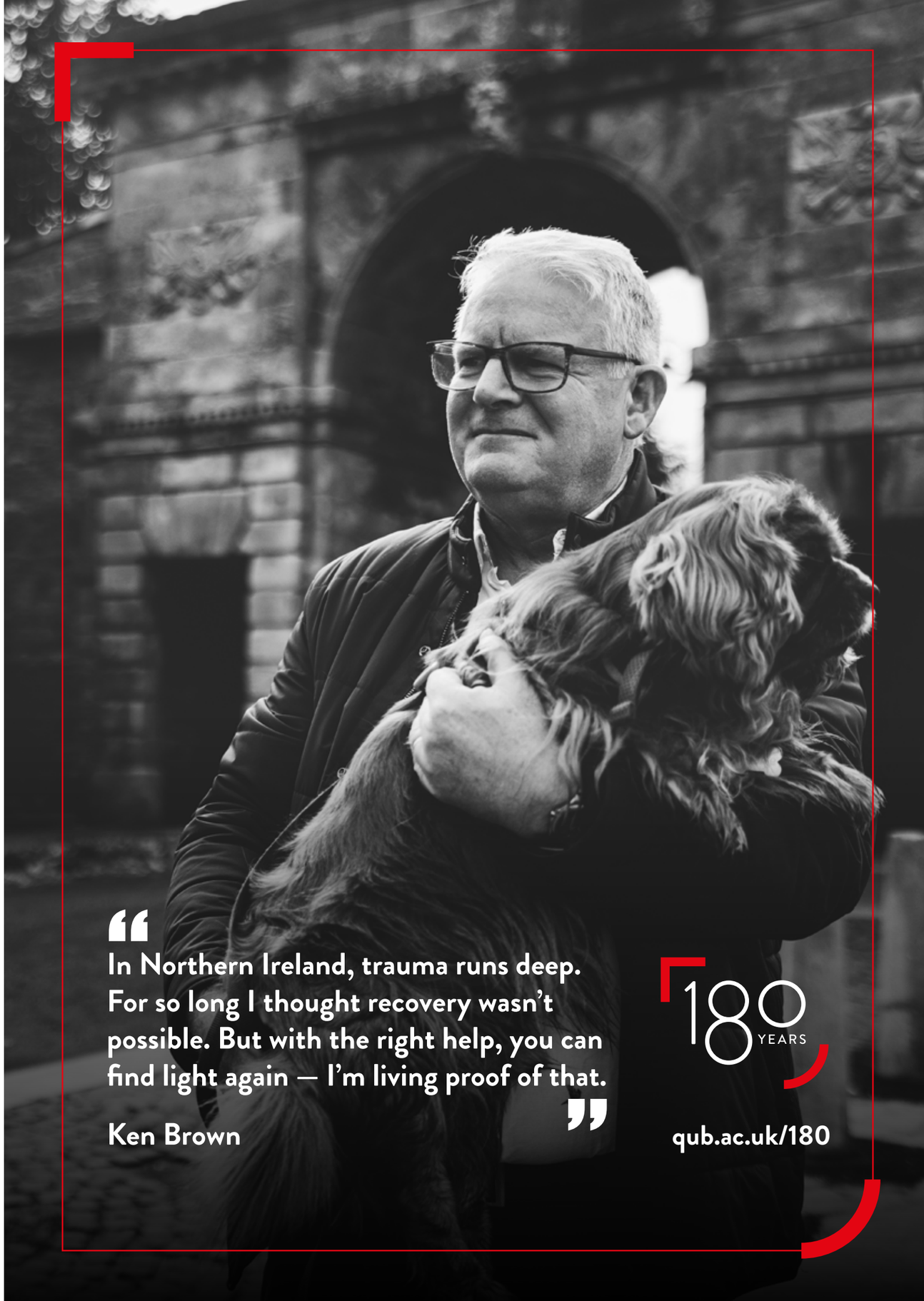
USS is the principal pension scheme within in the Higher Education (HE) Sector. With 232,360 active members, over 340 participating employers, and a surplus of £10.1bn (as of 31 March 2025), it remains one of the largest pension schemes in the UK.

Under FRS 102, each Institution must recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed upon in the most recent Actuarial Valuation. The latest Actuarial Valuation on 31 March 2023, which concluded during the prior year, forms the basis for calculating the USS liability in these Financial Statements.

Given that the 2023 Valuation reported a surplus, no recovery plan is required and the USS Trustee confirmed that, from 1 January 2024, the member contribution rate would reduce from 9.8% to 6.1%, and the employer contribution rate would decrease from 21.6% to 14.5%.

The University remains committed to securing a sustainable and stable position for the USS scheme. Universities UK (UUK) continues to explore long-term solutions, such as conditional indexation, revisions to the long-term investment strategy, and more affordable options for scheme members.

Further details on both pension schemes are provided in note 38 of the Financial Statements.



HIGHER EDUCATION FUNDING

The underlying funding position for Higher Education (HE) in Northern Ireland remains a matter of concern for the University.

While acknowledging the limitations to Government funding, when considering the combined weighted average teaching grants and maximum tuition fee charged, Queen's has experienced an 18% erosion of total funding in real terms since 2010–11, which compares to a 1% funding decline for a similar Higher Education Institution (HEI) in England (based on independent research undertaken by London Economics). This position is set out in the chart overleaf.

Levels of Department for the Economy (DfE) capital funding for buildings items have also declined significantly over the last decade.

To add to that, during 2024–25, there was a decrease in the level of non-recurrent funding allocated to Queen's from DfE, with £7.3m received in respect of 'Quality-related' Research funding (QR) and Regional Innovation Funding (RIF) – versus £9.9m in 2023–24.

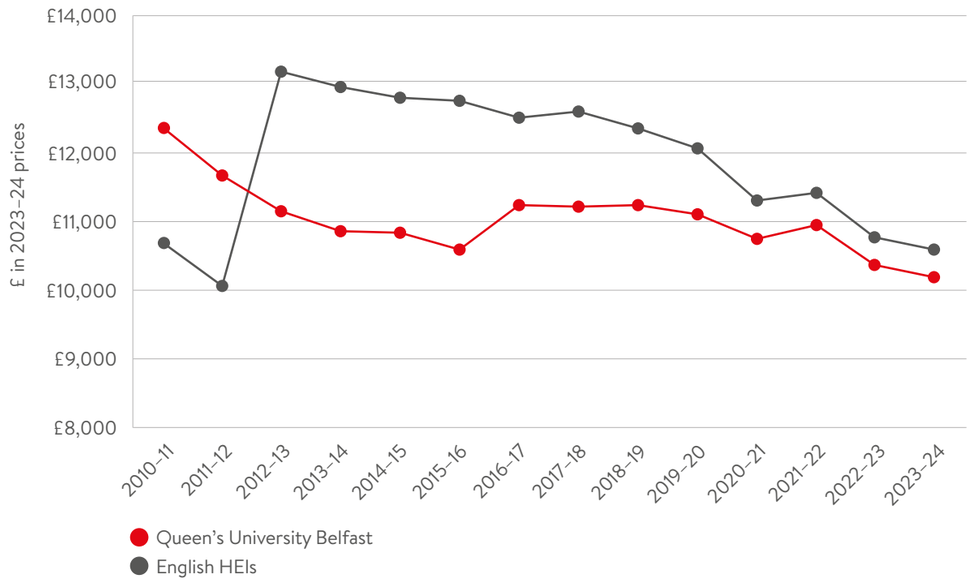
These cumulative, significant and sustained declines reflect the challenging financial pressure being faced by the University as it seeks to drive forward its strategic objectives.

Universities are critical to achieving government ambitions across a range of areas including economic growth, innovation and increased productivity. In the absence of a sustainable funding model the HE sector will be less able to meet the needs of the NI Executive, businesses and society.

Universities play a key role in this economic development of NI – indeed, at Queen's, we contribute some £3.3bn per year to the economy; through research, we drive innovation to ensure our companies are competitive globally; and through education, we deliver skills for the future that create a talented, workforce.

A further concern relates to DfE's policy on limiting the number of Republic of Ireland (RoI) and NI domiciled undergraduate student numbers, by way of the Maximum Aggregate Student Number (MaSN). This results in the loss of around 1/3 of our young people (approximately 5,000) every year to universities in Great Britain because our system does not provide the opportunity to study at local universities. Less than a third of those young people come back home. This not only has an impact on families and communities but brings real and present dangers for the future growth of the economy.

Total rescource per home domiciled FTE student per year, £ in 2023–24 prices: QUB vs English HEIs



In the absence of a long-term sustainable funding model for HE funding in NI, any reduction in funding will inevitably drive further inequality in HE provisions and impact negatively on the region.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with political decision makers to ensure that higher education is sustainably funded given the central role the sector has in supporting the social and economic recovery of Northern Ireland.

Queen's is proud to be a civic university, and widening participation has been a long-standing priority – we are committed to providing students with an educational experience that is on par with the best universities in the world and to encourage and support the brightest and best students to succeed, regardless of background or life circumstance. Currently some 32% of our students come from low-income backgrounds and ensuring there is funding to support and enhance our Widening Participation programmes will be a key priority in the coming years.

RISK AND UNCERTAINTY

Risk Management

The University recognises that risk is an inherent and continually evolving element of its operations, influenced by both internal dynamics and external conditions. As we pursue our strategic objectives, we understand that taking informed, measured risks is vital to driving innovation and achieving sustainable impact.

The University takes a proactive and systematic approach to risk management, fully integrated across all levels of governance, including Senate.

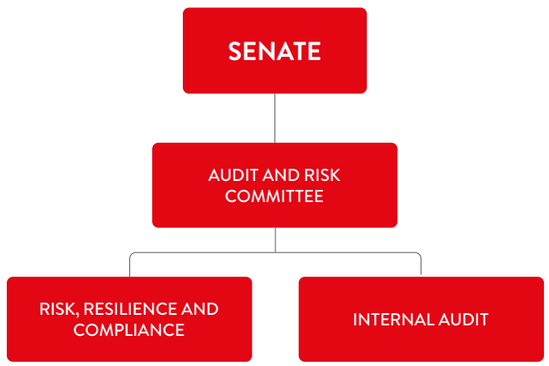
This commitment is operationalised through a comprehensive Risk Management Framework, which supports the early identification, assessment, and mitigation of risks that may affect the achievement of strategic objectives. The Framework ensures continuous oversight, regular evaluation, and timely responses to emerging challenges, thereby safeguarding institutional resilience and long-term success.

Governance and Oversight

The University is committed to upholding strong governance structures that promote effective decision-making, accountability, and long-term resilience. In the prior year, the University undertook a comprehensive review of both corporate and academic governance. This was undertaken with support from Advance HE (who 'own' the Committee of University Chairs (CUC) governance code which we follow). This resulted in changes to our charter, statue, and regulations; the changes receiving Privy Council approval in early 2025.

Accordingly, the Audit Committee – one of the University's core governance bodies – was reconstituted as the Audit and Risk Committee, reflecting the growing importance of risk oversight. In parallel, the Risk, Resilience and Compliance Committee (RRCC) was established, replacing the former Risk Management Committee.

Together with the University Management Board's continued oversight of corporate and emerging risks, these actions reflect a proactive and integrated governance approach that supports accountability at all levels.



Risk, Resilience and Compliance Committee

The Risk, Resilience & Compliance Committee (RRCC) provides strategic leadership in risk oversight and regularly reviews the Corporate Risk Register, incorporating insights from the University's Internal Auditors. It reports directly to the Audit & Risk Committee, which in turn provides assurance to Senate on the adequacy and effectiveness of the University's Risk Management Framework.

The RRCC has developed a draft Risk Appetite Framework to formalise the University's approach to risk appetite. Following Senate review and approval, it will be integrated into the Risk Management Policy and implemented in 2025–26, supported by targeted training and engagement. The Risk Appetite Framework will be regularly reviewed to remain responsive to the University's evolving environment.

Risk Area	Risk Management
Financial Sustainability The University is financially unsustainable.	The University continues to face significant financial challenges which have been compounded by a constrained funding environment, a volatile international student recruitment market, increases in National Insurance and inflationary cost pressures. In addition, restricted government funding and continuing government restrictions on NI student numbers and fees remain a concern. The University continues to engage with partners and stakeholders with the aim of developing a sustainable funding solution for HE institutions in NI. While the University has very low levels of borrowing, its cost base has grown more rapidly than its income. As such, several steps have been planned / taken, including a reduction in headcount through a VS Scheme and Senate has approved a forecast glidepath to returning to surplus by 2029.
International Student Recruitment Failure to recruit high-quality international undergraduate and postgraduate students.	International students contribute significantly to the income of the University and to its student experience through the diversity of nations within the student body. Our Global Student Recruitment Strategy is dynamic and monitors geopolitical trends and other factors which can lead to volatility in marketplace. The Strategy is underpinned by an Integrated Action Plan which aims to further develop the University's international recruitment. Measures include: • Strengthening of specialised in-market teams • Development of Study Abroad Partnerships • Digital transformation to support the applicant journey • Development of holistic English language support • Introduction of demand-led programme options including alternative (winter) start dates, and development of in-market delivery mechanisms (TNE).
Major Projects Failure to realise the benefits of major projects; Belfast Region City Deal Programme Delivery and Transnational Education Opportunities.	The University is committed to long-term growth through the following significant projects as part of the Belfast Region City Deal Portfolio: • iReach • AMIC • Momentum One Zero In response to changes in the International Student Market, the University is developing Transnational Education provision. In addition to its existing China Queens College partnership, a postgraduate school is being developed in GIFT City, India and other opportunities are being explored.

CORPORATE GOVERNANCE

The University is committed to the highest standards in all aspects of corporate governance, and the following section provides an overview of the governance arrangements applied by Senate, the governing body of the University.

Incorporation and Governance Framework

Senate conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life and in line with guidance from the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK.

The University is an autonomous body established by Royal Charter in 1908. Its activities are underpinned by its Charter, Statutes and Regulations, together with the strong framework of legislation and regulation within which it operates.

Senate is the University's governing body and carries the ultimate responsibility for the University's overall strategic direction and operational performance and complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

The University is registered with the Charity Commission for Northern Ireland, and all Senate members are registered as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

Responsibilities of Senate

Senate meets formally at least four times each academic year, with additional informal sessions to inform its decision-making and effective governance held throughout the year. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property, and the general conduct of its affairs. Senate works with the University Management Board to set the institutional mission and strategic vision, and the Board ensures that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

When executing its duties, Senate maintains a comprehensive system of risk management, internal control, and corporate governance, including the prevention and detection of corruption, fraud, bribery, and irregularities. Senate receives effective and regular information to monitor performance and track the use of public funds to enable it to identify any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and its main sponsoring Department, the Department for the Economy (DfE).

Membership of Senate

Senate members are appointed under the Statutes of the University.

The Chair of Senate, Pro-Chancellor Dr Stephen Kingon CBE retired from office on 31 December 2024 and was succeeded by Dr Leonard O'Hagan CBE from 1 January 2025, supported by Mrs Orla Corr Nixon OBE as Pro-Chancellor; Mr Adrian Doran as Honorary Treasurer and Dr Feargal McCormack as Senior Independent Governor.

In 2024-25 Senate continued with 22 members, comprising the President and Vice-Chancellor; two Pro-Chancellors; the Honorary Treasurer; the Students' Union President; one representative from the Student Council and nine independent, external lay members of which one was appointed as Senior Independent Governor; six members of staff are elected to Senate by their relevant constituencies; two members elected by Academic Council; two academic and two professional services staff representatives; and one representative from Convocation (graduate body).

Independent lay members hold office for an initial term of four years and are eligible for re-appointment up to a maximum of two terms, subject to satisfactory performance.

Elected members serve for an initial term of four years, and, if re-elected, could serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

The Pro-Chancellor and Chair of Senate plays a vital role in the governance of the University, while working independently of the President and Vice-Chancellor and the Senior Leadership Team. The Chair is supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate also has a Senior Independent Governor, appointed from amongst its external lay membership, to further strengthen its governance arrangements.

The Senior Independent Governor role provides enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices. No member of Senate receives remuneration for work they do in respect of their position on the governing body. All interests of members of Senate and members of the University Management Board are reported through the Register of Interests, which is maintained by the University Registrar, who is the Secretary to Senate. The Register can be consulted by arrangement. Members of Senate and its core Committees receive a reminder of each meeting of the need to declare any interest they may have in relation to the specific business to be transacted at that meeting. This is in line with the University wide Register of Interests policy.

Senate Development Opportunities

In the exercise of their duties, it is vital that Senate members could steer the strategic direction of the University. To support this, members of Senate attend an annual Senate Development Day, to allow members and management to focus on the strategic priorities of the University in a more relaxed and informal setting.

Members also regularly attend briefing events, tours of key facilities, updates from Faculties and training/development sessions, all of which are aimed at keeping members up to date on activities happening across the campus and the wider Higher Education (HE) sector. Members were kept informed of any significant issues affecting the University between meetings and throughout the year online updates and briefings were held on topics such as GIFT City, DfE funding approach; University Finance; Fees; 180 Celebrations and the Voluntary Severance Scheme.

All Senate members are required to sign up to a Code of Conduct and as part of this code, members are required to meet with the Chair of Senate, on a one-to-one basis, every two years. The purpose of the Senate Appraisals is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development identified. An annual review of the performance of the Chair of Senate is conducted by the Senior Independent Governor. Members also had a 'Meet the Chair' session as an introduction to the new Chair of Senate.

> IT IS VITAL THE SENATE MEMBERS HAVE THE OPPORTUNITY TO **STEER THE STRATEGIC DIRECTION** OF THE UNIVERSITY

Governance Review

In line with best practice, Senate also keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its committees. In June 2023, Senate commissioned an extensive, independent review of the University governance arrangements, which was facilitated by consultants, Advance HE. A Steering Group was established for this purpose, led by Pro-Chancellor, Mrs Orla Corr Nixon.

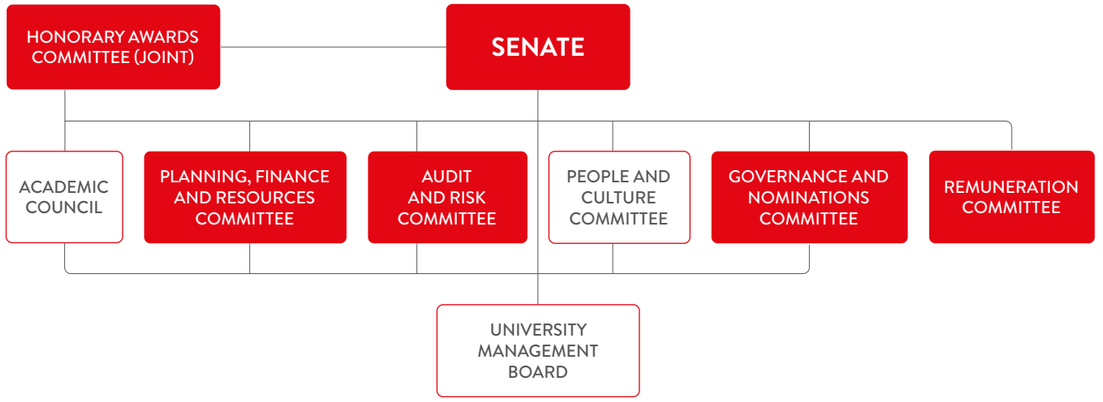
The recommendations, considered by Senate at its meeting on 18 June 2024, for implementation during the academic year 2024–25, were to enable the University to continue to enhance the governance framework and ensure that the exacting standards of governance are maintained. The academic year 2024–25 was a transition year for the implementation of the areas for improvement.

Senate Committees

Senate has established the University's core Committees and under its Approval Framework/Scheme of Delegation, some of its powers and responsibilities are delegated to these core Committees. Following the Governance Review, updates were made to the remit of the core Committees and the names revised to the Audit and Risk Committee, the Planning, Finance and Resources Committee, the Governance and Nominations Committee, the People and Culture Committee and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate lay member representation.

Core Committees are provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required, at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees submit a comprehensive report by the Chair, on business transacted, to the next available meeting of the Senate.

Senate Core Committee Structure



All core Committees are formally constituted with Terms of Reference and are comprised of lay members of Senate. These committees and their respective attendance by each Senate member are listed below:

Member	Senate	Audit and Risk Committee	Planning, Finance and Resources Committee	People and Culture Committee	Governance and Nominations Committee	Remuneration Committee	Honorary Awards Committee
Dr Véronique Altglas	5 of 8						
Ms Briege Arthurs	5 of 8			3 of 4			
Mr Roy Bailie	3 of 8		3 of 5				
Mrs Orla Corr Nixon	6 of 8		Chair 5 of 5	Chair 4 of 4	6 of 7	1 of 3	1 of 1
Mr Adrian Doran	7 of 8		4 of 5		7 of 7	2 of 3	
Mr Kieran Minto	7 of 8		5 of 5				1 of 1
Professor Sir Ian Greer	8 of 8	4 of 4	5 of 5	3 of 4	7 of 7	3 of 3	Chair 1 of 1
Miss Patricia Hampson	6 of 8						
Dr Leonie Hannan	5 of 8			4 of 4			
Mr Keith Jess	4 of 8	Chair 4 of 4					
Dr Stephen Kingon	Chair 4 of 4			2 of 4	2 of 7	2 of 3	
Ms Honor Mallon	5 of 8		3 of 5				1 of 1
Mr Feargal McCormack	6 of 8		4 of 5		5 of 7		
Mr Eoin McMullan	8 of 8	3 of 4					1 of 1
Dr Len O'Hagan	7 of 8		1 of 1		Chair 7 of 7	Chair 3 of 3	1 of 1
Mr Leo O'Reilly	7 of 8		2 of 5				
Ms Mairead Regan	7 of 8	4 of 4			1 of 1	2 of 3	
Ms Gillian Riddell	7 of 8			2 of 4			
Professor Peter Robertson	4 of 8			3 of 4			
Ms Kelly Robinson	6 of 8		5 of 5				
Ms Patricia Slevin	5 of 8			4 of 4			
Mr Sajid Khan	6 of 8		5 of 5				
Dr Kevin Morgan	5 of 5		5 of 5	1 of 1			
Professor Kenda Crozier	2 of 2						

While Senate members' attendance at Committee meetings is not mandatory, our members are extremely dedicated and endeavour to attend all scheduled meetings.

Further detail on each of our core Committees is provided overleaf:

Audit and Risk Committee

The Audit and Risk Committee is responsible for reviewing the audit aspects of the University's Financial Statements and for making recommendations to Senate for their approval or otherwise, in accordance with the Department for the Economy's (DfE) Accounts Direction. These obligations are set out in the Financial Memorandum (FM). The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control, and governance (the risk management element includes the accuracy of the Statement of Internal Control included with the Annual Statement of Accounts).
- Economy, efficiency, and effectiveness.
- Approval and oversight of the implementation of the Institution's policies on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit and Risk Committee meet four times annually, with members of the Senior Leadership Team, Internal Auditors and External Auditors in attendance. Members of the Committee do not have executive authority. The Chair of the Committee is an external lay member and is not a member of any other core Committee of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit Report and considers the appropriateness of the Internal Auditor's risk assessment and Audit Plans, reviewing reports on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

The Committee Members meet at least once a year with the External and Internal Auditors without any Senior Leadership Team present. It also meets once a year without the External and Internal Auditors present to consider the Auditors' performance and to advise Senate on the re-appointment of the External Auditors in line with the requirements of the Financial Memorandum. In addition, it undertakes an annual self-assessment review of its own effectiveness and reports the findings through to Senate.

Throughout 2024-25, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks. The Committee also considers reports, at each of its meetings from the Risk, Resilience and Compliance Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a corporate level and at a Faculty/ Professional Services level.

Planning, Finance and Resources Committee

The Planning, Finance and Resources Committee operates under delegated authority from Senate in all matters pertaining to the University's financial and physical resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning, Finance and Resources Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's focus has been on the Belfast Region City Deal (BRCD) initiatives; performance and delivery against Strategy 2030; GIFT City; Student Accommodation; Sustainability and the financial position of the University during 2024–25.

People and Culture Committee

The People and Culture Committee meet at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture, and values, to include staff engagement and its impact on organisational performance.

In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998.

Governance and Nominations Committee

Following the governance review, Senate introduced a Governance and Nominations Committee with the purpose of providing leadership on stewardship, membership of committees and overall governance, including governance arrangements to ensure that the University is pursuing good practice and monitoring governance effectiveness.

The Committee has delegated authority for, inter alia, monitoring the implementation of the University strategic plan; oversight of the reconstitution of Senate and its membership; appointments to core Committees; oversight of governance effectiveness reviews; and the appointment of university representatives to external bodies.

Remuneration Committee

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. The Committee annually determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group. The Committee continues to produce and publish for Senate an Annual Report setting out its key priorities and activities during the academic year.

Senior Leadership Team

Senate delegates executive management control of the University to the University Management Board (UMB), chaired by the President and Vice-Chancellor.

Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

University Management Board 2024–25

Name	Title
Professor Sir I Greer	President and Vice-Chancellor
P Anderson	Vice-President and Chief Finance and Resources Officer
Professor I Bruce	Pro-Vice-Chancellor (Medicine, Health and Life Sciences)
Professor A Clements	Pro-Vice-Chancellor (Research and Enterprise)
Professor G Dewulf (from Jan 2025)	Pro-Vice-Chancellor (Engineering and Physical Sciences)
Dr R Feeney	Vice-President (Governance and External Affairs) and Registrar
A Finlay	Chief People Officer
Professor N Hewitt-Dundas	Pro-Vice-Chancellor (Arts, Humanities and Social Sciences)
Professor R Miles (from Mar 2025)	Provost and Deputy Vice-Chancellor
Professor M Topping	Pro-Vice-Chancellor (Global Engagement)
Professor J Williams	Pro-Vice-Chancellor (Education and Students)
Professor R Woods (until Jan 2025)	Interim Pro-Vice-Chancellor (Engineering and Physical Sciences)
C Young	Vice-President (Students and Corporate Services)

Internal Control

As the governing body of The Queen's University of Belfast, Senate has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This responsibility has been assigned to Senate in accordance with the University's Charter and Statutes, and the Financial Memorandum.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives. To that extent it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. This process has been in place for the year ended 31 July 2024 and up to the date of approval of these Financial Statements and accords in full with DfE guidance.

During the period, up to the signing of these Financial Statements, there were no (greater than £5k) actual or suspected frauds identified.

Senate has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.

b. Senate receives regular reports from the Chair of the Audit and Risk Committee concerning internal control and requires regular reports from the Senior Leadership Team on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate and the Vice-Chancellor receive an annual report from the Audit and Risk Committee covering the business of the Committee over the previous academic year.

c. Senate has established the Risk, Resilience and Compliance Committee with UMB providing oversight of the risk management processes and mitigations.

d. The Audit and Risk Committee receive regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating, and managing their significant risks.

f. A programme of risk awareness training is ongoing, and risk management is integrated within the University's business planning process.

g. A system of key performance and risk indicators has been implemented and continually developed.

h. A robust risk prioritisation methodology, based on risk ranking and cost–benefit analysis has been established with a Risk Appetite in development.

i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.

j. An Emerging Risk Schedule has been developed and is reviewed at each meeting of the University Management Board.

k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third-parties or relied on by other parts of Government.

l. Reports are received, as appropriate, from budget holders, department heads, and project managers on internal control activities.

Senate's review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to DfE's Accounts Direction. It is Senate's view that the University has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the University's Internal Auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS) and submit regular reports on the adequacy and effectiveness of the University's system of risk management, internal controls and corporate governance, and economy, efficiency and effectiveness with recommendations for improvement. Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit and Risk Committee.

As a result of Senate's overall review of the effectiveness of the system of internal control, including risk management, it is content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the University's Accounting Officer by the Internal Auditors, in their Annual Statement of Assurance.



RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing each of the Group and University financial statements, Senate is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it intends to liquidate the Group, or the University, or to cease operations, or have no realistic alternative but to do so.

Senate is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and University's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and University. Senate is responsible for such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and it has general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Group and University and to prevent and detect fraud and other irregularities.

Senate is also responsible for ensuring that:

- funds from DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to these purposes and managed in accordance with relevant legislation; and
- the economical, efficient, and effective management of the University's resources and expenditure is secured.

Senate is responsible for the maintenance and integrity of the Financial Statements included on the University's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2025 set out on pages 90 to 121, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the material accounting policies set out on pages 80 to 87. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2025 and of its incoming resources and application of resources including its income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019; and
- meet the requirements of the Department for the Economy ('DfE') Accounts Direction to Higher Education Institutions for 2024–25 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

Senate has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease its operations, and as they have concluded that the Group and University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group and University's business model and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with management as to the Group and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Message from the Students' Union President, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements as set out on page 75, Senate is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992.

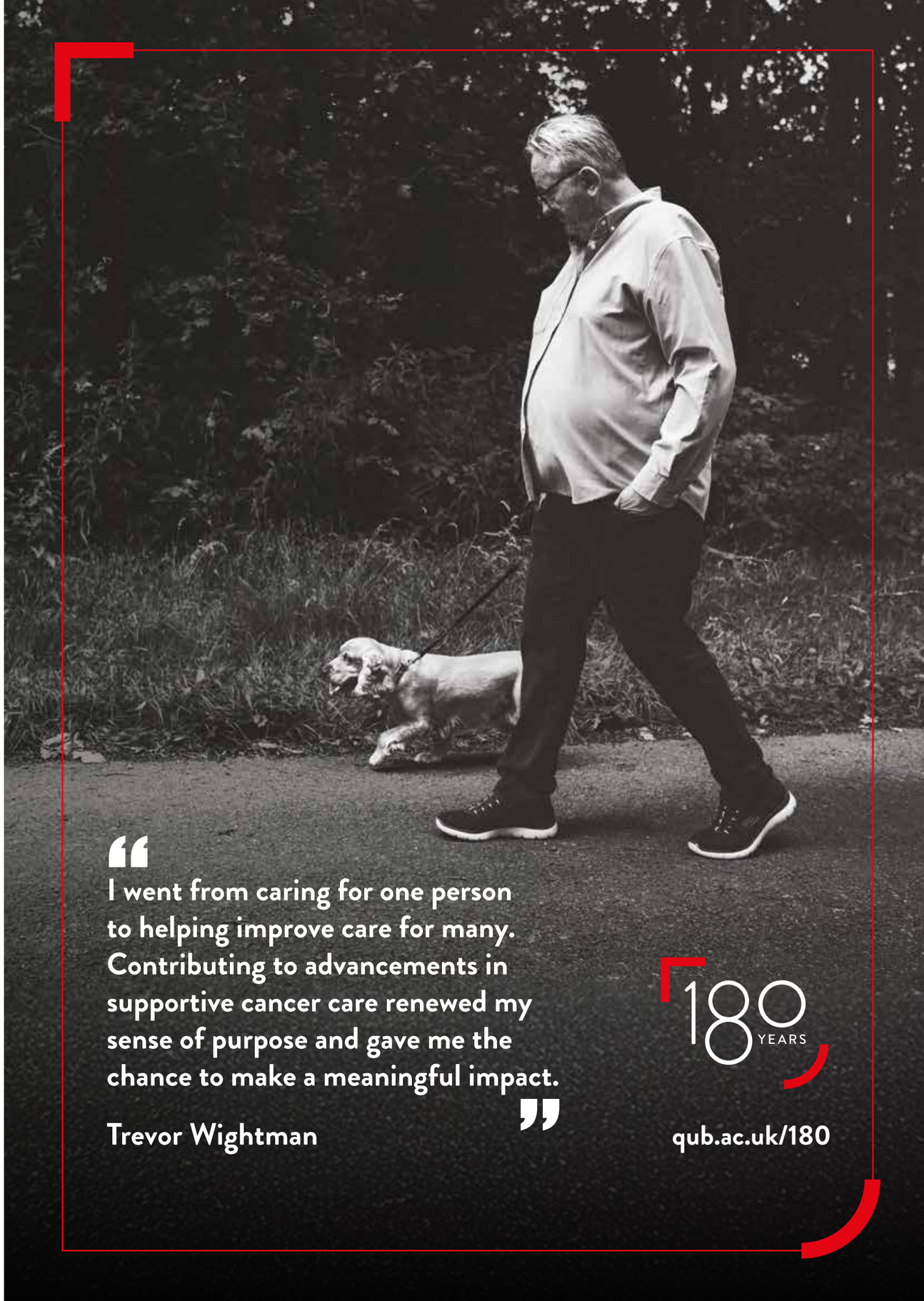
In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

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

Dominic Mudge
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast, BT1 3LP
November 2025



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019; UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102); and the Accounts Direction issued by the Department for the Economy.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (as modified by the revaluation of fixed assets on the transition to FRS 102 as of 1 August 2014 and the revaluation of investments and investment property carried at fair value).

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate Financial Statements.

The Financial Statements are prepared in sterling which is the functional currency of the University and Group and rounded to the nearest £'000.

BASIS OF PREPARATION

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

The Financial Statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons:

Senate has prepared financial forecasts and cash flows for a period of twelve months from the date of approval of these Financial Statements. After reviewing these cashflows, Senate is of the opinion that the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements. Senate has also noted the Group's and University's limited borrowing and loan portfolio.

Therefore, Senate has prepared the Financial Statements on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the University and its wholly owned subsidiaries, QUBIS Limited, Queen's Overseas Recruitment Limited, Queen's Composites Limited, and its partially owned subsidiary NIACE Limited. Intra-group transactions are eliminated in full, on consolidation.

Joint ventures are accounted for using the equity method.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Group and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the Balance Sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, and the part relating to the University's share is eliminated.

The Consolidated Financial Statements do not include a connected charity, the Queen's University of Belfast Foundation Ltd, which is a separate and independent organisation.

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

Income from the sale of goods or services is credited to the Consolidated and University Statements of Comprehensive Income (SOCI), when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

TUITION FEE INCOME

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCI over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

GOVERNMENT REVENUE GRANTS

Government revenue grants including the Department for the Economy (DfE) block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors, and allocated between creditors due within one year and due after more than one year, as appropriate.

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve, until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

INVESTMENT INCOME

Investment income is credited to the SOCI on a receivable basis.

Investment income is recognised in income in the year in which it arises. Appreciation of endowments, including gains/losses relating to disposals within the Investment Fund, is recorded as fair value gains/losses on investments in the year in which they arise. These items are shown as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 38 to the Financial Statements.

The USS is a multi–employer scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the institution therefore accounts for the scheme as if it were a defined contribution scheme and the amount charged to the profit and loss account represents the contributions payable to the scheme and any deficit recovery contributions payable under the scheme's Recovery Plan.

Where, in future, a scheme valuation determines that the scheme is in deficit on a technical provision's basis (as was the case following some previous valuations), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. The University would recognise a provision for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the income statement.

Under the RBP Scheme, as a defined benefit scheme, 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 and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 25). This net 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.

Annually the University engages independent actuaries to calculate the FRS 102 obligation for the RBP scheme.

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. 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 RBP, recognised in expenditure as staff costs, 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 opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 38.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the operating (loss)/surplus for the year.

INTEREST PAYABLE

Interest payable and similar charges includes interest payable, finance charges, unwinding of the discount on provisions and material net foreign exchange losses that are recognised in the SOCI.

INTANGIBLE ASSETS

Expenditure in relation to development of software is capitalised where it is probable (more likely than not) that expected future economic benefits that are attributable to the asset can be reliably measured and will flow to the University and where the cost of value of the asset can be measured reliably.

The intangible asset is initially recognised at cost and amortised over the expected useful economic lives of the assets, which for software development is 4 years.

FIXED ASSETS

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

LAND AND BUILDINGS

Freehold land and buildings and long-leasehold land and buildings were revalued to fair value on the date of transition to the 2015 SORP, and these assets are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

All land and buildings completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in relation to land and buildings after initial. purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated, as it is considered to have an indefinite useful life. Freehold and long leasehold buildings are depreciated on a straight-line basis over their expected useful lives.

For buildings revalued at fair value at transition date, the estimated useful life is that determined as part of the revaluation exercise. For all other buildings, the estimated useful life is either 40 or 60 years depending on the category of the building in question.

No depreciation is charged on assets during construction. Depreciation methods, useful lives, and residual values are reviewed at the date of preparation of each Balance Sheet.

EQUIPMENT

Equipment, including microcomputers and software, costing less than £25,000 per individual item, or group of related items, is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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.

Capitalised equipment is depreciated on a straight-line basis over its expected useful life, as follows:

- Motor vehicles and other general equipment 4 years.
- Equipment acquired for specific research projects 2–3 years.

Where assets are donated or acquired with the aid of specific grants or donations they are capitalised and depreciated as outlined above. Expenditure (>£25,000) relating to subsequent replacement of components is capitalised as incurred.

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

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCI.

HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens, or structures of historic, scientific, or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available. Heritage assets, including works of art, acquired since 1 August 2007, and valued at over £25,000, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value, mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services.

Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP, and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

Non–current investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments, that can be measured reliably, are measured at fair value, with changes in measurement recognised in the SOCI. Realised gains on disposals within the Investment Fund are reinvested within the Fund and recognised within total income for the year and are included within fair value gain/(loss) on investments and investment property in the SOCI. Gains on disposal of equity investments or from the Investment Fund, which are realised, are included within gain on disposal of investments within the surplus before tax.

Current asset investments relate to deposits held with banks and building societies in the UK and are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in associates are held at fair value. Changes in fair value are recognised through other Comprehensive Income in the relevant subsidiary accounts. In the Consolidated Financial Statements, changes in fair value are recognised in the SOCI.

Investments in subsidiaries are measured at cost less impairment in the University Balance Sheet.

STOCK

Stock is held at the lower of cost and estimated selling price less costs to complete and sell and is measured on the basis of a first in first out approach.

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 highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Financial Statements when:

a. the Group or University has a present obligation (legal or constructive) as a result of a past event;
b. it is probable that an outflow of economic benefits will be required to settle the obligation;
c. 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 liability arises from a past event that gives the Group or University a probable obligation, whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events, not wholly within the control of the Group or 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the SOCI.

CONCESSIONARY LOANS

Concessionary loans are measured initially at the amounts received and adjusted to reflect any accrued interest and/or repayment of capital.

FINANCIAL INSTRUMENTS

The Group and University have elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Group or University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the SOCI.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the SOCI. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-Group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

TAXATION

The University is an exempt Charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a Charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by 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's non–charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and University's Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. Further details are outlined in note 39.

FINANCIAL *STATEMENTS*

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2025

	Notes	2025		2024	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Income					
Government grants	1	**118,084**	**118,084**	107,748	107,748
Tuition fees, support grants and education contracts	2	**160,073**	**160,073**	159,961	159,961
Research grants and contracts	3	**112,369**	**112,369**	105,177	105,177
Other income	4	**84,798**	**89,473**	83,110	85,258
Investment income	5	**11,340**	**10,943**	12,707	12,382
Total income before endowments and donations		**486,664**	**490,942**	468,703	470,526
Donations and endowments	6	**2,819**	**2,819**	3,634	3,634
Total income		**489,483**	**493,761**	472,337	474,160
Expenditure					
Staff costs	7	**305,278**	**305,278**	281,747	281,747
Other operating expenses	10	**174,988**	**174,343**	168,526	168,772
Depreciation and amortisation	14/15	**29,873**	**29,753**	29,294	29,174
Interest and other finance costs	11	**2,135**	**2,135**	5,451	5,451
Total expenditure	12	**512,274**	**511,509**	485,018	485,144
Deficit before other staff costs and other gains/(losses)		**(22,791)**	**(17,748)**	(12,681)	(10,984)
Staff costs – restructuring	8	(25,361)	(25,361)	–	–
Staff costs – movement in USS provision	9	–	–	139,282	139,282
(Deficit)/surplus before other gains/(losses)		**(48,152)**	**(43,109)**	126,601	128,298
Gain on disposal of fixed assets		**413**	**413**	–	–
(Loss) on disposal of investments		**(3,811)**	**–**	(454)	–
(Deficit)/surplus before tax and fair value movement on investments		**(51,550)**	**(42,696)**	126,147	128,298
Fair value (loss)/gain on investments and investment property	17/18	**(19,875)**	**21,083**	(2,320)	22,531
Taxation	13	**–**	**–**	–	–
(Deficit)/surplus for the year		**(71,425)**	**(21,613)**	123,827	150,829
Actuarial adjustment in respect of pension schemes	38	**3,675**	**3,675**	1,780	1,780
Total comprehensive (expenditure)/income for the year		**(67,750)**	**(17,938)**	125,607	152,609
Represented by: income/(expenditure)					
• Endowment income for the year		**4,177**	**4,177**	5,296	5,296
• Restricted expenditure for the year		**(711)**	**(711)**	(292)	(292)
• Unrestricted (expenditure) /income for the year		**(71,203)**	**(21,404)**	120,616	147,605
Attributable to the University		**(67,737)**	**(17,938)**	125,620	152,609
Attributable to the non-controlling interest		**(13)**	**–**	(13)	–
		(67,750)	**(17,938)**	125,607	152,609

Included within the consolidated deficit (2024: surplus) for the year is a loss of (£13k) (2024: (£13k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2025

	Notes	2025		2024	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Non-current assets					
Intangible assets	14	**2,009**	**2,009**	–	–
Fixed assets	15	**761,637**	**755,843**	717,521	711,607
Heritage assets	16	**267**	**267**	267	267
Investment property	17	**7,150**	**7,150**	7,450	7,450
Investments	18	**458,370**	**366,384**	468,761	327,116
Investment in associates	20	**5,362**	**–**	6,909	–
		1,234,795	**1,131,653**	1,200,908	1,046,440
Current assets					
Stock		**830**	**830**	759	759
Debtors	21	**74,366**	**75,775**	63,792	64,657
Investments	22	**–**	**–**	25,206	25,206
Cash and cash equivalents	22/29	**119,907**	**102,817**	145,423	130,743
		195,103	**179,422**	235,180	221,365
Less: Creditors: amounts falling due within one year	23	**(189,275)**	**(189,513)**	(158,093)	(158,339)
Net current assets/(liabilities)		**5,828**	**(10,091)**	77,087	63,026
Total assets less current liabilities		**1,240,623**	**1,121,562**	1,277,995	1,109,466
Creditors: amounts falling due after more than one year	24	**(439,215)**	**(435,803)**	(410,234)	(406,751)
Provisions					
Pension obligations	25	**(40,241)**	**(40,241)**	(44,580)	(44,580)
Other provisions	26	**(7,470)**	**(5,468)**	(1,734)	(147)
Total net assets		**753,697**	**640,050**	821,447	657,988
Restricted reserves					
Income and expenditure reserve – endowment reserve	27	**75,047**	**75,047**	70,944	70,944
Income and expenditure reserve – restricted reserve	28	**805**	**805**	1,516	1,516
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**677,153**	**564,198**	748,282	585,528
		753,005	**640,050**	820,742	657,988
Non-controlling interest		**692**	**–**	705	–
Total reserves		**753,697**	**640,050**	821,447	657,988

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

The financial statements were approved by Senate on 25 November 2025 and were signed on its behalf on that date by:

Mr A. Doran,
Honorary Treasurer

Professor Sir I. Greer,
President and Vice-Chancellor

Mr P. Anderson,
Vice-President and Chief Finance and Resources Officer

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2025

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2023	**65,648**	**1,808**	**627,666**	**695,122**	**718**	**695,840**
Surplus/(deficit) from the statement of comprehensive income	5,225	2,064	117,993	125,282	(13)	125,269
Transfers between reserves	71	–	(71)	–	–	–
Other comprehensive income	–	–	1,780	1,780	–	1,780
Release of restricted funds spent in year	–	(2,356)	914	(1,442)	–	(1,442)
Total comprehensive income/ (expenditure) for the year	5,296	(292)	120,616	125,620	(13)	125,607
Balance at 1 August 2024	**70,944**	**1,516**	**748,282**	**820,742**	**705**	**821,447**
Surplus/(deficit) from the statement of comprehensive income	4,177	510	(76,099)	(71,412)	(13)	(71,425)
Transfer between reserves	(74)	–	74	–	–	–
Other comprehensive income	–	–	3,675	3,675	–	3,675
Release of restricted funds spent in year	–	(1,221)	1,221	–	–	–
Total comprehensive income/ (expenditure) for the year	4,103	(711)	(71,129)	(67,737)	(13)	(67,750)
Balance at 31 July 2025	**75,047**	**805**	**677,153**	**753,005**	**692**	**753,697**

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2025

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2023	**65,648**	**1,808**	**437,923**	**505,379**	**–**	**505,379**
Surplus from the statement of comprehensive income	5,225	622	144,982	150,829	–	150,829
Transfer between reserves	71	–	(71)	–	–	–
Other comprehensive income	–	–	1,780	1,780	–	1,780
Release of restricted funds spent in year	–	(914)	914	–	–	–
Total comprehensive income/ (expenditure) for the year	5,296	(292)	147,605	152,609	-	152,609
Balance at 1 August 2024	**70,944**	**1,516**	**585,528**	**657,988**	**–**	**657,988**
Surplus/(deficit) from the statement of comprehensive income	4,177	510	(26,300)	(21,613)	–	(21,613)
Transfer between reserves	(74)	–	74	–	–	–
Other comprehensive income	–	–	3,675	3,675	–	3,675
Release of restricted funds spent in year	–	(1,221)	1,221	–	–	–
Total comprehensive income/ (expenditure) for the year	4,103	(711)	(21,330)	(17,938)	–	(17,938)
Balance at 31 July 2025	**75,047**	**805**	**564,198**	**640,050**	**–**	**640,050**

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2025

	Notes	2025	2024
		£'000	£'000
Cash flow from operating activities			
(Deficit)/surplus for the year		**(71,425)**	123,827
Adjustment for non-cash items			
Depreciation and amortisation	14/15	**29,873**	29,294
Release of deferred capital grants		**(22,910)**	(22,517)
Gain on disposal of fixed assets		**(413)**	-
Loss on disposal of investments		**3,811**	454
Fair value movement on investments and investment property		**19,875**	2,320
Increase in stock		**(71)**	(51)
Increase in debtors	21	**(10,574)**	(6,341)
Increase/(decrease) in creditors	23/24	**25,470**	(1,022)
(Decrease) in pension provision	25	**(4,339)**	(3,324)
Actuarial adjustment to pension provision	38	**3,675**	1,780
Increase/(decrease) in other provisions	26	**5,736**	(136,486)
Adjustment for investing or financing activities			
Investment income	5	**(11,340)**	(12,707)
Interest payable	11	**–**	–
Endowment income	6	**(835)**	(1,677)
Net cash outflow from operating activities		**(33,467)**	(26,450)
Cash flows from investing activities			
Proceeds from sales of fixed assets		**730**	–
Capital grants receipts		**58,880**	39,815
Disposal of non-current asset investments		**41,280**	36,911
Investment income		**11,340**	12,707
Payments made to acquire fixed assets	15	**(73,539)**	(42,920)
Payments made to acquire intangible assets	14	**(2,511)**	–
New non-current asset investments	18	**(52,458)**	(124,068)
Disinvestment in deposits >3 months		**25,206**	159,794
New associate investments		**(338)**	(285)
		8,590	81,954
Cash flows from financing activities			
Endowment cash received		**835**	1,677
Repayments of amounts borrowed		**(1,275)**	(1,275)
		(440)	402
(Decrease/Increase) in cash and cash equivalents in the year		**(25,317)**	55,906
Cash and cash equivalents at beginning of the year	29	**145,423**	89,311
Fair value movement on cash equivalents		**(199)**	206
Cash and cash equivalents at end of the year	29	**119,907**	145,423

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
1. Government grants				
Recurrent grant:				
Teaching	**52,157**	**52,157**	47,975	47,975
Research	**37,013**	**37,013**	31,883	31,883
Other specific grants	**10,762**	**10,762**	9,803	9,803
Deferred capital grants released in year	**18,152**	**18,152**	18,087	18,087
	118,084	**118,084**	107,748	107,748

The University received £102.4m (2024: £97.0m) of recurrent grant funding in the year, of which some £13.3m (2024: £17.2m) has been deferred as detailed in note 24.

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	**73,460**	**73,460**	70,156	70,156
International students	**55,155**	**55,155**	60,093	60,093
Part-time fees	**5,808**	**5,808**	5,877	5,877
Short courses	**2,847**	**2,847**	1,523	1,523
Department of Health nursing contract	**15,943**	**15,943**	17,202	17,202
Research training, other support grants and other fees	**6,860**	**6,860**	5,110	5,110
	160,073	**160,073**	159,961	159,961

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
3. Research grants and contracts				
Research councils/UKRI	**44,612**	**44,612**	35,763	35,763
Research charities	**10,477**	**10,477**	11,689	11,689
UK Government and EU	**44,063**	**44,063**	43,928	43,928
Other sources	**13,217**	**13,217**	13,797	13,797
	112,369	**112,369**	105,177	105,177

Income from research grants and contracts includes deferred capital grants released in year totalling £4,243k (2024: £3,918k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
4. Other income				
Residences, catering and conferences	**26,233**	**26,233**	24,852	24,852
Other services rendered	**27,342**	**27,342**	28,407	28,407
Other capital grants	**–**	**–**	–	–
Other income	**23,960**	**28,635**	23,169	25,317
Contribution to joint appointment salaries (note 7)	**7,263**	**7,263**	6,682	6,682
	84,798	**89,473**	83,110	85,258

Other income and other services rendered include deferred capital grants released in year totalling £443k (2024: £443k).
Other income in respect of the University includes gift aid income of £8,240k (2024: £5,348k) from its subsidiaries.

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
5. Investment income				
Investment income from endowments (note 27)	**920**	**920**	1,126	1,126
Other investment income	**10,420**	**10,023**	11,581	11,256
	11,340	**10,943**	12,707	12,382

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
6. Donations and endowments				
New endowments (note 27)	**835**	**835**	1,677	1,677
Donations with restrictions (note 28)	**173**	**173**	196	196
Unrestricted donations	**1,811**	**1,811**	1,761	1,761
	2,819	**2,819**	3,634	3,634

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
7. Staff costs				
Salaries	**240,241**	**240,241**	221,525	221,525
Social security costs	**26,296**	**26,296**	21,928	21,928
Other pension costs	**24,514**	**24,514**	25,976	25,976
Current service cost – RBP pension scheme (note 38)	**6,964**	**6,964**	5,636	5,636
	298,015	**298,015**	275,065	275,065
Joint appointment salaries (note 4)	**7,263**	**7,263**	6,682	6,682
	305,278	**305,278**	281,747	281,747

Included within staff costs is £9,227k (2024: £8,230k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.

Consolidated and University	**2025**	2024
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	**359**	351
Pension contributions to USS	**–**	9
	359	360

In respect of the Vice-Chancellor no additional amounts (2024: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice-Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. This is treated as a taxable benefit which is quantified as £7,211 per annum, as calculated in line with HMRC guidelines. The Vice-Chancellor also made a personal contribution of £5,400 in respect to the running costs of the lodge. The Vice-Chancellor received no further additional taxable benefits (2024: £nil).

Professor Sir Ian Greer was appointed as Vice-Chancellor with effect from 1 August 2018. Professor Sir Ian Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £359,059. The package reflects the complexity, and the demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice-Chancellor's basic salary is 8.0 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff and this position compares favourably to comparator universities.

The Vice-Chancellor's basic salary is 7.0 times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration salaries provided by the University to its staff and this position compares favourably to comparator universities.

The pay median does not include workers who were not employed under contract by the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated and University	2025	2024
	Number	Number
7. Staff costs (continued)		
Remuneration of higher paid academic staff, (over £100k excluding employer's pension contributions and the NHS funded element of joint appointments):		
Vice-Chancellor	**1**	1
Deputy Vice-Chancellor	**–**	1
Pro-Vice-Chancellor	**6**	5
Professorial range 4	**13**	11
Professorial range 3	**35**	28
Professorial range 2	**58**	40

Over the last number of years Queen's University has taken a number of key strategic decisions to ensure that we grow and develop as a world leading academic institution, a key driver of inclusive economic growth in Northern Ireland, and an organisation which is responsive to and a partner of local communities throughout the region. One of these decisions was a focus on our academic staff, where we have recruited the best talent and retained them through provision of development opportunities.

This continues to bear fruit, with continued increases in research grants and contracts awarded to the University as well as ongoing strength in student outcomes.

We note that Professorial Ranges are the staff bandings through which our senior academic staff can progress (as defined within our internal People and Culture policies).

Consolidated and University	2025	2024
	Number	Number
Remuneration of higher paid professional services staff, (over £100k excluding employer's pension contributions and the NHS funded element of joint appointments):		
University Secretary	**–**	1
Vice President	**3**	4
Director	**13**	13

In order to support our academic staff and to allow us to deliver on the enablers of Strategy 2030, we also continue to invest in effective Professional Services Management; this is demonstrated in the table above, where we present details of the higher paid of these colleagues.

Consolidated and University	2025	2024
	Number	Number
Remuneration of higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	**22**	24
£105,000 to £109,999	**22**	27
£110,000 to £114,999	**26**	17
£115,000 to £119,999	**16**	5
£120,000 to £124,999	**9**	4
£125,000 to £129,999	**4**	1
£130,000 to £134,999	**3**	9
£135,000 to £139,999	**11**	2
£140,000 to £144,999	**2**	2
£145,000 to £149,999	**1**	2
£150,000 to £154,999	**2**	4
£155,000 to £159,999	**2**	1
£160,000 to £164,999	**1**	1
£165,000 to £169,999	**–**	4
£170,000 to £174,999	**4**	–
£175,000 to £179,999	**2**	–
£180,000 to £184,999	**–**	–
£185,000 to £189,999	**–**	–
£190,000 to £194,999	**–**	–
£195,000 to £199,999	**–**	–
£200,000 to £204,999	**1**	–
£350,000 to £354,999	**–**	1
£355,000 to £359,999	**1**	–

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated and University	2025	2024
	Number	Number
7. Staff costs (continued)		
Average staff numbers by major category:		
Academic	**1,373**	1,339
Research	**633**	667
Academic related	**1,198**	1,104
Technical and clerical	**1,076**	1,057
Other	**552**	571
	4,832	4,738

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £19,190k (2024: £834k) relating to 518 (2024: 149) staff members. This total included payments to 273 staff on fixed terms contracts and the remainder related to payments in line the University's Voluntary Severance (VS) Scheme which was launched during 2024–25. Further details of the VS scheme are outlined in note 8.

All severance payments, including compensation for loss of office, in respect to higher paid staff within its remit, are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

Consolidated and University	2025	2024
	£'000	£'000
Key management personnel		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full time equivalent (FTE) included as Key Management Personnel is 12 (2024: 12 FTE).		
Key management personnel compensation	**2,981**	2,952

8. Staff costs – restructuring

In recognition of the economic challenges being faced by the Higher Education (HE) Sector, the University has proactively undertaken a number of actions to drive forward a glidepath towards financial sustainability, while continuing to meet its strategic objectives.

In this context the University launched a Voluntary Severance (VS) Scheme during 2024–25 with the aim of reducing the University's recurrent cost base, while retaining key skills to drive strategic and operational priorities. The outworkings of the VS scheme aligned with expectatioms with circa 300 staff accepting the VS offer at a total cost of £25,361k. The majority of these staff left on or before the 31 July 2025 and the remaining staff are scheduled to leave during 2025–26. Further details are included in note 26.

The VS scheme has resulted in an adjustment within staff costs which, due to its exceptional size, is being disclosed separately in the Statement of Comprehensive Income.

9. Movement in USS provision

The 2023 USS actuarial valuation was completed in December 2023 and indicated the USS pension Scheme was in a surplus position of £7.4bn. Therefore, the Trustees agreed that the deficit recovery plan, which had been in place since the completion of the 2020 valuation, was no longer required and deficit recovery payments would cease from December 2023. The adoption of the 2020 USS deficit recovery plan had resulted in the University establishing a significant deficit provision of £139,282k in prior years which was released as of 1 January 2024. This resulted in an adjustment within staff costs in the prior year which, due to its exceptional size, was disclosed separately in the Statement of Comprehensive Income.

Further details relating to the USS pension scheme and the related USS provision are laid out in note 38.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
10. Other operating expenses				
Consumables and laboratory expenditure	**14,448**	**14,448**	13,636	13,636
Books and periodicals	**5,692**	**5,692**	5,849	5,849
Studentships and bursaries	**20,866**	**20,866**	19,113	19,113
Heat, light, water and power	**10,617**	**10,617**	9,057	9,057
Repairs and general maintenance	**6,464**	**6,464**	5,108	5,108
External auditor's remuneration – audit services	**167**	**144**	167	144
External auditor's remuneration – non-audit services	**231**	**219**	116	110
Rates, insurance and telecommunication expenses	**7,575**	**7,575**	7,030	7,030
Hospitality and accommodation services	**10,933**	**10,933**	11,228	11,228
Equipment and equipment maintenance	**11,566**	**11,566**	14,152	14,152
Postage, photocopying and printing	**1,365**	**1,365**	1,385	1,385
Patent fees	**393**	**393**	398	398
Collaborative research payments	**9,932**	**9,932**	8,232	8,232
Other	**74,573**	**74,129**	73,055	73,330
	174,988	**174,343**	168,526	168,772
External auditor's fees for non audit services include:				
Audit related services	**26**	**26**	35	35
Other non-audit services	**9**	**9**	18	18
Taxation compliance and advisory services	**196**	**184**	63	57
	231	**219**	116	110

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
11. Interest and other finance costs				
Unwinding of discount – USS pension deficit plan provision	–	–	3,131	3,131
Net charge on RBP pension scheme (note 38)	**2,135**	**2,135**	2,320	2,320
	2,135	**2,135**	5,451	5,451

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated	**Staff costs**	**Depreciation**	**Other operating expenses**	**Interest payable**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
12. Analysis of total expenditure by activity					
Academic departments	167,720	4,464	20,281	–	**192,465**
Academic services	25,112	1,060	18,974	–	**45,146**
Research grants and contracts	38,926	4,697	43,977	–	**87,600**
Hospitality and accommodation services	6,293	–	11,193	–	**17,486**
Premises	10,199	19,235	27,719	–	**57,153**
Administration	41,688	146	39,884	–	**81,718**
Other expenses	15,340	271	12,960	2,135	**30,706**
	305,278	**29,873**	**174,988**	**2,135**	**512,274**

13. Taxation

There is no taxation charge arising from the operating activities of the Group (2024 £nil).

	2025		2024	
	Consolidated	**University**	**Consolidated**	**University**
	£'000	**£'000**	**£'000**	**£'000**
14. Intangible assets				
Software				
Opening balance	–	–	–	–
Additions	**2,511**	**2,511**	–	–
Amortisation charge for the year	**(502)**	**(502)**	–	–
Closing balance	**2,009**	**2,009**	–	–

The University has initiated an ambitious programme of digitalisation and software development to promote effective and efficient processes across its range of services and, in particular, the student journey. These developments have been capitalised as they are expected to have an extended useful life and the amortisation period is 4 years.

Consolidated	**Freehold land and buildings**	**Leasehold land and buildings**	**Equipment**	**Assets in the course of construction**	**Total (excluding heritage assets)**	**Heritage assets**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
15. Fixed assets							
Cost or valuation							
At 1 August 2024	750,209	78,563	56,477	35,575	920,824	267	921,091
Additions	3,666	2,017	10,988	56,868	73,539	–	73,539
Transfers	7,144	–	–	(6,879)	265	–	265
Disposals	(388)	–	(9,546)	–	(9,934)	–	(9,934)
At 31 July 2025	**760,631**	**80,580**	**57,919**	**85,564**	**984,694**	**267**	**984,961**
Depreciation							
At 1 August 2024	142,155	15,893	45,255	–	203,303	–	203,303
Charge for the year	16,935	1,918	10,518	–	29,371	–	29,371
Disposals	(71)	–	(9,546)	–	(9,617)	–	(9,617)
At 31 July 2025	**159,019**	**17,811**	**46,227**	**–**	**223,057**	**–**	**223,057**
Net book value							
At 31 July 2025	**601,612**	**62,769**	**11,692**	**85,564**	**761,637**	**267**	**761,904**
At 31 July 2024	608,054	62,670	11,222	35,575	717,521	267	717,788

NOTES TO THE ACCOUNTS
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University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
15. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2024	750,209	71,449	56,477	35,575	913,710	267	913,977
Additions	3,666	2,017	10,988	56,868	73,539	–	73,539
Transfers	7,144	–	–	(6,879)	265	–	265
Disposals	(388)	–	(9,546)	–	(9,934)	–	(9,934)
At 31 July 2025	**760,631**	**73,466**	**57,919**	**85,564**	**977,580**	**267**	**977,847**
Depreciation							
At 1 August 2024	142,155	14,693	45,255	–	202,103	–	202,103
Charge for the year	16,935	1,798	10,518	–	29,251	–	29,251
Disposals	(71)	–	(9,546)	–	(9,617)	–	(9,617)
At 31 July 2025	**159,019**	**16,491**	**46,227**	**–**	**221,737**	**–**	**221,737**
Net book value							
At 31 July 2025	**601,612**	**56,975**	**11,692**	**85,564**	**755,843**	**267**	**756,110**
At 31 July 2024	608,054	56,756	11,222	35,575	711,607	267	711,874

A full valuation of the University's freehold and long leasehold land and buildings portfolio was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. In line with FRS 102, this valuation was used as the deemed cost for these assets at the date of transition i.e. 1 August 2014.

An annual review of asset utilisation is undertaken and, as a result, an asset within long leasehold land and buildings was transferred from investment properties during the year (note 17) .

16. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In prior years the University has acquired heritage assets of £267k of which £200k relates to pieces of sculpture and £67k relates to a book collection.

The University holds other heritage assets in its main library and throughout the general campus. The special collections service at Queen's provides access to the Library's rare and early printed book, map and manuscript collections, as well as to more modern material relating to Ireland and Ulster in particular. The books, pamphlets, manuscripts, correspondence, photographs and maps are considered to be of lasting research value and include examples of the earliest printed works published between the 16th and early 19th centuries. In order to preserve the material for future readers these collections are housed in a secure and environmentally controlled setting. The University also has an important collection of fine art, silver and sculpture, as well as a build environment which contains some of the best architecture in Ireland. The University has a Curator of Art who manages and develops the collection as well as developing an ambitious programme of educational work.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated and University	2025	2024
	£'000	£'000
17. Investment property		
Balance at 1 August	**7,450**	7,415
Transfers from fixed assets (note 15)	**(265)**	20
Additions	**–**	–
Net (loss)/gain from fair value adjustments	**(35)**	15
Balance at 31 July	**7,150**	7,450

A valuation of the investment property was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. This valuation is reviewed annually by the University using industry recognised indices and the carrying value of the assets adjusted accordingly for any material changes.

The University received property rental income of £655k (2024: £713k) in respect of these properties for the year ended 31 July 2025.

An annual review of asset utilisation is undertaken and, as a result an asset within investment properties was transferred to freehold buildings during the year (note 15) .

	Subsidiary companies	Other fixed assets investments	Total
		£'000	£'000	£'000
18. Non-current investments			
Consolidated			
At 1 August 2024	–	468,761	**468,761**
Additions	–	52,458	**52,458**
Disposals	–	(45,125)	**(45,125)**
Gain on fair value and gains on disposals	–	(17,724)	**(17,724)**
At 31 July 2025	–	458,370	**458,370**
University			
At 1 August 2024	2,255	324,861	**327,116**
Additions	–	51,233	**51,233**
Disposals	–	(33,281)	**(33,281)**
Gain on fair value and gains on disposals	–	21,316	**21,316**
At 31 July 2025	2,255	364,129	**366,384**

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YEAR ENDED 31 JULY 2025

	2025		2024	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
18. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	**167,055**	**167,055**	150,646	150,646
University investment fund:				
Fixed income stocks	**9,591**	**9,591**	8,298	8,298
Equities (listed)	**43,774**	**43,774**	44,747	44,747
Alternatives	**5,998**	**5,998**	1,394	1,394
Other investments	**7,050**	**7,050**	8,020	8,020
	66,413	**66,413**	62,459	62,459
Short duration and asset backed funds	**91,712**	**91,712**	91,094	91,094
Other	**53,724**	**38,949**	34,926	20,662
Listed investments	**79,466**	–	129,636	–
	458,370	**364,129**	468,761	324,861

General investment fund

The general investment fund consists of UK and overseas equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2025 was £76,478k (2024: £76,478k).

University Investment Fund

The University Investment Fund is an investment fund operated on unit trust principles, and administered under the terms of the Queen's University (Trust Scheme) Order (Northern Ireland) 1982. The purpose of the Investment Fund is to provide an investment vehicle for the greater part of the University endowment funds. The investments are shown at market value.

BlackRock undertakes the role of investment manger for both the general investment fund and the University Investment Fund. Further information is included in the Financial Review.

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value.

Other investments

The Group's other investments relate to the University's investments within a number of pooled investment funds and a subsidiary's investments in 34 other UK unlisted companies. Further details of the pooled funds are included in the Financial Review.

Fair Value Gain on investments and investment property

The consolidated fair value loss on investments and investment property of (£19,875k) (2024: (£2,320k)) as shown in the SOCI, relates to (loss)/appreciation on investment property of (£35k) (2024: £15k), non-current investments of (£17,757K) (2024: (£2,171k)), cash equivalents of (£198k) (2024: £207k) and a fair value loss on investments in associates of (£1,885k) (2024: £371k).

The University's fair value gain/(loss) on investments and investment property of £21,083k (2024: £22,531k) as shown in the SOCI, relates to (loss)/appreciation on investment property of (£35k) (2024: £15k), non-current investments of £21,316k (2024: £22,309k) and cash equivalents of (£198k) (2024: £207k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

19. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP
A Limited Partnership which was incorporated in April 2009 to recruit and provide education to international students. It is a joint venture between Queen's Overseas Recruitment Limited and INTO University Partnerships Limited, a company registered in England. It is based in Belfast.

NI Composites O&M LLP
A Limited Partnership which was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between Queen's Composites Limited and Innovation Ulster Limited. It is based in Belfast.

	2025	2024
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	**5,688**	5,135
Share of (deficit) before tax	**(138)**	(8)
Balance Sheet:		
Fixed assets	**359**	374
Current assets	**3,058**	2,993
Creditors: amounts due within one year	**(5,352)**	(5,164)
Creditors: amounts due after one year	**(700)**	(700)
Share of net liabilities	**(2,635)**	(2,497)

A provision of £2,002k (2024: £1,587k) has been recognised in relation to the Group's liability in respect of joint ventures.

Consolidated and University	**2025**	2024
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	**2,013**	2,565
NI Composites O&M LLP	**190**	164
	2,203	2,729
Amounts owed by the University:		
INTO Queen's LLP	–	408
NI Composites O&M LLP	–	–
	–	408

The balances all relate to ongoing trading activity.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

20. Investment in associates

Details of the Group's interests in associated undertakings are set out below. Each company is incorporated in Northern Ireland.

Consolidated	% of equity held	Aggregate of capital and reserves £'000	Profit / (loss) for the period £'000	Financial Period ended	Principle Activity
Acksen Limited	24%	131	a	31 Dec 24	Supply of instruments for monitoring electromagnetic radiation
Biocolor Limited	20%	2,687	a	31 Jul 24	Supply and development of assay kits for tissue laboratories
BXTA Nanotherapy Limited	29%	367	a	30 Jun 24	Commercialisation of nanotherapeutics to improve treatment outcomes for patients with cancer
Green Lizard Technologies – Maymask 253 Limited	22%	386	a	31 Aug 24	Technological solutions
Analytics Engines Limited	20%	22	a	31 Mar 24	Bespoke data analysis solutions
Helix Research and Enterprise Limited	25%	733	a	31 Mar 24	Delivery of technology and research commercialisation programmes
VascVersa Limited	22%	142	a	31 Mar 25	Human vascular stem cell generation
Fjordstrong Limited	29%	128	a	31 Jul 24	Biodiversity survey solutions
Phasora Limited	27%	108	a	30 Sep 23	Develop novel software to aid management of complex electricity distribution networks
GenoMe Diagnostics Limited	25%	1,103	a	31 Jan 24	Development of molecular diagnostic tests
Aramune Technologies Limited	34%	(260)	a	31 Dec 24	Development of natural immunomodulating agents
AntennaWare Limited	21%	(548)	a	31 Mar 24	High-performance wearable antenna technology
Amply Discovery Limited	21%	1,295	a	28 Feb 25	Development of new biological molecules for anti-infective health and nutrition applications
Rapid-Myco Technologies Limited	36%	470	a	31 May 24	Development of novel, rapid bacteria testing
ReproGo Limited	37%	27	a	31 Mar 24	Vascular experts in stem cell technology
Medinect Bioservices Limited	28%	14	a	31 Mar 24	Research services in ophthalmic therapeutic development
AilseVax Limited	21%	297	a	31 Dec 24	Pioneering development of immune-oncology vaccines
Innovascope Limited	20%	b	b	–	Advanced simulation device designed to enhance the training of endoscopy for doctors and nurses

Note:

a. The associated company has filed financial statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.

b. This associated company is recently incorporated and accounts are not yet available.

The directors believe that the carrying value of the investments in associates is supported by their underlying net assets.

In addition to these associate interests the Group has shareholdings of less than 20% in 34 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £14,775k at 31 July 2025 (2024: £14,264k).

	2025		2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
21. Debtors				
Amounts falling due within one year:				
Research grant debtors	**3,039**	**3,039**	4,727	4,727
Other debtors	**11,063**	**9,407**	11,876	11,509
Prepayments and accrued income	**60,264**	**60,253**	47,189	47,180
Amounts due from subsidiary companies:				
QUBIS Limited	–	**1,282**	–	640
Queen's Overseas Recruitment Limited	–	**440**	–	440
Queen's Composites Limited	–	**18**	–	10
NIACE Limited	–	**151**	–	151
	74,366	**75,775**	63,792	64,657

Included in prepayments and accrued income is an amount of £33,593 (2024: £27,745k) relating to income accrued in respect of ongoing research grants.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

22. Current investments and cash equivalents

Cash equivalents includes:

- Short term deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.
- Investments held in a Money Market Funds – the BlackRock Liquid Environmentally Aware Fund (LEAF) which is valued at Market Value as at 31 July 2025.

In the prior year the University held short term deposits which did not meet the definition of cash equivalents and were included within short term investments.

	2025		2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
23. Creditors: amounts falling due within one year				
Research grants received in advance	**66,841**	**66,841**	59,875	59,875
Other unsecured loans	**1,275**	**1,275**	1,275	1,275
Trade creditors	**38,097**	**38,100**	22,737	22,732
Social security and other taxation payable	**11,494**	**11,494**	8,315	8,315
Accruals and deferred income	**48,366**	**48,307**	47,975	47,932
Deferred capital grant income	**23,202**	**23,130**	17,916	17,844
Due to subsidiary, QUBIS Limited	–	**366**	–	366
	189,275	**189,513**	158,093	158,339

Included within accruals and deferred income is deferred income of £20,186k (2024: £24,828k) relating to other income. This income has been deferred until the performance related conditions have been met.

	2025		2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
24. Creditors: amounts falling due after more than one year				
Deferred capital grant income	**419,255**	**415,843**	388,571	385,088
Other unsecured loans	**19,960**	**19,960**	21,235	21,235
Other	–	–	428	428
	439,215	**435,803**	410,234	406,751
The other unsecured loans are repayable as follows:				
Due between one and two years	**1,275**	**1,275**	1,275	1,275
Due between two and five years	**3,825**	**3,825**	3,825	3,825
Due in five years or more	**14,860**	**14,860**	16,135	16,135
	19,960	**19,960**	21,235	21,235
Other unsecured loans repayable by 2040	**7,825**	**8,520**	9,100	9,100
Other unsecured loans repayable by 2042	**6,375**	**6,000**	6,375	6,375
Other unsecured loans repayable by 2043	**5,760**	**5,440**	5,760	5,760
	19,960	**19,960**	21,235	21,235

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum.
The deferred capital grant income includes £13.3m (2024: £17.2m) of recurrent government grant which has been deferred in 2024–25.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated and University	Defined benefit obligations RBP pension	Other pension provision	Total
	£'000	£'000	£'000
25. Pension obligations			
At 1 August 2024	44,519	61	**44,580**
Movement (note 38)	(4,339)	–	**(4,339)**
At 31 July 2025	**40,180**	**61**	**40,241**
Details of the RBP deficit are included at note 38.			

	Provision for joint venture losses	Provision for restructuring	Total
	£'000	£'000	£'000
26. Other provisions			
Consolidated			
At 1 August 2024	1,587	147	**1,734**
Utilised in year	–	(147)	**(147)**
Additions	415	5,468	**5,883**
At 31 July 2025	**2,002**	**5,468**	**7,470**
University			
At 1 August 2024	–	147	**147**
Utilised in year	–	(147)	**(147)**
Additions	–	5,468	**5,468**
At 31 July 2025	**–**	**5,468**	**5,468**

The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 19.

Restructuring provision

The provision for restructuring relates to the Voluntary Severance (VS) scheme launched by the University in February 2025 in recognition of ongoing economic pressures, particularly the financial challenges facing the Higher Education sector. The VS scheme is one of a number of proactive actions being taken by the University to drive forward a glidepath towards financial sustainability, while continuing to met strategic objectives.

The outworkings of VS scheme concluded with circa 300 staff accepting the VS offer at a total cost of £25,361k. The majority of these staff left on or before the 31 July 2025 number and the remaining staff are scheduled to leave during 2025-26 (note 8).

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Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000	£'000
27. Endowment reserves						
Balances at 1 August 2024						
Capital	45,620	2,679	15,972	–	**64,271**	59,705
Accumulated income	4,174	-	2,497	2	**6,673**	5,943
	49,794	2,679	18,469	2	**70,944**	65,648
New endowments (note 6)	291	–	544	–	**835**	1,677
Investment income (note 5)	656	29	235	–	**920**	1,126
Expenditure	(1,453)	(75)	(224)	–	**(1,752)**	(1,709)
Increase in market value of investments	2,925	126	1,049	–	**4,100**	4,202
Total endowment comprehensive income for the year	2,419	80	1,604	–	**4,103**	5,296
At 31 July 2025	52,213	2,759	20,073	2	**75,047**	70,944
Represented by:						
Capital	47,859	2,759	17,270	–	**67,888**	64,271
Accumulated income	4,354	–	2,803	2	**7,159**	6,673
	52,213	2,759	20,073	2	**75,047**	70,944

	2025	2024
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	**8,258**	7,902
Scholarships, studentships, medal and prize funds	**21,106**	19,885
Research, directorate, school or faculty use	**33,929**	31,926
Public lectures	**2,460**	2,323
Travel	**300**	285
Student amenities and associated objects	**2,364**	2,220
Student assistance	**1,675**	1,610
Other restricted funds	**2,231**	2,112
General funds	**2,722**	2,679
Total endowments	**75,045**	70,942
Undistributed investment fund income	**2**	2
	75,047	70,944
Analysis by asset type held in Investment Fund:		
Investment property	**210**	210
Non-current asset investments (note 18)	**66,413**	62,459
Current asset investments	**6,943**	7,105
Cash and cash equivalents	**1,481**	1,170
	75,047	70,944
There are no endowments with a material deficit balance.		

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Consolidated and University	2025	2024
	£'000	£'000
28. Restricted reserves		
Balance at 1 August 2024	**1,516**	1,808
New restricted income:		
Donations (note 6)	**173**	196
Other	**225**	340
Other services rendered	**112**	85
	510	621
Expenditure	**(1,221)**	(913)
Total restricted comprehensive income for the year	**(711)**	(292)
Balance at 31 July 2025	**805**	1,516
Analysis of other restricted funds/donations by type of purpose:		
Research support	**282**	629
Capital	**68**	68
General	**455**	527
	805	1,224

Consolidated	At 1 August 2024	Cash flows	At 31 July 2025
	£'000	£'000	£'000
29. Cash and cash equivalents			
Cash and cash equivalents	145,423	(25,516)	**119,907**
	145,423	(25,516)	**119,907**

Consolidated	2025
	£'000
30. Reconciliation of net debt	
Net cash 1 August 2024	**122,485**
Movement in cash and cash equivalents	**(25,516)**
Other non-cash changes	**1,703**
Net cash 31 July 2025	**98,672**
Change in net cash	**(23,813)**

Consolidated	2025	2024
	£'000	£'000
Analysis of net cash/(debt):		
Cash and cash equivalents	**119,907**	145,423
Borrowings: amounts falling due within one year:		
Unsecured loans	**(1,275)**	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	**(19,960)**	(21,663)
Net cash	**98,672**	122,485

	2025		2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
31. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	**290,295**	**210,829**	333,327	203,691
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	**168,075**	**155,555**	135,434	123,425
Fair value valuation hierarchy:				
Level 1	**284,464**	**204,998**	332,144	202,508
Level 2	**159,131**	**159,131**	122,353	122,353
Level 3	**14,775**	**2,255**	14,264	2,255
	458,370	**366,384**	468,761	327,116
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	**119,907**	**102,817**	145,423	130,743
Other investments	**–**	**–**	25,206	25,206
Other debtors	**74,366**	**75,775**	63,792	64,657
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	**21,235**	**21,235**	22,938	22,938
Trade creditors	**38,097**	**38,100**	22,737	22,732
Other creditors	**569,158**	**565,981**	522,652	519,420
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2025.				

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YEAR ENDED 31 JULY 2025

31. Financial instruments (cont'd)

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Planning, Finance and Resources Committee approved treasury management policy. The treasury management policy is in line with best practice and is reviewed, updated, and approved as appropriate, on a regular basis.

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

Credit/counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2025, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of deposits held with banks and building societies is limited because the counterparties are banks with investment grade credit-ratings assigned by international credit-rating agencies. The University's exposure and the credit-ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit-ratings set within the treasury management policy.

The fixed asset investments, as outlined in note 18, consist mainly of investment funds and listed investments. The risk is limited as the investment funds are externally managed by professional fund managers, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to the large number of diverse customers across both students and commercial customers.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University planning process and are revised regularly during the financial year. Excess funds are invested to maximise the return whilst observing the treasury management policy limits.

Details of the University's long term loans are outlined in notes 23 and 24 and consist of concessionary loans which have a carrying value of £21,235k (2024: £22,510k) at the year end.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the Euro. On an annual basis, after satisfying Euro denominated liabilities, the University is left with a surplus of Euros, which are held in a Euro bank account. Surplus Euros are converted at spot rates as required, with the rate being monitored closely to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

The University's cash equivalent deposits at 31 July 2025 are on short term deposits (up to 3 months) as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk. In addition the University has invested in money market funds which are closely monitored and have continued to perform above target benchmark returns.

Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Decisions in respect of investments are made on the recommendation of the Investment Committee in line with the University's treasury policy or by the Boards of the respective subsidiary company. The Investment Committee monitors the performance of the University's investments and meets fund managers on a regular basis with the aim of optimising the future long term return, guided by the University's Responsible Investment Policy.

Concentration risk

Concentration risk refers to the risk of a material loss in value of non -current asset investments due to a large investment in a single party or sector. The Investment Committee monitors the University's non current asset portfolio on a regular basis to ensure a satisfactory level of diversification. The fixed asset investments held by other members of the Group are monitored closely by the respective Board and decisions taken in line with the governance agreements with the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated and University	2025 £'000	2024 £'000
32. Capital commitments		
Commitments contracted at 31 July	**156,134**	148,864
Approved but not contracted at 31 July	**75,715**	156,881
	231,849	305,745

The capital commitments include capital projects, with anticipated spend in excess of £50m, relating to each of the three strands of Belfast Regional City Deal, and Passivhaus Purpose Built Student Accommodation.

33. Contingent liabilities

The University had entered into a limited partnership agreement with Crescent Capital III LLP which resulted in the University having a financial commitment to provide finance of up to £1m to the Crescent Capital III Fund. The fund has closed during 2024-25 and no further funding will be required.

In recent years the University has entered into a number of agreements in respect of fixed asset investments within infrastructure and other private equity funds. These funds have clearly defined responsible investment credentials and fall within the University's risk credentials. The outstanding financial commitment in respect of these investments is £33,960k (2024: £6,000k).

34. Events after the reporting period

There were no further material post balance sheet events up to and including the date of signature of the Financial Statements.

35. Subsidiary undertakings

The University, unless otherwise stated, holds the entire share capital of the following limited companies which have been fully consolidated into the financial statements. The companies are all incorporated in Northern Ireland.

QUBIS Limited

Technology transfer company which engages in the commercial exploitation of the academic and research activities of the University by establishing corporate ventures.

Queen's Overseas Recruitment Limited

Promotion and funding of educational courses and the recruitment of students.

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

Ownership of the NIACE centre building which is a technology hub to support research in advanced engineering and materials technologies. The University owns and manages 70% of the company which commenced trading in 2012–13.

36. Connected charitable Institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable Institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and operates independently of the University. The University has applied the exemption available under paragraph 9.9A of FRS102 and opted not to consolidate the results of the Foundation within the University Group on the basis of materially.

The movement in the year on the total funds of the Foundation, as reported in its Financial Statements, is as follows

	2025 £'000	2024 £'000
Opening fund	**5,540**	4,581
Income generated	**10,702**	5,873
Disbursements in year	**(4,848)**	(4,887)
Other expenditure	**(117)**	(27)
Closing fund	**11,277**	5,540

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

Consolidated and University	2025	2024
	£'000	£'000
37. Student support funds		
Department for the Economy	**1,351**	1,874
University contribution	**63**	210
	1,414	2,084
Disbursed to students	**(1,375)**	(2,135)
Underspend in the year	**39**	(51)
Opening balance as at 1 August	**53**	104
Closing balance as at 31 July	**92**	53

38. Pension schemes

The University participates in two separate defined benefit occupational schemes, each of which is valued at least triennially by professionally qualified actuaries. The schemes are the Universities Superannuation Scheme (USS), for academic staff and the majority of academic related staff, in which the majority of UK universities participate, and the Retirements Benefits Plan of the Queen's University Belfast (RBP) for non-academic staff and the remaining academic related staff. The assets of the schemes are held in trustee-administered funds, and the rates of contribution payable are determined by the trustees on the advice of the actuaries.

(i) The Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks and benefits associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to staff costs in the SOCI represents the contributions payable to the scheme.

The total cost charged to the SOCI is £24,514k (2024: £25,976k) as shown in note 7. This includes £7,773k (2024: £3,219k) of outstanding contributions at the balance sheet date.

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. Therefore, the University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

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

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

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

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

38. Pension schemes (cont'd)

More detail is set out in the Statement of Funding Principles https://www.uss.co.uk

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

Discount rate (forward rates)

Fixed interest gilt yield curve plus:
Pre-retirement: 2.5% p.a.
Post-retirement: 0.9% p.a.

CPI assumption

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

Pension increases (subject to a floor of 0%)

Benefits with no cap:
CPI assumption + 3bps

Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum increase of 10%):
CPI assumption - 3bps

A main demographic assumption used relates to the mortality assumptions. These assumptions are based on scheme-specific experience analysis carried out as part of the 2023 actuarial valuation. The mortality assumptions used are as follows:

	2023 valuation
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

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

The 2023 USS Actuarial Valuation indicated the scheme is in a surplus position of £7.4bn and no deficit recovery plan was required Therefore the Univerity was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account. This resulted in a substantial one-off adjustment of £139.3m in the prior year (note 9).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

38. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2025, was carried out at 31 March 2023 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2025, using the projected unit credit method.

The major assumptions used by the actuary for the purposes of these accounts are:

	2025	2024
Future salary increase:		
Under 40	**3.15%**	3.15%
Over 40	**2.90%**	2.90%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	**2.60%**	2.60%
CPI subject to a maximum of 3.00% p.a.	**2.10%**	2.10%
Pension increase rate in deferment	**2.65%**	2.65%
Discount rate	**5.75%**	4.95%
Inflation assumption:		
Retail prices index	**2.95%**	3.05%
Consumer prices index	**2.65%**	2.65%
GMP equalisation - % of DBO	**0.60%**	0.60%

		2025	2024
The average life expectancies at age 65 used to determine benefit obligations are:			
Member age 65	Male	**20.9**	20.6
	Female	**23.4**	23.3
Member age 40	Male	**22.1**	21.7
	Female	**25.1**	25.0

	2025	2024	2023
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	**46,226**	41,051	41,613
Bonds and gilts	**23,206**	23,478	–
Matching assets (LDI)	**71,619**	76,258	89,289
Alternatives/overseas fixed	**17,620**	17,222	23,548
Cash and other	**4,016**	13,784	9,764
	162,687	171,793	164,214

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

38. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these Financial Statements:

	2025	2024
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	**162,687**	171,793
Scheme liabilities	**(202,867)**	(216,312)
Deficit in the scheme – net pension liability recorded within pension provision (note 25)	**(40,180)**	(44,519)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	**6,964**	5,636
Total operating charge (note 7)	**6,964**	5,636
Analysis of the amount charged to interest payable:		
Interest on liabilities	**10,653**	10,653
Expected return on assets	**(8,518)**	(8,333)
Net charge to interest and other finance costs (note 11)	**2,135**	2,320
Analysis of other comprehensive income:		
Loss on assets	**(18,183)**	(2,100)
Gain on liabilities	**21,858**	3,880
Total adjustment to other comprehensive income before deduction for tax	**3,675**	1,780

	2025	2024
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	**(44,519)**	(47,843)
Movement in the year:		
Current service cost	**(6,964)**	(5,636)
Contributions	**9,763**	9,500
Other finance costs	**(2,135)**	(2,320)
Actuarial gain	**3,675**	1,780
Deficit in scheme at 31 July	**(40,180)**	(44,519)

The valuation at 31 July 2025 showed a decrease in the deficit from £44.5m to £40.2m.

	2025	2024
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	**216,312**	212,057
Current and past service cost	**6,964**	5,636
Interest cost	**10,653**	10,653
Actuarial adjustment	**(21,858)**	(3,880)
Benefits paid	**(9,204)**	(8,154)
Present value of liabilities at 31 July	**202,867**	216,312

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

	2025	2024
	£'000	£'000
38. Pension schemes (cont'd)		
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	**171,793**	164,214
Expected return on plan assets	**8,518**	8,333
Actuarial (loss)	**(18,183)**	(2,100)
Employer contributions	**9,763**	9,500
Benefits paid from plan	**(9,204)**	(8,154)
Value of assets at 31 July	**162,687**	171,793

	2025	2024
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	**8,518**	8,333
Actuarial loss on scheme assets	**(18,183)**	(2,100)
	(9,665)	6,233

	2025	2024	2023	2022	2021
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	**(18,183)**	(2,100)	(59,304)	-59,032	17,846
Percentage of scheme assets	**-11%**	-1%	-53%	-27%	7%
Experienced gains and losses on scheme liabilities	**3,880**	3,880	(51,873)	-3,635	4,159
Percentage of present values of plan liabilities	**2%**	2%	-5%	-2%	1%
Actuarial adjustment	**3,675**	1,780	(7,431)	37,720	15,386

University contributions

Under the current schedule of contributions the University contributes the following:

From 1 August 2024

- 16.1% of pensionable earnings in respect of pensions + active members
- 10.0% of pensionable earnings in respect of other active members; and
- deficit contributions of 11.0% per annum of pensionable earnings between 1 August 2024 and 31 March 2030.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

39. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Valuation of intangible assets

Annually the University considers whether the intangible assets are impaired by reviewing the ongoing economic benefits.

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 charges 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. Details of the carrying value of the property, plant and equipment are shown in note 15.

Pension obligation — RBP pension

The University obtains a valuation from an external, professionally qualified actuary, who advises the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI% movements, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. While the University reviews these assumptions in detail, and adopts the assumptions in these financial statements, the actuary, as a pension expert, will provide advice and guidance, and apply their skill and judgement in setting these parameters. A sensitivity analysis in respect of the RBP pension deficit is as follows:

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(13,077)k/£14,708k
Inflation (+ / - 0.5%)	£12,004k/£(10,940)k
Mortality (+ / - 1 Year)	£4,793k/£(5,198)k

USS deficit recovery plan liability

The University is satisfied that the USS scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approval of these financial statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2025

40. Disclosure of related party transactions

The University's Senate members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Senate, which is drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Senate, related committees or key management personnel may have an interest. All transactions involving organisations in which a member of Senate, related committees or key management personnel may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and procurement procedures.

Included in the Consolidated and University Statements of Comprehensive Income and the Balance Sheets are the following transactions, with a value greater than £5k, with organisations in which a member of Senate, related committees or key management personnel have an interest:

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Advance HE	–	(13)	–	154
Belfast City Council	1	–	(5)	248
Birmingham University	43	–	(179)	16
British Council	1	–	(53)	2
British Irish Chamber of Commerce	–	–	–	10
CBI	–	–	–	12
CDS	–	–	–	24
Choice Housing	1	–	(6)	–
College of Agriculture, Food and Rural Enterprise	29	–	(204)	14
Consella	–	(30)	–	60
Department of Health	575	–	(23,618)	1,876
Down GAA	–	–	(7)	–
Dubai Academic Health Corporation	617	–	(1,873)	–
HSC	1,548	(19)	(13,293)	6,305
Institute of Directors	–	2	(6)	3
Irish College Leuven Belgium	–	–	–	47
Irish Football Association	12	–	(19)	1
Newry, Mourne and Down Council	–	–	(39)	–
NIE Networks Limited	1	–	(30)	147
Northern Ireland Chamber of Commerce and Industry	–	–	–	88
Northern Ireland Civl Service Board	–	–	(106)	–
Northern Ireland Community and Voluntary Association NICVA	–	–	–	2
Northern Ireland Education Authority	62	243	(424)	383
Randox	59	–	(43)	93
RIA Multidisciplinary Committee (Royal irish Academy)	–	–	(43)	6
RSC Education Division Ireland (Royal Soc Chemistry)	21	(2)	(37)	9
Russell Group	–	–	–	96
St Mary's	–	–	(14)	14
UKRI	–	81	–	23
University of Cambridge	16	(22)	(219)	145
University of Manchester	48	–	(252)	33
University of Warwick	51	146	(308)	178
Visit Belfast	–	–	(5)	4

The University received disbursements of £4,848k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in note 36.

41. Jointly controlled operations

In 2014 the University established an educational presence in China, in the form of a Joint College, formed between Queen's and the China Medical University (CMU), one of the foremost medical universities in China. The Joint College is known as 'China Queen's College (CQC)' and is founded on the basis of the PRC Ministry of Education (MoE) 'Cooperation in Running Schools (CIRS)' Regulations first promulgated in 2004.

CQC delivers Queen's degree programmes from purpose-designed buildings provided by CMU on its new campus in the City of Shenyang in Northern China. A number of BSc degrees are offered. All the degree programmes in CQC are taught in compliance with UK Quality Assurance Agency requirements.

A Joint Management Committee (JMC) has oversight of the activities and resources of CQC with key specific terms of reference and reporting lines to ensure good academic and financial governance.

42. US Department of Education Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

			Consolidated	
Lines	Expendable Net Assets		£'000	£'000
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		677,153
Balance Sheet	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		76,544
Note 15 and Note 17	Statement of Financial Position – Property, Plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	769,054	
FS Note line 15	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Property, plant and equipment – pre-implementation		695,515
FS Note 15	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		16,671
FS Note 15	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Construction in progress		56,868
Note 25	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities		40,241
Notes 23 and 24	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes	21,235	
Notes 23 and 24	Statement of Financial Position – Note Payable and Line of Credit for long term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes pre-implementation		21,235
Restricted permanent +unrestricted permanent endowments	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		42,213
	Total Expenses and Losses			
Statements of Comprehensive Income (SOCI)	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		512,399
SOCI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment loss		34,032
SOCI: Investment income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		12,346
	Modified Net Assets			
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		677,153
Balance sheet	Statement of Financial Position – Total Net assets with donor restrictions	Net assets with donor restrictions		76,544
	Modified Assets			
	Statement of Financial Position – Total Assets			1,429,898
	Net Income Ratio			
Balance Sheet	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		(71,216)
SOCI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		478,556



QUEEN'S UNIVERSITY BELFAST

180 YEARS

The Queen's University of Belfast

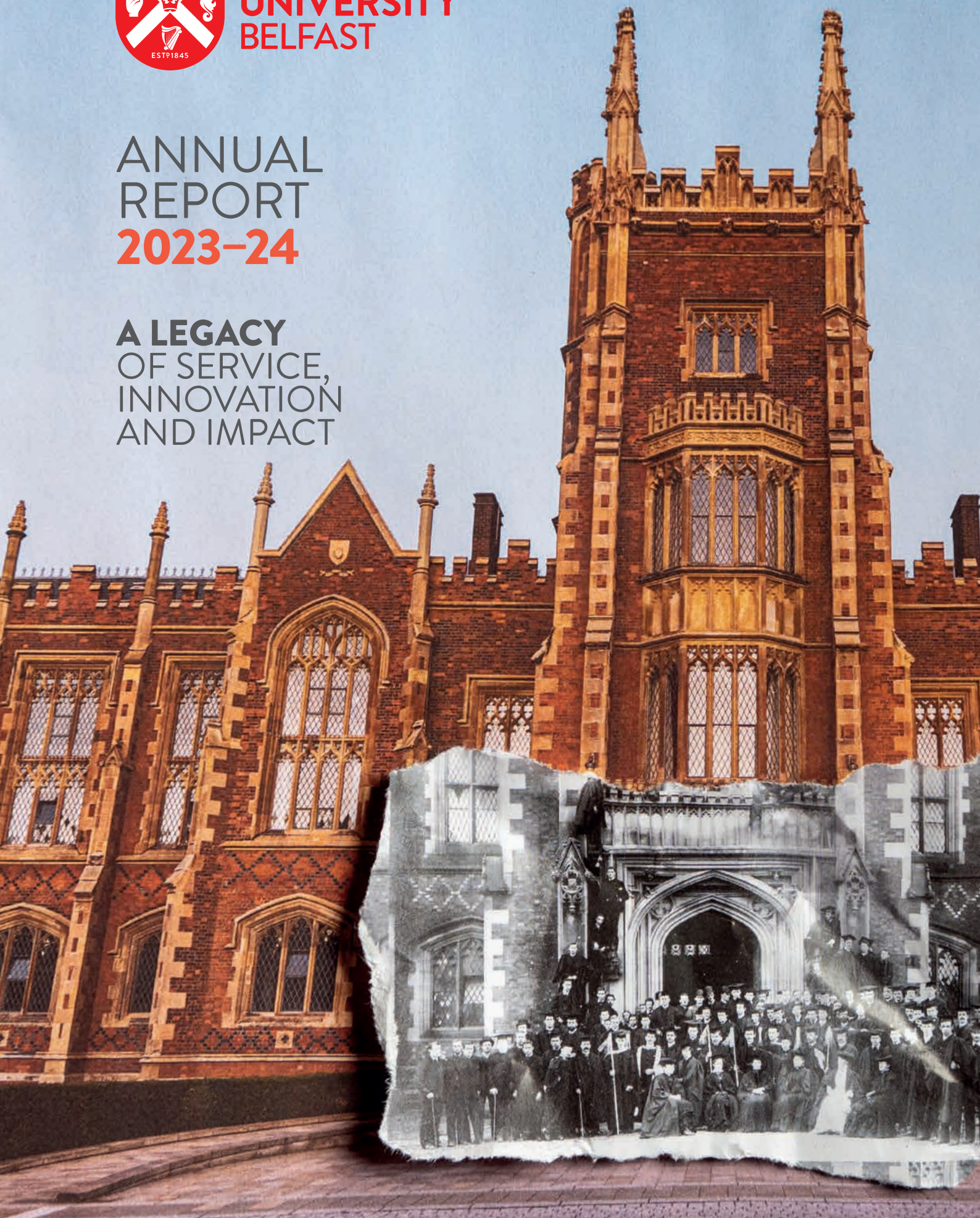
Northern Ireland - Charity number 101788

Accounts

QUEEN'S UNIVERSITY BELFAST

ANNUAL REPORT 2023–24

A LEGACY OF SERVICE, INNOVATION AND IMPACT



SHAPING A BETTER WORLD SINCE 1845

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The ninth oldest university in the UK, the beautiful campus symbolises both the rich history and academic heritage of Queen's.



MESSAGE FROM THE PRESIDENT AND VICE-CHANCELLOR

This was another outstanding year for Queen's University Belfast – one in which our students, staff and alumni continued to inspire and make a positive impact, locally, nationally and internationally.

In this Annual Report, you will read about their many achievements, including how they are addressing the challenges faced by individuals and communities. Through their research, teaching and outreach activity, they are addressing critical issues such as climate change, widening participation and community development.

Our ambition as a university is clear – to shape a better world through life-changing education and research. Throughout the year, we demonstrated how we are achieving this through our role as a civic university, a regional anchor institution, a global research centre, a university of teaching excellence, and as a key driver of economic and social development in Northern Ireland.

There were many highlights. We became the first university on the island of Ireland and only the second in the UK to receive an Athena Swan Gold Award for our work on gender equality. We launched our civic mission, made significant progress on the Queen's-led Innovation Centres as part of Belfast Region City Deal, and continued to drive forward in pursuit of our Net Zero ambitions. We increased our student positivity levels, recorded our best performance to date in research awards, and enhanced our global reach and reputation.

Our success depends on our people. This year, the University and the Students' Union Executive welcomed a new agreement that allows for enhanced student representation in university governance and a process for a new agreed ethical investment policy. Queen's and three trade unions also agreed a three-year pay deal to benefit all staff and protect students' education from disruption.

In announcing the deal, I echoed the same advice I gave the returning Northern Ireland Executive earlier this year – it is crucial we invest in people to reap the benefits longer-term. Queen's has advocated for a considerable time that investing in tertiary education is the best way of ensuring long-term dividends for the economic and social success of Northern Ireland. We will continue to advocate for the sector, not least to ensure that Queen's is accessible to all with the ability to benefit from a university experience. We will work with partners to create the best sustainable tertiary education system for Northern Ireland.

Next year, we will celebrate a major milestone - our 180th anniversary. As an anchor institution, Queen's has been at the heart of Belfast for almost 180 years and has made a major contribution to the development of the city, this island and its people. We are proud of the role we have played in Belfast's history, but also of the role we are playing in its future as a dynamic city and leading global location.

So as we look ahead to our 180th anniversary, we do so in the confidence that our students, staff and alumni will continue to make a positive impact and shape a better world.



Professor Sir Ian Greer
President and Vice-Chancellor

MESSAGE FROM THE PRO-CHANCELLOR AND CHAIR OF SENATE

As Chair of Senate, I am delighted to contribute to this Annual Report for 2023-24 and to commend the University on another year of progress and growth.

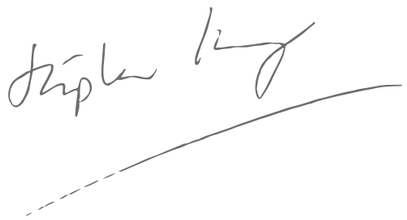
During the academic year, significant strides were made towards achieving the ambitions of Strategy 2030 with progress made across all the Strategic Pillars and key performance indicators. This report highlights the impressive scale of those achievements – from the global impact of our research to the quality of our exceptional teaching.

The past year also saw the full implementation of a new management structure to enable the University to be more agile and better equipped to achieve its ambitions for growth. This was coupled with work to re-align Professional Services to ensure better co-ordination and enhanced delivery. A review of governance and the work of Senate also took place. The recommendations, which include the implementation of a new committee structure to support governance and decision making, will be implemented over the course of the 2024-25 academic year. All of this ensures the University is well-positioned to drive forward the delivery of Strategy 2030.

Financial sustainability is a key tenet of Strategy 2030. The Higher Education sector across the UK continues to operate in a challenging environment – a situation particularly acute in Northern Ireland. It is vital that the University continues to be proactive and considered in ensuring it operates in an effective, efficient and financially sustainable way, to enable it to continue to invest and lay the foundations for further growth.

In December 2024, I will step down as Chair of Senate. It has been a real privilege to have served as Pro-Chancellor and Chair, working alongside my fellow members of Senate, the Senior Leadership Team, staff and students to support the work of this University. As I reflect on my term, I do so with a real sense of pride. Pride in what Queen's has achieved and the positive difference it makes to society in Northern Ireland and globally.

This is a university steeped in history, but one that is very much focused on the future. I wish it every success as it continues to deliver for our future.



Dr Stephen Kingon CBE
Pro-Chancellor and Chair of Senate





MESSAGE FROM THE STUDENTS' UNION PRESIDENT

A key theme of this year was partnership. As Students' Union President for 2023-24, I am extremely proud of what the Students' Union and the University achieved together to support students.

In the Whatuni Student Choice Awards 2024, Queen's was ranked the fifth best university in the UK and our Students' Union ranked number three. This builds on our number one ranking in the International Student Barometer and demonstrates the important role the Students' Union plays in the lives of our students, helping them to make the most of their time at Queen's.

The cost of living crisis remained a big issue for students this academic year. The University and Students' Union worked together to deliver tangible initiatives, including a 'Warm Up With Us' campaign to provide students with nourishing food and advice about how to keep warm over the winter months. The campaign was part of an ongoing package of support delivered throughout the year, which included access to the on-site refill hub, The Pantry, as well as free big breakfasts and exam-time meals.

Supporting the mental health and wellbeing of students and staff remained a key priority for both the Students' Union and the University, with ongoing work to embed the institutional Healthy Campus Framework through the #QUBeWell Action Plan. Throughout the year, #QUBeWell focused on four key themes: Suicide Prevention; Drugs and Alcohol; Sense of Belonging; and Cost of Living. We also became the first Students' Union in the UK and Ireland to introduce a Social Prescribing Co-ordinator to triage students and point them towards any support that they might need. During the year, students were involved in bringing about positive change in our University. Following an All-Student Vote in December 2023, the Students' Union engaged with the University's leadership team and secured changes to ensure that Queen's prioritises ethical investment and that students are better involved in future decision making.

The Students' Union also welcomed the announcement of the pay deal between the University and Trade Unions which provided certainty for students that their studies are highly unlikely to be affected during the period of the deal. This was really important, reducing unnecessary stress and ensuring the stability needed for students to thrive and get the most out of their time at university.

Much has been achieved this year and with our 180th anniversary just a few months away, the Students' Union looks forward to continuing to work in partnership with the University to deliver for all our students.



Beth Elder
Students' Union President, 2023-24

MOMENTS OF THE YEAR



OCTOBER 2023

US TRADE DELEGATION VISIT

US Special Envoy Joe Kennedy III brought a delegation of CEOs from companies, including Microsoft, Microsoft, Meta and Google, to hear about the University's innovation and economic impact.



DECEMBER 2023

HONORARY GRADUATIONS

Actor Jamie Dornan, F1 Strategist Bernadette Collins, and former SDLP leader Mark Durkan were among Honorary Degree recipients.



MARCH 2024

ALTERYX DATA LICENCE

The University received its largest ever in-kind donation from US computer software company Alteryx. The data licences donated for students and staff are worth an estimated $15m.



MAY 2024

STRIKING A PAY DEAL

Queen's worked with Trade Unions to agree a pay deal to benefit all staff employed by the University and protect students' education from disruption.



JUNE 2024

BREAKING GROUND ON AMIC

Construction began on Queen's-led 'Factory of the Future'. As part of Belfast Region City Deal, AMIC aims to reinvigorate Northern Ireland's industrial potential.



JUNE 2024

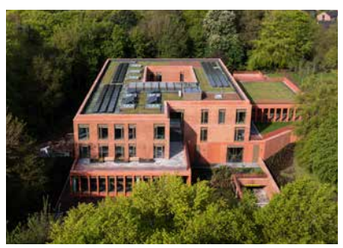
SEAMUS HEANEY CENTRE OPENING

Marie Heaney and the Vice-Chancellor officially opened a new landmark building, honouring the legacy of Seamus Heaney and enhancing the future of poetry and creative writing on the island of Ireland.

OCTOBER 2023

QUEEN'S BUSINESS SCHOOL OFFICIALLY OPENED

Newly branded Queen's Business School opened the doors of the new £26m innovative Student Hub building at Riddel Hall.



JANUARY 2024

CHANCELLOR'S MEDALS AWARDS

Chancellor's Medals were awarded to the late Ken Reid and the late Stephen Grimason in recognition of their services to journalism, reporting through the Troubles in Northern Ireland - the first in their profession to be bestowed such an accolade.



MAY 2024

CELEBRATING ATHENA SWAN GOLD AWARD

A celebration event took place in honour of Queen's being awarded the prestigious Athena Swan Gold status for our work in promoting gender equality in Higher Education, the first university on the island of Ireland and only the second in the UK to achieve the gold level.



JUNE 2024

CIVIC MISSION LAUNCH

Queen's publicly launched a new civic mission, pledging to become a Civic University and University of Sanctuary.



JULY 2024

QUEEN'S STUDENTS AT PARIS OLYMPICS

A record number of Queen's students and graduates set off for Paris to compete in the 2024 Summer Olympics.



OVERVIEW OF THE UNIVERSITY

A leading university across the Ireland and member of the Russell Group, Queen's University Belfast combines excellence in research and education with a student-centred ethos and strong cognisance of our civic and social responsibility.

As we approach our 180th anniversary, this academic year has been a significant period to reflect on our distinguished heritage and history, whilst maintaining focus on our future impact locally and globally.

The ninth oldest University in the UK, Queen's is pivotal to Northern Ireland's social and economic development and in shaping the world we live in.

Queen's students benefit from a world-leading education, with the Complete University Guide 2025 having ranked Queen's eighth in the UK for Graduate Prospects, and The Times and Sunday Times Good University Guide consistently listing Queen's as the number one university in Northern Ireland.

Our global reputation is ever-growing from a research-impact, and strategic partnership perspective.

The Times Higher Education World University Rankings 2025 listed Queen's sixth in the world for international outlook and 117th for research quality.

Over 99% of Queen's research environment, and 88% of research submitted by Queen's, has been assessed as world-leading or internationally excellent. Our University ranked in the top 14% of global universities in the QS World University Rankings 2025 with 19 of our subjects listed in the top 200 by Subject.

We have strong partnerships and collaborative networks across the globe including America, China, India, the Middle East and Asia, and are placed in the top 20 universities across Europe for international faculty.

Locally, we make huge contributions across society, providing young people from a multitude of backgrounds with the opportunity to fulfil their potential and helping find solutions to challenges within our communities.

As a key player in the Belfast Region City Deal (BRCD), we accelerate economic growth, ensuring a talent pipeline of fully equipped, future-ready graduates to meet demand.

Our economic impact extends across the UK with a London Economics Report estimating the total impact of our activities at over £3bn per annum. Our research and knowledge exchange accounts for approximately £1,186m; teaching and learning £1,068m; and educational exports £305m. The impact generated by Queen's operating and capital expenditure stands at £482m.



OUR COMMUNITY

STUDENTS

With over **25,000 students** from more than **100 countries**, our diverse student body makes a rich and exciting contribution to campus life.

COLLEAGUES

We have over **4,700 members** of staff from **97 countries** helping to ensure that diversity and inclusion are embedded into all elements of our work and activities.

ALUMNI

We maintain lifelong relationships with over **220,000 Queen's graduates** across the world, keeping our global Queen's community connected.

QUEEN'S COMMUNITY

OUR CITY BELFAST

Queen's is committed to the community and we are proud of the contribution our students make, with over **16,000 students** involved in volunteering, clubs and societies through the Students' Union.

PARTNER ORGANISATIONS

We work in partnership with business, government, community and education sectors, including universities in the UK and around the world. These include the Mohammed Bin Rashid University of Medicine and Health Sciences (MBRU) and Queen's Joint College, China Medical University.

FUNDERS, REGULATORS AND THE PUBLIC

The University is registered with the Charity Commission for Northern Ireland, and through Senate, is aware of its responsibilities, as a charity, to act for the public benefit across all of its activities.

STRATEGY 2030

Strategy 2030 sets out our 10-year ambition to shape a better world through life-changing education and research. Our vision is to cement our place as a global research-intensive university, generating internationally-leading research coupled with outstanding teaching and learning, focused on the needs of our society, locally and globally. Our ambition for 2030:

01

A GLOBAL UNIVERSITY

From our hub in Belfast we will build partnerships and collaborations across the globe, attracting the brightest and the best, being known for our exceptional record in diversity, inclusion and sustainability.

02

SCALE NEW HEIGHTS

Climbing the Global league tables and ranked in the top 175 in the world.

03

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

That inspires and delivers the engaged global citizens of tomorrow with flexible and broad-based learning opportunities that are lifelong, coupled with outstanding support.

04

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

A University known for research of the highest quality, with impact and exceptional translation driving strong partnerships with industry and business.

05

A GREAT PLACE TO WORK

A leading employer for equality, diversity and inclusion with an organisational culture that supports and empowers staff to produce their best.

06

AN ANCHOR INSTITUTION

An anchor Institution in Northern Ireland that takes pride in social and civic responsibility, supporting progressive social change and economic growth in an environmentally sustainable way.

07

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

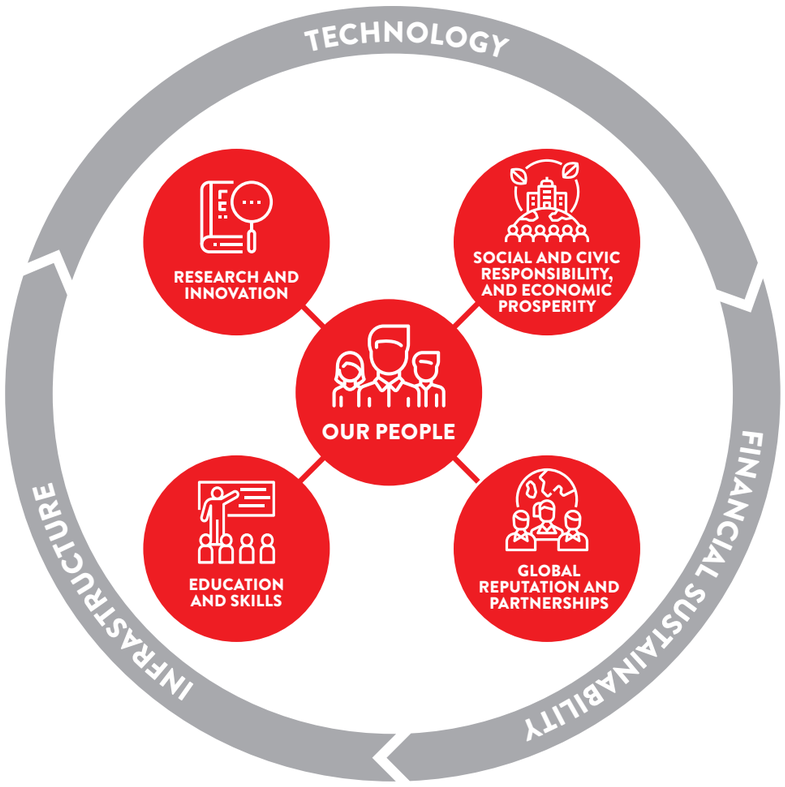
A University that is financially sustainable, with the capacity to invest to deliver the best opportunities for students, staff and society in a changing world.

REALISING OUR VISION

We will realise our vision by focusing on four strategic pillars:

- **Education and Skills**
- **Research and Innovation**
- **Global Reputation and Partnerships**
- **Social and Civic Responsibility, and Economic Prosperity**

These are underpinned by Operational Excellence through our people, technology, infrastructure and financial sustainability.



STRATEGIC PILLAR
EDUCATION AND SKILLS

Our aim is to transform the Student Experience though curriculum and assessment reform.



Queen's graduates: Patrick Johnson-Minihane, Anne McWilliams, Archie Lee-Ellis, Amelia Lepping, Benjamin Hyde and Fionnuala McGuinness

During 2023-24, over 20 strategic projects were delivered across the University to support the priority areas of transformative student experiences, an education for the future and a Global Institute of Educational Excellence.

As a reflection of our ongoing work to enhance the student experience, the University increased its score in the 2024 National Student Survey (NSS) – achieving an overall positivity of 81%, with improvements across seven of the eight categories, placing us in the top quartile of the Russell Group.

A key underpinning project to support the student experience is the development and implementation of the Student Partnership Framework. Approved in June 2024, the Framework aims to enhance student involvement in strategic decisions and sustainable practices.

Other developments this year included the launch of a Reverse Mentoring programme as part of our Student Voice work. Over 40 students took part in the programme, mentoring staff to increase their understanding and awareness of issues affecting students. This year also saw ongoing work to develop a new Welcome Framework, in partnership with the Students' Union, to engage students during pre-enrolment, enrolment and induction, helping to create a sense of community and belonging. This work is part of a wider national Advance HE Belonging Project to develop a better understanding of belonging and how this is experienced as part of welcome activities.

Community building and giving students the chance to connect continues to be a focus for the Student Experience Team in One Elmwood – the Student Centre and Students' Union facility. Regular coffee drop-ins, pop-up advice sessions and specific cultural events were offered throughout the year as well as awareness raising activities.

TOP OF THE RUSSELL GROUP
for employment and further study

HESA Graduate Outcomes, 2021-22

91%
of full-time UG students are in employment or further study

HESA Graduate Outcomes, 2021-22

The University continued to provide support to students through cost-of-living measures. As well as a dedicated cost-of-living website, £2.1m was committed to Student Support funds and a bursary scheme launched to support some 450 students from lower income families, reducing their accommodation costs by up to 37%.

Support was also provided for students from widening participation backgrounds. Key achievements for 2023-24 included the continued delivery of the Pathway Opportunity Programme which includes 13 subject Pathways, delivery of the Junior and Senior Academies, and support for Care Experienced young people.

Assessment and feedback remain key areas of focus. Following the successful launch of the Online Assessment Support Hub, which provides a one-stop shop style digital site for students, the site has received over 60,000 visits. Other developments included the participation of eight programme teams in a pilot to undertake a comprehensive review of their assessment practice, using the TESTA framework.

Other areas of focus included the re-development of the Programme Management Framework to enable more programme flexibility for students; greater options in programme design for staff; and a risk-based, enhancement-focused quality assurance system to effectively manage programmes.

We are committed to providing an education for the future. Queen's has the highest percentage of full-time undergraduates in employment and/or further study (91%) in the Russell Group, 15 months after graduation. We also have the lowest percentage of full-time undergraduates in the Russell Group (3.9%) who are unemployed.

During the year, the University undertook a range of activity to support digital innovation. The Queen's DigiHub, which includes The AI Hub – Queen's primary resource for Artificial Intelligence, was launched in April 2024 and received over 32,000 visits by the end of the academic year. We have also collaborated with Jisc, adapting their Digital Transformation Framework to create an AI in Education report and action plan.

The excellence of our teaching was recognised during the year when three Queen's staff secured National Teaching Fellowships in the annual national Advance HE awards. The Fellowships recognise and celebrate individuals working in UK Higher Education who have made an outstanding impact on student outcomes and the teaching profession. It is testament to the high calibre of our teaching staff that Queen's was the only university to receive three of these awards. Overall, 1,315 of our staff currently hold Advanced HE Fellowship accreditation.



81%
student satisfaction

National Student Survey (NSS) 2024

Ranked
10th
IN THE UK
for graduate prospects

Times and Sunday Times Good University Guide 2024

STRATEGIC PILLAR
RESEARCH AND INNOVATION

Our aim is to enhance research and researcher excellence, translating into wider societal and economic impact through local and global partnerships.

The past year has been a transformative phase for research and innovation at Queen's, reflected in the quality and impact of our research.

This is evidenced by our ranking of 117th out of more than 2,000 universities worldwide for the quality of our research in the latest Times Higher Education World University Rankings for 2025. We also achieved a significant milestone in securing £124.3m in external research awards with an associated contribution of £24.3m – our strongest performance to date. Industry-led awards saw a notable increase, reaching £34.7m, almost 10% above the three-year average.

Our research success is driven by the talent of our people and we remain committed to nurturing a vibrant research culture that supports everyone involved in research. This year, a Queen's-sponsored Daphne Jackson Fellowship was launched which offers researchers the opportunity to return to a research career after a break of two or more years. The Queen's Fellowship Academy continued to provide enhanced support, development and training opportunities for Research Fellows, collaborating with the Postdoctoral Development Centre to support the career development of our postdoc community. This resulted in seven new Fellowships being awarded.

Other developments included a new three-year action plan as part of the Technician Commitment which aims to enhance the visibility, recognition, career development, and sustainability of technical careers. Aligned with our ambition to grow our postgraduate community, we secured funding from UK Research and Innovation (UKRI) to establish three transformative Centres for Doctoral Training in partnership with the University of Lincoln, Aston University and the University of Surrey.

This year saw us launch Research Culture NI, an initiative funded by the Wellcome Trust, which aims to develop and promote an open, diverse, and sustainable research culture that will attract research and innovation talent and activity to the region. In partnership with University College Dublin, we also established an All-Island Research Culture Network to further expand the impact of research culture work on the wider research ecosystem across the island of Ireland.

Ranked
NUMBER 2 UNIVERSITY IN THE UK
for entrepreneurial impact

Octopus Ventures Rankings



Strategic partnership to boost innovation ecosystems in Birmingham and Belfast: Professor Aleks Subic, Vice-Chancellor and Chief Executive of Aston University and Professor Sir Ian Greer, President and Vice-Chancellor of Queen's



Queen's student entrepreneurs Jason Wong, Liam Harte and Brogán Brady with Robbie Mulvenna-Jaminson, Enterprise Development Officer in SU Enterprise

During the year, the University expanded its engagement with key global partners with a particular focus on strengthening research partnerships with the US. This was facilitated by a series of new awards under the US-Ireland R&D Programme, enhanced partnership activities with the University of North Carolina and the University of California Santa Cruz, and the signing of a Memorandum of Understanding with Northeastern University.

Building on our strong track record of European collaboration, over the past year we secured over €7m under Horizon Europe to support a breadth of research and innovation activities.

We also celebrated the launch of two research centres in the first-of-their kind collaborations bringing researchers across Ireland, Northern Ireland and Great Britain together at scale. The Centre for Sustainable Food Systems is in partnership with the University College Dublin (UCD) and University of Sheffield, whilst the Centre for Climate + Biodiversity + Water is a collaboration with Trinity College Dublin and the University of Reading.

Our entrepreneurial activity continues to deliver significant impact. Queen's is ranked number two in the UK for entrepreneurial impact and is the lead across the RG8 peer institutions in terms of Intellectual Property (IP) revenue. 2024 marks the 40th anniversary of QUBIS, the commercialisation arm of Queen's. This year, five new businesses joined the QUBIS portfolio.

During the year, we launched a number of initiatives to support entrepreneurial activity, including a Deep Tech Startup Weekend in partnership with Techstars and FounderLabs with Dogpatch and Ormeau Lab. We also published the Northern Ireland ICURe deep tech index, in partnership with Innovate UK and Beauhurst, to shed light on the significant impact of Queen's spinouts on the local innovation cluster.

Expanded support for graduate enterprise has been provided through the launch of the InQUBate student and graduate innovation centre and an associated QUest startup accelerator programme to help participants test the market viability of their ideas. The first programme resulted in five winning candidates receiving £10k equity free funding. We also provided support to local businesses through the Scaling the Edge programme – collaborating with Innovate UK and the Department for the Economy to work with 30 companies and early-stage startups across the region.

£124.3m
in research awards

Ranked
117 in the world
for research quality

Times Higher Education World University Rankings 2025

STRATEGIC PILLAR GLOBAL REPUTATION AND PARTNERSHIPS

Our aim is to enhance Queen's global reputation as a destination of choice for talent and a partner of choice for collaborations in education and research.

Queen's is a university with local and global impact. During the year, we continued to enhance our international reputation as a world-class research and educational institution.

Our reputation for research excellence was recognised in various global rankings, including the QS World University Rankings 2025 where we achieved our highest ever score for academic reputation, based on a global survey of academic opinion about the quality of our research. Other highlights included a top 200 position in The Times Higher Education Impact Rankings which gauge universities' contribution to the UN Sustainable Development Goals and a worldwide top ten position for international outlook. At an institutional level, a robust action plan is in place to enhance our global rankings.

A key part of our ambition to raise our international profile is through international partnerships and collaborations across both research and education. Our new strategic partnership with Northeastern University (NU) (Boston, USA) has flourished with a large cohort of 87 NU students spending their first semester in Belfast in September 2023 and over 100 making the most of the opportunity a year later. Building on the success of this partnership, in March 2024, a Memorandum of Understanding (MOU) was signed with Northeastern which will facilitate research collaborations in health, food security and sustainability.

Beyond North America, we have continued to build relationships with other institutions across the globe. In total, 29 new partnership agreements across 14 countries have been completed. These include the signing of a MOU with Nelson Mandela University in South Africa to facilitate research collaboration, led by the School of Social Sciences, Education and Social Work.

International mobility deepens the educational experience of our students and increases our global reach. This year, 15 Queen's students became the first group to benefit from the Clinton Scholarship Fund which is designed to remove financial barriers for local students to undertake study opportunities in the USA.

Ranked
6th in the world
for international outlook

Times Higher Education World University Rankings 2025



Study USA celebrated its 30th anniversary in 2024



Addressing lawmakers on Capitol Hill: Queen's student Emma Stephenson and graduate Khaula Bhutta addressed Congress as part of a university delegation

Other opportunities included the transformative Study USA scholarship programme which celebrated its 30th anniversary in 2024, and the Hesselbein Global Academy for Leadership and Civic Engagement at the University of Pittsburgh, which awarded places to eight of our undergraduate students.

Other international activity this year included an institutional visit to the USA in March 2024, which featured a programme of events in Washington DC and New York City, and the 'Belfast Spirit, Global Goals' sporting tour which saw a group of Queen's students visit the east coast of the United States as part of a series of engagements across sport, community and business. As part of a partnership public engagement tour to DC and Boston, which took place in October 2023, our academics also completed a series of public events and partner visits with Boston College, Georgetown University, George Washington University, University of Virginia, University of North Carolina at Chapel Hill, Northeastern University and UMass Boston.

Despite the substantial challenges faced by the UK sector in relation to international student recruitment, Queen's performed well in comparison to sector benchmarks with over 3,700 international students from 71 different nationalities continuing to choose the University as their destination of study. Our student body has continued to diversify, enhancing the multicultural experience for all our students. In 2023-24, the number of students joining us from the Middle East and North Africa region grew by almost 50% with large cohorts from Egypt and Kuwait whilst the number of students from Pakistan doubled.

As our global reach and impact has expanded, so too has our alumni. We maintain lifelong connections with over 220,000 alumni worldwide and have continued to enhance our engagement activity. This year, Queen's University Association in London (QUAL), which provides networking opportunities for graduates, celebrated its centenary with a special event at the Palace of Westminster during which Sir John Major was awarded an Honorary Degree. He was one of a number of distinguished individuals who joined our Honorary Graduate community this year. Others included actor Jamie Dornan and FI Strategist Bernadette Collins.

STRATEGIC PILLAR SOCIAL AND CIVIC RESPONSIBILITY, AND ECONOMIC PROSPERITY



Copty Scholarships: Copty Scholar Yousef Albaba, Georgina Copty, Vice-Chancellor Professor Sir Ian Greer, Copty Scholar Daniella Dumak and Chris McDowell

Our aim is to embed Queen's status as a Civic University and anchor institution while enhancing our local, national and international impact.

Queen's plays a pivotal role in the social, cultural and economic development of Northern Ireland, working with civic, business and community partners to deliver for the needs and priorities of our region.

In June 2024, we launched our civic mission by pledging to become a Civic University and to achieve University of Sanctuary status. The signing of the pledges reinforces our commitment to give back to society as laid out in our Social Charter and to provide a place of Sanctuary. The move endorses Belfast's City of Sanctuary vision to be a welcoming place for all and builds on a number of measures introduced by Queen's to support both academics and students at risk across the world. This includes the launch of the Council for at Risk Academics (Cara) and Queen's University Fellowships to support academics from conflict-affected regions and the extension of the Copty Scholarships for Palestinian students.

Our mission towards Civic University ensures our local community is a priority with our work shaped through collaborations with external partners such as the Forward South Partnership, the Market Development Association and RCITY Belfast. In 2024, we signed a Memorandum of Understanding with the Greater Shankill Partnership which formalised our shared commitment to further collaborative work to progress and enhance the Greater Shankill area. The University also further invested in Queen's Communities and Place (QCAP) providing long-term support for this important intervention which supports communities through research, engagement and impact.

Ranked in the
TOP 200
IN THE WORLD
for impact and sustainability

THE Impact Rankings 2024/QS World University Sustainability Rankings 2024

As an anchor institution, we are leading the way, with our partners, in the transition to a net zero society in Northern Ireland and, more widely, on the island of Ireland. During the year, we launched an ambitious Net Zero Plan which sets out our commitment to achieving net zero greenhouse gas emissions by 2040. The Plan builds on the significant contribution the University makes through delivering world-leading research and education provision on sustainability.

Our civic responsibilities commit us to bring lasting economic and social benefits to the people of Northern Ireland and beyond. Significant progress has been made on the three Queen's-led Innovation Centres as part of the BRCD which focus on advanced manufacturing, clinical research and secure connected digital technologies. The centres - Advanced Manufacturing Innovation Centre (AMIC), iREACH Health and Momentum One Zero - will deliver on industry and regional priorities, drive civic and economic development through the creation of 4,000 jobs, and impact the wellbeing of the world. The centres are already delivering impact across the region, from a Smart City-Zens project in the Belfast Market area providing digital technology to tackle common urban problems, to supporting students in local schools to learn new skills for the jobs of the future.

Contributes
£3 BILLION
TO THE UK ECONOMY
London Economics Report

The University continues to collaborate with the Northern Ireland business sector and with member bodies associations in support of a vibrant economy. Our economic impact is significant, with over £3bn generated per annum. During the year, we showcased that impact to a trade delegation, led by US Envoy Joe Kennedy III, which included CEOs from world-leading businesses, such as Microsoft, Meta and Google. As hosts of the Global Innovation Summit of the Global Federation of Competitiveness Councils in late 2024, which focuses on Global Sustainability and Economic Inclusion, our critical role in the economic development of the region will be further highlighted.



Our 'Path to Sanctuary' Pledge: Mehrshad Esfandiari, Chairperson of Belfast City of Sanctuary and Israel Eguaogie, City of Sanctuary Co-ordinator

OPERATIONAL EXCELLENCE

People



Pride Picnic

During the academic year, work continued on the delivery of our People and Culture Plan 2023-26 with activity focused on Employee Experience and Building Capability.

In early 2024, we became the first university on the island of Ireland and only the second in the UK to receive a prestigious Athena Swan Gold Award for our work in advancing gender equality. We also launched our new institutional Equality Scheme and Action Plan 2024-29 which sets out how we will continue to develop an inclusive environment that reflects and supports the values and diversity of our staff and students.

This year witnessed a new era for industrial relations with the University and the three major trade unions, NIPSA, UCU and Unite, agreeing a pay deal that provides certainty for our staff and students over the next three academic years. Our investment in our people continued with certification as an Accredited Living Wage Foundation employer which officially recognises the University's commitment to pay employees and any regularly contracted workers the real living wage hourly rate.

As part of our commitment to enhancing the employee experience, we undertook a Staff Survey in Autumn 2023 to enable us to focus our efforts on the things that matter most to our staff. The results showed our overall engagement score increased to 72% – up by 6% on the 2019 results. Staff Survey Action Plans have been created to address key areas for development and ensure Queen's continues to be great place to work.

Other developments this year included a five-year extension to our partnership with the Belfast Trust to provide occupational health services, reflecting our commitment to supporting staff and students. To create a more diverse workforce and provide opportunities for people in our local community, nine apprentices were recruited under the Technician Apprenticeship Scheme whilst 11 trainees joined the University as part of our Business Services Employment Academy in partnership with Belfast City Council, in support of the Belfast Business Promise.

72%
EMPLOYEE ENGAGEMENT SCORE
Staff Survey 2023

Infrastructure

In 2024, the University's Senate approved an ambitious new Estate Masterplan for the next ten years.

Known as Queen's Future Campus, the Masterplan focuses on providing the key infrastructure required to support the priorities and vision of Strategy 2030. It builds on the recent completion of key projects, such as One Elmwood - the Student Centre, including a new Students' Union facility – and the Riddel Hall expansion, and includes developments across the Health Sciences, Arts and Humanities, and Engineering as well as Queen's Sport and Accommodation.

Other highlights this year included the opening of a new landmark building for the Seamus Heaney Centre which honours the legacy of the Nobel Laureate and looks ahead to the future of poetry and creative writing on the island of Ireland. Planning approval was also granted for the largest eco-friendly accommodation on the island of Ireland. The 459-unit student housing at Dublin Road is Northern Ireland's first Passivhaus student accommodation, offering the first ultra-low emission multi-occupancy building in the city centre.



Advanced Manufacturing Innovation Centre (AMIC)

Significant progress was also made on the three Innovation Centres as part of the BRCD. Construction started on AMIC's state-of-the-art Factory of the Future at Global Point in Newtownabbey which is key to an exciting future for advanced manufacturing in Northern Ireland whilst planning approval was granted for iREACH Health, an integrated clinical research centre, and planning application submitted for Momentum One Zero, a global innovation centre for advanced digital technologies..



Honorary Graduate Jamie Dornan pictured with Rachel Brown, Professor Glenn Patterson and Stephen Connolly outside the new Seamus Heaney Centre building

OPERATIONAL EXCELLENCE

Technology

Over the past year, work continued on the roll-out of our three-year Digital and Information Services Plan with significant strides made in enhancing our digital infrastructure, improving the efficiency of academic and administrative services, and supporting innovative teaching and learning practices.

Key achievements included the development of a university-wide mobile app to enhance communication, streamline campus services, and provide real-time information on academic and extracurricular activities. We also launched the MyQueen's portal, a comprehensive digital platform that centralises critical student services, such as the Applicant Management System, and streamlines the Student Administrative Processes, making it easier for students to manage exceptional circumstances, submit queries, and access official documents.

We also successfully upgraded our core systems, ensuring a more reliable and secure digital environment. This includes improved cloud capabilities, enhanced cybersecurity measures, and faster connectivity across all of the University's campus. Investment is also being made in state-of-the-art lecture capture systems integrated with artificial intelligence. These systems will not only record and distribute lectures but also offer advanced features such as automated transcription, content indexing, and personalised learning recommendations. This AI-driven approach will transform how our students engage with course material, providing a more tailored and flexible learning experience.

Financial Sustainability

Financial sustainability is a key tenet of our Strategy 2030. A detailed analysis of the University's financial performance for 2023-24 is set out in the Consolidated Income Review on pages 48 to 64.



SUSTAINABILITY AT QUEEN'S

Sustainability is a key pillar in the University's Strategy 2030, which includes a commitment to transition to a carbon neutral society whilst embracing the Sustainable Development Goals across all our activities.

The University was ranked 101 – 200 out of 1,963 in the Times Higher Education Impact Rankings 2024 showcasing how we are excelling across multiple United Nations Sustainable Development Goals. In the QS World University Sustainability Rankings 2024, the University ranked 103 out of 1403.

Net Zero by 2040

Queen's is committed to achieving net zero greenhouse gas (GHG) emissions by 2040 across our scope 1, 2 and 3 emissions. This ambitious target reflects not just the critical contribution that the University makes through world-leading research and education provision on sustainability, but also through its role as a social and civic leader in the transition to net zero in Northern Ireland and more widely, on the island of Ireland.

We will achieve this via the following actions:

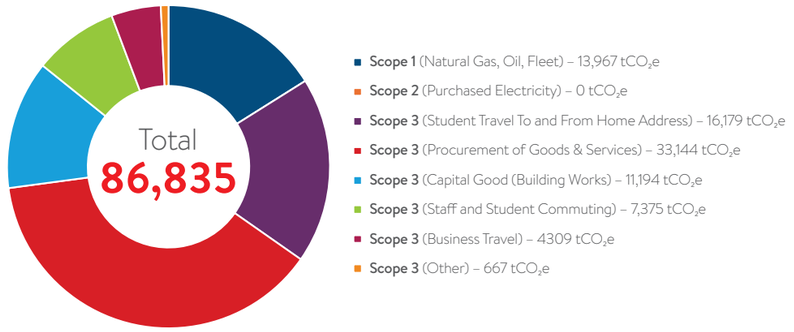
- improving the energy efficiency of our buildings
- avoiding unnecessary business-related travel and increasing uptake of sustainable travel
- decarbonising our heating systems
- reducing our waste and increasing recycling
- managing the use of our buildings more efficiently
- using our University campus as a Living Lab
- building and retrofitting to the highest sustainability standards
- engaging the whole University community
- implementing renewable energy technologies across our estate
- working in partnership with local industry, regional and national government, and NGOs
- collaborating with the organisations in our supply chain to reduce the impact of what we buy
- ensuring we meet our targets with oversight from university leadership and transparent reporting.



Launch of Net Zero Plan: L-R, Kate Nicholl, Sara Lynch, Fionán McBride, Professor Stuart Elborn, Sir Jonathon Porritt, Professor Michael Alcorn, Beth Elder, Professor David Rooney

We continue to make good progress against our carbon reduction targets, achieving a 17% reduction across our Scope 1, 2 and 3 carbon emissions against the 2018-19 baseline. We have attained our carbon emissions reductions by procuring our electricity from renewable sources, adjusting our on-site energy generation, changing our working patterns and a reduction in emissions associated with capital goods.

Total Net Scope – 1, 2 and 3 Emissions / 2022 - 23 (tCO_2e)



Total Carbon Emissions: Breakdown of Queen's University Belfast scope 1, 2 and 3 based emissions for August 2022 to July 2023 (based on data available in July 2024). In keeping with best practice and EAUC guidance, the University is using a dual reporting method which includes reporting on location-based emissions together with market-based emissions. For reporting purposes, this is referred to as gross emissions and net emissions reporting. This graph provides a breakdown of our net (market-based) emissions.



Dublin Road will be home to Passivhaus Student Accommodation

Technicians, academics and students have continued to roll out the Laboratory Efficiency Assessment Framework (LEAF) to address emissions associated with key university carbon 'hot spots'. 68 labs have taken part in the programme with a resulting 1,360 actions being undertaken to address impacts associated with our labs, including waste, energy and procurement.

In 2024, the University launched the 'Net Zero Design Guide' which provides a pragmatic approach to reaching net zero and is aligned with science-based targets to deliver Net Zero emissions by 2040. This design guide seeks to provide steps by which to transition from 'business as usual' towards a new 'net zero approach' in accordance with the commitments of the University's Net Zero Plan.

Permission for Northern Ireland's first Passivhaus student accommodation was granted in April 2024. Upon completion in 2026, it will be classed as Passivhaus 'Classic' and BREEAM 'Excellent' with air source heat pumps to provide space heating/cooling and hot water generation. Climate adaptation measures have also been incorporated in the form of a blue roof.

The University launched its Travel Plan 2023-28 which details how Queen's will increase active travel to ensure we achieve our commitment to reduce carbon emissions associated with commuting by 25% by 2028. The University is a signatory to the International Educational Synergies Group 'Climate Action Barometer' which is a global benchmark tool that measures the impact of international education and will help the University understand interventions to reducing emissions associated with international student travel.

Emissions associated with business travel are a key priority for the University and will be addressed via the Net Zero Plan. Sustainable Travel Guidance was published in June 2024 to assist the University in making climate conscious decisions around business travel.

Nature 'hot spots' continue to be developed throughout Queen's Campus. This year, 4,760 bulbs were planted in Riddel Hall to enhance the existing nature zone. Within Malone Playing Fields, a further 120 oak saplings were planted by students, staff and local community members.

Education and Skills

We continue to prepare our students for leadership and citizenship in a global society, committed to sustainability and social responsibility. As a signatory to the SDG Accord, our educational programmes are increasingly focused on embracing the ethos of the United Nations Sustainable Development Goals at a local, national and global level.

During 2023-24, a total of 2,173 modules were mapped with 43% classed as sustainability focused or inclusive, whereas 50% were classed as sustainability supportive. The University is committed to enhancing this figure over the coming years.

One way this will be achieved is via 'Leading Education for Sustainable Development in the Curriculum' which was developed and piloted in 2023 with full SEDA accreditation achieved in June 2024. This programme provides Queen's academics with an understanding of Education for Sustainable Development (ESD) and its core competencies such as futures-thinking and systems-thinking.

Academics, from a variety of pathways, developed a deeper understanding of how to engage learners through co-creation and partnership, transformative pedagogy, active learning, and authentic assessment. On completion of the programme staff recorded a 119% increase in 'confidence implementing education for sustainable development'.

"Really well conceived course – great ideas and strategies to encourage us to reflect on our practice and related education for sustainable development to wider scholarly practice". Dr Niall Majury, Senior Lecturer (Education), School of Natural and Built Environment.

The University is committed to providing free, certified Carbon Literacy Training to staff and students via a partnership with a local environmental charity, Keep Northern Ireland Beautiful. During the 2023-24 academic year, a total of 1,117 individuals were trained.

The School of Medicine, Dentistry and Biomedical Sciences has committed to embedding planetary health and sustainability within their curriculum. To achieve this, in May 2024, all Level 2 Medicine students completed bespoke sustainability training tailored specifically to the health sector. Sustainability training focused on the unique impact the health sector has on the environment, the importance of green prescribing and individual actions students can undertake in their future careers.

Research and Innovation

Queen's has a proud history of conducting innovative, impactful and world-leading research that has, and will continue, to drive positive change.

In November 2023, Queen's partnered with Trinity College Dublin and the University of Reading on a new €41.3m research centre – the Climate+ Co-Centre – which will be the home of research, innovation, and policy development across the interlinked challenges of climate change, biodiversity loss, and water degradation on the islands of Ireland and Britain.

The University continues to work with partners to research and address the ongoing water quality challenges within Lough Neagh and beyond. Researchers within the School of Biological Sciences and beyond are leading a study into the impact and cause of algae blooms in Lough Neagh. Whilst Queen's, in collaboration with the Agri-Food and BioSciences Institute (AFBI), has demonstrated how the use of willow buffers along water courses can be effective in reducing the environmental footprint of farming.

Outreach and Engagement

Outreach and engagement are a core element of the University's Net Zero Plan. A range of 'Climate Conversation' events have been hosted by the University, resulting in the engagement of over 1,760 individuals. This includes hosting panel events on travel, sustainable construction and the topic of net zero.



Queen's held its first Sustainable Construction Conference – a half-day event designed to deepen knowledge of reducing carbon in buildings.

Queen's 'Strategy 2030' sets out how we will embed the UN Sustainable Development Goals across all our activities. The inaugural 'Reach'24' Arts and Sustainability Festival, hosted in April 2024 in collaboration with Sustainable Development Solutions Network Ireland, is one of the new and innovative ways we are nurturing a culture of sustainability. The Festival brought together leading experts in the arts world to explore the climate crisis and to discuss sustainable solutions to help tackle the crisis through music, creative writing, art and film.

Over 210 people attended events across the three days of the conference and 1,300 during the three weeks of the exhibition – widening awareness of the benefits of looking at sustainability through the lens of the arts, and the role of arts as a tool for addressing climate change and other sustainability challenges. This includes 78 children from a local school who engaged with festival participants, university staff and Belfast City Council to learn about the impact of plastic in an engaging way.



An art exhibition which explored the impact of plastic waste on our oceans took place as part of the Reach'24 Arts and Sustainability Festival.

PUBLIC BENEFIT STATEMENT

Queen's has a proud history of working for the greater good.

As a registered charity, and publicly accountable institution, we have a civic and ethical obligation to ensure we contribute positively to the people and place around us.

This year saw the University publicly commit to, and progress, a number of initiatives that will build on this important work which are embedded into our Civic Mission and Social Charter and aligned to the wider goals of Strategy 2030.



Queen's Social Charter includes commitments to become a Civic University and University of Sanctuary

A Queen's Education

Education is a powerful tool that cultivates minds, shapes lives, and enriches the world around us. At Queen's, we believe that high-quality education should be accessible to people of all ages and backgrounds and work extensively in the delivery of our Civic Mission to ensure that is the case.

Widening Participation and Access

The University is committed to tackling social inequality through widening participation and lifelong learning opportunities, as we meet the needs of society. Within this aim the Widening Participation Unit (WPU) offers a range of programmes and initiatives to encourage participation from groups currently underrepresented in Higher Education.



School children pictured with Professor Fluffy



Widening Participation supports students with experience of the care system to access higher education

We partner with doorstep primary schools to raise awareness of Higher Education though our Professor Fluffy Programme, showing young people how Queen's could be a part of their future.

Our Reading Together, Numeracy Together and Steps to Success programmes, develop vital foundational skills for Care Experienced young people, enhancing core skills and assisting with the transition to post primary school. This year, 95 Care Experienced children were supported across the three programmes. Support for Care Experienced young people and students continues to be a key element of our work, offering pre-entry information, advice and guidance, one-to-one support for current students, and financial support through the University's Care Experienced Bursaries and Success fund.

Working with pupils up to GCSE level, our Junior Academy uses a phased approach to familiarising participants with the campus, offering taster sessions, masterclasses, and an insight to university life.
The Senior Academy and Pathway Opportunity Programmes offer Year 13 and 14 students the chance to explore pathways to Higher Education.
In 2023-24, 1,483 young people took part in our Widening Participation initiatives, working with academic, support staff and students at multiple touch points across all programmes.

Recognising the financial challenges incurred by many students, the WPU administered £0.5m of bursary support to Queen's students, this included institutional and philanthropic bursaries, and funding through the Department for the Economy (DfE) Step Up.

Open Learning

Lifelong Learning is central in delivering the University's Civic Engagement and Social Responsibility. Over 220 courses are delivered each year across a broad spectrum of topics from practical skills such as First Aid and Personal Finance, to learning about art, history, politics and law. In 2023-24, there were more than 3,000 enrolments for the Open Learning programme.

Our Continuing Professional Development programme is often developed in partnership with our community sector and with government agencies and Inclusion and Diversity in the Arts. Our targeted Civic Engagement Programme works with a range of partners – locally, nationally and internationally, to co-design and deliver accredited courses which focus on the real-world needs and resources of our communities such as leadership and active citizenship for young people from marginalised areas, ageing, mental health and migration.

Courses are developed in line with the United Nations Sustainable Development Goals. Arts-based approaches are often employed as well as creative digital formats which create impact well beyond the University.

Grants, Scholarships and Bursaries

Queen's is dedicated to providing opportunities and making education accessible to people from all backgrounds and we support this objective through the provision of various scholarships and bursaries.

In addition to the Clinton and Copty Scholarships (see Strategic Review Section), Entrance Scholarships continued to be administered to high-achieving A-Level students, as did targeted scholarships for elite Sports and Athletic students, and Mature Learners. Financial support was also provided to students encountering financial difficulty during their study through the discretionary Student Support Fund and Queen's Bursary (NI and UK students), University Financial Assistance Fund (ROI, EU and Overseas students), and the Queen's Care Leavers Bursary (for students with experience of the Social Care system). The Junior Academy of Music (JAM) Bursary also supports school pupils in receipt of free school meals to avail of music programmes for aspiring young musicians.



Our Research Benefits

In addition to providing a world-class education to our students, academics at Queen's conduct and produce research that has real-world impact on emerging social issues, health needs, understanding our planet and the wider universe, and progressing the world around us.

Medicine, Health and Life Sciences Faculty

Queen's is recognised for its research strengths across a range of areas of high unmet need related to health including cancer, lung disease, ophthalmology, agriculture, food science and veterinary sciences. In 2023-24, we opened the doors to Ireland's first independent Prostate Cancer Centre of Excellence which will deliver cutting-edge clinical trials and test new, promising treatments to both improve cancer outcomes and reduce treatment-related side effects for men with prostate cancer.

Our researchers conducted an all-Island study on how the Good Friday Agreement's impact acted as a catalyst in enhancing cancer research leading to improved cancer outcomes on the island of Ireland. A first of its kind clinical trial for anti-cancer drug, CV6-168, also received approval from the UK's medicines regulator to begin a UK-wide clinical trial which will be the first novel cancer drug to be developed and trialled in Northern Ireland.

Queen's also conducted a world-first breakthrough for scientists to study how diabetes impacts blood vessels by successfully lab-growing a mini version of human blood vessels from people with the condition which could lead to potential new treatments.

In addition, researchers at Queen's worked in collaboration with the University of Cambridge and RCSI University of Medicine and Health Sciences to examine how blood levels of omega fatty acids changed over time and how these variations were related to the development of symptoms of psychosis in young adults. Another new study set out a path showcasing how improving animal health may reduce emissions, without reducing numbers or cutting food production, consequently enhancing economic outcomes and animal welfare.

Queen's academics also published research for best practice in relationship and sexuality education for young people with intellectual disabilities, and key findings on the lived experience of nurses during Covid-19 as part of the SenseMaker report.



Former Professor AP De Silva honoured with Blue Plaque Award as tribute to a career that included a major discovery that transformed emergency medical care.

Arts, Humanities and Social Sciences Faculty

Throughout 2023-24, research undertaken in the Faculty of Arts, Humanities and Social Sciences has underpinned a number of reports highlighting major social issues, injustices and inequalities, and outlining the ways that we can better address these as a society.

A Queen's report, *'It's Just What Happens': Girls' and Young Women's Views and Experiences of Violence in Northern Ireland* was commissioned by The Executive Office to determine the extent of violence experienced by girls and young women in the region and will underpin government priorities in delivering the Strategy for Ending Violence Against Women and Girls.

'More than a number: Reparations for those Bereaved during the Troubles' highlighted the significant disparities that existed amongst victims and survivors of the Troubles conflict when it came to compensating the death of a loved one. The Executive Office's new Strategy for Victims and Survivors recognises the importance of reparations to victims and survivors in moving forward.

In partnership with the University of Limerick, and funded by the Shared Island North-South programme, Queen's also conducted research into the understanding of hate crime across the island of Ireland, giving insights into public perceptions around hate crime occurrence, understanding of legislation, and police responses. The report made a number of recommendations on how to tackle these issues and empower diverse and marginalised communities.

Other notable reports throughout the year include one which highlighted the rates of overdose and drug-related deaths amongst young adults in Northern Ireland, led by Queen's and conducted in partnership with Ulster University and the University of St Andrews as part of the Drug Deaths Taskforce Northern Ireland; and a Queen's Business School report which found that the productivity gap in Northern Ireland has closed significantly, going from the poorest performing region to 7th in the United Kingdom.

Engineering and Physical Sciences Faculty

Queen's is at the centre of plans to harvest solar power in space producing a potentially endless supply of net zero energy. Research published in 2023-24 revealed specially constructed satellites could gather energy from the Sun and relay it back to Earth 24/7.

Further findings from Queen's researchers have the potential to combat the major environmental challenge posed by wind farm development whereby the non-biodegradable turbine blades could be transformed into footbridges, rather than landfilled or incinerated every 20-25 years.

Queen's-led research has also sought to address social issues such as one report which revealed the stark ethnic inequalities within neighbourhoods already facing social deprivation. The report is being used as an evidence-base to inform government policy and direction in this area. Another found that Overdose Prevention Centres could have a key role in tackling the UK drug crisis, preventing thousands of deaths, reducing the spread of serious disease, improving communities and negating any increase in drug-related crime.

Other key milestones across 2023-24 include a £16.3m investment commitment for an AI Collaboration Centre in Belfast, a partnership between Ulster University and Queen's, and funded by Invest NI and the Department for the Economy, to boost the local economy and competitiveness. Allstate NI also funded a new Software Suite which opened in December at the Computer Science building providing state-of-the-art facilities for training future IT professionals.

Queen's in the Community

We are committed to empowering communities and providing young people from every background the opportunity to fulfil their potential and, in doing so, transform future generations.

This has been a remarkable year for Queen's in terms of its social impact and the positive influence we've had in the wider community.

Through our Civic Commitment to South Belfast, we work in partnership with Belfast City Council and local communities to co-create and deliver ambitious plans for inclusive development, delivered with the continued support of the community in South Belfast.

In June of this year, Queen's made two separate but interwoven pledges to become a Civic University and a University of Sanctuary. In committing to become a Civic University, Queen's is part of a network of universities across the UK committed to transforming lives and places.

A Place of Sanctuary

Work as part of our Sanctuary movement has included *Images of Incoming*, delivered in partnership with the University of Fraser Valley in British Columbia and Northern Ireland's University of Atypical for Arts and Disability, engaging 70 women from Northern Ireland and Canada. The photovoice project explored the themes of belonging and exclusion with newcomer and migrant women in rural areas. The Translating Age project explored similar themes but focussed specifically on the experiences of older migrant women settling in Northern Ireland through the mediums of art such as dance, creative writing, needlecraft and photography.



Translating Age: A participant explores her journey as an older migrant woman in NI through dance

Queen's Communities and Place

Our pilot programme with the Market Development Association under Queen's Communities and Place (QCAP), works closely with the Market Community of inner-south Belfast to provide educational opportunities and transformational experiences for residents.

In 2023-24, A People's Tapestry encouraged residents, and particularly young people, to become researchers within their own community, photographing the Market area through their own eyes. In April 2024, the photographs were co-curated into a public exhibition chronicling the origins, evolution, and challenges for the Market community and offering insights into the power of creativity in confronting challenges of trauma, Troubles-legacy and substance use.

The Community Wellbeing Kitchen which launched in June, is designed to help address community-level challenges around mental health, physical wellbeing and the cost-of-living crisis in the area. It is empowering and upskilling Market residents with practical skills, knowledge and experience around preparing and cooking a variety of locally sourced, low-cost and nutritious meals in a community setting.

The STEAM Summer Scheme gave 40 primary-school-aged residents the chance to engage with a broad range of educational experiences across the worlds of Science, Technology, Engineering, Arts, and Mathematics, giving them a taster for future studies and careers paths.



Residents of the Market community learn valuable cooking and nutrition skills in the Community Wellbeing Kitchen

PHILANTHROPY AT QUEEN'S

Philanthropic support enables the enhancement of world-class research, student experience and facilities that would not be possible without the generosity of individuals, charitable organisations, trusts, funds and businesses who support our projects.

The Queen's Foundation is an independent charity which generates philanthropic support for the University and works with donors to create both vision and legacy using their gifts. In 2024, Queen's proudly celebrates 25 years of the Foundation.

In 2023-24, the University received £4.9m of philanthropic funding from the Foundation to support agreed priorities including medical research, Widening Participation, scholarships and the student experience.

Philanthropic donations to The Queen's Foundation saw the University establish an independent Prostate Cancer Centre of Excellence in October 2023. The new Seamus Heaney Centre opened its doors in June 2024, with almost £2m received from generous donors to date towards the new building, outreach activities and academic positions.

The generous gifts made by donors continue to provide support for scholarships, student enterprise and employability initiatives and Widening Participation, with funds received from the Foundation totalling £2.5m in 2023-24.

This includes £0.4m received enabling 400 bursaries to be awarded to students on the Pathway Opportunity Programme through the Pathway Bursary Fund. £0.1m was received to support the Clinton Scholarship Fund, with the first group of students to benefit travelling to universities in the US in July 2024.

Students from Queen's and Dublin City University are also being given the opportunity to become a Graduate Ambassador in New York City. The post with the New York based Emerald Isle Immigration Centre (EIIC) is funded from a $0.5m philanthropic gift from the Charles Lawrence Keith and Clara Miller Foundation. Additionally, Queen's received its largest ever in-kind donation from US computer software company Alteryx, who will be donating data licences to students and staff to access free software, training and accreditation in data analytics.

The Queen's Annual Fund was established in 1999 and since then, has offered thousands of students a transformative student experience. Each year, a call for funding applications is published. In 2023-24 over £59k was awarded and disbursed to 64 clubs, societies and initiatives, helping students access everything from first aid training, sports kit, scholarships, competition entry fees and mental health and wellbeing initiatives.

In 2023-24, £1.27m was received for medicine and health projects. This included £0.1m received as part of a new £0.6m gift pledged by the Northern Ireland Kidney Research Fund to advance research into kidney disease. A further £0.3m was received as part of the ongoing commitment to the new Prostate Cancer Centre of Excellence.



CONSOLIDATED INCOME REVIEW

	2023–24 £m	2022–23 £m
Income	472.3	460.5
Expenditure	(485.0)	(466.6)
(Deficit) before other gains and losses and movement in USS provision	(12.7)	(6.1)

The outturn position for 2023–24 for the University was an operational deficit of £12.7m. This position was after a one-off payment of £3.8m in July 2024 to further support our staff as part of a new three-year pay deal.

We focus on the operational position to indicate financial sustainability, as it is less susceptible to movements in the actuarial valuations of pension schemes and market conditions prevailing at the financial year end, than the total income/(expenditure) reported in the Statement of Comprehensive Income (SOCI).

The SOCI position also includes a number of accounting adjustments as set out below.

The most recent finalised Universities Superannuation Scheme (USS) Valuation at 31 March 2023 indicated that the scheme was in a surplus position. As a result of the valuation, the Trustees agreed that the deficit recovery plan, which had been in place since the completion of the 2020 valuation, was no longer required and that deficit recovery payments would cease from December 2023.

As result of these factors, the USS liability provision in the University's balance sheet was released. This resulted in a net accounting adjustment of £139.3m in staff costs, disclosed separately in the SOCI given its exceptional scale. (Further detail on the USS is provided in the section on Pension Schemes on page 58 and note 36).

During 2023–24, a total loss of £0.5m was realised on the disposal of fixed assets and investments. This relates mainly to the Group's disposal of part of its shareholding in Kainos plc.

The valuation of our fixed asset investments and investment properties as at 31 July 2024 resulted in a net unrealised fair value loss of £2.3m.

This reduction is partially offset by net increases in the market value of the University's General Investment fund of £16.7m, an increase of £4.3m in the value of the Endowment fund and an increase of £1.6m in other Investment funds, Investment Property and the value of other holdings by QUBIS Ltd. Of this total £24.9m relates to the reduction in the market value of the Group's remaining stakeholding in Kainos plc.

The deficit funding position for the Retirement Benefits Plan (RBP), has reduced from £47.8m at 31 July 2023, to a deficit of £44.5m at 31 July 2024. The SOCI position reflects the resulting actuarial gain of £1.8m, primarily as a result of an increase in the fair value of the assets, offset by some reduction in future liabilities, driven by the movement in discount rates. (Further detail on the RBP is provided in the section on Pension Schemes on page 58 and note 36)

The application of the accounting adjustments outlined above, have resulted in a final overall SOCI surplus for the year of £125.6m.

The balance sheet has been very positively impacted by the significant reduction in the provision for the USS pension scheme and the net assets position has increased from £695.8m to £821.4m at 31 July 2024.

Financial sustainability is a key tenet of Strategy 2030. Effective governance and strong financial performance is critical to the future success of Queen's and, for our staff and students. Whilst we face significant challenges in delivering to this position in the period from 2024–25 onwards, we are well positioned to do so.

-3%

OPERATIONAL DEFICIT

Deficit as a percentage of income increased from a deficit of 1% in 2022–23 to a deficit of 3%

(Note 1)

4%

GROWTH IN INCOME FROM NON-GOVERNMENT SOURCES

Income from non-government sources has increased year on year by 4%

(Note 2)

£105.2m

INCOME AND RESEARCH GRANTS AND CONTRACTS

Income from research grants and contracts, increased by £2.1m (2%) from the 2022–23 position (£103.1m)

-6%

DECREASE IN INTERNATIONAL STUDENT INCOME

International student fee income decreased by £4.0m (6%) during 2023–24

60%

STAFF COSTS % OF INCOME

Staff costs (excluding USS provision) represent 60% of income which compares to 56% in 2022–23

(Note 3)

3%

EXPENDITURE ON CORE ESTATE

Expenditure on core estate represents 3% of the Insurable Replacement Value. This compares to 5% in 2022–23

NOTES

1. (Deficit) is prior to the gain to disposal of fixed assets and investments; the movement in the USS provision, the fair value loss on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.
3. Staff Costs exclude the movement associated with the USS Pension Scheme.

TOTAL INCOME
INCREASED BY 2.6% TO
£472.3m

Income

Total income for the year was £472.3m, representing an increase of £11.8m (2.6%). The main components of this income are shown in Chart 1.

The total recurrent grant position takes account of the 2023–24 budget settlement to HE within NI, which for Queen's included a number of additional funded medical places in 2020–21 and 2021–22, as a result of A Level regrading during Covid-19. These places will remain funded for the duration of the degree programmes. In addition, Queen's was allocated additional non-recurrent funding allocations of £3.9m from the Department for the Economy (DfE) earmarked to support the University in the delivery of our Research and Innovation Strategy. A further £6.0m of non-recurrent funding was allocated to support our Capital Programme.

In total, income from tuition fees and education contracts was £1.0m (0.6%) lower than the previous year. Income from domestic students increased with in-year growth of £4.6m (7.0%), whilst international tuition fee income reduced year on year by £4.0m (6.2%) with the balance of the reduction relating, in the main to, the Nursing contract with the Department of Health.

International tuition fee income now represents 13% of the University's total income base.

As set out in Chart 2, research income increased by 2.0% to £105.2m, reflecting the increased value of new awards, over the past few years.

Research awards increased significantly from £113.2m to £124.3m, with a number of high-value awards received in 2023–24. As set out in Chart 4, of this total £100.8m or 81% of research awards was from the UKRI, Innovate, UK and EU Government.

Other income, including investment income, increased by £10.7m (12.6%) to £95.8m reflecting growth in accommodation, catering and conferencing activities and other services contracts. In addition, income from investments increased by £4.4m reflecting the movement in interest rates, particularly on current asset deposits/income generating asset investments. This is in line with the implementation of the University's new Investment Strategy.

Expenditure

Total expenditure for the year, excluding the adjustment in respect of the USS pension provision, was £485.0m, representing an increase of £18.3m (3.9%) from the prior year.

The main components of expenditure are shown in Chart 3.

Staff costs, excluding the impact of the USS pension provision, increased by £22.6m (8.7%). This includes the annual pay award, costs relating to incremental progression, academic promotions, and the Apprenticeship Levy. The in-year expenditure also includes the cost of a one-off payment to staff in July 2024 as part of the new three year pay settlement.

Queen's staff costs, excluding the costs associated with USS pension provision, represented 60% of income in 2023–24, compared to 56% in 2022–23 and the average number of staff increased from 4,486 to 4,738.

Other operating expenses decreased by 3.7% to £168.5m. This decrease reflects a significant reduction in the cost of utilities, and the higher cost of studentships and bursaries in 2022–23 due to the cost of living interventions for students in that year.

Depreciation costs have increased by £3.3m, mainly driven by the increased buildings depreciation in line with the Capital Programme.

CHART 1: Income Analysis

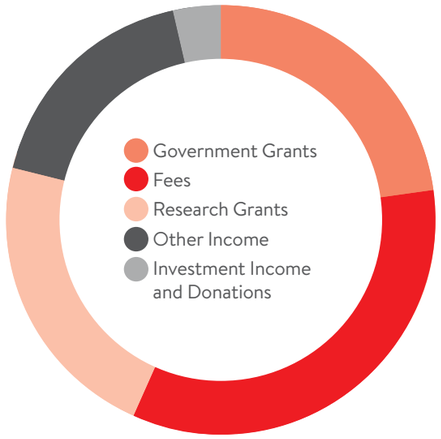


CHART 3: Expenditure Analysis



CHART 2: Income from Research Grants and Contracts

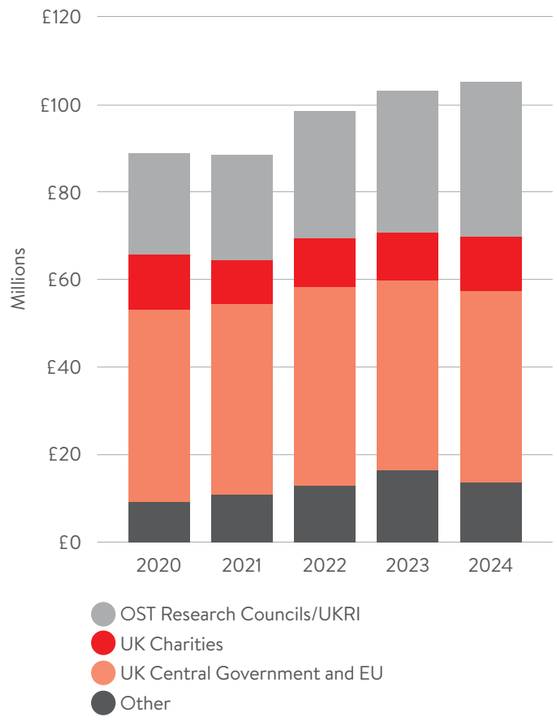
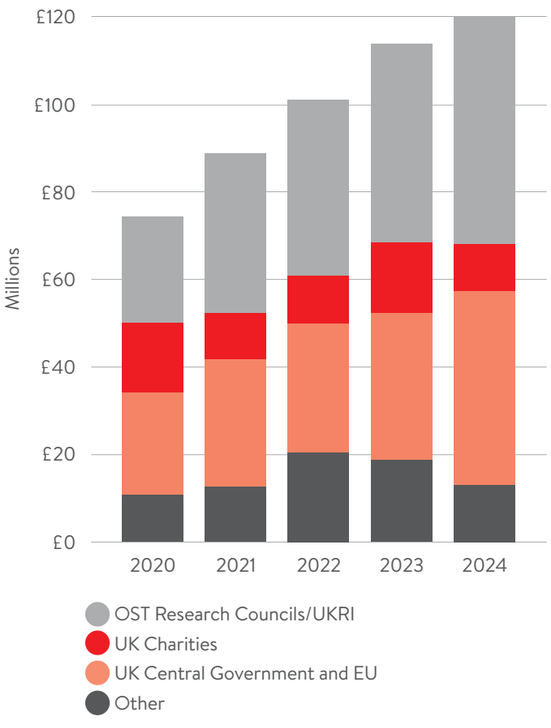


CHART 4: Value of Research Grants and Contracts Awarded



Gain on Disposal of Fixed Assets and Investments

In 2023–24, a total loss of £0.5m was realised. This total relates to the Group's disposal of an element of its shareholding in Kainos plc.

Fair Value Loss on Investments and Investment Property

The fair value movement in the Group's fixed asset investments, investment property and investments in associates at 31 July 2024, resulted in a net unrealised loss of £2.3m within the SOCI.

Of this total, £24.9m relates to the decrease in the market value of the Group's remaining shareholding in Kainos plc.

This reduction is substantially offset by net increases in the market value of the University's General Investment Fund of £16.7m, an increase of £4.3m in the value of the Endowment Fund and an increase of £1.6m in other investments, including holdings by QUBIS Ltd.

Actuarial Adjustment in respect of Pension Schemes

The deficit funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from £47.8m at 31 July 2023, to a deficit of £44.5m at 31 July 2024. This reduction in the deficit position reflects several factors, in particular, reductions in future liabilities driven by movement in discount rates.

Under FRS 102, the SOCI includes the resulting actuarial (gain) adjustment of £1.8m for the year.

Universities Superannuation Scheme (USS)

The most recent USS Valuation dated 31 March 2023, was finalised in 2023–24 and indicated that the USS pension scheme was in a £7.4bn surplus position. The Trustees subsequently agreed that the 2020 USS deficit plan, which had resulted in the University establishing a significant provision in prior years, was no longer required.

The provision for the USS liability at 31 July 2023 was £136.2m and, as a result of the updated valuation and removal of deficit recovery plan, this was released in January 2024. This has resulted in a significant decrease in provisions included in the Net Assets position at the year end.

The SOCI position reflects the net accounting adjustment of £136.2m, including the movement in staff costs of £139.3m and unwinding of interest of £3.1m.

Balance Sheet

The University had total consolidated net assets of £821.4m as at 31 July 2024 which represents an increase of £125.6m from the prior year. Of this total, however, £136.2m relates to the USS position. Whilst the balance sheet has been impacted by the unrealised loss in the value of investments, the release of the significant provision for the USS deficit plan means the net assets position remains strong.

The balance sheet reflects the significant investment in the capital programme over the last decade; the investment portfolio and; the strong liquidity position underpinned by effective working capital management processes.

The total level of realised unrestricted reserves is £369.1m, of which £139.3m relates to the movement in the USS provision. The balance of realised reserves includes the University operating surpluses/deficits, sources of non-recurrent funding ad non-government capital funding. A significant element of this total is ringfenced to support the Capital Programme including our commitment to BRCD.

Capital and Long-Term Maintenance

Queen's is a vibrant campus University at the heart of Belfast City. During 2024, an ambitious new Estate Masterplan for the next ten years, known as Queen's Future Campus, was approved. The masterplan focuses on providing the key infrastructure required to support the priorities and vision of Strategy 2030.

Capital expenditure has continued across the University in terms of new build and refurbishment of the existing estate.

During 2023–24 progress was made on, in particular, the completion of the new landmark building for the Seamus Heaney Centre, the Innovation Centres as part of the BRCD, including construction on the state-of-the-art Factory of the Future at Global Point, Newtownabbey as part of the Advanced Manufacturing Innovation Centre (AMIC).

Furthermore, progress was made on our additional purpose built student accommodation programme on the Dublin Road.

Cash and Treasury Management

Cash balances, including current asset investments were £170.6m at the year end, which represents a reduction of £103.7m from the prior year.

During 2023–24, the University adopted a revised Investment Strategy for Operating and Medium Term funds with the aim of increasing returns, within a controlled risk environment whilst ensuring adherence to the University's Responsible Investment Policy.

This has resulted in a phased decrease in Current Asset Investments and the investment of £90m in medium-term funds, including short dated credit and asset backed securities funds included within Fixed Asset Investments.

The University has a comprehensive Treasury Management Policy which is reviewed and updated by the Investment Committee to ensure an optimal balance of returns within a managed risk environment.

Further detail on Investment Performance is set out on pages 54 to 57.

REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

The University is committed to ensuring that it makes investment decisions responsibly and with integrity, taking into account the legal view that the Trustees' primary and overarching duty is to further the purposes of the University and its Trust Funds.

Investment Performance

The notes to the accounts set out the full details of the University's non-current investments. These include the assets invested for the long-term in the University Investment Fund and General Investment Fund, both of which are managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock) and assets invested for the medium-term held in pooled funds managed by Aegon Asset Management (Aegon) and Royal London.

The University Investment Fund is administered under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982 and includes endowment funds donated and bequeathed to the University for specific purposes. The fund is actively managed by BlackRock and at 31 July 2024 was valued at £62.5m. This represents an increase of £4.4m or 7.6% on the previous year's valuation.

Investment by endowment fund holders is by share purchase, with almost 7.1m shares issued at a value of £9.01 per share. The income distributed by the Investment Fund to the endowments increased to 33p per share (2023: 22p per share) and, in total, amounted to £2.2m.

The General Investment Fund is for the longer-term investment of university funds. At 31 July 2024, the fund was valued at £150.6m. This represents an increase of £16.7m, or 12.5% on the previous year's valuation.

Review of the University's Responsible Investment Policy

During the year, the University reviewed and updated its responsible investment policy with the support of Lane Clark & Peacock LLP (LCP), the University's investment advisers.

In updating the policy, the Investment Committee engaged with the Pro Vice Chancellor for Strategic Projects and Sustainability and the Students' Union President, as well as considering evolving best practice amongst peer institutions.

Environmental, Social and Governance (ESG) considerations are at the core of the updated policy and the University is committed to ensuring that it makes investment decisions responsibly and with integrity, taking into account the legal view that members of Senate, as Charity Trustees, have a primary and overarching duty to further the purpose of the University and its Investment Funds.

As part of their fiduciary role, the Trustees will consider ESG factors when managing the assets, as they believe that purposeful integration of ESG considerations into investment management processes and ownership practices can positively impact financial performance and further the University's purposes more broadly.

The policy clearly sets out the University's position on Responsible Ownership, our commitment to exclude companies involved in the extraction and production of fossil fuels from its investments and to have no meaningful exposure to fossil fuel companies by 2025. Furthermore, in line with the University's Net Zero Plan which sets out an integrated, whole University approach to achieving net zero greenhouse gas (CGHG) emissions by 2040, the University will seek to achieve this across its investments by 2040.

The revised policy was approved by the University in March 2024 and is available on the University's website. **qub.ac.uk/about/Leadership-and-structure/filestore/Responsible%20Investment%20Policy.pdf**

Investment Strategy

In August 2023, with support from LCP, the University reviewed the structure of the University's operating and medium-term funds. These are the University's liquid asset portfolios comprising cash, cash alternatives and short to medium-term investments intended to support operational cashflow requirements and provide liquidity where needed.

Following this review, the University decided to reallocate up to £50m of medium-term funds to invest in longer term assets which would also support the University's sustainability objectives. The University is evaluating potential fund managers which will be aligned with the Responsible Investment Policy.

In addition, during 2023–24, the University approved the diversion of £90m of funds to a combination of pooled investment funds – including a short dated climate transition fund and a European asset backed securities fund – to increase the expected investment return for these assets. On the recommendation of the Investment Committee, the University approved the appointment of Aegon for these mandates.

The University's Investment Committee, with support from LCP, continues to review its long-term investment strategy for the University Investment Fund and the General Investment Fund with a key consideration being the implementation of the revised Responsible Investment Policy. Specifically, the Investment Committee is reviewing options to invest the £50m reallocated from medium-term to long-term funds in assets which are expected to deliver a competitive financial return alongside measurable environmental and social impact. Several key decisions and initial stages of implementation of the revised strategy are planned to be undertaken in 2024–25.

CHART 5: General Fund

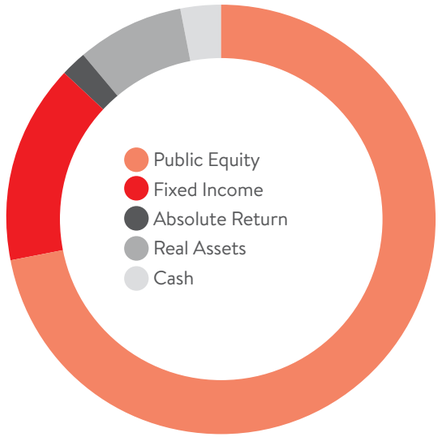
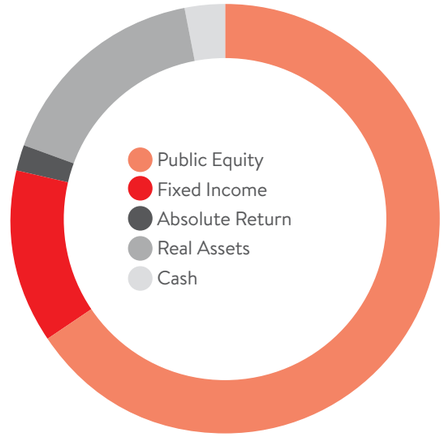


CHART 6: Endowment Fund



Market Commentary

The period from August to December 2023, marked a positive period for global markets after a challenging previous year. Equities performed strongly, led by US equities represented by the S&P 500. This was driven by significant growth in key sectors, especially technology and the 'Magnificent 7' stocks, which are the seven largest companies by market capitalisation within the S&P 500 index. Government bonds also returned to positive territory after losses over the previous two years.

This recovery was helped by lower-than-expected inflation in October, raising hopes that inflation would decrease to target levels without causing a recession. With central banks maintaining strict control over monetary policy, interest rates ended the year at their highest levels since 2007.

The start of 2024 saw another period of strong performance for riskier assets such as equities, with several stock market indices reaching all-time highs. This was driven by hopes of a gentle economic slowdown and the continued growth of Artificial Intelligence (AI). Contrarily, stickier-than-anticipated inflation prints served to push out expectations for the timing of interest rate cuts to the second half of the year and reduced the number of expected interest rate cuts for 2024 by half, which ultimately drove bond yields higher and saw returns on bonds fall.

The second quarter of 2024 had mixed results. Economic momentum experienced over the first quarter continued into the second, leading to another positive period for equity markets and the S&P 500 reached new all-time highs. However, these gains were mostly driven by a select few technology stocks, whilst other stocks struggled. Fixed income investments faced challenges as investors lowered their expectations for the number of interest rate cuts, despite the European Central Bank making its first rate cut. Geopolitical risks, including tensions in the Middle East and a snap election in France, also caught investors' attention. Towards the end of the quarter, signs of weakness in global economic data began to appear.

The University maintains a significant proportion of investment in equities with the view that, long-term growth ahead of normalised inflation is likely. During the year ended 31 July 2024, gross performance for the Endowment Fund portfolio was up 9.7% whilst for the General Fund portfolio it was up 12.6%.

A summary of the University's asset allocation in the University Endowment Fund and General Fund is set out in the charts above.

Responsible Investment and Stewardship

Decisions in respect of investments are made on the recommendation of the Investment Committee guided by the University's Responsible Investment Policy. The University supports the belief that purposeful integration of environmental, social and corporate governance (ESG) factors into investment management processes and ownership practices can positively impact financial performance and further the University's purposes more broadly.

Mindful of the need to balance responsible investment with maintaining returns in respect of the University's investments, the Investment Committee meets with its investment advisors and managers on a regular basis to review the investments and their performance through both a financial and responsible investment lens.

The University's Responsible Investment Policy has, at its core, a proactive approach to ESG matters. The University believes that when investing due regard must be given to ESG factors. Our current investment managers have a clear understanding of this and the terms of their investment mandates ensure that our investment portfolio reflects our ESG values.

For example, when selecting pooled funds for the new mandates within the medium-term assets, responsible investment was a key factor in the consideration of appropriate funds, with pooled funds selected on the basis of both their strong ESG credentials and wider performance track record.

To support consideration of ESG factors and stewardship practices, our investment managers have dedicated and well-resourced responsible investment teams to provide effective assessment of ESG risks and opportunities and to constantly monitor and engage with companies on our behalf to encourage long-term value creation, in which sustainability-related factors form an important part.

The Investment Committee has worked with the portfolio managers to evolve the asset allocation with a focus on reducing the exposure to fossil fuels and improving the sustainability of the portfolio. ESG metrics and data on the evolution of our fossil fuel exposure are included in the regular reporting and presentations provided to the University.

The University expects its fund managers to avoid investment in companies with significant revenues derived from controversial weapons or tobacco production or distribution. Subject to no detrimental impact on expected investment returns, the University has also committed to exclude companies involved in the extraction and production of fossil fuels from its investments by 2025.

During 2023–24, the University has been liaising closely with its investment managers to work towards having no meaningful exposure to such fossil fuel companies by 2025.

The University has previously worked with its investment manager to define the metric by which Fossil Fuel exposure is measured; specifically, the percentage of the portfolio allocated to companies and/or issuers who derive more than 5% of their revenue from the extraction and production of oil and gas, oil sands or thermal coal. Based on this metric, the University's exposure within each of its University Investment Fund and General Investment Fund was at around 1% as at 31 July 2024.

Furthermore, within the revised Responsible Investment Policy, the University has committed to seek to achieve net zero greenhouse gas emissions (CHG) across its investments by 2040, in line with the University's Net Zero Plan.

When selecting investments to achieve its objectives, the University will actively consider opportunities to invest locally (Belfast City or Northern Ireland more generally) and/or in sustainable or impact investments that are expected to deliver positive social or environmental benefits (provided they are consistent with the University's overall investment objectives and are not expected to be detrimental to financial performance).

Our current investment manager for the University's Investment Funds incorporates sustainability in the way that it manages risk, constructs portfolios, designs products and engages with companies. In January 2021, they outlined how an orderly transition to 'Net Zero' by 2050 would benefit the global economy and their clients in aggregate. They have been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008, an original member of the 32-member industry-led 'Task Force on Climate Related Financial Disclosure' (TCFD), and a signatory of the UK Stewardship Code. As a signatory of the Net Zero Asset Managers Initiative, they are one of 325+ asset managers committed to aligning the financial sector and supporting the goals of the Paris Agreement, and attended the UN Climate Change Conference (COP28) in November 2023 to help accelerate action towards the goals of the Agreement.

The Investment Committee understands that the sustainable investing landscape is constantly evolving and expects that the sustainability and carbon intensity of the University's investment portfolio will continue to improve over time, whilst aiming not to unduly damage the returns generated.

The Investment Committee also recognises that, alongside a divestment policy, engagement via its investment manager with the companies in which it invests is an important tool in encouraging more sustainable behaviours. For example, in the period from July 2023 to June 2024, BlackRock's investment stewardship team held more than 3,500 engagements with 2,400+ unique companies in 47 markets, representing ~76% of the value of their clients' equity assets. This resulted in over 169,200 management votes, at over 18,300 companies. A full summary of the voting year 2023–24, can be viewed here. BlackRock continues to publish regular detailed 'voting bulletins' to offer rationale behind important company votes, which are also available here.

In addition to its commitments to responsible investment set out in the revised responsible investment policy, in response to the ongoing conflict in Gaza, the University made a public commitment to initiate a process to divest from Israeli companies and companies listed by the UN Human Rights Council as carrying out listed activities in relation to Palestine, and is exploring ways of implementing this commitment with its advisors and investment managers. Given the sensitive and significant nature of such a commitment, discussions on how to implement it effectively and efficiently are ongoing. In the interim, the University has been engaging with its investment managers, Blackrock, Aegon and Royal London on this issue, and has confirmed that its investment portfolios have no direct exposure to such companies, the indirect investment has been estimated at around 0.2% of the University's investments and is already subject to our Responsible Investment Policy.

Future Outlook

These activities outlined demonstrate the University's and Investment Committee's ongoing commitment to Responsible Investment and their willingness to listen to and take on board the views of our students and staff.

We look forward to 2024–25 during which we will continue to strengthen our commitment to responsible investment as set out in our revised Responsible Investment Policy and continue to develop our long-term investment strategy in partnership with our investment advisers and in consultation with our students and staff as appropriate.

PENSION SCHEMES

The University participates in two separate defined benefit pension schemes: the Retirement Benefits Plan, available to staff in posts graded 1–5, and the Universities Superannuation Scheme, available to staff at grade 6 and above.

Retirement Benefits Plan (RBP)

The funding position of the RBP is calculated annually for accounting purposes in line with FRS 102. As outlined in note 23 of the Financial Statements, the RBP funding shows a deficit of £44.5m as at 31 July 2024 (£47.8m at 31 July 2023).

This reduction is primarily due to lower CPI and RPI inflation assumptions and changes in mortality assumptions. Whilst both liabilities and assets have decreased due to financial market conditions and investment returns, these changes have largely offset each other.

The latest Actuarial Valuation of the RBP, at 31 March 2023, concluded during the year. As part of the process, the Trustees and University were required to agree on a Schedule of Contributions. Given the rise in gilt yields since the last valuation, the required Future Service Contribution has reduced significantly. In response, the RBP Trustees proposed and the University approved, to reduce the member contribution rate from 9% to 6.1% (in line with the USS member contribution rate) and the employer contribution rate from 16.2% to 10%.

The University is liable for the Deficit Recovery Contribution (DRC). As the Plan's deficit increased from £4.7m at 31 March 2020, to £20.2m at 31 March 2023, an increased DRC of 11% (up from 4.8%) is required.

A Schedule of Contributions has also been agreed, with a 6.1% member contribution rate effective from 1 August 2024, whilst the total employer contribution will remain at 21% (10% plus 11%).

The University and the Trustees have agreed on a Recovery Plan to address the deficit by 31 March 2030.

Universities Superannuation Scheme (USS)

USS is the principal pension scheme within in the Higher Education (HE) Sector. With 232,360 active members, over 340 participating employers, and assets totalling £74.8bn (as of 31 March 2024), it remains one of the largest pension schemes in the UK.

Under FRS 102, each Institution must recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed upon in the most recent Actuarial Valuation. The latest Actuarial Valuation at 31 March 2023, which concluded during the year, forms the basis for calculating the USS liability in these Financial Statements.

Given that the 2023 Valuation reported a £7.4bn surplus (compared to a £14.1bn deficit at 31 March 2020), Queen's liability decreased from £136.2m at 31 July 2023 to nil at 31 July 2024. Further details are provided in notes 24 and 36 of the Financial Statements.

Given the increase in Scheme assets and the reduction in liabilities, the Joint Negotiating Committee (JNC) recommended changes to both the contribution rate and the benefit structure. As a result, the USS Trustee confirmed that, from 1 January 2024, the member contribution rate would reduce from 9.8% to 6.1%, and the employer contribution rate would decrease from 21.6% to 14.5%.

Additionally, effective from 1 April 2024, the scheme benefits returned to the pre-April 2022 levels, with the Retirement Income Builder Salary Threshold confirmed as £70,296. All active members received a one-off benefit uplift, which was paid into their Investment Builder section of the Scheme.

The University remains committed to securing a sustainable and stable position for the USS scheme. Universities UK (UUK) continues to explore long-term solutions, such as conditional indexation, revisions to the long-term investment strategy, and more affordable options for scheme members.



HIGHER EDUCATION FUNDING

The underlying funding position for HE in NI remains a matter of concern for the University.

Based on independent research undertaken by London Economics, combining weighted average teaching grants and the maximum tuition fee charged, Queen's has experienced an 18% erosion of total funding in real terms since 2010–11. This compares to a 1% funding decline for a similar Higher Education (HEI) in England. This position is set out in the chart overleaf.

During 2023–24, Queen's was allocated £9.9m on a non-recurrent basis from the DfE as set out below:

- £6.0m of additional 'Quality-related' Research funding (QR) for capital. This was as a result of an announcement by the Finance Minister of an additional capital allocation for DfE, to be used to support Research and Innovation in Higher Education;
- £2.7m of further non-recurrent QR to support research activities, to include initiatives in research culture;
- £1.2m of additional non-recurrent 'Regional Innovation Funding' (RIF) to support additional knowledge exchange activity.

The University has earmarked the £8.7m of QR funding, with £6.0m set aside for future capital investment plans and the remaining £2.7m earmarked to support the Research and Innovation Strategic Priorities of Strategy 2030. These allocations were focused on supporting the optimisation of the University's Research Excellence Framework (REF) 2029 performance and postgraduate student growth across each of the Faculties.

The RIF funding was introduced to support high-performing universities in areas with lower levels of research and development investment. The funding aims to help mitigate under-investment issues by fostering business engagement and economic growth. The University invested the £1.2m of additional funding in 2023–24 to boost support for academic enterprise projects and support new programmes and scholarships through the InQUBate Student and Graduate Innovation Centre. Funding was also allocated to support the wider NI business ecosystem through the Scaling the Edge 10X programme and other innovation initiatives.

Each year, we lose some 34% of our young people (approximately 5,000) to universities in GB. This educational migration impacts negatively on our local economy, which needs more highly skilled people who are integral to a knowledge-based economy. This must be addressed as part of a holistic, regionally balanced, and expertise-based approach.

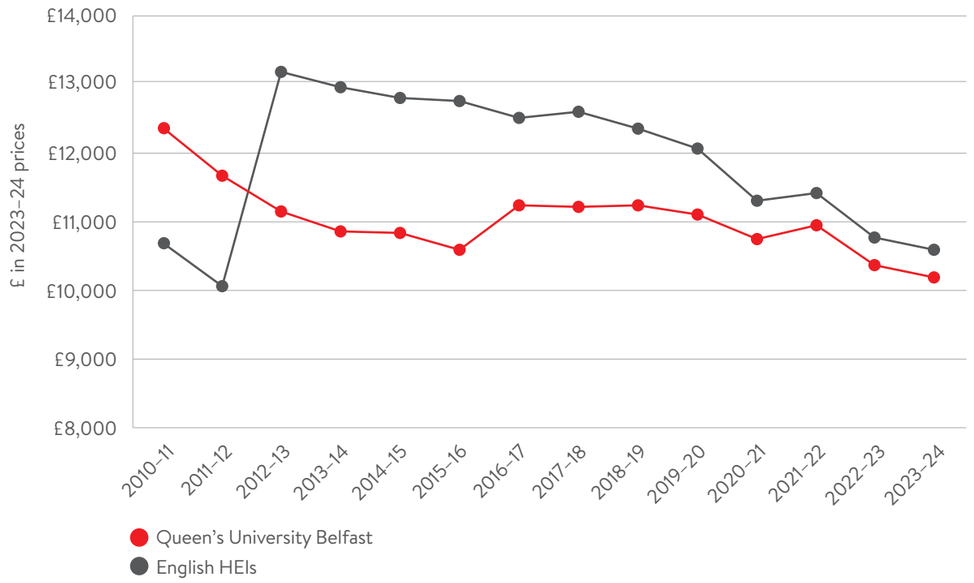
Queen's welcomes the commitment to enhancing all-island collaboration for Higher Education and encourages the administrations North and South to work together to resolve the current funding issues that limit our undergraduate provision in terms of the flow of students across the island.

Universities play a key role in the economic development of NI. At Queen's, we contribute over £3bn per year to the economy; through research, we drive innovation to ensure our companies are competitive globally; and through education, we deliver the skills that create our talented, young workforce.

Queen's is proud to be a Civic University, and widening participation has been a long-standing priority, with around 32% of our students coming from low-income backgrounds. The July 2024 Ministerial announcement of support for a further 50 undergraduate places is a welcome initiative. Using the places to support and enhance our Widening Participation programmes will be a key priority in the coming years.

Our highly educated workforce has been at the cornerstone of efforts to attract investors and employers to Northern Ireland. This should be a great success story, of which we all should be proud. We are global leaders across areas as diverse as Digital, ICT and Creative, Agri-Tech, Advanced Manufacturing, and Engineering and Life and Health Sciences.

Total rescource per home domiciled FTE student per year, £ in 2023–24 prices: QUB vs English HEIs



We are uniquely placed to contribute to NI's aspirations to build a high-value, inclusive economy which will benefit all our citizens. We are progressing with the BRCD programme and are committed to the other region city deals. As a globally recognised research institution, recent funding for an additional 35 PhD students will enable us to continue to attract significant research talent that will support our ambitions for the economy and wider society

In the absence of a long-term sustainable funding model for HE funding in NI, any reduction in funding will inevitably drive further inequality in HE provision and impact negatively on our citizens. It is a demographic fact that there will be a surge of 18-year-olds by the end of this decade, and we need to offer approximately 5,000 extra university places across the NI HE sector just to maintain the current levels of provision — which we know are not meeting the demands of our local and international businesses.

The University has submitted the first Outcome Agreement to DfE and will continue to work closely with officials to ensure alignment between NI Executive and University priorities. Officials have notified the University that a review into higher education funding will be commenced in the coming months, but that tuition fee levels will not be included in this exercise.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with political decision makers to ensure that higher education is sustainably funded given the central role the sector has in supporting the social and economic recovery of Northern Ireland.

RISK AND UNCERTAINTY

The University acknowledges the risks inherent in its activities and adopts an open, proactive and receptive approach to identifying and managing them. We recognise that in the pursuit of our objectives and ambitions that we may need to take risks to meet strategic aims. A comprehensive Risk Management Framework assists the identification of the key risks that pose a significant threat to the achievement of the University's strategic priorities.

Risks are inherent in all activities and constantly evolve with changes in the external and internal environment. The risk management process within the University is structured to continually identify, evaluate, and monitor such risks proactively and respond quickly to issues as they arise. It is embedded across the organisation as part of normal management arrangements and includes the regular review of corporate and emerging risks by the University Management Board.

The Risk Management Committee provides the strategic leadership and considers updates to the Corporate Risk Register with input from the University's Internal Auditors. It reports to the Audit and Risk Committee which provides the necessary assurances on the adequacy and effectiveness of the Risk Management Framework to Senate. In considering risks, the Risk Management Committee assesses its risk appetite for that activity and monitors the level of mitigating actions in place.

The University takes appropriate levels of risk to achieve a step change across its core areas of activity: education, skills and the student experience, research and innovation, and business engagement, but adopts a more cautious attitude in matters of legislative and regulatory compliance to reduce risk to the University's reputation, our people and other resources and assets.

In the current and constantly changing and complex operating environment, the cumulative risk being experienced by the HE Sector and the University, is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including Senate, is critical to ensure ongoing success.

In addition to the global risk relating to sustainability the key risks facing Queen's are as set out overleaf.

Risk Area	Risk Management
Financial Sustainability The University has an unsustainable recurrent financial position.	The University faces significant financial challenges which have been compounded by a constrained funding environment, a volatile international student recruitment market and inflationary cost pressures. Government funding uncertainties and ongoing restrictions on NI student numbers and fees continue to be of concern. The University continues to engage with our relevant stakeholders with the aim of developing a sustainable funding solution for HE NI. In approving the Budget for 2024–25 the Governing Body Senate, approved a number of interventions and mechanisms which the University is putting in place in order to deliver a longer-term financially sustainable position for Queen's.
International Student Recruitment Failure to recruit high-quality international undergraduate and postgraduate students.	Our Global Student Recruitment Strategy is dynamic and monitors geopolitical trends and other factors which can lead to volatility in marketplace. The Strategy is underpinned by an Integrated Action Plan which aims to further develop the University's international recruitment. Measures include: • Strengthening of specialised in-market teams; • Development of Study Abroad Partnerships; • Digital transformation to support the applicant journey; • Development of a 'triple-lock' fee promise; • Development of a focused demand-led innovative course portfolio; • Development of an institutional approach to English language support.
Digitalisation of Business Processes Failure to realise the benefits of digital transformation in business activities and processes.	The University is committed to developing the necessary skills, expertise and culture to embrace new technologies and business process which will enhance the student and staff experience. Senate has approved investment in a comprehensive Digital Transformation Roadmap (DTR) and priority projects are currently being implemented. The University continues to incorporate AI developments and capabilities as appropriate within a robust change management process.
Global Reputation, International Partnerships and Alliances Failure to develop high quality international partnerships/alliances to enhance the University's impact and reputation whilst ensuring they align with our core values and adhere to government policy.	Internationalisation remains a key strategic focus within Strategy 2030. Our international Partnerships Group, supported by a Global Risk Committee ensure a strategic and agile approach to new partner selection and ongoing management of alliances in respect of both Teaching and Research activities. We engage with global funding bodies and have a wide network of international contacts through e.g. the Russell Group, UKRI and UUK. Our research activities continue to have global impact, and we continue to expand our reach through collaboration, building research partnerships locally, nationally and internationally.

CONCLUSION

The University achieved a satisfactory financial operating performance in 2023–24. Whilst an operating deficit position of 3% of income or £12.7m was returned, this position was after a one-off payment of £3.8m in July 2024 to further support our staff as part of a new three-year pay deal.

Our total income increased year-on-year by 2.6% to £472.3m. Despite the challenges in the international student recruitment market, overall our income from tuition fees and education contracts remained broadly in line with the prior year. The pipeline for new research awards is exceptionally strong, delivering £124.2m of new awards, of which £100.8m or 81% was from UKRI, Innovate UK and EU government.

Investment in our people is crucial to our success and our staff costs represents 60% of our total income in 2023–24 and this compares favourably to 56% in 2022–23.

Furthermore, in 2023–24 we invested significantly in our strategic priorities and enablers to support delivery of Strategy 2030 including our investment in the BRCD Innovation Centres. Our balance sheet position remains strong, with continued low levels of borrowing, a healthy liquidity position and was positively impacted by the significant reduction in the USS pension scheme provision.

Our financial performance for the year is set in the context of significant underinvestment and public funding cuts, which has placed us at a competitive disadvantage in terms of both teaching and research and despite this, the University has continued to invest in our students, staff and core infrastructure. The HE sector in the UK, is operating in very challenging environment — a situation which is particularly acute in NI.

The University Management Board and our Governing Body, Senate, recognise that operational deficits cannot be sustained, and it is their responsibility to deliver a financially sustainable position for Queen's. The Board is committed to, and Senate have approved, a plan to break-even by 2026–27. This plan is predicated upon the delivery of a number of significant interventions and mechanisms in order to exercise robust monitoring and control of our cost base to support the delivery of efficient revenue growth in the future.

Financial sustainability is a key tenet of Strategy 2030. Effective governance and strong financial performance is critical to the success of Queen's and for our staff and students. Whilst we face significant challenges in delivering to this position in the period from 2024–25 onwards, we are well positioned to do so.



CORPORATE GOVERNANCE

The University is committed to the highest standards in all aspects of corporate governance and the following section provides an overview of the governance arrangements applied by Senate, the governing body of the University.

Incorporation and Governance Framework

Senate conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life and in line with guidance from the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK.

The University is an autonomous body established by Royal Charter in 1908. Its activities are underpinned by its Charter, Statutes and Regulations, together with the strong framework of legislation and regulation within which it operates.

Senate is the University's governing body and carries the ultimate responsibility for the University's overall strategic direction and operational performance and also complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

The University is registered with the Charity Commission for Northern Ireland and all Senate members are registered as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

Responsibilities of Senate

Senate meets formally at least four times each academic year, with additional informal sessions to inform its decision-making and effective governance, held throughout the year. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property and the general conduct of its affairs. Senate works with the Senior Leadership Team to set the institutional mission and strategic vision and the Senior Leadership Team ensures that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

When executing its duties, Senate maintains a comprehensive system of risk management, internal control and corporate governance, including the prevention and detection of corruption, fraud, bribery and irregularities. Senate receives effective and regular information to monitor performance and track the use of public funds to enable it to identify any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and its main sponsoring Department, the Department for the Economy (DfE).

Membership of Senate

Senate members are appointed under the Statutes of the University.

The Chair of Senate, Dr Stephen Kingon is due to stand down from office on 31 December 2024. In order to facilitate effective succession planning, Senate established a Special Committee in April 2023, to manage the appointment of the third Pro-Chancellor. The Committee conducted an open and transparent recruitment process, in line with the appropriate Regulation and Senate approved the recommendation to appoint Mrs Orla Corr Nixon, with effect from 1 August 2023. The Committee then proceeded to fill the vacancy for an Honorary Treasurer through a similar process and Senate subsequently appointed Mr Adrian Doran as Honorary Treasurer, with effect from 1 August 2023.

A Senate External Lay Member vacancy occurred during 2023–24, with the standing down of Ellvena Graham on 31 July 2023. This vacancy was carried throughout the year and will be recruited to in January 2025, through a robust, transparent open advertisement and will take into consideration required skills, experience and diversity.

In 2023–24 Senate continued with 23 members, comprising the President and Vice-Chancellor; three Pro-Chancellors; the Honorary Treasurer; the Students' Union President; one representative from the Students' Union and nine independent, external lay members; six members of staff are elected to Senate by their relevant constituencies; two members elected by Academic Council; two academic and two professional services staff representatives; and one representative from Convocation (graduate body).

Independent lay members hold office for an initial term of four years and are eligible for re-appointment up to a maximum of two terms, subject to satisfactory performance.

Elected members serve for an initial term of four years, and, if re-elected, have the opportunity to serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

The Chair of Senate plays an important role in the governance of the University, while working independently of the Vice-Chancellor and the Senior Leadership Team. The Chair is a Pro-Chancellor supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate also has a Senior Independent Governor, appointed from amongst its external lay membership, to further strengthen its governance arrangements.

The Senior Independent Governor role provides enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices. No member of Senate receives remuneration for work they do in respect of their position on the governing body. All interests of members of Senate and members of the Senior Leadership Team are reported through the Register of Interests, which is maintained by the Secretary to Senate. The Register can be consulted by arrangement. Members of Senate and its core Committees receive a reminder of each meeting of the need to declare any interest they may have in relation to the specific business to be transacted at that meeting. This is in line with the University wide Register of Interests policy.

Senate Development Opportunities

In the exercise of their duties, it is vital that Senate members have the opportunity to steer the strategic direction of the University. To support this, members of Senate attend an annual Senate Development Day, to allow members and management to focus on the strategic priorities of the University in a more relaxed and informal setting.

Members also regularly attend briefing events, tours of key facilities, updates from Faculties and training/development sessions, all of which are aimed at keeping members up-to-date on activities happening across the campus and the wider HE sector. Members were kept informed of any significant issues affecting the University between meetings and throughout the year online updates and briefings were held on topics such as, Athena Swan application for gold status; Sustainable Funding Model for Northern Ireland; Good Friday Agreement Event; International Student Recruitment; Staff Survey; and Belfast Region City Deal.

All Senate members are required to sign up to a Code of Conduct and as part of this code, members are required to meet with the Chair of Senate, on a one to one basis, every two years. The purpose of the Senate Appraisals, is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development identified. An annual review of the performance of the Chair of Senate is conducted by the Senior Independent Governor.

> IT IS VITAL THE SENATE MEMBERS HAVE THE OPPORTUNITY TO **STEER THE STRATEGIC DIRECTION** OF THE UNIVERSITY

Governance Review

In line with best practice, Senate keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its Committees. In June 2023, Senate commissioned an extensive, independent review of the University governance arrangements, which was supported by consultants, Advance HE. A Steering Group was established for this purpose, led by Pro-Chancellor, Mrs Orla Corr Nixon. The recommendations of the review were considered by Senate at its meeting on 18 June 2024 and approved for implementation in three strands during the course of the academic year 2024–25; Senate effectiveness, Committee effectiveness and Academic Council effectiveness.

A further output of the Governance Review called for our Charter and Statutes to be refreshed and revised to be in line with our current organisational structure and increasing diversity in governance structures. The Charter and Statutes revision was approved by the Special Resolution process at Senate and Academic Council. The Governance Review program of work enables the University to continue to enhance the governance framework and ensure that the high standards of governance are maintained.



L–R: Pro-Chancellor, Dr Len O'Hagan CBE; Pro-Chancellor and Chair of Senate, Dr Stephen Kingon CBE; Chancellor, Secretary Hillary Rodham Clinton; President and Vice-Chancellor, Professor Sir Ian Greer; and Pro-Chancellor, Orla Corr Nixon OBE

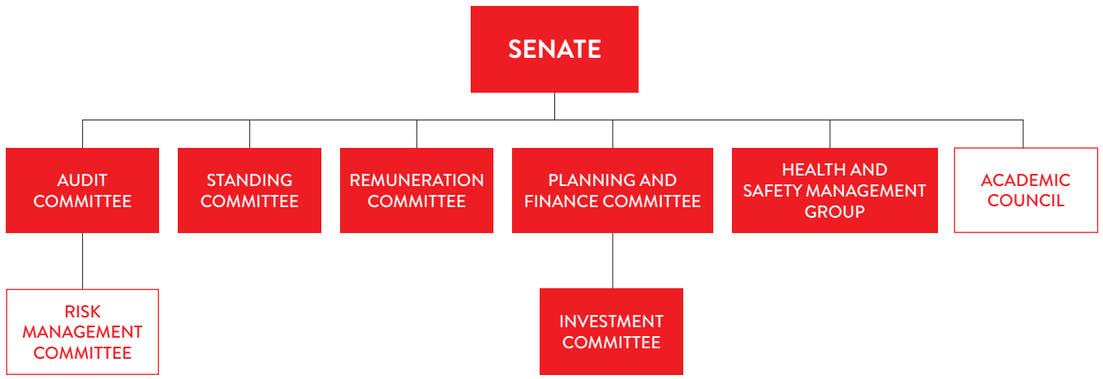
Senate Committees

Senate has established our core Committees and, under its Approval Framework/Scheme of Delegation, some of its powers and responsibilities are delegated to these core Committees.

The core Committees are the Audit Committee, the Planning and Finance Committee, the Standing Committee, and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate representation.

Core Committees are provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required, at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees submit a comprehensive report by the Chair, on business transacted, to the next available meeting of the Senate.

Committee Governance Structure (2023–24)



All core Committees are formally constituted with Terms of Reference and are comprised mainly of lay members of Senate. These committees and their respective attendance by each Senate member is listed below:

Constituency	Meeting	Senate		Audit Committee		Planning and Finance Committee		Standing Committee		Remuneration Committee	
	Senate Members	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance
Pro-Chancellor	Dr S Kingon CBE	Chair	6 of 6					✓	6 of 6	✓	4 of 5
Pro-Chancellor	Dr L O'Hagan CBE	✓	6 of 6			Chair	4 of 5			Chair	4 of 5
Pro-Chancellor	Mrs O Corr Nixon OBE	✓	6 of 6			✓	5 of 5	Chair	6 of 6	✓	5 of 5
President and Vice-Chancellor	Professor Sir I Greer	✓	6 of 6	✓	5 of 5	✓	4 of 5	✓	6 of 6	✓	5 of 5
Honorary Treasurer	Mr A Doran	✓	5 of 6			✓	4 of 5			✓	5 of 5
President, Students' Union	Ms B Elder	✓	6 of 6			✓	4 of 5				
Students' Union Council Member	Mr J L Campbell	✓	5 of 6								
Academic Council Member	Professor D Fitzsimons	✓	3 of 6								
Academic Council Member	Professor P Robertson	✓	5 of 6					✓	5 of 6		
Academic Staff Member	Dr V Altglas	✓	6 of 6								
Academic Staff Member	Dr L Hannan	✓	4 of 6					✓	5 of 6		
Support Staff Member	Miss P Hampson	✓	5 of 6								
Support Staff Member	Mrs G Riddell	✓	6 of 6								
Convocation	Mr E McMullan	✓	6 of 6	✓	5 of 5						
Lay Member and Senior Independent Governor	Mr F McCormack	✓	6 of 6			✓	5 of 5				
Lay Members	Ms B Arthurs	✓	4 of 6					✓	5 of 6		
	Mr R Bailie	✓	6 of 6			✓	5 of 5				
	Mr K Jess	✓	6 of 6	Chair	5 of 5						
	Mrs H Mallon	✓	6 of 6			✓	5 of 5				
	Mr L O'Reilly	✓	6 of 6			✓	3 of 4				
	Ms M Regan	✓	6 of 6	✓	2 of 2					✓	5 of 5
	Ms K Robinson	✓	4 of 6			✓	3 of 4				
	Ms P Slevin	✓	6 of 6					✓	5 of 6		

While Senate members' attendance at Committee meetings is not mandatory, our members are extremely dedicated and endeavour to attend all scheduled meetings.

Further detail on each of our core Committees is provided overleaf:

Audit Committee

The Audit Committee is responsible for reviewing the audit aspects of the University's Financial Statements and for making recommendations to Senate for their approval or otherwise, in accordance with the DfE's Accounts Direction. These obligations are set out in the Financial Memorandum (FM). The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control and governance (the risk management element includes the accuracy of the Statement of Internal Control included with the Annual Statement of Accounts).
- Economy, efficiency and effectiveness (value for money).
- Approval and oversight of the implementation of the Institution's policies on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit Committee meets four times annually, with members of the Senior Leadership Team, Internal and External Auditors in attendance. Members of the Committee do not have executive authority. The Chair of the Committee is an external lay member and is not a member of any other core Committee of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit Report and considers the appropriateness of the Internal Auditor's risk assessment and Audit Plans, reviewing reports on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

The Committee Members meet at least once a year with the External and Internal Auditors without any Executive Team present. It also meets once a year without the External and Internal Auditors present to consider the Auditors' performance and to advise Senate on the re-appointment of the External Auditors in line with the requirements of the Financial Memorandum. In addition, it undertakes an annual self-assessment review of its own effectiveness and reports the findings through to Senate.

An annual training event is held as part of the Audit Committee Schedule of Business. Facilitated by representatives from the Internal and External Auditors, it enables members to be kept appraised of the key issues facing the HE sector at that time. The topic in 2023 was Artificial Intelligence — The Act, Governance and Controls.

Throughout 2023–24, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks examples include Belfast Region City Deal; International Student Recruitment; Pay Negotiations; and Geo-Political issues. The Committee also considers reports, at each of its meetings from the Risk Management Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a corporate level and at a Faculty/Professional Services level.

Planning and Finance Committee

The Planning and Finance Committee advises and, where appropriate, makes recommendations to Academic Council and Senate, on the University's academic, financial, physical and human resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning and Finance Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's main focus has been on the Belfast Region City Deal initiatives; USS Consultation; performance and delivery against Strategy 2030; Faculty Plans and Activities; a responsible investment policy and the financial position of the University.

Standing Committee

Standing Committee meets at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture and values, to include staff engagement and its impact on organisational performance.

In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998. The Committee also supported a comprehensive Employment Policy Review which included a full consultation with various stakeholders.

The Committee continued its approach to increasing the inclusion of people of all ages, backgrounds and abilities to begin their boardroom journey, by being a Host Board of the Northern Ireland Boardroom Apprentice Programme, designed to improve the diversity of university governing bodies, by placing an apprentice onto Senate to gain board experience for a 12 month period.

Remuneration Committee

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. The Committee annually determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group and Senior Academic Managers.

During 2023–24, the Committee considered the organisational structure changes and staff movements, plus the removal of the management of the Senior Salary Scheme by the Committee and revised its Terms of Reference accordingly. The Committee continues to produce and publish for Senate, an Annual Report setting out its key priorities and activities during the course of the academic year

Senior Leadership Team

Senate delegates executive management control of the University to the University Management Board, chaired by the Vice-Chancellor.

Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

UMB Membership 2023–24

Name	Title
Professor Sir I Greer	President and Vice-Chancellor
P Anderson	Vice-President and Chief Finance and Resources Officer
Professor I Bruce (from April 2024)	Pro-Vice-Chancellor (Medicine, Health and Life Sciences)
Professor A Clements	Pro-Vice-Chancellor (Research and Enterprise)
Professor S Elborn	Interim Provost and Deputy Vice-Chancellor
Dr R Feeney	Vice-President Strategic Engagement and External Affairs
A Finlay	University Secretary
Professor N Hewitt-Dundas	Pro-Vice-Chancellor (Arts, Humanities and Social Sciences)
Professor C Johnson	Pro-Vice-Chancellor (Engineering and Physical Sciences)
G Magee	Chief People Officer
Professor A Maule (until April 2024)	Interim Pro-Vice-Chancellor (Medicine, Health and Life Sciences)
Professor M Topping	Pro-Vice-Chancellor (Global Engagement)
Professor J Williams	Pro-Vice-Chancellor (Education and Students)
C Young	Vice-President Students and Corporate Services

Internal Control

As the governing body of The Queen's University of Belfast, Senate has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This responsibility has been assigned to Senate in accordance with the University's Charter and Statutes, and the Financial Memorandum.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives. To that extent it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2024 and up to the date of approval of these Financial Statements and accords in full with DfE guidance.

During the period, up to the signing of these Financial Statements, there were no (greater than £5k) actual or suspected frauds identified.

Senate has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.

b. Senate receives regular reports from the Chair of the Audit Committee concerning internal control, and also requires regular reports from Senior Leadership Team on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate and the Vice-Chancellor receive an annual report from the Audit Committee covering the business of the Committee over the previous academic year.

c. Senate has an established Risk Management Committee with UMB providing oversight of the risk management processes and mitigations .

d. The Audit Committee receives regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating and managing their significant risks.

f. A programme of risk awareness training is ongoing and risk management is integrated within the University's business planning process.

g. A system of key performance and risk indicators has been developed.

h. A robust risk prioritisation methodology, based on risk ranking and cost–benefit analysis has been established.

i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.

j. An Emerging Risk Schedule has been developed and is reviewed at each meeting of the University Management Board.

k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third-parties or relied on by Government.

l. Reports are received, as appropriate, from budget holders, department heads and project managers on internal control activities.

Senate's review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to DfE's Accounts Direction. It is Senate's view that the University has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the University's Internal Auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS) and submit regular reports on the adequacy and effectiveness of the University's system of risk management, internal controls and corporate governance, and economy, efficiency and effectiveness (value-for-money) with recommendations for improvement. Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit Committee.

As a result of Senate's overall review of the effectiveness of the system of internal control, including risk management, it is content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the University's Accounting Officer by the Internal Auditors, in their Annual Statement of Assurance.



RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing each of the Group and University financial statements, Senate is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it intends to liquidate the Group, or the University, or to cease operations, or have no realistic alternative but to do so.

Senate is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and University's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and University. Senate is responsible for such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and it has general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Group and University and to prevent and detect fraud and other irregularities.

Senate is also responsible for ensuring that:

- funds from DfE, have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to these purposes and managed in accordance with relevant legislation; and
- the economical, efficient and effective management of the University's resources and expenditure is secured.

Senate is responsible for the maintenance and integrity of the Financial Statements included on the University's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2024 set out on pages 78 to 80, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the material accounting policies set out on pages 82 to 89. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2024 and of its incoming resources and application of resources including its income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- the financial statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019; and
- meet the requirements of the Department for the Economy ('DfE') Accounts Direction to Higher Education Institutions for 2023–24 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

Senate has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease its operations, and as they have concluded that the Group and University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group and University's business model and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period.

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with management as to the Group and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the financial statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Message from the Students' Union President, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements as set out on page 77, Senate is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

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



John Poole
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast, BT1 3LP
13 December 2024



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounts Direction issued by the Department for the Economy.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (as modified by the revaluation of fixed assets on the transition to FRS 102 as at 1 August 2014 and the revaluation of investments and investment property carried at fair value).

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate Financial Statements.

The Financial Statements are prepared in sterling which is the functional currency of the University and Group and rounded to the nearest £'000.

BASIS OF PREPARATION

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

The Financial Statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons:

Senate has prepared cash flows for a period of twelve months from the date of approval of these Financial Statements. After reviewing these cashflows, Senate is of the opinion that the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements. Senate has also noted the Group's and University's limited borrowing and loan portfolio.

Therefore, Senate has prepared the Financial Statements on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the University and its wholly owned subsidiaries, QUBIS Limited, Queen's Overseas Recruitment Limited, Queen's Composites Limited and its partially owned subsidiary NIACE Limited. Intra–group transactions are eliminated in full, on consolidation.

Joint ventures are accounted for using the equity method.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Group and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the Balance Sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, and the part relating to the University's share is eliminated.

The Consolidated Financial Statements do not include a connected charity, the Queen's University of Belfast Foundation Ltd, which is a separate and independent organisation.

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

Income from the sale of goods or services is credited to the Consolidated and University Statements of Comprehensive Income (SOCI), when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

TUITION FEE INCOME

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCI over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

GOVERNMENT REVENUE GRANTS

Government revenue grants including the Department for the Economy (DfE) block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors, and allocated between creditors due within one year and due after more than one year, as appropriate.

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve, until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

INVESTMENT INCOME

Investment income is credited to the SOCI on a receivable basis.

Investment income is recognised in income in the year in which it arises. Appreciation of endowments, including gains/losses relating to disposals within the Investment Fund, is recorded as fair value gains/losses on investments in the year in which they arise. These items are shown as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 36 to the Financial Statements.

The USS is a multi–employer scheme. It is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme; therefore, this scheme is accounted for as a defined contribution scheme. As a result, obligations for contributions to the USS scheme are recognised as an expense in the income statement in the periods during which services are rendered by employees. A liability is recorded within provisions for any contractual commitment to a recovery plan to fund past deficits within the USS scheme.

Under the RBP Scheme, as a defined benefit scheme, 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 and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 23). This net 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.

Annually the University engages independent actuaries to calculate the FRS 102 obligation for the RBP scheme.

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. 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 RBP, recognised in expenditure as staff costs, 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 opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 36.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the operating (loss)/surplus for the year.

INTEREST PAYABLE

Interest payable and similar charges includes interest payable, finance charges, unwinding of the discount on provisions and material net foreign exchange losses that are recognised in the SOCI.

FIXED ASSETS

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

LAND AND BUILDINGS

Freehold land and buildings and long-leasehold land and buildings were revalued to fair value on the date of transition to the 2015 SORP, and these assets are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

All land and buildings completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in relation to land and buildings after initial. purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated, as it is considered to have an indefinite useful life. Freehold and long leasehold buildings are depreciated on a straight-line basis over their expected useful lives.

For buildings revalued at fair value at transition date, the estimated useful life is that determined as part of the revaluation exercise. For all other buildings the estimated useful life is either 40 or 60 years depending on the category of the building in question.

No depreciation is charged on assets in the course of construction. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

EQUIPMENT

Equipment, including microcomputers and software, costing less than £25,000 per individual item, or group of related items, is written-off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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.

Capitalised equipment is depreciated on a straight-line basis over its expected useful life, as follows:

- Motor vehicles and other general equipment 4 years.
- Equipment acquired for specific research projects 2–3 years.

Where assets are donated or acquired with the aid of specific grants or donations they are capitalised and depreciated as outlined above. Expenditure (>£25,000) relating to subsequent replacement of components is capitalised as incurred.

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

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCI.

HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available. Heritage assets, including works of art, acquired since 1 August 2007, and valued at over £25,000, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value, mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services. Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP, and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

Non–current investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments, that can be measured reliably, are measured at fair value, with changes in measurement recognised in the SOCI. Realised gains on disposals within the Investment Fund are reinvested within the Fund and recognised within total income for the year and are included within fair value gain/(loss) on investments and investment property in the SOCI. Gains on disposal of equity investments or from the Investment Fund, which are realised, are included within gain on disposal of investments within the surplus before tax.

Current asset investments relate to deposits held with banks and building societies in the UK and are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in associates are held at fair value. Changes in fair value are recognised through other Comprehensive Income in the relevant subsidiary accounts. In the Consolidated Financial Statements, changes in fair value are recognised in the SOCI.

Investments in subsidiaries are measured at cost less impairment in the University Balance Sheet.

STOCK

Stock is held at the lower of cost and estimated selling price less costs to complete and sell and is measured on the basis of a first in first out approach.

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 highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Financial Statements when:

a. the Group or University has a present obligation (legal or constructive) as a result of a past event;
b. it is probable that an outflow of economic benefits will be required to settle the obligation;
c. 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 liability arises from a past event that gives the Group or University a probable obligation, whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events, not wholly within the control of the Group or 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the SOCI.

CONCESSIONARY LOANS

Concessionary loans are measured initially at the amounts received and adjusted to reflect any accrued interest and/or repayment of capital.

FINANCIAL INSTRUMENTS

The Group and University have elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Group or University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the SOCI.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the SOCI. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-Group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

TAXATION

The University is an exempt Charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a Charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by 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's non–charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and University's Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. Further details are outlined in note 37.

FINANCIAL *STATEMENTS*

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2024

	Notes	2024		2023	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Income					
Government grants	1	**107,748**	**107,748**	108,240	108,240
Tuition fees, support grants and education contracts	2	**159,961**	**159,961**	160,937	160,937
Research grants and contracts	3	**105,177**	**105,177**	103,093	103,093
Other income	4	**83,110**	**85,258**	76,840	79,309
Investment income	5	**12,707**	**12,382**	8,280	8,103
Total income before endowments and donations		**468,703**	**470,526**	457,390	459,682
Donations and endowments	6	**3,634**	**3,634**	3,135	3,135
Total income		**472,337**	**474,160**	460,525	462,817
Expenditure					
Staff costs	7	**281,747**	**281,747**	259,119	259,119
Other operating expenses	9	**168,526**	**168,772**	175,023	174,922
Depreciation	13	**29,294**	**29,174**	25,954	25,834
Interest and other finance costs	10	**5,451**	**5,451**	6,575	6,575
Total expenditure excluding USS provision	11	**485,018**	**485,144**	466,671	466,450
(Deficit) before USS provision and other gains/(losses)		**(12,681)**	**(10,984)**	(6,146)	(3,633)
Staff costs – movement in USS provision	8	**139,282**	**139,282**	25,207	25,207
Surplus before other gains/(losses)		**126,601**	**128,298**	19,061	21,574
Gain on disposal of fixed assets		**–**	**–**	55	55
(Loss)/Gain on disposal of investments		**(454)**	**–**	715	–
Surplus before tax and fair value gain on investments		**126,147**	**128,298**	19,831	21,629
Fair value (loss)/gain on investments and investment property	15/16	**(2,320)**	**22,531**	(4,142)	790
Taxation	12	**–**	**–**	–	–
Surplus for the year		**123,827**	**150,829**	15,689	22,419
Actuarial adjustment in respect of pension schemes	36	**1,780**	**1,780**	(7,431)	(7,431)
Total comprehensive income for the year		**125,607**	**152,609**	8,258	14,988
Represented by: income/(expenditure)					
• Endowment income/(expenditure) for the year		**5,296**	**5,296**	(3,330)	(3,330)
• Restricted comprehensive (expenditure)/income for the year		**(292)**	**(292)**	74	74
• Unrestricted income for the year		**120,616**	**147,605**	11,522	18,244
Attributable to the University		**125,620**	**152,609**	8,266	14,988
Attributable to the non-controlling interest		**(13)**	**–**	(8)	–
		125,607	**152,609**	8,258	14,988

Included within the surplus (2023: (surplus)) for the year is a loss of (£13k) (2023: (£8k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on pages 82 to 89 and the notes to the accounts on pages 97 to 123 form part of these Financial Statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2024

	Notes	2024		2023	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Non-current assets					
Fixed assets	13	**717,521**	**711,607**	703,915	697,881
Heritage assets	14	**267**	**267**	267	267
Investment property	15	**7,450**	**7,450**	7,415	7,415
Investments	16	**468,761**	**327,116**	382,839	214,008
Investment in associates	18	**6,909**	**–**	8,384	–
		1,200,908	**1,046,440**	1,102,820	919,571
Current assets					
Stock		**759**	**759**	708	708
Debtors	19	**63,792**	**64,657**	57,451	63,321
Investments	20	**25,206**	**25,206**	185,000	185,000
Cash and cash equivalents	27	**145,423**	**130,743**	89,311	70,987
		235,180	**221,365**	332,470	320,016
Less: Creditors: amounts falling due within one year	21	**(158,093)**	**(158,339)**	(158,741)	(158,982)
Net current assets		**77,087**	**63,026**	173,729	161,034
Total assets less current liabilities		**1,277,995**	**1,109,466**	1,276,549	1,080,605
Creditors: amounts falling due after more than one year	22	**(410,234)**	**(406,751)**	(394,585)	(391,024)
Provisions					
Pension obligations	23	**(44,580)**	**(44,580)**	(47,904)	(47,904)
Other provisions	24	**(1,734)**	**(147)**	(138,220)	(136,298)
Total net assets		**821,447**	**657,988**	695,840	505,379
Restricted reserves					
Income and expenditure reserve – endowment reserve	25	**70,944**	**70,944**	65,648	65,648
Income and expenditure reserve – restricted reserve	26	**1,516**	**1,516**	1,808	1,808
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**748,282**	**585,528**	627,666	437,923
		820,742	**657,988**	695,122	505,379
Non-controlling interest		**705**	**–**	718	–
Total reserves		**821,447**	**657,988**	695,840	505,379

The Statement of Principal Accounting Policies on pages 82 to 89 and the notes to the accounts on pages 97 to 123 form part of these Financial Statements.

The financial statements were approved by Senate on 12 December 2024 and were signed on its behalf on that date by:

Mr A. Doran,
Honorary Treasurer

Professor Sir I. Greer,
President and Vice-Chancellor

Mrs A. McLaughlin,
Acting Director of Finance

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2024

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	**68,978**	**1,734**	**616,144**	**686,856**	**726**	**687,582**
(Deficit)/surplus from the statement of comprehensive income	(3,330)	2,430	16,597	15,697	(8)	15,689
Other comprehensive expenditure	–	–	(7,431)	(7,431)	–	(7,431)
Release of restricted funds spent in year	–	(2,356)	2,356	–	–	–
Total comprehensive (expenditure)/ income for the year	(3,330)	74	11,522	8,266	(8)	8,258
Balance at 1 August 2023	**65,648**	**1,808**	**627,666**	**695,122**	**718**	**695,840**
Surplus from the statement of comprehensive income	5,225	2,064	117,993	125,282	(13)	125,269
Transfers between reserves	71	–	(71)	–	–	–
Other comprehensive income	–	–	1,780	1,780	–	1,780
Release of restricted funds spent in year	–	(2,356)	914	(1,442)	–	(1,442)
Total comprehensive income/ (expenditure) for the year	5,296	(292)	120,616	125,620	(13)	125,607
Balance at 31 July 2024	**70,944**	**1,516**	**748,282**	**820,742**	**705**	**821,447**

The Statement of Principal Accounting Policies on pages 82 to 89 and the notes to the accounts on pages 97 to 123 form part of these Financial Statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2024

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	**68,978**	**1,734**	**419,679**	**490,391**	**–**	**490,391**
(Deficit)/surplus from the statement of comprehensive income	(3,330)	2,430	23,319	22,419	–	22,419
Other comprehensive expenditure	–	–	(7,431)	(7,431)	–	(7,431)
Release of restricted funds spent in year	–	(2,356)	2,356	–	–	–
Total comprehensive (expenditure)/ income for the year	(3,330)	74	18,244	14,988	–	14,988
Balance at 1 August 2023	**65,648**	**1,808**	**437,923**	**505,379**	**–**	**505,379**
Surplus from the statement of comprehensive income	5,225	622	144,982	150,829	–	150,829
Transfer between reserves	71	–	(71)	–	–	–
Other comprehensive income	–	–	1,780	1,780	–	1,780
Release of restricted funds spent in year	–	(914)	914	–	–	–
Total comprehensive income/ (expenditure) for the year	5,296	(292)	147,605	152,609	–	152,609
Balance at 31 July 2024	**70,944**	**1,516**	**585,528**	**657,988**	**–**	**657,988**

The Statement of Principal Accounting Policies on pages 82 to 89 and the notes to the accounts on pages 97 to 123 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2024

	Notes	2024 £'000	2023 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		**123,827**	15,689
Adjustment for non-cash items			
Depreciation	13	**29,294**	25,954
Release of deferred capital grants		**(22,517)**	(18,977)
Gain on disposal of fixed assets		**–**	(55)
Gain on disposal of investments		**454**	(715)
Fair value loss on investments and investment property		**2,320**	4,142
(Increase) in stock		**(51)**	(50)
(Increase) in debtors	19	**(6,341)**	(30,579)
(Decrease)/increase in creditors	21/22	**(1,022)**	20,396
(Decrease)/increase in pension provision	23	**(3,324)**	7,705
Actuarial adjustment to pension provision	36	**1,780**	(7,431)
(Decrease) in other provisions	24	**(136,486)**	(20,064)
Adjustment for investing or financing activities			
Investment income	5	**(12,707)**	(8,280)
Interest payable	10	**–**	–
Endowment income	6	**(1,677)**	(134)
Capital grant income	4	**–**	–
Net cash inflow from operating activities		**(26,450)**	(12,399)
Cash flows from investing activities			
Proceeds from sales of fixed assets		**–**	135
Capital grants receipts		**39,815**	29,150
Disposal of non-current asset investments		**36,911**	75,612
Investment income		**12,707**	8,280
Payments made to acquire fixed assets	13	**(42,920)**	(44,216)
New investment property	15	**–**	–
New non-current asset investments	16	**(124,068)**	(70,307)
Disinvestment/(investment) in deposits >3 months		**159,794**	30,000
New associate investments		**(285)**	(833)
		81,954	27,821
Cash flows from financing activities			
Endowment cash received		**1,677**	134
Repayments of amounts borrowed		**(1,275)**	(1,275)
		402	(1,141)
Increase/(decrease) in cash and cash equivalents in the year		**55,906**	14,281
Cash and cash equivalents at beginning of the year	27	**89,311**	75,030
Fair value movement on cash equivalents		**206**	–
Cash and cash equivalents at end of the year	27	**145,423**	89,311

The Statement of Principal Accounting Policies on pages 82 to 89 and the notes to the accounts on pages 97 to 123 form part of these Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

	2024		2023	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
1. Government grants				
Recurrent grant:				
Teaching	**47,975**	**47,975**	52,019	52,019
Research	**31,883**	**31,883**	31,818	31,818
Other specific grants	**9,803**	**9,803**	8,467	8,467
Deferred capital grants released in year	**18,087**	**18,087**	15,936	15,936
	107,748	**107,748**	108,240	108,240

The University received £97.0m (2023: £98.4m) of recurrent grant funding in the year, of which some £17.2m (2023: £14.6m) has been deferred as detailed in note 22.

	2024		2023	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	**70,156**	**70,156**	65,538	65,538
International students	**60,093**	**60,093**	64,099	64,099
Part-time fees	**5,877**	**5,877**	5,997	5,997
Short courses	**1,523**	**1,523**	1,371	1,371
Department of Health nursing contract	**17,202**	**17,202**	18,581	18,581
Research training, other support grants and other fees	**5,110**	**5,110**	5,351	5,351
	159,961	**159,961**	160,937	160,937

	2024		2023	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
3. Research grants and contracts				
Research councils/UKRI	**35,763**	**35,763**	32,422	32,422
Research charities	**11,689**	**11,689**	10,849	10,849
UK Government and EU	**43,928**	**43,928**	43,376	43,376
Other sources	**13,797**	**13,797**	16,446	16,446
	105,177	**105,177**	103,093	103,093

Income from research grants and contracts includes deferred capital grants released in year totalling £3,918k (2023: £2,527k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
4. Other income				
Residences, catering and conferences	**24,852**	**24,852**	22,057	22,057
Other services rendered	**28,407**	**28,407**	24,844	24,844
Other capital grants	**–**	**–**	–	–
Other income	**23,169**	**25,317**	23,373	25,842
Contribution to joint appointment salaries (note 7)	**6,682**	**6,682**	6,566	6,566
	83,110	**85,258**	76,840	79,309

Other income and other services rendered include deferred capital grants released in year totalling £443k (2023: £443k).
Other income in respect of the University includes gift aid income of £5,348k (2023: £5,598k) from its subsidiaries.

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
5. Investment income				
Investment income from endowments (note 25)	**1,126**	**1,126**	977	977
Other investment income	**11,581**	**11,256**	7,303	7,126
	12,707	**12,382**	8,280	8,103

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
6. Donations and endowments				
New endowments (note 25)	**1,677**	**1,677**	134	134
Donations with restrictions (note 26)	**196**	**196**	1,398	1,398
Unrestricted donations	**1,761**	**1,761**	1,603	1,603
	3,634	**3,634**	3,135	3,135

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
7. Staff costs				
Salaries	**221,525**	**221,525**	197,447	197,447
Social security costs	**21,928**	**21,928**	18,713	18,713
Other pension costs	**25,976**	**25,976**	29,337	29,337
Current service cost – RBP pension scheme (note 36)	**5,636**	**5,636**	7,056	7,056
	275,065	**275,065**	252,553	252,553
Joint appointment salaries (note 4)	**6,682**	**6,682**	6,566	6,566
	281,747	**281,747**	259,119	259,119

Included within staff costs is £8,230k (2023: £7,160k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.

Consolidated and University	**2024**	2023
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	**351**	330
Pension contributions to USS	**9**	20
	360	350

In respect of the Vice-Chancellor no additional amounts (2023: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice-Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. This is treated as a taxable benefit which is quantified as £7,211 per annum, as calculated in line with HMRC guidelines. The Vice-Chancellor also made a personal contribution of £5,400 in respect to the running costs of the lodge. The Vice-Chancellor received no further additional taxable benefits (2023: £nil).

Professor Ian Greer was appointed as Vice-Chancellor with effect from 1 August 2018. Professor Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £340,341 for 2023–24 with an additional one off non pensionable payment of £10,963. The package reflects the complexity, demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice-Chancellor's basic salary is 8.0 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff.

The Vice-Chancellor's basic salary is 6.7 times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration salaries provided by the University to its staff and this position compares favourably to comparator universities.

The pay median does not include workers who were not employed under contract by the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	2024 Number	2023 Number
7. Staff costs (continued)		
Remuneration of higher paid academic staff, (over £100k excluding employer's pension contributions and the NHS funded element of joint appointments):		
Vice-Chancellor	**1**	1
Deputy Vice-Chancellor	**1**	1
Pro-Vice-Chancellor	**5**	6
Professorial range 4	**11**	10
Professorial range 3	**28**	26
Professorial range 2	**40**	18
Other	**0**	2

Over the last ten years Queen's University has taken a number of key strategic decisions to ensure that we grow and develop as a world leading academic institution, a key driver of inclusive economic growth in Northern Ireland, and a place which is responsive to and a partner of local communities throughout the region. The impact of these decisions is now bearing fruit, for example, an increase in the value of research grants and contracts awarded to the University, rising from under £80m in 2019, to £124.3m in 2023/24.

One of these key strategic decisions was a focus on our academic staff, where we have recruited the best talent and retained them through provision of development opportunities. This is demonstrated in the table above; the majority of the staff increases noted are a result of internal academic progression, with the team augmented by external recruitment as required (aligning with the Vice-Chancellor's Strategy 2030 commitment to employ 100 new academic staff).

We note that Professorial Ranges are the staff bandings through which our senior academic staff can progress (as defined within our internal People and Culture policies).

Consolidated and University	2024 Number	2023 Number
Remuneration of higher paid professional services staff, (over £100k excluding employer's pension contributions and the NHS funded element of joint appointments):		
University Secretary	**1**	1
Vice President	**4**	2
Director	**13**	6

In order to support our academic staff and to allow us to deliver on the enablers of Strategy 2030, we also continue to invest in the best Professional Services Management; this is demonstrated in the table above, where we present details of the higher paid of these colleagues. We are proud to note that the majority of the increase in these professional services staff are a result of internal promotion and progression.

Consolidated and University	2024 Number	2023 Number
Remuneration of all higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	**24**	21
£105,000 to £109,999	**27**	13
£110,000 to £114,999	**17**	4
£115,000 to £119,999	**4**	8
£120,000 to £124,999	**5**	14
£125,000 to £129,999	**9**	3
£130,000 to £134,999	**1**	2
£135,000 to £139,999	**2**	0
£140,000 to £144,999	**2**	2
£145,000 to £149,999	**2**	4
£150,000 to £154,999	**4**	1
£155,000 to £159,999	**1**	0
£160,000 to £164,999	**1**	0
£165,000 to £169,999	**4**	0
£325,000 to £329,999	**0**	1
£350,000 to £354,999	**1**	0

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	2024 Number	2023 Number
Average staff numbers by major category:		
Academic	**1,339**	1,292
Research	**667**	654
Academic related	**1,104**	999
Technical and clerical	**1,057**	991
Other	**571**	550
	4,738	4,486

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £834k (2023: £819k) relating to 149 (2023:133) staff members. These payments were mainly in respect of staff on fixed terms contracts.

All severance payments, including compensation for loss of office, in respect to higher paid staff within its remit, are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

Consolidated and University	2024 £'000	2023 £'000
Key management personnel Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full time equivalent (FTE) included as Key Management Personnel is 12 (2023:11 FTE).		
Key management personnel compensation	**2,952**	2,778

Consolidated and University	2024 £'000	2023 £'000
8. Movement in USS provision		
The 2023 USS actuarial valuation was completed in December 2023 and indicated the USS pension Scheme was in a surplus position of £7.4bn. Therefore, the Trustees agreed that the deficit recovery plan, which had been in place since the completion of the 2020 valuation, was no longer required and deficit recovery payments would cease from December 2023. The adoption of the 2020 USS deficit recovery plan had resulted in the university establishing a significant deficit provision in prior years which was released as of 1 January 2024. this has resulted in an adjustment within staff costs which, due to its exceptional size, is being disclosed separately in the Statement of Comprehensive Income. The prior year movement reflects the reduction in the 2020 valuation provision — mainly as a result of the movement in interest rates during the 2022–23 year. Further details relating to the USS pension scheme and the related USS provision are laid out in note 36.		
Movement in USS provision	**(139,282)**	(25,207)

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
9. Other operating expenses				
Consumables and laboratory expenditure	**13,636**	**13,636**	14,380	14,380
Books and periodicals	**5,849**	**5,849**	5,387	5,387
Studentships and bursaries	**19,113**	**19,113**	22,938	22,938
Heat, light, water and power	**9,057**	**9,057**	12,871	12,871
Repairs and general maintenance	**5,108**	**5,108**	3,636	3,636
External auditor's remuneration – audit services	**167**	**144**	167	144
External auditor's remuneration – non-audit services	**116**	**110**	160	149
Rates, insurance and telecommunication expenses	**7,030**	**7,030**	6,569	6,569
Hospitality and accommodation services	**11,228**	**11,228**	9,386	9,386
Equipment and equipment maintenance	**14,152**	**14,152**	15,230	15,230
Postage, photocopying and printing	**1,385**	**1,385**	1,093	1,093
Patent fees	**398**	**398**	490	490
Collaborative research payments	**8,232**	**8,232**	11,166	11,166
Other	**73,055**	**73,330**	71,550	71,483
	168,526	**168,772**	175,023	174,922
External auditor's fees for non audit services include:				
Audit related services	**35**	**35**	45	45
Other non-audit services	**18**	**18**	–	–
Taxation compliance services	**63**	**57**	115	104
	116	**110**	160	149

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
10. Interest and other finance costs				
Unwinding of discount – USS pension deficit plan provision (note 24)	**3,131**	**3,131**	5,170	5,170
Net charge on RBP pension scheme (note 36)	**2,320**	**2,320**	1,405	1,405
	5,451	**5,451**	6,575	6,575

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated	**Staff costs**	**Depreciation**	**Other operating expenses**	**Interest payable**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
11. Analysis of total expenditure by activity					
Academic departments	157,338	4,064	21,713	–	**183,115**
Academic services	19,990	2,046	17,937	–	**39,973**
Research grants and contracts	37,431	4,444	39,361	–	**81,236**
Hospitality and accommodation services	5,282	–	11,643	–	**16,925**
Premises	9,073	18,363	23,638	–	**51,074**
Administration	40,079	137	42,005	–	**82,221**
Other expenses	12,554	240	12,229	5,451	**30,474**
	281,747	**29,294**	**168,526**	**5,451**	**485,018**

12. Taxation
There is no taxation charge arising from the operating activities of the Group (2023 £nil).

Consolidated	**Freehold land and buildings**	**Leasehold land and buildings**	**Equipment**	**Assets in the course of construction**	**Total (excluding heritage assets)**	**Heritage assets**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
13. Fixed assets							
Cost or valuation							
At 1 August 2023	740,259	78,145	47,852	16,106	882,362	267	882,629
Additions	1,357	166	13,063	28,334	42,920	–	42,920
Transfers	8,593	252	–	(8,865)	(20)	–	(20)
Disposals	–	–	(4,438)	–	(4,438)	–	(4,438)
At 31 July 2024	**750,209**	**78,563**	**56,477**	**35,575**	**920,824**	**267**	**921,091**
Depreciation							
At 1 August 2023	125,513	14,052	38,882	–	178,447	–	178,447
Charge for the year	16,642	1,841	10,811	–	29,294	–	29,294
Disposals	–	–	(4,438)	–	(4,438)	–	(4,438)
At 31 July 2024	**142,155**	**15,893**	**45,255**	**–**	**203,303**	**–**	**203,303**
Net book value							
At 31 July 2024	**608,054**	**62,670**	**11,222**	**35,575**	**717,521**	**267**	**717,788**
At 31 July 2023	614,746	64,093	8,970	16,106	703,915	267	704,182

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2023	740,259	71,031	47,852	16,106	875,248	267	875,515
Additions	1,357	166	13,063	28,334	42,920	–	42,920
Transfers	8,593	252	–	(8,865)	(20)	–	(20)
Disposals	–	–	(4,438)	–	(4,438)	–	(4,438)
At 31 July 2024	**750,209**	**71,449**	**56,477**	**35,575**	**913,710**	**267**	**913,977**
Depreciation							
At 1 August 2023	125,513	12,972	38,882	–	177,367	–	177,367
Charge for the year	16,642	1,721	10,811	–	29,174	–	29,174
Disposals	–	–	(4,438)	–	(4,438)	–	(4,438)
At 31 July 2024	**142,155**	**14,693**	**45,255**	**–**	**202,103**	**–**	**202,103**
Net book value							
At 31 July 2024	**608,054**	**56,756**	**11,222**	**35,575**	**711,607**	**267**	**711,874**
At 31 July 2023	614,746	58,059	8,970	16,106	697,881	267	698,148

A full valuation of the University's freehold and long leasehold land and buildings portfolio was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. In line with FRS 102, this valuation was used as the deemed cost for these assets at the date of transition i.e. 1 August 2014.

An annual review of asset utilisation is undertaken and, as a result, an asset within long leasehold land and buildings was transferred to investment properties during the year (note 15).

14. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In prior years the University has acquired heritage assets of £267k of which £200k relates to pieces of sculpture and £67k relates to a book collection.

The University holds other heritage assets in its main library and throughout the general campus. The special collections service at Queen's provides access to the Library's rare and early printed book, map and manuscript collections, as well as to more modern material relating to Ireland and Ulster in particular. The books, pamphlets, manuscripts, correspondence, photographs and maps are considered to be of lasting research value and include examples of the earliest printed works published between the 16th and early 19th centuries. In order to preserve the material for future readers these collections are housed in a secure and environmentally controlled setting. The University also has an important collection of fine art, silver and sculpture, as well as a build environment which contains some of the best architecture in Ireland. The University has a Curator of Art who manages and develops the collection as well as developing an ambitious programme of educational work.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	2024	2023
	£'000	£'000
15. Investment property		
Balance at 1 August	**7,415**	6,385
Transfers from fixed assets (note 13)	**20**	1,765
Additions	**–**	–
Net (loss)/gain from fair value adjustments	**15**	(735)
Balance at 31 July	**7,450**	7,415

A valuation of the investment property was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. This valuation is reviewed annually by the University using industry recognised indices and the carrying value of the assets adjusted accordingly for any material changes.

The University received property rental income of £713k (2023: £593k) in respect of these proprieties for the year ended 31 July 2024.

An annual review of asset utilisation is undertaken and, as a result an asset within long leasehold land and buildings was transferred to investment properties during the year (note 13).

	Subsidiary companies	Other fixed assets investments	Total
	£'000	£'000	£'000
16. Non-current investments			
Consolidated			
At 1 August 2023	–	382,839	**382,839**
Additions	–	124,068	**124,068**
Transfer from investment in associates	–	1,391	**1,391**
Disposals	–	(37,366)	**(37,366)**
(Loss)/gain on fair value and (losses)/gains on disposals	–	(2,171)	**(2,171)**
At 31 July 2024	–	468,761	**468,761**
University			
At 1 August 2023	2,255	211,753	**214,008**
Additions	–	122,711	**122,711**
Disposals	–	(31,912)	**(31,912)**
Gain/(loss) on fair value and (losses)/gains on disposals	–	22,309	**22,309**
At 31 July 2024	2,255	324,861	**327,116**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
16. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	**150,646**	**150,646**	133,923	133,923
University Investment Fund:				
UK gilts and fixed asset stocks	–	–	9,125	9,125
UK equities (listed)	**17,433**	**17,433**	14,995	14,995
Overseas investments (listed)	**35,612**	**35,612**	25,975	25,975
Other investments	**9,414**	**9,414**	8,043	8,043
	62,459	**62,459**	58,138	58,138
Other	**126,020**	**111,756**	30,757	19,692
Listed investments	**129,636**	–	160,021	–
	468,761	**324,861**	382,839	211,753

General investment fund

The general investment fund consists of UK and overseas equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2024 was £76,478k (2023: £76,478k).

University Investment Fund

The University Investment Fund is an investment fund operated on unit trust principles, and administered under the terms of the Queen's University (Trust Scheme) Order (Northern Ireland) 1982. The purpose of the Investment Fund is to provide an investment vehicle for the greater part of the University endowment funds. The investments are shown at market value.

BlackRock undertakes the role of investment manger for both the general investment fund and the University Investment Fund. Further information is included in the Financial Review.

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value.

Other investments

The Group's other investments relate to the University's investments within a number of pooled investment fund and a subsidiary's investments in 26 other UK unlisted companies. Further details of the pooled funds are included in the Financial Review.

Fair Value Gain on investments and investment property

The consolidated fair value loss on investments and investment property of £(2,320)k (2023: ((4,142k)) as shown in the SOCI, relates to appreciation/(loss) on investment property of £15k (2023: (£735k)), non-current investments of (£2,171k) (2023: (£4,434k)), current investments of £207k (2023: £nil) and a fair value loss on investments in associates of (£371k) (2023: £1,027k).

The University's fair value gain/(loss) on investments and investment property of £22,531k (2023: £790k) as shown in the SOCI, relates to appreciation/(loss) on investment property of £15k (2023: (£735k)), non-current investments of £22,309k (2023: £1,525k) and cash equivalents of £207k (2023: £nil).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

17. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP
A Limited Partnership which was incorporated in April 2009 to recruit and provide education to international students. It is a joint venture between Queen's Overseas Recruitment Limited and INTO University Partnerships Limited, a company registered in England. It is based in Belfast.

NI Composites O&M LLP
A Limited Partnership which was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between Queen's Composites Limited and Innovation Ulster Limited. It is based in Belfast.

	2024	2023
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	**5,135**	4,608
Share of (deficit) before tax	**(8)**	(168)
Balance Sheet:		
Fixed assets	**374**	356
Current assets	**2,993**	2,260
Creditors: amounts due within one year	**(5,164)**	(4,408)
Creditors: amounts due after one year	**(700)**	(700)
Share of net liabilities	**(2,497)**	(2,492)

A provision of £1,587k (2023: £1,922k) has been recognised in relation to the Group's liability in respect of joint ventures.

Consolidated and University	2024	2023
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	**2,565**	1,816
NI Composites O&M LLP	**164**	138
	2,729	1,954
Amounts owed by the University:		
INTO Queen's LLP	**408**	9
NI Composites O&M LLP	–	–
	408	9

The balances all relate to ongoing trading activity.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

18. Investment in associates

Details of the Group's interests in associated undertakings are set out below. Each company is incorporated in Northern Ireland.

Consolidated	% of equity held	Aggregate of capital and reserves £'000	Profit / (loss) for the period £'000	Financial Period ended	Principle Activity
Acksen Limited	24%	95	a	31 Dec 23	Supply of instruments for monitoring electromagnetic radiation
Marenco Limited	28%	59	a	31 Dec 23	Marine and environmental consultancy services
Biocolor Limited	20%	2,325	a	31 Jul 23	Supply and development of assay kits for tissue laboratories
BXTA Nanotherapy Limited	41%	116	a	30 Jun 23	Commercialisation of a novel functionalised gold nanoparticle formulation
Green Lizard Technologies – Maymask 253 Limited	22%	418	a	31 Aug 23	Technological solutions
Continga Limited	0%				
Analytics Engines Limited	20%	656	a	31 Mar 23	Bespoke data analysis solutions
Helix Research and Enterprise Limited	25%	489	a	31 Mar 23	Delivery of technology and research commercialisation programmes
Signacor Therapeutics Limited	20%	b	b	–	Development of novel repurposed drug for treatment of heart failure
Porous Liquids Technologies Limited	19%	–	–	31 Dec 23	Production and development of porous liquids
Sonrai Analytics Limited	19%	–	–	31 Mar 23	Cloud-enabled bespoke knowledge platform to conduct modern-day analytics
VascVersa Limited	22%	585	a	31 Dec 22	Human vascular stem cell generation
Fjordstrong Limited	29%	182	a	31 Jul 23	Biodiversity survey solutions
Phasora Limited	24%	108	a	30 Sep 23	Develop novel software to aid management of complex electricity distribution networks
GenoMe Diagnostics Limited	25%	156	a	31 Jan 23	Development of molecular diagnostic tests
Aramune Technologies Limited	34%	168	a	31 Dec 23	Development of natural immunomodulating agents
AntennaWare Limited	21%	(136)	a	31 Mar 23	High-performance wearable antenna technology
Amply Discovery Limited	28%	313	a	28 Feb 24	Development of new biological molecules for anti-infective health and nutrition applications
Rapid-Myco Technologies Limited	36%	832	a	31 May 23	Development of novel, rapid bacteria testing
ReproGo Limited	37%	73	a	31 Mar 23	Vascular experts in stem cell technology
Medinect Bioservices Limited	50%	(13)	a	31 Mar 23	Research services in ophthalmic therapeutic development
AilseVax Limited	21%	843	a	31 Dec 22	Pioneering development of immune-oncology vaccines

Note:

a. The associated company has filed financial statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.

b. This associated company is recently incorporated and accounts are not yet available.

The directors believe that the carrying value of the investments in associates is supported by their underlying net assets.

In addition to these associate interests the Group has shareholdings of less than 20% in 26 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £14,264k at 31 July 2024 (2023: £11,066k).

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
19. Debtors				
Amounts falling due within one year:				
Research grant debtors	**4,727**	**4,727**	6,424	6,424
Other debtors	**11,876**	**11,509**	8,894	8,532
Prepayments and accrued income	**47,189**	**47,180**	42,133	42,125
Amounts due from subsidiary companies:				
QUBIS Limited	–	**640**	–	5,639
Queen's Overseas Recruitment Limited	–	**440**	–	440
Queen's Composites Limited	–	**10**	–	10
NIACE Limited	–	**151**	–	151
	63,792	**64,657**	57,451	63,321

Included in prepayments and accrued income is an amount of £27,745 relating to income accrued in respect of ongoing research grants.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

20. Current investments and cash equivalents

Current investments relate to the following:

1. Deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. These short term deposits do not meet the definition of cash equivalents.

2. Investments held in a Money Market Funds – the BlackRock Liquid Environmentally Aware Fund (LEAF) which is valued at Market Value as at 31 July 2024. This fund is disclosed within cash and cash equivalents.

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
21. Creditors: amounts falling due within one year				
Research grants received in advance	**59,875**	**59,875**	58,434	58,434
Other unsecured loans	**1,275**	**1,275**	1,275	1,275
Trade creditors	**22,737**	**22,732**	28,315	28,316
Social security and other taxation payable	**8,315**	**8,315**	6,320	6,320
Accruals and deferred income	**47,975**	**47,932**	46,849	46,803
Deferred capital grant income	**17,916**	**17,844**	17,548	17,476
Due to subsidiary, QUBIS Limited	–	**366**	–	358
	158,093	**158,339**	158,741	158,982

Included within accruals and deferred income is deferred income of £24,828k (2023: £27,885k) relating to other income. This income has been deferred until the performance related conditions have been met.

	2024		2023	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred capital grant income	**388,571**	**385,088**	371,641	368,086
Other unsecured loans	**21,235**	**21,235**	22,510	22,510
Other	**428**	**428**	434	428
	410,234	**406,751**	394,585	391,024
The other unsecured loans are repayable as follows:				
Due between one and two years	**1,275**	**1,275**	1,275	1,275
Due between two and five years	**3,825**	**3,825**	3,825	3,825
Due in five years or more	**16,135**	**16,135**	17,410	17,410
	21,235	**21,235**	22,510	22,510
Other unsecured loans repayable by 2040	**9,100**	**9,100**	8,985	9,680
Other unsecured loans repayable by 2042	**6,375**	**6,375**	7,125	6,750
Other unsecured loans repayable by 2043	**5,760**	**5,760**	6,400	6,080
	21,235	**21,235**	22,510	22,510

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum.
The deferred capital grant income includes £17.2m (2023: £14.6m) of recurrent government grant which has been deferred.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	Defined benefit obligations RBP pension	Other pension provision	Total
	£'000	£'000	£'000
23. Pension obligations			
At 1 August 2023	47,843	61	**47,904**
Movement (note 36)	(3,324)	–	**(3,324)**
At 31 July 2024	**44,519**	**61**	**44,580**
Details of the RBP deficit are included at note 36.			

	Obligation re USS pension deficit recovery plan	Provision for joint venture losses	Provision for restructuring	Total
	£'000	£'000	£'000	£'000
24. Other provisions				
Consolidated				
At 1 August 2023	136,151	1,922	147	**138,220**
Utilised in year	(4,174)	–	–	**(4,174)**
(Reductions)/additions	(135,108)	(335)	–	**(135,443)**
Unwinding of discount (note 10)	3,131	–	–	**3,131**
At 31 July 2024	**–**	**1,587**	**147**	**1,734**
University				
At 1 August 2023	136,151	–	147	**136,298**
Utilised in year	(4,174)	–	–	**(4,174)**
(Reductions)/additions	(135,108)	–	–	**(135,108)**
Unwinding of discount (note 10)	3,131	–	–	**3,131**
At 31 July 2024	**–**	**–**	**147**	**147**

The restructuring provision relates to a number of ongoing restructuring reviews.
The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 17.

USS deficit

The prior year USS provision reflected the University's contractual obligation with the USS to fund deficit payments in accordance with the 2020 USS deficit recovery plan which had resulted in the University establishing a significant deficit provision. The most recent USS actuarial valuation, dated 31 March 2023, was finalised in the 2023–24 year and this 2023 USS actuarial valuation indicated the USS Pension Scheme was in a surplus position of £7.4bn. Therefore, the Trustees agreed that the 2020 deficit recovery plan, was no longer required and deficit recovery payments would cease from December 2023. Further details relating to the USS pension scheme and the related USS provision are laid out in note 36.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000	£'000
25. Endowment reserves						
Balances at 1 August 2023						
Capital	42,445	2,549	14,711	–	**59,705**	63,489
Accumulated income	3,875	–	2,066	2	**5,943**	5,489
	46,320	2,549	16,777	2	**65,648**	68,978
New endowments (note 6)	1,127	–	550	–	**1,677**	134
Investment income (note 5)	765	73	288	–	**1,126**	977
Expenditure	(1,437)	(73)	(199)	–	**(1,709)**	(1,900)
Increase/(decrease) in market value of investments	3,019	130	1,053	–	**4,202**	(2,541)
Total endowment comprehensive expenditure for the year	3,474	130	1,692	–	**5,296**	(3,330)
At 31 July 2024	49,794	2,679	18,469	2	**70,944**	65,648
Represented by:						
Capital	45,620	2,679	15,972	–	**64,271**	59,705
Accumulated income	4,174	–	2,497	2	**6,673**	5,943
	49,794	2,679	18,469	2	**70,944**	65,648

	2024	2023
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	**7,902**	7,551
Scholarships, studentships, medal and prize funds	**19,885**	17,119
Research, directorate, school or faculty use	**31,926**	30,394
Public lectures	**2,323**	2,182
Travel	**285**	275
Student amenities and associated objects	**2,220**	2,061
Student assistance	**1,610**	1,532
Other restricted funds	**2,112**	1,983
General funds	**2,679**	2,549
Total endowments	**70,942**	65,646
Undistributed investment fund income	**2**	2
	70,944	65,648
Analysis by asset type held in Investment Fund:		
Investment property	**210**	210
Non-current asset investments (note 16)	**62,459**	58,138
Current asset investments	**7,105**	7,137
Cash and cash equivalents	**1,170**	163
	70,944	65,648
There are no endowments with a material deficit balance.		

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	2024	2023
	£'000	£'000
26. Restricted reserves		
Balance at 1 August 2023	**1,808**	1,734
New restricted income:		
Donations (note 6)	**196**	1,398
Other	**340**	967
Other services rendered	**85**	65
	621	2,430
Expenditure	**(913)**	(2,356)
Total restricted comprehensive income for the year	**(292)**	74
Balance at 31 July 2024	**1,516**	1,808
Analysis of other restricted funds/donations by type of purpose:		
Research support	**629**	622
Capital	**68**	281
General	**819**	905
	1,516	1,808

Consolidated	At 1 August 2023	Cash flows	At 31 July 2024
	£'000	£'000	£'000
27. Cash and cash equivalents			
Cash and cash equivalents	89,311	56,112	**145,423**
	89,311	56,112	**145,423**

Consolidated	2024
	£'000
28. Reconciliation of net debt	
Net cash 1 August 2023	**65,098**
Movement in cash and cash equivalents	**56,112**
Other non-cash changes	**1,275**
Net cash 31 July 2024	**122,485**
Change in net cash	**57,387**

Consolidated	2024	2023
	£'000	£'000
Analysis of net cash/(debt):		
Cash and cash equivalents	**145,423**	89,311
Borrowings: amounts falling due within one year:		
Unsecured loans	**(1,275)**	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	**(21,663)**	(22,938)
Net cash	**122,485**	65,098

	2024		2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
29. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	**333,327**	**203,691**	334,914	174,893
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	**135,435**	**123,425**	47,925	39,115
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	**145,423**	**130,743**	89,311	70,987
Other investments	**25,206**	**25,206**	185,000	185,000
Other debtors	**63,792**	**64,657**	57,451	63,321
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	**22,938**	**22,938**	24,219	24,213
Trade creditors	**22,737**	**22,732**	28,315	28,316
Other creditors	**522,652**	**519,420**	500,792	497,477
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2024.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

29. Financial instruments (cont'd)

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Planning and Finance Committee approved treasury management policy. The treasury management policy is in line with best practice and is reviewed, updated, and approved as appropriate, on a regular basis.

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

Credit/counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2024, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of deposits held with banks and building societies is limited because the counterparties are banks with investment grade credit-ratings assigned by international credit-rating agencies. The University's exposure and the credit-ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit-ratings set within the treasury management policy.

The fixed asset investments, as outlined in note 16, consist of investment funds and listed investments. The risk is limited as the investment funds are externally managed by a professional fund manager, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to the large number of diverse customers across both students and commercial customers.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University planning process and are revised regularly during the financial year. Excess funds are invested to maximise the return whilst observing the treasury management policy limits.

Details of the University's long term loans are outlined in notes 21 and 22 and consist of concessionary loans which have a carrying value of £22,510k (2023: £23,785k) at the year end.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the Euro. On an annual basis, after satisfying Euro denominated liabilities, the University is left with a surplus of Euros, which are held in a Euro bank account. Surplus Euros are converted at spot rates as required, with the rate being monitored closely to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Most of the University cash deposits at 31 July 2024 are on relatively short term deposits (up to 12 months) as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk.

Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Decisions in respect of investments are made on the recommendation of the Investment Committee in line with the University's treasury policy. The Investment Committee monitors the performance of the University's investments and meets fund managers on a regular basis with the aim of optimising the future long term return, guided by the University's Responsible Investment Policy.

Concentration risk

Concentration risk refers to the risk of a material loss in value of non-current asset investments due to a large investment in a single party or sector. The Investment committee monitors the Group's non current asset portfolio on a regular basis to ensure a satisfactory level of diversification.

Consolidated and University	2024	2023
	£'000	£'000
30. Capital and other commitments		
Commitments contracted at 31 July	**148,864**	31,631
Approved but not contracted at 31 July	**156,881**	233,483
	305,745	265,114

The capital commitments include capital projects, with anticipated spend in excess of £50m, relating to each of the three strands of Belfast Regional City Deal, and Passivhaus Purpose Built Student Accommodation.

31. Contingent liabilities

The University has entered into a limited partnership agreement with Crescent Capital III LLP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £1m to the Crescent Capital III Fund. As at 31 July 2024 £855k (2023: £835k) had been provided to Crescent Capital III LLP.

During 2023–24 the University entered into an agreement with Whiterock GCF LP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £6m to the Whiterock GCF fund. As at 31 July 2024 £680k (2023: £nil) had been provided to Whiterock GCF LP.

32. Events after the reporting period

There were no material post balance sheet events up to and including the date of signature of the Financial Statements.

33. Subsidiary undertakings

The University, unless otherwise stated, holds the entire share capital of the following limited companies which have been fully consolidated into the financial statements. The companies are all incorporated in Northern Ireland.

QUBIS Limited

Technology transfer company which engages in the commercial exploitation of the academic and research activities of the University by establishing corporate ventures.

Queen's Overseas Recruitment Limited

Promotion and funding of educational courses and the recruitment of students.

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

Ownership of the NIACE centre building which is a technology hub to support research in advanced engineering and materials technologies. The University owns and manages 70% of the company which commenced trading in 2012–13.

34. Connected charitable Institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable Institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and is a separate and independent organisation from the University and, therefore, its Financial Statements are not consolidated within the University Group.

The movement in the year on the total funds of the Foundation, as reported in its Financial Statements, is as follows:

	2024	2023
	£'000	£'000
Opening fund	**4,581**	3,826
Income generated	**5,873**	5,377
Disbursements in year	**(4,887)**	(4,622)
Other expenditure	**(27)**	–
Closing fund	**5,540**	4,581

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

Consolidated and University	2024	2023
	£'000	£'000
35. Student support funds		
Department for the Economy	**1,874**	2,865
Interest received	**–**	–
University contribution	**210**	360
	2,084	3,225
Disbursed to students	**(2,135)**	(3,637)
Underspend in the year	**(51)**	(412)
Opening balance as at 1 August	**104**	516
Closing balance as at 31 July	**(53)**	104

36. Pension schemes

The University participates in two separate defined benefit occupational schemes, each of which is valued at least triennially by professionally qualified actuaries. The schemes are the Universities Superannuation Scheme (USS), for academic staff and the majority of academic related staff, in which the majority of UK universities participate, and the Retirements Benefits Plan of the Queen's University Belfast (RBP) for non-academic staff and the remaining academic related staff. The assets of the schemes are held in trustee-administered funds, and the rates of contribution payable are determined by the trustees on the advice of the actuaries.

(i) The Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to staff costs in the SOCI represents the contributions payable to the scheme.

The total cost charged to the SOCI is £25,976k (2023: £29,337k) as shown in note 7. This includes £3,219 (2023: £4,134k) of outstanding contributions at the balance sheet date. Deficit recovery contributions due within one year are £nil (2023: £10,107k).

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

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

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

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

36. Pension schemes (cont'd)

The method used was the projected unit method and the key financial assumptions used in the 2023 valuation are described below:

More detail is set out in the Statement of Funding Principles www.uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles.

Discount rate (forward rates)

Fixed interest gilt yield curve plus:
Pre-retirement: 2.5% p.a.
Post-retirement: 0,9% p.a.

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:
1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.

Pension increases (subject to a floor of 0%)

Benefits with no cap:
CPI assumption + 3bps

Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum increase of 10%):
CPI assumption - 3bps

A main demographic assumption used relates to the mortality assumptions. These assumptions are based on scheme-specific experience analysis carried out as part of the 2023 actuarial valuation. The mortality assumptions used are as follows:

	2023 valuation
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females.

	2024	2023
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	**23.7**	24.0
Females currently aged 65 (years)	**25.6**	25.6
Males currently aged 45 (years)	**25.4**	26.0
Females currently aged 45 (years)	**27.4**	27.4

The 2023 USS Actuarial Valuation indicated the scheme is in a surplus position of £7.4bn and no deficit recovery plan was required. Therefore the University was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account. This resulted in a substantial one-off adjustment of £139.3m in 2023–24 (see notes 8 and 24).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

36. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2024, was carried out at 31 March 2023 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2024, using the projected unit credit method.

The major assumptions used by the actuary for the purposes of these accounts are:

	2024	2023
Future salary increase:		
Under 40	**3.15%**	3.30%
Over 40	**2.90%**	3.05%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	**2.60%**	2.70%
CPI subject to a maximum of 3.00% p.a.	**2.10%**	2.20%
Pension increase rate in deferment	**2.65%**	2.80%
Discount rate	**4.95%**	5.05%
Inflation assumption:		
Retail prices index	**3.05%**	3.20%
Consumer prices index	**2.65%**	2.80%
GMP equalisation - % of DBO	**0.60%**	0.60%
Average pension increase in payment	**2.35%**	2.44%

		2024	2023
The average life expectancies at age 65 used to determine benefit obligations are:			
Member age 65	Male	**20.6**	21.4
	Female	**23.3**	23.3
Member age 40	Male	**21.7**	23.0
	Female	**25.0**	25.1

	2024	2023	2022
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	**41,051**	41,613	61,133
Bonds and gilts	**–**	–	22,641
Matching assets (LDI)	**94,334**	89,289	93,956
Overseas fixed interest	**25,357**	23,548	26,076
Cash and other	**11,051**	9,764	11,968
	171,793	164,214	215,774

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

36. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these Financial Statements:

	2024	2023
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	**171,793**	164,214
Scheme liabilities	**(216,312)**	(212,057)
Deficit in the scheme – net pension liability recorded within pension provision (note 23)	**(44,519)**	(47,843)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	**5,636**	7,056
Total operating charge (note 7)	**5,636**	7,056
Analysis of the amount charged to interest payable:		
Interest on liabilities	**10,653**	9,075
Expected return on assets	**(8,333)**	(7,670)
Net charge to interest and other finance costs (note 10)	**2,320**	1,405
Analysis of other comprehensive income:		
Loss on assets	**(2,100)**	(59,304)
Gain on liabilities	**3,880**	51,873
Total adjustment to other comprehensive income before deduction for tax	**1,780**	(7,431)

	2024	2023
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	**(47,843)**	(40,138)
Movement in the year:		
Current service cost	**(5,636)**	(7,056)
Contributions	**9,500**	8,187
Other finance costs	**(2,320)**	(1,405)
Actuarial gain	**1,780**	(7,431)
Deficit in scheme at 31 July	**(44,519)**	(47,843)

The valuation at 31 July 2024 showed a decrease in the deficit from £47.8m to £44.5m.

	2024	2023
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	**212,057**	255,912
Current and past service cost	**5,636**	7,056
Interest cost	**10,653**	9,075
Actuarial adjustment	**(3,880)**	(51,873)
Benefits paid	**(8,154)**	(8,113)
Present value of liabilities at 31 July	**216,312**	212,057

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

	2024	2023
	£'000	£'000
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	**164,214**	215,774
Expected return on plan assets	**8,333**	7,670
Actuarial (loss)	**(2,100)**	(59,304)
Employer contributions	**9,500**	8,187
Benefits paid from plan	**(8,154)**	(8,113)
Value of assets at 31 July	**171,793**	164,214

	2024	2023
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	**8,333**	7,670
Actuarial loss on scheme assets	**(2,100)**	(59,304)
	6,233	(51,634)

	2024	2023	2022	2021	2020
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	**(2,100)**	(59,304)	-59,032	17,846	15,565
Percentage of scheme assets	**-1%**	-36%	-27%	7%	6%
Experienced gains and losses on scheme liabilities	**3,880**	51,873	-3,635	4,159	9,072
Percentage of present values of plan liabilities	**2%**	24%	-2%	1%	3%
Actuarial adjustment	**1,780**	(7,431)	37,720	15,386	(20,123)

University contributions

Under the current schedule of contributions the University contributes the following:

To 31 July 2024

- 25.2% of pensionable earnings in respect of pensions + active members
- 16.2% of pensionable earnings in respect of other active members; and
- deficit contributions of 4.8% per annum of pensionable earnings between 1 August 2021 and 31 March 2030.

From 1 August 2024

- 16.1% of pensionable earnings in respect of pensions + active members
- 10.0% of pensionable earnings in respect of other active members; and
- deficit contributions of 11.0% per annum of pensionable earnings between 1 August 2024 and 31 March 2030.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

37. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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 charges 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. Details of the carrying value of the property, plant and equipment are shown in note 13.

Pension obligation — RBP pension

The University obtains a valuation from an external, professionally qualified actuary, who advises the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI% movements, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. While the University reviews these assumptions in detail, and adopts the assumptions in these financial statements, the actuary, as a pension expert, will provide advice and guidance, and apply their skill and judgement in setting these parameters. A sensitivity analysis in respect of the RBP pension deficit is as follows:

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(14,747)k/£16,345k
Inflation (+ / - 0.5%)	£13,325k/£(12,235)k
Mortality (+ / - 1 Year)	£6,079k/£(6,241)k

USS deficit recovery plan liability

The University is satisfied that the USS scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approval of these financial statements.

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, the University has used the discount rate commissioned by the British Universities Finance Directors' Group (BUFDG) and University estimates for increases in staff numbers and salary growth percentage over the period of the contracted obligation. The impact of possible changes in these assumptions on the recovery plan liability are set out in note 24.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2024

38. Disclosure of related party transactions

The University's Senate members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Senate, which is drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Senate, related committees or key management personnel may have an interest. All transactions involving organisations in which a member of Senate, related committees or key management personnel may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

Included in the Consolidated and University Statements of Comprehensive Income and the Balance Sheets are the following transactions, with a value greater than £5k, with organisations in which a member of Senate, related committees or key management personnel have an interest:

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Belfast City Council	–		28	205
Centre for Competitiveness	–	(10)	22	96
Chartered Association of Business Schools	8	(174)	–	17
Chinese Welfare Association	–	–	(0)	6
Department of Education	1		–	–
Department of Health	–	(22,507)	1,310	1,410
Down GAA	–	(12)	–	–
Dubai Academic Health Corporation	688	(1,912)	–	–
Health Innovation Research Alliance NI	–	(12)	–	–
Institute of Directors	–	(5)		7
Irish College Leuven Belgium	–	–	–	46
Irish Football Association	9	(21)	–	–
Mediahuis Group Irl Limited	–	–	–	21
Medical Research Council	–	(8)	–	–
Newry, Mourne and Down District Council	–	(38)	–	–
Northern Ireland Chamber of Commerce	–		–	41
NIE Networks Limited	–		–	338
Northern Ireland Water	–			795
Office of the Police Ombudsman for NI	–	(5)	–	–
Russell Group	–	–	–	93
Sheffield University	–	(235)	15	0
UKRI	–	–	–	8
Ulster University	107	(531)	(11)	393
University of Manchester	121	(291)	–	14
University of Plymouth	–		–	81
University of St Andrews	–	(213)	–	–
Warwick University	14	(69)	(146)	–

The University received disbursements of £4,887k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in note 34.

39. Jointly controlled operations

In 2014 the University established an educational presence in China, in the form of a Joint College, formed between Queen's and the China Medical University (CMU), one of the foremost medical universities in China. The Joint College is known as 'China Queen's College (CQC)' and is founded on the basis of the PRC Ministry of Education (MoE) 'Cooperation in Running Schools (CIRS)' Regulations first promulgated in 2004.

CQC delivers Queen's degree programmes from purpose-designed buildings provided by CMU on its new campus in the City of Shenyang in Northern China. A number of BSc degrees are offered. All the degree programmes in CQC are taught in compliance with UK Quality Assurance Agency requirements.

A Joint Management Committee (JMC) has oversight of the activities and resources of CQC with key specific terms of reference and reporting lines to ensure good academic and financial governance.

40. US Department of Education Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

			Consolidated	
Lines	Expendable Net Assets		£'000	£'000
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		748,282
Balance Sheet	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		73,165
Note 13 and Note 15	Statement of Financial Position – Property, Plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	725,238	
FS Note line 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Property, plant and equipment – pre-implementation		682,318
FS Note 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		14,586
FS Note 13	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Construction in progress		28,334
Note 23	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities		44,580
Notes 21 and 22	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes	22,510	
Notes 21 and 22	Statement of Financial Position – Note Payable and Line of Credit for long term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes pre-implementation		22,510
Note 25 restricted permanent +unrestricted permanent endowments	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		52,473
	Total Expenses and Losses			
Statements of Comprehensive Income (SOCI)	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		485,143
SOCI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(151,449)
SOCI: Investment income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		(10,387)
	Modified Net Assets			
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		748,282
Balance sheet	Statement of Financial Position – Total Net assets with donor restrictions	Net assets with donor restrictions		73,165
	Modified Assets			
	Statement of Financial Position – Total Assets			1,436,088
	Net Income Ratio			
Balance Sheet	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		120,687
SOCI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		459,176

QUEEN'S UNIVERSITY BELFAST

SHAPING A BETTER WORLD SINCE 1845



The Queen's University of Belfast

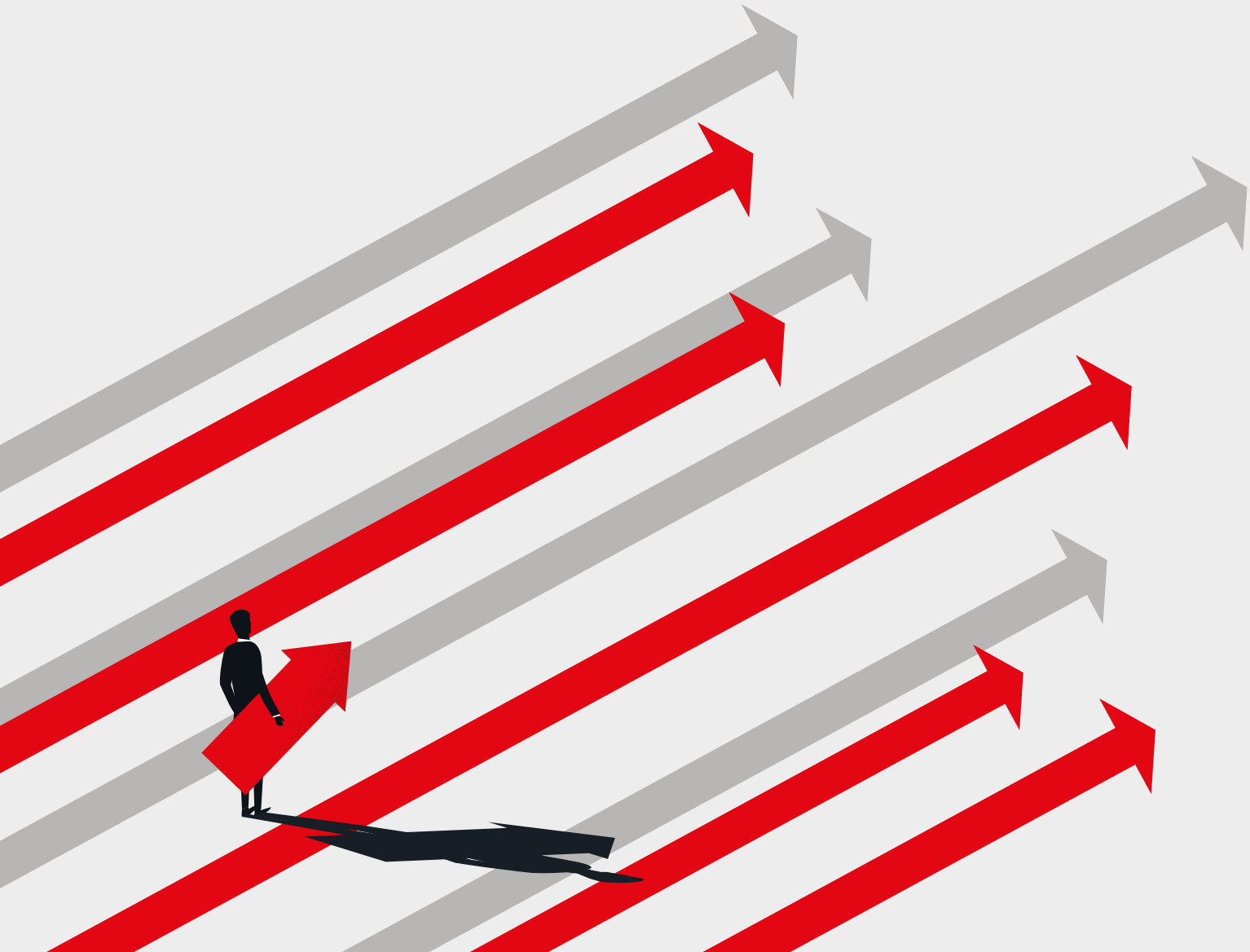
Northern Ireland - Charity number 101788

Accounts

QUEEN'S UNIVERSITY BELFAST

ANNUAL REPORT 2022–23

REFLECT: RENEW: *REIMAGINE*





Queen's contributes £3 billion to the local economy

The Economic and Social Impact of Queen's University Belfast, London Economics 2022



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MESSAGE FROM THE VICE-CHANCELLOR

This was an historic year for Queen's University. We marked the 25th anniversary of the Good Friday/ Belfast Agreement with a conference of major international significance – Agreement 25 – which demonstrated to the world our commitment to social and civic responsibility.

The theme of the Conference was Reflect, Renew, Reimagine – reflecting on our past, renewing our commitment to peace and reconciliation, and reimagining a better future for all in this region.

The success of Agreement 25 has led to another important event coming to Queen's in 2024 – the annual international conference of the Global Federation of Competitiveness Councils, a unique network of leaders, innovators, agencies, corporations and research institutes whose aim is to accelerate productivity, growth and prosperity – a goal that resonates so well with our ambitions for Northern Ireland.

For the past 25 years, Northern Ireland has been on a journey. Queen's has been a guiding light on that journey, enabling change for the better through the work of our people in every part of our University. In this Annual Report you will read about the work that has taken place over the past year and the impact it has made locally, nationally and globally.

Key to our progress are the developments being made across each of our strategic pillars towards our Strategy 2030 goals. Our commitment to deliver a transformative student experience was demonstrated with the unveiling of the One Elmwood Student Centre and the new Student hub at the re-branded Queen's University Business School. In research and innovation, we continue to build on our strong Research Excellence Framework (REF) 2021 performance and have enhanced our global reputation and international outlook. Our contribution to the socio-economic development of Northern Ireland is significant with progress made during the year in our partnership with the Belfast Region City Deal which will drive societal progress for generations to come.

The year has not been without its challenges – in particular how to cope with the effects of the cost of living crisis. In response, we introduced a £7.2m comprehensive package of support measures for students and staff. As with all of the UK HE sector, Queen's was impacted by the national marking and assessment boycott as part of an industrial dispute. However, due to highly constructive dialogue with the University and College Union (UCU), the Students' Union and Queen's executive, I was pleased that we were the first UK university to reach a local settlement of the boycott, so minimising the impact on our students. I hope that this agreement heralds a new approach to industrial relations on campus, as we all want the best experience for our students and our staff.

However, at the heart of the industrial dispute lies the issue of funding for universities and colleges across the UK. In Northern Ireland, university funding from Government has fallen by over 40 per cent since 2011 and our current funding model is not sustainable and cannot, as it stands, meet the needs of our home students or our economy. As a university, we will continue to work with Government, business, community leaders and policymakers to find a solution and deliver a better future for all.

Professor Sir Ian Greer
President and Vice-Chancellor

MESSAGE FROM THE CHAIR OF SENATE

This has been a year with a clear focus on the targets of Strategy 2030, a year which saw a significant strategic re-alignment that will support our University on that journey.

A modern, dynamic and forward-looking university needs systems and processes in place that will help it achieve its ambitions. This year, as we progressed towards our Strategy 2030 goals, Senate endorsed a new management structure that will be more agile, quicker to adapt and better equipped to achieve our ambitions for growth.

This included the creation of an integrated University Management Board and the recruitment of a Provost and Deputy Vice-Chancellor, four Chief Officers/ Vice-Presidents and a University Secretary. These changes are coupled with a review of Governance and the work of Senate, to include consideration of our current processes, how decisions are taken and how to prioritise business needs. Work will also continue on the development and implementation of delivery plans for Strategy 2030.

The past year has been one in which the wider world experienced our commitment to civic leadership – most vividly through Agreement 25, the conference originated and hosted by Queen's to mark the signing of the Good Friday/Belfast Agreement in 1998.

A theme running through that conference was the question of what needs to be done to maintain a peaceful and prosperous future. But that future is not without its uncertainties, some of which are all too familiar. I am a member of the Executive Committee of the UK-wide Committee of University Chairs and we can see that the whole Higher Education sector is facing funding challenges. Here in Northern Ireland the issue continues to be exacerbated by political stagnation and the absence of a functioning Executive.

During the year, there were a number of special Senate meetings to discuss major issues affecting our University community. We were pleased to support University management in their successful approach to reaching a solution to the industrial action and to the growing cost of living crisis. Our University was quick to step in and Senate welcomed proposals to provide £7.2m in financial support to students and staff. Their welfare is paramount.

I would like to thank our President and Vice-Chancellor, Professor Ian Greer, for his leadership during this eventful year and congratulate him on the award of a Knighthood in the King's Birthday Honours - and let me congratulate all those members of staff and our graduates who also received awards and recognition during the year for the valuable work they do.

Dr Stephen Kingon
Chair of Senate



MESSAGE FROM THE STUDENTS' UNION PRESIDENT

I am delighted to have the opportunity to contribute to this Annual Report on behalf of the Queen's University Students' Union. It has been a privilege for me to have been President of the SU during a significant year in the progress and reputation of our University and its people. I was especially proud to be President during a year in which Queen's SU was ranked number one globally for Student Satisfaction out of 108 Students' Unions.

In the spring the world came to Queen's for Agreement 25, the conference to mark the signing of the Good Friday Agreement in 1998. It was my great honour to be one of the first speakers at that event, to have the opportunity to reflect on the role played by our students in the Peace Process and to emphasise how important it is for us as a society to keep moving forward.

Life at Queen's teaches us many things – not least how important collaboration can be and what we can achieve when we work together.

Throughout the past year, the Students' Union has supported and encouraged University management in its response to some of the most important issues of our time. There are the problems of climate change, how we need to build the pursuit of sustainability goals into day-to-day life on and off campus. We are working together on initiatives around student mental health. We are helping to create and develop a university experience that is accessible and inclusive. And we are facing up to the continuing challenge of the cost of living crisis, working to mitigate its effect on our students.

One successful initiative is The Pantry, the free food refill station on the ground floor of our new Student Centre – One Elmwood, a fantastic space which brings the Students' Union and the whole range of University support services together under one roof. Its opening was one of the most important events of the past year. It has rightly been described as the heartbeat of Queen's and it has symbolised the return of vibrant campus life after the bleak experience of Covid.

We have been helping the wider community in its continuing recovery too. Our clubs and societies have had a record year with over 15,000 members, the highest number to date. Many students are also involved in volunteering activities such as the Handy Helpers, who are lending support where it is most needed, and developing their business skills with SU Enterprise.

Our students are not apart from the community – they are a part of it. They are our society's future leadership and the Students' Union shares the University's ambitions for their development.

Emma Murphy
Students' Union President, 2022-23

MOMENTS OF THE YEAR



SEPTEMBER 2022

ONE ELMWOOD OPENED

One Elmwood, our new Student Centre and Students' Union, opened its doors in September 2022.

OCTOBER 2022

COST OF LIVING

A multi-million-support package of £7.2 million was announced as part of a wider initiative to support staff and students facing the current cost of living crisis.





NOVEMBER 2022

NIE NETWORKS SUSTAINABLE ENERGY LABORATORY

A new energy lab officially opened at Queen's University Belfast, inspiring the next generation of engineering students to help deliver a carbon net-zero future for Northern Ireland's electricity needs.

DECEMBER 2022

ECONOMY

A report by London School of Economics highlights the multi-billion-pound contribution that Queen's makes. The report reveals that activity relating to areas such as research exchange and knowledge has an estimated annual impact of over £3 billion, an increase of 45% in five years. The research also estimates that on average, a degree from Queen's is worth over £100k to the graduate, with a further benefit to the public purse of some £93,000.





APRIL 2023

AGREEMENT 25

Queen's hosted a three day event to mark 25 years of the Good Friday Agreement. A host of global leaders including Chancellor Hillary Clinton, Senator George Mitchell, President Bill Clinton, Prime Minister Rishi Sunak, Taoiseach Leo Varadkar and key remaining architects of the Good Friday Agreement attended conference events over the three days. Media coverage reached 78.2 billion, an estimated value of almost £14 million with coverage across 49 countries. A gala dinner held as part of the event raised over half a million pounds.

MAY 2023

INTERSIM CENTRE

In May 2023, we officially launched a new state-of-the-art simulation education and training facility - the 'KN Cheung SK Chin' InterSim Centre.





JUNE 2023

QUEEN'S BUSINESS SCHOOL

The U.S. Special Envoy to Northern Ireland for Economic Affairs, Joseph Kennedy III, opened a new state-of-the-art building, which will be home to the student and staff community at Queen's Business School, one of the top business schools in the UK and Ireland.

JUNE 2023

PROFESSOR SIR IAN GREER

In recognition for his services to education and economy in Northern Ireland, President and Vice-Chancellor Professor Sir Ian Greer was knighted in the King's first Birthday Honours in June 2023.



OVERVIEW OF THE UNIVERSITY

Queen's University Belfast is one of the leading universities in the UK and Ireland with a distinguished heritage and history.

The ninth oldest University in the UK, we are a member of the Russell Group, combining excellence in research and education with a student-centred ethos.

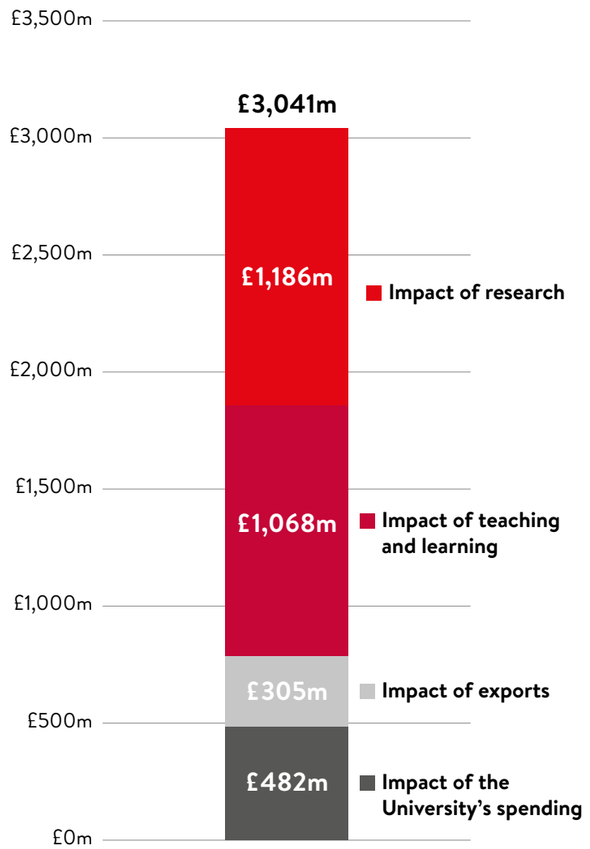
We are ranked joint 13th in the UK for research intensity (Complete University Guide 2024), with 88% of research submitted by Queen's assessed as world-leading or internationally excellent (REF 2021).

Our global reputation is building. Queen's is ranked in the top 14 per cent of global universities in the QS World Universities Rankings 2024 and 4th in the world for international outlook in the Times Higher Education World University Rankings 2024. In addition, 15 subject areas are ranked in the top 200 in the world (QS World Rankings by Subject 2023).

We have partnerships and collaborations across the globe including America, China, India, the Middle East and Asia.

Queen's is pivotal to Northern Ireland's social and economic development. We are playing a central role in the Belfast Region City Deal and are accelerating economic growth, ensuring a talent pipeline of fully equipped, future-ready graduates to meet demand. We also make a major economic contribution to the wider UK. A London Economics Report has estimated the total impact of our activities at £3bn per annum – with research and knowledge exchange accounting for £1,186m (39%); teaching and learning £1,068m (35%); and educational exports £305m (10%); in addition, the impact generated by our operating and capital expenditure stands at £482m (16%).

Total Economic Impact of Queen's



OUR STAKEHOLDERS



STRATEGY 2030

Strategy 2030 sets out our 10-year ambition to shape a better world through life-changing education and research. Our vision is to cement our place as a global research-intensive university, generating internationally-leading research coupled with outstanding teaching and learning, focused on the needs of our society, locally and globally. Our ambition for 2030:

01

A GLOBAL UNIVERSITY

From our hub in Belfast we will build partnerships and collaborations across the globe, attracting the brightest and the best, being known for our exceptional record in diversity, inclusion and sustainability.

02

SCALE NEW HEIGHTS

Climbing the Global league tables and ranked in the top 175 in the world.

03

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

That inspires and delivers the engaged global citizens of tomorrow with flexible and broad-based learning opportunities that are lifelong, coupled with outstanding support.

04

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

A University known for research of the highest quality, with impact and exceptional translation driving strong partnerships with industry and business.

05

A GREAT PLACE TO WORK

A leading employer for equality, diversity and inclusion with an organisational culture that supports and empowers staff to produce their best.

06

AN ANCHOR INSTITUTION

An anchor Institution in Northern Ireland that takes pride in social and civic responsibility, supporting progressive social change and economic growth in an environmentally sustainable way.

07

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

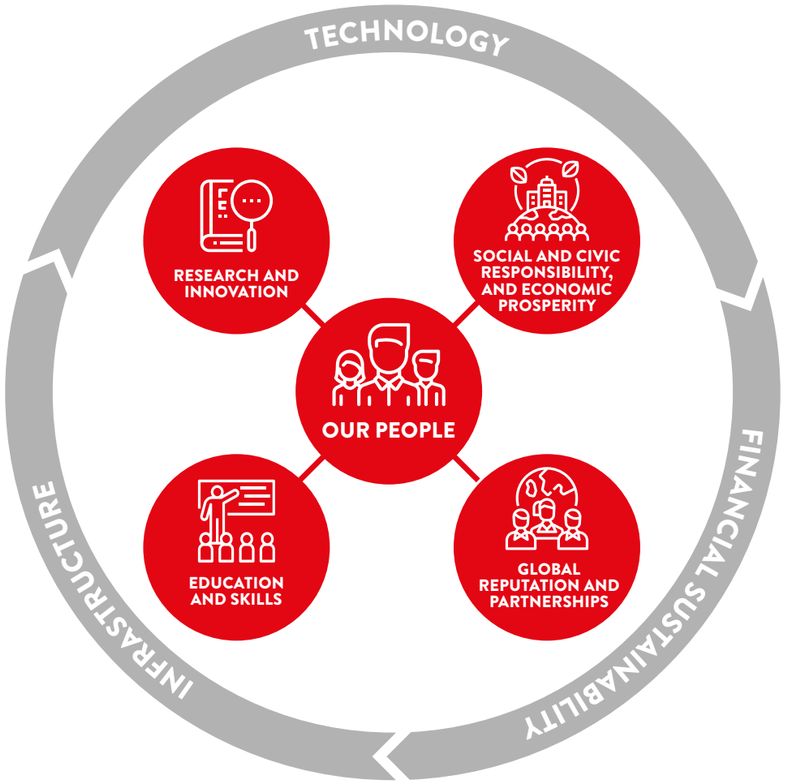
A University that is financially sustainable, with the capacity to invest to deliver the best opportunities for students, staff and society in a changing world.

REALISING OUR VISION

We will realise our vision by focusing on four strategic pillars:

- **Education and Skills**
- **Research and Innovation**
- **Global Reputation and Partnerships**
- **Social and Civic Responsibility, and Economic Prosperity**

These are underpinned by Operational Excellence through our people, technology, infrastructure and financial sustainability.



DELIVERING OUR VISION

During the year, we reached key milestones in our Strategy 2030 journey. These marked our progress on governance, leadership and aligning activity to deliver our ambitions for growth.

Governance

New governance arrangements were approved, including proposals for the establishment of the Queen's Strategy 2030 Office. This will co-ordinate and accelerate the realisation of Strategy 2030 ambitions by providing integrated planning to transform the experience of our staff, students and other stakeholders. The 2030 Office will operate under the oversight of the Strategy Implementation Board.

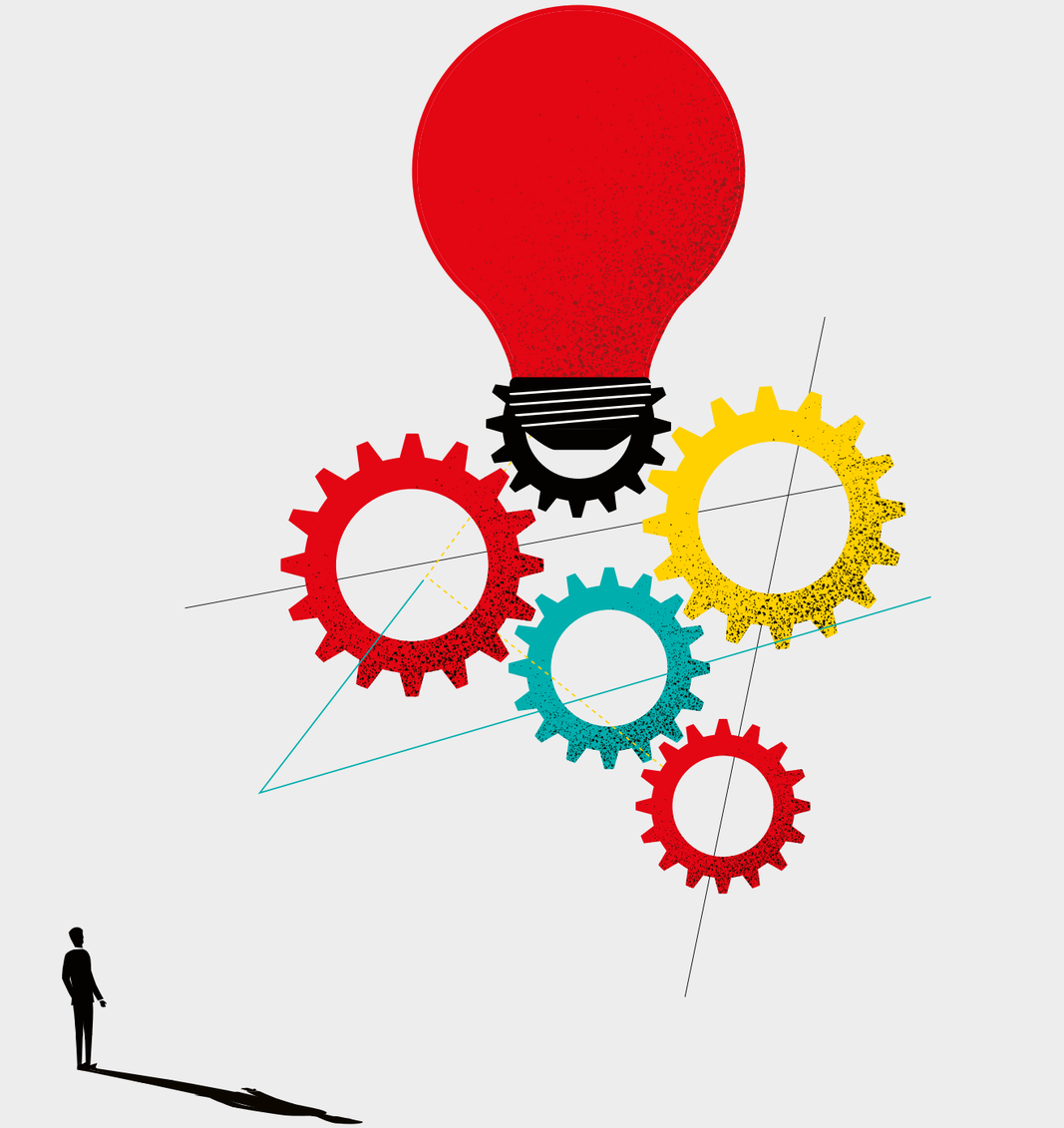
Leadership

A new leadership approach has been implemented to ensure closer alignment of strategic and operational delivery. This has included the creation of an integrated University Management Board (UMB), the recruitment of a Provost and Deputy Vice-Chancellor; four Chief Officers/Vice-Presidents; and a University Secretary.

Aligning Activities

This programme of work enables us to focus our people and resources on: building our internal capability to deliver projects emerging from Strategy 2030; reviewing ways of working across Professional Services; and understanding our income and costs through financial benchmarking

The following pages outline the progress that has been made during 2022-23 in relation to the Strategic Pillars.



STRATEGIC PILLAR
EDUCATION AND SKILLS

Progress has been made across the Education and Skills strand with a focus on projects and activities aligned to:

- **Transforming Assessment**
- **Programme Development**
- **Digital Transformation for Education**
- **Education Scholarship and Reputation**
- **Programme Management Framework**
- **Student Voice**

During the year, the excellence of Queen's teaching was recognised with the award of the prestigious Advance HE Collaborative Award (CATE) to the University's Science Shop. The national award recognises the Science Shop's impact on teaching and learning, in particular its role in embedding community-engaged research ideas in the curriculum and the co-ordination of the Erasmus+ project, CIRCLET, which supported academics to build engagement into their curriculum.

The recently launched Assessment Support Hub provides a one-stop digital site for students to access information and resources to support them with their assessment. Co-designed with staff and students, the site enables information to be tailored to student's individual needs and circumstances, bolstering their ability to complete assessments in a healthy way and enabling them to reach their full potential.

We have progressed the digital learning experience through the development of Minimum Standards to enhance the use of the Virtual Learning Environment (VLE). Following a successful pilot during 2022-23, the standards will now be rolled out university-wide to ensure that all Canvas courses meet a consistent digital baseline, providing an excellent learning experience for all students. Other developments include the launch of an Artificial Intelligence Hub with a range of resources and training opportunities designed to enhance teaching, enrich learning and prepare for the future.

Ranked
=9TH
in the UK for
career prospects
after 15 months

Guardian University Guide 2024



Collaborative Award for Teaching Excellence (CATE): L-R, Eileen Martin, Manager of The Science Shop at Queen's; Lynsey Davis, Science Shop Secretary; and Dr Emma McKenna, Science Shop Co-ordinator



Cost of Living Support: L-R, Beth Elder, SU Education Officer; Kieron Portbury, SU Equality and Diversity Officer; Queen's Vice-Chancellor Professor Sir Ian Greer; Emma Murphy, SU President; and Professor Michael Alcorn, Associate Pro-Vice-Chancellor

Enterprise education has been embedded into degree programmes. An Enterprise Forum Community of Practice has been created as well as an Enterprise Co-design programme to enable staff and students to work together to create a more innovative curriculum, with a view to developing entrepreneurial competencies.
Four Schools have a process in place for a 'Year in Enterprise' entrepreneurship placement with plans for expansion to other Faculties.

One Elmwood, our new Student Centre and Students' Union which opened in 2022, is critical to the development of our student services and student experience. Fully operational from the start of the academic year, it has been quickly embraced by our students and has played a key role in initiatives related to the cost of living stresses, including offering free breakfasts for students and a free refill station – The Pantry, delivered in collaboration with the Students' Union. These were part of a wider package of cost of living support put in place by the University which included one-off payments, a support fund for international students, waiving of graduation fees and accommodation bursaries for students from low-income backgrounds.

We are committed to supporting students to reach their full potential and to broaden access to higher education with a focus on educational attainment, fair and flexible access, and transition. Our Widening Participation activity this year included support for care-experienced young people, delivery of the Junior Academy, which offers a range of focused interactive activities to nominated pupils in Years 9 to 12, and piloting of interventions pre- and post GCSE. The Pathway Opportunities Programme (POP), which provides an entry route to Queen's for talented young people who have the ability to thrive at university but need additional support and encouragement to fulfil their potential, has continued to develop. The seventh cohort of 305 participants across all subject areas exceeded the 2022-23 intake target whilst the conversion rate in September 2022 surpassed the goal of 50 per cent, reaching 52 per cent with an intake of 133 students.

21 SUBJECTS
in the UK top 20

Times and Sunday Times Good University Guide 2024

STRATEGIC PILLAR
RESEARCH AND INNOVATION

Strong progress continues to be made on priority activities aligned to: People, Research Quality, and Partnership and Place.

We are committed to fostering an inclusive, collaborative, entrepreneurial and supportive research community. Our progress in this area has been highlighted in the UK Government R&D People and Culture Strategy as an exemplar of research culture.

During the year, we launched several initiatives as part of our Research Culture Action Plan, including a successful Research Culture Conversations campaign. Through our internal seed funding initiatives - Conference Fund, Engaged Research Fund and Agility Fund – we have invested £1m to support over 300 researchers. This funding has optimised the reach, visibility and impact of our research and enhanced research and innovation quality.

The Postdoctoral Development Centre (PDC), launched in 2021, is key to the University's obligations under the Concordat to Support the Career Development of Researchers. This year, the PDC supported postdoctoral researchers through bespoke internal training and development opportunities.

The Queen's Fellowship Academy continues to support and attract externally-funded Fellows as well as underpin the career development of those funded internally. Membership of the Academy has grown to 58, including 10 new Fellows in the past year. Activity has included Fellow-led Academic Citizenship events to support networking opportunities as well as a training programme on PhD supervision and mentorship.

Following a successful funding bid to the Wellcome Trust in 2023, a pilot Northern Ireland Research Culture Initiative (NIRCI) will be established to enable cooperation and collaboration across the research and innovation community. It will address shared priorities and promote an open, diverse, supportive and sustainable research culture.

The high quality of Queen's research is reflected in our ability to attract increased and sustainable external funding. During 2022-23, we saw a growth in external funding, including an increase in the value of UKRI awards to £43m, up from £24m in 2020.

Our research is founded upon integrity, excellence and ambition. During the year, we delivered a number of process, policy and system developments to support Trusted Research, allowing researchers to make informed decisions when working with international partners.

Through our Impact and Engagement work, we have supported new hubs to involve the public in health and sustainability research. The Patient / Personal and Public Involvement (PPI) Hub was launched in January 2023 while the Sustainable Development Goals Hub now forms part of the all-island Sustainable Development Solutions Network (SDSN), a collaboration with University College Cork (UCC) launched in February 2023 to encourage collaborative approaches to sustainable research solutions and education.

99%

of our research environment assessed as world-leading or internationally excellent

REF 2021

In the **TOP 10 UK** Academic Institutions for spin-outs

Beauhurst Spotlight on Spinouts report July 2023



100th Spin-out Company: L-R, Allen Martin, TechStart; Sian McLaughlin, Clarendon Fund Managers, Dr Paul Kerr, CEO of AilseVax; David Moore, QUBIS; and Professor Daniel Longley from the Patrick G Johnston Centre for Cancer Research

Queen's is at the centre of Northern Ireland's innovation ecosystem. There has been significant progress in terms of industry-led funding with awards during the year totalling £28m with a contribution of £6.7m, up from £4m in 2020. This progress has been underpinned by the successful award of Impact Acceleration Accounts over recent years including £4m of core funding plus additional awards totalling £1.25m. We have also strengthened engagement with major industry partners such as Seagate and Wrightbus through large-scale UK government initiatives, including Strength in Places and funding released by the New Deal for Northern Ireland.

Top 150 in the world for research quality

Times Higher Education World University Rankings 2024

Our entrepreneurial impact is significant. We are ranked in the top 10 UK academic institutions for spin-outs. During the year, we announced our 100th spin-out company, AilseVax, with seed funding of £1.5m from a group of investors that includes QUBIS, the commercialisation arm of Queen's. The new company will identify and develop novel therapeutic vaccines for cancer patients. We continue to deliver the highly successful Innovation Programmes that see cutting-edge research applied to the development of market-focused products and services for the social and economic benefit of wider society. A new Student and Graduate Innovation Centre – inQUBate, due to be launched later in 2023, will focus on embedding effective enterprise experience and support across our student and graduate base, accelerating graduate start-ups and economic growth.

STRATEGIC PILLAR GLOBAL REPUTATION AND PARTNERSHIPS



Northeastern University students participating in the N.U.in Program

During the year, work progressed on enhancing our global reputation and partnerships.

The roll-out of our Global Reputation Action Plan continued with notable successes across key areas, including international rankings. In the QS World Universities Rankings 2024, Queen's climbed 31 places into the top 14 per cent. This is our best performance in this particular ranking which recognises the excellence of our education, the reach of our research and the quality of our graduates as voted for by academics and employers across the globe. We are also ranked 4th in the world for international outlook in the Times Higher Education World University Rankings 2024.

During the year, we continued to enhance our international networks and partnerships with collaborations across research, education and impact. In 2023 we announced a new strategic partnership with Northeastern University in Boston which will see a cohort of 100 students studying at Queen's as part of the N.U.in Program – an innovative global experience that enables NU students to study abroad. This exciting education programme represents our largest cohort of visiting students from the USA to date with modules being delivered across all three Faculties.

Other collaborations this year included a Memorandum of Understanding (MoU) with Wuhan Institute of Technology and the Foshan Xianhu Lab to drive forward research and education in clean energy. We also pledged our support for education and research in Ukraine with an MoU with Shupyk National Healthcare University of Ukraine as part of a major twinning programme between UK and Ukrainian Universities, coordinated by Universities UK and the Cormack Consultancy Group, with support from the Medical Schools Council.

Our international student population of 4,200 makes a significant contribution to our University and city. We are immensely proud of the multicultural make-up of our staff and student body and are committed to ensuring that our campus reflects and celebrates all cultural traditions. As part of this commitment, during the year we launched a pilot residential scheme aimed at developing language students' skills as part of their academic studies. We also continue to expand the Academic English Service for international students. With 16 teachers now in place, all our schools offer school-specific or programme-specific tailored, embedded courses for PGT students, and all Level and direct entry Level 2 undergraduate students.

Ranked in the
TOP 14%
of universities

QS World Universities Rankings 2024

We also expanded global opportunities for our students. In April 2023, our Chancellor, Secretary Hillary Rodham Clinton, and former President Bill Clinton launched the Clinton Scholarship Fund to support US study opportunities for students who are economically or socially disadvantaged. More than £500,000 was raised for the fund which was launched as part of the Agreement 25 Conference. Other global opportunities include the British Council's Study USA programme which saw a record number of Queen's students selected to take part in the next academic year.

We continue to enhance our global alumni engagement and during the year welcomed a number of new Honorary Graduates into the Queen's family. As part of the Agreement 25 events, Honorary Degrees were conferred on individuals who contributed to the peace process, including Pat Hume (posthumously) and Lady Trimble. Chancellor's Awards for Civic Leadership were also presented to 25 women from across Northern Ireland and beyond for their significant contribution to society.

Ranked
4TH
in the world for international outlook

Times Higher Education World University Rankings 2024



Honorary Graduates: Pictured with Queen's Chancellor Secretary Hillary Rodham Clinton are L-R, General John de Chastelain, Lady Trimble, Pat Hume's granddaughter Roisin Abbott, Ambassador Mitchell B. Reiss, Congressman Richard E. Neal and Ambassador Melanne Verveer

STRATEGIC PILLAR SOCIAL AND CIVIC RESPONSIBILITY AND ECONOMIC PROSPERITY

We remain focused on addressing the needs and priorities of our region and our world.

Our leadership as a civic institution was reinforced when we hosted the Agreement 25 Conference. The three-day event brought together global leaders and the architects of the Belfast/Good Friday Agreement to reflect on its achievements and to discuss the challenges and solutions needed for a peaceful and prosperous future. The event was attended by over 5,200 delegates, including students, school pupils, and civic, business, charity and public sector representatives.

During the conference, it was announced that Queen's would host the Global Innovation Summit of the Global Federation of Competitiveness Councils in 2024. It will be a global showcase for what is happening in Northern Ireland and highlights our critical role in the economic development of the region. Queen's impact on the economy is significant. A London Economics Report in 2022 showed we contribute over £3bn to the UK economy, up from £1.9bn in 2017, and that every £1 invested in the University generates £8.20 in return.

Partnership and cooperation are key to Northern Ireland's growth. During the year, considerable progress was made on the three Queen's-led Belfast Region City Deal (BRCD) innovation projects - in advanced manufacturing, clinical research and secure, connected digital technologies. Our vision as a civic university and as a BRCD partner is to create impact where it truly matters and to drive societal progress for generations to come through the Innovation Centres - the Advanced Manufacturing Innovation Centre (AMIC), the Global Innovation Institute (GII) and the Institute of Research Excellence for Advanced Clinical Healthcare (iREACH Health). Contracts for Funding for the projects were signed in early 2023 and full Business Cases are now being prepared for government approval.

Contributes
£3 BILLION
to the UK Economy
London Economics Report



Launch of the Sustainable Development Solutions Network Ireland (SDSN Ireland):
Professor John O'Halloran, President of UCC; Professor Sir Ian Greer, Queen's Vice-Chancellor; and Stacey Clark, VP Operations, Sustainable Development Solutions Network



A bust of Senator George J Mitchell was unveiled during the Agreement 25 Conference

We also partnered with other anchor institutions on projects such as the Business Services Employment scheme – a joint project with Belfast City Council aimed at removing barriers to employment.

We collaborated with the Northern Ireland Chamber of Commerce and Industry on the International Champion partnership, with the Institute of Directors to host their distinguished fellows for a celebratory lunch and with Women in Business in a pilot programme for Queen's students to gain enhanced enterprise, employability and leadership skills.

As part of our Social Charter, we remain committed to working with partners to address societal inequalities, the challenges faced by communities, and to make this work sustainable. Examples include the Conversations project – a partnership with the Greater Shankill Children and Young People Zone to give young people the chance to consider their current and potential lives, and our work with the Market Development Association through Queen's Communities and Place (QCAP), a partnership between communities, policymakers and academics.

Ranked in the
TOP 6%
of institutions worldwide
for sustainability
Times Higher Education Impact Rankings 2023

We continue to address the global challenge of sustainability. In June 2023 Senate approved a new Net-Zero Plan – a whole-university approach to achieving net zero greenhouse gas (GHG) emissions by 2040. This target reflects our critical contribution to sustainability through leadership in research and education but also our role as a social and civic leader in Northern Ireland and on the island of Ireland. During the year we established the first all-island network dedicated to delivering the United Nations Sustainable Development Goals (SDGs). The Sustainable Development Solutions Network Ireland (SDSN Ireland), a partnership between Queen's and University College Cork (UCC), will work with local authorities, NGOs, civil society organisations and policymakers to bring the latest research and best practice into effect.

Further details of our sustainability activity can be found in the Sustainable Development Goals section.

OPERATIONAL EXCELLENCE

People

During the year, we launched our People and Culture Plan 2023-2026. Centred on three pillars – Culture, Employee Experience and Building Capability, the plan is underpinned by our core values and the enabler – HR Operational and Service Delivery.

Activity during 2022-23 included the launch of our Staff Charter, turning our values into behaviours and marking the start of a wider journey of cultural change. Work also continued on the implementation of a system to aid academic planning and on the development of new hybrid working guidance. We rolled-out a £7.2m cost of living support package for both staff and students and revised the pay scale in April 2023 to meet our commitment to become a Real Living Wage employer.

Diversity, Inclusion and Staff Wellbeing are fundamental. During the year, over 400 staff attended training courses on disability, deaf awareness and neurodiversity while a range of activities took place to promote physical and mental wellbeing. We continued to support our LGBTQ+ community, hosting our second Pride Picnic, and we launched a staff network to promote linguistic diversity. We also began a formal consultation on a new five-year Equality Scheme and Action Plan which will be launched in early 2024.

Queen's is one of only 29 UK Universities to hold a Silver Athena Swan Award, an international framework to support the advancement of gender equality within higher education and research, with all our Schools also holding awards. We continue to build on our sector-leading achievements towards gender equality and are well positioned as an aspiring Gold Athena Swan institution.

Other activity this year included the development of a pilot apprenticeship scheme to help build a talent pipeline. Work is underway to review our employment policies and processes, including an end-to-end review of recruitment, and to increase levels of employee self-serve and automation in our HR operations.

We remain committed to working in partnership with the Trade Unions to make the University a better place to work. In June 2023, we reached a local agreement with the University and College Union (UCU) to end the Marking and Assessment Boycott. The agreement included a cost of living supplement, the implementation of proposals around anti-casualisation and the development of a strategy by the University to address issues in relation to gender, race and disability pay gaps.



Mental Health Awareness Week

Infrastructure



Opening of new building for Queen's Business School by U.S. Special Envoy to Northern Ireland for Economic Affairs, Joseph Kennedy III

The landscape of Queen's saw exciting changes during the year.

A number of key projects were unveiled, including One Elmwood, the £42m Student Centre which now houses both the Students' Union and University Services in one purpose-built facility. A new building for the expanded and rebranded Queen's Business School was completed in May 2023. The 6,000 square-metre structure, located alongside Riddel Hall, will accommodate the School's accelerated growth and promote further connections with industry.

Other developments this year included plans for additional purpose-built managed student accommodation with the purchase of three sites at Dublin Road, Brunswick Street and Laganbank Road.

Work continues on a new £4.9m landmark home for the Seamus Heaney Centre at Queen's which will open in early 2024 and on the three Belfast Region City Deal Innovation Centres. Contractors have been appointed for AMIC's 10,500m2 Factory of the Future at Global Point in Newtownabbey while planning permission has been submitted for iREACH Health.

There is also progress on the ten-year Estate masterplan - an essential element of Strategy 2030. Due to be completed and approved by March 2024, it will include development for expansion on campus within Health Sciences, Arts and Humanities, and Engineering as well as within Queen's Sport and Accommodation.

OPERATIONAL EXCELLENCE

Technology

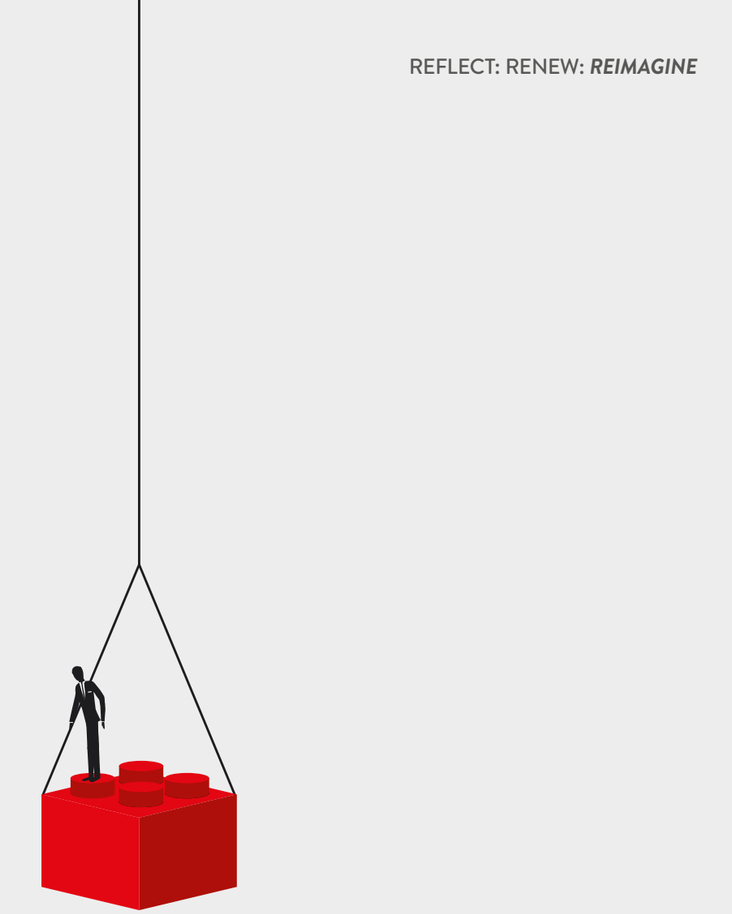
A three-year Digital and Information Services plan has been developed to support the implementation of Strategy 2030. Focused on initiatives across Library Services and IT, it will advance the progress made to date in creating the digital foundations for our strategic priorities.

This progress includes projects that have stabilised, optimised or transformed our services, such as a secure Microsoft Identity Management (IM) solution, cyber security monitoring and a ransomware-resilient backup solution. Developments have also been made to our student records system, a new strategic customer engagement platform, a University chatbot and a new mobile app platform as well as the fitting of state-of-the-art audio-visual equipment into our largest teaching spaces.

IT underpins every aspect of university activity. Maintaining and improving the foundations of our digital estate while further strengthening cyber security is a priority. The new three-year plan will be reviewed annually and updated to take account of the changing business and digital landscapes.

Financial Sustainability

Financial sustainability is a key tenet of our Strategy 2030. A detailed analysis of the University's financial performance for 2022-23 is set out in the Consolidated Income Review on pages 46 to 62.



SUSTAINABLE DEVELOPMENT GOALS

Sustainability is at the cornerstone of Strategy 2030. Building on an established track record of innovation, education, and impact in areas such as climate, health and technology, Strategy 2030 sets out how we will embed and make visible the UN Sustainable Development Goals (SDGs) across all our activities.

As a signatory to the UN Accord, Queen's is already delivering a wide range of programmes across and beyond the Institution which embed sustainability issues and address the climate crisis. Notable developments include the approval of our new Net Zero Plan which sets out an ambitious net zero 2040 target for the University and the key principles through which we deliver it. This section highlights some of the work taking place across the University in all seventeen SDGs.



Student volunteers help with the big clean up



Open Botanic event

Education and skills

Green Chemistry Module

The School of Chemistry and Chemical Engineering has developed a Green Chemistry Module which provides our students with context that enables them to design chemicals products in a way that minimises or avoids the use and creation of toxic products and waste. Incorporating green chemistry principles into all chemical synthesis results in the creation of solutions and materials for society in a clean and sustainable way. The module includes workshops that bring together support services and past graduates to enable and empower students to tackle real world problems in a holistic manner, whilst gaining skills and experience.





Nursing and Midwifery Podcast

The School of Nursing and Midwifery co-designed an audio podcast which provides explicit education about the UN's SDGs and how each of these 17 goals applies to nursing and midwifery students including practical suggestions for how students can help to achieve the SDGs. An evaluation of this podcast was carried out amongst year one nursing and midwifery students, resulting in 258 students taking part in the project. After listening to the podcast, awareness of SDGs improved from an average of 50% to 86%, whilst understanding of the role of nurses and midwives in achieving SDGs improved from 70% to 88%.



Carbon Literacy Training

In partnership with Keep Northern Ireland Beautiful and the Department of Agriculture, Environment and Rural Affairs (DAERA), Carbon Literacy Training has been rolled out across campus. The course provides staff and students with certified training on carbon literacy and climate action, with over 900 of our community becoming Carbon Literate. The interactive training provides staff and students with an understanding of climate change science. It also encourages people to map their own carbon footprint as well as the motivation to reduce personal and organisational carbon emissions.





Queen's Placemaking Academy

Working in partnership with the Department for Communities, academics within the School of Natural and Built Environment have established a Placemaking Academy. This collaborative teaching endeavour incorporates reflective practitioner-led workshops, peer learning and field trips – providing professional development for practitioners while equipping students with an evidence-based collaborative educational experience.





Research and innovation

Horizon 2020 EU 'UPSURGE' Project

Queen's University Belfast researchers have joined an international team of experts across five cities to develop nature-based solutions to tackle pollution, citizen health and climate resilience. Researchers from five cities – Belfast, Breda, Budapest, Katowice and Manibor – are sharing learning and good practice developed within research gardens. In Belfast, Queen's researchers are working alongside Belfast City Council, and local stakeholders from Friends of the Field.



Global Erosion of Biodiversity

Researchers from Queen's undertook a study of global biodiversity by examining population trends. The study showcased the magnitude of the extinction crisis is considerably more severe than shown by traditional measures. The research examined population densities of more than 70,000 animals. It found 48% of species on earth are currently undergoing population declines, with less than 3% increasing. This research reveals the current magnitude of this crisis will have devastating impacts on the stability of nature as a whole, and on human health and wellbeing.



Groundswell Research Project

Queen's University Belfast researchers led a 5-year research programme called the GroundsWell consortium funded by the UK Prevention Research Partnership on the importance of urban green and blue spaces for chronic disease prevention, reducing inequalities and climate action. This is a UK-wide programme with three pioneer cities in Belfast, Edinburgh and Liverpool. In Belfast, Queen's have been working with EastSide Partnership and The Paul Hogarth Company to undertake a series of community engagement activities to discuss how the local area can be climate resilient and support the future needs of the local community.



Post-Conflict Guidelines

Researchers from the School of Law launched new international guidelines, the 'Belfast Guidelines on Reparations in Post-Conflict Societies.' The guidelines, developed with the University of Essex in partnership with the human rights organisation REDRESS, have been designed to share good practice on implementing effective reparations in post-conflict situations.



Campus activities

Cost of Living

A multi-million-support package of £7.2 million was created for students and staff facing the current cost of living crisis. This included the creation of The Pantry – a free re-fill station where students bring their own reusable containers to avail of cereals, grains, pasta, noodles, pulses, herbs, spices and household items for free. Over 6,000 students have visited the Pantry during 2022/23.



Net Zero Conversation

As part of Strategy 2030, Queen's University committed to becoming a carbon neutral society. In 2022, work commenced to create a pathway and action plan to take us to net zero. To make sure this plan is ambitious and credible, the University launched an engagement campaign to ask Queen's community for their views, priorities, concerns and ideas for action. The Consultation highlighted that staff and students strongly felt that Queen's should play a leading role in tackling climate change by reducing its own carbon footprint. The views and ideas have been incorporated into the final Net Zero 2040 Plan.



Queen's University Business School

Queen's University's £17.5 million business school was completed in May 2023. A low-energy, ecologically sensitive design approach was adopted from the outset. The building is a pioneer in its use of geothermal renewable energy, whilst importing 100% of its electricity from renewable sources. Further sustainability features integrated into the building design include swift bricks, EV charging, green roof, and PV panels.



Enhancing the Sustainability of Queen's Labs

The Laboratory Efficiency Assessment Framework (LEAF) was successfully piloted within 12 labs across Queen's in early 2022, resulting in a roll-out to a total of 31 labs by June 2023. LEAF provides a framework for labs to decrease their emissions, improving the sustainability and efficiency of their labs. Criteria focuses on energy, water, waste and engagement.



Sourcing our Water Sustainably

Queen's campus contains four active borewells, providing a more sustainable way to satisfy our community's water needs. Compared to utility supply, our borewell water source is close to the site of consumption, meaning less water loss and reduced energy consumption as a result.



Living Wage

Queen's has a significant direct impact on our local economy, contributing £3bn to the UK economy, creating jobs and delivering innovation. The University has delivered on its commitment to the Real Living Wage and has incorporated it into the pay-scales. Currently, work is ongoing to ensure contractors who work with us are also being paid a living wage.



Removing Barriers to Employment

A new partnership between Queen's and Belfast City Council will provide 15 people living in Belfast, with few or no qualifications, with the opportunity to secure an administrative role in the University through participation in the Business Services Employment Academy. Once employed, academy mentors will engage with participants regularly during training to offer ongoing support, advice, and guidance to help them settle into their new roles.



Transforming Gender Quality in Higher Education

Queen's University currently holds a prestigious Athena Swan Silver Award. The University also holds 15 School Awards comprising 3 Gold, 6 Silver and 6 Bronze. The Advance HE Athena Swan Charter is used internationally as a framework to support the advancement of gender equality within higher education and research. Queen's University Belfast has been a member of the Athena Swan Charter since its formation in 2005.





Over 6000 students have visited the free re-fill station at the new Student Centre

Outreach and Engagement

Queen's Homework Clubs

Sixteen Homework Clubs were co-ordinated and supported throughout 2022-23, where 135 student volunteers supported 415 children and young people living in areas of educational underachievement to improve their study skills, build their confidence and raise their aspirations about further/higher education.





First all-island sustainability network

Queen's and University College Cork (UCC) have established Ireland's first all-island network dedicated to delivering on the United Nations (UN) Sustainable Development Goals (SDGs). Sustainable Development Solutions Network Ireland (SDSN Ireland) will work with local authorities, NGOs, civil society organisations and policymakers to bring the latest research and best practice to bear on producing solutions for the SDGs. It is the first time a university in Northern Ireland and in Ireland have formed a partnership to develop an all-island approach to sustainable development goals.



Volunteering for impact

The Students' Union has a network of approximately 500 volunteers involving organisations supporting students to develop their skills, boost their confidence, enhance their wellbeing and make a positive contribution in their community. Initiatives include QUB RAG fundraising for local charities and students involved in local clean up events.



Million Trees for Belfast

To ensure South Belfast is playing its part in the Million Trees for Belfast initiative Queen's Sustainability Team, Gardening Team, SU Volunteer, Public Engagement and a local residential group, Sans Souci Residents Association, came together in November to plant over 500 trees in Queen's Malone Playing Fields. The majority of saplings started life as acorns collected from Belvoir Forest and cared for by Sans Souci Residents and The Conservation Volunteers at Lennoxvale Tree Nursery. The nursery formed in 2019 on a vacant brown field site within Queen's Campus.





Shaping Tomorrow's Nature-Keepers

Queen's University, in collaboration with a Royal Society Partnership grant, have assisted school children on a journey to learn about the natural world and how to look after it. Queen's Gardening Team, and academics within the School of Biological Sciences, have been working with West Winds Primary School in Newtownards on biodiversity topics. This includes academics working with teachers to embed environmental topics within the curriculum. They then worked with Queen's Gardening Team to use this new knowledge to create a wildlife zone, containing a wildflower meadow and the small woodland.





StreetSpace project and Open Botanic Belfast

StreetSpace is a research and teaching project at the School of Natural and Built Environment at Queen's University Belfast. StreetSpace works in collaboration with academia, government and local communities to analyse streets and fulfil their potential to be people-centred, accessible and inclusive public places.

As part of this project, Belfast's Open Botanic Festival was launched, organised by Forward South Partnership. The festival closes Botanic Avenue for the day, inviting street performers, local bands, community grounds and well-being charities to take part in the festival.



Securing Northern Ireland's Manufacturing Future

The Advanced Manufacturing Innovation Centre, part of the Belfast Region City Deal, will operate at the interface between academia and industry, by creating new opportunities for innovative manufacturing in the Belfast City Region. The flagship facility, a state-of-the-art 'Factory of the Future', is the first of its kind in Northern Ireland, and will reinvigorate Northern Ireland's industrial potential and address the future technology and skills challenges faced by the region's manufacturing sector.







Students plant trees supporting the one million trees initiative



Primary school children learn about biodiversity projects at Queen's



PUBLIC BENEFIT STATEMENT

The University is registered with the Charity Commission and has a responsibility to act for public benefit across all its activities. Under our Social Charter we are committed to the core principles of:

- **Providing leadership locally and globally.**
- **Equality and social justice.**
- **Promoting a positive impact on society through research and education.**

These principles were evidenced in many ways during the year.

Education

A Queen's education will provide our students with a sense of purpose and the competencies to shape their own lives and to contribute to the lives of others, inspiring the global citizens of tomorrow. The University has a longstanding commitment to equality of opportunity, ensuring that those who have the ability to benefit from Higher Education have an opportunity to do so. The University has led several initiatives in the last year working towards this vision.

Pathways to new opportunities

As part of our Widening Participation initiative, the University has continued to expand its Pathway Opportunity Programme, supporting students from disadvantaged backgrounds with academic and direct financial support to study at Queen's. Now on its seventh intake, the programme has achieved its target of 300 participants across all subject areas, including Medicine, Dentistry, and Law.

Step Up Funding

The University secured £300k funding from the Department for the Economy as part of Step-Up Funding. These funds will allow an increased bursary for Care Experienced Students, expansion of Literacy and Numeracy support for Care Experienced primary pupils and funding for a new transition programme to support Primary 7 pupils into Year 8.

SUQCESS (Supporting Queen's Care Experienced Students)

The Development and Alumni Relations Office worked with private donors to secure funds which enabled the launch of the SUQCESS project. The project has been set up to celebrate and support our community of Care Experienced students. The fund aims to ensure that Care Experienced students can access the resources they need to succeed at Queen's. Grants have been awarded to support students' academic studies or careers, for example textbooks, equipment or costs associated with attending placements or interviews.

Civic and Social Responsibility

As a civic University, Queen's is involved in a wide range of programmes, in partnership with our local community. As well as research and education, activity includes volunteering by staff and students, access to cultural and sporting facilities, and events for the community to engage with. The examples below illustrate our commitment to civic mission.

Queen's Communities and Place

Queen's Communities and Place (QCAP) is an initiative based on partnership between communities, policymakers and academics to find lasting solutions that tackle disadvantage and improve outcomes for children, young people and communities. Through the provision of technical support and expertise to local communities, funding of over £11m has been leveraged. This has built capacity in communities and displayed civic responsibility as an anchor institution. The University has partnered with the Market Development Association and the Drug and Alcohol Network (DARN) to facilitate a community conversation around tackling substance use, which has developed into a full programme around substance use and mental health.

The University hosted the Steam Summer Scheme giving thirty-one young people from the Market community in Belfast a broad range of educational experiences and a taster for future studies and careers paths. Queen's University and the Greater Shankill Partnership is working with eight primary and three post-primary schools in the Greater Shankill area to create a collaborative model for peer support and teacher development opportunities. Through enhanced connections between schools and providing professional development opportunities common to the cohort, it is anticipated that the educational ecosystem in the area will be boosted.

Open Botanic

Building on the success of the Open Botanic Research project, an active travel and healthy street strategy for Botanic Avenue was developed with the inaugural Open Botanic Festival taking place in November 2022. The Festival was delivered in partnership with local residents and community groups, and included a health and wellbeing fair, kids' activities, music, greening workshops, games, and a pop-up cycle path. Students from the StreetSpace studio in the School of Architecture continued the community engagement throughout the academic year.

Civic Agreement with Belfast City Council

'Our Civic Commitment to the South Belfast University Area' was developed in conjunction with Belfast City Council to showcase the important civic work being done by both staff and students at Queen's University Belfast. This has been informed by a number of reports such as The Louise Browne Report, The Holyland Transition Study and the most recent Wider University Lower Ormeau Intervention Action Plan 2023. We have committed to working in partnership with Belfast City Council and local communities in order to co-create and deliver ambitious plans for cohesive, inclusive development and deliver them with the continued support of the community in South Belfast.

Balmoral Show

The University had a significant presence at the 2023 Balmoral Show which attracted over 100k visitors. Queen's won two awards including the Best Overall Stand. Experts and volunteers from across the University spent three days showcasing their research with a diverse range of interactive exhibitions, highlighting the quality of research and its impact addressing local and global challenges.

Sporting Awards

The University held its annual Deep RiverRock Blues Awards recognising excellence and achievement in sport across the University. Awards included a Widening Participation Inspirational Sporting Award and the Vanrath Community Impact Award, alongside Special Sporting Achievement awards which recognised individuals, teams and groups who have not only achieved but have also contributed to the overall development and success of their sport. This year also saw the inaugural Hall of Fame to honour and celebrate the most distinguished sports men and women among Queen's alumni.



Queen's won two awards at this year's Balmoral Show



Students receive awards for sports excellence at the University Blues Awards

Research

Queen's has a proud history of conducting innovative, impactful and world leading research that has positively changed people's lives. We have a reputation for research of the highest quality, addressing local and global challenges and making a global impact in partnership with innovators in business and industry.

Below are a few examples of impactful research carried out last year.

Researchers created personalised 4D printed "smart" implants for breast cancer management. This is the first time that 4D printing has been used for the manufacturing of breast cancer implants. These multipurpose new implants are programmed to change size to better fit within the breast cavity, resulting in personalisation to an individual's body, therefore, improving aesthetic and confidence outcomes for those who have or have had breast cancer.

A clinical trial led by Queen's has shown men diagnosed with prostate cancer can benefit from 'radical radiotherapy' that delivers treatment in five hospital visits instead of the typical 20. The 'SPORT trial' (A Study Evaluating Stereotactic Prostate Radiotherapy in High-Risk Localised Prostate Cancer) was the first of its kind in the UK and was a collaborative effort involving cancer researchers from Queen's University Belfast and the Belfast Health and Social Care Trust.

Queen's researchers developed a ground-breaking plastic film that can kill viruses that land on its surface with room light. The self-sterilising film is the first of its kind – it is low cost to produce, can be readily scaled and could be used for disposable aprons, tablecloths, and curtains in hospitals.

PHILANTHROPY AT QUEEN'S

Philanthropic support enables the enhancement of world-class research, student experience and facilities that would not be possible without the generosity of individuals, charitable organisations, trusts, funds and businesses who give to our projects.



An artist's impression of the landmark venue for the new Seamus Heaney centre

The Queen's Foundation is an independent charity which generates philanthropic support for the University and works with donors to create both vision and legacy using their gifts.

In 2022-23, the University received £4.6m from the Foundation to support agreed priorities including medical research, the Seamus Heaney Centre, scholarships and the student experience.

£1.0m was received for Medicine and Health projects. This included the first instalment of a £1.6m commitment to establish an independent Prostate Cancer Centre of Excellence at Queen's. This new Centre builds on the existing world-class prostate cancer research programme at Queen's by funding the establishment of a multidisciplinary research cluster involving clinical and laboratory science across the University, as well as industrial and academic partnerships. This Centre will transform prostate cancer research in Northern Ireland and help to improve the lives of patients through innovations in treatment. It will fund clinical fellows, lab scientists and PhD students, and position the University at the forefront of the fight against prostate cancer.

The Queen's Foundation is committed to supporting the Seamus Heaney Centre to realise its vision by raising funds via philanthropy to support a landmark new home for the Centre; a Visiting International 'Seamus Heaney' Chair in Creative Writing and an outreach programme with educational and community groups. This year, £0.9m was received towards the new Centre, including gifts of £0.3m from the Garfield Weston Foundation and £0.5m from the Wolfson Foundation.

Focusing on the student experience, the Queen's Annual Fund has given thousands of students a transformative student experience since it was established in 1999. Following the annual call for applications for funding, over £62k was awarded and disbursed to 55 clubs, societies and initiatives, helping students access everything from first aid training, sports kit, scholarships, competition entry fees and mental health and wellbeing initiatives. These include the provision of high performance video analysis for Queen's Rugby, the creation of an art alley and sensory garden - delivered by the Students' Union (SU) Community Engagement team and Handy Helpers in conjunction with the QFT; and the provision of mental health first aid training to students in the School of Pharmacy so they can support their peers and promote positive mental health. Other clubs and societies that benefited include GAA, tennis, netball, skydiving, Scouts network, Queen's Radio, RAG, the Students' Union, Queen's Pride, Queen's Boat Club, the Indonesian Society, Queen's Music Society and more.

Donors continue to provide generous support for scholarships, student enterprise and employability initiatives, with funds received from the Foundation totaling £0.5m in 2022-23.

This included £50k from AESSEAL to support female students and academics in the School of Mechanical and Aerospace Engineering. The gift will be used to support initiatives at the University that will offer support to, and increase access for, women into engineering courses, as well as support the progression and retention of female engineering academics.

The first instalment of a £0.1m gift, to launch a new partnership between the School of Nursing and Midwifery at Queen's and The Children's Cancer Unit Charity was received. This will help inform the development of childhood cancer nursing and enhance the student experience for Queen's nursing students through a student conference, a student prize and a new travel scholarship.

The first instalment of a generous new gift of £0.2m was also received, within the School of Mechanical and Aerospace Engineering to continue the Colum McNally Scholarships. These Widening Participation focused scholarships were established by a local family in 2017, following Queen's student Colum's death in 2016.

Widening Participation was another key focus for 2022-23, particularly in securing support for bursaries for students coming to Queen's through the Pathway Opportunity Programme.

The Pathway Opportunity Programme reached more school students from under-represented areas than ever before, providing them with support to encourage progression to university. In 2022-23, £0.3m funding was received from the Queen's Foundation for 324 bursaries to be awarded. This included generous support from Kilwaughter Minerals, individual donors and members of the Bright Future Collective. The Bright Future Collective was established in 2021 and brings together local companies that want to change lives and contribute to real change across Northern Ireland by helping to make a Queen's education accessible to everybody who can benefit from it.

CONSOLIDATED INCOME REVIEW

	2022–23 £m	2021–22 £m
Income	460.6	437.7
Expenditure	(466.7)	(422.4)
(Deficit)/surplus before other gains and losses and movement in USS provision	(6.1)	15.3

The outturn position for 2022–23 for the University was an operational deficit of £6.1m. This position was after investment of £7.2m to support our staff and students with the effects of the cost of living crisis.

We focus on the operational position to indicate financial sustainability, as it is less susceptible to movements in the actuarial valuations of pension schemes and market conditions prevailing at the financial year end, than the total income/(expense) reported in the Statement of Comprehensive Income (SOCI).

The SOCI position also includes a number of accounting adjustments as set out below.

The most recent finalised USS Valuation at 31 March 2020 identified a funding deficit of £14.1bn and this valuation, along with the associated recovery plan remains the basis for calculation of the University's USS liability at 31 July 2023.

This USS liability decreased from £156.2m at 31 July 2022 to £136.2m at 31 July 2023, mainly as a result of the movement in discount rates. This reduction is reflected in the balance sheet provision in respect of the University's commitment to the USS recovery plan.

The SOCI position reflects the net accounting adjustment of £20.0m, including the unwinding of interest and other costs of £5.2m. (Further detail on the USS valuation is provided in the section on Pension Schemes on page 56 and note 36).

During 2022–23, a total gain of £0.8m was realised on the disposal of fixed assets and investments. This relates mainly to the Group's disposal of part of its shareholding in Kainos plc.

The valuation of our fixed asset investments and investment properties as at 31 July 2023 resulted in an unrealised fair value loss of £4.1m. Of this total, £6.7m relates to the decrease in the market value of the Group's remaining shareholding in Kainos plc. This reduction is partially offset by net increases in the market value of the University's General and Investment funds and Investment Property of £0.8m and an increase of £1.8m in the value of other holdings by QUBIS Ltd.

The deficit funding position for the Retirement Benefits Plan (RBP), has increased from a deficit of £40.1m at 31 July 2022 to a deficit of £47.8m at 31 July 2023. The SOCI position reflects the resulting actuarial loss of £7.4m, primarily as a result of the movement in future pension obligations resulting from high levels of inflation.

The application of the accounting adjustments outlined above have resulted in a final overall SOCI surplus for the year of £8.3m.

Whist the balance sheet has been impacted by the increase in the RBP deficit and the unrealised loss in the value of investments, the net assets position remains strong at £695.8m.

Financial sustainability underpins our Strategy 2030. Effective governance and strong financial performance is critical to the future success of Queen's and, while we are very well positioned to continue to achieve our ambitions, we do not underestimate the scale of the current challenges facing the Higher Education (HE) sector and the economy as a whole.



-1%

OPERATIONAL DEFICIT

Surplus/(Deficit) as a percentage of income decreased from a surplus of 4% in 2022–23 to a deficit of 1%

(Note 1)



8%

GROWTH IN INCOME FROM NON-GOVERNMENT SOURCES

Income from non-government sources has increased year on year by 8%

(Note 2)



£103.1m

INCOME AND RESEARCH GRANTS AND CONTRACTS

Income from research grants and contracts, increased by £4.7m (5%) from the 2021–22 position (£98.4m)



13%

INCREASE IN INTERNATIONAL STUDENT INCOME

International student fee income (full and part-time) increased by £7.4m (13%) during 2022–23



56%

STAFF COSTS PERCENTAGE OF INCOME

Staff costs (excluding USS provision) represent 56% of income which is in line with the position for 2021–22

(Note 3)



5%

EXPENDITURE ON CORE ESTATE

Expenditure on core estate represents 5% of the Insurable Replacement Value. This compares to 4% in 2022–23

NOTES

1. (Deficit)/surplus is prior to the gain to disposal of fixed assets and investments; the movement in the USS provision, the fair value loss on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.
3. Staff Costs exclude the movement associated with the USS Pension Scheme.

TOTAL INCOME INCREASED BY 5% TO

£460.5m

Income

Total income for the year was £460.5m, representing an increase of £22.8m (5%). The main components of this income are shown in Chart 1.

The total recurrent grant position takes account of the 2022–23 budget settlement to HE within NI, which for Queen's included a number of additional funded places to Queen's to aid flexibility as a result of Covid-19. This funded uplift was introduced in the 2020–21 year for the three-year period ended 2022–23. In addition, Queen's was allocated additional non-recurrent funding allocations from the Department for the Economy (DfE) earmarked to support the University in the delivery of our Research and Innovation Strategy.

Income from tuition fees and education contracts increased by £8.7m (5.7%). Of this total, international tuition fee income continued to increase with in-year growth of 13% (£7.4m). International tuition fee income now represents 14% of the University's total income base.

As set out in Chart 2, research income increased by 4.7% to £103.1m, reflecting the increase level of awards, particularly from UK Research and Innovation (UKRI), over the past few years.

Research awards also increased significantly from £100.5m to £113.2m, with a number of high- value awards received in 2022–23. As set out in Chart 4, of this total £78.9m or 70% of research awards was from the UKRI, Innovate UK and EU Government.

Other income, including investment income, increased by 17% to £85.1m reflecting growth in accommodation, catering and conferencing activities as a consequence of the ongoing recovery from Covid-19. In addition, income from investments increased by £4.9m reflecting the movement in interest rates, particularly on current asset deposits.

Expenditure

Total expenditure for the year, excluding the adjustment in respect of the USS pension provision, was £466.7m, representing an increase of £44.3m (10%) from the prior year.

The main components of expenditure are shown in Chart 3.

Staff costs, excluding the impact of the USS pension provision, increased by £12.5m (5%). This includes the annual pay award, costs relating to incremental progression, academic promotions, and the Apprenticeship Levy. The in-year expenditure also includes the cost of living interventions for staff and the early implementation of the 2023–24 pay award from February 2023.

Queen's staff costs, excluding the costs associated with USS pension provision, represented 56% of income in 2022–23, and the average number of staff increased from 4,344 to 4,486.

Other operating expenses increased by 17% to £175.0m. This increase reflects the cost of living interventions for students, increases in travel, accommodation and conference fees following the relaxation of Covid-19 restrictions and investment associated with our Digital Transformation and Net Zero plans.

Depreciation costs have increased by £2.1m mainly driven by the increased buildings depreciation in line with the Capital Programme.

CHART 1: Income Analysis

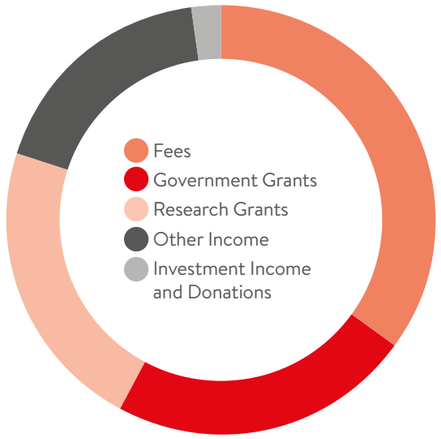


CHART 3: Expenditure Analysis



CHART 2: Income from Research Grants and Contracts

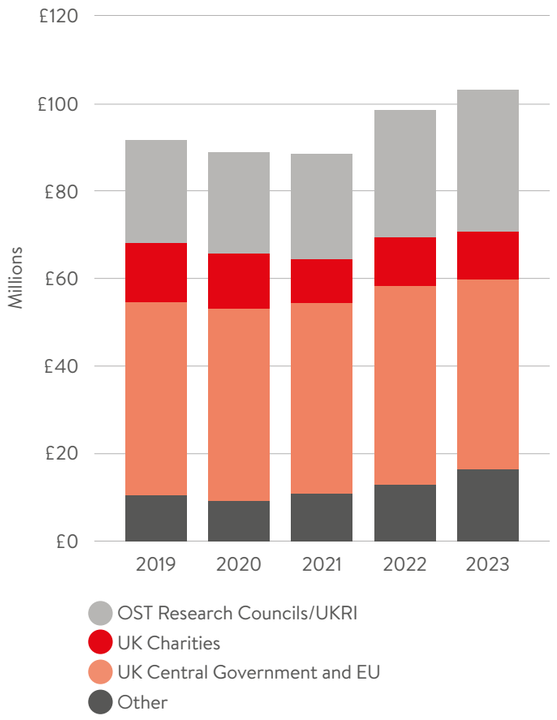
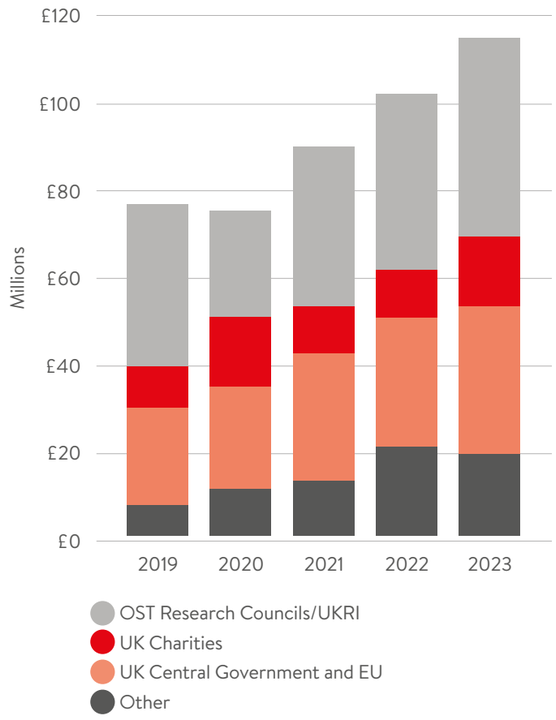


CHART 4: Value of Research Grants and Contracts Awarded



Gain on Disposal of Fixed Assets and Investments

In 2022–23, a total gain of £0.8m was realised. This total relates to the Group's disposal of an element of its shareholding in Kainos plc.

Fair Value Loss on Investments and Investment Property

The fair value movement in the Group's fixed asset investments, investment property and investments in associates at 31 July 2023, resulted in an unrealised loss of £4.1m within the SOCI.

Of this total, £6.7m relates to the decrease in the market value of the Group's remaining shareholding in Kainos plc.

This reduction is partially offset by net increases in the market value of the University's General and Investment funds and Investment Property of £0.8m and an increase of £1.8m in the value of other holdings by QUBIS Ltd.

Actuarial Adjustment in respect of Pension Schemes

The deficit funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from £40.1m at 31 July 2022, to a deficit of £47.8m at 31 July 2023. This increase in the deficit position reflects several factors, but is mainly driven by the movement on future pension obligations resulting from high levels of inflation.

Under FRS 102, the SOCI includes the resulting actuarial (loss) adjustment of £7.4m for the year.

Universities Superannuation Scheme (USS)

The most recent finalised USS Valuation at 31 March 2020 identified a funding deficit of £14.1bn and this valuation, along with the associated recovery plan remains the basis for calculation of the University's USS liability at 31 July 2023.

This USS liability decreased from £156.2m at 31 July 2022 to £136.2m at 31 July 2023, mainly as a result of the movement in discount rates. This reduction is reflected in the balance sheet provision in respect of the University's commitment to the USS recovery plan.

The SOCI position reflects the net accounting adjustment of £20.0m, including the movement in staff costs of £25.2m and unwinding of interest and other costs of £5.2m.

Balance Sheet

The University had total consolidated net assets of £695.8 as at 31 July 2023 which represents an increase of £8.2m from the prior year. Whilst the balance sheet has been impacted by the increase in the RBP deficit and the unrealised loss in the value of investments the net assets position remains strong.

The balance sheet reflects the significant investment in the capital programme over the last decade; the investment portfolio; the strong liquidity position of the University, and its effective working capital management processes, in particular, the robust control of debtors.

The total level of realised unrestricted reserves is £214m, much of which is ringfenced to support the Capital Development Programme including our commitment to the Belfast Region City Deal and Faculties and Professional Services in executing their priorities and plans in support of Strategy 2030 and for other specific purposes.

Capital and Long-Term Maintenance

Queen's is a vibrant campus University at the heart of Belfast city. Substantial investment in our facilities has developed our historic campus into an innovative learning environment for our students and staff that stimulates, enables and supports world-class education and research.

Capital expenditure has continued across the entire University in terms of new build and major refurbishment of the existing estate. The total projected cost of authorised building projects is currently in the region of £265.1m.

These projects will maintain the momentum of the capital development programme, investing in world-class infrastructure for students and staff.

During 2022–23, progress was made on a number of projects including One Elmwood and the expansion of the Queen's Business School at Riddel Hall. One Elmwood, which opened in August 2022 is a brand-new state-of-the-art building set right at the heart of campus. This vibrant new hub builds on existing services and support across the campus and brings together Student services with a range of facilities so students can access services, collaborate in shared spaces, get support and advice, and socialise in first-class venues.

The expansion of Riddell Hall will extend and enhance the campus and contribute to the on-going success of the expanded and rebranded Queen's Business School and William J Clinton Leadership Institute located on the site. It will ensure the School is ready to serve the changing educational needs of a rapidly growing postgraduate community, who will prove invaluable to the progress of the University and the NI economy.

Significant work was also undertaken during the year in respect of the preparation, planning and design for each of the three Queen's-led Innovation projects as part of the Belfast Region City Deal.

Other developments this year included plans for additional purpose built managed student accommodation with the acquisition of three sites at Dublin Road, Brunswick Street and Laganboyle Road.

Cash and Treasury Management

Cash balances, including current asset investments were £274.3m at the year end, which represents a reduction of £15.7m from the prior year.

This reduction reflects the operating deficit for the year and the high level of capital expenditure in the year which was not grant funded. During 2022-23, there has been an increase in cash and cash equivalents (less than 3 months) of £14.3m reflecting the planned reduction in longer term fixed deposits to facilitate the introduction of a revised short to medium term investment strategy which is being taken forward by our Investment Committee.

The University has a comprehensive Treasury Management Policy which is regularly amended by the Investment Committee to ensure an optimal balance of returns within a controlled risk environment.

REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

As a commitment to the development of a holistic Investment Strategy in support of the delivery of Strategy 2030, the University has appointed Lane Clark & Peacock LLP (LCP) as independent strategic investment advisors. LCP will support the University and the Investment Committee on all areas of investment strategy including implementation, monitoring of asset performance and risk assessment.

Investment Performance

The notes to the accounts set out full details of the two Investment Funds — the University Investment Fund and General Investment Fund, both of which are managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock).

The University Investment Fund is administered, under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982, and includes endowment funds donated and bequeathed to the University for specific purposes. The fund is actively managed by BlackRock and at 31 July 2023 was valued at £58.1m. Investment by endowment fund holders in the fund is by share purchase, and with 6,888,134 shares issued, the value of a share was £8.46. This represented a decrease of 5.9% on the valuation of the previous year. The income distributed by the Investment Fund to the endowments remained at 32p per share and, in total, amounted to £2.2m.

The General Investment Fund is for the longer-term investment of University funds. At 31 July 2023, the fund was valued at £133.9m. This valuation reflects an increase of £4.0m, or 3.0% on the previous year's valuation.

CHART 5: General Fund

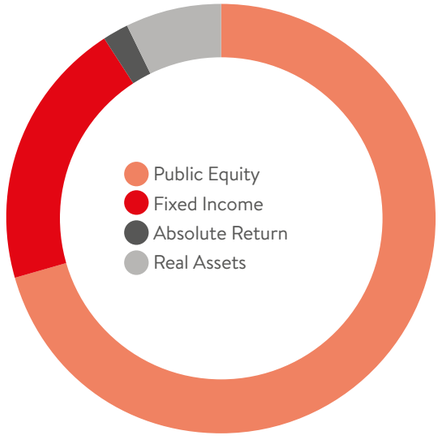
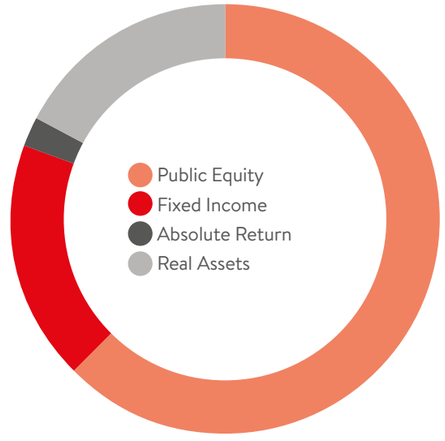


CHART 6: Endowment Fund



Market Commentary

The end of 2022 rounded off an extremely challenging year across markets, with equities posting their worst annual return since 2008, and global government bonds experiencing their first bear market in 70 years. Whilst government bonds typically prove a cushion to investors in uncertain environments, this was not the case in 2022; as higher and more persistent inflation led central banks to raise interest rates further than had been anticipated coming into the year. Therefore, the fastest monetary policy tightening cycle since 1982, and the resulting rise in yields across sovereign and credit markets, led to a historic year of double-digit losses across risk assets. In addition to the negative impact of higher interest rates, growth-oriented stocks (particularly in the technology sector) had become increasingly expensive in terms of their valuations coming into 2022.

As we moved into 2023, higher-than-expected inflation data meant markets continued to price in tighter monetary policy and higher interest rates. Further fractures in the economy were exposed in March, when several US regional banks failed as a result of higher interest rates. However, as wider contagion fears eased, most asset classes finished the first quarter in positive territory.

The second quarter of 2023 was then characterised by significant divergence in the performance of financial assets. Whilst news of persistent inflation, slowing growth and higher interest rates led to underperformance of safe-haven assets — such as government bonds — the excitement around Artificial Intelligence benefitted giant-cap Technology names which outperformed.

The University maintains a significant weighting to investment in equities in the view that, long-term growth ahead of normalised inflation is likely to be generated. During the year ended 31 July 2023, performance for the Endowment portfolio was -2.6% whilst for the General portfolio it was +3.0%.

Looking at 2023 alone (1 January 2023 to 31 July 2023) the Endowment portfolio increased by +3.3% and the General portfolio value increased by +6.7%, as the University participated in the equity market rebound mitigating some of the losses experienced in 2022. A summary of the University's asset allocation in the University Investment Fund (Endowment Fund) and General Funds is set out in Charts 5 and 6 above.

Responsible Investment

Decisions in respect of investments are made on the recommendation of the Investment Committee guided by the University's Responsible Investment Policy. We believe that environmental, social and corporate governance (ESG) factors can have a material impact on investment returns and, therefore, investment decisions guided by ESG factors are likely to produce better risk-adjusted returns in the long term.

Mindful of the need to balance responsible investment with maintaining the financial targets set for the University's investments, the Investment Committee meets with its investment advisors and managers on a regular basis to review the investments and their performance through both a financial and responsible investment lens.

Stewardship

The University's Responsible Investment Policy, has at its core a best-in-class approach to ESG matters. The University believes that when investing due regard must be given to ESG factors. Our current investment manager, BlackRock, has a clear understanding of this and adopts a tailored approach to ensure that our investment portfolio reflects our ESG values.

To support its consideration of ESG factors and stewardship practices, BlackRock has both a Sustainable Investing team, bringing together its investment and product teams to build innovative sustainable fund solutions, and a dedicated 70+ person strong Investment Stewardship Team which constantly monitors and engages with companies on our behalf to encourage long-term value creation, in which sustainability-related factors form an important part.

The Investment Committee has worked with the portfolio managers to evolve the asset allocation, aligned to BlackRock's market views, with a focus on reducing the exposure to fossil fuels and improving the sustainability of the portfolio. BlackRock include ESG metrics in the regular reporting and presentations that they provide to the University and specific data on the evolution of our fossil fuel exposure.

BlackRock has a commitment to transfer the University's investment into funds which exclude companies involved in the extraction and production of fossil fuels, by 2025, provided that the effect is not materially detrimental to expected investment returns. In 2022-23, the University worked with BlackRock to define the metric by which Fossil Fuel exposure is measured; specifically, the percentage of the portfolio allocated to companies and/or issuers who derive more than 5% of their revenue from the extraction and production of oil & gas, oil sands or thermal coal. Based on this metric, the University's exposure from its General Fund investments has reduced from 1.1% at 31 July 2022 to 0.8% at 31 July 2023, and from 2.2% to 1.1% in the Endowment Fund over the same time period. This includes, for example, investing in BlackRock's Developed World Fossil Fuel Screened Index Fund.

As an investment manager, BlackRock incorporates sustainability in the way that it manages risk, constructs portfolios, designs products and engages with companies. In January 2021, BlackRock outlined how an orderly transition to 'Net Zero' by 2050 would benefit the global economy and their clients in aggregate. BlackRock has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008, was an original member of the 32-member industry-led 'Task Force on Climate Related Financial Disclosure' (TCFD), joined the Climate Action 100+ in 2020, and is a signatory of the UK Stewardship Code. As a signatory of the Net Zero Asset Managers Initiative, BlackRock are one of 100+ asset managers committed to aligning the financial sector and supporting the goals of the Paris Agreement, and attended the UN Climate Change Conference (COP27) in November 2022 to help accelerate action towards the goals of the Agreement.

The Investment Committee understands that the sustainable investing landscape is constantly evolving and expects that the sustainability and carbon intensity of the University's investment portfolio will improve over time, whilst aiming not to unduly damage the returns generated.

The Investment Committee also recognises that, alongside a divestment policy, engagement via its investment manager with the companies in which it invests is an important tool in encouraging more sustainable behaviours. In the period from July 2022 to June 2023, BlackRock's investment stewardship team held a record 4,000 engagements with 2,600+ unique companies in 49 markets, covering more than 75% of the value of clients' equity assets managed by BlackRock. This resulted in over 171,500 management votes, at over 18,000 companies. A full summary of the voting year 2022–23, can be viewed here. BlackRock continues to publish regular detailed 'voting bulletins' to offer rationale behind important company votes, which are also available here.

In particular, during 2022–23 we have engaged with BlackRock to understand their approach to the social pillar within ESG and how this relates to our investment portfolio. BlackRock's stewardship of our assets is a very important part of this. Several of the stewardship team's core engagement priorities cover social-related priorities; such as board quality and effectiveness, compensation and company impacts on people (for example, human capital management). In 2022–23 BlackRock held 1,463 engagements with 1,185 companies, many of which will be held in the University portfolios, to understand how they are monitoring and managing the potential impacts of their operations on their workforce and broader value chain. In addition to Stewardship, BlackRock integrates ESG factors into the investment approach of their active equity funds; part of which is consideration of 'social' risks. This includes regularly reviewing exposure to ESG risks, using a breadth of sustainability-related data and analytics to develop investment-relevant insights, and providing transparency on how this informs portfolio management practices.

As the University continues to evolve its Responsible Investment Policy, the Investment Committee is confident that BlackRock is well positioned to offer solutions to meet the University's responsible investment needs. As a market-leader in developing innovative ESG-aligned investment solutions and with a broad global investment platform, BlackRock will be able to support the transition to a greener, more sustainable portfolio.

Future Outlook

These activities demonstrate the University's and our Investment Committee's commitment to Responsible Investment and its incorporation into the long-term management and investment arrangements for the University's Investment Funds.

As we look forward to 2023–24, we aim to update our responsible investment policy and continue to develop our long-term investment strategy in partnership with our Investment Advisors.

PENSION SCHEMES

The University is a participating employer in two separate defined benefit pension schemes, the Retirement Benefits Plan (RBP), which is available to staff in posts graded 1–5, and the Universities Superannuation Scheme (USS), which is available to staff at grade 6 and above.

Retirement Benefits Plan (RBP)

The RBP funding position is calculated annually for accounting purposes, in accordance with FRS 102.

As set out in note 23 of the Financial Statements, the RBP funding position under FRS 102 shows a deficit of £47.8m at 31 July 2023 (£40.1m at 31 July 2022). The increase in the deficit position reflects several factors but, is mainly driven by the movement on future pension obligations resulting from high levels of inflation. Whilst there have been significant reductions in liabilities and assets, due to changes in financial market conditions and investment returns, these broadly cancel each other out.

The latest Actuarial Valuation of the RBP as at 31 March 2023 is currently underway. However, the last valuation at 31 March 2020 had identified a funding shortfall of £4.7m and a funding level of 98.1%.

A Recovery Plan has been agreed to address this funding deficit by 31 March 2030.

Universities Superannuation Scheme (USS)

USS is the principal pension scheme provided in the Higher Education (HE) Sector and, with 223,229 active members, over 340 participating employers, and assets of some £73.1bn (31 March 2023), is one of the largest pension schemes in the UK. FRS 102 requires each Institution to recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed as part of the outworking of the most recent Actuarial Valuation.

The Actuarial Valuation as at 31 March 2020 (and the associated Recovery Plan and Schedule of Contributions) is the basis for calculating the USS liability in these Financial Statements. The movement in Queen's liability in respect of future commitments to the deficit recovery plan has decreased by £20.0m to £136.2m (£156.2m at 31 July 2022). Further details are set out in note 24 of the Financial Statements.

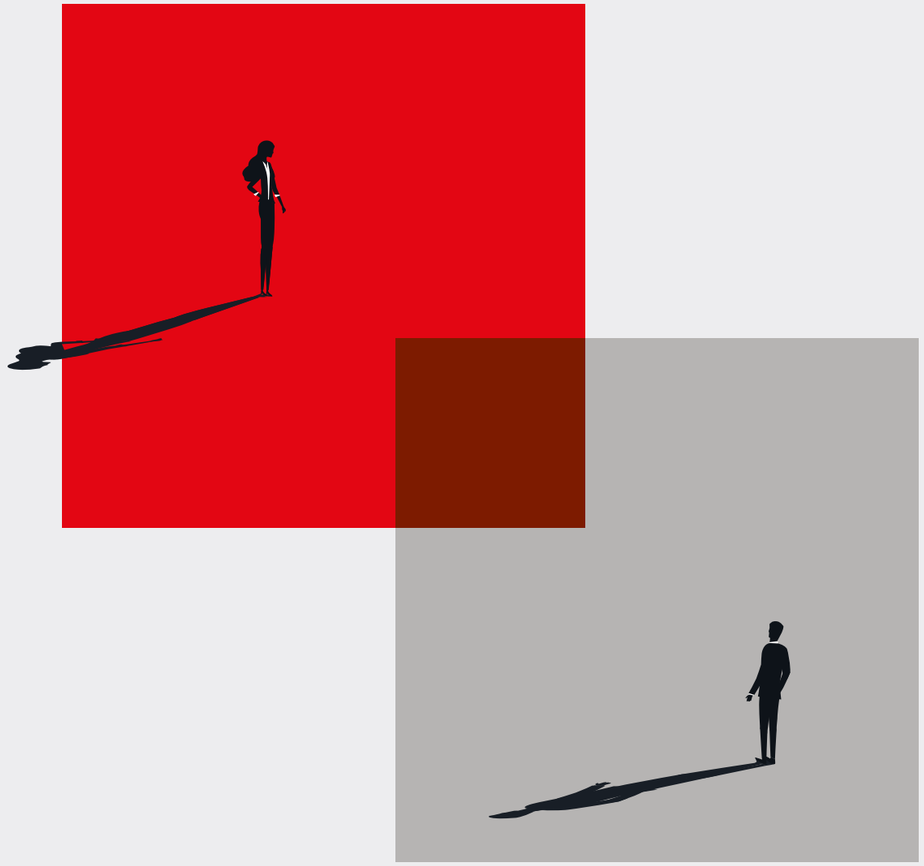
The 31 March 2023 Valuation is currently underway, but early results indicate a potential funding surplus of £7.4bn (£14.1bn deficit at 31 March 2020).

The USS Trustee commenced a consultation with Universities UK (UUK) on the proposed methodology and assumptions for the scheme's technical provisions and the Statement of Funding Principles in July 2023. The University submitted a response to the consultation and were generally supportive of the proposed assumptions.

As the Scheme's financial position has improved, it is expected that scheme benefits accrued from 1 April 2024 will be restored to pre 1 April 2022 levels. Furthermore, the required contribution rate is expected to reduce from a total rate of 31.4% to 20.6%. The Joint Negotiating Committee (JNC) will confirm the employer/member split, however, it is expected to be in line with the current 65:35 cost sharing agreement (14.5% for employers and 6.1% for members).

The University has indicated that we are supportive of seeking a sustainable and stable position for the USS scheme as a priority.

Long-term plans for the Scheme continue to be explored, including conditional indexation, changes to long-term investment strategy and lower cost options.



HIGHER EDUCATION FUNDING

During 2022–23, Queen's continued to receive funding support from DfE for an additional 192 student places which were introduced to provide flexibility during Covid-19. This funded uplift ended in the academic year 2022–23.

In addition, during the 2022–23 academic year, Queen's was allocated £9.1m on a non-recurrent basis as set out below.

- £5.6m of additional research funding as a result of a budgetary re-allocation exercise within DfE.

- £3.5m of funding followed an allocation of University Research Formula Funding to DfE from the Department for Science, Innovation and Technology ('DSIT') as part of the Horizon Europe pre-decision spending package.

The University has earmarked these funds to support the Research and Innovation pillar of Strategy 2030 including in priority areas of talent development, legislative compliance, global research engagement, and support for research bid development, engagement and partnerships. Investment has also been made in the delivery of the enterprise plan including design and delivery of commercialisation and innovation programmes and the establishment of an innovation centre to support student innovation and enterprise.

This strategic investment in research capacity and innovation activity will contribute to the delivery of the Department's 10X Economy Strategy helping to rebuild a stronger economy and realise the vision for innovation led, sustainable growth.

In addition, the University was allocated £0.2m from the UK Research and Innovation (UKRI) Talent and Research Stabilisation Fund. Queen's has utilised this funding to support investment in our future research leaders across the spectrum of disciplinary areas through the Illuminate Vice-Chancellor's Fellowship Scheme.

Across the Organisation for Economic Co-Operation and Development (OECD), the UK has one of the lowest percentages of public investment in teaching education. In September 2023, Universities UK (UUK) published a report on 'Sustainable University Funding: Why is it important and what is needed' (universitiesuk.ac.uk). UUK indicated that there was a consensus that the current funding systems create significant risks for the quality of the student journey and the UK's ability to deliver world-leading research and innovation.

The underlying funding position for HE in NI remains a matter of concern for the University.

Whilst fully recognising the current constraints in government funding, it is a fact that the HE sector in NI has already absorbed a 40% cut in funding since 2011 whilst other regions and jurisdictions have had significant investment.

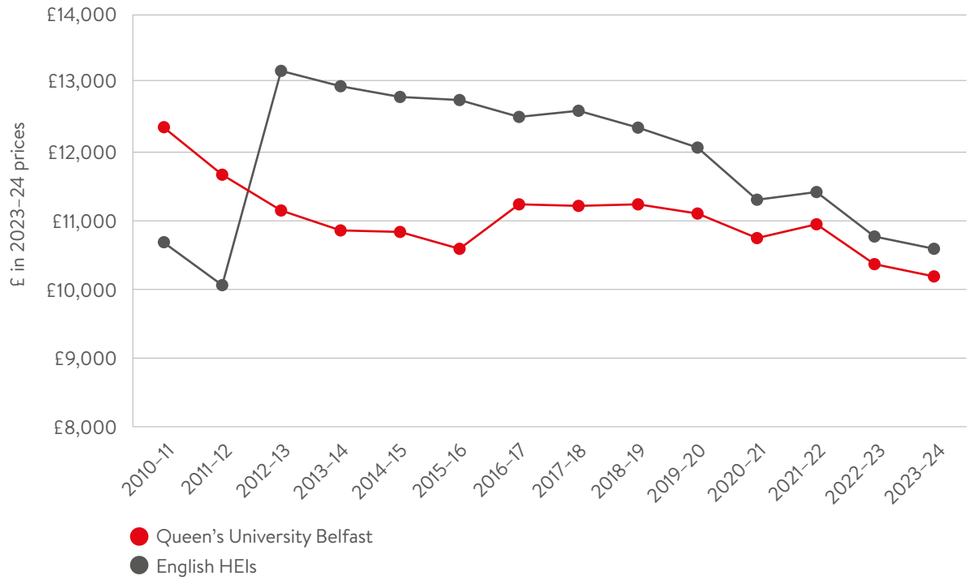
Based on independent research undertaken by London Economics, combining weighted average teaching grants and the maximum tuition fee charged, Queen's has experienced an 18% erosion of total funding in real terms since 2010–11. This compares to a 1% funding decline for a similar HEI in England.

This position is set out in the chart overleaf.

Each year, we lose some 34% of our young people (approximately 5,000) to universities in GB because the system in NI does not allow them a chance to study at a local university. Less than a third of those young people come back home to NI. This educational migration impacts negatively on our local economy, which needs more highly skilled people who are integral to a knowledge based economy.

Universities play a key role in the economic development of NI. At Queen's, we contribute over £3bn per year to the economy; through research, we drive innovation to ensure our companies are competitive globally; and through education, we deliver the skills that create our talented, young workforce.

Total resource per home domiciled FTE student per year, £ in 2023–24 prices: QUB vs English HEIs



Our highly educated workforce has been at the cornerstone of efforts to attract investors and employers to Northern Ireland. This should be a great success story, of which we all should be proud. Despite significant underinvestment and public funding cuts to the NI HE sector, we are global leaders across areas as diverse as Digital, ICT and Creative, Agri-Tech, Advanced Manufacturing, and Engineering and Life and Health Sciences. We continue to deliver, despite the significant disadvantages we face. However, this is an unsustainable position.

We are uniquely placed to contribute to NI's aspirations to build a high-value, inclusive economy which will benefit all our citizens. We are progressing with the BRCD programme and are committed to the other region city deals. A lack of skilled graduates threatens the impact and sustainability of such investment in our economy.

In the absence of a sustainable funding model for HE funding in NI, any reduction in funding will inevitably drive further inequality in HE provision and impact negatively on our citizens. Crucially, this current approach will further disadvantage our economic recovery. It is a demographic fact that there will be a surge of 18-year-olds by the end of this decade, and we need to offer approximately 5,000 extra university places across the NI HE sector just to maintain the current levels of provision which we know are not meeting the demands of our local and international businesses.

Officials from DfE have notified the University of their intention to introduce Outcome Agreements as a means of ensuring that universities contribute to delivering departmental priorities. Officials have advised that, initially, core funding will not be associated with delivery of Outcome Agreements but that, in time, this will likely become the case. Queen's welcomes the development of this initiative and are working closely with officials within DfE to ensure the development of appropriate Outcome Agreements.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with political decision makers to ensure that higher education is sustainably funded given the central role the sector has in supporting the social and economic recovery of Northern Ireland.

RISK AND UNCERTAINTY

The University acknowledges the risks inherent in its activities and adopts an open, proactive and receptive approach to identifying and managing them. A comprehensive Risk Management Framework defined in the University Risk Management Policy assists the identification of the key risks that pose a significant threat to the achievement of the University's strategic priorities as defined in Strategy 2030.

Risks are inherent in all activities and constantly evolve with changes in the external and internal environment. The risk management process within the University is structured to continually identify, evaluate, and monitor such risks proactively and respond quickly to issues as they arise. It is embedded across the organisation as part of normal management arrangements and includes the regular review of corporate and emerging risks by the University Management Board. The Risk Management Committee provides the strategic leadership and considers updates to the Corporate Risk Register with input from the University's Internal Auditors.

The Risk Management Committee, chaired by the Provost and Deputy Vice-Chancellor, reports to the Audit Committee which provides the necessary assurances on the adequacy and effectiveness of the Risk Management Framework to Senate.

The University's Risk Management Policy sets out a process to assess the impact and likelihood of identified risks occurring. In considering risks, the Risk Management Committee assesses its risk appetite for that activity and monitors the level of mitigating actions in place.

The University takes appropriate levels of risk to achieve a step change across its core areas of activity: education, skills and the student experience, research and innovation, and business engagement, but adopts a more cautious attitude in matters of legislative and regulatory compliance to reduce risk to the University's reputation, our people and other resources and assets.

In the current and constantly changing and complex operating environment, the cumulative risk being experienced by the HE Sector and the University, is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including Senate, is critical to ensure ongoing success.

During 2022-23, the Risk Management Committee undertook a fundamental review of the Corporate Risk Register in the context of the delivery of Strategy 2030. In addition to the global risk relating to sustainability the key risks facing Queen's are as set out overleaf.

THE UNIVERSITY'S CORPORATE RISK REGISTER IS **ALIGNED** TO **DELIVERY OF STRATEGY 2030**

Risk Area	Risk Management
Financial Sustainability Absence of a sustainable financial position to underpin the delivery of Strategy 2030.	The University faces significant financial challenges which have been further compounded by current inflationary pressures. The lack of a functioning Executive, as well as the ongoing political and Government funding uncertainties, continue to be of concern. The University continues to engage with our relevant stakeholders with the aim of developing a sustainable funding solution for Higher Education in Northern Ireland. Moving forward, Strategy 2030 will be underpinned by a sustainable financial strategy enabling Queen's to be responsive to the opportunities and challenges presented.
International Student Recruitment Failure to recruit high-quality international undergraduate and post graduate students.	Our Global Student Recruitment Strategy is underpinned by an Integrated Action Plan. Measures include: • Strengthening of specialised in-market teams, • Development of Study Abroad Partnerships, • Digital transformation to support the applicant journey, • Launch of a potential Growth Market Strategy, • Development of a focused demand-led innovative course portfolio, • Development of an institutional approach to English language support.
Cyber Security Failure to prevent, communicate and deal with the risks arising from cyber security attacks including 'hacking' and attacks aimed at theft of Intellectual Property (IP).	We adopt a holistic approach to be protected from Cyber Security attacks and have a cyber security plan in place which includes: • Robust policies and procedures, • Mandatory training for staff, • Ongoing monitoring and vulnerability testing, • Multifactor authentication, • Maintaining awareness of current and potential threat areas and their mitigation, • A default deny approach to network access, • Investment to improve security, access controls and infrastructure enhancement whilst providing appropriate remote access to support operational delivery.
Global Reputation, International Partnerships and Alliances Failure to develop high quality international partnerships/alliances to enhance the University's impact and reputation whilst ensuring they align with our core values and adhere to government policy.	Our International Partnerships Group, supported by the Global Risk Committee ensure a strategic and agile approach to new partner selection and ongoing management of alliances. We have dedicated engagement with Global Funding Bodies and Ministries through the Russell Group and UUK and have implemented a Global Research Engagement Plan. Our research activity continues to have global impact, and we continue to expand our reach through collaboration, building research partnerships locally, nationally and internationally.

CONCLUSION

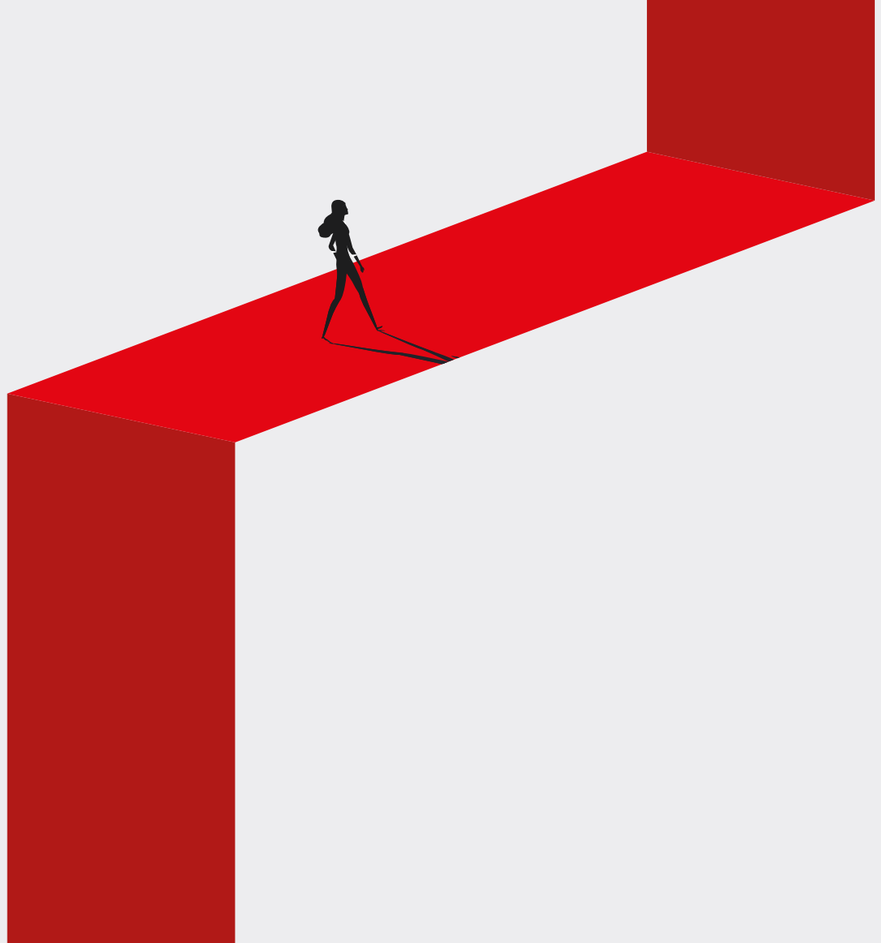
The University achieved a positive financial operating performance in 2022-23. Whilst an operational deficit position of 1% of income or £6.1m was returned, this position was after the approved investment of £7.2m in cost of living interventions to support our staff and students.

Our student recruitment was strong, in particular from international postgraduate students and furthermore, there was a significant improvement in the number and value of new research awards.

Furthermore, in 2022-23 we invested significantly in our strategic priorities and enablers to support delivery of Strategy 2030 and our balance sheet remains strong.

In the current and constantly changing complex operating environment, including political uncertainty, inflationary cost pressures and an unsustainable funding solution, the cumulative risk being experienced by the sector and the University is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within Queen's, including the Governing Body, is vital at this challenging time.

Financial sustainability will underpin the delivery of our Strategy 2030, Delivering for our Future. Effective governance and strong financial performance are critical to the success of Queen's and we are well positioned to meet the challenges facing the sector which includes social and economic recovery.



CORPORATE GOVERNANCE

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

Incorporation and Governance Framework

Senate members are required to conduct all business in accordance with the seven principles identified by the Committee on Standards in Public Life and in line with the guidance set out within the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK. All Senate members are required to sign up to a Code of Conduct.

The University is an autonomous body established by Royal Charter in 1908. Its activities are underpinned by its Charter, Statutes and Regulations, together with the strong framework of legislation and regulation within which it operates.

Senate is the University's governing body and carries the ultimate responsibility for the University's overall strategic direction and operational performance and also complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

The University is formally registered with the Charity Commission for Northern Ireland and all Senate members are thus required to register as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

Responsibilities of Senate

Senate meets formally at least four times each academic year, with additional informal sessions to inform its decision-making and effective governance. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property and the general conduct of its affairs. Senate works with the Executive Officers to set the institutional mission and strategic vision, as expressed in Strategy 2030, and the Executive Officers ensure that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

When executing its duties, Senate maintains a comprehensive system of risk management, control and corporate governance, including the prevention and detection of corruption, fraud, bribery and irregularities. Senate receives effective and regular information to monitor performance and track the use of public funds to enable it to identify any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and its main sponsoring Department, the Department for the Economy (DfE).

Membership of Senate

Senate members are appointed under the Statutes of the University — a copy of which can be found at (https://www.qub. ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/).

In 2022–23 Senate had 23 members, comprising the President and Vice-Chancellor; two Pro-Chancellors; the Honorary Treasurer; the Students' Union President; one representative from the Students' Union and ten independent, external lay members; six members of staff are elected to Senate by their relevant constituencies: two members elected by Academic Council; two academic and two professional services staff representatives; and one representative from Convocation (graduate body).

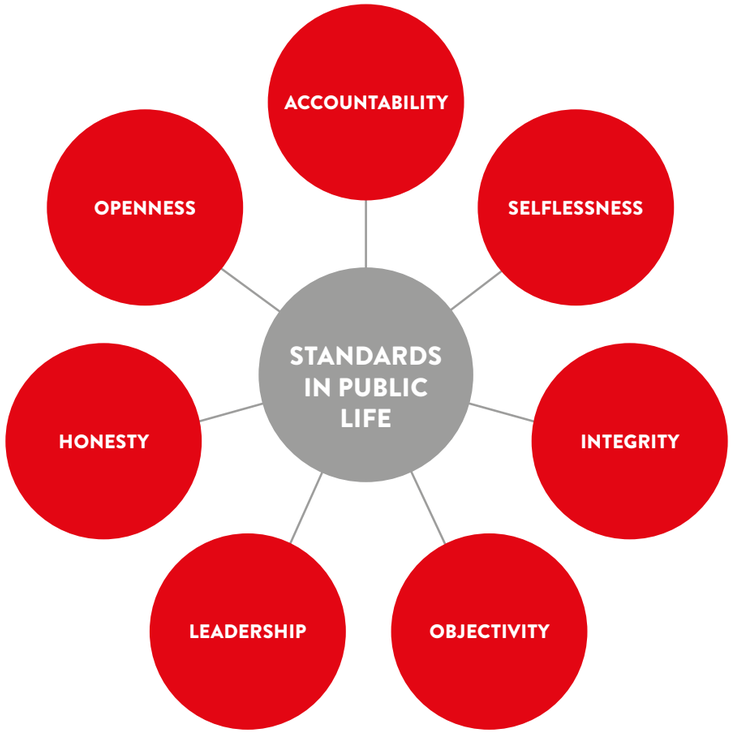
Independent lay members hold office for an initial term of four years and are eligible for re-appointment up to a maximum of two terms, subject to satisfactory performance.

Elected members serve for an initial term of four years, and, if re-elected, have the opportunity to serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

The Chair of Senate plays an important role in the governance of the Univrsity, while working independently of the Vice-Chancellor and the Executive Team. The Chair is a Pro-Chancellor supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate also has a Senior Independent Governor, appointed and rotated from amongst its external membership, to further strengthen its governance arrangements.

The Senior Independent Governor role is to provide enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices.

No member of Senate receives remuneration for work they do in respect of their position on the governing body. All interests of members of Senate and members of the Senior Leadership Team are reported through the Register of Interests, which is maintained by the Secretary to Senate. The Register can be consulted by arrangement with the University Secretary. Members of Senate and its core Committees receive a reminder at each meeting of the need to declare any interest they may have in relation to the specific business to be transacted at that meeting. This is in line with the University wide Register of Interests Policy.



Senate Development Opportunities

In the exercise of their duties, it is vital that Senate members have the opportunity to steer the strategic direction of the University. To support this, members of Senate attend an annual Senate Away Day, to allow members and management to focus on the strategic priorities of the University in a more relaxed and informal setting.

Members also regularly attend briefing events, tours of key facilities, updates from Faculties and training/development sessions, all of which are aimed at keeping members up-to-date on activities happening across the campus and the wider Higher Education (HE) sector.

In line with best practice, Senate also keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its Committees. To ensure independence in this process, the evaluation is undertaken by the University's Internal Auditors. All members contribute to this process and the outworkings, including recommendations on how the existing arrangements could be enhanced, are reported to Senate through the Standing Committee.

Members of Senate are required to meet with the Chair of Senate, on a one to one basis, every two years. The purpose of these Senate Appraisals, is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development identified. An annual review of the performance of the Chair of Senate is conducted by the Senior Independent Governor.

> IT IS VITAL THE SENATE MEMBERS HAVE THE OPPORTUNITY TO **STEER THE STRATEGIC DIRECTION** OF THE UNIVERSITY

Reconstitution of Senate

Due to the continuing impact of the covid pandemic into 2022, all Senate members due to stand down from post on 31 December 2021 availed of the option to operate by exception and to extend for one year to December 2022. The Nominations Committee agreed to continue the process to reconstitute Senate in 2022 and this provided the opportunity to realign Senate membership to the academic year. New members of Senate were appointed from 1 August 2022 providing an effective, managed 5 months transition phase.

All new members have attended a comprehensive induction session with a 'buddy' mentoring scheme available to all. In its commitment to ensuring ethical standards in public life, on joining Senate, members are required to sign a statement confirming they will comply with the University's Code of Conduct, which includes the 7 Principles of Public Life.

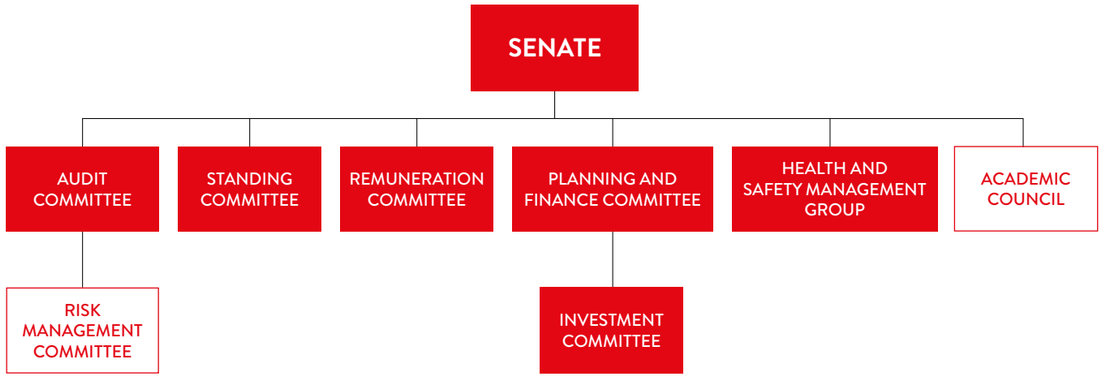
Senate Committees

Senate has established a number of core Committees and, under its Approval Framework/Scheme of Delegation, some of its powers and responsibilities are delegated to these core Committees.

The core Committees are the Audit Committee, the Planning and Finance Committee, the Standing Committee, and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate representation.

Core Committee's are provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required, at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees submit a comprehensive report by the Chair, on business transacted, to the next available meeting of the Senate.

Committee Governance Structure



All core Committees are formally constituted with Terms of Reference and are comprised mainly of lay members of Senate. These committees and their respective attendance by each Senate member is listed below:

Constituency	Meeting	Senate		Audit Committee		Planning and Finance Committee		Standing Committee		Remuneration Committee	
	Senate Members	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance
Pro-Chancellor	Dr S Kingon	Chair	9 of 9					✓	3 of 3	✓	4 of 4
Pro-Chancellor	Dr L O'Hagan	✓	7 of 9			Chair	4 of 4			Chair	4 of 4
President and Vice-Chancellor	Professor Sir I Greer	✓	9 of 9	✓	4 of 4	✓	4 of 4	✓	3 of 3	✓	3 of 4
Honorary Treasurer	Ms O Corr	✓	8 of 9			✓	4 of 4			✓	3 of 4
President, Students Union	Mrs E Murphy	✓	9 of 9			✓	3 of 4				
Students Union Council Representative	Mr T J Lindsay	✓	6 of 7								
Academic Council Representative	Professor D Fitzsimons	✓	7 of 9								
Academic Council Representative	Professor P Robertson	✓	7 of 9					✓	2 of 3		
Academic Staff Representative	Dr V Altglas	✓	7 of 9								
Academic Staff Representative	Dr L Hannan	✓	7 of 9					✓	2 of 3		
Support Staff Representative	Miss P Hampson	✓	7 of 9								
Support Staff Representative	Mrs G Riddell	✓	9 of 9								
Convocation	Mr E McMullan	✓	9 of 9	✓	4 of 4						
Lay Member and Senior Independent Governor	Ms E Graham	✓	5 of 9	✓	2 of 4			Chair	3 of 3		
Lay Members	Ms B Arthurs	✓	8 of 9					✓	3 of 3		
	Mr R Bailie	✓	7 of 9			✓	2 of 4				
	Mr K Jess	✓	6 of 9	Chair	4 of 4						
	Mrs H Mallon	✓	6 of 9			✓	4 of 4				
	Mr F McCormack	✓	7 of 9			✓	4 of 4				
	Mr L O'Reilly	✓	6 of 9			✓	3 of 4				
	Ms M Regan	✓	8 of 9							✓	4 of 4
	Ms K Robinson	✓	7 of 9			✓	3 of 4				
	Ms P Slevin	✓	9 of 9					✓	3 of 3		

While Senate members' attendance at Committee meetings is not mandatory, our members are extremely dedicated and endeavour to attend all scheduled meetings.

Further detail on each of our core Committees is provided overleaf:

Audit Committee

The Audit Committee is responsible for reviewing the audit aspects of the University's Financial Statements and for making recommendations to Senate for their approval or otherwise, in accordance with the Department for the Economy's (DfE) Accounts Direction. These obligations are set out in the Financial Memorandum (FM). The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control and governance (the risk management element includes the accuracy of the Statement of Internal Control included with the Annual Statement of Accounts).
- Economy, efficiency and effectiveness (value for money).
- Approval and oversight of the implementation of the Institution's policies on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit Committee meets four times annually, with members of the Executive Team, Internal and External Auditors in attendance. Members of the Committee do not have executive authority. The Chair of the Committee is not a member of any other core Committee of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit Report and considers the appropriateness of the Internal Auditor's risk assessment and Audit Plans, reviewing reports on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

The Committee Members meet at least once a year with the External and Internal Auditors without any Executive Team present. It also meets once a year without the External and Internal Auditors present to consider the Auditors' performance and to advise Senate on the re-appointment of the External Auditors in line with the requirements of the Financial Memorandum. In addition, it undertakes an annual self-assessment review of its own effectiveness and reports the findings through to Senate.

An annual training event is held as part of the Audit Committee Schedule of Business. Facilitated by representatives from the Internal and External Auditors, it enables members to be kept appraised of the key issues facing the HE sector at that time. The topic in 2022 was Environmental, Social and Governance Reporting.

Throughout 2022-23, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks — examples include Global Reputation, International Partnerships and Alliances; Research and Innovation Strategy and Cyber Security. The Committee also considers reports, at each of its meetings from the Risk Management Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a Corporate level and at a Faculty/Professional Services level.

Planning and Finance Committee

The Planning and Finance Committee advises and, where appropriate, makes recommendations to Academic Council and Senate, on the University's academic, financial, physical and human resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning and Finance Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's main focus has been on the financial impact of Covid-19; Belfast Region City Deal initiative; and the financial position of the University during 2022–23.

The Committee also welcomed updates on the implementation of Strategy 2030.

A copy of the Committee's full Membership and Terms of Reference is available here.

Standing Committee

Standing Committee meets at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture and values, to include staff engagement and its impact on organisational performance.

In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998.

The Committee contributed as a launch partner in the Perrett Laver Governance Apprenticeship Programme, designed to improve the diversity of university governing bodies, by placing an apprentice onto Senate to gain board experience for a 12 month period.

A copy of the Committee's full Membership and Terms of Reference is available here.

Remuneration Committee

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. The Committee annually determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group and Senior Academic Managers.

The Committee also oversees the implementation of the Senior Salaries Scheme. The scheme, informed by best practice from within both the public and private sectors, incorporates a number of key features, these include defined ranges; a clear policy on salary progression and performance pay; and integrated mechanisms to measure and reward such performance. The annual salary review of the Senior Management Group is based on two components — corporate and individual performance.

The Remuneration Committee recognises it must strike the right balance between recruiting, rewarding and retaining the best senior staff possible in order to deliver the best outcomes for the students and the University whilst, at the same time, demonstrating effective use of limited resources and achieving value for money.

The Remuneration Committee is committed to complying with all the elements of the CUC guidelines on best practice, as set out in its Higher Education Senior Staff Remuneration Code, published in June 2018 and demonstrating leadership and stewardship in relation to remuneration. The Code sets out a framework through which Higher Education Institutions can demonstrate that they are being managed in the best interests of their key stakeholders, including staff and students. In this context, Senate has implemented a number of updates to its practices in response to evolving best practice within the Code and across the sector.

The Committee has also adopted the production and publication for Senate, of an Annual Report setting out its key priorities and activities during the course of the academic year — a copy of the report of the Remuneration Committee can be found here.

A copy of the Committee's full Membership and Terms of Reference is available here.

Executive Team

Senate delegates executive management control of the University to the University Management Board (UMB), chaired by the Vice-Chancellor.

Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

Internal Control

As the governing body of The Queen's University of Belfast, Senate has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This responsibility has been assigned to Senate in accordance with the University's Charter and Statutes, and the Financial Memorandum.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives. To that extent it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up to the date of approval of these Financial Statements and accords in full with DfE guidance.

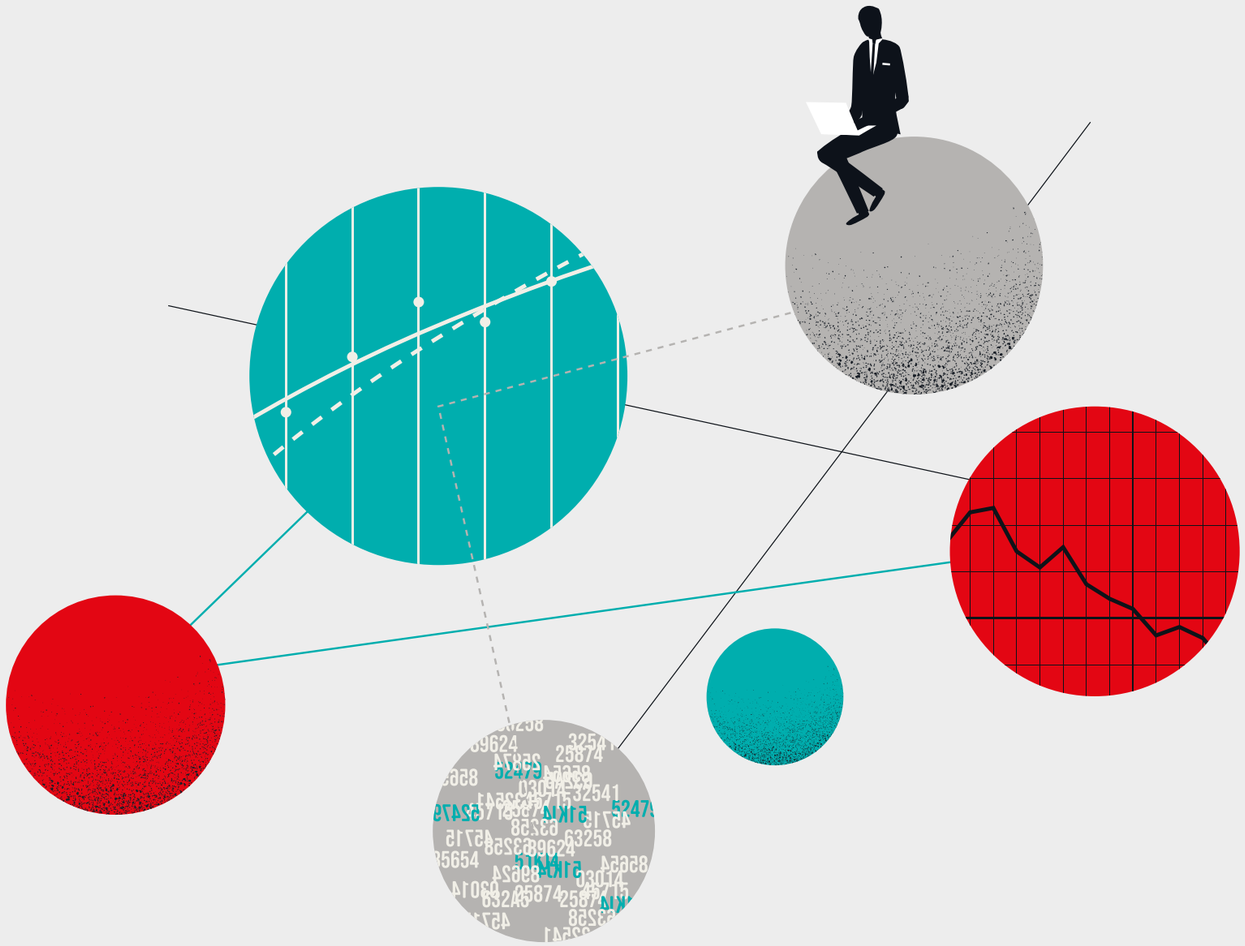
As part of the University's co-ordinated response to the Covid-19 pandemic and the related changes in working practices, key processes and procedures were proactively reviewed, and adapted as necessary, to ensure that the University's comprehensive control framework remained robust. During the period, up to the signing of these Financial Statements, there were two (greater than £5k) actual or suspected frauds identified. These related to a theft of equipment from a staff member's home and fraudulent payments to a casual worker following the input of inaccurate timesheet data. Both incidents have been fully reported and are being investigated in line with the University's Anti-Fraud Policy and the Financial Memorandum. In this respect, a range of remedial actions and developments have also been agreed and an implementation programme is underway.

Senate has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.
b. Senate receives regular reports from the Chair of the Audit Committee concerning internal control, and also requires regular reports from Executive Officers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate and the Vice-Chancellor receive an annual report from the Audit Committee covering the business of the Committee over the previous academic year.
c. Senate has an established Risk Management Committee with UMB providing oversight of the risk management processes and mitigations .
d. The Audit Committee receives regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating and managing their significant risks.
f. A programme of risk awareness training is ongoing and risk management is integrated within the University's business planning process.
g. A system of key performance and risk indicators has been developed.
h. A robust risk prioritisation methodology, based on risk ranking and cost–benefit analysis has been established.
i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.
j. An Emerging Risk Schedule has been developed and is reviewed at each meeting of the University Management Board.
k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third-parties or relied on by other parts of Government.
l. Reports are received, as appropriate, from budget holders, department heads and project managers on internal control activities.

Senate's review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to DfE's Accounts Direction. It is Senate's view that the University has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the University's Internal Auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS) and submit regular reports on the adequacy and effectiveness of the University's system of risk management, internal controls and corporate governance, and economy, efficiency and effectiveness (value-for-money) with recommendations for improvement. Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit Committee.

As a result of Senate's overall review of the effectiveness of the system of internal control, including risk management, it is content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the University's Accounting Officer by the Internal Auditors, in their Annual Statement of Assurance.



RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing each of the Group and University financial statements, Senate is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it intends to liquidate the Group, or the University, or to cease operations, or have no realistic alternative but to do so.

Senate is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and University's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and University. Senate is responsible for such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and it has general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Group and University and to prevent and detect fraud and other irregularities.

Senate is also responsible for ensuring that:

- funds from DfE, have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to these purposes and managed in accordance with relevant legislation; and
- the economical, efficient and effective management of the University's resources and expenditure is secured.

Senate is responsible for the maintenance and integrity of the Financial Statements included on the University's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2023 set out on pages 90 to 121, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the summary of significant accounting policies set out on pages 80 to 87. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2023 and of its incoming resources and application of resources including its income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- the Financial Statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and with the Statement of Recommended Practice—Accounting for Further and Higher Education 2019; and
- meet the requirements of the Department for the Economy ('DfE') Accounts Direction to Higher Education Institutions for 2022-23 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease its operations, and as they have concluded that the Group and University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group and University's business model and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period.

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with management as to the Group and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements. The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Message from the Students' Union President, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements as set out on page 75, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to Senate, in accordance with the Charter and Statutes of the Institution. Our audit work has been undertaken so that we might state to Senate 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 Senate, for our audit work, for this report or for the opinions we have formed.

John Poole
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast
November 2023



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounts Direction issued by the Department for the Economy.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (as modified by the revaluation of fixed assets on the transition to FRS 102 as at 1 August 2014 and the revaluation of investments and investment property carried at fair value).

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate Financial Statements.

The Financial Statements are prepared in sterling which is the functional currency of the University and Group and rounded to the nearest £'000.

BASIS OF PREPARATION

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

The Financial Statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons:

Senate has prepared cash flows for a period of twelve months from the date of approval of these Financial Statements. After reviewing these cashflows, Senate is of the opinion that the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements. Senate has also noted the Group's and University's limited borrowing and loan portfolio.

Therefore, Senate has prepared the Financial Statements on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the University and its wholly owned subsidiaries, QUBIS Limited, Queen's Overseas Recruitment Limited, Queen's Composites Limited and its partially owned subsidiary NIACE Limited. Intra–group transactions are eliminated in full, on consolidation.

Joint ventures are accounted for using the equity method.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Group and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the Balance Sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, and the part relating to the University's share is eliminated.

The Consolidated Financial Statements do not include a connected charity, the Queen's University of Belfast Foundation Ltd, which is a separate and independent organisation.

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

Income from the sale of goods or services is credited to the Consolidated and University Statements of Comprehensive Income (SOCI), when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

TUITION FEE INCOME

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCI over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

GOVERNMENT REVENUE GRANTS

Government revenue grants including the Department for the Economy (DfE) block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors, and allocated between creditors due within one year and due after more than one year, as appropriate.

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve, until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

INVESTMENT INCOME

Investment income is credited to the SOCI on a receivable basis.

Investment income is recognised in income in the year in which it arises. Appreciation of endowments, including gains/losses relating to disposals within the Investment Fund, is recorded as fair value gains/losses on investments in the year in which they arise. These items are shown as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 36 to the Financial Statements.

The USS is a multi–employer scheme. It is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme; therefore, this scheme is accounted for as a defined contribution scheme. As a result, obligations for contributions to the USS scheme are recognised as an expense in the income statement in the periods during which services are rendered by employees. A liability is recorded within provisions for any contractual commitment to a recovery plan to fund past deficits within the USS scheme.

Under the RBP Scheme, as a defined benefit scheme, 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 and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 23). This net 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.

Annually the University engages independent actuaries to calculate the FRS 102 obligation for the RBP scheme.

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. 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 RBP, recognised in expenditure as staff costs, 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 opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 36.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the operating (loss)/surplus for the year.

INTEREST PAYABLE

Interest payable and similar charges includes interest payable, finance charges, unwinding of the discount on provisions and material net foreign exchange losses that are recognised in the SOCI.

FIXED ASSETS

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

LAND AND BUILDINGS

Freehold land and buildings and long-leasehold land and buildings were revalued to fair value on the date of transition to the 2015 SORP, and these assets are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

All land and buildings completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in relation to land and buildings after initial. purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated, as it is considered to have an indefinite useful life. Freehold and long leasehold buildings are depreciated on a straight-line basis over their expected useful lives.

For buildings revalued at fair value at transition date, the estimated useful life is that determined as part of the revaluation exercise. For all other buildings the estimated useful life is either 40 or 60 years depending on the category of the building in question.

No depreciation is charged on assets in the course of construction. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

EQUIPMENT

Equipment, including microcomputers and software, costing less than £25,000 per individual item, or group of related items, is written-off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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.

Capitalised equipment is depreciated on a straight-line basis over its expected useful life, as follows:

- Motor vehicles and other general equipment 4 years.
- Equipment acquired for specific research projects 2–3 years.

Where assets are donated or acquired with the aid of specific grants or donations they are capitalised and depreciated as outlined above. Expenditure (>£25,000) relating to subsequent replacement of components is capitalised as incurred.

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

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCI.

HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available. Heritage assets, including works of art, acquired since 1 August 2007, and valued at over £25,000, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value, mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services. Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP, and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

Non–current investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments, that can be measured reliably, are measured at fair value, with changes in measurement recognised in the SOCI. Realised gains on disposals within the Investment Fund are reinvested within the Fund and recognised within total income for the year and are included within fair value gain/(loss) on investments and investment property in the SOCI. Gains on disposal of equity investments or from the Investment Fund, which are realised, are included within gain on disposal of investments within the surplus before tax.

Current asset investments relate to deposits held with banks and building societies in the UK and are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in associates are held at fair value. Changes in fair value are recognised through other Comprehensive Income in the relevant subsidiary accounts. In the Consolidated Financial Statements, changes in fair value are recognised in the SOCI.

Investments in subsidiaries are measured at cost less impairment in the University Balance Sheet.

STOCK

Stock is held at the lower of cost and estimated selling price less costs to complete and sell and is measured on the basis of a first in first out approach.

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 highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Financial Statements when:

a. the Group or University has a present obligation (legal or constructive) as a result of a past event;
b. it is probable that an outflow of economic benefits will be required to settle the obligation;
c. 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 liability arises from a past event that gives the Group or University a probable obligation, whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events, not wholly within the control of the Group or 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the SOCI.

CONCESSIONARY LOANS

Concessionary loans are measured initially at the amounts received and adjusted to reflect any accrued interest and/or repayment of capital.

FINANCIAL INSTRUMENTS

The Group and University have elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Group or University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the SOCI.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the SOCI. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-Group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

TAXATION

The University is an exempt Charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a Charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by 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's non–charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and University's Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. Further details are outlined in note 37.



FINANCIAL *STATEMENTS*

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2023

	Notes	2023		2022	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Income					
Government grants	1	**108,240**	**108,240**	110,939	110,939
Tuition fees, support grants and education contracts	2	**160,937**	**160,937**	152,247	152,247
Research grants and contracts	3	**103,093**	**103,093**	98,425	98,425
Other income	4	**76,840**	**79,309**	69,534	66,732
Investment income	5	**8,280**	**8,103**	3,363	3,351
Total income before endowments and donations		**457,390**	**459,682**	434,508	431,694
Donations and endowments	6	**3,135**	**3,135**	3,173	3,173
Total income		**460,525**	**462,817**	437,681	434,867
Expenditure					
Staff costs	7	**259,119**	**259,119**	246,580	246,580
Other operating expenses	9	**175,023**	**174,922**	150,139	149,238
Depreciation	13	**25,954**	**25,834**	23,848	23,728
Interest and other finance costs	10	**6,575**	**6,575**	1,791	1,791
Total expenditure excluding USS provision	11	**466,671**	**466,450**	422,358	421,337
(Deficit)/surplus before USS provision and other gains/(losses)		**(6,146)**	**(3,633)**	15,323	13,530
Staff costs – movement in USS provision	8	**25,207**	**25,207**	(94,749)	(94,749)
Surplus/(deficit) before other gains/(losses)		**19,061**	**21,574**	(79,426)	(81,219)
Gain on disposal of fixed assets		**55**	**55**	–	–
Gain on disposal of investments		**715**	**–**	442	–
Surplus/(deficit) before tax and fair value gain on investments		**19,831**	**21,629**	(78,984)	(81,219)
Fair value (loss)/gain on investments and investment property	15/16	**(4,142)**	**790**	(43,998)	(2,538)
Taxation	12	**–**	**–**	–	–
Surplus/(deficit) for the year		**15,689**	**22,419**	(122,982)	(83,757)
Actuarial adjustment in respect of pension schemes	36	**(7,431)**	**(7,431)**	37,720	37,720
Total comprehensive income/(expenditure) for the year		**8,258**	**14,988**	(85,262)	(46,037)
Represented by: (expenditure)/income					
• Endowment (expenditure)/income for the year		**(3,330)**	**(3,330)**	(687)	(687)
• Restricted comprehensive income for the year		**74**	**74**	518	518
• Unrestricted (expenditure)/income for the year		**11,522**	**18,244**	(85,085)	(45,868)
Attributable to the University (expenditure)/income		**8,266**	**14,988**	(85,254)	(46,037)
Attributable to the non-controlling interest		**(8)**	**–**	(8)	–
		8,258	**14,988**	(85,262)	(46,037)

Included within the surplus (2022:(deficit)) for the year is a loss of (£8k) (2022:(£8k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2023

	Notes	2023		2022	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Non-current assets					
Fixed assets	13	**703,915**	**697,881**	687,647	681,493
Heritage assets	14	**267**	**267**	118	118
Investment property	15	**7,415**	**7,415**	6,385	6,385
Investments	16	**382,839**	**214,008**	389,833	213,096
Investment in associates	18	**8,384**	**–**	8,556	–
		1,102,820	**919,571**	1,092,539	901,092
Current assets					
Stock		**708**	**708**	658	658
Debtors	19	**57,451**	**63,321**	26,872	27,431
Investments	20	**185,000**	**185,000**	215,000	215,000
Cash and cash equivalents	27	**89,311**	**70,987**	75,030	63,432
		332,470	**320,016**	317,560	306,521
Less: Creditors: amounts falling due within one year	21	**(158,741)**	**(158,982)**	(137,389)	(137,645)
Net current assets		**173,729**	**161,034**	180,171	168,876
Total assets less current liabilities		**1,276,549**	**1,080,605**	1,272,710	1,069,968
Creditors: amounts falling due after more than one year	22	**(394,585)**	**(391,024)**	(386,645)	(382,988)
Provisions					
Pension obligations	23	**(47,904)**	**(47,904)**	(40,199)	(40,199)
Other provisions	24	**(138,220)**	**(136,298)**	(158,284)	(156,390)
Total net assets		**695,840**	**505,379**	687,582	490,391
Restricted reserves					
Income and expenditure reserve – endowment reserve	25	**65,648**	**65,648**	68,978	68,978
Income and expenditure reserve – restricted reserve	26	**1,808**	**1,808**	1,734	1,734
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**627,666**	**437,923**	616,144	419,679
		695,122	**505,379**	686,856	490,391
Non-controlling interest		**718**	**–**	726	–
Total reserves		**695,840**	**505,379**	687,582	490,391

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

The Financial Statements were approved by Senate on 21 November 2023 and were signed on its behalf on that date by:

Ms O. Corr,
Honorary Treasurer

Professor Sir Ian Greer,
President and Vice-Chancellor

Mrs A. McLaughlin,
Acting Director of Finance

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	**69,665**	**1,216**	**701,229**	**772,110**	**734**	**772,844**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(124,346)	(122,974)	(8)	(122,982)
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(85,085)	(85,254)	(8)	(85,262)
Balance at 1 August 2022	**68,978**	**1,734**	**616,144**	**686,856**	**726**	**687,582**
(Deficit)/surplus from the statement of comprehensive income	(3,330)	2,430	16,597	15,697	(8)	15,689
Other comprehensive expenditure	–	–	(7,431)	(7,431)	–	(7,431)
Release of restricted funds spent in year	–	(2,356)	2,356	–	–	–
Total comprehensive (expenditure)/ income for the year	(3,330)	74	11,522	8,266	(8)	8,258
Balance at 31 July 2023	**65,648**	**1,808**	**627,666**	**695,122**	**718**	**695,840**

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	**69,665**	**1,216**	**465,547**	**536,428**	**–**	**536,428**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(85,129)	(83,757)	–	(83,757)
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(45,868)	(46,037)	–	(46,037)
Balance at 1 August 2022	**68,978**	**1,734**	**419,679**	**490,391**	**–**	**490,391**
(Deficit)/surplus from the statement of comprehensive income	(3,330)	2,430	23,319	22,419	–	22,419
Other comprehensive expenditure	–	–	(7,431)	(7,431)	–	(7,431)
Release of restricted funds spent in year	–	(2,356)	2,356	–	–	–
Total comprehensive (expenditure)/ income for the year	(3,330)	74	18,244	14,988	–	14,988
Balance at 31 July 2023	**65,648**	**1,808**	**437,923**	**505,379**	**–**	**505,379**

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		**15,689**	(122,982)
Adjustment for non-cash items			
Depreciation	13	**25,954**	23,848
Release of deferred capital grants		**(18,977)**	(17,223)
Gain on disposal of fixed assets		**(55)**	–
Gain on disposal of investments		**(715)**	(442)
Fair value loss on investments and investment property		**4,142**	43,998
(Increase)/decrease in stock		**(50)**	39
(Increase) in debtors	19	**(30,579)**	(4,399)
Increase in creditors	21/22	**20,396**	18,384
Increase/(decrease) in pension provision	23	**7,705**	(33,904)
Actuarial adjustment to pension provision	36	**(7,431)**	37,720
(Decrease)/increase in other provisions	24	**(20,064)**	95,669
Adjustment for investing or financing activities			
Investment income	5	**(8,280)**	(3,363)
Interest payable	10	**–**	–
Endowment income	6	**(134)**	(140)
Capital grant income	4	**–**	(177)
Net cash inflow from operating activities		**(12,399)**	37,028
Cash flows from investing activities			
Proceeds from sales of fixed assets		**135**	–
Capital grants receipts		**29,150**	37,351
Disposal of non-current asset investments		**75,612**	33,610
Investment income		**8,280**	3,363
Payments made to acquire fixed assets	13	**(44,216)**	(43,655)
New investment property	15	**–**	–
New non-current asset investments	16	**(70,307)**	(84,210)
Disinvestment/(investment) in deposits >3 months		**30,000**	(27,001)
New associate investments		**(833)**	(872)
		27,821	(81,414)
Cash flows from financing activities			
Endowment cash received		**134**	140
Repayments of amounts borrowed		**(1,275)**	(1,275)
		(1,141)	(1,135)
Increase/(decrease) in cash and cash equivalents in the year		**14,281**	(45,521)
Cash and cash equivalents at beginning of the year	27	**75,030**	120,551
Cash and cash equivalents at end of the year	27	**89,311**	75,030

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
1. Government grants				
Recurrent grant:				
Teaching	**52,019**	**52,019**	50,732	50,732
Research	**31,818**	**31,818**	32,388	32,388
Other specific grants	**8,467**	**8,467**	12,888	12,888
Deferred capital grants released in year	**15,936**	**15,936**	14,931	14,931
	108,240	**108,240**	110,939	110,939

The University received £98.4m (2022: £98.7m) of recurrent grant funding in the year, of which some £14.6m (2022: £15.6m) has been deferred as detailed in note 22.

	2023		2022	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	**65,538**	**65,538**	66,041	66,041
International students	**64,099**	**64,099**	56,716	56,716
Part-time fees	**5,997**	**5,997**	6,631	6,631
Short courses	**1,371**	**1,371**	1,334	1,334
Department of Health nursing contract	**18,581**	**18,581**	17,598	17,598
Research training, other support grants and other fees	**5,351**	**5,351**	3,927	3,927
	160,937	**160,937**	152,247	152,247

	2023		2022	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
3. Research grants and contracts				
Research councils/UKRI	**32,422**	**32,422**	28,953	28,953
Research charities	**10,849**	**10,849**	11,225	11,225
UK Government and EU	**43,376**	**43,376**	45,268	45,268
Other sources	**16,446**	**16,446**	12,979	12,979
	103,093	**103,093**	98,425	98,425

Income from research grants and contracts includes deferred capital grants released in year totalling £2,527k (2022: £1,777k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
4. Other income				
Residences, catering and conferences	**22,057**	**22,057**	16,131	16,131
Other services rendered	**24,844**	**24,844**	25,919	25,919
Other capital grants	**–**	**–**	177	177
Other income	**23,373**	**25,842**	20,986	18,184
Contribution to joint appointment salaries (note 7)	**6,566**	**6,566**	6,321	6,321
	76,840	**79,309**	69,534	66,732

Other income and other services rendered include deferred capital grants released in year totalling £443k (2022: £443k).
Other income in respect of the University includes gift aid income of £5,598k (2022: £214k) from its subsidiaries.

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
5. Investment income				
Investment income from endowments (note 25)	**977**	**977**	2,012	2,012
Other investment income	**7,303**	**7,126**	1,351	1,339
	8,280	**8,103**	3,363	3,351

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
6. Donations and endowments				
New endowments (note 25)	**134**	**134**	140	140
Donations with restrictions (note 26)	**1,398**	**1,398**	1,091	1,091
Unrestricted donations	**1,603**	**1,603**	1,942	1,942
	3,135	**3,135**	3,173	3,173

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
7. Staff costs				
Salaries	**197,447**	**197,447**	185,250	185,250
Social security costs	**18,713**	**18,713**	17,812	17,812
Other pension costs	**29,337**	**29,337**	27,418	27,418
Current service cost – RBP pension scheme (note 36)	**7,056**	**7,056**	9,779	9,779
	252,553	**252,553**	240,259	240,259
Joint appointment salaries (note 4)	**6,566**	**6,566**	6,321	6,321
	259,119	**259,119**	246,580	246,580

Included within staff costs is £7,160k (2022: £6,018k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.

Consolidated and University	**2023**	2022
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	**330**	315
Pension contributions to USS	**20**	18
	350	333

In respect of the Vice-Chancellor no additional amounts (2022: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. This is treated as a taxable benefit which is quantified as £6,468 per annum, as calculated in line with HMRC guidelines. The Vice Chancellor also made a personal contribution of £5,400 in respect of the running costs of lodge. The Vice-Chancellor received no further additional taxable benefits (2022: £nil).

Professor Ian Greer was appointed as Vice-Chancellor with effect from 1 August 2018. Professor Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £324,134 for 2022–23 with an additional one off non pensionable payment of £5,755. The package reflects the complexity and demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice Chancellor's basic salary is 8.0 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff and this position compares favourably to comparator universities.

The Vice Chancellor's basic salary is 6.5 times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration salaries provided by the University to its staff and this position compares favourably to comparator universities.

The pay median does not include workers who were not employed under contract by the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	Number	Number
7. Staff costs (continued)		
Remuneration of higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	**21**	13
£105,000 to £109,999	**13**	8
£110,000 to £114,999	**4**	7
£115,000 to £119,999	**8**	10
£120,000 to £124,999	**14**	4
£125,000 to £129,999	**3**	3
£130,000 to £134,999	**2**	2
£135,000 to £139,999	**–**	1
£140,000 to £144,999	**2**	5
£145,000 to £149,999	**4**	1
£150,000 to £154,999	**1**	–
£155,000 to £159,999	**–**	–
£160,000 to £164,999	**–**	–
£165,000 to £169,999	**–**	–
£170,000 to £174,999	**–**	–
£175,000 to £179,999	**–**	1
£310,000 to £314,999	**–**	1
£325,000 to £329,999	**1**	–

Consolidated and University	2023	2022
	£'000	£'000
Staff numbers		
Academic	**1,292**	1,270
Research	**654**	678
Academic related	**999**	915
Technical and clerical	**991**	978
Other	**550**	503
	4,486	4,344

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £819k (2022: £1,098k) relating to 133 (2022: 118) staff members. These payments were mainly in respect of staff on fixed terms contracts.

All severance payments, including compensation for loss of office, in respect to higher paid staff within its remit, are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

Consolidated and University	2023	2022
	£'000	£'000
Key management personnel Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full time equivalent (FTE) included as Key Management Personnel is 11 (2022:11 FTE).		
Key management personnel compensation	**2,778**	2,364

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
8. Movement in USS provision		
Following the completion of the 2020 USS actuarial valuation in 2021–22 a new deficit recovery plan was agreed. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. In the prior year, the adoption of this 2020 USS deficit recovery plan gave rise to a significant increase in the deficit provision which resulted in an item of expenditure within staff costs which, due to its exceptional size, was disclosed separately in the Statement of Comprehensive Income. The 2023 movement reflects a reduction in the provision — mainly as a result of the movement in interest rates during the year. Further details relating to the USS pension scheme and the related USS provision are laid out in notes 24 and 36.		
Movement in USS provision	**(25,207)**	94,749

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
9. Other operating expenses				
Consumables and laboratory expenditure	**14,380**	**14,380**	12,774	12,774
Books and periodicals	**5,387**	**5,387**	5,374	5,374
Studentships and bursaries	**22,938**	**22,938**	16,558	16,558
Heat, light, water and power	**12,871**	**12,871**	12,585	12,585
Repairs and general maintenance	**3,636**	**3,636**	4,142	4,142
External auditor's remuneration — audit services	**167**	**144**	103	93
External auditor's remuneration — non-audit services	**160**	**149**	191	181
Rates, insurance and telecommunication expenses	**6,569**	**6,569**	6,194	6,194
Hospitality and accommodation services	**9,386**	**9,386**	7,871	7,871
Equipment and equipment maintenance	**15,230**	**15,230**	13,211	13,211
Postage, photocopying and printing	**1,093**	**1,093**	1,249	1,249
Patent fees	**490**	**490**	866	866
Collaborative research payments	**11,166**	**11,166**	10,914	10,914
Other	**71,550**	**71,483**	58,107	57,226
	175,023	**174,922**	150,139	149,238
External auditor's fees for non audit services include:				
Audit related services	**45**	**45**	43	43
Taxation compliance services	**115**	**104**	148	138
	160	**149**	191	181

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
10. Interest and other finance costs				
Unwinding of discount — USS pension deficit plan provision (note 24)	**5,170**	**5,170**	530	530
Net charge on RBP pension scheme (note 36)	**1,405**	**1,405**	1,261	1,261
	6,575	**6,575**	1,791	1,791

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated	Staff costs	Depreciation	Other operating expenses	Interest payable	Total
	£'000	£'000	£'000	£'000	£'000
11. Analysis of total expenditure by activity					
Academic departments	146,069	2,553	20,434	–	**169,056**
Academic services	18,056	1,984	15,925	–	**35,965**
Research grants and contracts	36,417	2,992	42,106	–	**81,515**
Hospitality and accommodation services	4,347	–	9,872	–	**14,219**
Premises	8,167	18,310	26,608	–	**53,085**
Administration	32,823	105	43,779	–	**76,707**
Other expenses	13,240	10	16,299	6,575	**36,124**
	259,119	**25,954**	**175,023**	**6,575**	**466,671**

12. Taxation

There is no taxation charge arising from the operating activities of the Group (2022 £nil).

Consolidated	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets							
Cost or valuation							
At 1 August 2022	666,386	79,975	49,263	53,432	849,056	118	849,174
Additions	924	25	7,495	35,623	44,067	149	44,216
Transfers	72,949	(1,765)	–	(72,949)	(1,765)	–	(1,765)
Disposals	–	(90)	(8,906)	–	(8,996)	–	(8,996)
At 31 July 2023	**740,259**	**78,145**	**47,852**	**16,106**	**882,362**	**267**	**882,629**
Depreciation							
At 1 August 2022	109,133	12,131	40,145	–	161,409	–	161,409
Charge for the year	16,380	1,931	7,643	–	25,954	–	25,954
Disposals	–	(10)	(8,906)	–	(8,916)	–	(8,916)
At 31 July 2023	**125,513**	**14,052**	**38,882**	**–**	**178,447**	**–**	**178,447**
Net book value							
At 31 July 2023	**614,746**	**64,093**	**8,970**	**16,106**	**703,915**	**267**	**704,182**
At 31 July 2022	557,253	67,844	9,118	53,432	687,647	118	687,765

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2022	666,386	72,861	49,263	53,432	841,942	118	842,060
Additions	924	25	7,495	35,623	44,067	149	44,216
Transfers (note 15)	72,949	(1,765)	–	(72,949)	(1,765)	–	(1,765)
Disposals	–	(90)	(8,906)	–	(8,996)	–	(8,996)
At 31 July 2023	**740,259**	**71,031**	**47,852**	**16,106**	**875,248**	**267**	**875,515**
Depreciation							
At 1 August 2022	109,133	11,171	40,145	–	160,449	–	160,449
Charge for the year	16,380	1,811	7,643	–	25,834	–	25,834
Disposals	–	(10)	(8,906)	–	(8,916)	–	(8,916)
At 31 July 2023	**125,513**	**12,972**	**38,882**	**–**	**177,367**	**–**	**177,367**
Net book value							
At 31 July 2023	**614,746**	**58,059**	**8,970**	**16,106**	**697,881**	**267**	**698,148**
At 31 July 2022	557,253	61,690	9,118	53,432	681,493	118	681,611

A full valuation of the University's freehold and long leasehold land and buildings portfolio was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. In line with FRS 102, this valuation was used as the deemed cost for these assets at the date of transition i.e. 1 August 2014.

An annual review of asset utilisation is undertaken and, as a result, an asset within long leasehold land and buildings was transferred to investment properties during the year (note 15).

14. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In the last six years the University has acquired heritage assets of £267k of which £200k relates to pieces of sculpture and £67k relates to a book collection.

The University holds other heritage assets in its main library and throughout the general campus. The special collections service at Queen's provides access to the Library's rare and early printed book, map and manuscript collections, as well as to more modern material relating to Ireland and Ulster in particular. The books, pamphlets, manuscripts, correspondence, photographs and maps are considered to be of lasting research value and include examples of the earliest printed works published between the 16th and early 19th centuries. In order to preserve the material for future readers these collections are housed in a secure and environmentally controlled setting. The University also has an important collection of fine art, silver and sculpture, as well as a build environment which contains some of the best architecture in Ireland. The University has a Curator of Art who manages and develops the collection as well as developing an ambitious programme of educational work.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
15. Investment property		
Balance at 1 August	**6,385**	6,145
Transfers from fixed assets (note 13)	**1,765**	–
Additions	**–**	–
Net (loss)/gain from fair value adjustments	**(735)**	240
Balance at 31 July	**7,415**	6,385

A valuation of the investment property was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. This valuation is reviewed annually by the University using industry recognised indices and the carrying value of the assets adjusted accordingly for any material changes.

The University received property rental income of £593k (2022: £762k) in respect of these properties for the year ended 31 July 2023.

An annual review of asset utilisation is undertaken and, as a result an asset within long leasehold land and buildings was transferred to investment properties during the year (note 13).

	Subsidiary companies	Other fixed assets investments	Total
	£'000	**£'000**	**£'000**
16. Non-current investments			
Consolidated			
At 1 August 2022	–	389,833	**389,833**
Additions	–	70,307	**70,307**
Transfer from investment in associates	–	1,940	**1,940**
Disposals	–	(74,807)	**(74,807)**
(Loss)/gain on fair value and (losses)/gains on disposals	–	(4,434)	**(4,434)**
At 31 July 2023	–	382,839	**382,839**
University			
At 1 August 2022	2,255	210,841	**213,096**
Additions	–	69,555	**69,555**
Disposals	–	(70,168)	**(70,168)**
Gain/(loss) on fair value and (losses)/gains on disposals	–	1,525	**1,525**
At 31 July 2023	2,255	211,753	**214,008**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
16. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	**133,923**	**133,923**	129,957	129,957
University Investment Fund:				
UK gilts and fixed asset stocks	**9,125**	**9,125**	11,094	11,094
UK equities (listed)	**14,995**	**14,995**	17,855	17,855
Overseas investments (listed)	**25,975**	**25,975**	18,319	18,319
Other investments	**8,043**	**8,043**	14,024	14,024
	58,138	**58,138**	61,292	61,292
Other	**30,757**	**19,692**	26,775	19,592
Listed investments	**160,021**	**–**	171,809	–
	382,839	**211,753**	389,833	210,841

General investment fund

The general investment fund consists of Uk and overseas equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2023 was £76,478k (2022: £76,478k).

University Investment Fund

The University Investment Fund is an investment fund operated on unit trust principles, and administered under the terms of the Queen's University (Trust Scheme) Order (Northern Ireland) 1982. The purpose of the Investment Fund is to provide an investment vehicle for the greater part of the University endowment funds. The investments are shown at market value.

BlackRock undertakes the role of investment manger for both the general investment fund and the University Investment Fund. Further information is included in the Financial Review.

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value.

Other investments

The Group's other investments relate to the University's investment within a pooled investment fund and a subsidiary's investments in 21 other UK unlisted companies.

Fair Value Gain on investments and investment property

The consolidated fair value loss on investments and investment property of £(4,142)k (2022:(£43,998k)) as shown in the SOCI, relates to (loss)/appreciation on investment property of (£735k) (2022:£240k), non-current investments of (£4,434K) (2022: (£48,780k)) and a fair value gain on investments in associates of £1,027k (2022: £4,542k).

The University's fair value gain/(loss) on investments and investment property of £790k (2022:(£2,538k)) as shown in the SOCI, relates to (loss)/appreciation of investment property of (£735k) (2022:£240k) and non-current investments of £1,525k (2022:(£2,778k)).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

17. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP
A Limited Partnership which was incorporated in April 2009 to recruit and provide education to international students. It is a joint venture between Queen's Overseas Recruitment Limited and INTO University Partnerships Limited, a company registered in England. It is based in Belfast.

NI Composites O&M LLP
A Limited Partnership which was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between Queen's Composites Limited and Innovation Ulster Limited. It is based in Belfast.

	2023	2022
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	**4,608**	3,717
Share of (deficit) before tax	**(168)**	(454)
Balance Sheet:		
Fixed assets	**356**	348
Current assets	**2,260**	1,775
Creditors: amounts due within one year	**(4,408)**	(3,747)
Creditors: amounts due after one year	**(700)**	(700)
Share of net liabilities	**(2,492)**	(2,324)

A provision of £1,922k (2022: £1,893k) has been recognised in relation to the Group's liability in respect of joint ventures.

Consolidated and University	2023	2022
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	**1,816**	1,724
NI Composites O&M LLP	**138**	108
	1,954	1,832
Amounts owed by the University:		
INTO Queen's LLP	**9**	26
NI Composites O&M LLP	**–**	–
	9	26
The balances all relate to ongoing trading activity.		

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

18. Investment in associates

Details of the Group's interests in associated undertakings are set out below. Each company is incorporated in Northern Ireland.

Consolidated	**% of equity held**	**Aggregate of capital and reserves**	**Profit / (loss) for the period**	**Financial Period ended**	**Principle Activity**
		£'000	**£'000**		
Acksen Limited	24%	53	a	31 Dec 22	Supply of instruments for monitoring electromagnetic radiation
Marenco Limited	28%	59	a	31 Dec 22	Marine and environmental consultancy services
Biocolor Limited	20%	2,325	a	31 Jul 22	Supply and development of assay kits for tissue laboratories
Green Lizard Technologies Limited	22%	531	a	31 Aug 22	Technological solutions
Continga Limited	33%	2	a	28 Feb 22	Human health activities
Analytics Engines Limited	21%	(11)	a	31 Mar 22	Bespoke data analysis solutions
Porous Liquids Technologies Limited	23%	79	a	31 Dec 22	Production and development of porous liquids
Sonrai Analytics Limited	21%	7	a	28 Feb 22	Cloud-enabled bespoke knowledge platform to conduct modern-day analytics
VascVersa Limited	22%	585	a	31 Dec 22	Human vascular stem cell generation
Fjordstrong Limited	29%	114	a	31 Jul 22	Biodiversity survey solutions
Phasora Limited	24%	93	a	30 Sep 22	Develop novel software to aid management of complex electricity distribution networks
GenoMe Diagnostics Limited	25%	255	a	31 Jan 22	Development of molecular diagnostic tests
Aramune Technologies Limited	34%	652	a	31 Dec 22	Development of natural immunomodulating agents
AntennaWare Limited	21%	(140)	a	31 Mar 22	High-performance wearable antenna technology
Amply Discovery Limited	28%	612	a	28 Feb 23	Development of new biological molecules for anti-infective health and nutrition applications
Rapid-Myco Technologies Limited	33%	(18)	a	31 May 22	Development of novel, rapid bacteria testing
ReproGo Limited	37%	139	a	31 Mar 22	Vascular experts in stem cell technology
Medinect Bioservices Limited	50%	b	b	–	Research services in ophthalmic therapeutic development
AilseVax Limited	21%	843	a	31 Dec 22	Pioneering development of immune-oncology vaccines

Note:
a. The associated company has filed financial statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.
b. This associated company is recently incorporated and accounts are not yet available.

The directors believe that the carrying value of the investments in associates is supported by their underlying net assets.

In addition to these associate interests the Group has shareholdings of less than 20% in 21 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £11,066k at 31 July 2023 (2022: £7,183k).

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
19. Debtors				
Amounts falling due within one year:				
Research grant debtors	**6,424**	**6,424**	5,513	5,513
Other debtors	**8,894**	**8,532**	8,951	8,665
Prepayments and accrued income	**42,133**	**42,125**	12,408	12,399
Amounts due from subsidiary companies:				
QUBIS Limited	**–**	**5,639**	–	253
Queen's Overseas Recruitment Limited	**–**	**440**	–	440
Queen's Composites Limited	**–**	**10**	–	10
NIACE Limited	**–**	**151**	–	151
	57,451	**63,321**	26,872	27,431
Included in prepayments and accrued income is an amount of £25,435 relating to income accrued in respect of ongoing research grants.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

20. Current investments

Current investments relate to deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. These short term deposits do not meet the definition of cash equivalents.

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
21. Creditors: amounts falling due within one year				
Research grants received in advance	**58,434**	**58,434**	37,507	37,507
Other unsecured loans	**1,275**	**1,275**	1,275	1,275
Trade creditors	**28,315**	**28,316**	29,075	29,077
Social security and other taxation payable	**6,320**	**6,320**	7,854	7,854
Accruals and deferred income	**46,849**	**46,803**	45,063	45,031
Deferred capital grant income	**17,548**	**17,476**	16,615	16,543
Due to subsidiary, QUBIS Limited	**–**	**358**	–	358
	158,741	**158,982**	137,389	137,645

Included within accruals and deferred income is deferred income of £27,885k (2022: £22,882k) relating to other income. This income has been deferred until the performance related conditions have been met.

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred capital grant income	**371,641**	**368,086**	362,403	358,775
Other unsecured loans	**22,510**	**22,510**	23,785	23,785
Other	**434**	**428**	457	428
	394,585	**391,024**	386,645	382,988
The other unsecured loans are repayable as follows:				
Due between one and two years	**1,275**	**1,275**	1,275	1,275
Due between two and five years	**3,825**	**3,825**	3,825	3,825
Due in five years or more	**17,410**	**17,410**	18,685	18,685
	22,510	**22,510**	23,785	23,785
Other unsecured loans repayable by 2040	**8,985**	**9,680**	10,260	10,260
Other unsecured loans repayable by 2042	**7,125**	**6,750**	7,125	7,125
Other unsecured loans repayable by 2043	**6,400**	**6,080**	6,400	6,400
	22,510	**22,510**	23,785	23,785

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum.
The deferred capital grant income includes £14.6m (2022: £15.6m) of recurrent government grant which has been deferred.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	**Defined benefit obligations RBP pension**	**Other pension provision**	**Total**
	£'000	**£'000**	**£'000**
23. Pension obligations			
At 1 August 2022	40,138	61	**40,199**
Movement (note 36)	7,705	–	**7,705**
At 31 July 2023	**47,843**	**61**	**47,904**

Details of the RBP deficit are included at note 36.

	Obligation re USS pension deficit recovery plan	**Provision for joint venture losses**	**Provision for restructuring**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
24. Other provisions				
Consolidated				
At 1 August 2022	156,188	1,894	202	**158,284**
Utilised in year	(9,122)	–	(55)	**(9,177)**
(Reductions)/additions	(16,085)	28	–	**(16,057)**
Unwinding of discount (note 10)	5,170	–	–	**5,170**
At 31 July 2023	**136,151**	**1,922**	**147**	**138,220**
University				
At 1 August 2022	156,188	–	202	**156,390**
Utilised in year	(9,122)	–	(55)	**(9,177)**
(Reductions)/additions	(16,085)	–	–	**(16,085)**
Unwinding of discount (note 10)	5,170	–	–	**5,170**
At 31 July 2023	**136,151**	**–**	**147**	**136,298**

The restructuring provision relates to a number of ongoing restructuring reviews.
The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 17.

USS deficit

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

Following the completion of the 2020 USS actuarial valuation in the prior year, a revised deficit recovery plan was agreed of which more detail is given in note 36. This plan remains in force and requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. In calculating this US deficit provision, management have included the details listed above and estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

	2023	2022
The major assumptions used to calculate the obligation are:		
Discount rate	**5.52%**	3.31%
Salary growth (over 15 year period)	**3.3–6.0%**	3.0–5.0%

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 23	**Approximate impact**
0.5% decrease in the discount rate	£5.07m increase
0.5% pa increase in salary inflation over duration	£5.13m increase
0.5% increase in salary inflation year 1 only	£0.65m increase
0.5% increase in staff changes over duration	£4.95m increase
0.5% increase in staff changes year 1 only	£0.63m increase
1% increase in deficit contributions	£21.63m increase

NOTES TO THE ACCOUNTS
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Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
25. Endowment reserves						
Balances at 1 August 2022						
Capital	45,036	2,669	15,784	–	**63,489**	63,957
Accumulated income	3,499	–	1,988	2	**5,489**	5,708
	48,535	2,669	17,772	2	**68,978**	69,665
New endowments (note 6)	88	–	46	–	**134**	140
Investment income (note 5)	705	32	240	–	**977**	2,012
Expenditure	(1,179)	(71)	(650)	–	**(1,900)**	(1,273)
Decrease in market value of investments	(1,829)	(81)	(631)	–	**(2,541)**	(1,566)
Total endowment comprehensive expenditure for the year	(2,215)	(120)	(995)	–	**(3,330)**	(687)
At 31 July 2023	46,320	2,549	16,777	2	**65,648**	68,978
Represented by:						
Capital	42,445	2,549	14,711	–	**59,705**	63,489
Accumulated income	3,875	–	2,066	2	**5,943**	5,489
	46,320	2,549	16,777	2	**65,648**	68,978

	2023	2022
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	**7,551**	8,040
Scholarships, studentships, medal and prize funds	**17,119**	17,880
Research, directorate, school or faculty use	**30,394**	32,045
Public lectures	**2,182**	2,257
Travel	**275**	288
Student amenities and associated objects	**2,061**	2,139
Student assistance	**1,532**	1,631
Other restricted funds	**1,983**	2,027
General funds	**2,549**	2,669
Total endowments	**65,646**	68,976
Undistributed investment fund income	**2**	2
	65,648	68,978
Analysis by asset type held in Investment Fund:		
Investment property	**210**	210
Non-current asset investments (note 16)	**58,138**	61,292
Current asset investments	**7,137**	6,769
Cash and cash equivalents	**163**	707
	65,648	68,978
There are no endowments with a material deficit balance.		

NOTES TO THE ACCOUNTS
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Consolidated and University	2023	2022
	£'000	£'000
26. Restricted reserves		
Balance at 1 August 2022	**1,734**	1,216
New restricted income:		
Donations (note 6)	**1,398**	1,091
Other	**967**	964
Other services rendered	**65**	4
	2,430	2,059
Expenditure	**(2,356)**	(1,541)
Total restricted comprehensive income for the year	**74**	518
Balance at 31 July 2023	**1,808**	1,734
Analysis of other restricted funds/donations by type of purpose:		
Research support	**622**	528
Capital	**281**	477
General	**905**	729
	1,808	1,734

Consolidated	At 1 August 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
27. Cash and cash equivalents			
Cash and cash equivalents	75,030	14,281	**89,311**
	75,030	14,281	**89,311**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated	2023
	£'000
28. Reconciliation of net debt	
Net cash 1 August 2022	**49,542**
Movement in cash and cash equivalents	**14,281**
Other non-cash changes	**1,275**
Net cash 31 July 2023	**65,098**
Change in net debt	**15,556**

Consolidated	2023	2022
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	**89,311**	75,030
Borrowings: amounts falling due within one year:		
Unsecured loans	**(1,275)**	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	**(22,938)**	(24,213)
Net cash	**65,098**	49,542

	2023		2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
29. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	**334,914**	**174,893**	337,940	166,131
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	**47,925**	**39,115**	51,893	46,965
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	**89,311**	**70,987**	75,030	63,432
Other investments	**185,000**	**185,000**	215,000	215,000
Other debtors	**57,451**	**63,321**	26,872	27,431
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	**24,219**	**24,213**	25,517	25,488
Trade creditors	**28,315**	**28,316**	29,075	29,077
Other creditors	**500,792**	**497,477**	469,442	466,068
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2023.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

29. Financial instruments (cont'd)

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Planning and Finance Committee approved treasury management policy. The treasury management policy is in line with best practice and is reviewed, updated, and approved as appropriate, on a regular basis.

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

Credit/counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2023, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of deposits held with banks and building societies is limited because the counterparties are banks with investment grade credit-ratings assigned by international credit-rating agencies. The University's exposure and the credit-ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit-ratings set within the treasury management policy.

The fixed asset investments, as outlined in note 16, consist of investment funds and listed investments. The risk is limited as the investment funds are externally managed by a professional fund manager, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to the large number of diverse customers across both students and commercial customers.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University planning process and are revised regularly during the financial year. Excess funds are invested to maximise the return whilst observing the treasury management policy limits.

Details of the University's long term loans are outlined in notes 21 and 22 and consist of concessionary loans which have a carrying value of £23,785k (2022: £25,060k) at the year end.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the Euro. On an annual basis, after satisfying Euro denominated liabilities, the University is left with a surplus of Euros, which are held in a Euro bank account. Surplus Euros are converted at spot rates as required, with the rate being monitored closely to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Most of the University cash deposits at 31 July 2023 are on relatively short term deposits (up to 12 months) as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk.

Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Decisions in respect of investments are made on the recommendation of the Investment Committee in line with the University's treasury policy. The Investment Committee monitors the performance of the University's investments and meets fund managers on a regular basis with the aim of optimising the future long term return, guided by the University's Responsible Investment Policy.

Concentration risk

Concentration risk refers to the risk of a material loss in value of non-current asset investments due to a large investment in a single party or sector. The Investment Committee monitors the Group's non current asset portfolio on a regular basis to ensure a satisfactory level of diversification.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
30. Capital and other commitments		
Commitments contracted at 31 July	**31,631**	42,095
Approved but not contracted at 31 July	**233,483**	101,380
	265,114	143,475

The capital commitments include capital projects, with anticipated spend in excess of £50m, relating to each of the three strands of Belfast Regional City Deal. In addition there are a number of projects relating to Health Sciences, digitalisation and IS infrastrucutre.

31. Contingent liabilities

The University has entered into a limited partnership agreement with Crescent Capital III LLP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £1m to the Crescent Capital III Fund. As at 31 July 2023 £860k (2022: £825k) had been provided to Crescent Capital III LLP.

32. Events after the reporting period

There were no material post balance sheet events up to and including the date of signature of these Financial Statements.

33. Subsidiary undertakings

The University, unless otherwise stated, holds the entire share capital of the following limited companies which have been fully consolidated into the financial statements. The companies are all incorporated in Northern Ireland.

QUBIS Limited

Technology transfer company which engages in the commercial exploitation of the academic and research activities of the University by establishing corporate ventures.

Queen's Overseas Recruitment Limited

Promotion and funding of educational courses and the recruitment of students.

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

Ownership of the NIACE centre building which is a technology hub to support research in advanced engineering and materials technologies. The University owns and manages 70% of the company which commenced trading in 2012–13.

34. Connected charitable Institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable Institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and is a separate and independent organisation from the University and, therefore, its Financial Statements are not consolidated within the University Group.

The movement in the year on the total funds of the Foundation, as reported in its Financial Statements, is as follows:

	2023	2022
	£'000	£'000
Opening fund	**3,826**	4,020
Income generated	**5,377**	3,532
Disbursements in year	**(4,622)**	(3,726)
Other expenditure	**–**	–
Closing fund	**4,581**	3,826

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
35. Student support funds		
Department for the Economy	**2,865**	2,528
University contribution	**360**	377
	3,225	2,905
Disbursed to students	**(3,637)**	(2,851)
(Over)/underspend in the year	**(412)**	54
Opening balance as at 1 August	**516**	462
Closing balance as at 31 July	**104**	516

36. Pension schemes

The University participates in two separate defined benefit occupational schemes, each of which is valued at least triennially by professionally qualified actuaries. The schemes are the Universities Superannuation Scheme (USS), for academic staff and the majority of academic related staff, in which the majority of UK universities participate, and the Retirements Benefits Plan of the Queen's University Belfast (RBP) for non-academic staff and the remaining academic related staff. The assets of the schemes are held in trustee-administered funds, and the rates of contribution payable are determined by the trustees on the advice of the actuaries.

(i) The Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee Benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to staff costs in the SOCI represents the contributions payable to the scheme.

The total cost charged to the SOCI is £29,337k (2022: £27,418k) as shown in note 7. This includes £4,134k (2022: £3,876k) of outstanding contributions at the balance sheet date. Deficit recovery contributions due within one year are £10,107k (2022: £9,346k).

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, with related expenses being recognised through the SOCI. Details of the provision to recognise this liability in respect of the USS recovery plan are outlined in note 24.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

36. Pension schemes (cont'd)

The key financial assumptions used in the 2020 valuation are described below:

More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples).

Discount rate (forward rates)

Fixed interest gilt yield curve plus:
Pre-retirement: 2.75% p.a.
Post-retirement: 1.00% p.a.

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Pension increases (subject to a floor of 0%)

CPI assumption plus 0.05%.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	2023	2022
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	**24.0**	23.9
Females currently aged 65 (years)	**25.6**	25.5
Males currently aged 45 (years)	**26.0**	25.9
Females currently aged 45 (years)	**27.4**	27.3

A revised deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan (note 24). The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	**5.52%**	3.31%
Salary growth (per annum over 15 year period)	**3.3–6.0%**	3.0–5.0%

The in year movement in the provision relating to the USS deficit recovery provision is (£25.2m). In the prior year the new deficit recovery plan relating to the 2020 actuarial valaution gave rise to a substantial increase in the deficit provision which increased from £60.9m to £156.2m. Further information on the provision including a sensitivity analysis in relation to the main assumptions is set out in note 24 and also note 8 in respect of significant one-off pension items.

An updated USS Valuation, as at 31 March 2023 is currently being finalised and early results indicate a significantly improved position with a potential funding surplus in the region of £7.4bn, compared to the funding deficit of £14.1bn at 31 March 2020. This 2023 USS Valuation is scheduled to be finalised during 2023–24 and it is expected that the improved position will radically amend, or eliminate, the recovery plan which will result in a significant adjustment in the 2023–24 Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

36. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2023, was carried out at 31 March 2020 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2023, using the projected unit credit method.

The major assumptions used by the actuary for the purposes of these accounts are:

	2023	2022
Future salary increase:		
Under 40	**3.05%**	2.95%
Over 40	**3.30%**	3.20%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	**2.70%**	2.65%
CPI subject to a maximum of 3.00% p.a	**2.20%**	2.25%
Pension increase rate in deferment	**2.80%**	2.70%
Discount rate	**5.05%**	3.55%
Inflation assumption:		
Retail prices index	**3.20%**	3.20%
Consumer prices index	**2.80%**	2.70%
GMP equalisation - % of DBO	**0.60%**	0.60%
Average pension increase in payment	**2.44%**	2.41%

		2023	2022
The average life expectancies at age 65 used to determine benefit obligations are:			
Member age 65	Male	**21.4**	21.9
	Female	**23.3**	23.7
Member age 40	Male	**23.0**	23.6
	Female	**25.1**	25.6

	2023	2022	2021
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	**41,613**	61,133	60,054
Bonds and gilts	**–**	22,641	37,792
Matching assets (LDI)	**89,289**	93,956	108,976
Overseas fixed interest	**23,548**	26,076	39,802
Cash and other	**9,764**	11,968	24,684
	164,214	215,774	271,308

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

36. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these Financial Statements:

	2023	2022
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	**164,214**	215,774
Scheme liabilities	**(212,057)**	(255,912)
Deficit in the scheme – net pension liability recorded within pension provision (note 23)	**(47,843)**	(40,138)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	**7,056**	9,779
Total operating charge (note 7)	**7,056**	9,779
Analysis of the amount charged to interest payable:		
Interest on liabilities	**9,075**	5,883
Expected return on assets	**(7,670)**	(4,622)
Net charge to interest and other finance costs (note 10)	**1,405**	1,261
Analysis of other comprehensive income:		
Loss on assets	**(59,304)**	(59,032)
Gain on liabilities	**51,873**	96,752
Total adjustment to other comprehensive income before deduction for tax	**(7,431)**	37,720

	2023	2022
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	**(40,138)**	(74,042)
Movement in the year:		
Current service cost	**(7,056)**	(9,779)
Contributions	**8,187**	7,224
Other finance costs	**(1,405)**	(1,261)
Actuarial gain	**(7,431)**	37,720
Deficit in scheme at 31 July	**(47,843)**	(40,138)

The valuation at 31 July 2023 showed an increase in the deficit from £40.1m to £47.8m.

	2023	2022
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	**255,912**	345,350
Current and past service cost	**7,056**	9,779
Interest cost	**9,075**	5,883
Actuarial adjustment	**(51,873)**	(96,752)
Benefits paid	**(8,113)**	(8,348)
Present value of liabilities at 31 July	**212,057**	255,912

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023	2022
	£'000	£'000
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	**215,774**	271,308
Expected return on plan assets	**7,670**	4,622
Actuarial (loss)	**(59,304)**	(59,032)
Employer contributions	**8,187**	7,224
Benefits paid from plan	**(8,113)**	(8,348)
Value of assets at 31 July	**164,214**	215,774

	2023	2022
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	**7,670**	4,622
Actuarial loss on scheme assets	**(59,304)**	(59,032)
	(51,634)	(54,410)

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	**(59,304)**	(59,032)	17,846	15,565	20,863
Percentage of scheme assets	**-36%**	-27%	7%	6%	9%
Experienced gains and losses on scheme liabilities	**(10,594)**	-3,635	4,159	9,072	(257)
Percentage of present values of plan liabilities	**-5%**	-2%	1%	3%	0%
Actuarial adjustment	**(7,431)**	37,720	15,386	(20,123)	(9,252)

University contributions

Under the current schedule of contributions the University contributes the following:

- 25.2% of pensionable earnings in respect of pensions + active members
- 16.2% of pensionable earnings in respect of other active members; and
- deficit contributions of 4.8% per annum of pensionable earnings between 1 August 2021 and 31 March 2030.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

37. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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 charges 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. Details of the carrying value of the property, plant and equipment are shown in note 13.

Pension obligation — RBP pension

The University obtains a valuation from an external, professionally qualified actuary, who advises the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI% movements, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. While the University reviews these assumptions in detail, and adopts the assumptions in these financial statements, the actuary, as a pension expert, will provide advice and guidance, and apply their skill and judgement in setting these parameters. A sensitivity analysis in respect of the RBP pension deficit is as follows:

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(16,111)k/£18,038k
Inflation (+ / - 0.5%)	£14,547k/£(13,105)k
Mortality (+ / - 1 Year)	£5,981k/£(6,182)k

USS deficit recovery plan liability

The University is satisfied that the USS scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approval of these financial statements.

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, the University has used the discount rate commissioned by the British Universities Finance Directors' Group (BUFDG) and University estimates for increases in staff numbers and salary growth percentage over the period of the contracted obligation. The impact of possible changes in these assumptions on the recovery plan liabillity are set out in note 24.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

38. Disclosure of related party transactions

The University's Senate members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Senate, which is drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Senate, related committees or key management personnel may have an interest. All transactions involving organisations in which a member of Senate, related committees or key management personnel may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

Included in the Consolidated and University Statements of Comprehensive Income and the Balance Sheets are the following transactions, with a value greater than £5k, with organisations in which a member of Senate, related committees or key management personnel have an interest:

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Anderson Spratt Holdings Limited	–	(2)	–	307
Belfast City Council	5	(28)	(9)	188
Belfast Metropolitan College	–	–	(7)	50
Centre for Competitiveness	–	(22)	–	105
Chartered Association of Business Schools	25	(4)	(335)	17
Chinese Welfare Society	–	–	–	9
Down GAA	4	–	(12)	–
Dubai Academic Health Corporation	770	–	(799)	–
Health Innovation Research Alliance NI	37	–	(186)	–
INTO	1,816	(9)	(1,389)	802
Loud Mouth Media	–	–	–	7
Medical Research Council	–	–	(866)	–
Northern Ireland Chamber of Commerce and Industry	–	–	–	18
Northern Ireland Electricity Limited	–	–	(1)	7
Northern Ireland Water	3	(2)	(11)	809
Royal Irish Academy	–	–	(44)	–
Russell Group	–	–	–	87
Stranmillis College Belfast	1	(2)	(11)	12
UKRI	–	(2)	(2)	23
University of Edinburgh	114	–	(368)	8
University of St Andrews	–	–	(104)	–
Ulster Rugby	2	–	(37)	–
Ulster University	18	–	(636)	331

As at 31 July 2023, the University also had £8m in short-term deposits in Barclays Bank Plc.

The University received disbursements of £4,622k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in note 34.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

39. Jointly controlled operations

In 2014 the University established an educational presence in China, in the form of a Joint College, formed between Queen's and the China Medical University (CMU), one of the foremost medical universities in China. The Joint College is known as 'China Queen's College (CQC)' and is founded on the basis of the PRC Ministry of Education (MoE) 'Cooperation in Running Schools (CIRS)' Regulations first promulgated in 2004.

CQC delivers Queen's degree programmes from purpose-designed buildings provided by CMU on its new campus in the City of Shenyang in Northern China. A number of BSc degrees are offered. All the degree programmes in CQC are taught in compliance with UK Quality Assurance Agency requirements.

A Joint Management Committee (JMC) has oversight of the activities and resources of CQC with key specific terms of reference and reporting lines to ensure good academic and financial governance.

40. US Department of Education Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

			Consolidated	
Lines	**Expendable Net Assets**		**£'000**	**£'000**
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		627,666
Balance Sheet	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		68,174
Note 13 and Note 15	Statement of Financial Position – Property, Plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	711,597	
FS Note line 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Property, plant and equipment – pre-implementation		667,381
FS Note 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		8,444
FS Note 13	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Construction in progress		35,623
Note 23	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities		184,055
Notes 21 and 22	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes	23,785	
Notes 21 and 22	Statement of Financial Position – Note Payable and Line of Credit for long term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes pre-implementation		23,785
Note 25 restricted permanent +unrestricted permanent endowments	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		48,869
	Total Expenses and Losses			
Statements of Comprehensive Income (SOCI)	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		466,796
SOCI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(21,914)
SOCI: Investment income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		(4,138)
	Modified Net Assets			
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		627,666
Balance sheet	Statement of Financial Position – Total Net assets with donor restrictions	Net assets with donor restrictions		68,174
	Modified Assets			
	Statement of Financial Position – Total Assets			1,409,855
	Net Income Ratio			
Balance Sheet	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		11,522
SOCI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		453,015

QUEEN'S UNIVERSITY BELFAST

SHAPING A BETTER WORLD SINCE 1845

The Queen's University of Belfast

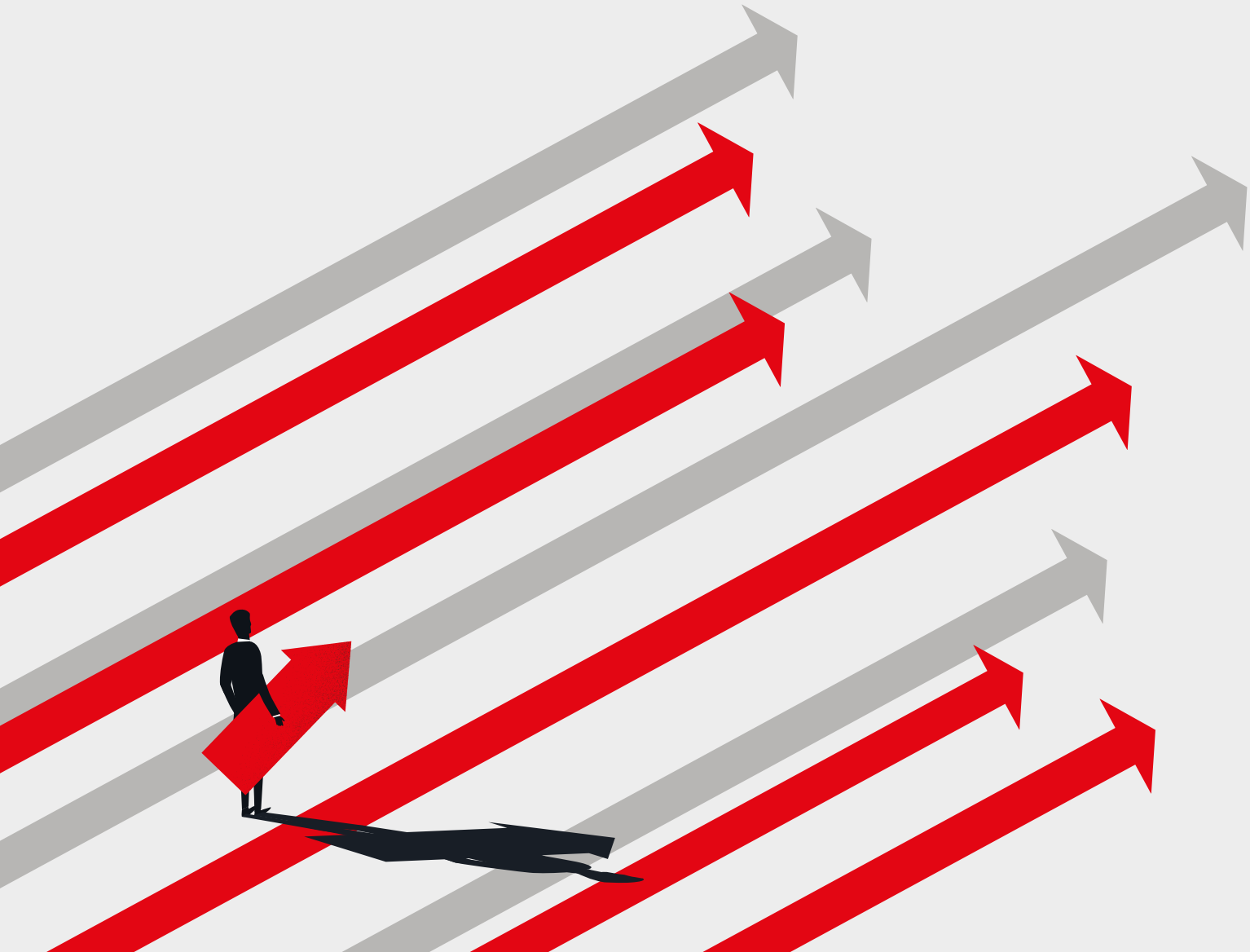
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Annual report

QUEEN'S UNIVERSITY BELFAST

ANNUAL REPORT 2022–23

REFLECT: RENEW: *REIMAGINE*





Queen's contributes £3 billion to the local economy

The Economic and Social Impact of Queen's University Belfast, London Economics 2022



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MESSAGE FROM THE VICE-CHANCELLOR

This was an historic year for Queen's University. We marked the 25th anniversary of the Good Friday/ Belfast Agreement with a conference of major international significance – Agreement 25 – which demonstrated to the world our commitment to social and civic responsibility.

The theme of the Conference was Reflect, Renew, Reimagine – reflecting on our past, renewing our commitment to peace and reconciliation, and reimagining a better future for all in this region.

The success of Agreement 25 has led to another important event coming to Queen's in 2024 – the annual international conference of the Global Federation of Competitiveness Councils, a unique network of leaders, innovators, agencies, corporations and research institutes whose aim is to accelerate productivity, growth and prosperity – a goal that resonates so well with our ambitions for Northern Ireland.

For the past 25 years, Northern Ireland has been on a journey. Queen's has been a guiding light on that journey, enabling change for the better through the work of our people in every part of our University. In this Annual Report you will read about the work that has taken place over the past year and the impact it has made locally, nationally and globally.

Key to our progress are the developments being made across each of our strategic pillars towards our Strategy 2030 goals. Our commitment to deliver a transformative student experience was demonstrated with the unveiling of the One Elmwood Student Centre and the new Student hub at the re-branded Queen's University Business School. In research and innovation, we continue to build on our strong Research Excellence Framework (REF) 2021 performance and have enhanced our global reputation and international outlook. Our contribution to the socio-economic development of Northern Ireland is significant with progress made during the year in our partnership with the Belfast Region City Deal which will drive societal progress for generations to come.

The year has not been without its challenges – in particular how to cope with the effects of the cost of living crisis. In response, we introduced a £7.2m comprehensive package of support measures for students and staff. As with all of the UK HE sector, Queen's was impacted by the national marking and assessment boycott as part of an industrial dispute. However, due to highly constructive dialogue with the University and College Union (UCU), the Students' Union and Queen's executive, I was pleased that we were the first UK university to reach a local settlement of the boycott, so minimising the impact on our students. I hope that this agreement heralds a new approach to industrial relations on campus, as we all want the best experience for our students and our staff.

However, at the heart of the industrial dispute lies the issue of funding for universities and colleges across the UK. In Northern Ireland, university funding from Government has fallen by over 40 per cent since 2011 and our current funding model is not sustainable and cannot, as it stands, meet the needs of our home students or our economy. As a university, we will continue to work with Government, business, community leaders and policymakers to find a solution and deliver a better future for all.

Professor Sir Ian Greer
President and Vice-Chancellor

MESSAGE FROM THE CHAIR OF SENATE

This has been a year with a clear focus on the targets of Strategy 2030, a year which saw a significant strategic re-alignment that will support our University on that journey.

A modern, dynamic and forward-looking university needs systems and processes in place that will help it achieve its ambitions. This year, as we progressed towards our Strategy 2030 goals, Senate endorsed a new management structure that will be more agile, quicker to adapt and better equipped to achieve our ambitions for growth.

This included the creation of an integrated University Management Board and the recruitment of a Provost and Deputy Vice-Chancellor, four Chief Officers/ Vice-Presidents and a University Secretary. These changes are coupled with a review of Governance and the work of Senate, to include consideration of our current processes, how decisions are taken and how to prioritise business needs. Work will also continue on the development and implementation of delivery plans for Strategy 2030.

The past year has been one in which the wider world experienced our commitment to civic leadership – most vividly through Agreement 25, the conference originated and hosted by Queen's to mark the signing of the Good Friday/Belfast Agreement in 1998.

A theme running through that conference was the question of what needs to be done to maintain a peaceful and prosperous future. But that future is not without its uncertainties, some of which are all too familiar. I am a member of the Executive Committee of the UK-wide Committee of University Chairs and we can see that the whole Higher Education sector is facing funding challenges. Here in Northern Ireland the issue continues to be exacerbated by political stagnation and the absence of a functioning Executive.

During the year, there were a number of special Senate meetings to discuss major issues affecting our University community. We were pleased to support University management in their successful approach to reaching a solution to the industrial action and to the growing cost of living crisis. Our University was quick to step in and Senate welcomed proposals to provide £7.2m in financial support to students and staff. Their welfare is paramount.

I would like to thank our President and Vice-Chancellor, Professor Ian Greer, for his leadership during this eventful year and congratulate him on the award of a Knighthood in the King's Birthday Honours - and let me congratulate all those members of staff and our graduates who also received awards and recognition during the year for the valuable work they do.

Dr Stephen Kingon
Chair of Senate



MESSAGE FROM THE STUDENTS' UNION PRESIDENT

I am delighted to have the opportunity to contribute to this Annual Report on behalf of the Queen's University Students' Union. It has been a privilege for me to have been President of the SU during a significant year in the progress and reputation of our University and its people. I was especially proud to be President during a year in which Queen's SU was ranked number one globally for Student Satisfaction out of 108 Students' Unions.

In the spring the world came to Queen's for Agreement 25, the conference to mark the signing of the Good Friday Agreement in 1998. It was my great honour to be one of the first speakers at that event, to have the opportunity to reflect on the role played by our students in the Peace Process and to emphasise how important it is for us as a society to keep moving forward.

Life at Queen's teaches us many things – not least how important collaboration can be and what we can achieve when we work together.

Throughout the past year, the Students' Union has supported and encouraged University management in its response to some of the most important issues of our time. There are the problems of climate change, how we need to build the pursuit of sustainability goals into day-to-day life on and off campus. We are working together on initiatives around student mental health. We are helping to create and develop a university experience that is accessible and inclusive. And we are facing up to the continuing challenge of the cost of living crisis, working to mitigate its effect on our students.

One successful initiative is The Pantry, the free food refill station on the ground floor of our new Student Centre – One Elmwood, a fantastic space which brings the Students' Union and the whole range of University support services together under one roof. Its opening was one of the most important events of the past year. It has rightly been described as the heartbeat of Queen's and it has symbolised the return of vibrant campus life after the bleak experience of Covid.

We have been helping the wider community in its continuing recovery too. Our clubs and societies have had a record year with over 15,000 members, the highest number to date. Many students are also involved in volunteering activities such as the Handy Helpers, who are lending support where it is most needed, and developing their business skills with SU Enterprise.

Our students are not apart from the community – they are a part of it. They are our society's future leadership and the Students' Union shares the University's ambitions for their development.

Emma Murphy
Students' Union President, 2022-23

MOMENTS OF THE YEAR



SEPTEMBER 2022

ONE ELMWOOD OPENED

One Elmwood, our new Student Centre and Students' Union, opened its doors in September 2022.

OCTOBER 2022

COST OF LIVING

A multi-million-support package of £7.2 million was announced as part of a wider initiative to support staff and students facing the current cost of living crisis.





NOVEMBER 2022

NIE NETWORKS SUSTAINABLE ENERGY LABORATORY

A new energy lab officially opened at Queen's University Belfast, inspiring the next generation of engineering students to help deliver a carbon net-zero future for Northern Ireland's electricity needs.

DECEMBER 2022

ECONOMY

A report by London School of Economics highlights the multi-billion-pound contribution that Queen's makes. The report reveals that activity relating to areas such as research exchange and knowledge has an estimated annual impact of over £3 billion, an increase of 45% in five years. The research also estimates that on average, a degree from Queen's is worth over £100k to the graduate, with a further benefit to the public purse of some £93,000.





APRIL 2023

AGREEMENT 25

Queen's hosted a three day event to mark 25 years of the Good Friday Agreement. A host of global leaders including Chancellor Hillary Clinton, Senator George Mitchell, President Bill Clinton, Prime Minister Rishi Sunak, Taoiseach Leo Varadkar and key remaining architects of the Good Friday Agreement attended conference events over the three days. Media coverage reached 78.2 billion, an estimated value of almost £14 million with coverage across 49 countries. A gala dinner held as part of the event raised over half a million pounds.

MAY 2023

INTERSIM CENTRE

In May 2023, we officially launched a new state-of-the-art simulation education and training facility - the 'KN Cheung SK Chin' InterSim Centre.





JUNE 2023

QUEEN'S BUSINESS SCHOOL

The U.S. Special Envoy to Northern Ireland for Economic Affairs, Joseph Kennedy III, opened a new state-of-the-art building, which will be home to the student and staff community at Queen's Business School, one of the top business schools in the UK and Ireland.

JUNE 2023

PROFESSOR SIR IAN GREER

In recognition for his services to education and economy in Northern Ireland, President and Vice-Chancellor Professor Sir Ian Greer was knighted in the King's first Birthday Honours in June 2023.



OVERVIEW OF THE UNIVERSITY

Queen's University Belfast is one of the leading universities in the UK and Ireland with a distinguished heritage and history.

The ninth oldest University in the UK, we are a member of the Russell Group, combining excellence in research and education with a student-centred ethos.

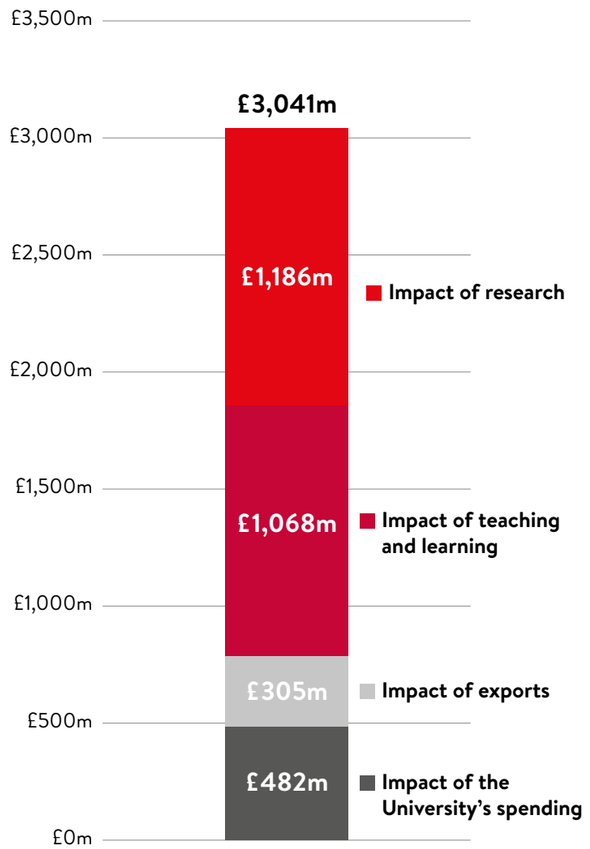
We are ranked joint 13th in the UK for research intensity (Complete University Guide 2024), with 88% of research submitted by Queen's assessed as world-leading or internationally excellent (REF 2021).

Our global reputation is building. Queen's is ranked in the top 14 per cent of global universities in the QS World Universities Rankings 2024 and 4th in the world for international outlook in the Times Higher Education World University Rankings 2024. In addition, 15 subject areas are ranked in the top 200 in the world (QS World Rankings by Subject 2023).

We have partnerships and collaborations across the globe including America, China, India, the Middle East and Asia.

Queen's is pivotal to Northern Ireland's social and economic development. We are playing a central role in the Belfast Region City Deal and are accelerating economic growth, ensuring a talent pipeline of fully equipped, future-ready graduates to meet demand. We also make a major economic contribution to the wider UK. A London Economics Report has estimated the total impact of our activities at £3bn per annum – with research and knowledge exchange accounting for £1,186m (39%); teaching and learning £1,068m (35%); and educational exports £305m (10%); in addition, the impact generated by our operating and capital expenditure stands at £482m (16%).

Total Economic Impact of Queen's



OUR STAKEHOLDERS



STRATEGY 2030

Strategy 2030 sets out our 10-year ambition to shape a better world through life-changing education and research. Our vision is to cement our place as a global research-intensive university, generating internationally-leading research coupled with outstanding teaching and learning, focused on the needs of our society, locally and globally. Our ambition for 2030:

01

A GLOBAL UNIVERSITY

From our hub in Belfast we will build partnerships and collaborations across the globe, attracting the brightest and the best, being known for our exceptional record in diversity, inclusion and sustainability.

02

SCALE NEW HEIGHTS

Climbing the Global league tables and ranked in the top 175 in the world.

03

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

That inspires and delivers the engaged global citizens of tomorrow with flexible and broad-based learning opportunities that are lifelong, coupled with outstanding support.

04

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

A University known for research of the highest quality, with impact and exceptional translation driving strong partnerships with industry and business.

05

A GREAT PLACE TO WORK

A leading employer for equality, diversity and inclusion with an organisational culture that supports and empowers staff to produce their best.

06

AN ANCHOR INSTITUTION

An anchor Institution in Northern Ireland that takes pride in social and civic responsibility, supporting progressive social change and economic growth in an environmentally sustainable way.

07

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

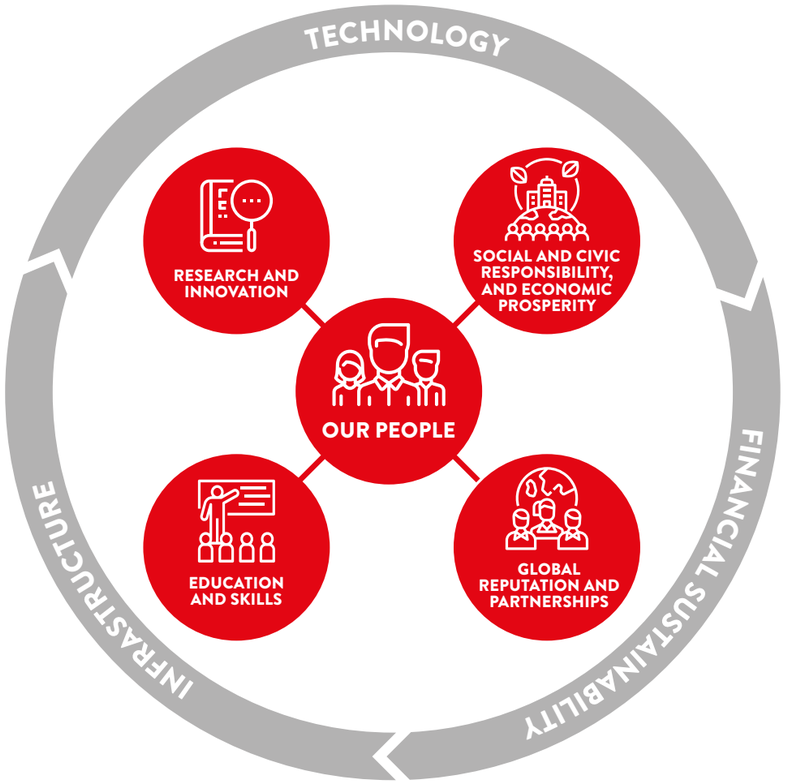
A University that is financially sustainable, with the capacity to invest to deliver the best opportunities for students, staff and society in a changing world.

REALISING OUR VISION

We will realise our vision by focusing on four strategic pillars:

- **Education and Skills**
- **Research and Innovation**
- **Global Reputation and Partnerships**
- **Social and Civic Responsibility, and Economic Prosperity**

These are underpinned by Operational Excellence through our people, technology, infrastructure and financial sustainability.



DELIVERING OUR VISION

During the year, we reached key milestones in our Strategy 2030 journey. These marked our progress on governance, leadership and aligning activity to deliver our ambitions for growth.

Governance

New governance arrangements were approved, including proposals for the establishment of the Queen's Strategy 2030 Office. This will co-ordinate and accelerate the realisation of Strategy 2030 ambitions by providing integrated planning to transform the experience of our staff, students and other stakeholders. The 2030 Office will operate under the oversight of the Strategy Implementation Board.

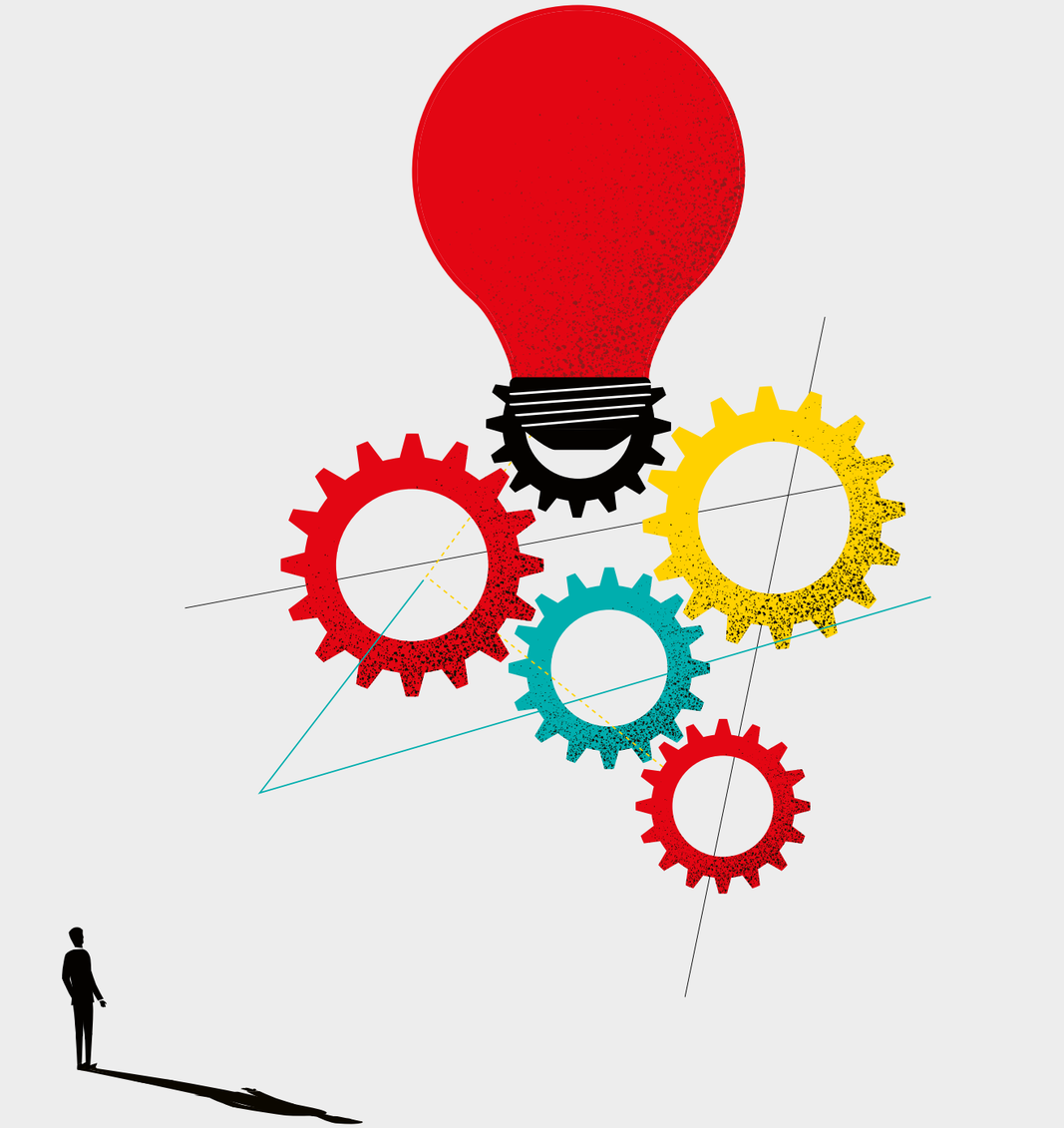
Leadership

A new leadership approach has been implemented to ensure closer alignment of strategic and operational delivery. This has included the creation of an integrated University Management Board (UMB), the recruitment of a Provost and Deputy Vice-Chancellor; four Chief Officers/Vice-Presidents; and a University Secretary.

Aligning Activities

This programme of work enables us to focus our people and resources on: building our internal capability to deliver projects emerging from Strategy 2030; reviewing ways of working across Professional Services; and understanding our income and costs through financial benchmarking

The following pages outline the progress that has been made during 2022-23 in relation to the Strategic Pillars.



STRATEGIC PILLAR
EDUCATION AND SKILLS

Progress has been made across the Education and Skills strand with a focus on projects and activities aligned to:

- **Transforming Assessment**
- **Programme Development**
- **Digital Transformation for Education**
- **Education Scholarship and Reputation**
- **Programme Management Framework**
- **Student Voice**

During the year, the excellence of Queen's teaching was recognised with the award of the prestigious Advance HE Collaborative Award (CATE) to the University's Science Shop. The national award recognises the Science Shop's impact on teaching and learning, in particular its role in embedding community-engaged research ideas in the curriculum and the co-ordination of the Erasmus+ project, CIRCLET, which supported academics to build engagement into their curriculum.

The recently launched Assessment Support Hub provides a one-stop digital site for students to access information and resources to support them with their assessment. Co-designed with staff and students, the site enables information to be tailored to student's individual needs and circumstances, bolstering their ability to complete assessments in a healthy way and enabling them to reach their full potential.

We have progressed the digital learning experience through the development of Minimum Standards to enhance the use of the Virtual Learning Environment (VLE). Following a successful pilot during 2022-23, the standards will now be rolled out university-wide to ensure that all Canvas courses meet a consistent digital baseline, providing an excellent learning experience for all students. Other developments include the launch of an Artificial Intelligence Hub with a range of resources and training opportunities designed to enhance teaching, enrich learning and prepare for the future.

Ranked
=9TH
in the UK for
career prospects
after 15 months

Guardian University Guide 2024



Collaborative Award for Teaching Excellence (CATE): L-R, Eileen Martin, Manager of The Science Shop at Queen's; Lynsey Davis, Science Shop Secretary; and Dr Emma McKenna, Science Shop Co-ordinator



Cost of Living Support: L-R, Beth Elder, SU Education Officer; Kieron Portbury, SU Equality and Diversity Officer; Queen's Vice-Chancellor Professor Sir Ian Greer; Emma Murphy, SU President; and Professor Michael Alcorn, Associate Pro-Vice-Chancellor

Enterprise education has been embedded into degree programmes. An Enterprise Forum Community of Practice has been created as well as an Enterprise Co-design programme to enable staff and students to work together to create a more innovative curriculum, with a view to developing entrepreneurial competencies.
Four Schools have a process in place for a 'Year in Enterprise' entrepreneurship placement with plans for expansion to other Faculties.

One Elmwood, our new Student Centre and Students' Union which opened in 2022, is critical to the development of our student services and student experience. Fully operational from the start of the academic year, it has been quickly embraced by our students and has played a key role in initiatives related to the cost of living stresses, including offering free breakfasts for students and a free refill station – The Pantry, delivered in collaboration with the Students' Union. These were part of a wider package of cost of living support put in place by the University which included one-off payments, a support fund for international students, waiving of graduation fees and accommodation bursaries for students from low-income backgrounds.

We are committed to supporting students to reach their full potential and to broaden access to higher education with a focus on educational attainment, fair and flexible access, and transition. Our Widening Participation activity this year included support for care-experienced young people, delivery of the Junior Academy, which offers a range of focused interactive activities to nominated pupils in Years 9 to 12, and piloting of interventions pre- and post GCSE. The Pathway Opportunities Programme (POP), which provides an entry route to Queen's for talented young people who have the ability to thrive at university but need additional support and encouragement to fulfil their potential, has continued to develop. The seventh cohort of 305 participants across all subject areas exceeded the 2022-23 intake target whilst the conversion rate in September 2022 surpassed the goal of 50 per cent, reaching 52 per cent with an intake of 133 students.

21 SUBJECTS
in the UK top 20

Times and Sunday Times Good University Guide 2024

STRATEGIC PILLAR
RESEARCH AND INNOVATION

Strong progress continues to be made on priority activities aligned to: People, Research Quality, and Partnership and Place.

We are committed to fostering an inclusive, collaborative, entrepreneurial and supportive research community. Our progress in this area has been highlighted in the UK Government R&D People and Culture Strategy as an exemplar of research culture.

During the year, we launched several initiatives as part of our Research Culture Action Plan, including a successful Research Culture Conversations campaign. Through our internal seed funding initiatives - Conference Fund, Engaged Research Fund and Agility Fund – we have invested £1m to support over 300 researchers. This funding has optimised the reach, visibility and impact of our research and enhanced research and innovation quality.

The Postdoctoral Development Centre (PDC), launched in 2021, is key to the University's obligations under the Concordat to Support the Career Development of Researchers. This year, the PDC supported postdoctoral researchers through bespoke internal training and development opportunities.

The Queen's Fellowship Academy continues to support and attract externally-funded Fellows as well as underpin the career development of those funded internally. Membership of the Academy has grown to 58, including 10 new Fellows in the past year. Activity has included Fellow-led Academic Citizenship events to support networking opportunities as well as a training programme on PhD supervision and mentorship.

Following a successful funding bid to the Wellcome Trust in 2023, a pilot Northern Ireland Research Culture Initiative (NIRCI) will be established to enable cooperation and collaboration across the research and innovation community. It will address shared priorities and promote an open, diverse, supportive and sustainable research culture.

The high quality of Queen's research is reflected in our ability to attract increased and sustainable external funding. During 2022-23, we saw a growth in external funding, including an increase in the value of UKRI awards to £43m, up from £24m in 2020.

Our research is founded upon integrity, excellence and ambition. During the year, we delivered a number of process, policy and system developments to support Trusted Research, allowing researchers to make informed decisions when working with international partners.

Through our Impact and Engagement work, we have supported new hubs to involve the public in health and sustainability research. The Patient / Personal and Public Involvement (PPI) Hub was launched in January 2023 while the Sustainable Development Goals Hub now forms part of the all-island Sustainable Development Solutions Network (SDSN), a collaboration with University College Cork (UCC) launched in February 2023 to encourage collaborative approaches to sustainable research solutions and education.

99%

of our research environment assessed as world-leading or internationally excellent

REF 2021

In the **TOP 10 UK** Academic Institutions for spin-outs

Beauhurst Spotlight on Spinouts report July 2023



100th Spin-out Company: L-R, Allen Martin, TechStart; Sian McLaughlin, Clarendon Fund Managers, Dr Paul Kerr, CEO of AilseVax; David Moore, QUBIS; and Professor Daniel Longley from the Patrick G Johnston Centre for Cancer Research

Queen's is at the centre of Northern Ireland's innovation ecosystem. There has been significant progress in terms of industry-led funding with awards during the year totalling £28m with a contribution of £6.7m, up from £4m in 2020. This progress has been underpinned by the successful award of Impact Acceleration Accounts over recent years including £4m of core funding plus additional awards totalling £1.25m. We have also strengthened engagement with major industry partners such as Seagate and Wrightbus through large-scale UK government initiatives, including Strength in Places and funding released by the New Deal for Northern Ireland.

Top 150 in the world for research quality

Times Higher Education World University Rankings 2024

Our entrepreneurial impact is significant. We are ranked in the top 10 UK academic institutions for spin-outs. During the year, we announced our 100th spin-out company, AilseVax, with seed funding of £1.5m from a group of investors that includes QUBIS, the commercialisation arm of Queen's. The new company will identify and develop novel therapeutic vaccines for cancer patients. We continue to deliver the highly successful Innovation Programmes that see cutting-edge research applied to the development of market-focused products and services for the social and economic benefit of wider society. A new Student and Graduate Innovation Centre – inQUBate, due to be launched later in 2023, will focus on embedding effective enterprise experience and support across our student and graduate base, accelerating graduate start-ups and economic growth.

STRATEGIC PILLAR GLOBAL REPUTATION AND PARTNERSHIPS



Northeastern University students participating in the N.U.in Program

During the year, work progressed on enhancing our global reputation and partnerships.

The roll-out of our Global Reputation Action Plan continued with notable successes across key areas, including international rankings. In the QS World Universities Rankings 2024, Queen's climbed 31 places into the top 14 per cent. This is our best performance in this particular ranking which recognises the excellence of our education, the reach of our research and the quality of our graduates as voted for by academics and employers across the globe. We are also ranked 4th in the world for international outlook in the Times Higher Education World University Rankings 2024.

During the year, we continued to enhance our international networks and partnerships with collaborations across research, education and impact. In 2023 we announced a new strategic partnership with Northeastern University in Boston which will see a cohort of 100 students studying at Queen's as part of the N.U.in Program – an innovative global experience that enables NU students to study abroad. This exciting education programme represents our largest cohort of visiting students from the USA to date with modules being delivered across all three Faculties.

Other collaborations this year included a Memorandum of Understanding (MoU) with Wuhan Institute of Technology and the Foshan Xianhu Lab to drive forward research and education in clean energy. We also pledged our support for education and research in Ukraine with an MoU with Shupyk National Healthcare University of Ukraine as part of a major twinning programme between UK and Ukrainian Universities, coordinated by Universities UK and the Cormack Consultancy Group, with support from the Medical Schools Council.

Our international student population of 4,200 makes a significant contribution to our University and city. We are immensely proud of the multicultural make-up of our staff and student body and are committed to ensuring that our campus reflects and celebrates all cultural traditions. As part of this commitment, during the year we launched a pilot residential scheme aimed at developing language students' skills as part of their academic studies. We also continue to expand the Academic English Service for international students. With 16 teachers now in place, all our schools offer school-specific or programme-specific tailored, embedded courses for PGT students, and all Level and direct entry Level 2 undergraduate students.

Ranked in the
TOP 14%
of universities

QS World Universities Rankings 2024

We also expanded global opportunities for our students. In April 2023, our Chancellor, Secretary Hillary Rodham Clinton, and former President Bill Clinton launched the Clinton Scholarship Fund to support US study opportunities for students who are economically or socially disadvantaged. More than £500,000 was raised for the fund which was launched as part of the Agreement 25 Conference. Other global opportunities include the British Council's Study USA programme which saw a record number of Queen's students selected to take part in the next academic year.

We continue to enhance our global alumni engagement and during the year welcomed a number of new Honorary Graduates into the Queen's family. As part of the Agreement 25 events, Honorary Degrees were conferred on individuals who contributed to the peace process, including Pat Hume (posthumously) and Lady Trimble. Chancellor's Awards for Civic Leadership were also presented to 25 women from across Northern Ireland and beyond for their significant contribution to society.

Ranked
4TH
in the world for international outlook

Times Higher Education World University Rankings 2024



Honorary Graduates: Pictured with Queen's Chancellor Secretary Hillary Rodham Clinton are L-R, General John de Chastelain, Lady Trimble, Pat Hume's granddaughter Roisin Abbott, Ambassador Mitchell B. Reiss, Congressman Richard E. Neal and Ambassador Melanne Verveer

STRATEGIC PILLAR SOCIAL AND CIVIC RESPONSIBILITY AND ECONOMIC PROSPERITY

We remain focused on addressing the needs and priorities of our region and our world.

Our leadership as a civic institution was reinforced when we hosted the Agreement 25 Conference. The three-day event brought together global leaders and the architects of the Belfast/Good Friday Agreement to reflect on its achievements and to discuss the challenges and solutions needed for a peaceful and prosperous future. The event was attended by over 5,200 delegates, including students, school pupils, and civic, business, charity and public sector representatives.

During the conference, it was announced that Queen's would host the Global Innovation Summit of the Global Federation of Competitiveness Councils in 2024. It will be a global showcase for what is happening in Northern Ireland and highlights our critical role in the economic development of the region. Queen's impact on the economy is significant. A London Economics Report in 2022 showed we contribute over £3bn to the UK economy, up from £1.9bn in 2017, and that every £1 invested in the University generates £8.20 in return.

Partnership and cooperation are key to Northern Ireland's growth. During the year, considerable progress was made on the three Queen's-led Belfast Region City Deal (BRCD) innovation projects - in advanced manufacturing, clinical research and secure, connected digital technologies. Our vision as a civic university and as a BRCD partner is to create impact where it truly matters and to drive societal progress for generations to come through the Innovation Centres - the Advanced Manufacturing Innovation Centre (AMIC), the Global Innovation Institute (GII) and the Institute of Research Excellence for Advanced Clinical Healthcare (iREACH Health). Contracts for Funding for the projects were signed in early 2023 and full Business Cases are now being prepared for government approval.

Contributes
£3 BILLION
to the UK Economy
London Economics Report



Launch of the Sustainable Development Solutions Network Ireland (SDSN Ireland):
Professor John O'Halloran, President of UCC; Professor Sir Ian Greer, Queen's Vice-Chancellor; and Stacey Clark, VP Operations, Sustainable Development Solutions Network



A bust of Senator George J Mitchell was unveiled during the Agreement 25 Conference

We also partnered with other anchor institutions on projects such as the Business Services Employment scheme – a joint project with Belfast City Council aimed at removing barriers to employment.

We collaborated with the Northern Ireland Chamber of Commerce and Industry on the International Champion partnership, with the Institute of Directors to host their distinguished fellows for a celebratory lunch and with Women in Business in a pilot programme for Queen's students to gain enhanced enterprise, employability and leadership skills.

As part of our Social Charter, we remain committed to working with partners to address societal inequalities, the challenges faced by communities, and to make this work sustainable. Examples include the Conversations project – a partnership with the Greater Shankill Children and Young People Zone to give young people the chance to consider their current and potential lives, and our work with the Market Development Association through Queen's Communities and Place (QCAP), a partnership between communities, policymakers and academics.

Ranked in the
TOP 6%
of institutions worldwide
for sustainability
Times Higher Education Impact Rankings 2023

We continue to address the global challenge of sustainability. In June 2023 Senate approved a new Net-Zero Plan – a whole-university approach to achieving net zero greenhouse gas (GHG) emissions by 2040. This target reflects our critical contribution to sustainability through leadership in research and education but also our role as a social and civic leader in Northern Ireland and on the island of Ireland. During the year we established the first all-island network dedicated to delivering the United Nations Sustainable Development Goals (SDGs). The Sustainable Development Solutions Network Ireland (SDSN Ireland), a partnership between Queen's and University College Cork (UCC), will work with local authorities, NGOs, civil society organisations and policymakers to bring the latest research and best practice into effect.

Further details of our sustainability activity can be found in the Sustainable Development Goals section.

OPERATIONAL EXCELLENCE

People

During the year, we launched our People and Culture Plan 2023-2026. Centred on three pillars – Culture, Employee Experience and Building Capability, the plan is underpinned by our core values and the enabler – HR Operational and Service Delivery.

Activity during 2022-23 included the launch of our Staff Charter, turning our values into behaviours and marking the start of a wider journey of cultural change. Work also continued on the implementation of a system to aid academic planning and on the development of new hybrid working guidance. We rolled-out a £7.2m cost of living support package for both staff and students and revised the pay scale in April 2023 to meet our commitment to become a Real Living Wage employer.

Diversity, Inclusion and Staff Wellbeing are fundamental. During the year, over 400 staff attended training courses on disability, deaf awareness and neurodiversity while a range of activities took place to promote physical and mental wellbeing. We continued to support our LGBTQ+ community, hosting our second Pride Picnic, and we launched a staff network to promote linguistic diversity. We also began a formal consultation on a new five-year Equality Scheme and Action Plan which will be launched in early 2024.

Queen's is one of only 29 UK Universities to hold a Silver Athena Swan Award, an international framework to support the advancement of gender equality within higher education and research, with all our Schools also holding awards. We continue to build on our sector-leading achievements towards gender equality and are well positioned as an aspiring Gold Athena Swan institution.

Other activity this year included the development of a pilot apprenticeship scheme to help build a talent pipeline. Work is underway to review our employment policies and processes, including an end-to-end review of recruitment, and to increase levels of employee self-serve and automation in our HR operations.

We remain committed to working in partnership with the Trade Unions to make the University a better place to work. In June 2023, we reached a local agreement with the University and College Union (UCU) to end the Marking and Assessment Boycott. The agreement included a cost of living supplement, the implementation of proposals around anti-casualisation and the development of a strategy by the University to address issues in relation to gender, race and disability pay gaps.



Mental Health Awareness Week

Infrastructure



Opening of new building for Queen's Business School by U.S. Special Envoy to Northern Ireland for Economic Affairs, Joseph Kennedy III

The landscape of Queen's saw exciting changes during the year.

A number of key projects were unveiled, including One Elmwood, the £42m Student Centre which now houses both the Students' Union and University Services in one purpose-built facility. A new building for the expanded and rebranded Queen's Business School was completed in May 2023. The 6,000 square-metre structure, located alongside Riddel Hall, will accommodate the School's accelerated growth and promote further connections with industry.

Other developments this year included plans for additional purpose-built managed student accommodation with the purchase of three sites at Dublin Road, Brunswick Street and Laganbank Road.

Work continues on a new £4.9m landmark home for the Seamus Heaney Centre at Queen's which will open in early 2024 and on the three Belfast Region City Deal Innovation Centres. Contractors have been appointed for AMIC's 10,500m2 Factory of the Future at Global Point in Newtownabbey while planning permission has been submitted for iREACH Health.

There is also progress on the ten-year Estate masterplan - an essential element of Strategy 2030. Due to be completed and approved by March 2024, it will include development for expansion on campus within Health Sciences, Arts and Humanities, and Engineering as well as within Queen's Sport and Accommodation.

OPERATIONAL EXCELLENCE

Technology

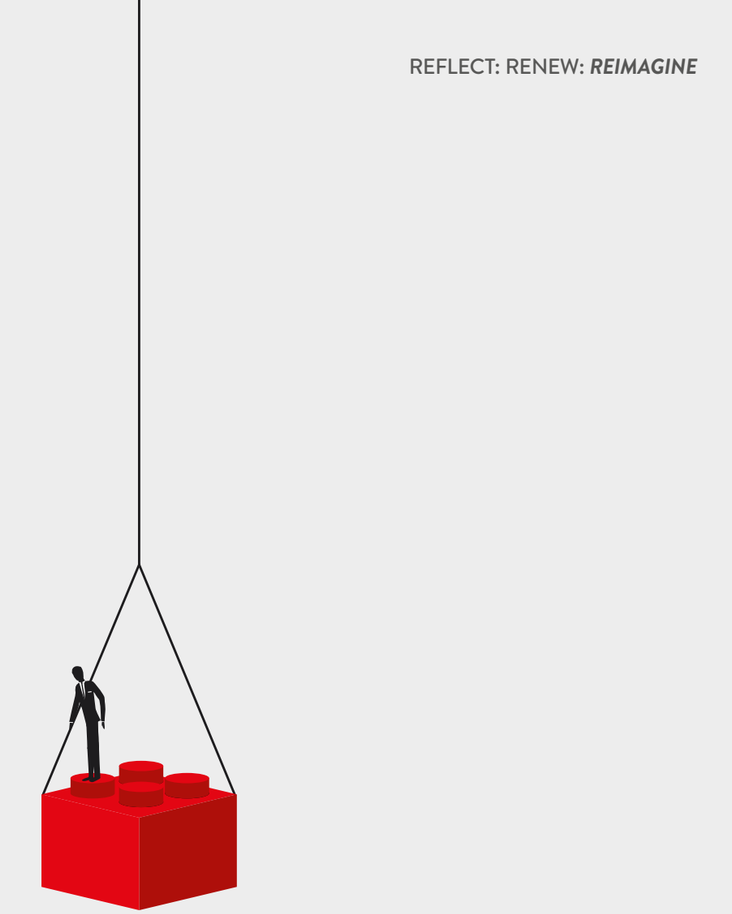
A three-year Digital and Information Services plan has been developed to support the implementation of Strategy 2030. Focused on initiatives across Library Services and IT, it will advance the progress made to date in creating the digital foundations for our strategic priorities.

This progress includes projects that have stabilised, optimised or transformed our services, such as a secure Microsoft Identity Management (IM) solution, cyber security monitoring and a ransomware-resilient backup solution. Developments have also been made to our student records system, a new strategic customer engagement platform, a University chatbot and a new mobile app platform as well as the fitting of state-of-the-art audio-visual equipment into our largest teaching spaces.

IT underpins every aspect of university activity. Maintaining and improving the foundations of our digital estate while further strengthening cyber security is a priority. The new three-year plan will be reviewed annually and updated to take account of the changing business and digital landscapes.

Financial Sustainability

Financial sustainability is a key tenet of our Strategy 2030. A detailed analysis of the University's financial performance for 2022-23 is set out in the Consolidated Income Review on pages 46 to 62.



SUSTAINABLE DEVELOPMENT GOALS

Sustainability is at the cornerstone of Strategy 2030. Building on an established track record of innovation, education, and impact in areas such as climate, health and technology, Strategy 2030 sets out how we will embed and make visible the UN Sustainable Development Goals (SDGs) across all our activities.

As a signatory to the UN Accord, Queen's is already delivering a wide range of programmes across and beyond the Institution which embed sustainability issues and address the climate crisis. Notable developments include the approval of our new Net Zero Plan which sets out an ambitious net zero 2040 target for the University and the key principles through which we deliver it. This section highlights some of the work taking place across the University in all seventeen SDGs.



Student volunteers help with the big clean up



Open Botanic event

Education and skills

Green Chemistry Module

The School of Chemistry and Chemical Engineering has developed a Green Chemistry Module which provides our students with context that enables them to design chemicals products in a way that minimises or avoids the use and creation of toxic products and waste. Incorporating green chemistry principles into all chemical synthesis results in the creation of solutions and materials for society in a clean and sustainable way. The module includes workshops that bring together support services and past graduates to enable and empower students to tackle real world problems in a holistic manner, whilst gaining skills and experience.





Nursing and Midwifery Podcast

The School of Nursing and Midwifery co-designed an audio podcast which provides explicit education about the UN's SDGs and how each of these 17 goals applies to nursing and midwifery students including practical suggestions for how students can help to achieve the SDGs. An evaluation of this podcast was carried out amongst year one nursing and midwifery students, resulting in 258 students taking part in the project. After listening to the podcast, awareness of SDGs improved from an average of 50% to 86%, whilst understanding of the role of nurses and midwives in achieving SDGs improved from 70% to 88%.



Carbon Literacy Training

In partnership with Keep Northern Ireland Beautiful and the Department of Agriculture, Environment and Rural Affairs (DAERA), Carbon Literacy Training has been rolled out across campus. The course provides staff and students with certified training on carbon literacy and climate action, with over 900 of our community becoming Carbon Literate. The interactive training provides staff and students with an understanding of climate change science. It also encourages people to map their own carbon footprint as well as the motivation to reduce personal and organisational carbon emissions.





Queen's Placemaking Academy

Working in partnership with the Department for Communities, academics within the School of Natural and Built Environment have established a Placemaking Academy. This collaborative teaching endeavour incorporates reflective practitioner-led workshops, peer learning and field trips – providing professional development for practitioners while equipping students with an evidence-based collaborative educational experience.





Research and innovation

Horizon 2020 EU 'UPSURGE' Project

Queen's University Belfast researchers have joined an international team of experts across five cities to develop nature-based solutions to tackle pollution, citizen health and climate resilience. Researchers from five cities – Belfast, Breda, Budapest, Katowice and Manibor – are sharing learning and good practice developed within research gardens. In Belfast, Queen's researchers are working alongside Belfast City Council, and local stakeholders from Friends of the Field.



Global Erosion of Biodiversity

Researchers from Queen's undertook a study of global biodiversity by examining population trends. The study showcased the magnitude of the extinction crisis is considerably more severe than shown by traditional measures. The research examined population densities of more than 70,000 animals. It found 48% of species on earth are currently undergoing population declines, with less than 3% increasing. This research reveals the current magnitude of this crisis will have devastating impacts on the stability of nature as a whole, and on human health and wellbeing.



Groundswell Research Project

Queen's University Belfast researchers led a 5-year research programme called the GroundsWell consortium funded by the UK Prevention Research Partnership on the importance of urban green and blue spaces for chronic disease prevention, reducing inequalities and climate action. This is a UK-wide programme with three pioneer cities in Belfast, Edinburgh and Liverpool. In Belfast, Queen's have been working with EastSide Partnership and The Paul Hogarth Company to undertake a series of community engagement activities to discuss how the local area can be climate resilient and support the future needs of the local community.



Post-Conflict Guidelines

Researchers from the School of Law launched new international guidelines, the 'Belfast Guidelines on Reparations in Post-Conflict Societies.' The guidelines, developed with the University of Essex in partnership with the human rights organisation REDRESS, have been designed to share good practice on implementing effective reparations in post-conflict situations.



Campus activities

Cost of Living

A multi-million-support package of £7.2 million was created for students and staff facing the current cost of living crisis. This included the creation of The Pantry – a free re-fill station where students bring their own reusable containers to avail of cereals, grains, pasta, noodles, pulses, herbs, spices and household items for free. Over 6,000 students have visited the Pantry during 2022/23.



Net Zero Conversation

As part of Strategy 2030, Queen's University committed to becoming a carbon neutral society. In 2022, work commenced to create a pathway and action plan to take us to net zero. To make sure this plan is ambitious and credible, the University launched an engagement campaign to ask Queen's community for their views, priorities, concerns and ideas for action. The Consultation highlighted that staff and students strongly felt that Queen's should play a leading role in tackling climate change by reducing its own carbon footprint. The views and ideas have been incorporated into the final Net Zero 2040 Plan.



Queen's University Business School

Queen's University's £17.5 million business school was completed in May 2023. A low-energy, ecologically sensitive design approach was adopted from the outset. The building is a pioneer in its use of geothermal renewable energy, whilst importing 100% of its electricity from renewable sources. Further sustainability features integrated into the building design include swift bricks, EV charging, green roof, and PV panels.



Enhancing the Sustainability of Queen's Labs

The Laboratory Efficiency Assessment Framework (LEAF) was successfully piloted within 12 labs across Queen's in early 2022, resulting in a roll-out to a total of 31 labs by June 2023. LEAF provides a framework for labs to decrease their emissions, improving the sustainability and efficiency of their labs. Criteria focuses on energy, water, waste and engagement.



Sourcing our Water Sustainably

Queen's campus contains four active borewells, providing a more sustainable way to satisfy our community's water needs. Compared to utility supply, our borewell water source is close to the site of consumption, meaning less water loss and reduced energy consumption as a result.



Living Wage

Queen's has a significant direct impact on our local economy, contributing £3bn to the UK economy, creating jobs and delivering innovation. The University has delivered on its commitment to the Real Living Wage and has incorporated it into the pay-scales. Currently, work is ongoing to ensure contractors who work with us are also being paid a living wage.



Removing Barriers to Employment

A new partnership between Queen's and Belfast City Council will provide 15 people living in Belfast, with few or no qualifications, with the opportunity to secure an administrative role in the University through participation in the Business Services Employment Academy. Once employed, academy mentors will engage with participants regularly during training to offer ongoing support, advice, and guidance to help them settle into their new roles.



Transforming Gender Quality in Higher Education

Queen's University currently holds a prestigious Athena Swan Silver Award. The University also holds 15 School Awards comprising 3 Gold, 6 Silver and 6 Bronze. The Advance HE Athena Swan Charter is used internationally as a framework to support the advancement of gender equality within higher education and research. Queen's University Belfast has been a member of the Athena Swan Charter since its formation in 2005.





Over 6000 students have visited the free re-fill station at the new Student Centre

Outreach and Engagement

Queen's Homework Clubs

Sixteen Homework Clubs were co-ordinated and supported throughout 2022-23, where 135 student volunteers supported 415 children and young people living in areas of educational underachievement to improve their study skills, build their confidence and raise their aspirations about further/higher education.





First all-island sustainability network

Queen's and University College Cork (UCC) have established Ireland's first all-island network dedicated to delivering on the United Nations (UN) Sustainable Development Goals (SDGs). Sustainable Development Solutions Network Ireland (SDSN Ireland) will work with local authorities, NGOs, civil society organisations and policymakers to bring the latest research and best practice to bear on producing solutions for the SDGs. It is the first time a university in Northern Ireland and in Ireland have formed a partnership to develop an all-island approach to sustainable development goals.



Volunteering for impact

The Students' Union has a network of approximately 500 volunteers involving organisations supporting students to develop their skills, boost their confidence, enhance their wellbeing and make a positive contribution in their community. Initiatives include QUB RAG fundraising for local charities and students involved in local clean up events.



Million Trees for Belfast

To ensure South Belfast is playing its part in the Million Trees for Belfast initiative Queen's Sustainability Team, Gardening Team, SU Volunteer, Public Engagement and a local residential group, Sans Souci Residents Association, came together in November to plant over 500 trees in Queen's Malone Playing Fields. The majority of saplings started life as acorns collected from Belvoir Forest and cared for by Sans Souci Residents and The Conservation Volunteers at Lennoxvale Tree Nursery. The nursery formed in 2019 on a vacant brown field site within Queen's Campus.





Shaping Tomorrow's Nature-Keepers

Queen's University, in collaboration with a Royal Society Partnership grant, have assisted school children on a journey to learn about the natural world and how to look after it. Queen's Gardening Team, and academics within the School of Biological Sciences, have been working with West Winds Primary School in Newtownards on biodiversity topics. This includes academics working with teachers to embed environmental topics within the curriculum. They then worked with Queen's Gardening Team to use this new knowledge to create a wildlife zone, containing a wildflower meadow and the small woodland.





StreetSpace project and Open Botanic Belfast

StreetSpace is a research and teaching project at the School of Natural and Built Environment at Queen's University Belfast. StreetSpace works in collaboration with academia, government and local communities to analyse streets and fulfil their potential to be people-centred, accessible and inclusive public places.

As part of this project, Belfast's Open Botanic Festival was launched, organised by Forward South Partnership. The festival closes Botanic Avenue for the day, inviting street performers, local bands, community grounds and well-being charities to take part in the festival.



Securing Northern Ireland's Manufacturing Future

The Advanced Manufacturing Innovation Centre, part of the Belfast Region City Deal, will operate at the interface between academia and industry, by creating new opportunities for innovative manufacturing in the Belfast City Region. The flagship facility, a state-of-the-art 'Factory of the Future', is the first of its kind in Northern Ireland, and will reinvigorate Northern Ireland's industrial potential and address the future technology and skills challenges faced by the region's manufacturing sector.







Students plant trees supporting the one million trees initiative



Primary school children learn about biodiversity projects at Queen's



PUBLIC BENEFIT STATEMENT

The University is registered with the Charity Commission and has a responsibility to act for public benefit across all its activities. Under our Social Charter we are committed to the core principles of:

- **Providing leadership locally and globally.**
- **Equality and social justice.**
- **Promoting a positive impact on society through research and education.**

These principles were evidenced in many ways during the year.

Education

A Queen's education will provide our students with a sense of purpose and the competencies to shape their own lives and to contribute to the lives of others, inspiring the global citizens of tomorrow. The University has a longstanding commitment to equality of opportunity, ensuring that those who have the ability to benefit from Higher Education have an opportunity to do so. The University has led several initiatives in the last year working towards this vision.

Pathways to new opportunities

As part of our Widening Participation initiative, the University has continued to expand its Pathway Opportunity Programme, supporting students from disadvantaged backgrounds with academic and direct financial support to study at Queen's. Now on its seventh intake, the programme has achieved its target of 300 participants across all subject areas, including Medicine, Dentistry, and Law.

Step Up Funding

The University secured £300k funding from the Department for the Economy as part of Step-Up Funding. These funds will allow an increased bursary for Care Experienced Students, expansion of Literacy and Numeracy support for Care Experienced primary pupils and funding for a new transition programme to support Primary 7 pupils into Year 8.

SUQCESS (Supporting Queen's Care Experienced Students)

The Development and Alumni Relations Office worked with private donors to secure funds which enabled the launch of the SUQCESS project. The project has been set up to celebrate and support our community of Care Experienced students. The fund aims to ensure that Care Experienced students can access the resources they need to succeed at Queen's. Grants have been awarded to support students' academic studies or careers, for example textbooks, equipment or costs associated with attending placements or interviews.

Civic and Social Responsibility

As a civic University, Queen's is involved in a wide range of programmes, in partnership with our local community. As well as research and education, activity includes volunteering by staff and students, access to cultural and sporting facilities, and events for the community to engage with. The examples below illustrate our commitment to civic mission.

Queen's Communities and Place

Queen's Communities and Place (QCAP) is an initiative based on partnership between communities, policymakers and academics to find lasting solutions that tackle disadvantage and improve outcomes for children, young people and communities. Through the provision of technical support and expertise to local communities, funding of over £11m has been leveraged. This has built capacity in communities and displayed civic responsibility as an anchor institution. The University has partnered with the Market Development Association and the Drug and Alcohol Network (DARN) to facilitate a community conversation around tackling substance use, which has developed into a full programme around substance use and mental health.

The University hosted the Steam Summer Scheme giving thirty-one young people from the Market community in Belfast a broad range of educational experiences and a taster for future studies and careers paths. Queen's University and the Greater Shankill Partnership is working with eight primary and three post-primary schools in the Greater Shankill area to create a collaborative model for peer support and teacher development opportunities. Through enhanced connections between schools and providing professional development opportunities common to the cohort, it is anticipated that the educational ecosystem in the area will be boosted.

Open Botanic

Building on the success of the Open Botanic Research project, an active travel and healthy street strategy for Botanic Avenue was developed with the inaugural Open Botanic Festival taking place in November 2022. The Festival was delivered in partnership with local residents and community groups, and included a health and wellbeing fair, kids' activities, music, greening workshops, games, and a pop-up cycle path. Students from the StreetSpace studio in the School of Architecture continued the community engagement throughout the academic year.

Civic Agreement with Belfast City Council

'Our Civic Commitment to the South Belfast University Area' was developed in conjunction with Belfast City Council to showcase the important civic work being done by both staff and students at Queen's University Belfast. This has been informed by a number of reports such as The Louise Browne Report, The Holyland Transition Study and the most recent Wider University Lower Ormeau Intervention Action Plan 2023. We have committed to working in partnership with Belfast City Council and local communities in order to co-create and deliver ambitious plans for cohesive, inclusive development and deliver them with the continued support of the community in South Belfast.

Balmoral Show

The University had a significant presence at the 2023 Balmoral Show which attracted over 100k visitors. Queen's won two awards including the Best Overall Stand. Experts and volunteers from across the University spent three days showcasing their research with a diverse range of interactive exhibitions, highlighting the quality of research and its impact addressing local and global challenges.

Sporting Awards

The University held its annual Deep RiverRock Blues Awards recognising excellence and achievement in sport across the University. Awards included a Widening Participation Inspirational Sporting Award and the Vanrath Community Impact Award, alongside Special Sporting Achievement awards which recognised individuals, teams and groups who have not only achieved but have also contributed to the overall development and success of their sport. This year also saw the inaugural Hall of Fame to honour and celebrate the most distinguished sports men and women among Queen's alumni.



Queen's won two awards at this year's Balmoral Show



Students receive awards for sports excellence at the University Blues Awards

Research

Queen's has a proud history of conducting innovative, impactful and world leading research that has positively changed people's lives. We have a reputation for research of the highest quality, addressing local and global challenges and making a global impact in partnership with innovators in business and industry.

Below are a few examples of impactful research carried out last year.

Researchers created personalised 4D printed "smart" implants for breast cancer management. This is the first time that 4D printing has been used for the manufacturing of breast cancer implants. These multipurpose new implants are programmed to change size to better fit within the breast cavity, resulting in personalisation to an individual's body, therefore, improving aesthetic and confidence outcomes for those who have or have had breast cancer.

A clinical trial led by Queen's has shown men diagnosed with prostate cancer can benefit from 'radical radiotherapy' that delivers treatment in five hospital visits instead of the typical 20. The 'SPORT trial' (A Study Evaluating Stereotactic Prostate Radiotherapy in High-Risk Localised Prostate Cancer) was the first of its kind in the UK and was a collaborative effort involving cancer researchers from Queen's University Belfast and the Belfast Health and Social Care Trust.

Queen's researchers developed a ground-breaking plastic film that can kill viruses that land on its surface with room light. The self-sterilising film is the first of its kind – it is low cost to produce, can be readily scaled and could be used for disposable aprons, tablecloths, and curtains in hospitals.

PHILANTHROPY AT QUEEN'S

Philanthropic support enables the enhancement of world-class research, student experience and facilities that would not be possible without the generosity of individuals, charitable organisations, trusts, funds and businesses who give to our projects.



An artist's impression of the landmark venue for the new Seamus Heaney centre

The Queen's Foundation is an independent charity which generates philanthropic support for the University and works with donors to create both vision and legacy using their gifts.

In 2022-23, the University received £4.6m from the Foundation to support agreed priorities including medical research, the Seamus Heaney Centre, scholarships and the student experience.

£1.0m was received for Medicine and Health projects. This included the first instalment of a £1.6m commitment to establish an independent Prostate Cancer Centre of Excellence at Queen's. This new Centre builds on the existing world-class prostate cancer research programme at Queen's by funding the establishment of a multidisciplinary research cluster involving clinical and laboratory science across the University, as well as industrial and academic partnerships. This Centre will transform prostate cancer research in Northern Ireland and help to improve the lives of patients through innovations in treatment. It will fund clinical fellows, lab scientists and PhD students, and position the University at the forefront of the fight against prostate cancer.

The Queen's Foundation is committed to supporting the Seamus Heaney Centre to realise its vision by raising funds via philanthropy to support a landmark new home for the Centre; a Visiting International 'Seamus Heaney' Chair in Creative Writing and an outreach programme with educational and community groups. This year, £0.9m was received towards the new Centre, including gifts of £0.3m from the Garfield Weston Foundation and £0.5m from the Wolfson Foundation.

Focusing on the student experience, the Queen's Annual Fund has given thousands of students a transformative student experience since it was established in 1999. Following the annual call for applications for funding, over £62k was awarded and disbursed to 55 clubs, societies and initiatives, helping students access everything from first aid training, sports kit, scholarships, competition entry fees and mental health and wellbeing initiatives. These include the provision of high performance video analysis for Queen's Rugby, the creation of an art alley and sensory garden - delivered by the Students' Union (SU) Community Engagement team and Handy Helpers in conjunction with the QFT; and the provision of mental health first aid training to students in the School of Pharmacy so they can support their peers and promote positive mental health. Other clubs and societies that benefited include GAA, tennis, netball, skydiving, Scouts network, Queen's Radio, RAG, the Students' Union, Queen's Pride, Queen's Boat Club, the Indonesian Society, Queen's Music Society and more.

Donors continue to provide generous support for scholarships, student enterprise and employability initiatives, with funds received from the Foundation totaling £0.5m in 2022-23.

This included £50k from AESSEAL to support female students and academics in the School of Mechanical and Aerospace Engineering. The gift will be used to support initiatives at the University that will offer support to, and increase access for, women into engineering courses, as well as support the progression and retention of female engineering academics.

The first instalment of a £0.1m gift, to launch a new partnership between the School of Nursing and Midwifery at Queen's and The Children's Cancer Unit Charity was received. This will help inform the development of childhood cancer nursing and enhance the student experience for Queen's nursing students through a student conference, a student prize and a new travel scholarship.

The first instalment of a generous new gift of £0.2m was also received, within the School of Mechanical and Aerospace Engineering to continue the Colum McNally Scholarships. These Widening Participation focused scholarships were established by a local family in 2017, following Queen's student Colum's death in 2016.

Widening Participation was another key focus for 2022-23, particularly in securing support for bursaries for students coming to Queen's through the Pathway Opportunity Programme.

The Pathway Opportunity Programme reached more school students from under-represented areas than ever before, providing them with support to encourage progression to university. In 2022-23, £0.3m funding was received from the Queen's Foundation for 324 bursaries to be awarded. This included generous support from Kilwaughter Minerals, individual donors and members of the Bright Future Collective. The Bright Future Collective was established in 2021 and brings together local companies that want to change lives and contribute to real change across Northern Ireland by helping to make a Queen's education accessible to everybody who can benefit from it.

CONSOLIDATED INCOME REVIEW

	2022–23 £m	2021–22 £m
Income	460.6	437.7
Expenditure	(466.7)	(422.4)
(Deficit)/surplus before other gains and losses and movement in USS provision	(6.1)	15.3

The outturn position for 2022–23 for the University was an operational deficit of £6.1m. This position was after investment of £7.2m to support our staff and students with the effects of the cost of living crisis.

We focus on the operational position to indicate financial sustainability, as it is less susceptible to movements in the actuarial valuations of pension schemes and market conditions prevailing at the financial year end, than the total income/(expense) reported in the Statement of Comprehensive Income (SOCI).

The SOCI position also includes a number of accounting adjustments as set out below.

The most recent finalised USS Valuation at 31 March 2020 identified a funding deficit of £14.1bn and this valuation, along with the associated recovery plan remains the basis for calculation of the University's USS liability at 31 July 2023.

This USS liability decreased from £156.2m at 31 July 2022 to £136.2m at 31 July 2023, mainly as a result of the movement in discount rates. This reduction is reflected in the balance sheet provision in respect of the University's commitment to the USS recovery plan.

The SOCI position reflects the net accounting adjustment of £20.0m, including the unwinding of interest and other costs of £5.2m. (Further detail on the USS valuation is provided in the section on Pension Schemes on page 56 and note 36).

During 2022–23, a total gain of £0.8m was realised on the disposal of fixed assets and investments. This relates mainly to the Group's disposal of part of its shareholding in Kainos plc.

The valuation of our fixed asset investments and investment properties as at 31 July 2023 resulted in an unrealised fair value loss of £4.1m. Of this total, £6.7m relates to the decrease in the market value of the Group's remaining shareholding in Kainos plc. This reduction is partially offset by net increases in the market value of the University's General and Investment funds and Investment Property of £0.8m and an increase of £1.8m in the value of other holdings by QUBIS Ltd.

The deficit funding position for the Retirement Benefits Plan (RBP), has increased from a deficit of £40.1m at 31 July 2022 to a deficit of £47.8m at 31 July 2023. The SOCI position reflects the resulting actuarial loss of £7.4m, primarily as a result of the movement in future pension obligations resulting from high levels of inflation.

The application of the accounting adjustments outlined above have resulted in a final overall SOCI surplus for the year of £8.3m.

Whist the balance sheet has been impacted by the increase in the RBP deficit and the unrealised loss in the value of investments, the net assets position remains strong at £695.8m.

Financial sustainability underpins our Strategy 2030. Effective governance and strong financial performance is critical to the future success of Queen's and, while we are very well positioned to continue to achieve our ambitions, we do not underestimate the scale of the current challenges facing the Higher Education (HE) sector and the economy as a whole.



-1%

OPERATIONAL DEFICIT

Surplus/(Deficit) as a percentage of income decreased from a surplus of 4% in 2022–23 to a deficit of 1%

(Note 1)



8%

GROWTH IN INCOME FROM NON-GOVERNMENT SOURCES

Income from non-government sources has increased year on year by 8%

(Note 2)



£103.1m

INCOME AND RESEARCH GRANTS AND CONTRACTS

Income from research grants and contracts, increased by £4.7m (5%) from the 2021–22 position (£98.4m)



13%

INCREASE IN INTERNATIONAL STUDENT INCOME

International student fee income (full and part-time) increased by £7.4m (13%) during 2022–23



56%

STAFF COSTS PERCENTAGE OF INCOME

Staff costs (excluding USS provision) represent 56% of income which is in line with the position for 2021–22

(Note 3)



5%

EXPENDITURE ON CORE ESTATE

Expenditure on core estate represents 5% of the Insurable Replacement Value. This compares to 4% in 2022–23

NOTES

1. (Deficit)/surplus is prior to the gain to disposal of fixed assets and investments; the movement in the USS provision, the fair value loss on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.
3. Staff Costs exclude the movement associated with the USS Pension Scheme.

TOTAL INCOME INCREASED BY 5% TO

£460.5m

Income

Total income for the year was £460.5m, representing an increase of £22.8m (5%). The main components of this income are shown in Chart 1.

The total recurrent grant position takes account of the 2022–23 budget settlement to HE within NI, which for Queen's included a number of additional funded places to Queen's to aid flexibility as a result of Covid-19. This funded uplift was introduced in the 2020–21 year for the three-year period ended 2022–23. In addition, Queen's was allocated additional non-recurrent funding allocations from the Department for the Economy (DfE) earmarked to support the University in the delivery of our Research and Innovation Strategy.

Income from tuition fees and education contracts increased by £8.7m (5.7%). Of this total, international tuition fee income continued to increase with in-year growth of 13% (£7.4m). International tuition fee income now represents 14% of the University's total income base.

As set out in Chart 2, research income increased by 4.7% to £103.1m, reflecting the increase level of awards, particularly from UK Research and Innovation (UKRI), over the past few years.

Research awards also increased significantly from £100.5m to £113.2m, with a number of high- value awards received in 2022–23. As set out in Chart 4, of this total £78.9m or 70% of research awards was from the UKRI, Innovate UK and EU Government.

Other income, including investment income, increased by 17% to £85.1m reflecting growth in accommodation, catering and conferencing activities as a consequence of the ongoing recovery from Covid-19. In addition, income from investments increased by £4.9m reflecting the movement in interest rates, particularly on current asset deposits.

Expenditure

Total expenditure for the year, excluding the adjustment in respect of the USS pension provision, was £466.7m, representing an increase of £44.3m (10%) from the prior year.

The main components of expenditure are shown in Chart 3.

Staff costs, excluding the impact of the USS pension provision, increased by £12.5m (5%). This includes the annual pay award, costs relating to incremental progression, academic promotions, and the Apprenticeship Levy. The in-year expenditure also includes the cost of living interventions for staff and the early implementation of the 2023–24 pay award from February 2023.

Queen's staff costs, excluding the costs associated with USS pension provision, represented 56% of income in 2022–23, and the average number of staff increased from 4,344 to 4,486.

Other operating expenses increased by 17% to £175.0m. This increase reflects the cost of living interventions for students, increases in travel, accommodation and conference fees following the relaxation of Covid-19 restrictions and investment associated with our Digital Transformation and Net Zero plans.

Depreciation costs have increased by £2.1m mainly driven by the increased buildings depreciation in line with the Capital Programme.

CHART 1: Income Analysis

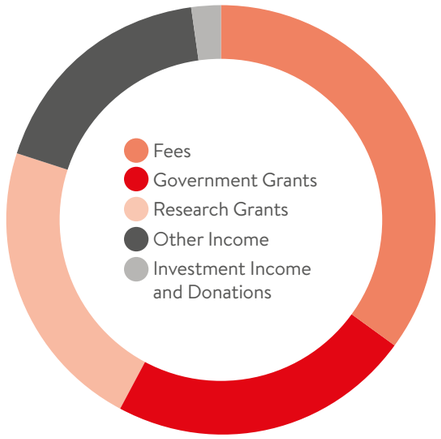


CHART 3: Expenditure Analysis



CHART 2: Income from Research Grants and Contracts

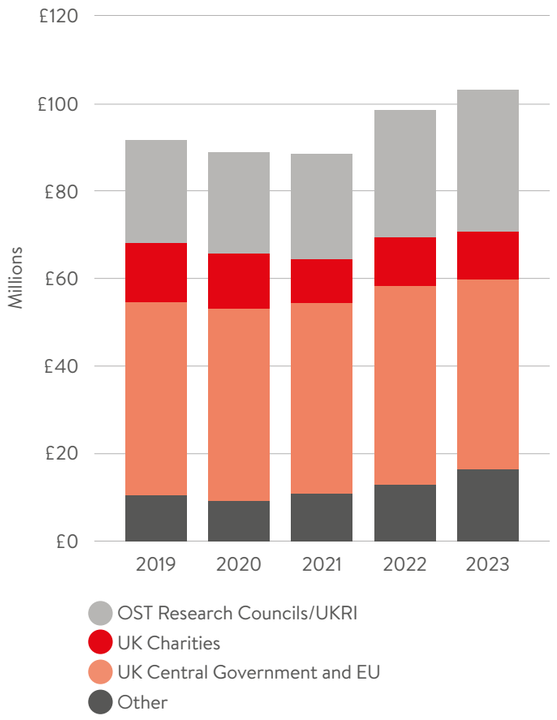
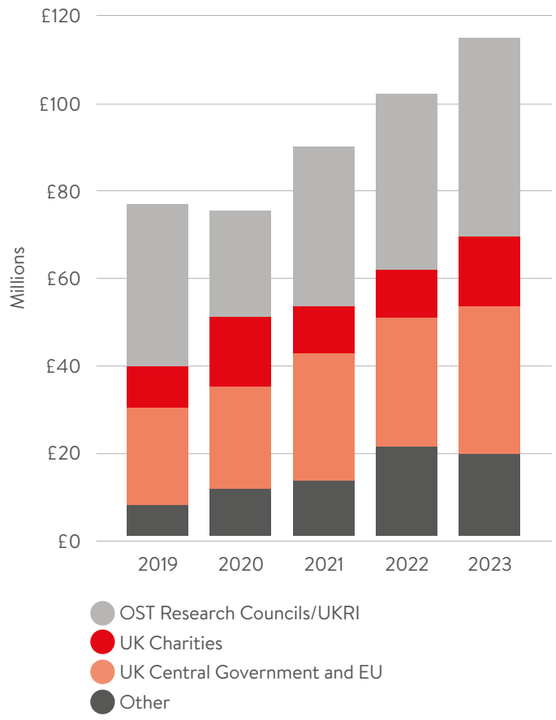


CHART 4: Value of Research Grants and Contracts Awarded



Gain on Disposal of Fixed Assets and Investments

In 2022–23, a total gain of £0.8m was realised. This total relates to the Group's disposal of an element of its shareholding in Kainos plc.

Fair Value Loss on Investments and Investment Property

The fair value movement in the Group's fixed asset investments, investment property and investments in associates at 31 July 2023, resulted in an unrealised loss of £4.1m within the SOCI.

Of this total, £6.7m relates to the decrease in the market value of the Group's remaining shareholding in Kainos plc.

This reduction is partially offset by net increases in the market value of the University's General and Investment funds and Investment Property of £0.8m and an increase of £1.8m in the value of other holdings by QUBIS Ltd.

Actuarial Adjustment in respect of Pension Schemes

The deficit funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from £40.1m at 31 July 2022, to a deficit of £47.8m at 31 July 2023. This increase in the deficit position reflects several factors, but is mainly driven by the movement on future pension obligations resulting from high levels of inflation.

Under FRS 102, the SOCI includes the resulting actuarial (loss) adjustment of £7.4m for the year.

Universities Superannuation Scheme (USS)

The most recent finalised USS Valuation at 31 March 2020 identified a funding deficit of £14.1bn and this valuation, along with the associated recovery plan remains the basis for calculation of the University's USS liability at 31 July 2023.

This USS liability decreased from £156.2m at 31 July 2022 to £136.2m at 31 July 2023, mainly as a result of the movement in discount rates. This reduction is reflected in the balance sheet provision in respect of the University's commitment to the USS recovery plan.

The SOCI position reflects the net accounting adjustment of £20.0m, including the movement in staff costs of £25.2m and unwinding of interest and other costs of £5.2m.

Balance Sheet

The University had total consolidated net assets of £695.8 as at 31 July 2023 which represents an increase of £8.2m from the prior year. Whilst the balance sheet has been impacted by the increase in the RBP deficit and the unrealised loss in the value of investments the net assets position remains strong.

The balance sheet reflects the significant investment in the capital programme over the last decade; the investment portfolio; the strong liquidity position of the University, and its effective working capital management processes, in particular, the robust control of debtors.

The total level of realised unrestricted reserves is £214m, much of which is ringfenced to support the Capital Development Programme including our commitment to the Belfast Region City Deal and Faculties and Professional Services in executing their priorities and plans in support of Strategy 2030 and for other specific purposes.

Capital and Long-Term Maintenance

Queen's is a vibrant campus University at the heart of Belfast city. Substantial investment in our facilities has developed our historic campus into an innovative learning environment for our students and staff that stimulates, enables and supports world-class education and research.

Capital expenditure has continued across the entire University in terms of new build and major refurbishment of the existing estate. The total projected cost of authorised building projects is currently in the region of £265.1m.

These projects will maintain the momentum of the capital development programme, investing in world-class infrastructure for students and staff.

During 2022–23, progress was made on a number of projects including One Elmwood and the expansion of the Queen's Business School at Riddel Hall. One Elmwood, which opened in August 2022 is a brand-new state-of-the-art building set right at the heart of campus. This vibrant new hub builds on existing services and support across the campus and brings together Student services with a range of facilities so students can access services, collaborate in shared spaces, get support and advice, and socialise in first-class venues.

The expansion of Riddell Hall will extend and enhance the campus and contribute to the on-going success of the expanded and rebranded Queen's Business School and William J Clinton Leadership Institute located on the site. It will ensure the School is ready to serve the changing educational needs of a rapidly growing postgraduate community, who will prove invaluable to the progress of the University and the NI economy.

Significant work was also undertaken during the year in respect of the preparation, planning and design for each of the three Queen's-led Innovation projects as part of the Belfast Region City Deal.

Other developments this year included plans for additional purpose built managed student accommodation with the acquisition of three sites at Dublin Road, Brunswick Street and Laganboyle Road.

Cash and Treasury Management

Cash balances, including current asset investments were £274.3m at the year end, which represents a reduction of £15.7m from the prior year.

This reduction reflects the operating deficit for the year and the high level of capital expenditure in the year which was not grant funded. During 2022-23, there has been an increase in cash and cash equivalents (less than 3 months) of £14.3m reflecting the planned reduction in longer term fixed deposits to facilitate the introduction of a revised short to medium term investment strategy which is being taken forward by our Investment Committee.

The University has a comprehensive Treasury Management Policy which is regularly amended by the Investment Committee to ensure an optimal balance of returns within a controlled risk environment.

REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

As a commitment to the development of a holistic Investment Strategy in support of the delivery of Strategy 2030, the University has appointed Lane Clark & Peacock LLP (LCP) as independent strategic investment advisors. LCP will support the University and the Investment Committee on all areas of investment strategy including implementation, monitoring of asset performance and risk assessment.

Investment Performance

The notes to the accounts set out full details of the two Investment Funds — the University Investment Fund and General Investment Fund, both of which are managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock).

The University Investment Fund is administered, under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982, and includes endowment funds donated and bequeathed to the University for specific purposes. The fund is actively managed by BlackRock and at 31 July 2023 was valued at £58.1m. Investment by endowment fund holders in the fund is by share purchase, and with 6,888,134 shares issued, the value of a share was £8.46. This represented a decrease of 5.9% on the valuation of the previous year. The income distributed by the Investment Fund to the endowments remained at 32p per share and, in total, amounted to £2.2m.

The General Investment Fund is for the longer-term investment of University funds. At 31 July 2023, the fund was valued at £133.9m. This valuation reflects an increase of £4.0m, or 3.0% on the previous year's valuation.

CHART 5: General Fund

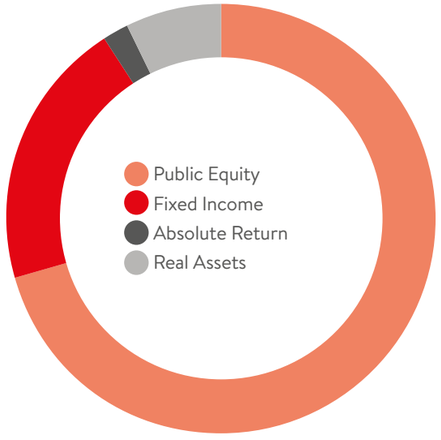
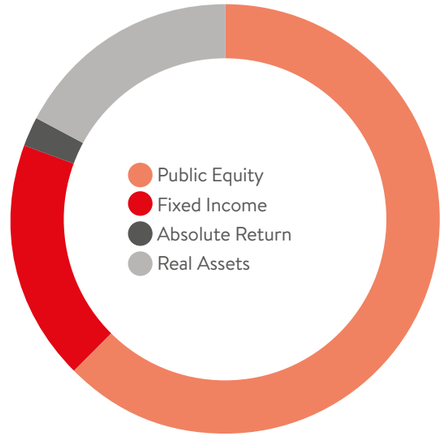


CHART 6: Endowment Fund



Market Commentary

The end of 2022 rounded off an extremely challenging year across markets, with equities posting their worst annual return since 2008, and global government bonds experiencing their first bear market in 70 years. Whilst government bonds typically prove a cushion to investors in uncertain environments, this was not the case in 2022; as higher and more persistent inflation led central banks to raise interest rates further than had been anticipated coming into the year. Therefore, the fastest monetary policy tightening cycle since 1982, and the resulting rise in yields across sovereign and credit markets, led to a historic year of double-digit losses across risk assets. In addition to the negative impact of higher interest rates, growth-oriented stocks (particularly in the technology sector) had become increasingly expensive in terms of their valuations coming into 2022.

As we moved into 2023, higher-than-expected inflation data meant markets continued to price in tighter monetary policy and higher interest rates. Further fractures in the economy were exposed in March, when several US regional banks failed as a result of higher interest rates. However, as wider contagion fears eased, most asset classes finished the first quarter in positive territory.

The second quarter of 2023 was then characterised by significant divergence in the performance of financial assets. Whilst news of persistent inflation, slowing growth and higher interest rates led to underperformance of safe-haven assets — such as government bonds — the excitement around Artificial Intelligence benefitted giant-cap Technology names which outperformed.

The University maintains a significant weighting to investment in equities in the view that, long-term growth ahead of normalised inflation is likely to be generated. During the year ended 31 July 2023, performance for the Endowment portfolio was -2.6% whilst for the General portfolio it was +3.0%.

Looking at 2023 alone (1 January 2023 to 31 July 2023) the Endowment portfolio increased by +3.3% and the General portfolio value increased by +6.7%, as the University participated in the equity market rebound mitigating some of the losses experienced in 2022. A summary of the University's asset allocation in the University Investment Fund (Endowment Fund) and General Funds is set out in Charts 5 and 6 above.

Responsible Investment

Decisions in respect of investments are made on the recommendation of the Investment Committee guided by the University's Responsible Investment Policy. We believe that environmental, social and corporate governance (ESG) factors can have a material impact on investment returns and, therefore, investment decisions guided by ESG factors are likely to produce better risk-adjusted returns in the long term.

Mindful of the need to balance responsible investment with maintaining the financial targets set for the University's investments, the Investment Committee meets with its investment advisors and managers on a regular basis to review the investments and their performance through both a financial and responsible investment lens.

Stewardship

The University's Responsible Investment Policy, has at its core a best-in-class approach to ESG matters. The University believes that when investing due regard must be given to ESG factors. Our current investment manager, BlackRock, has a clear understanding of this and adopts a tailored approach to ensure that our investment portfolio reflects our ESG values.

To support its consideration of ESG factors and stewardship practices, BlackRock has both a Sustainable Investing team, bringing together its investment and product teams to build innovative sustainable fund solutions, and a dedicated 70+ person strong Investment Stewardship Team which constantly monitors and engages with companies on our behalf to encourage long-term value creation, in which sustainability-related factors form an important part.

The Investment Committee has worked with the portfolio managers to evolve the asset allocation, aligned to BlackRock's market views, with a focus on reducing the exposure to fossil fuels and improving the sustainability of the portfolio. BlackRock include ESG metrics in the regular reporting and presentations that they provide to the University and specific data on the evolution of our fossil fuel exposure.

BlackRock has a commitment to transfer the University's investment into funds which exclude companies involved in the extraction and production of fossil fuels, by 2025, provided that the effect is not materially detrimental to expected investment returns. In 2022-23, the University worked with BlackRock to define the metric by which Fossil Fuel exposure is measured; specifically, the percentage of the portfolio allocated to companies and/or issuers who derive more than 5% of their revenue from the extraction and production of oil & gas, oil sands or thermal coal. Based on this metric, the University's exposure from its General Fund investments has reduced from 1.1% at 31 July 2022 to 0.8% at 31 July 2023, and from 2.2% to 1.1% in the Endowment Fund over the same time period. This includes, for example, investing in BlackRock's Developed World Fossil Fuel Screened Index Fund.

As an investment manager, BlackRock incorporates sustainability in the way that it manages risk, constructs portfolios, designs products and engages with companies. In January 2021, BlackRock outlined how an orderly transition to 'Net Zero' by 2050 would benefit the global economy and their clients in aggregate. BlackRock has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008, was an original member of the 32-member industry-led 'Task Force on Climate Related Financial Disclosure' (TCFD), joined the Climate Action 100+ in 2020, and is a signatory of the UK Stewardship Code. As a signatory of the Net Zero Asset Managers Initiative, BlackRock are one of 100+ asset managers committed to aligning the financial sector and supporting the goals of the Paris Agreement, and attended the UN Climate Change Conference (COP27) in November 2022 to help accelerate action towards the goals of the Agreement.

The Investment Committee understands that the sustainable investing landscape is constantly evolving and expects that the sustainability and carbon intensity of the University's investment portfolio will improve over time, whilst aiming not to unduly damage the returns generated.

The Investment Committee also recognises that, alongside a divestment policy, engagement via its investment manager with the companies in which it invests is an important tool in encouraging more sustainable behaviours. In the period from July 2022 to June 2023, BlackRock's investment stewardship team held a record 4,000 engagements with 2,600+ unique companies in 49 markets, covering more than 75% of the value of clients' equity assets managed by BlackRock. This resulted in over 171,500 management votes, at over 18,000 companies. A full summary of the voting year 2022–23, can be viewed here. BlackRock continues to publish regular detailed 'voting bulletins' to offer rationale behind important company votes, which are also available here.

In particular, during 2022–23 we have engaged with BlackRock to understand their approach to the social pillar within ESG and how this relates to our investment portfolio. BlackRock's stewardship of our assets is a very important part of this. Several of the stewardship team's core engagement priorities cover social-related priorities; such as board quality and effectiveness, compensation and company impacts on people (for example, human capital management). In 2022–23 BlackRock held 1,463 engagements with 1,185 companies, many of which will be held in the University portfolios, to understand how they are monitoring and managing the potential impacts of their operations on their workforce and broader value chain. In addition to Stewardship, BlackRock integrates ESG factors into the investment approach of their active equity funds; part of which is consideration of 'social' risks. This includes regularly reviewing exposure to ESG risks, using a breadth of sustainability-related data and analytics to develop investment-relevant insights, and providing transparency on how this informs portfolio management practices.

As the University continues to evolve its Responsible Investment Policy, the Investment Committee is confident that BlackRock is well positioned to offer solutions to meet the University's responsible investment needs. As a market-leader in developing innovative ESG-aligned investment solutions and with a broad global investment platform, BlackRock will be able to support the transition to a greener, more sustainable portfolio.

Future Outlook

These activities demonstrate the University's and our Investment Committee's commitment to Responsible Investment and its incorporation into the long-term management and investment arrangements for the University's Investment Funds.

As we look forward to 2023–24, we aim to update our responsible investment policy and continue to develop our long-term investment strategy in partnership with our Investment Advisors.

PENSION SCHEMES

The University is a participating employer in two separate defined benefit pension schemes, the Retirement Benefits Plan (RBP), which is available to staff in posts graded 1–5, and the Universities Superannuation Scheme (USS), which is available to staff at grade 6 and above.

Retirement Benefits Plan (RBP)

The RBP funding position is calculated annually for accounting purposes, in accordance with FRS 102.

As set out in note 23 of the Financial Statements, the RBP funding position under FRS 102 shows a deficit of £47.8m at 31 July 2023 (£40.1m at 31 July 2022). The increase in the deficit position reflects several factors but, is mainly driven by the movement on future pension obligations resulting from high levels of inflation. Whilst there have been significant reductions in liabilities and assets, due to changes in financial market conditions and investment returns, these broadly cancel each other out.

The latest Actuarial Valuation of the RBP as at 31 March 2023 is currently underway. However, the last valuation at 31 March 2020 had identified a funding shortfall of £4.7m and a funding level of 98.1%.

A Recovery Plan has been agreed to address this funding deficit by 31 March 2030.

Universities Superannuation Scheme (USS)

USS is the principal pension scheme provided in the Higher Education (HE) Sector and, with 223,229 active members, over 340 participating employers, and assets of some £73.1bn (31 March 2023), is one of the largest pension schemes in the UK. FRS 102 requires each Institution to recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed as part of the outworking of the most recent Actuarial Valuation.

The Actuarial Valuation as at 31 March 2020 (and the associated Recovery Plan and Schedule of Contributions) is the basis for calculating the USS liability in these Financial Statements. The movement in Queen's liability in respect of future commitments to the deficit recovery plan has decreased by £20.0m to £136.2m (£156.2m at 31 July 2022). Further details are set out in note 24 of the Financial Statements.

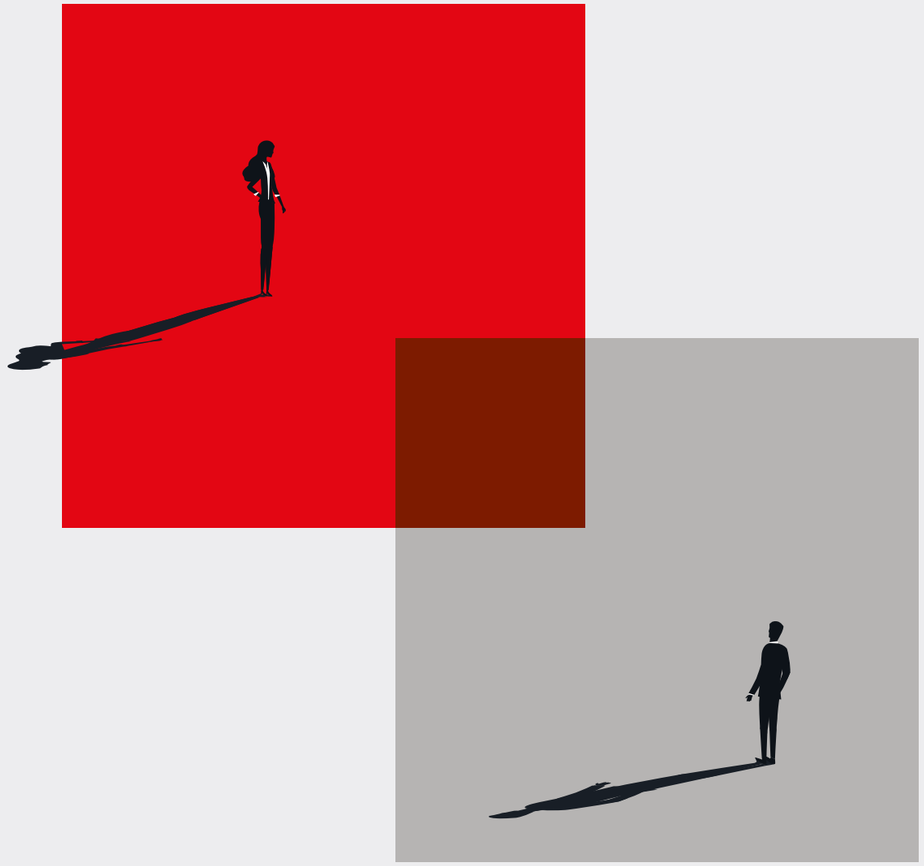
The 31 March 2023 Valuation is currently underway, but early results indicate a potential funding surplus of £7.4bn (£14.1bn deficit at 31 March 2020).

The USS Trustee commenced a consultation with Universities UK (UUK) on the proposed methodology and assumptions for the scheme's technical provisions and the Statement of Funding Principles in July 2023. The University submitted a response to the consultation and were generally supportive of the proposed assumptions.

As the Scheme's financial position has improved, it is expected that scheme benefits accrued from 1 April 2024 will be restored to pre 1 April 2022 levels. Furthermore, the required contribution rate is expected to reduce from a total rate of 31.4% to 20.6%. The Joint Negotiating Committee (JNC) will confirm the employer/member split, however, it is expected to be in line with the current 65:35 cost sharing agreement (14.5% for employers and 6.1% for members).

The University has indicated that we are supportive of seeking a sustainable and stable position for the USS scheme as a priority.

Long-term plans for the Scheme continue to be explored, including conditional indexation, changes to long-term investment strategy and lower cost options.



HIGHER EDUCATION FUNDING

During 2022–23, Queen's continued to receive funding support from DfE for an additional 192 student places which were introduced to provide flexibility during Covid-19. This funded uplift ended in the academic year 2022–23.

In addition, during the 2022–23 academic year, Queen's was allocated £9.1m on a non-recurrent basis as set out below.

- £5.6m of additional research funding as a result of a budgetary re-allocation exercise within DfE.

- £3.5m of funding followed an allocation of University Research Formula Funding to DfE from the Department for Science, Innovation and Technology ('DSIT') as part of the Horizon Europe pre-decision spending package.

The University has earmarked these funds to support the Research and Innovation pillar of Strategy 2030 including in priority areas of talent development, legislative compliance, global research engagement, and support for research bid development, engagement and partnerships. Investment has also been made in the delivery of the enterprise plan including design and delivery of commercialisation and innovation programmes and the establishment of an innovation centre to support student innovation and enterprise.

This strategic investment in research capacity and innovation activity will contribute to the delivery of the Department's 10X Economy Strategy helping to rebuild a stronger economy and realise the vision for innovation led, sustainable growth.

In addition, the University was allocated £0.2m from the UK Research and Innovation (UKRI) Talent and Research Stabilisation Fund. Queen's has utilised this funding to support investment in our future research leaders across the spectrum of disciplinary areas through the Illuminate Vice-Chancellor's Fellowship Scheme.

Across the Organisation for Economic Co-Operation and Development (OECD), the UK has one of the lowest percentages of public investment in teaching education. In September 2023, Universities UK (UUK) published a report on 'Sustainable University Funding: Why is it important and what is needed' (universitiesuk.ac.uk). UUK indicated that there was a consensus that the current funding systems create significant risks for the quality of the student journey and the UK's ability to deliver world-leading research and innovation.

The underlying funding position for HE in NI remains a matter of concern for the University.

Whilst fully recognising the current constraints in government funding, it is a fact that the HE sector in NI has already absorbed a 40% cut in funding since 2011 whilst other regions and jurisdictions have had significant investment.

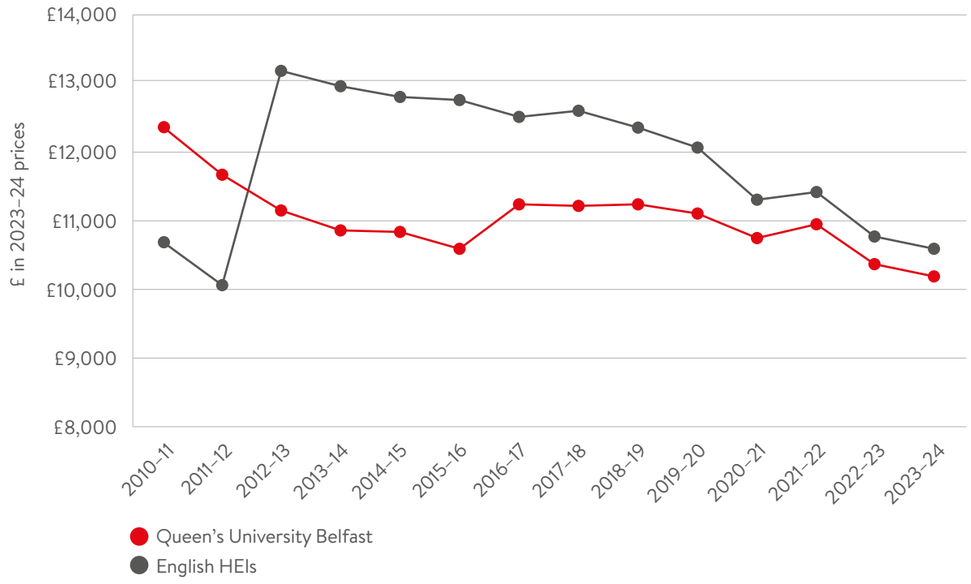
Based on independent research undertaken by London Economics, combining weighted average teaching grants and the maximum tuition fee charged, Queen's has experienced an 18% erosion of total funding in real terms since 2010–11. This compares to a 1% funding decline for a similar HEI in England.

This position is set out in the chart overleaf.

Each year, we lose some 34% of our young people (approximately 5,000) to universities in GB because the system in NI does not allow them a chance to study at a local university. Less than a third of those young people come back home to NI. This educational migration impacts negatively on our local economy, which needs more highly skilled people who are integral to a knowledge based economy.

Universities play a key role in the economic development of NI. At Queen's, we contribute over £3bn per year to the economy; through research, we drive innovation to ensure our companies are competitive globally; and through education, we deliver the skills that create our talented, young workforce.

Total resource per home domiciled FTE student per year, £ in 2023–24 prices: QUB vs English HEIs



Our highly educated workforce has been at the cornerstone of efforts to attract investors and employers to Northern Ireland. This should be a great success story, of which we all should be proud. Despite significant underinvestment and public funding cuts to the NI HE sector, we are global leaders across areas as diverse as Digital, ICT and Creative, Agri-Tech, Advanced Manufacturing, and Engineering and Life and Health Sciences. We continue to deliver, despite the significant disadvantages we face. However, this is an unsustainable position.

We are uniquely placed to contribute to NI's aspirations to build a high-value, inclusive economy which will benefit all our citizens. We are progressing with the BRCD programme and are committed to the other region city deals. A lack of skilled graduates threatens the impact and sustainability of such investment in our economy.

In the absence of a sustainable funding model for HE funding in NI, any reduction in funding will inevitably drive further inequality in HE provision and impact negatively on our citizens. Crucially, this current approach will further disadvantage our economic recovery. It is a demographic fact that there will be a surge of 18-year-olds by the end of this decade, and we need to offer approximately 5,000 extra university places across the NI HE sector just to maintain the current levels of provision which we know are not meeting the demands of our local and international businesses.

Officials from DfE have notified the University of their intention to introduce Outcome Agreements as a means of ensuring that universities contribute to delivering departmental priorities. Officials have advised that, initially, core funding will not be associated with delivery of Outcome Agreements but that, in time, this will likely become the case. Queen's welcomes the development of this initiative and are working closely with officials within DfE to ensure the development of appropriate Outcome Agreements.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with political decision makers to ensure that higher education is sustainably funded given the central role the sector has in supporting the social and economic recovery of Northern Ireland.

RISK AND UNCERTAINTY

The University acknowledges the risks inherent in its activities and adopts an open, proactive and receptive approach to identifying and managing them. A comprehensive Risk Management Framework defined in the University Risk Management Policy assists the identification of the key risks that pose a significant threat to the achievement of the University's strategic priorities as defined in Strategy 2030.

Risks are inherent in all activities and constantly evolve with changes in the external and internal environment. The risk management process within the University is structured to continually identify, evaluate, and monitor such risks proactively and respond quickly to issues as they arise. It is embedded across the organisation as part of normal management arrangements and includes the regular review of corporate and emerging risks by the University Management Board. The Risk Management Committee provides the strategic leadership and considers updates to the Corporate Risk Register with input from the University's Internal Auditors.

The Risk Management Committee, chaired by the Provost and Deputy Vice-Chancellor, reports to the Audit Committee which provides the necessary assurances on the adequacy and effectiveness of the Risk Management Framework to Senate.

The University's Risk Management Policy sets out a process to assess the impact and likelihood of identified risks occurring. In considering risks, the Risk Management Committee assesses its risk appetite for that activity and monitors the level of mitigating actions in place.

The University takes appropriate levels of risk to achieve a step change across its core areas of activity: education, skills and the student experience, research and innovation, and business engagement, but adopts a more cautious attitude in matters of legislative and regulatory compliance to reduce risk to the University's reputation, our people and other resources and assets.

In the current and constantly changing and complex operating environment, the cumulative risk being experienced by the HE Sector and the University, is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including Senate, is critical to ensure ongoing success.

During 2022-23, the Risk Management Committee undertook a fundamental review of the Corporate Risk Register in the context of the delivery of Strategy 2030. In addition to the global risk relating to sustainability the key risks facing Queen's are as set out overleaf.

THE UNIVERSITY'S CORPORATE RISK REGISTER IS **ALIGNED** TO **DELIVERY OF STRATEGY 2030**

Risk Area	Risk Management
Financial Sustainability Absence of a sustainable financial position to underpin the delivery of Strategy 2030.	The University faces significant financial challenges which have been further compounded by current inflationary pressures. The lack of a functioning Executive, as well as the ongoing political and Government funding uncertainties, continue to be of concern. The University continues to engage with our relevant stakeholders with the aim of developing a sustainable funding solution for Higher Education in Northern Ireland. Moving forward, Strategy 2030 will be underpinned by a sustainable financial strategy enabling Queen's to be responsive to the opportunities and challenges presented.
International Student Recruitment Failure to recruit high-quality international undergraduate and post graduate students.	Our Global Student Recruitment Strategy is underpinned by an Integrated Action Plan. Measures include: • Strengthening of specialised in-market teams, • Development of Study Abroad Partnerships, • Digital transformation to support the applicant journey, • Launch of a potential Growth Market Strategy, • Development of a focused demand-led innovative course portfolio, • Development of an institutional approach to English language support.
Cyber Security Failure to prevent, communicate and deal with the risks arising from cyber security attacks including 'hacking' and attacks aimed at theft of Intellectual Property (IP).	We adopt a holistic approach to be protected from Cyber Security attacks and have a cyber security plan in place which includes: • Robust policies and procedures, • Mandatory training for staff, • Ongoing monitoring and vulnerability testing, • Multifactor authentication, • Maintaining awareness of current and potential threat areas and their mitigation, • A default deny approach to network access, • Investment to improve security, access controls and infrastructure enhancement whilst providing appropriate remote access to support operational delivery.
Global Reputation, International Partnerships and Alliances Failure to develop high quality international partnerships/alliances to enhance the University's impact and reputation whilst ensuring they align with our core values and adhere to government policy.	Our International Partnerships Group, supported by the Global Risk Committee ensure a strategic and agile approach to new partner selection and ongoing management of alliances. We have dedicated engagement with Global Funding Bodies and Ministries through the Russell Group and UUK and have implemented a Global Research Engagement Plan. Our research activity continues to have global impact, and we continue to expand our reach through collaboration, building research partnerships locally, nationally and internationally.

CONCLUSION

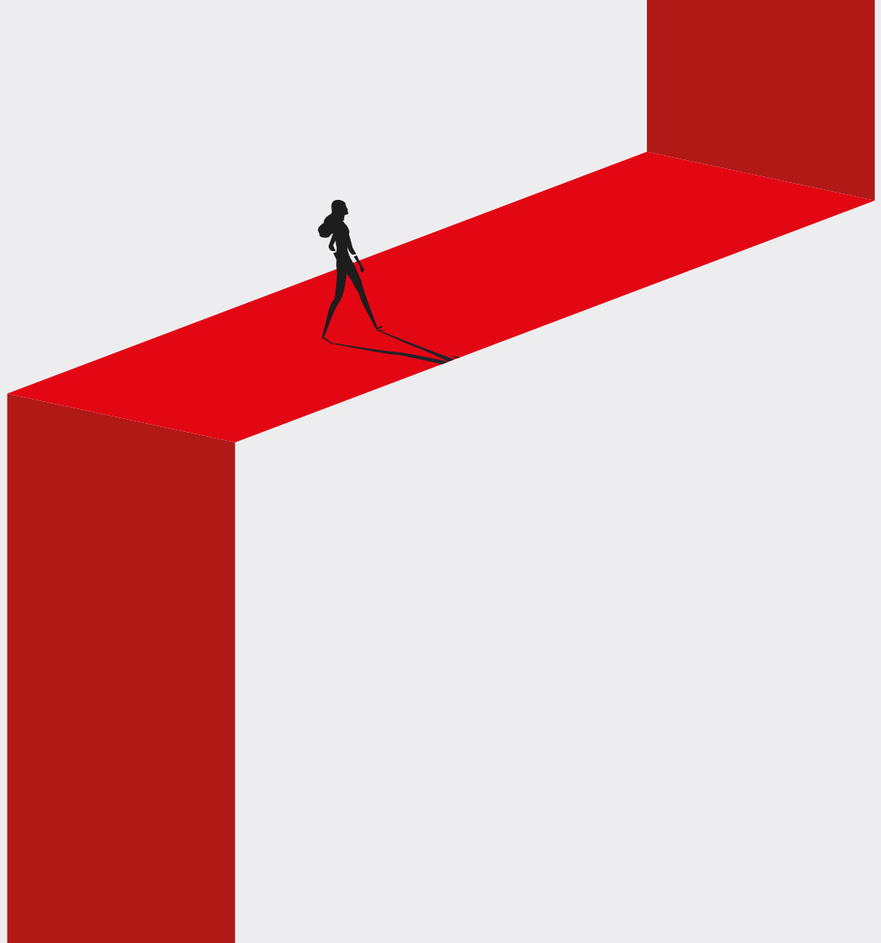
The University achieved a positive financial operating performance in 2022-23. Whilst an operational deficit position of 1% of income or £6.1m was returned, this position was after the approved investment of £7.2m in cost of living interventions to support our staff and students.

Our student recruitment was strong, in particular from international postgraduate students and furthermore, there was a significant improvement in the number and value of new research awards.

Furthermore, in 2022-23 we invested significantly in our strategic priorities and enablers to support delivery of Strategy 2030 and our balance sheet remains strong.

In the current and constantly changing complex operating environment, including political uncertainty, inflationary cost pressures and an unsustainable funding solution, the cumulative risk being experienced by the sector and the University is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within Queen's, including the Governing Body, is vital at this challenging time.

Financial sustainability will underpin the delivery of our Strategy 2030, Delivering for our Future. Effective governance and strong financial performance are critical to the success of Queen's and we are well positioned to meet the challenges facing the sector which includes social and economic recovery.



CORPORATE GOVERNANCE

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

Incorporation and Governance Framework

Senate members are required to conduct all business in accordance with the seven principles identified by the Committee on Standards in Public Life and in line with the guidance set out within the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK. All Senate members are required to sign up to a Code of Conduct.

The University is an autonomous body established by Royal Charter in 1908. Its activities are underpinned by its Charter, Statutes and Regulations, together with the strong framework of legislation and regulation within which it operates.

Senate is the University's governing body and carries the ultimate responsibility for the University's overall strategic direction and operational performance and also complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

The University is formally registered with the Charity Commission for Northern Ireland and all Senate members are thus required to register as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

Responsibilities of Senate

Senate meets formally at least four times each academic year, with additional informal sessions to inform its decision-making and effective governance. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property and the general conduct of its affairs. Senate works with the Executive Officers to set the institutional mission and strategic vision, as expressed in Strategy 2030, and the Executive Officers ensure that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

When executing its duties, Senate maintains a comprehensive system of risk management, control and corporate governance, including the prevention and detection of corruption, fraud, bribery and irregularities. Senate receives effective and regular information to monitor performance and track the use of public funds to enable it to identify any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and its main sponsoring Department, the Department for the Economy (DfE).

Membership of Senate

Senate members are appointed under the Statutes of the University — a copy of which can be found at (https://www.qub. ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/).

In 2022–23 Senate had 23 members, comprising the President and Vice-Chancellor; two Pro-Chancellors; the Honorary Treasurer; the Students' Union President; one representative from the Students' Union and ten independent, external lay members; six members of staff are elected to Senate by their relevant constituencies: two members elected by Academic Council; two academic and two professional services staff representatives; and one representative from Convocation (graduate body).

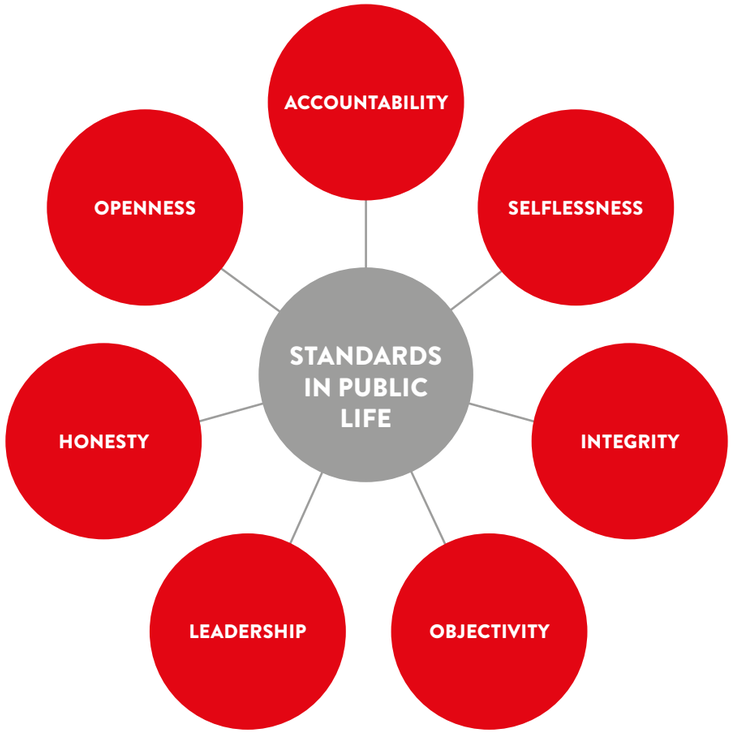
Independent lay members hold office for an initial term of four years and are eligible for re-appointment up to a maximum of two terms, subject to satisfactory performance.

Elected members serve for an initial term of four years, and, if re-elected, have the opportunity to serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

The Chair of Senate plays an important role in the governance of the Univrsity, while working independently of the Vice-Chancellor and the Executive Team. The Chair is a Pro-Chancellor supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate also has a Senior Independent Governor, appointed and rotated from amongst its external membership, to further strengthen its governance arrangements.

The Senior Independent Governor role is to provide enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices.

No member of Senate receives remuneration for work they do in respect of their position on the governing body. All interests of members of Senate and members of the Senior Leadership Team are reported through the Register of Interests, which is maintained by the Secretary to Senate. The Register can be consulted by arrangement with the University Secretary. Members of Senate and its core Committees receive a reminder at each meeting of the need to declare any interest they may have in relation to the specific business to be transacted at that meeting. This is in line with the University wide Register of Interests Policy.



Senate Development Opportunities

In the exercise of their duties, it is vital that Senate members have the opportunity to steer the strategic direction of the University. To support this, members of Senate attend an annual Senate Away Day, to allow members and management to focus on the strategic priorities of the University in a more relaxed and informal setting.

Members also regularly attend briefing events, tours of key facilities, updates from Faculties and training/development sessions, all of which are aimed at keeping members up-to-date on activities happening across the campus and the wider Higher Education (HE) sector.

In line with best practice, Senate also keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its Committees. To ensure independence in this process, the evaluation is undertaken by the University's Internal Auditors. All members contribute to this process and the outworkings, including recommendations on how the existing arrangements could be enhanced, are reported to Senate through the Standing Committee.

Members of Senate are required to meet with the Chair of Senate, on a one to one basis, every two years. The purpose of these Senate Appraisals, is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development identified. An annual review of the performance of the Chair of Senate is conducted by the Senior Independent Governor.

> IT IS VITAL THE SENATE MEMBERS HAVE THE OPPORTUNITY TO **STEER THE STRATEGIC DIRECTION** OF THE UNIVERSITY

Reconstitution of Senate

Due to the continuing impact of the covid pandemic into 2022, all Senate members due to stand down from post on 31 December 2021 availed of the option to operate by exception and to extend for one year to December 2022. The Nominations Committee agreed to continue the process to reconstitute Senate in 2022 and this provided the opportunity to realign Senate membership to the academic year. New members of Senate were appointed from 1 August 2022 providing an effective, managed 5 months transition phase.

All new members have attended a comprehensive induction session with a 'buddy' mentoring scheme available to all. In its commitment to ensuring ethical standards in public life, on joining Senate, members are required to sign a statement confirming they will comply with the University's Code of Conduct, which includes the 7 Principles of Public Life.

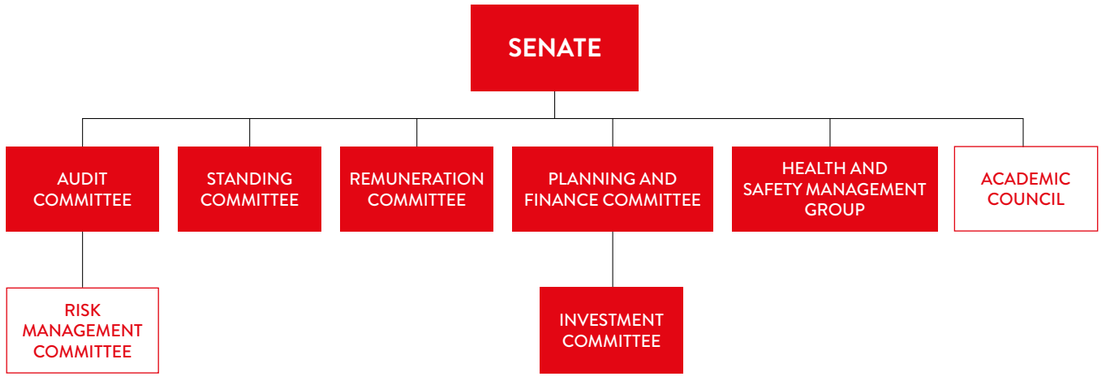
Senate Committees

Senate has established a number of core Committees and, under its Approval Framework/Scheme of Delegation, some of its powers and responsibilities are delegated to these core Committees.

The core Committees are the Audit Committee, the Planning and Finance Committee, the Standing Committee, and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate representation.

Core Committee's are provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required, at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees submit a comprehensive report by the Chair, on business transacted, to the next available meeting of the Senate.

Committee Governance Structure



All core Committees are formally constituted with Terms of Reference and are comprised mainly of lay members of Senate. These committees and their respective attendance by each Senate member is listed below:

Constituency	Meeting	Senate		Audit Committee		Planning and Finance Committee		Standing Committee		Remuneration Committee	
	Senate Members	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance
Pro-Chancellor	Dr S Kingon	Chair	9 of 9					✓	3 of 3	✓	4 of 4
Pro-Chancellor	Dr L O'Hagan	✓	7 of 9			Chair	4 of 4			Chair	4 of 4
President and Vice-Chancellor	Professor Sir I Greer	✓	9 of 9	✓	4 of 4	✓	4 of 4	✓	3 of 3	✓	3 of 4
Honorary Treasurer	Ms O Corr	✓	8 of 9			✓	4 of 4			✓	3 of 4
President, Students Union	Mrs E Murphy	✓	9 of 9			✓	3 of 4				
Students Union Council Representative	Mr T J Lindsay	✓	6 of 7								
Academic Council Representative	Professor D Fitzsimons	✓	7 of 9								
Academic Council Representative	Professor P Robertson	✓	7 of 9					✓	2 of 3		
Academic Staff Representative	Dr V Altglas	✓	7 of 9								
Academic Staff Representative	Dr L Hannan	✓	7 of 9					✓	2 of 3		
Support Staff Representative	Miss P Hampson	✓	7 of 9								
Support Staff Representative	Mrs G Riddell	✓	9 of 9								
Convocation	Mr E McMullan	✓	9 of 9	✓	4 of 4						
Lay Member and Senior Independent Governor	Ms E Graham	✓	5 of 9	✓	2 of 4			Chair	3 of 3		
Lay Members	Ms B Arthurs	✓	8 of 9					✓	3 of 3		
	Mr R Bailie	✓	7 of 9			✓	2 of 4				
	Mr K Jess	✓	6 of 9	Chair	4 of 4						
	Mrs H Mallon	✓	6 of 9			✓	4 of 4				
	Mr F McCormack	✓	7 of 9			✓	4 of 4				
	Mr L O'Reilly	✓	6 of 9			✓	3 of 4				
	Ms M Regan	✓	8 of 9							✓	4 of 4
	Ms K Robinson	✓	7 of 9			✓	3 of 4				
	Ms P Slevin	✓	9 of 9					✓	3 of 3		

While Senate members' attendance at Committee meetings is not mandatory, our members are extremely dedicated and endeavour to attend all scheduled meetings.

Further detail on each of our core Committees is provided overleaf:

Audit Committee

The Audit Committee is responsible for reviewing the audit aspects of the University's Financial Statements and for making recommendations to Senate for their approval or otherwise, in accordance with the Department for the Economy's (DfE) Accounts Direction. These obligations are set out in the Financial Memorandum (FM). The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control and governance (the risk management element includes the accuracy of the Statement of Internal Control included with the Annual Statement of Accounts).
- Economy, efficiency and effectiveness (value for money).
- Approval and oversight of the implementation of the Institution's policies on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit Committee meets four times annually, with members of the Executive Team, Internal and External Auditors in attendance. Members of the Committee do not have executive authority. The Chair of the Committee is not a member of any other core Committee of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit Report and considers the appropriateness of the Internal Auditor's risk assessment and Audit Plans, reviewing reports on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

The Committee Members meet at least once a year with the External and Internal Auditors without any Executive Team present. It also meets once a year without the External and Internal Auditors present to consider the Auditors' performance and to advise Senate on the re-appointment of the External Auditors in line with the requirements of the Financial Memorandum. In addition, it undertakes an annual self-assessment review of its own effectiveness and reports the findings through to Senate.

An annual training event is held as part of the Audit Committee Schedule of Business. Facilitated by representatives from the Internal and External Auditors, it enables members to be kept appraised of the key issues facing the HE sector at that time. The topic in 2022 was Environmental, Social and Governance Reporting.

Throughout 2022-23, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks — examples include Global Reputation, International Partnerships and Alliances; Research and Innovation Strategy and Cyber Security. The Committee also considers reports, at each of its meetings from the Risk Management Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a Corporate level and at a Faculty/Professional Services level.

Planning and Finance Committee

The Planning and Finance Committee advises and, where appropriate, makes recommendations to Academic Council and Senate, on the University's academic, financial, physical and human resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning and Finance Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's main focus has been on the financial impact of Covid-19; Belfast Region City Deal initiative; and the financial position of the University during 2022–23.

The Committee also welcomed updates on the implementation of Strategy 2030.

A copy of the Committee's full Membership and Terms of Reference is available here.

Standing Committee

Standing Committee meets at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture and values, to include staff engagement and its impact on organisational performance.

In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998.

The Committee contributed as a launch partner in the Perrett Laver Governance Apprenticeship Programme, designed to improve the diversity of university governing bodies, by placing an apprentice onto Senate to gain board experience for a 12 month period.

A copy of the Committee's full Membership and Terms of Reference is available here.

Remuneration Committee

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. The Committee annually determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group and Senior Academic Managers.

The Committee also oversees the implementation of the Senior Salaries Scheme. The scheme, informed by best practice from within both the public and private sectors, incorporates a number of key features, these include defined ranges; a clear policy on salary progression and performance pay; and integrated mechanisms to measure and reward such performance. The annual salary review of the Senior Management Group is based on two components — corporate and individual performance.

The Remuneration Committee recognises it must strike the right balance between recruiting, rewarding and retaining the best senior staff possible in order to deliver the best outcomes for the students and the University whilst, at the same time, demonstrating effective use of limited resources and achieving value for money.

The Remuneration Committee is committed to complying with all the elements of the CUC guidelines on best practice, as set out in its Higher Education Senior Staff Remuneration Code, published in June 2018 and demonstrating leadership and stewardship in relation to remuneration. The Code sets out a framework through which Higher Education Institutions can demonstrate that they are being managed in the best interests of their key stakeholders, including staff and students. In this context, Senate has implemented a number of updates to its practices in response to evolving best practice within the Code and across the sector.

The Committee has also adopted the production and publication for Senate, of an Annual Report setting out its key priorities and activities during the course of the academic year — a copy of the report of the Remuneration Committee can be found here.

A copy of the Committee's full Membership and Terms of Reference is available here.

Executive Team

Senate delegates executive management control of the University to the University Management Board (UMB), chaired by the Vice-Chancellor.

Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

Internal Control

As the governing body of The Queen's University of Belfast, Senate has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This responsibility has been assigned to Senate in accordance with the University's Charter and Statutes, and the Financial Memorandum.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives. To that extent it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2023 and up to the date of approval of these Financial Statements and accords in full with DfE guidance.

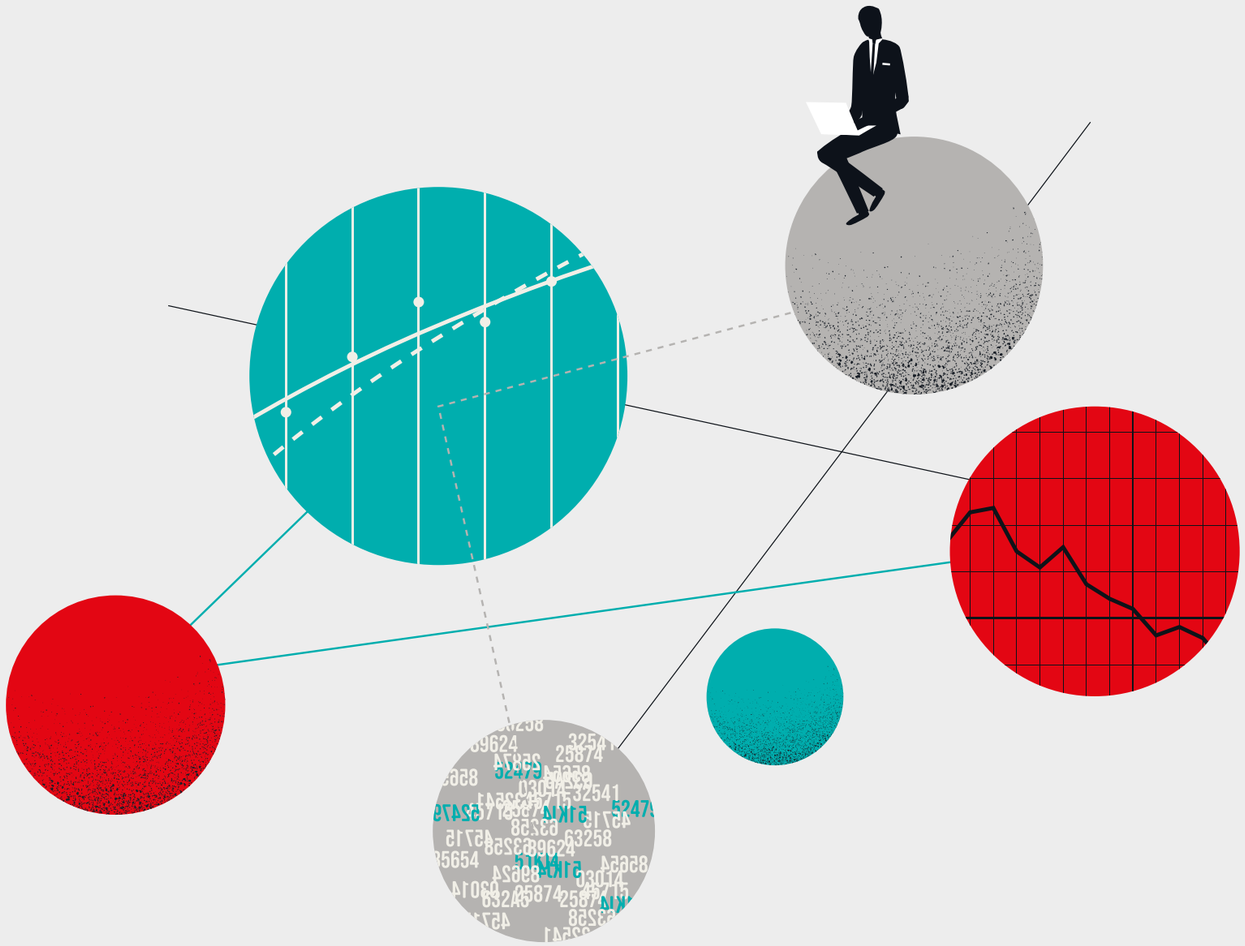
As part of the University's co-ordinated response to the Covid-19 pandemic and the related changes in working practices, key processes and procedures were proactively reviewed, and adapted as necessary, to ensure that the University's comprehensive control framework remained robust. During the period, up to the signing of these Financial Statements, there were two (greater than £5k) actual or suspected frauds identified. These related to a theft of equipment from a staff member's home and fraudulent payments to a casual worker following the input of inaccurate timesheet data. Both incidents have been fully reported and are being investigated in line with the University's Anti-Fraud Policy and the Financial Memorandum. In this respect, a range of remedial actions and developments have also been agreed and an implementation programme is underway.

Senate has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.
b. Senate receives regular reports from the Chair of the Audit Committee concerning internal control, and also requires regular reports from Executive Officers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate and the Vice-Chancellor receive an annual report from the Audit Committee covering the business of the Committee over the previous academic year.
c. Senate has an established Risk Management Committee with UMB providing oversight of the risk management processes and mitigations .
d. The Audit Committee receives regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating and managing their significant risks.
f. A programme of risk awareness training is ongoing and risk management is integrated within the University's business planning process.
g. A system of key performance and risk indicators has been developed.
h. A robust risk prioritisation methodology, based on risk ranking and cost–benefit analysis has been established.
i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.
j. An Emerging Risk Schedule has been developed and is reviewed at each meeting of the University Management Board.
k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third-parties or relied on by other parts of Government.
l. Reports are received, as appropriate, from budget holders, department heads and project managers on internal control activities.

Senate's review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to DfE's Accounts Direction. It is Senate's view that the University has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the University's Internal Auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS) and submit regular reports on the adequacy and effectiveness of the University's system of risk management, internal controls and corporate governance, and economy, efficiency and effectiveness (value-for-money) with recommendations for improvement. Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit Committee.

As a result of Senate's overall review of the effectiveness of the system of internal control, including risk management, it is content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the University's Accounting Officer by the Internal Auditors, in their Annual Statement of Assurance.



RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing each of the Group and University financial statements, Senate is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it intends to liquidate the Group, or the University, or to cease operations, or have no realistic alternative but to do so.

Senate is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and University's transactions and disclose with reasonable accuracy, at any time, the financial position of the Group and University. Senate is responsible for such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and it has general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Group and University and to prevent and detect fraud and other irregularities.

Senate is also responsible for ensuring that:

- funds from DfE, have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to these purposes and managed in accordance with relevant legislation; and
- the economical, efficient and effective management of the University's resources and expenditure is secured.

Senate is responsible for the maintenance and integrity of the Financial Statements included on the University's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2023 set out on pages 90 to 121, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the summary of significant accounting policies set out on pages 80 to 87. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2023 and of its incoming resources and application of resources including its income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- the Financial Statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and with the Statement of Recommended Practice—Accounting for Further and Higher Education 2019; and
- meet the requirements of the Department for the Economy ('DfE') Accounts Direction to Higher Education Institutions for 2022-23 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease its operations, and as they have concluded that the Group and University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group and University's business model and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period.

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with management as to the Group and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements. The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Message from the Students' Union President, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements as set out on page 75, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group and 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 they either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to Senate, in accordance with the Charter and Statutes of the Institution. Our audit work has been undertaken so that we might state to Senate 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 Senate, for our audit work, for this report or for the opinions we have formed.

John Poole
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast
November 2023



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounts Direction issued by the Department for the Economy.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (as modified by the revaluation of fixed assets on the transition to FRS 102 as at 1 August 2014 and the revaluation of investments and investment property carried at fair value).

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate Financial Statements.

The Financial Statements are prepared in sterling which is the functional currency of the University and Group and rounded to the nearest £'000.

BASIS OF PREPARATION

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

The Financial Statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons:

Senate has prepared cash flows for a period of twelve months from the date of approval of these Financial Statements. After reviewing these cashflows, Senate is of the opinion that the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements. Senate has also noted the Group's and University's limited borrowing and loan portfolio.

Therefore, Senate has prepared the Financial Statements on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the University and its wholly owned subsidiaries, QUBIS Limited, Queen's Overseas Recruitment Limited, Queen's Composites Limited and its partially owned subsidiary NIACE Limited. Intra–group transactions are eliminated in full, on consolidation.

Joint ventures are accounted for using the equity method.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Group and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the Balance Sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, and the part relating to the University's share is eliminated.

The Consolidated Financial Statements do not include a connected charity, the Queen's University of Belfast Foundation Ltd, which is a separate and independent organisation.

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

Income from the sale of goods or services is credited to the Consolidated and University Statements of Comprehensive Income (SOCI), when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

TUITION FEE INCOME

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCI over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

GOVERNMENT REVENUE GRANTS

Government revenue grants including the Department for the Economy (DfE) block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors, and allocated between creditors due within one year and due after more than one year, as appropriate.

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve, until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

INVESTMENT INCOME

Investment income is credited to the SOCI on a receivable basis.

Investment income is recognised in income in the year in which it arises. Appreciation of endowments, including gains/losses relating to disposals within the Investment Fund, is recorded as fair value gains/losses on investments in the year in which they arise. These items are shown as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 36 to the Financial Statements.

The USS is a multi–employer scheme. It is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme; therefore, this scheme is accounted for as a defined contribution scheme. As a result, obligations for contributions to the USS scheme are recognised as an expense in the income statement in the periods during which services are rendered by employees. A liability is recorded within provisions for any contractual commitment to a recovery plan to fund past deficits within the USS scheme.

Under the RBP Scheme, as a defined benefit scheme, 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 and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 23). This net 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.

Annually the University engages independent actuaries to calculate the FRS 102 obligation for the RBP scheme.

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. 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 RBP, recognised in expenditure as staff costs, 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 opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 36.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the operating (loss)/surplus for the year.

INTEREST PAYABLE

Interest payable and similar charges includes interest payable, finance charges, unwinding of the discount on provisions and material net foreign exchange losses that are recognised in the SOCI.

FIXED ASSETS

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

LAND AND BUILDINGS

Freehold land and buildings and long-leasehold land and buildings were revalued to fair value on the date of transition to the 2015 SORP, and these assets are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

All land and buildings completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in relation to land and buildings after initial. purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated, as it is considered to have an indefinite useful life. Freehold and long leasehold buildings are depreciated on a straight-line basis over their expected useful lives.

For buildings revalued at fair value at transition date, the estimated useful life is that determined as part of the revaluation exercise. For all other buildings the estimated useful life is either 40 or 60 years depending on the category of the building in question.

No depreciation is charged on assets in the course of construction. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

EQUIPMENT

Equipment, including microcomputers and software, costing less than £25,000 per individual item, or group of related items, is written-off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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.

Capitalised equipment is depreciated on a straight-line basis over its expected useful life, as follows:

- Motor vehicles and other general equipment 4 years.
- Equipment acquired for specific research projects 2–3 years.

Where assets are donated or acquired with the aid of specific grants or donations they are capitalised and depreciated as outlined above. Expenditure (>£25,000) relating to subsequent replacement of components is capitalised as incurred.

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

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCI.

HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available. Heritage assets, including works of art, acquired since 1 August 2007, and valued at over £25,000, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value, mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services. Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP, and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

Non–current investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments, that can be measured reliably, are measured at fair value, with changes in measurement recognised in the SOCI. Realised gains on disposals within the Investment Fund are reinvested within the Fund and recognised within total income for the year and are included within fair value gain/(loss) on investments and investment property in the SOCI. Gains on disposal of equity investments or from the Investment Fund, which are realised, are included within gain on disposal of investments within the surplus before tax.

Current asset investments relate to deposits held with banks and building societies in the UK and are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in associates are held at fair value. Changes in fair value are recognised through other Comprehensive Income in the relevant subsidiary accounts. In the Consolidated Financial Statements, changes in fair value are recognised in the SOCI.

Investments in subsidiaries are measured at cost less impairment in the University Balance Sheet.

STOCK

Stock is held at the lower of cost and estimated selling price less costs to complete and sell and is measured on the basis of a first in first out approach.

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 highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Financial Statements when:

a. the Group or University has a present obligation (legal or constructive) as a result of a past event;
b. it is probable that an outflow of economic benefits will be required to settle the obligation;
c. 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 liability arises from a past event that gives the Group or University a probable obligation, whose existence will only be confirmed by the occurrence, or otherwise, of uncertain future events, not wholly within the control of the Group or 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the SOCI.

CONCESSIONARY LOANS

Concessionary loans are measured initially at the amounts received and adjusted to reflect any accrued interest and/or repayment of capital.

FINANCIAL INSTRUMENTS

The Group and University have elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Group or University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the SOCI.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the SOCI. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-Group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

TAXATION

The University is an exempt Charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a Charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by 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's non–charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and University's Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. Further details are outlined in note 37.



FINANCIAL *STATEMENTS*

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2023

	Notes	2023		2022	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Income					
Government grants	1	**108,240**	**108,240**	110,939	110,939
Tuition fees, support grants and education contracts	2	**160,937**	**160,937**	152,247	152,247
Research grants and contracts	3	**103,093**	**103,093**	98,425	98,425
Other income	4	**76,840**	**79,309**	69,534	66,732
Investment income	5	**8,280**	**8,103**	3,363	3,351
Total income before endowments and donations		**457,390**	**459,682**	434,508	431,694
Donations and endowments	6	**3,135**	**3,135**	3,173	3,173
Total income		**460,525**	**462,817**	437,681	434,867
Expenditure					
Staff costs	7	**259,119**	**259,119**	246,580	246,580
Other operating expenses	9	**175,023**	**174,922**	150,139	149,238
Depreciation	13	**25,954**	**25,834**	23,848	23,728
Interest and other finance costs	10	**6,575**	**6,575**	1,791	1,791
Total expenditure excluding USS provision	11	**466,671**	**466,450**	422,358	421,337
(Deficit)/surplus before USS provision and other gains/(losses)		**(6,146)**	**(3,633)**	15,323	13,530
Staff costs – movement in USS provision	8	**25,207**	**25,207**	(94,749)	(94,749)
Surplus/(deficit) before other gains/(losses)		**19,061**	**21,574**	(79,426)	(81,219)
Gain on disposal of fixed assets		**55**	**55**	–	–
Gain on disposal of investments		**715**	**–**	442	–
Surplus/(deficit) before tax and fair value gain on investments		**19,831**	**21,629**	(78,984)	(81,219)
Fair value (loss)/gain on investments and investment property	15/16	**(4,142)**	**790**	(43,998)	(2,538)
Taxation	12	**–**	**–**	–	–
Surplus/(deficit) for the year		**15,689**	**22,419**	(122,982)	(83,757)
Actuarial adjustment in respect of pension schemes	36	**(7,431)**	**(7,431)**	37,720	37,720
Total comprehensive income/(expenditure) for the year		**8,258**	**14,988**	(85,262)	(46,037)
Represented by: (expenditure)/income					
• Endowment (expenditure)/income for the year		**(3,330)**	**(3,330)**	(687)	(687)
• Restricted comprehensive income for the year		**74**	**74**	518	518
• Unrestricted (expenditure)/income for the year		**11,522**	**18,244**	(85,085)	(45,868)
Attributable to the University (expenditure)/income		**8,266**	**14,988**	(85,254)	(46,037)
Attributable to the non-controlling interest		**(8)**	**–**	(8)	–
		8,258	**14,988**	(85,262)	(46,037)

Included within the surplus (2022:(deficit)) for the year is a loss of (£8k) (2022:(£8k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2023

	Notes	2023		2022	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Non-current assets					
Fixed assets	13	**703,915**	**697,881**	687,647	681,493
Heritage assets	14	**267**	**267**	118	118
Investment property	15	**7,415**	**7,415**	6,385	6,385
Investments	16	**382,839**	**214,008**	389,833	213,096
Investment in associates	18	**8,384**	**–**	8,556	–
		1,102,820	**919,571**	1,092,539	901,092
Current assets					
Stock		**708**	**708**	658	658
Debtors	19	**57,451**	**63,321**	26,872	27,431
Investments	20	**185,000**	**185,000**	215,000	215,000
Cash and cash equivalents	27	**89,311**	**70,987**	75,030	63,432
		332,470	**320,016**	317,560	306,521
Less: Creditors: amounts falling due within one year	21	**(158,741)**	**(158,982)**	(137,389)	(137,645)
Net current assets		**173,729**	**161,034**	180,171	168,876
Total assets less current liabilities		**1,276,549**	**1,080,605**	1,272,710	1,069,968
Creditors: amounts falling due after more than one year	22	**(394,585)**	**(391,024)**	(386,645)	(382,988)
Provisions					
Pension obligations	23	**(47,904)**	**(47,904)**	(40,199)	(40,199)
Other provisions	24	**(138,220)**	**(136,298)**	(158,284)	(156,390)
Total net assets		**695,840**	**505,379**	687,582	490,391
Restricted reserves					
Income and expenditure reserve – endowment reserve	25	**65,648**	**65,648**	68,978	68,978
Income and expenditure reserve – restricted reserve	26	**1,808**	**1,808**	1,734	1,734
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**627,666**	**437,923**	616,144	419,679
		695,122	**505,379**	686,856	490,391
Non-controlling interest		**718**	**–**	726	–
Total reserves		**695,840**	**505,379**	687,582	490,391

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

The Financial Statements were approved by Senate on 21 November 2023 and were signed on its behalf on that date by:

Ms O. Corr,
Honorary Treasurer

Professor Sir Ian Greer,
President and Vice-Chancellor

Mrs A. McLaughlin,
Acting Director of Finance

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	**69,665**	**1,216**	**701,229**	**772,110**	**734**	**772,844**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(124,346)	(122,974)	(8)	(122,982)
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(85,085)	(85,254)	(8)	(85,262)
Balance at 1 August 2022	**68,978**	**1,734**	**616,144**	**686,856**	**726**	**687,582**
(Deficit)/surplus from the statement of comprehensive income	(3,330)	2,430	16,597	15,697	(8)	15,689
Other comprehensive expenditure	–	–	(7,431)	(7,431)	–	(7,431)
Release of restricted funds spent in year	–	(2,356)	2,356	–	–	–
Total comprehensive (expenditure)/ income for the year	(3,330)	74	11,522	8,266	(8)	8,258
Balance at 31 July 2023	**65,648**	**1,808**	**627,666**	**695,122**	**718**	**695,840**

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2023

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	**69,665**	**1,216**	**465,547**	**536,428**	**–**	**536,428**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(85,129)	(83,757)	–	(83,757)
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(45,868)	(46,037)	–	(46,037)
Balance at 1 August 2022	**68,978**	**1,734**	**419,679**	**490,391**	**–**	**490,391**
(Deficit)/surplus from the statement of comprehensive income	(3,330)	2,430	23,319	22,419	–	22,419
Other comprehensive expenditure	–	–	(7,431)	(7,431)	–	(7,431)
Release of restricted funds spent in year	–	(2,356)	2,356	–	–	–
Total comprehensive (expenditure)/ income for the year	(3,330)	74	18,244	14,988	–	14,988
Balance at 31 July 2023	**65,648**	**1,808**	**437,923**	**505,379**	**–**	**505,379**

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2023

	Notes	2023 £'000	2022 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		**15,689**	(122,982)
Adjustment for non-cash items			
Depreciation	13	**25,954**	23,848
Release of deferred capital grants		**(18,977)**	(17,223)
Gain on disposal of fixed assets		**(55)**	–
Gain on disposal of investments		**(715)**	(442)
Fair value loss on investments and investment property		**4,142**	43,998
(Increase)/decrease in stock		**(50)**	39
(Increase) in debtors	19	**(30,579)**	(4,399)
Increase in creditors	21/22	**20,396**	18,384
Increase/(decrease) in pension provision	23	**7,705**	(33,904)
Actuarial adjustment to pension provision	36	**(7,431)**	37,720
(Decrease)/increase in other provisions	24	**(20,064)**	95,669
Adjustment for investing or financing activities			
Investment income	5	**(8,280)**	(3,363)
Interest payable	10	**–**	–
Endowment income	6	**(134)**	(140)
Capital grant income	4	**–**	(177)
Net cash inflow from operating activities		**(12,399)**	37,028
Cash flows from investing activities			
Proceeds from sales of fixed assets		**135**	–
Capital grants receipts		**29,150**	37,351
Disposal of non-current asset investments		**75,612**	33,610
Investment income		**8,280**	3,363
Payments made to acquire fixed assets	13	**(44,216)**	(43,655)
New investment property	15	**–**	–
New non-current asset investments	16	**(70,307)**	(84,210)
Disinvestment/(investment) in deposits >3 months		**30,000**	(27,001)
New associate investments		**(833)**	(872)
		27,821	(81,414)
Cash flows from financing activities			
Endowment cash received		**134**	140
Repayments of amounts borrowed		**(1,275)**	(1,275)
		(1,141)	(1,135)
Increase/(decrease) in cash and cash equivalents in the year		**14,281**	(45,521)
Cash and cash equivalents at beginning of the year	27	**75,030**	120,551
Cash and cash equivalents at end of the year	27	**89,311**	75,030

The Statement of Principal Accounting Policies on pages 80 to 87 and the notes to the accounts on pages 95 to 121 form part of these Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
1. Government grants				
Recurrent grant:				
Teaching	**52,019**	**52,019**	50,732	50,732
Research	**31,818**	**31,818**	32,388	32,388
Other specific grants	**8,467**	**8,467**	12,888	12,888
Deferred capital grants released in year	**15,936**	**15,936**	14,931	14,931
	108,240	**108,240**	110,939	110,939

The University received £98.4m (2022: £98.7m) of recurrent grant funding in the year, of which some £14.6m (2022: £15.6m) has been deferred as detailed in note 22.

	2023		2022	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	**65,538**	**65,538**	66,041	66,041
International students	**64,099**	**64,099**	56,716	56,716
Part-time fees	**5,997**	**5,997**	6,631	6,631
Short courses	**1,371**	**1,371**	1,334	1,334
Department of Health nursing contract	**18,581**	**18,581**	17,598	17,598
Research training, other support grants and other fees	**5,351**	**5,351**	3,927	3,927
	160,937	**160,937**	152,247	152,247

	2023		2022	
	Consolidated £'000	**University £'000**	Consolidated £'000	University £'000
3. Research grants and contracts				
Research councils/UKRI	**32,422**	**32,422**	28,953	28,953
Research charities	**10,849**	**10,849**	11,225	11,225
UK Government and EU	**43,376**	**43,376**	45,268	45,268
Other sources	**16,446**	**16,446**	12,979	12,979
	103,093	**103,093**	98,425	98,425

Income from research grants and contracts includes deferred capital grants released in year totalling £2,527k (2022: £1,777k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
4. Other income				
Residences, catering and conferences	**22,057**	**22,057**	16,131	16,131
Other services rendered	**24,844**	**24,844**	25,919	25,919
Other capital grants	**–**	**–**	177	177
Other income	**23,373**	**25,842**	20,986	18,184
Contribution to joint appointment salaries (note 7)	**6,566**	**6,566**	6,321	6,321
	76,840	**79,309**	69,534	66,732

Other income and other services rendered include deferred capital grants released in year totalling £443k (2022: £443k).
Other income in respect of the University includes gift aid income of £5,598k (2022: £214k) from its subsidiaries.

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
5. Investment income				
Investment income from endowments (note 25)	**977**	**977**	2,012	2,012
Other investment income	**7,303**	**7,126**	1,351	1,339
	8,280	**8,103**	3,363	3,351

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
6. Donations and endowments				
New endowments (note 25)	**134**	**134**	140	140
Donations with restrictions (note 26)	**1,398**	**1,398**	1,091	1,091
Unrestricted donations	**1,603**	**1,603**	1,942	1,942
	3,135	**3,135**	3,173	3,173

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
7. Staff costs				
Salaries	**197,447**	**197,447**	185,250	185,250
Social security costs	**18,713**	**18,713**	17,812	17,812
Other pension costs	**29,337**	**29,337**	27,418	27,418
Current service cost – RBP pension scheme (note 36)	**7,056**	**7,056**	9,779	9,779
	252,553	**252,553**	240,259	240,259
Joint appointment salaries (note 4)	**6,566**	**6,566**	6,321	6,321
	259,119	**259,119**	246,580	246,580

Included within staff costs is £7,160k (2022: £6,018k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.

Consolidated and University	**2023**	2022
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	**330**	315
Pension contributions to USS	**20**	18
	350	333

In respect of the Vice-Chancellor no additional amounts (2022: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. This is treated as a taxable benefit which is quantified as £6,468 per annum, as calculated in line with HMRC guidelines. The Vice Chancellor also made a personal contribution of £5,400 in respect of the running costs of lodge. The Vice-Chancellor received no further additional taxable benefits (2022: £nil).

Professor Ian Greer was appointed as Vice-Chancellor with effect from 1 August 2018. Professor Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £324,134 for 2022–23 with an additional one off non pensionable payment of £5,755. The package reflects the complexity and demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice Chancellor's basic salary is 8.0 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff and this position compares favourably to comparator universities.

The Vice Chancellor's basic salary is 6.5 times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration salaries provided by the University to its staff and this position compares favourably to comparator universities.

The pay median does not include workers who were not employed under contract by the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	Number	Number
7. Staff costs (continued)		
Remuneration of higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	**21**	13
£105,000 to £109,999	**13**	8
£110,000 to £114,999	**4**	7
£115,000 to £119,999	**8**	10
£120,000 to £124,999	**14**	4
£125,000 to £129,999	**3**	3
£130,000 to £134,999	**2**	2
£135,000 to £139,999	**–**	1
£140,000 to £144,999	**2**	5
£145,000 to £149,999	**4**	1
£150,000 to £154,999	**1**	–
£155,000 to £159,999	**–**	–
£160,000 to £164,999	**–**	–
£165,000 to £169,999	**–**	–
£170,000 to £174,999	**–**	–
£175,000 to £179,999	**–**	1
£310,000 to £314,999	**–**	1
£325,000 to £329,999	**1**	–

Consolidated and University	2023	2022
	£'000	£'000
Staff numbers		
Academic	**1,292**	1,270
Research	**654**	678
Academic related	**999**	915
Technical and clerical	**991**	978
Other	**550**	503
	4,486	4,344

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £819k (2022: £1,098k) relating to 133 (2022: 118) staff members. These payments were mainly in respect of staff on fixed terms contracts.

All severance payments, including compensation for loss of office, in respect to higher paid staff within its remit, are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

Consolidated and University	2023	2022
	£'000	£'000
Key management personnel Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full time equivalent (FTE) included as Key Management Personnel is 11 (2022:11 FTE).		
Key management personnel compensation	**2,778**	2,364

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
8. Movement in USS provision		
Following the completion of the 2020 USS actuarial valuation in 2021–22 a new deficit recovery plan was agreed. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. In the prior year, the adoption of this 2020 USS deficit recovery plan gave rise to a significant increase in the deficit provision which resulted in an item of expenditure within staff costs which, due to its exceptional size, was disclosed separately in the Statement of Comprehensive Income. The 2023 movement reflects a reduction in the provision — mainly as a result of the movement in interest rates during the year. Further details relating to the USS pension scheme and the related USS provision are laid out in notes 24 and 36.		
Movement in USS provision	**(25,207)**	94,749

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
9. Other operating expenses				
Consumables and laboratory expenditure	**14,380**	**14,380**	12,774	12,774
Books and periodicals	**5,387**	**5,387**	5,374	5,374
Studentships and bursaries	**22,938**	**22,938**	16,558	16,558
Heat, light, water and power	**12,871**	**12,871**	12,585	12,585
Repairs and general maintenance	**3,636**	**3,636**	4,142	4,142
External auditor's remuneration — audit services	**167**	**144**	103	93
External auditor's remuneration — non-audit services	**160**	**149**	191	181
Rates, insurance and telecommunication expenses	**6,569**	**6,569**	6,194	6,194
Hospitality and accommodation services	**9,386**	**9,386**	7,871	7,871
Equipment and equipment maintenance	**15,230**	**15,230**	13,211	13,211
Postage, photocopying and printing	**1,093**	**1,093**	1,249	1,249
Patent fees	**490**	**490**	866	866
Collaborative research payments	**11,166**	**11,166**	10,914	10,914
Other	**71,550**	**71,483**	58,107	57,226
	175,023	**174,922**	150,139	149,238
External auditor's fees for non audit services include:				
Audit related services	**45**	**45**	43	43
Taxation compliance services	**115**	**104**	148	138
	160	**149**	191	181

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
10. Interest and other finance costs				
Unwinding of discount — USS pension deficit plan provision (note 24)	**5,170**	**5,170**	530	530
Net charge on RBP pension scheme (note 36)	**1,405**	**1,405**	1,261	1,261
	6,575	**6,575**	1,791	1,791

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated	Staff costs	Depreciation	Other operating expenses	Interest payable	Total
	£'000	£'000	£'000	£'000	£'000
11. Analysis of total expenditure by activity					
Academic departments	146,069	2,553	20,434	–	**169,056**
Academic services	18,056	1,984	15,925	–	**35,965**
Research grants and contracts	36,417	2,992	42,106	–	**81,515**
Hospitality and accommodation services	4,347	–	9,872	–	**14,219**
Premises	8,167	18,310	26,608	–	**53,085**
Administration	32,823	105	43,779	–	**76,707**
Other expenses	13,240	10	16,299	6,575	**36,124**
	259,119	**25,954**	**175,023**	**6,575**	**466,671**

12. Taxation

There is no taxation charge arising from the operating activities of the Group (2022 £nil).

Consolidated	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets							
Cost or valuation							
At 1 August 2022	666,386	79,975	49,263	53,432	849,056	118	849,174
Additions	924	25	7,495	35,623	44,067	149	44,216
Transfers	72,949	(1,765)	–	(72,949)	(1,765)	–	(1,765)
Disposals	–	(90)	(8,906)	–	(8,996)	–	(8,996)
At 31 July 2023	**740,259**	**78,145**	**47,852**	**16,106**	**882,362**	**267**	**882,629**
Depreciation							
At 1 August 2022	109,133	12,131	40,145	–	161,409	–	161,409
Charge for the year	16,380	1,931	7,643	–	25,954	–	25,954
Disposals	–	(10)	(8,906)	–	(8,916)	–	(8,916)
At 31 July 2023	**125,513**	**14,052**	**38,882**	**–**	**178,447**	**–**	**178,447**
Net book value							
At 31 July 2023	**614,746**	**64,093**	**8,970**	**16,106**	**703,915**	**267**	**704,182**
At 31 July 2022	557,253	67,844	9,118	53,432	687,647	118	687,765

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2022	666,386	72,861	49,263	53,432	841,942	118	842,060
Additions	924	25	7,495	35,623	44,067	149	44,216
Transfers (note 15)	72,949	(1,765)	–	(72,949)	(1,765)	–	(1,765)
Disposals	–	(90)	(8,906)	–	(8,996)	–	(8,996)
At 31 July 2023	**740,259**	**71,031**	**47,852**	**16,106**	**875,248**	**267**	**875,515**
Depreciation							
At 1 August 2022	109,133	11,171	40,145	–	160,449	–	160,449
Charge for the year	16,380	1,811	7,643	–	25,834	–	25,834
Disposals	–	(10)	(8,906)	–	(8,916)	–	(8,916)
At 31 July 2023	**125,513**	**12,972**	**38,882**	**–**	**177,367**	**–**	**177,367**
Net book value							
At 31 July 2023	**614,746**	**58,059**	**8,970**	**16,106**	**697,881**	**267**	**698,148**
At 31 July 2022	557,253	61,690	9,118	53,432	681,493	118	681,611

A full valuation of the University's freehold and long leasehold land and buildings portfolio was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. In line with FRS 102, this valuation was used as the deemed cost for these assets at the date of transition i.e. 1 August 2014.

An annual review of asset utilisation is undertaken and, as a result, an asset within long leasehold land and buildings was transferred to investment properties during the year (note 15).

14. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In the last six years the University has acquired heritage assets of £267k of which £200k relates to pieces of sculpture and £67k relates to a book collection.

The University holds other heritage assets in its main library and throughout the general campus. The special collections service at Queen's provides access to the Library's rare and early printed book, map and manuscript collections, as well as to more modern material relating to Ireland and Ulster in particular. The books, pamphlets, manuscripts, correspondence, photographs and maps are considered to be of lasting research value and include examples of the earliest printed works published between the 16th and early 19th centuries. In order to preserve the material for future readers these collections are housed in a secure and environmentally controlled setting. The University also has an important collection of fine art, silver and sculpture, as well as a build environment which contains some of the best architecture in Ireland. The University has a Curator of Art who manages and develops the collection as well as developing an ambitious programme of educational work.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
15. Investment property		
Balance at 1 August	**6,385**	6,145
Transfers from fixed assets (note 13)	**1,765**	–
Additions	**–**	–
Net (loss)/gain from fair value adjustments	**(735)**	240
Balance at 31 July	**7,415**	6,385

A valuation of the investment property was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. This valuation is reviewed annually by the University using industry recognised indices and the carrying value of the assets adjusted accordingly for any material changes.

The University received property rental income of £593k (2022: £762k) in respect of these properties for the year ended 31 July 2023.

An annual review of asset utilisation is undertaken and, as a result an asset within long leasehold land and buildings was transferred to investment properties during the year (note 13).

	Subsidiary companies	Other fixed assets investments	Total
	£'000	**£'000**	**£'000**
16. Non-current investments			
Consolidated			
At 1 August 2022	–	389,833	**389,833**
Additions	–	70,307	**70,307**
Transfer from investment in associates	–	1,940	**1,940**
Disposals	–	(74,807)	**(74,807)**
(Loss)/gain on fair value and (losses)/gains on disposals	–	(4,434)	**(4,434)**
At 31 July 2023	–	382,839	**382,839**
University			
At 1 August 2022	2,255	210,841	**213,096**
Additions	–	69,555	**69,555**
Disposals	–	(70,168)	**(70,168)**
Gain/(loss) on fair value and (losses)/gains on disposals	–	1,525	**1,525**
At 31 July 2023	2,255	211,753	**214,008**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
16. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	**133,923**	**133,923**	129,957	129,957
University Investment Fund:				
UK gilts and fixed asset stocks	**9,125**	**9,125**	11,094	11,094
UK equities (listed)	**14,995**	**14,995**	17,855	17,855
Overseas investments (listed)	**25,975**	**25,975**	18,319	18,319
Other investments	**8,043**	**8,043**	14,024	14,024
	58,138	**58,138**	61,292	61,292
Other	**30,757**	**19,692**	26,775	19,592
Listed investments	**160,021**	**–**	171,809	–
	382,839	**211,753**	389,833	210,841

General investment fund

The general investment fund consists of Uk and overseas equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2023 was £76,478k (2022: £76,478k).

University Investment Fund

The University Investment Fund is an investment fund operated on unit trust principles, and administered under the terms of the Queen's University (Trust Scheme) Order (Northern Ireland) 1982. The purpose of the Investment Fund is to provide an investment vehicle for the greater part of the University endowment funds. The investments are shown at market value.

BlackRock undertakes the role of investment manger for both the general investment fund and the University Investment Fund. Further information is included in the Financial Review.

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value.

Other investments

The Group's other investments relate to the University's investment within a pooled investment fund and a subsidiary's investments in 21 other UK unlisted companies.

Fair Value Gain on investments and investment property

The consolidated fair value loss on investments and investment property of £(4,142)k (2022:(£43,998k)) as shown in the SOCI, relates to (loss)/appreciation on investment property of (£735k) (2022:£240k), non-current investments of (£4,434K) (2022: (£48,780k)) and a fair value gain on investments in associates of £1,027k (2022: £4,542k).

The University's fair value gain/(loss) on investments and investment property of £790k (2022:(£2,538k)) as shown in the SOCI, relates to (loss)/appreciation of investment property of (£735k) (2022:£240k) and non-current investments of £1,525k (2022:(£2,778k)).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

17. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP
A Limited Partnership which was incorporated in April 2009 to recruit and provide education to international students. It is a joint venture between Queen's Overseas Recruitment Limited and INTO University Partnerships Limited, a company registered in England. It is based in Belfast.

NI Composites O&M LLP
A Limited Partnership which was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between Queen's Composites Limited and Innovation Ulster Limited. It is based in Belfast.

	2023	2022
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	**4,608**	3,717
Share of (deficit) before tax	**(168)**	(454)
Balance Sheet:		
Fixed assets	**356**	348
Current assets	**2,260**	1,775
Creditors: amounts due within one year	**(4,408)**	(3,747)
Creditors: amounts due after one year	**(700)**	(700)
Share of net liabilities	**(2,492)**	(2,324)

A provision of £1,922k (2022: £1,893k) has been recognised in relation to the Group's liability in respect of joint ventures.

Consolidated and University	2023	2022
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	**1,816**	1,724
NI Composites O&M LLP	**138**	108
	1,954	1,832
Amounts owed by the University:		
INTO Queen's LLP	**9**	26
NI Composites O&M LLP	**–**	–
	9	26
The balances all relate to ongoing trading activity.		

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

18. Investment in associates

Details of the Group's interests in associated undertakings are set out below. Each company is incorporated in Northern Ireland.

Consolidated	**% of equity held**	**Aggregate of capital and reserves**	**Profit / (loss) for the period**	**Financial Period ended**	**Principle Activity**
		£'000	**£'000**		
Acksen Limited	24%	53	a	31 Dec 22	Supply of instruments for monitoring electromagnetic radiation
Marenco Limited	28%	59	a	31 Dec 22	Marine and environmental consultancy services
Biocolor Limited	20%	2,325	a	31 Jul 22	Supply and development of assay kits for tissue laboratories
Green Lizard Technologies Limited	22%	531	a	31 Aug 22	Technological solutions
Continga Limited	33%	2	a	28 Feb 22	Human health activities
Analytics Engines Limited	21%	(11)	a	31 Mar 22	Bespoke data analysis solutions
Porous Liquids Technologies Limited	23%	79	a	31 Dec 22	Production and development of porous liquids
Sonrai Analytics Limited	21%	7	a	28 Feb 22	Cloud-enabled bespoke knowledge platform to conduct modern-day analytics
VascVersa Limited	22%	585	a	31 Dec 22	Human vascular stem cell generation
Fjordstrong Limited	29%	114	a	31 Jul 22	Biodiversity survey solutions
Phasora Limited	24%	93	a	30 Sep 22	Develop novel software to aid management of complex electricity distribution networks
GenoMe Diagnostics Limited	25%	255	a	31 Jan 22	Development of molecular diagnostic tests
Aramune Technologies Limited	34%	652	a	31 Dec 22	Development of natural immunomodulating agents
AntennaWare Limited	21%	(140)	a	31 Mar 22	High-performance wearable antenna technology
Amply Discovery Limited	28%	612	a	28 Feb 23	Development of new biological molecules for anti-infective health and nutrition applications
Rapid-Myco Technologies Limited	33%	(18)	a	31 May 22	Development of novel, rapid bacteria testing
ReproGo Limited	37%	139	a	31 Mar 22	Vascular experts in stem cell technology
Medinect Bioservices Limited	50%	b	b	–	Research services in ophthalmic therapeutic development
AilseVax Limited	21%	843	a	31 Dec 22	Pioneering development of immune-oncology vaccines

Note:
a. The associated company has filed financial statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.
b. This associated company is recently incorporated and accounts are not yet available.

The directors believe that the carrying value of the investments in associates is supported by their underlying net assets.

In addition to these associate interests the Group has shareholdings of less than 20% in 21 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £11,066k at 31 July 2023 (2022: £7,183k).

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
19. Debtors				
Amounts falling due within one year:				
Research grant debtors	**6,424**	**6,424**	5,513	5,513
Other debtors	**8,894**	**8,532**	8,951	8,665
Prepayments and accrued income	**42,133**	**42,125**	12,408	12,399
Amounts due from subsidiary companies:				
QUBIS Limited	**–**	**5,639**	–	253
Queen's Overseas Recruitment Limited	**–**	**440**	–	440
Queen's Composites Limited	**–**	**10**	–	10
NIACE Limited	**–**	**151**	–	151
	57,451	**63,321**	26,872	27,431
Included in prepayments and accrued income is an amount of £25,435 relating to income accrued in respect of ongoing research grants.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

20. Current investments

Current investments relate to deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. These short term deposits do not meet the definition of cash equivalents.

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
21. Creditors: amounts falling due within one year				
Research grants received in advance	**58,434**	**58,434**	37,507	37,507
Other unsecured loans	**1,275**	**1,275**	1,275	1,275
Trade creditors	**28,315**	**28,316**	29,075	29,077
Social security and other taxation payable	**6,320**	**6,320**	7,854	7,854
Accruals and deferred income	**46,849**	**46,803**	45,063	45,031
Deferred capital grant income	**17,548**	**17,476**	16,615	16,543
Due to subsidiary, QUBIS Limited	**–**	**358**	–	358
	158,741	**158,982**	137,389	137,645

Included within accruals and deferred income is deferred income of £27,885k (2022: £22,882k) relating to other income. This income has been deferred until the performance related conditions have been met.

	2023		2022	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred capital grant income	**371,641**	**368,086**	362,403	358,775
Other unsecured loans	**22,510**	**22,510**	23,785	23,785
Other	**434**	**428**	457	428
	394,585	**391,024**	386,645	382,988
The other unsecured loans are repayable as follows:				
Due between one and two years	**1,275**	**1,275**	1,275	1,275
Due between two and five years	**3,825**	**3,825**	3,825	3,825
Due in five years or more	**17,410**	**17,410**	18,685	18,685
	22,510	**22,510**	23,785	23,785
Other unsecured loans repayable by 2040	**8,985**	**9,680**	10,260	10,260
Other unsecured loans repayable by 2042	**7,125**	**6,750**	7,125	7,125
Other unsecured loans repayable by 2043	**6,400**	**6,080**	6,400	6,400
	22,510	**22,510**	23,785	23,785

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum.
The deferred capital grant income includes £14.6m (2022: £15.6m) of recurrent government grant which has been deferred.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	**Defined benefit obligations RBP pension**	**Other pension provision**	**Total**
	£'000	**£'000**	**£'000**
23. Pension obligations			
At 1 August 2022	40,138	61	**40,199**
Movement (note 36)	7,705	–	**7,705**
At 31 July 2023	**47,843**	**61**	**47,904**

Details of the RBP deficit are included at note 36.

	Obligation re USS pension deficit recovery plan	**Provision for joint venture losses**	**Provision for restructuring**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
24. Other provisions				
Consolidated				
At 1 August 2022	156,188	1,894	202	**158,284**
Utilised in year	(9,122)	–	(55)	**(9,177)**
(Reductions)/additions	(16,085)	28	–	**(16,057)**
Unwinding of discount (note 10)	5,170	–	–	**5,170**
At 31 July 2023	**136,151**	**1,922**	**147**	**138,220**
University				
At 1 August 2022	156,188	–	202	**156,390**
Utilised in year	(9,122)	–	(55)	**(9,177)**
(Reductions)/additions	(16,085)	–	–	**(16,085)**
Unwinding of discount (note 10)	5,170	–	–	**5,170**
At 31 July 2023	**136,151**	**–**	**147**	**136,298**

The restructuring provision relates to a number of ongoing restructuring reviews.
The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 17.

USS deficit

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

Following the completion of the 2020 USS actuarial valuation in the prior year, a revised deficit recovery plan was agreed of which more detail is given in note 36. This plan remains in force and requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. In calculating this US deficit provision, management have included the details listed above and estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

	2023	2022
The major assumptions used to calculate the obligation are:		
Discount rate	**5.52%**	3.31%
Salary growth (over 15 year period)	**3.3–6.0%**	3.0–5.0%

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 23	**Approximate impact**
0.5% decrease in the discount rate	£5.07m increase
0.5% pa increase in salary inflation over duration	£5.13m increase
0.5% increase in salary inflation year 1 only	£0.65m increase
0.5% increase in staff changes over duration	£4.95m increase
0.5% increase in staff changes year 1 only	£0.63m increase
1% increase in deficit contributions	£21.63m increase

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2023 Total	2022 Total
	£'000	£'000	£'000	£'000	£'000	£'000
25. Endowment reserves						
Balances at 1 August 2022						
Capital	45,036	2,669	15,784	–	**63,489**	63,957
Accumulated income	3,499	–	1,988	2	**5,489**	5,708
	48,535	2,669	17,772	2	**68,978**	69,665
New endowments (note 6)	88	–	46	–	**134**	140
Investment income (note 5)	705	32	240	–	**977**	2,012
Expenditure	(1,179)	(71)	(650)	–	**(1,900)**	(1,273)
Decrease in market value of investments	(1,829)	(81)	(631)	–	**(2,541)**	(1,566)
Total endowment comprehensive expenditure for the year	(2,215)	(120)	(995)	–	**(3,330)**	(687)
At 31 July 2023	46,320	2,549	16,777	2	**65,648**	68,978
Represented by:						
Capital	42,445	2,549	14,711	–	**59,705**	63,489
Accumulated income	3,875	–	2,066	2	**5,943**	5,489
	46,320	2,549	16,777	2	**65,648**	68,978

	2023	2022
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	**7,551**	8,040
Scholarships, studentships, medal and prize funds	**17,119**	17,880
Research, directorate, school or faculty use	**30,394**	32,045
Public lectures	**2,182**	2,257
Travel	**275**	288
Student amenities and associated objects	**2,061**	2,139
Student assistance	**1,532**	1,631
Other restricted funds	**1,983**	2,027
General funds	**2,549**	2,669
Total endowments	**65,646**	68,976
Undistributed investment fund income	**2**	2
	65,648	68,978
Analysis by asset type held in Investment Fund:		
Investment property	**210**	210
Non-current asset investments (note 16)	**58,138**	61,292
Current asset investments	**7,137**	6,769
Cash and cash equivalents	**163**	707
	65,648	68,978
There are no endowments with a material deficit balance.		

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
26. Restricted reserves		
Balance at 1 August 2022	**1,734**	1,216
New restricted income:		
Donations (note 6)	**1,398**	1,091
Other	**967**	964
Other services rendered	**65**	4
	2,430	2,059
Expenditure	**(2,356)**	(1,541)
Total restricted comprehensive income for the year	**74**	518
Balance at 31 July 2023	**1,808**	1,734
Analysis of other restricted funds/donations by type of purpose:		
Research support	**622**	528
Capital	**281**	477
General	**905**	729
	1,808	1,734

Consolidated	At 1 August 2022	Cash flows	At 31 July 2023
	£'000	£'000	£'000
27. Cash and cash equivalents			
Cash and cash equivalents	75,030	14,281	**89,311**
	75,030	14,281	**89,311**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated	2023
	£'000
28. Reconciliation of net debt	
Net cash 1 August 2022	**49,542**
Movement in cash and cash equivalents	**14,281**
Other non-cash changes	**1,275**
Net cash 31 July 2023	**65,098**
Change in net debt	**15,556**

Consolidated	2023	2022
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	**89,311**	75,030
Borrowings: amounts falling due within one year:		
Unsecured loans	**(1,275)**	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	**(22,938)**	(24,213)
Net cash	**65,098**	49,542

	2023		2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
29. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	**334,914**	**174,893**	337,940	166,131
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	**47,925**	**39,115**	51,893	46,965
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	**89,311**	**70,987**	75,030	63,432
Other investments	**185,000**	**185,000**	215,000	215,000
Other debtors	**57,451**	**63,321**	26,872	27,431
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	**24,219**	**24,213**	25,517	25,488
Trade creditors	**28,315**	**28,316**	29,075	29,077
Other creditors	**500,792**	**497,477**	469,442	466,068
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2023.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

29. Financial instruments (cont'd)

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Planning and Finance Committee approved treasury management policy. The treasury management policy is in line with best practice and is reviewed, updated, and approved as appropriate, on a regular basis.

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

Credit/counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2023, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of deposits held with banks and building societies is limited because the counterparties are banks with investment grade credit-ratings assigned by international credit-rating agencies. The University's exposure and the credit-ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit-ratings set within the treasury management policy.

The fixed asset investments, as outlined in note 16, consist of investment funds and listed investments. The risk is limited as the investment funds are externally managed by a professional fund manager, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to the large number of diverse customers across both students and commercial customers.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University planning process and are revised regularly during the financial year. Excess funds are invested to maximise the return whilst observing the treasury management policy limits.

Details of the University's long term loans are outlined in notes 21 and 22 and consist of concessionary loans which have a carrying value of £23,785k (2022: £25,060k) at the year end.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the Euro. On an annual basis, after satisfying Euro denominated liabilities, the University is left with a surplus of Euros, which are held in a Euro bank account. Surplus Euros are converted at spot rates as required, with the rate being monitored closely to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Most of the University cash deposits at 31 July 2023 are on relatively short term deposits (up to 12 months) as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk.

Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Decisions in respect of investments are made on the recommendation of the Investment Committee in line with the University's treasury policy. The Investment Committee monitors the performance of the University's investments and meets fund managers on a regular basis with the aim of optimising the future long term return, guided by the University's Responsible Investment Policy.

Concentration risk

Concentration risk refers to the risk of a material loss in value of non-current asset investments due to a large investment in a single party or sector. The Investment Committee monitors the Group's non current asset portfolio on a regular basis to ensure a satisfactory level of diversification.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
30. Capital and other commitments		
Commitments contracted at 31 July	**31,631**	42,095
Approved but not contracted at 31 July	**233,483**	101,380
	265,114	143,475

The capital commitments include capital projects, with anticipated spend in excess of £50m, relating to each of the three strands of Belfast Regional City Deal. In addition there are a number of projects relating to Health Sciences, digitalisation and IS infrastrucutre.

31. Contingent liabilities

The University has entered into a limited partnership agreement with Crescent Capital III LLP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £1m to the Crescent Capital III Fund. As at 31 July 2023 £860k (2022: £825k) had been provided to Crescent Capital III LLP.

32. Events after the reporting period

There were no material post balance sheet events up to and including the date of signature of these Financial Statements.

33. Subsidiary undertakings

The University, unless otherwise stated, holds the entire share capital of the following limited companies which have been fully consolidated into the financial statements. The companies are all incorporated in Northern Ireland.

QUBIS Limited

Technology transfer company which engages in the commercial exploitation of the academic and research activities of the University by establishing corporate ventures.

Queen's Overseas Recruitment Limited

Promotion and funding of educational courses and the recruitment of students.

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

Ownership of the NIACE centre building which is a technology hub to support research in advanced engineering and materials technologies. The University owns and manages 70% of the company which commenced trading in 2012–13.

34. Connected charitable Institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable Institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and is a separate and independent organisation from the University and, therefore, its Financial Statements are not consolidated within the University Group.

The movement in the year on the total funds of the Foundation, as reported in its Financial Statements, is as follows:

	2023	2022
	£'000	£'000
Opening fund	**3,826**	4,020
Income generated	**5,377**	3,532
Disbursements in year	**(4,622)**	(3,726)
Other expenditure	**–**	–
Closing fund	**4,581**	3,826

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

Consolidated and University	2023	2022
	£'000	£'000
35. Student support funds		
Department for the Economy	**2,865**	2,528
University contribution	**360**	377
	3,225	2,905
Disbursed to students	**(3,637)**	(2,851)
(Over)/underspend in the year	**(412)**	54
Opening balance as at 1 August	**516**	462
Closing balance as at 31 July	**104**	516

36. Pension schemes

The University participates in two separate defined benefit occupational schemes, each of which is valued at least triennially by professionally qualified actuaries. The schemes are the Universities Superannuation Scheme (USS), for academic staff and the majority of academic related staff, in which the majority of UK universities participate, and the Retirements Benefits Plan of the Queen's University Belfast (RBP) for non-academic staff and the remaining academic related staff. The assets of the schemes are held in trustee-administered funds, and the rates of contribution payable are determined by the trustees on the advice of the actuaries.

(i) The Universities Superannuation Scheme (USS)

The University participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee Benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to staff costs in the SOCI represents the contributions payable to the scheme.

The total cost charged to the SOCI is £29,337k (2022: £27,418k) as shown in note 7. This includes £4,134k (2022: £3,876k) of outstanding contributions at the balance sheet date. Deficit recovery contributions due within one year are £10,107k (2022: £9,346k).

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, with related expenses being recognised through the SOCI. Details of the provision to recognise this liability in respect of the USS recovery plan are outlined in note 24.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

36. Pension schemes (cont'd)

The key financial assumptions used in the 2020 valuation are described below:

More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples).

Discount rate (forward rates)

Fixed interest gilt yield curve plus:
Pre-retirement: 2.75% p.a.
Post-retirement: 1.00% p.a.

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Pension increases (subject to a floor of 0%)

CPI assumption plus 0.05%.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	2023	2022
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	**24.0**	23.9
Females currently aged 65 (years)	**25.6**	25.5
Males currently aged 45 (years)	**26.0**	25.9
Females currently aged 45 (years)	**27.4**	27.3

A revised deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan (note 24). The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	**5.52%**	3.31%
Salary growth (per annum over 15 year period)	**3.3–6.0%**	3.0–5.0%

The in year movement in the provision relating to the USS deficit recovery provision is (£25.2m). In the prior year the new deficit recovery plan relating to the 2020 actuarial valaution gave rise to a substantial increase in the deficit provision which increased from £60.9m to £156.2m. Further information on the provision including a sensitivity analysis in relation to the main assumptions is set out in note 24 and also note 8 in respect of significant one-off pension items.

An updated USS Valuation, as at 31 March 2023 is currently being finalised and early results indicate a significantly improved position with a potential funding surplus in the region of £7.4bn, compared to the funding deficit of £14.1bn at 31 March 2020. This 2023 USS Valuation is scheduled to be finalised during 2023–24 and it is expected that the improved position will radically amend, or eliminate, the recovery plan which will result in a significant adjustment in the 2023–24 Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

36. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2023, was carried out at 31 March 2020 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2023, using the projected unit credit method.

The major assumptions used by the actuary for the purposes of these accounts are:

	2023	2022
Future salary increase:		
Under 40	**3.05%**	2.95%
Over 40	**3.30%**	3.20%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	**2.70%**	2.65%
CPI subject to a maximum of 3.00% p.a	**2.20%**	2.25%
Pension increase rate in deferment	**2.80%**	2.70%
Discount rate	**5.05%**	3.55%
Inflation assumption:		
Retail prices index	**3.20%**	3.20%
Consumer prices index	**2.80%**	2.70%
GMP equalisation - % of DBO	**0.60%**	0.60%
Average pension increase in payment	**2.44%**	2.41%

		2023	2022
The average life expectancies at age 65 used to determine benefit obligations are:			
Member age 65	Male	**21.4**	21.9
	Female	**23.3**	23.7
Member age 40	Male	**23.0**	23.6
	Female	**25.1**	25.6

	2023	2022	2021
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	**41,613**	61,133	60,054
Bonds and gilts	**–**	22,641	37,792
Matching assets (LDI)	**89,289**	93,956	108,976
Overseas fixed interest	**23,548**	26,076	39,802
Cash and other	**9,764**	11,968	24,684
	164,214	215,774	271,308

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

36. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these Financial Statements:

	2023	2022
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	**164,214**	215,774
Scheme liabilities	**(212,057)**	(255,912)
Deficit in the scheme – net pension liability recorded within pension provision (note 23)	**(47,843)**	(40,138)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	**7,056**	9,779
Total operating charge (note 7)	**7,056**	9,779
Analysis of the amount charged to interest payable:		
Interest on liabilities	**9,075**	5,883
Expected return on assets	**(7,670)**	(4,622)
Net charge to interest and other finance costs (note 10)	**1,405**	1,261
Analysis of other comprehensive income:		
Loss on assets	**(59,304)**	(59,032)
Gain on liabilities	**51,873**	96,752
Total adjustment to other comprehensive income before deduction for tax	**(7,431)**	37,720

	2023	2022
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	**(40,138)**	(74,042)
Movement in the year:		
Current service cost	**(7,056)**	(9,779)
Contributions	**8,187**	7,224
Other finance costs	**(1,405)**	(1,261)
Actuarial gain	**(7,431)**	37,720
Deficit in scheme at 31 July	**(47,843)**	(40,138)

The valuation at 31 July 2023 showed an increase in the deficit from £40.1m to £47.8m.

	2023	2022
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	**255,912**	345,350
Current and past service cost	**7,056**	9,779
Interest cost	**9,075**	5,883
Actuarial adjustment	**(51,873)**	(96,752)
Benefits paid	**(8,113)**	(8,348)
Present value of liabilities at 31 July	**212,057**	255,912

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

	2023	2022
	£'000	£'000
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	**215,774**	271,308
Expected return on plan assets	**7,670**	4,622
Actuarial (loss)	**(59,304)**	(59,032)
Employer contributions	**8,187**	7,224
Benefits paid from plan	**(8,113)**	(8,348)
Value of assets at 31 July	**164,214**	215,774

	2023	2022
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	**7,670**	4,622
Actuarial loss on scheme assets	**(59,304)**	(59,032)
	(51,634)	(54,410)

	2023	2022	2021	2020	2019
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	**(59,304)**	(59,032)	17,846	15,565	20,863
Percentage of scheme assets	**-36%**	-27%	7%	6%	9%
Experienced gains and losses on scheme liabilities	**(10,594)**	-3,635	4,159	9,072	(257)
Percentage of present values of plan liabilities	**-5%**	-2%	1%	3%	0%
Actuarial adjustment	**(7,431)**	37,720	15,386	(20,123)	(9,252)

University contributions

Under the current schedule of contributions the University contributes the following:

- 25.2% of pensionable earnings in respect of pensions + active members
- 16.2% of pensionable earnings in respect of other active members; and
- deficit contributions of 4.8% per annum of pensionable earnings between 1 August 2021 and 31 March 2030.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

37. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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 charges 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. Details of the carrying value of the property, plant and equipment are shown in note 13.

Pension obligation — RBP pension

The University obtains a valuation from an external, professionally qualified actuary, who advises the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI% movements, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. While the University reviews these assumptions in detail, and adopts the assumptions in these financial statements, the actuary, as a pension expert, will provide advice and guidance, and apply their skill and judgement in setting these parameters. A sensitivity analysis in respect of the RBP pension deficit is as follows:

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(16,111)k/£18,038k
Inflation (+ / - 0.5%)	£14,547k/£(13,105)k
Mortality (+ / - 1 Year)	£5,981k/£(6,182)k

USS deficit recovery plan liability

The University is satisfied that the USS scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approval of these financial statements.

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, the University has used the discount rate commissioned by the British Universities Finance Directors' Group (BUFDG) and University estimates for increases in staff numbers and salary growth percentage over the period of the contracted obligation. The impact of possible changes in these assumptions on the recovery plan liabillity are set out in note 24.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

38. Disclosure of related party transactions

The University's Senate members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Senate, which is drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Senate, related committees or key management personnel may have an interest. All transactions involving organisations in which a member of Senate, related committees or key management personnel may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

Included in the Consolidated and University Statements of Comprehensive Income and the Balance Sheets are the following transactions, with a value greater than £5k, with organisations in which a member of Senate, related committees or key management personnel have an interest:

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Anderson Spratt Holdings Limited	–	(2)	–	307
Belfast City Council	5	(28)	(9)	188
Belfast Metropolitan College	–	–	(7)	50
Centre for Competitiveness	–	(22)	–	105
Chartered Association of Business Schools	25	(4)	(335)	17
Chinese Welfare Society	–	–	–	9
Down GAA	4	–	(12)	–
Dubai Academic Health Corporation	770	–	(799)	–
Health Innovation Research Alliance NI	37	–	(186)	–
INTO	1,816	(9)	(1,389)	802
Loud Mouth Media	–	–	–	7
Medical Research Council	–	–	(866)	–
Northern Ireland Chamber of Commerce and Industry	–	–	–	18
Northern Ireland Electricity Limited	–	–	(1)	7
Northern Ireland Water	3	(2)	(11)	809
Royal Irish Academy	–	–	(44)	–
Russell Group	–	–	–	87
Stranmillis College Belfast	1	(2)	(11)	12
UKRI	–	(2)	(2)	23
University of Edinburgh	114	–	(368)	8
University of St Andrews	–	–	(104)	–
Ulster Rugby	2	–	(37)	–
Ulster University	18	–	(636)	331

As at 31 July 2023, the University also had £8m in short-term deposits in Barclays Bank Plc.

The University received disbursements of £4,622k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in note 34.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2023

39. Jointly controlled operations

In 2014 the University established an educational presence in China, in the form of a Joint College, formed between Queen's and the China Medical University (CMU), one of the foremost medical universities in China. The Joint College is known as 'China Queen's College (CQC)' and is founded on the basis of the PRC Ministry of Education (MoE) 'Cooperation in Running Schools (CIRS)' Regulations first promulgated in 2004.

CQC delivers Queen's degree programmes from purpose-designed buildings provided by CMU on its new campus in the City of Shenyang in Northern China. A number of BSc degrees are offered. All the degree programmes in CQC are taught in compliance with UK Quality Assurance Agency requirements.

A Joint Management Committee (JMC) has oversight of the activities and resources of CQC with key specific terms of reference and reporting lines to ensure good academic and financial governance.

40. US Department of Education Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

			Consolidated	
Lines	**Expendable Net Assets**		**£'000**	**£'000**
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		627,666
Balance Sheet	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		68,174
Note 13 and Note 15	Statement of Financial Position – Property, Plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	711,597	
FS Note line 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Property, plant and equipment – pre-implementation		667,381
FS Note 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		8,444
FS Note 13	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Construction in progress		35,623
Note 23	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities		184,055
Notes 21 and 22	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes	23,785	
Notes 21 and 22	Statement of Financial Position – Note Payable and Line of Credit for long term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long term purposes pre-implementation		23,785
Note 25 restricted permanent +unrestricted permanent endowments	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		48,869
	Total Expenses and Losses			
Statements of Comprehensive Income (SOCI)	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		466,796
SOCI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(21,914)
SOCI: Investment income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		(4,138)
	Modified Net Assets			
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		627,666
Balance sheet	Statement of Financial Position – Total Net assets with donor restrictions	Net assets with donor restrictions		68,174
	Modified Assets			
	Statement of Financial Position – Total Assets			1,409,855
	Net Income Ratio			
Balance Sheet	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		11,522
SOCI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		453,015

QUEEN'S UNIVERSITY BELFAST

SHAPING A BETTER WORLD SINCE 1845

The Queen's University of Belfast

Northern Ireland - Charity number 101788

Annual return

KPMG

Audit
The Soloist Building
1 Lanyon Place
Belfast BT1 3LP
Northern Ireland

Independent auditor's report to the Senate of Queen's University Belfast

Report on the audit of the Financial Statements

Opinion

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively "the Group") for the year ended 31 July 2023 set out on pages 90 to 121, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the summary of significant accounting policies set out on pages 80 to 87. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2023 and of its incoming resources and application of resources including its income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;

- the Financial Statements have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and with the Statement of Recommended Practice – Accounting for Further and Higher Education 2019; and

- meet the requirements of the Department for the Economy ("DfE") Accounts Direction to Higher Education Institutions for 2022-23 Financial Statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (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

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease its operations, and as they have concluded that the Group's and University's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ("the going concern period").

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group's and University's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period.

KPMG, an Irish partnership and a member firm of the KPMG global organisation of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Independent auditor's report to the Senate of Queen's University Belfast *(continued)*

Report on the audit of the Financial Statements *(continued)*

Conclusions relating to going concern *(continued)*

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

Detecting irregularities including fraud

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with management as to the Group's and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Independent auditor's report to the Senate of Queen's University Belfast *(continued)*

Report on the audit of the Financial Statements *(continued)*

Detecting irregularities including fraud *(continued)*

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Other information

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements. The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Message from the Students' Union President, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Respective responsibilities and restrictions on use

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements as set out on page 75, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and 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 they either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

KPMG

Independent auditor's report to the Senate of Queen's University Belfast *(continued)*

Respective responsibilities and restrictions on use *(continued)*

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992. In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and

- funds provided by DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to Senate, in accordance with the Charter and Statutes of the Institution. Our audit work has been undertaken so that we might state to Senate 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 Senate, for our audit work, for this report or for the opinions we have formed.



23 November 2023

John Poole
(Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place
Belfast
BT1 3LP

The Queen's University of Belfast

Northern Ireland - Charity number 101788

Accounts

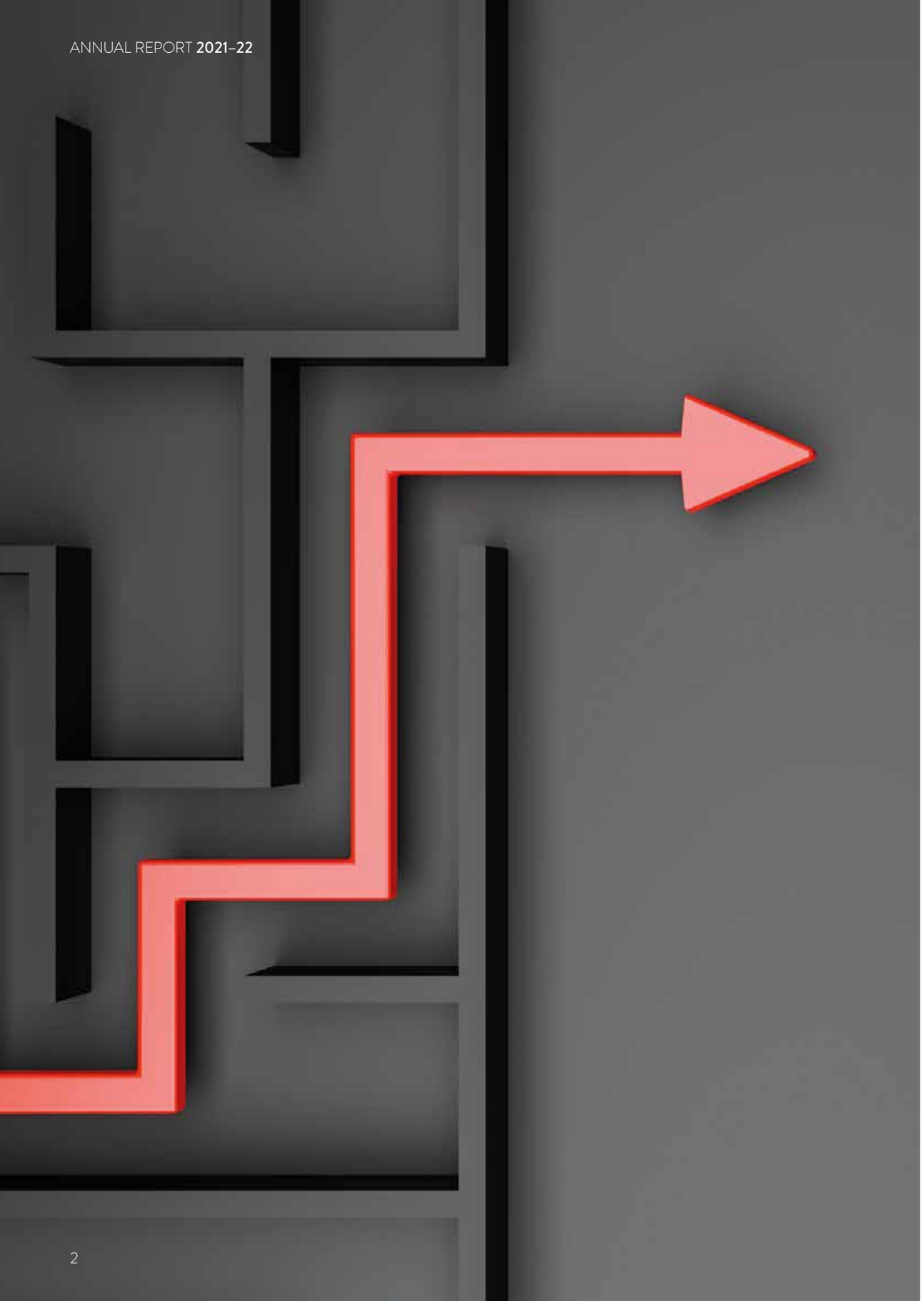
QUEEN'S UNIVERSITY BELFAST

ESTD 1845

ANNUAL REPORT 2021–22



MOVING *FORWARD*



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MESSAGE FROM THE VICE-CHANCELLOR

This was a year in which we cemented our leadership role in the economic and social development of Northern Ireland, aided by the continuing progress of our Strategy 2030 ambitions.

In the recent Research Excellence Framework (REF) results, detailed in this report, not only was our research rated 1st in the UK for Agriculture, Veterinary and Food Sciences, 4th for Health and Biomedical Sciences and 8th for Law, but the proportion of staff in the top five performing units increased from 16.9% in REF 2014 to over 47% in REF 2021.

Overall, our REF evaluation demonstrates a clear alignment between our institutional strengths, in terms of quality and volume, and emerging regional priority areas, particularly in relation to the opportunities presented by the Belfast Region City Deal, in which we play a key part.

We make a major economic contribution to the wider UK. A recent London Economics Report has estimated the total impact of our activities at £3bn per annum – with research and knowledge exchange accounting for £1,186m (39%); teaching and learning £1,068m (35%); and educational exports £305m (10%); in addition, the impact generated by our operating and capital expenditure stands at £482m (16%).

This is a picture of a University which is reaching out, informing and engaging, improving lives, regionally, nationally and globally.

This was a year in which we gradually emerged from under the dark cloud of Covid-19, but faced other challenges – the effect of the war in Ukraine, the cost of living and financial crises, as well as the impasse within the NI Assembly with the continuing absence of a devolved Government impacting long and medium term planning, something which is impacting directly and specifically on our University's future success. Lack of investment and the migration of students away from our shores create a perfect storm which must be tackled urgently, especially with the increase in the population of young people that we can see in the 10 years ahead. We can calm that storm through collaboration and partnership – our universities working in harmony with Government, industry and society. Queen's stands ready to play its part.

Under our Social Charter we are committed to providing leadership locally and globally, to promoting a positive impact through research and education and to promoting equality and social justice. This Annual Report shows how we are embracing that role, enabling change for the better through the work of our people in every part of our University.

Professor Ian Greer
President and Vice-Chancellor

MESSAGE FROM THE CHAIR OF SENATE

One of the great pleasures for all of us at Queen's is to see the University alive, vibrant and flourishing again, to see activity all across the campus, all year round - from Freshers' Week to Graduation.

There were many occasions of celebration during the year, not least the long-awaited installation of our Chancellor, Secretary Hillary Rodham Clinton.

After the bleakness of the pandemic, this past year saw life returning to normal for our students and staff. It saw our University regaining its momentum and moving forward. There was a renewed focus on improving the Student Experience. In addition, Senate approved £30m of investment to support the delivery of Strategy 2030, our ten-year ambition to shape a better world through education and research that changes lives.

I am delighted that our journey will continue through to 2030 under the exceptional leadership of Professor Ian Greer in a second term as Vice-Chancellor.

Since his appointment in 2018 he has faced not only the unprecedented challenge of Covid-19 but also long-standing issues such as the funding crisis for Higher Education, the loss of our young people through educational migration and its effect on the long-term future of the local economy.

He has advanced the achievements and reputation of our university through a focus on building alliances through collaboration, not least in helping to deliver the Belfast Region City Deal and establishing highly effective partnerships that place Queen's at the centre of the socio-economic development not only of Northern Ireland but across these islands. There is a multi-million pound sustainability action plan to help us play our part in tackling the climate crisis, with Queen's among the top 10 per cent in the Times Higher Education Impact Rankings.

We are providing opportunities for more students with the ability to succeed, regardless of background. In addition, we are improving our ranking in league tables and in the Research Excellence Framework (REF) results in which 99% of our research environment was assessed as world-leading or excellent.

This progress and more is reflected in this Annual Report. Our University is embarked on a journey of transformation. Part of that will involve the establishment of a new leadership structure that will help us build our inner strength so that we are better equipped to deliver the ambitions of Strategy 2030.

These are exciting times for all of us at Queen's as we continue to play a positive contribution to our people and to Northern Ireland and I look forward to our future achievements and success.

Dr Stephen Kingon
Chair of Senate



MOMENTS OF THE YEAR



SEPTEMBER 2021

CHANCELLOR INSTALLATION

The Installation of Secretary Hillary Rodham Clinton as the University's 11th and first female Chancellor.



DECEMBER 2021

BELFAST REGION CITY DEAL

Signing of the Belfast Region City Deal – a momentous occasion for our region and for innovation in Northern Ireland. Queen's is leading on three innovation projects.



DECEMBER 2021

SILVER DIVERSITY MARK ACCREDITATION

Queen's awarded a Silver Diversity Mark recognising our commitment to advancing diversity and inclusion in the workplace.



JUNE 2022

THE PLATINUM JUBILEE OF HER MAJESTY QUEEN ELIZABETH II

The University planted a magnolia tree as part of the Queen's Green Canopy project and launched four new Platinum Jubilee Scholarships.

NOVEMBER 2021

SUSTAINABILITY ACTION PLAN

Queen's pledges a multi-million pound investment in a Sustainability Action Plan to help play its part in tackling the global climate emergency.



DECEMBER 2021

WINTER GRADUATION

The return to in-person Graduation and Celebration events for our students who graduated virtually during COVID.



MAY 2022

REF RESULTS

REF 2021 highlighted the depth of quality of Queen's research across the whole University.



JUNE 2022

PROFESSOR LORD DAVID TRIMBLE

The Inaugural Annual Professor Lord David Trimble lecture and portrait unveiling to mark the outstanding contribution that Lord Trimble made to society for over fifty years.



OVERVIEW OF THE UNIVERSITY

Queen's University Belfast is one of the leading universities in the UK and Ireland with a distinguished heritage and history.

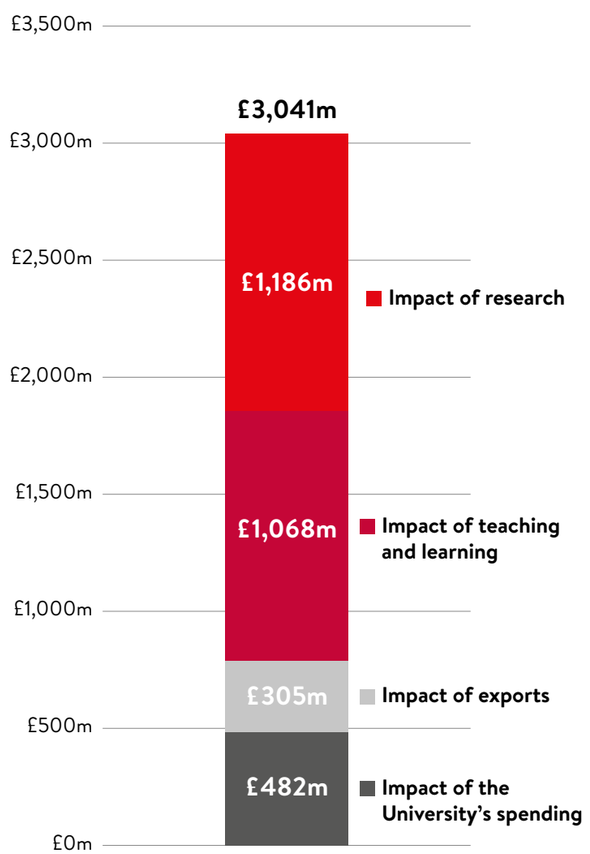
The ninth oldest University in the UK, we are a member of the Russell Group, combining excellence in research and education with a student-centred ethos. We are ranked joint 13th in the UK for research intensity (Complete University Guide 2022), with 88% of research submitted by Queen's assessed as world-leading or internationally excellent (REF 2021).

Our global reputation is building. The Times Higher Education World University Rankings (2022) placed Queen's in the top 200 universities in the world. They also ranked Queen's 17th in the world for international outlook while U-Multirank 2020 positioned us in the top 25 universities for international joint publications. In addition, 13 subject areas are ranked in the top 200 in the world (QS World Rankings by Subject 2022).

Our global partnerships continue to grow and build on and forge alliances with leading Institutions in America, China, India, the Middle East and Asia.

Queen's is pivotal to Northern Ireland's social and economic development. We are playing a central role in the Belfast Region City Deal and are accelerating economic growth, ensuring a talent pipeline of fully equipped, future-ready graduates to meet demand. The University is renowned for its strengths in enterprise and innovation, and was ranked 1st in the UK as the most entrepreneurial University in 2019 and 2020 (Octopus Ventures Impact Rankings).

Total Economic Impact of Queen's



THE World University Rankings 2023 TOP 200

OUR STAKEHOLDERS

STUDENTS

With over 25,000 students from more than 96 countries, our diverse student body makes a rich and exciting contribution to campus life. Working in partnership with the Students' Union, the University is committed to student participation and engagement. The Student Partnership Framework and the shared programme of representation, ensure meaningful involvement in decision-making. There are many opportunities to contribute — through the Students' Union, Student Representation at Course, Subject, School and Faculty level and through membership of University Committees, including Senate and Academic Council.

COLLEAGUES

We have over 4,300 members of staff from over 98 countries. They are represented in our governance through membership of Senate and engagement with the Trade Unions. They are also members of many committees and groups, including the Staff Forum.

ALUMNI

We maintain life-long relationships with more than 218,000 alumni across the world, engaging regularly to build connections and community amongst alumni and with the University. Alumni are kept up to date through a number of communication channels, including the alumni magazine as well as through a wide range of associations and alumni chapters. In-person annual dinners, meet-ups and outings, including the Annual Alumni Awards, sponsored this year by Allstate NI, form an important part of our engagement. Alumni are also members of Convocation which, through volunteer alumni leadership, creates opportunities for connectivity and engagement between alumni and the Queen's community. Convocation also facilitates representation to and dialogue with the University on behalf of Alumni.

THE LOCAL COMMUNITY

Queen's is committed to the community and we are proud of the contribution our students make, with 11,000 students involved in volunteering, clubs and societies. We have developed partnerships with Belfast City Council, the Health and Social Care Board, and a range of local community and voluntary groups. We convene the Neighbourhood Forum, a platform for local residents, politicians and representatives of the University and Students' Union to address important issues. We are also community planning partners with Belfast City Council and we hold membership of a number of business representative bodies.

FUNDERS AND REGULATORS

Unlike other parts of the UK, Northern Ireland has no Higher Education Funding Council. Instead, the Department for the Economy (DfE) undertakes that role. There are formal and informal channels of engagement between the University and the DfE. Queen's is registered with the Charities Commission for Northern Ireland. In setting and reviewing all our activity Senate, the University's governing body, seeks to comply with the Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

PARTNER ORGANISATIONS

Our partners are a diverse range of organisations locally, nationally and internationally. We work with business, Government, community and the Higher and Further Education sectors in Northern Ireland, collaborating in a number of initiatives, including the Belfast Region City Deal. Queen's is a member of Universities UK, the Russell Group and the all-island Universities Ireland. We work with universities in the UK and Europe and have more than 120 partnerships across the globe, including the Mohammed Bin Rashid University of Medicine and Health Sciences (MBRU) and the China Medical University – Queen's University Belfast Joint College (CQC).

STRATEGY 2030

Strategy 2030 sets out our 10-year ambition to shape a better world through life-changing education and research. Our vision is to be a global research-intensive University, generating internationally leading research coupled with outstanding teaching and learning, focused on the needs of our society, locally and globally. Our ambition for 2030:

01

A GLOBAL UNIVERSITY

From our hub in Belfast we will build partnerships and collaborations across the globe, attracting the brightest and the best, being known for our exceptional record in diversity, inclusion and sustainability.

02

SCALE NEW HEIGHTS

Climbing the Global league tables and ranked in the top 175 in the world.

03

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

That inspires and delivers the engaged global citizens of tomorrow with flexible and broad-based learning opportunities that are lifelong, coupled with outstanding support.

04

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

A University known for research of the highest quality, with impact and exceptional translation driving strong partnerships with industry and business.

05

A GREAT PLACE TO WORK

A leading employer for equality, diversity and inclusion with an organisational culture that supports and empowers staff to produce their best.

06

AN ANCHOR INSTITUTION

An anchor Institution in Northern Ireland that takes pride in social and civic responsibility, supporting progressive social change and economic growth in an environmentally sustainable way.

07

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

A University that is financially sustainable, with the capacity to invest to deliver the best opportunities for students, staff and society in a changing world.

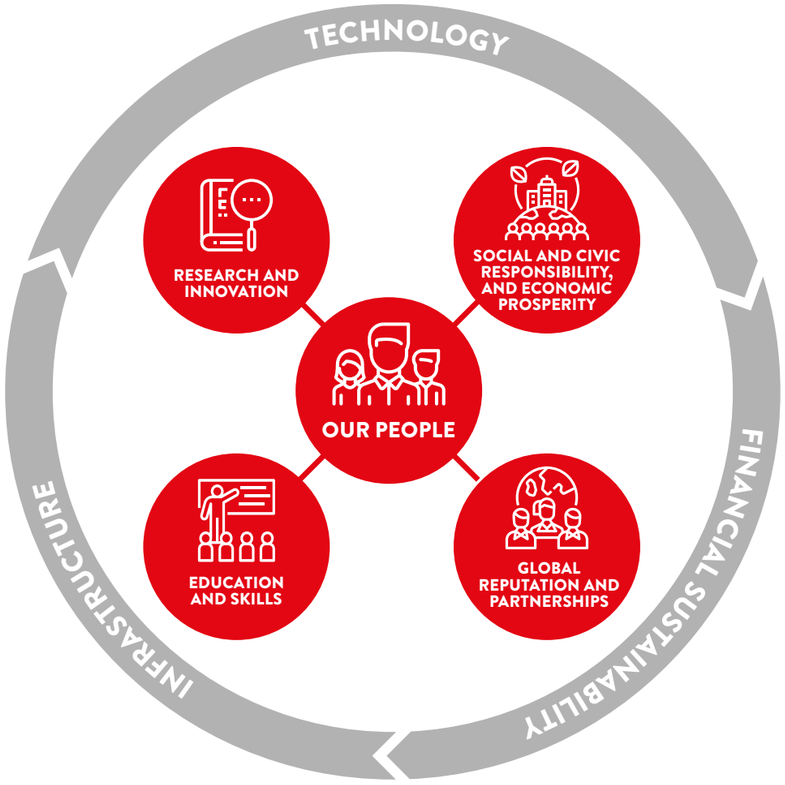
REALISING OUR VISION

WE WILL REALISE OUR VISION BY FOCUSING ON FOUR PRIORITIES:

- Education and Skills
- Research and Innovation
- Global Reputation and Partnerships
- Social and Civic Responsibility, and Economic Prosperity

THESE WILL BE UNDERPINNED BY FOUR ENABLERS:

- Our People
- Technology
- Infrastructure
- Financial Sustainability



DELIVERING OUR VISION

While our ambition reflects a vision with a 10-year horizon, the operational delivery is on a rolling three-year basis, to allow us to respond to opportunities and risks.

Following Senate approval of Strategy 2030 in June 2021, a Strategy Delivery Group was established to take forward Strategy 2030 implementation. In parallel to the work of the Strategy Delivery Group, an integrated annual planning cycle was introduced to support the University Executive Board in the consideration of rolling three-year institutional plans. During 2021-22, all key components of the Strategy were advanced and £30m of recurrent investment was approved to support implementation.

STRATEGIC PRIORITY
EDUCATION AND SKILLS

During the year, the University endorsed a new plan for Education and Skills which includes the following key commitments.

THEME	COMMITMENT
A transformative student experience	Create future-ready graduates by embedding opportunities for every student to engage with **innovation and enterprise** within the curriculum and through extracurricular opportunities.
	Offer learning beyond the boundaries of nation and culture by embedding a culture of **diversity and inclusivity** within the curriculum and student experience by enhancing our range of high-quality mobility programmes.
An education for societal impact	Introduce a portfolio of broadly-based degree programmes and **inter-disciplinary** opportunities and offer minor pathways to enable structured engagement in inter-disciplinary learning.
	Embed in all programmes a focus on **United Nations Sustainable Development Goals (UN SDGs)** supported by meaningful engagement between students and research leaders and innovators. Work with business to identify and deliver key skills for our growing economy.
Enhancing the learning experience	**Rebalance assessment** at Queen's: reduce replication and redundancy in summative assessment and increase the quality and timeliness and self-evaluation.
	Create an optimal environment for learning, teaching and assessment by embracing **digital transformation.**

PROGRESS UPDATE

The opening of the new £42m Student Centre and Students' Union, One Elmwood, in August 2022 marks a major milestone in the development of our student services and the broad student experience. The new building, which will enable the introduction of a "student first" customer service, will cater for the changing needs of students and create a new focus for life on campus.

Phase 1 of the new Education and Skills plan, endorsed during the year, focuses on transforming assessment, digital development and programme development and will enhance our reputation for education with the introduction of a Scholarly and Reputation Enhancement Programme. The plan will build a solid infrastructure for innovation and collaborative learning practices to support our Strategy 2030 ambitions.

The provision of student wellbeing services remains an important priority. While the 2021-22 academic year was focused on responding to the challenges created by the Covid-19 pandemic, we made good progress on the development of the #QUBeWell Healthy Campus Framework. Activity included awareness campaigns such as the Charge Up, Get Connected – Men's Mental Health Campaign and projects delivered through the Students' Union Health and Wellbeing Action Plan. Partnership working with our Students' Union is important, particularly in mental health issues. Recognising the need for timely support, additional funding has been allocated for the Disability Services team and the International Student Support team.

We are proud of our Widening Participation programme. A focus over the last year was educational attainment, fair and flexible access, and transition (from post-primary school) support. Activity included support for care-experienced young people, delivery of the Junior Academy, which offers a range of focused interactive activities to nominated pupils in Years 9 to 12, and piloting of interventions pre- and post-GCSE. The year also saw the continued expansion of the Pathway Opportunities Programme (POP) and development of pathways to Higher Education (HE) with Further Education (FE). This is the sixth intake of POP and the target of 300 participants across all subject areas was achieved. The conversion rate has improved each year and has surpassed the goal of 50%, reaching 56% in 2021, with an intake of 138 students to Queen's.

A transformative student experience is a key theme of Strategy 2030. The National Student Survey (NSS) results provide a useful basis for identifying areas of best practice and where improvements can be made. We are working in partnership with the Students' Union to identify issues and deliver solutions to enhance the student experience.

13 SUBJECTS
ranked in the top 10 in the UK
(Complete University Guide 2023)

12th IN THE UK
for graduate outcomes
(Complete University Guide 2023)



Mental health campaign: Honorary Graduate Carl Frampton pictured at the launch of the Charge Up, Get Connected – Men's Mental Health Campaign.

STRATEGIC PRIORITY
RESEARCH AND INNOVATION

During 2021-22, the University approved a new £7m plan for Research and Innovation which includes the following key commitments.

THEME	COMMITMENT
People	Enhance researcher excellence across all career stages.
	Integrate and enhance support, training and mentorship coaching along the researcher lifecycle.
	Foster an inclusive, collaborative, entrepreneurial and supportive research community.
Research Quality	Ensure our research is founded upon integrity, excellence and ambition.
	Enable our research with high quality infrastructure (including digital), systems and services.
Partnership and Place	Ensure a collaborative research ethos founded on agile engagement and enduring partnerships locally and globally with universities, business and government.
	Realise more meaningful and enduring academic partnerships, connecting nationally and globally.
	Deliver leading-edge research and innovation activity in partnership with business and industry.

PROGRESS UPDATE

Research performance improved significantly over the past year with over £100m in new awards, including an increase from United Kingdom Research and Innovation (UKRI). Allied to this is an increase in the proportion of larger-scale grants (over £1m).

The Research Excellence Framework (REF) 2021 highlighted the depth of quality across the University. We were ranked joint 1st in the UK for Agriculture, Veterinary and Food Science, 4th for Health and Biomedical Sciences and 8th for Law, with 96% of our Engineering research rated as world-leading or internationally excellent. The transformative potential of our research was also rewarded as we increased our overall percentage of outstanding research impact, with 11 different disciplines showcasing 100% outstanding and very considerable impact. The proportion of staff conducting world-leading or internationally-excellent research increased from 76.5% in 2014 to 88.2% in 2021. As part of the Research Culture Action Plan, we launched an institutional Postdoctoral Development Centre to support our postdoctoral researchers. Other initiatives included enhanced training and peer review support for funding.

We are creating a research ecosystem by underpinning work aligned to Strategy 2030. The new Agility Fund supports a wide range of activities. New or revised internal seed funding opportunities, such as a Research and Innovation Conference Fund, the Engaged Research Seed Fund, and a first call to the Research Culture Seed Fund, were also introduced. The Queen's Fellowship Academy continues to provide development support for Research Fellows recruited through Queen's-funded Fellowships, and supports staff holding specified externally funded Fellowships.

OVER 99%
of our research environment was assessed as world-leading or internationally recognised (REF 2021)

The implementation of the Technicians Commitment Action Plan continues to progress to support, develop and celebrate our technical staff. During the year, we were awarded a Technician Commitment Impact Award in recognition of this work.

Other achievements included a Global Research Engagement Plan providing enhanced training, access to seed funding and revised frameworks for managing international partnerships. We also secured over £2.8m in Impact Acceleration Account funding from four Research Councils.

We have expanded partnerships across the island of Ireland. Through the Irish Government's Shared Island Initiative, we secured 43 projects totalling around €9m, including a collaboration to create an All-Island Cancer Research Institute. We also signed a Memorandum of Understanding (MoU) with University College Dublin on areas of mutual strength and with University College Cork we made a successful application to the UN-affiliated Sustainable Development Solutions Network, the first of its kind on the island. Progress through the Belfast Region City Deal gains pace as does our work as part of the Northern Ireland Nano Technology Consortium, a partnership with Seagate Technologies which was awarded £42.4m from UKRI's Strength in Places Fund. Our industry-led research funding has continued to increase, from £10.4m in 2018-19 to £30m in 2021-22.

We are making a global impact through our entrepreneurial and spin-out activity. Queen's and the biopharmaceutical company, Ipsen, entered a major collaboration and licensing agreement relating to our preclinical stage FLIP Inhibitor Programme.

Spin-outs supported by QUBIS Ltd and the University's commercialisation team saw Causeway Sensors securing €1.8m in investment for nanosensor platform, Sonrai Analytics gaining £2.2m 'Seed Plus' funding to accelerate international growth and Aramune technologies raising £0.8m to scale its health product.



1st IN THE UK
for entrepreneurial impact
(Octopus Venture 2019 and 2020)



Launch of the Postdoctoral Research Centre: (L-R) Joanne Clague, Registrar and Chief Operating Officer; Dr Rebecca Loader, Research Fellow in the School of Social Sciences, Education and Social Work; Dr Alice Dubois, Head of the Postdoctoral Development Centre; Dr Suha Dadou, Research Fellow in the School of Pharmacy; Professor Ian Greer, President and Vice-Chancellor; Dr Ahmed Ibrahim Osman, Research Fellow in the School of Chemistry and Chemical Engineering; Professor Emma Flynn, Pro-Vice-Chancellor for Research and Enterprise.

STRATEGIC PRIORITY GLOBAL REPUTATION AND PARTNERSHIPS

During the year, work progressed on enhancing our global reputation and partnerships to the following commitments.

THEME	COMMITMENT
International Experience	Offer an international experience that attracts and supports exceptional individuals from around the world.
International Reputation, Networks and Partnerships	Focus our efforts on high-quality international partnerships in areas of strength, which will support our priorities in research, education and impact.
Global Alumni Engagement	Further develop close connections with our community of global alumni. Increase philanthropic income.

PROGRESS UPDATE

In September 2021, our Global Reputation Action Plan was approved with key year one actions focused on optimising international rankings, international student recruitment, and the articulation of strategic research themes.

Our performance in global league tables has improved and we are now ranked in the top 200 in the Times Higher Global Rankings, our highest position in recent years. This rise of 24 places has been driven by improvements in teaching and research reputation as well as research quality.

Work to enhance our reputation continues with research Champions appointed for all Schools and the launch of a research reputation campaign, as well as new online web content to showcase our strengths.

During the year, our international student population increased by 18%, further contributing to the diversity of our University and city, and making a significant economic impact, estimated at £305m (London Economics). We also welcomed our largest ever study abroad cohort from a single Institution with over 100 Belmont University students coming to Queen's across the year.

Offering an international experience remains a priority. A Global and Inclusive Student Experience Task and Finish Group has been established and will take forward work on: international student support from recruitment to induction; international student support (in-course); an inclusive culture of work and study; a global and inclusive estate; and outward student and staff mobility.

We continue to enhance our global partnerships. During the year, investment was approved to enable us to take forward academic business development opportunities. One of our key partnerships is with the Mohammed Bin Rashid University (MBRU), working in collaboration to provide world-class healthcare training, anchored in the delivery of an outstanding student experience. In June 2022 we reached a significant milestone with the graduation of the first medical and nursing students from MBRU.

OVER 4,200

international students (an increase of 18% on the prior year)

Queen's alumni play a key role in the life of our University and continue to support us in a number of ways. Alumni volunteers help students with future employment decisions through mentoring and placement opportunities.

During the year, we welcomed a number of new Honorary Graduates at ceremonies in Belfast and New York. Our Chancellor, Secretary Hillary Rodham Clinton, conferred degrees on leading figures from the worlds of business, politics, sport, the arts, policing and education, including members of the Women's Coalition and former diplomat and Ireland's first female Ambassador to the US, Anne Anderson. A special posthumous award was made to Norman Houston, Director of the Northern Ireland Bureau and an annual Norman Houston Study Northern Ireland Scholarship created with the Bureau, to support a US student studying at Queen's.



Graduation: The graduating MBRU class of 2022



Honorary Degree Ceremony in New York: (L-R) Queen's Chancellor Secretary Hillary Rodham Clinton, Ambassador Anne Anderson, Queen's President and Vice-Chancellor Professor Ian Greer

STRATEGIC PRIORITY
SOCIAL AND CIVIC RESPONSIBILITY AND ECONOMIC PROSPERITY

Our Social and Civic Responsibility and Economic Prosperity activity this year focused on the following commitments.

THEME	COMMITMENT
Economic Growth and Prosperity	Deliver on the Regional Growth Deals, the Northern Ireland Executive's strategic priorities, and the UK Government's industrial and innovation priorities in the context of Northern Ireland, enhancing UK/Ireland partnerships.
	Partner with other anchor institutions and business to deliver collective impact and maximise benefits.
Drive Social Change	Address key social challenges in Northern Ireland though our research and teaching, and through our role as a major civic Institution in the region.
	Tackle social inequality by address key social challenges in Northern Ireland.
Partnership and Place	Embed the UN Sustainable Development Goals across all our activities.
	Transition to a Zero-Carbon society.

PROGRESS UPDATE

We continue to play a critical role in the socio-economic development of Northern Ireland, making a major economic contribution. Our economic impact on the UK has been estimated at over £3bn (London Economics), representing a 45% increase over the previous five-year period and a benefit to cost ratio of approximately 8.2 : 1.

During the year, considerable progress was made on the Belfast Region City Deal. This represents a major opportunity for the University, Belfast and Northern Ireland by driving collaborative University-industry R&D to harness additional investment, build workforce skills, create new jobs and accelerate inclusive growth. The Deal Document was signed in December 2021 and work is advancing across all the Queen's-led innovation projects – the Advanced Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII), and the Institute for Research Excellence in Advanced Clinical Healthcare (iREACH) whose collective funding from UK government, the Northern Ireland Executive, the University and its partners for the three centres is circa £200m.

Addressing global challenges remains a priority and during the year we reinforced our commitment to sustainability. In advance of COP26, we pledged a multi-million pound investment in an action plan to help play our part in tackling the climate emergency. A Sustainability Team has been created and a Sustainability Board established to report on a quarterly basis. Investment has also been approved to develop a Carbon Reduction Plan, which will consider the costs and the feasibility of achieving net zero emissions by 2030, 2040 and 2050. Further details of our sustainability activities can be found in the United Nation Sustainable Development Goal (UN SDG) section of this report.

A new strategy has been developed to enhance our institutional approach to Civic Engagement and Social Responsibility over the next five years. During the year, we engaged with political parties and the civic and business sectors to ensure our impact is relevant and embedded in future policy. This involved engagement with the Administrations in both Westminster and Dublin and included visits to the University by the then Secretary of State for the Department of Business, Energy and Industrial Strategy, Kwasi Kwarteng MP; An Taoiseach Micheál Martin; Simon Harris, Minister for Further and Higher Education, Research, Innovation and Science; and Vice-President of the European Commission Maroš Šefčovič. We also continued our partnerships within the civic and community sectors to deliver on the University's Social Charter.

Ranked in the **TOP 10%** in the SDG areas

(Times Higher Education 2022 Impact Rankings)



Taoiseach Micheál Martin's visit: Pictured with the Taoiseach on his visit to the Patrick G Johnston Centre for Cancer Research is (L-R) Dr Wendy McLoone, Interim Director of Research; Professor Chris Scott, Centre Director; Pro-Vice-Chancellor Professor Emma Flynn and Vice-Chancellor Professor Ian Greer.



BRCD: Pictured at the announcement of the new £58m Global Innovation Institute as part of the Belfast Region City Deal are (L-R): Professor Mark Lawler, Scott Rutherford, Professor Máire O'Neill, Minister Conor Murphy MLA, Professor Chris Johnson and Dr Godfrey Gaston.

ENABLING OUR VISION

People

Our people are at the heart of Strategy 2030. During the year a new People Strategy was developed focussed on enhancing the employee experience, building capability within the workforce, and improving the organisational culture.

Activity undertaken during 2021-22 included our Pulse Survey which gathered feedback from staff on workload and work-life balance. In response, agile flexible working arrangements have been rolled-out to all roles. Work is underway to address academic workload and a Staff Charter based on the behaviours aligned to our Core Values has been developed. A Steering Group has also been established to support cultural change within the organisation.

Health and wellbeing support remains a priority. During the year new policies for Menopause and Fertility Leave were approved and there was the official launch of the Queen's Carers' Network which offers a peer resource for those working carers balancing the demands of supporting others with their roles at Queen's. Our commitment to advancing diversity and inclusion was recognised with the award of the Silver Diversity Mark.

While progress has been made on many issues, there is still more to do. We remain committed to working in partnership with the Trade Unions to make the University a better place to work. During the year, we agreed with our branch, University and College Union (UCU), to work with them on a wide range of issues, including our positions, plans and commitments on casualisation, values and behaviours, equality, diversity and inclusion, and career development.

Technology

In October 2021, proposals to invest in digital transformation to maximise the benefits of technology were approved.

The Digital Transformation roadmap brings together all the technology-enabled change that Queen's needs to deliver in the next 3-5 years, aligned to Strategy 2030 and in support of teaching and research outcomes. The investment will improve efficiency and effectiveness through automation and streamlining of business processes, generating benefits for students and staff and having positive effects on wellbeing by removing burdensome manual processes.

A Digital Transformation Steering Group has been established to prioritise projects and, in Spring 2022, it approved the business cases for the redesign and digital transformation of the applicant management system and of the student support process. These projects are now underway and a further business case for the redesign of the staff recruitment process was approved in May 2022.



Pride picnic: Queen's first Pride Picnic took place during the year.

Infrastructure

Key institutional projects during the year included the completion of our new £42m Student Centre, One Elmwood, which houses both the Students' Union and University Services in one purpose-built facility and will transform the student experience at Queen's.

The £26m Riddel Hall expansion to provide postgraduate teaching accommodation for the Queen's Management School is due for completion in January 2023. The creation of the new building was given a boost this year as a result of a £1m pledge to fund a state-of-the-art lecture theatre.

During the year, the University advanced plans to build three Innovation Centres as part of the Belfast Region City Deal. Design teams were appointed for each of the Queen's-led Centres in areas including advanced manufacturing, clinical research, and secure, connected digital technologies. With a total investment of over £200m from the UK Government and the Northern Ireland Executive, the University and its partners, the Centres represent the most ambitious building projects we have overseen in recent years.

To further support the ambitions of Strategy 2030, a ten-year Estate Strategy is currently being developed which will centre on the concept of three major zones: Medical; Arts; and Technology/Engineering.

Financial Sustainability

Financial sustainability is a key tenet of our Strategy 2030. A detailed analysis of the University's financial performance for 2021-22 is set out in the Consolidated Income Review on pages 36 to 54

SUSTAINABLE DEVELOPMENT GOALS

Sustainability is at the cornerstone of Strategy 2030. Building on an established track record of innovation, education and impact in areas such as climate, health and technology, Strategy 2030 sets out how we will embed and make visible the UN Sustainable Development Goals (SDGs) across all our activities.

As a signatory to the UN Accord, Queen's is already delivering a wide range of programmes across and beyond the Institution which embed sustainability issues and address the climate crisis. Notable developments include the establishment of an All-Island Sustainable Development Strategic Network in collaboration with University College Cork – this will provide an island-wide framework focused on mobilising local action for the Sustainable Development Goals. This section highlights some of the work taking place across the University in all seventeen SDGs.



Pedalling to Progress: Big Loop Bike Hub: Richard Good, Director of the Turnaround Project, Belfast Lord Mayor, Councillor Kate Nicholl and Vice-Chancellor Professor Ian Greer.



Green Meetings Accreditation: - Pictured celebrating the Green Meetings Gold Awards are (L-R): Lord Mayor Cllr Tina Black; Grainne Doherty, Head of Eventus and Culture and Arts; Director of Student Plus, Caroline Young; Fionnuala Lavery, Student Plus; Sara Lynch, Head of Sustainability; and Jac Callen, Visit Belfast.

Education and skills

Net-zero innovation academy

The Net-Zero Innovation Academy developed at Queen's aims to create zero-carbon cooperatives by bringing communities and businesses together. The aim is that all carbon emitted by the community is reabsorbed and all waste is reused, eliminating the need for external resources. The real value of zero-carbon cooperatives is the intelligent and innovative cross-community linking of individuals and organisations. Academics and Entrepreneurs have pulled together a package of free training programmes in core fundamentals of net-zero and innovation, enabling the implementation of new technologies and the creation of new businesses or collaborations.



Education for sustainable development

In collaboration with SOS-UK (Students Organising for Sustainability), the School of Electronics, Electrical Engineering and Computer Science has undertaken a comprehensive curriculum audit to determine the degree of inclusion of SDG context-based knowledge. This provided staff with a baseline understanding of how modules support students' understanding of sustainability in an engineering context, whilst equipping the staff with the knowledge on how to confront, manage and shape social, economic and ecological challenges. Associated actions included the incorporation of Engineering for People Design Challenge within key modules and deployment of Sulitest, an online tool designed to raise awareness of the SDGs, in relevant modules.



Carbon literacy training

In partnership with Keep Northern Ireland Beautiful and the Department of Agriculture, Environment and Rural Affairs (DAERA), a Carbon Literacy Training initiative was launched in January 2022. This provides staff and students with certified training on carbon literacy and climate action, with over 300 people participating in the first phase. The interactive training provides staff and students with an understanding of climate change science and the climate impacts of our everyday actions. It encourages people to map their own carbon footprint and the motivation to reduce personal and organisational carbon emissions.



Research and innovation

Appointing a more reflective Judiciary for Northern Ireland

Research completed by staff in the School of Law for the Northern Ireland Judicial Appointments Commission (NIJAC) has underpinned changes to the judicial appointments process. This has impacted directly on the diversity of the judiciary in Northern Ireland. Significant and demonstrable changes have followed directly and are evidenced in the operational policy and practices of NIJAC, and in the profile of the current judiciary at all levels. The summary of this impact is captured through key changes, for example, in 2015 NIJAC appointed two female applicants to the High Court for the first time since the court was created in 1921. There is an even more pronounced change at the other court tiers, and in tribunals where around 50% of legal roles are held by women.



The social and solidarity economy and local development

Researchers from the School of Natural and Built Environment, commissioned by Joseph Rowntree Foundation, explored the potential of implementing a Social and Solidarity Economy Model within Belfast. Findings demonstrated that asset-based development, regeneration and community anchor organisations strongly contributed to job creation, new services and produced significant cross-community outcomes. This research leveraged capital investment, improved supply of social finance, supported the growth of community businesses and helped to develop new policies and investment programmes within Belfast.



Health, deprivation and unemployment within Belfast City Council

The School of Natural and Built Environment and Geography, in partnership with Belfast City Council, are researching themes connected to deprivation and employment within Belfast. A range of research has been undertaken into key themes – uptake of employability training schemes; health inequalities and excess winter mortality; long-term deprivation and unemployment trends. Key findings have resulted in a range of actions being undertaken. This includes targeting key areas for recruitment and directing vital health resources to vulnerable people. Further, research has supported the creation of a bespoke scheme which takes account of deprivation and the local area history, supporting Belfast City Council's inclusive growth strategy.



Campus activities

Pedalling to progress - Big Loop Bike Hub

The Big Loop Bike Hub was launched in October 2021, in partnership with the social enterprise Turnaround Project, who help people coming out of the justice system by providing transitional employment opportunities that help reduce barriers to employment. The Bike Hub aims to increase access to cycling facilities for staff, students and the wider south Belfast community. The hub was part-funded by Belfast City Council, Department for Infrastructure and Department for Communities. The Bike Hub offers lease bikes, refurbished second-hand bikes, puncture repair and much more. In response to enhanced cycling to and from campus, the University has continued to invest in cycle parking – to date 1,540 cycle spaces have been created.



Geothermal at Riddel Hall

Queen's University is an institutional pioneer in geothermal technology, with it deployed within the new Management School build at Riddel Hall with 38 boreholes drilled and awaiting connection. This is a very visible example of Queen's decarbonising heat within our University estate.

Green meetings accreditation

In June 2022, Queen's University became the first organisation on the island of Ireland to be given a Green Meetings Gold Award. The Green Tourism initiative is designed to help individual tourism businesses contribute to improving the environment, address climate change and lift the local economy.



Tackling period poverty

To tackle period poverty and stigma, a pilot scheme distributing free period products across the campus was launched in 2021. Students who are unable to access period products experience an impact on their physical and mental health. This can lead to students struggling to concentrate on studies, and result in class absences. The pilot was funded by the Northern Ireland Department for the Economy.

Saving H2O One Drip at a Time

Queen's is working in partnership with NI Water to monitor, and prevent, water leaks within the Queen's campus. This revolutionary pilot has included the design and implementation of 72 meters to enable an early warning system to monitor for leaks.



Outreach and engagement

BT9 student allotment

In partnership with The Conservation Volunteers, staff and students have been busy creating, maintaining, and growing BT9 Student Allotment. The allotment was created in 2019 by a group of student volunteers, funded via the Queen's Green Fund. Since 2019, the allotment has evolved in size, with the addition of an apple orchard in 2020 and the formation of a Gardening Club in 2021. The allotment provides students with a valuable green space, an opportunity to learn about where their food comes from whilst enhancing the biodiversity of their campus. This project contributes to the 'One Million Trees for Belfast' programme.



Community-led partnership to tackle derelict land

Academics have been engaging with BUILD Shankill in a community-led partnership that is working to address issues around vacant and derelict land across the Greater Shankill. Using housing market data and GIS spatial analysis, academics within Queen's Communities and Place (QCAP) have assisted the BUILD working group to better understand local housing market dynamics through a bespoke and interactive site register. Queen's Communities and Place is a new initiative based on partnership between communities, policymakers and academics. Key findings were presented at a community event in June 2022, which was attended by MLAs, Councillors, the NI Housing Executive, and local developers. This project aims to provide knowledge that will allow the delivery of viable housing schemes.



Knowledge economy Hub@theMarket

A collaboration between academic staff from QCAP, the Gardening Team within Queen's and the Market Development Association, launched a community partnership project with St Malachy's Primary School. The focal point of the project involves the refurbishment of the school's pond area, with the wider programme providing opportunities for the community to participate in knowledge-intensive activities. This includes encouraging curiosity, engagement, and skills development across a range of ages, to consider scientific and environmental issues that directly impact the community.





Green Flag Award: Pictured at the Awards are (L-R): Environment Minister Edwin Poots; Queen's Environmental Officer Naomi Martin; Head Gardener at Queen's Paul Wallace; and Dr Ian Humphreys, Chief Executive of Keep Northern Ireland Beautiful.



Laboratory efficiency assessment framework: Pictured (L-R): BACKROW: Alan Stitt, Academic Sponsor of the LEAF Program and Dean of Innovation and Impact, Faculty of MHLS; Jim Sloan, WWIEM; Sarah Gilchrist, Centre for Public Health; Phillip Orr, Maths and Physics; Collette O'Hagan, Pharmacy. FRONT ROW: Sara Lynch, Head of Sustainability; Alison Meredith, Biological Sciences; Jill Kilner, Centre for Public Health; Pamela Maxwell, PGJCCR; Maria Rea, PGJCCR; Naomi Martin, Environmental Assistant.

PUBLIC BENEFIT STATEMENT

The University is registered with the Charities Commission and has a responsibility to act for the public benefit across all its activities. Under our Social Charter we are committed to the core principles of:

- Providing leadership locally and globally.
- Equality and social justice.
- Promoting a positive impact on society through research and education.

These principles were evidenced in many ways during the year.

Education

Our vision is to provide education that transforms and a student experience that enriches, inspiring the global citizens of tomorrow and benefitting society. The University has a longstanding commitment to equality of opportunity, ensuring that those who have the ability to benefit from Higher Education have an opportunity to do so.

Investment in future of healthcare

The QUB-KN Cheung SK Chin InterSim Centre at the Faculty of Medicine, Life and Health Sciences demonstrates leadership in nursing, midwifery, medicine and pharmacy through the provision of state of the art interdisciplinary clinical simulation for healthcare students. Another significant development in healthcare training is the introduction of a Graduate Entry MSc programme in pre-registration nursing, the first programme of its kind on the island of Ireland. Students have the opportunity to gain their registration as a qualified nurse or midwife and a Masters level degree within two years. The first cohort of students will graduate in October 2022.

Open learning opening doors

Queen's has been offering short courses to the local community since 1850. The Open Learning programme builds on that tradition and continues to develop the opportunities it provides, helping participants to engage with and understand the major issues of our time. Current courses include the theme of teaching English to migrants, refugees and asylum seekers, which is being run in partnership with the Belfast Centre for the Unemployed, and a course on migration and human rights.

Training support for Ukraine

The war in Ukraine presents continuing challenges, including how to support people suffering from Post-Traumatic Stress Disorder (PTSD) and those who are trying to help them.

Dr Michael Duffy, Senior Lecturer and Cognitive Psychotherapist from the School of Social Sciences, Education and Social Work, specialises in PTSD and complex grief and is one of the world's leading experts in trauma and conflict. He and Dr Ciaran Mulholland, Senior Lecturer from the School of Medicine, Dentistry and Biomedical Sciences and Consultant Psychiatrist at the NI Regional Trauma Network, have been engaging in a series of international webinars to educate and support mental health professionals working with Ukrainian refugees.



150 years of history: Pictured at the launch of an exhibition to mark the 150th anniversary of the Shankill's St Matthew's Church are (l-r): Professor of Social History at Queen's Olwen Purdue, Researcher Sam Guthrie, Rector Rev Tracey Roberts, Heather Stanley of PRONI, Queen's Pro-Vice-Chancellor Professor Nola Dundas-Hewitt and Jackie Redpath of the Greater Shankill Partnership.

Pathways to new opportunity

Queen's is a leading participant in the Skill Up Programme, supported by up to £23m from the Department for the Economy and the Northern Ireland Office. Skill Up funds local Higher and Further Education in the provision of more than 20,000 training places on over 250 subject areas and is part of our commitment to support learning skills to meet our economy's need from our local workforce. Through the programme, Queen's is delivering a number of short online PG Certificate courses across digital, leadership and management, green technologies, advanced manufacturing engineering, and health. More than 7,500 people benefitted from the Skill Up Programme in 2021-22.

As part of our Widening Participation initiatives, 2021-22 saw the continued expansion of the Pathway Opportunities Programme, supporting students from disadvantaged backgrounds with academic and direct financial support to study at Queen's. Now on its sixth intake, the programme has achieved its target of 300 participants across all subject areas, including medicine, dentistry and law.

Supporting development within local schools

QCAP is a new initiative, launched in 2021, and is a partnership involving communities, policymakers and academics focused on tackling disadvantage and improving outcomes for children and young people.

Engaging with local communities and providing support for their development is a long-standing commitment. An outstanding example is our relationship with the Greater Shankill Partnership Board and Children and Young Person's Zone which has been working with primary and post-primary schools serving the Shankill community on areas that need support.

Discussions led by QCAP identified four priorities: support for middle managers, sharing and dissemination of good practice, supporting school principals and an induction programme for new teachers on the history of the Shankill community. Design teams are now developing programmes on all four themes.

Research

Queen's has a proud history of conducting innovative, impactful and world-leading research that has positively changed people's lives. We have a reputation for research of the highest quality, addressing local and global challenges and making a global impact in partnership with innovators in business and industry.

Food Fortress: safeguarding health

Contamination of animal feedstuffs and the consequences for animal and human health are well recognised. The Food Fortress scheme was launched by Queen's in 2014 using innovative techniques to enable low-cost detection of toxins. It is now recognised globally as a world-leading risk management and feed quality assurance scheme. The programme is building Northern Ireland's reputation as one of the safest supply chains in world food production.

Life after cancer: giving vital support

Queen's researchers have transformed supportive care for cancer survivors and their families. They carried out a study which found that people who were 2-15 years post treatment had significantly poorer health than the general population. This research led to the launch of a £1.3m project for patients in Northern Ireland – the Recovery Package – funded by Macmillan Cancer Care. There is also an online support system www.cancercarecoping.com which helps 10,000 families a year in Northern Ireland and has been adopted in Australia and Vietnam.

Help for care home residents and families

Covid-19 was a cruel blow to care home residents and their families. In the absence of regular visits and communication with staff, it was a challenging time in trying to ensure that needs were met. To address this, Queen's Centre for Evidence and Social Innovation developed an online resource – Advance Care Planning – to help people make decisions about end-of-life care. The process supports adults at any stage of health in understanding and sharing their personal values and preferences regarding future care and realistic treatment choices.

Walking trail of the solar system

An extraordinary 10km scale model of the solar system was created by the artist and children's author Oliver Jeffers and Professor Stephen Smartt from Queen's Astrophysics Research Centre. Involving sculpture and a walking trail, it went to various locations in Northern Ireland during the year as part of the Our Place In Space project, led by the Nerve Centre and partners in science, technology and the arts, and was a contribution to UNBOXED, the UK-wide celebration of creativity in 2022.

Community engagement

As a civic University, Queen's plays a vital role in supporting our surrounding communities and is involved in a wide range of programmes, in partnership with our local community. As well as research and education, activity includes volunteering by staff and students, access to cultural and sporting facilities, and events for the community to engage with.

Platform for our politicians

As part of our Social Charter commitments, we engage with politicians, locally and nationally. In the run-up to the 2022 Assembly Election, we gave Northern Ireland's party leaders the opportunity to pitch their vision to an audience of students, staff and alumni and to take part in an open question and answer session. A further pre-election event was An Audience With Northern Ireland's Political Leaders, organised at Queen's in conjunction with the CBI during which our Vice-Chancellor, Professor Ian Greer, addressed the issue of budget cuts in Higher Education.

Talking technology through TEDx

During the year, along with our event corporate partner PwC, we organised our fifth independent TEDx event. Among those taking part were Bill Neely, the former Chief Global Correspondent for NBC News and our Graduate of the Year, the Vice-Chancellor, Professor Greer, Professor Richard English, Director of the Mitchell Institute at Queen's, and Katie Ni Chleire, the Students' Union President. The theme of the event was 'Ctrl+Alt+Del' which highlighted some of the innovative projects at Queen's involving technology, design, people and natural resources.

Balmoral show: showcase for innovation

Colleagues from across the University, including the Schools of Natural and Built Environment, Pharmacy and Biological Sciences, Knowledge Transfer Partnerships, Institute for Global Food Security and the Patrick G. Johnston Cancer Centre spent four days at the Balmoral Show demonstrating key areas of our research to members of the public in interactive exhibitions. The show had more than 100,000 visitors and it was the first time for three years – after disruption by Covid-19 - that it was held in its traditional May slot. Plans are under way for a Queen's presence again at the 2023 show.

Celebrating 100 years of local history

During the year, an exhibition was held at St. Matthew's Parish Church on the Woodvale Road which showcased a collaboration involving Queen's, the Greater Shankill Partnership and the Public Records Office to celebrate the church's 150th anniversary. The church and the parish it serves has an important history dating back to pre-Christian times and the wider story of the growth of Belfast. As part of the exhibition and for one day only, a Bishop's Crozier, discovered in the Shankill graveyard 300 years ago and dating back to the 9th century, was on display, loaned for the occasion by the National Museum of Ireland.

PHILANTHROPY AT QUEEN'S

Philanthropic support enables the enhancement of world-class research, student experience and facilities that would not be possible without the generosity of individuals, charitable organisations, trusts, funds and businesses who give to our projects.



Widening Participation: Pictured at the launch of the Bright Future Collective to support students from disadvantaged backgrounds are (L-R): Andrew Wilson, Allen & Overy; Michelle Edwards, Queen's Pathway Student; Conal Henry, Fibrus; Professor Ian Greer Vice-Chancellor; John Harkin, Alchemy Technology Services.

The Queen's Foundation is an independent charity which generates philanthropic support for the University and works with donors to create both vision and legacy using their gifts.

In 2021-22, the University received £3.7m from the Foundation to support agreed priorities.

Almost £0.8m was received for Medicine and Health projects, including the first instalment of a gift from the Brian Conlon Foundation to support vital early detection research of Barrett's oesophagus and oesophageal cancer research at The Patrick G. Johnston Centre for Cancer Research at Queen's.

Diabetic Retinopathy and Age-Related Macular Degeneration at the Wellcome-Wolfson Institute for Experimental Medicine was also supported through an individual donor gift, which is part of a new five-year commitment to research in this area.

The first instalment of a £0.4m gift from Agilent Technologies through their Thought Leaders' Award Programme was given to Professor Chris Elliott, whose research programme at the Institute of Global Food Security at Queen's focuses on helping to solve complex food authenticity challenges.

Focusing on the student experience, the Queen's Annual Fund has given thousands of students a transformative student experience since it was established in 1999. In 2021-22, £0.1m was distributed to a range of student projects and scholarships, including 49 clubs and societies.

A gift from Santander UK, who have now pledged more than £2m in support of Queen's, provided the opportunity for 61 students to attend Utrecht Summer School, and supported six young people facing additional barriers to employability through a careers programme which provided training and internships for students with autism.

Donors continue to provide generous scholarships and prizes, with income during 2021-22 being £0.6m. These include the Brian Conlon GAA scholarship thanks to a gift from the Brian Conlon Foundation; the Denis Lynn Scholarship for Sustainable Food Innovation thanks to a gift from Finnebrogue Artisan; and the Yondr Women in Engineering Scholarship. Funding was also secured from our Law alumni, and others, to establish the Lord Kerr Bar Scholarship in memory of Baron Kerr of Tonaghmore (1948-2020), Law alumnus of Queen's University Belfast (1969), former Lord Chief Justice of Northern Ireland and Justice of the Supreme Court of the United Kingdom. This will be awarded for the first time in 2022-23.

Widening Participation was another key focus for 2021-22. A gift from the Northern Ireland Office to mark the NI 100 Centenary supported social mobility through the provision of a one-off scholarship and Year One bursaries awarded to young people from a widening participation background starting at Queen's in September 2021.

The Pathway Opportunity Programme reached more school students from under-represented areas than ever before, providing them with support to encourage progression to University. In January 2021, 255 Year 13 and 14 students entered the programme. Thanks to a generous gift from Kilwaughter Minerals, we will be able to continue giving a £1,000 bursary to Pathway students on entry to Queen's, up to and including 2024-25.

To further expand the Pathway Opportunity Programme, the Bright Future Collective was launched with the aim of raising philanthropic funds from the business community to support the programme. Made up of local businesses, the initiative secured five new members in 2021-22, raising an additional £0.2m.

Looking ahead, the Queen's Foundation is working to increase financial support for widening participation programmes; raise funds to establish an International Chair of Creative Writing and programme of outreach and engagement at the new Seamus Heaney Centre; support health priorities, including cancer research; and promote legacy giving amongst alumni and friends of the University.

CONSOLIDATED INCOME REVIEW

	2021-22 £m	2020-21 £m
Income	437.7	397.5
Expenditure	(422.4)	(373.2)
Surplus (before other gains/(losses) and movement in the USS provision)	15.3	24.3

The outturn position for 2021–22 was positive for the University, with an operational surplus of £15.3m. We focus on this measure to indicate financial sustainability, as it is less susceptible to movements in the actuarial valuations of pension schemes and market conditions prevailing at the financial year end, than the total income/(expense) reported in the Statement of Comprehensive Income (SOCI).

The SOCI position also includes a number of accounting adjustments as set out below.

The 2020 actuarial valuation of the Universities Superannuation Scheme (USS) and associated Recovery Plan was approved during 2021-22. As a consequence, the balance sheet provision in respect of the University's future commitments to the USS recovery plan provision increased significantly by £95.3m to £156.2m as at 31 July 2022 and the resulting accounting adjustments include an in-year charge to staff costs of £94.7m (further detail on the USS valuation is provided in the section on Pension Schemes on page 46 and note 36).

During 2021–22, a total gain of £0.4m was realised on the disposal of investments. This relates to the Group's disposal of shareholdings in Titan IC.

The valuation of our fixed asset investments and investment properties as at 31 July 2022 resulted in an unrealised fair value loss of £44.0m. Of this total, some £45.5m relates to a decrease in the market value of the Group's remaining shareholding in Kainos Group plc. The balance relates to a decrease in the market value of the University's General and Investment funds of £2.5m offset by an increase in the value of the Group's other unlisted holdings.

The funding position for the Retirement Benefits Plan RBP), has reduced from a deficit of £74.0m at 31 July 2021 to a deficit of £40.1m at 31 July 2022. The SOCI position reflects the resulting actuarial gain of £37.7m, primarily as a result of a reduction in scheme liabilities arising from increases in underlying discount rates.

The application of the accounting adjustments outlined above have resulted in a final overall SOCI deficit for the year of £85.3m.

Whilst the balance sheet has been impacted by the USS 2020 actuarial valuation and the unrealised loss in the value of the Group's investments, the net assets position remains strong at £687.6m. Financial sustainability underpins our Strategy 2030. Effective governance and strong financial performance is critical to the future success of Queen's and while we are very well positioned to continue to achieve our ambitions, we do not underestimate the scale of the current challenges facing the Higher Education (HE) sector and the economy as a whole.

4%

OPERATIONAL SURPLUS IS 4%

Surplus as a percentage of income decreased from 6.0% in 2020-21 to 4%.

(Note 1)

14%

GROWTH IN INCOME FROM NON-GOVERNMENT SOURCES

Income from non-government sources has increased year on year by 14%

(Note 2)

£98.4m

INCOME FROM RESEARCH GRANTS AND CONTRACTS

Income from research grants and contracts, increased by £9.8m (11%) from the 2020-21 position (£88.6m)

14%

INCREASE IN INTERNATIONAL STUDENT INCOME

International student fee income (full and part-time) increased by £7.0m (14%) during 2021-22

56%

STAFF COSTS 56% OF INCOME

Staff costs (excluding USS provision) represent 56% of income which compares to 59% for 2020-21

(Note 3)

4%

EXPENDITURE ON CORE ESTATE

Expenditure on core estate represents 4% of the Insurable Replacement Value This compares to 3.0% in 2020-21

NOTES

1. Surplus is prior to the gain to disposal of fixed assets and investments; the movement in the USS provision, the fair value loss on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.
3. Staff Costs exclude the movement associated with the USS Pension Scheme.

TOTAL INCOME INCREASED BY OVER 10% TO **£437.7M**

Income

Total income for the year was £437.7m, representing an increase of £40.2m (10.1%). The main components of this income are shown in Chart 1.

The total recurrent grant position takes account of the 2021-22 budget settlement to HE within NI, which for Queen's included a number of additional funded places to Queen's to aid flexibility as a result of Covid-19. This funded uplift was introduced in the 2020-21 year for a three-year period. In addition, Queen's was allocated additional non-recurrent funding allocations from the NI Executive/the Department for the Economy (DfE) to support the University in promoting economic recovery following the implications of Covid-19.

Income from tuition fees and education contracts increased by £8.8m (6.1%). Of this total, international tuition fee income continued to increase with in-year growth of 14.1% (£7.0m). International tuition fee income now represents 13.0% of the University's total income base.

As set out in Chart 2, research income increased by 11% to £98.4m, reflecting the steady increase in awards, particularly from UK Research and Innovation (UKRI), over the past few years.

Research awards continued to increase year-on-year from £88.5m to £100.5m, with a number of high-value awards received in 2021-22. As set out in Chart 4, of this total £69.2m or 69% of research awards was from the UK Central Government, the European Union (EU) and the UKRI.

Other income increased by 40% to £69.5m reflecting growth in Innovate funding in respect of research and enterprise activities and an increase in other commercial income following the easing of Covid-19 restrictions.

Expenditure

Total expenditure for the year, excluding the adjustment in respect of the USS pension provision, was £422.4m, representing an increase of £49.2m (13.2%) from the prior year.

The main components of expenditure are shown in Chart 3.

Staff costs, excluding the impact of the USS pension provision, increased by £13.8m (5.9%). This includes an annual pay award of 1.5% and costs relating to incremental progression, academic promotions, and the Apprenticeship Levy. The in-year expenditure also includes a payment of £1,000 made to all staff in July 2022 as a recognition for hard work and dedication during Covid-19.

Queen's staff costs, excluding the costs associated with USS pension provision, represented 59% of income in 2021-22, and the average number of staff remained broadly similar to prior year at 4,344.

Other operating expenses increased by 29.3% to £150.1m. This increase reflects global utility cost pressures, additional costs in respect of digitalisation initiatives and increases in a number of areas of expenditure following the relaxation of Covid-19 restrictions.

Depreciation costs have increased by £1.2m mainly driven by the increased research equipment expenditure in year.

CHART 1: Income Analysis

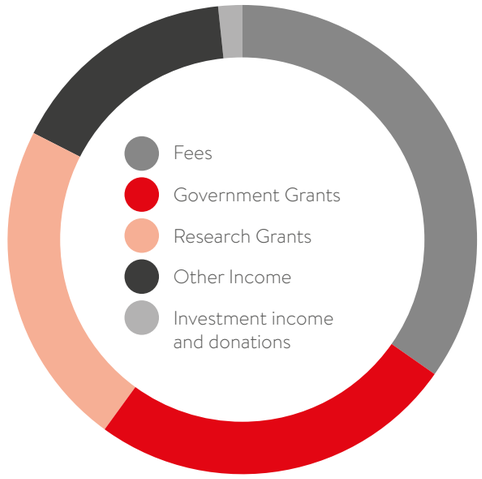


CHART 3: Expenditure Analysis



CHART 2: Income from Research Grants & Contracts

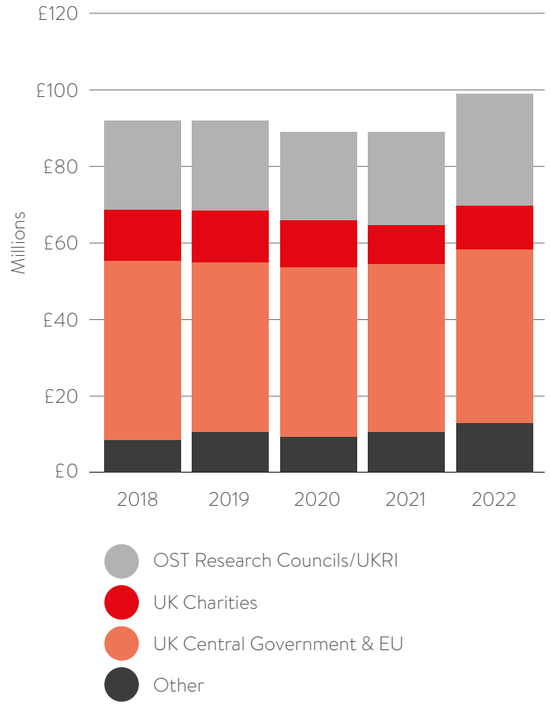
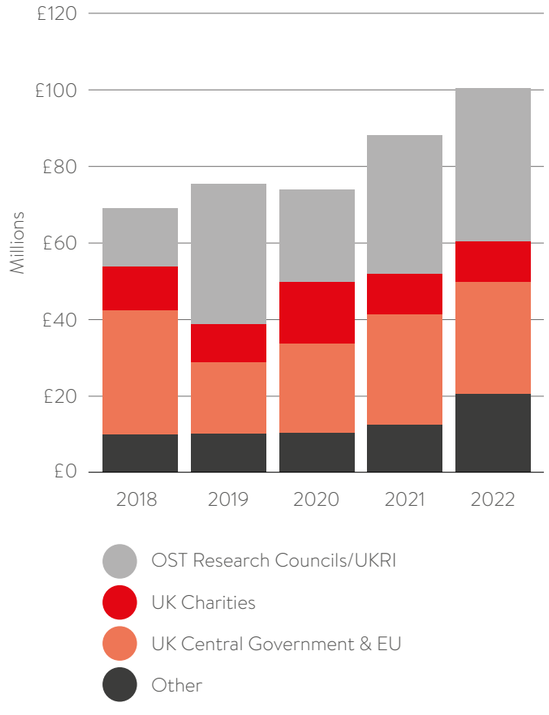


CHART 4: Value of Research Grants & Contracts Awarded



Gain on disposal of fixed assets and investments

In 2021-22, a total gain of £0.4m was realised. This total relates to the Group's disposal of shareholdings in Titan IC.

Fair value loss on investments and investment property

The movement in fair value of the Group's fixed asset investments, investment property and investments in associates as at 31 July 2022 was an unrealised loss of £44.0m which is reflected within the SOCI. Of this total, £45.5m related to a decrease in the market value of the Group's holding in Kainos Group plc, which partially reversed the unrealised gain of £79.0m in the prior year. The balance of the decrease was due to a reduction in the market value of the investments held in the University's General and Investment Funds of circa £2.5m offset by an increase in fair value of the Group's unlisted investments. The reductions in fair value as at the 31 July 2022 reflect the ongoing uncertainty in the UK and global markets. Whilst the position is being closely monitored, these investments are mainly long-term in nature and have reflected a significant upward trend in recent years.

Actuarial adjustment in respect of pension schemes

The funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from a deficit of £74.0m at 31 July 2021, to a deficit of £40.1m at 31 July 2022, primarily as a result of a reduction in scheme liabilities arising from increases in underlying discount rates.

Under FRS 102, the SOCI includes the resulting actuarial adjustment of £37.7m for the year.

Universities Superannuation Scheme (USS)

The 2020 USS valuation, which identified a deficit in the region of £15bn, was approved during 2021-22 resulting in the adoption of an associated revised deficit recovery plan. As a consequence, the University's liability in respect of future commitments to the USS has increased significantly. Under FRS 102, the SOCI reflects the resulting accounting adjustments including a charge of £94.7m for the year.

Balance sheet

The University had total consolidated net assets of £687.6m as at 31 July 2022. Whilst this represents a reduction of £85.2m from the prior year, the net asset position remains very strong.

The balance sheet reflects the significant investment in the capital programme over the last decade; the investment portfolio; the strong liquidity position of the University, and its effective working capital management processes, in particular, the robust control of debtors.

The total level of realised unrestricted reserves is £200m, much of which is ringfenced to support the Capital Development Programme including our commitment to the Belfast Region City Deal and Faculties and Professional Services in executing their priorities and plans in support of Strategy 2030.

Capital and long-term maintenance

Queen's is a vibrant campus University at the heart of Belfast city. Substantial investment in our facilities has developed our historic campus into an innovative learning environment for our students and staff that stimulates, enables and supports world-class education and research.

Capital expenditure has continued across the entire University in terms of new build and major refurbishment of the existing estate. The total projected cost of authorised building projects is currently in the region of £101m.

These projects will maintain the momentum of the capital development programme, investing in world-class infrastructure for students and staff.

During 2021-22, progress was made on a number of projects including One Elmwood and the expansion of the Management School at Riddel Hall.

One Elmwood, which opened in August 2022 is a brand-new state-of-the-art building set right at the heart of campus. This vibrant new hub builds on existing services and support across the campus and brings together student services with a range of facilities so students can access services, collaborate in shared spaces, get support and advice, and socialise in first-class venues.

The expansion of Riddell Hall will extend and enhance the campus and contribute to the on-going success of the Queen's Management School and William J Clinton Leadership Institute located on the site. It will ensure the School is ready to serve the changing educational needs of a rapidly growing postgraduate community, who will prove invaluable to the progress of the University and the Northern Ireland economy.

Significant work was also undertaken during the year in respect of the initial preparation, planning and design for each of the three Queen's-led Innovation projects as part of the Belfast Region City Deal.

Cash and treasury management

Cash balances, including current asset investments were £309.6m at the year end, which is broadly in line with the prior year. Within this total, there is a marked increase in investments greater than 3 months reflecting the opening up of markets during the year and the increased ability to secure short/medium-term deposits with a reasonable rate of return. The University has a comprehensive Treasury Policy in place. The policy is regularly reviewed by the Investment Committee to ensure that risk is minimised and, during the banking and financial sector uncertainty of recent years, this has proved to be robust.

REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

Investment performance

The notes to the accounts set out full details of the two Investment Funds – the University Investment Fund and General Investment Fund, both of which are managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock).

The University Investment Fund is administered, under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982, and includes endowment funds donated and bequeathed to the University for specific purposes. The fund is actively managed by BlackRock and at 31 July 2022 was valued at £62m. Investment by endowment fund holders in the fund is by share purchase, and with 6,874,971 shares issued, the value of a share was £9. This represented a decrease of 2.9% on the valuation of the previous year. The income distributed by the Investment Fund to the endowments was increased from 30p to 32p per share and, in total, amounted to £2.2m.

The General Investment Fund is for the longer-term investment of University funds. At 31 July 2022, the fund was valued at £130m. This valuation reflects an additional investment of £30m made during the year, and represents an adjusted decrease of £0.8m, or 0.01% on the previous year's valuation of £100.8m.

The early part of 2021-22 was characterised by the opening up of societies and economies, as concerns around the impacts of the coronavirus pandemic receded, on the back of rising vaccination levels most notably in the developed markets. This in turn, unleashed pent up demand and drove economic growth, resulting in strong returns from the equity markets. However, this increase in demand, coupled with inelastic supply chains in some sectors, created a material acceleration in global inflation from historically very low levels.

As we moved into 2022, the increase in global inflation was further exacerbated by continued challenges in global supply chains and the shock to global energy supply caused by the Russian invasion of Ukraine. This created a challenging and volatile market backdrop for investors and risk assets like equities have delivered negative returns in the face of a challenging combination of higher inflation, tighter central bank policy and slower growth.

The University maintains a significant weighting to investment in equities in the view that, long-term growth ahead of normalised inflation is likely to be generated. Although the University's investment portfolios have reduced in value during 2022, the portfolios have performed relatively better than global equity markets (to use the MSCI World Index as a comparison).

Responsible investment

Decisions in respect of investments are made on the recommendation of the Investment Committee guided by the University's Responsible Investment Policy. The University's Investment Committee meet with BlackRock on a regular basis to review the investments and their performance.

BlackRock has a clear understanding of the University's Responsible Investment Policy, including the commitment to transfer its indirect investment into funds which exclude companies involved in the extraction and production of fossil fuels, by 2025, provided that the effect is not materially detrimental to expected investment returns.

We have engaged with BlackRock during 2021-22 to precisely define the way the fossil fuel exposure across our Funds is measured and the portfolio managers have continued to take steps to reduce this exposure in our portfolios. The Investment Committee understands that the sustainable investing landscape is constantly evolving and expects that the sustainability and carbon intensity of the University's investment portfolio will improve over time, importantly without unduly damaging the returns generated.

BlackRock include environmental, social and governance (ESG) metrics in the regular reporting and presentations that they provide to the University and specific data on the evolution of our fossil fuel exposure. The Investment Committee has worked with the portfolio managers to evolve the asset allocation, aligned to BlackRock's market views, with a focus on reducing the exposure to fossil fuels and improving the sustainability of the portfolio.

In the last year, as measured by the BlackRock exposure index of companies, which derive more than 5% of their income from the extraction and production of fossil fuels, the University's exposure from its investments has reduced from 3.8% to 1.2% at 31 July 2022.

As an investment manager, BlackRock makes sustainability integral to the way that it manages risk, constructs portfolios, designs products and engages with companies. In January 2021, BlackRock outlined its clear commitment to achieving 'Net Zero' carbon emissions by 2050, outlining the series of actions that it believes will help clients prepare their portfolios for a net zero world. BlackRock has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008, was an original member of the 32-member industry-led 'Task Force on Climate Related Financial Disclosure' (TCFD) and joined the Climate Action 100+ in 2020. As a signatory of the Net Zero Asset Managers Initiative, BlackRock are one of 100+ asset managers committed to aligning the financial sector and supporting the goals of the Paris Agreement, and attended the UN Climate Change Conference (COP26) in November 2021 to help accelerate action towards the goals of the Agreement.

BlackRock has both a Sustainable Investing team, bringing together its investment and product teams to build innovative sustainable fund solutions, and a dedicated 60+ person strong Investment Stewardship Team which constantly monitors and engages with companies to encourage business practices consistent with sustainable long-term value creation.

The Investment Committee recognises that, alongside a divestment policy, engagement via its investment manager with the companies in which it invests is an important tool in encouraging more sustainable behaviours, and ultimately influencing the way in which companies are managed.

In the period from July 2021 to June 2022, BlackRock voted on more than 14,100 companies, and 173,000 management and shareholder proposals across 70 voting markets. In line with its conviction that climate risk is investment risk, climate and natural capital remains one of the five key priorities that BlackRock believes are essential to the long-term financial performance of its clients' investments. A full summary of the voting year 2021-22, can be viewed here. BlackRock continues to publish regular detailed 'voting bulletins' to offer rationale behind important company votes, which are also available here.

As the University continues to evolve its Responsible Investing Policy, the Investment Committee feels confident that BlackRock is well positioned to offer solutions to meet the University's responsible investment needs. As a market-leader in developing innovative ESG-aligned investment solutions and with a broad global investment platform, BlackRock will be able to support the transition to a greener, more sustainable portfolio. The focus of the Investment Committee's work with BlackRock over the coming year will be on accelerating the reduction of the already low exposure to fossil fuels in the University's investment portfolio as we look forward to 2025.

These activities demonstrate the Investment Committee's commitment to Responsible Investment and its incorporation into the long-term management and investment arrangements for the University's Investment Funds.



PENSION SCHEMES

The University is a participating employer in two separate defined benefit pension schemes, the Retirement Benefits Plan (RBP), which is available to staff in posts graded 1–5, and the Universities Superannuation Scheme (USS), which is available to staff at grade 6 and above.

Retirement Benefits Plan (RBP)

The RBP funding position is calculated annually for accounting purposes, in accordance with FRS 102.

As set out in note 23 of the Financial Statements, the RBP funding position under FRS 102 shows a deficit of £40.1m at 31 July 2022 (£74.0m at 31 July 2021). The reduction in the deficit position reflects several factors including, a change in the financial assumptions which underpin the calculation, specifically significantly higher corporate bond yields and resulting discount rates.

The latest Actuarial Valuation of the RBP as at 31 March 2020 identified a funding shortfall of £4.7m and a funding level of 98.1%. A Recovery Plan has been agreed to address this funding deficit by 31 March 2030.

Universities Superannuation Scheme (USS)

USS is the principal pension scheme provided in the Higher Education (HE) Sector and, with 212,306 active members, 360 participating employers, and assets of some £90.8bn (31 March 2022), is one of the largest pension schemes in the UK. FRS 102 requires each Institution to recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed as part of the outworking of the most recent Actuarial Valuation.

The 31 March 2020 valuation (and the associated Recovery Plan and Schedule of Contributions) is the basis for calculating the USS liability in these Financial Statements. The movement in Queen's liability in respect of future commitments to the deficit recovery plan has increased by £95.3m to £156.2m (£60.9m at 31 July 2021). Further details are set out in note 24 of the Financial Statements.

The 31 March 2020 Valuation was signed and filed with the Pensions Regulator with an effective date of 1 October 2021 and indicated a deficit of £14.8bn (£3.6bn at 31 March 2018). The 2020 valuation was signed off on the basis that the proposed package of benefit and contribution rate changes, as recommended by the Joint Negotiating Committee (JNC), would be implemented.

A modification to the JNC recommended changes were made in relation to the 2.5% cap on indexation. Employers agreed to pay an additional 0.2% contribution from 1 April 2022 to 31 March 2024, to delay the introduction of the cap until April 2024. The total employer contribution from 1 April 2022 is 21.6%, with a member contribution of 9.8%.

On 18 August 2022, the USS Trustee issued their latest Financial Management Plan Monitoring Report (as at 30 June 2022). The end of June position indicated a surplus of £1.8bn and a future service cost of 21.2% at that date.

Universities UK (UUK) commenced a consultation on the current USS governance arrangements in July 2022 and other long-term plans for the Scheme continue to be explored, including conditional indexation and lower cost options.

Pensions continue to be one of the most significant longer term risks currently facing the HE sector.



HIGHER EDUCATION FUNDING

During 2021-22, DfE continued to provide funding support to Queen's for an additional 192 student places to aid flexibility as a result of COVID-19. This funded uplift will be maintained for three years, ending in the academic year 2022–23.

Furthermore, during the course of 2021-22, institutions in NI, and HE students themselves continued to benefit from a number of significant non-recurrent funding allocations from the NI Executive/DfE due to COVID-19.

In total, Queen's was allocated £9.7m on a non-recurrent basis as set out below:

- £5.3m through the allocation of additional QR and the Higher Education Innovation Fund (HEIF) to support the capability to strengthen core research capacity and support our role in underpinning economic growth through knowledge exchange activity. These funds have been earmarked for specific purposes and interventions.

- £3.4m Economic Recovery R&D funding to support additional strategic investment in R&D in order to help drive the Department's 10x economic vision and promote economic productivity and prosperity through excellent commercialisation.

- £1.0m of funding through the Higher Education Transition Experience initiative to promote interventions that address the detrimental learning impacts of Covid-19 on those entering Higher Education in the 2021-22 academic year.

In addition, our students benefitted from additional financial support through an increased allocation from DfE to the Student Support Funds, enabling more awards to students who were facing financial hardship whilst studying and additional funding for students experiencing financial hardship as a result of rising living costs.

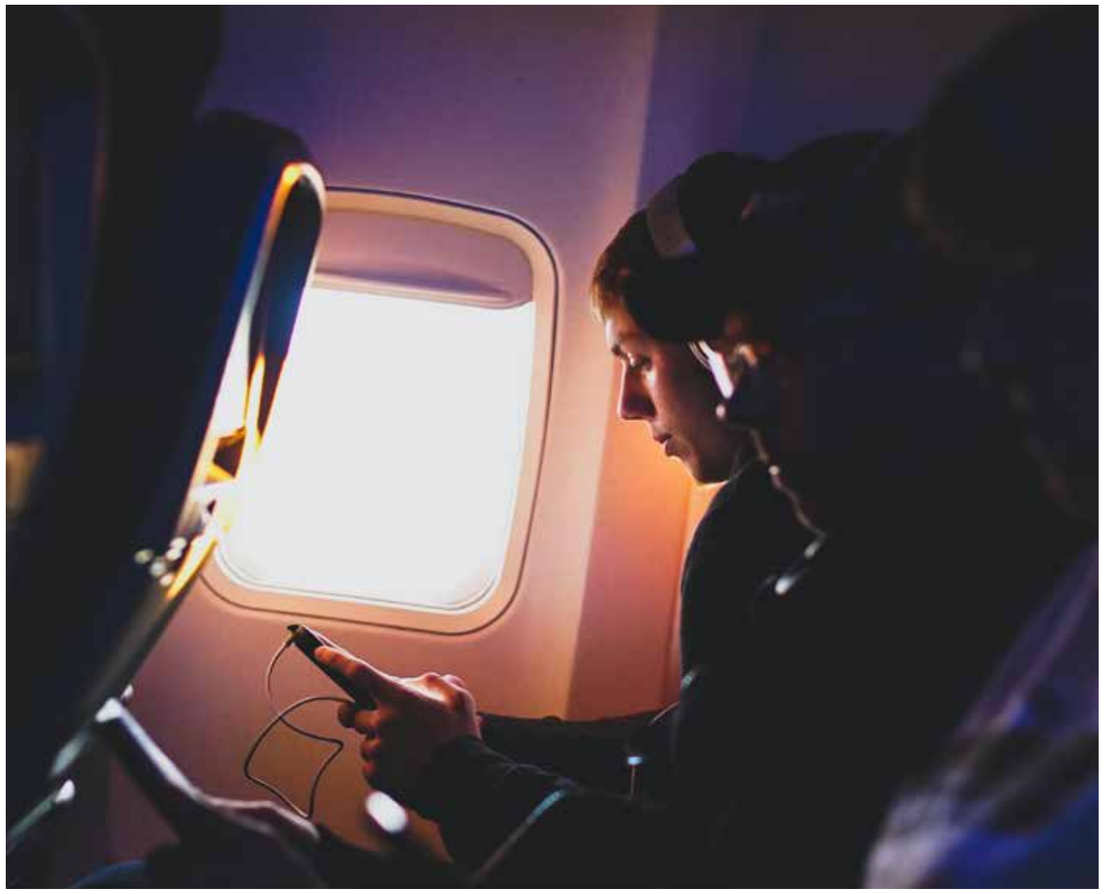
The additional non-recurrent funding made available to support Queen's and our students was very much welcomed, in what continued to be a very challenging period. This funding will be utilised to support initiatives and support the economy and society as they recover post pandemic. Furthermore, in the last two years the Department has also provided capital funding of almost £26m to support the development of One Elmwood and the expansion of the Queen's Management School at Riddel Hall.

The underlying finding position for HE in NI remains, however, a matter of concern for the University.

Since 2011, funding for HE in NI has been reduced by 40 per cent, making us the only region in the UK to have reduced investment in further and higher education.

Every year, approximately 5,000 talented young people leave Northern Ireland for study outside NI, less than a third of whom return. This educational migration impacts negatively on our local economy, which currently needs more highly skilled people as it transitions into a knowledge-based economy. With only a modest inflow of students from other parts of the UK, the net loss is significantly more than 25 per cent of our young people. This is an unsustainable position for the NI economy.

Potential future funding reductions come at a time when a demographic change in our population will see the number of 18-year-olds increase by 19 per cent by the year 2030. Our universities in NI will need an extra 5,000 places just to maintain the current levels of provision, which we know are not meeting the demands of our local and international businesses. We are currently advancing new City-Region



growth deals across NI that will create many thousands of new, high-value jobs in sectors that will transform the local economy and create growth. A lack of skilled graduates threatens the impact and sustainability of such investment on our economy.

Universities play a significant role in economic development: at Queen's, we contribute almost £3bn per year to the economy; through research, we drive innovation to ensure our companies are competitive globally; and through education, we deliver the skills that create our talented, young workforce. This is a major selling point for the region, particularly in terms of attracting foreign direct investment and supporting our indigenous businesses. We are an anchor institution focused on enhancing Northern Ireland and our people.

Investing in the future fuels a growing economy that in turn is crucial to the prosperity of Northern Ireland. Investing today – or failing to do so – will be tomorrow's legacy.

Queen's welcomes the recent announcement from DfE regarding a full review of the Higher Education funding system. NI needs to have an agreed sustainable funding model that is fair to students and prevents the significant flow of our young talent from Northern Ireland.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with the NI Executive to ensure that HE is sustainably funded given the key role the sector has in supporting the social and economic recovery of Northern Ireland.

Brain drain: Every year, approximately 5,000 talented young people leave Northern Ireland for study outside NI, less than a third of whom return.

RISK AND UNCERTAINTY

The University acknowledges the risks inherent in its activities and adopts an open, proactive and receptive approach to identifying and managing them. A comprehensive Risk Management Framework defined in the University Risk Management Policy assists the identification of the key risks that pose a significant threat to the achievement of the University's strategic priorities.

Risks are inherent in all activities and constantly evolve with changes in the external and internal environment. The risk management process within the University is structured to continually identify, evaluate and monitor such risks proactively and respond quickly to issues as they arise. It is embedded across the organisation as part of normal management arrangements and includes the regular review of emerging risks by the University's Executive and Operating Boards. The Risk Management Committee provides the strategic leadership and considers updates to the Corporate Risk Register with input from the University's Internal Auditors.

The Risk Management Committee reports to the Audit Committee which provides the necessary assurances on the adequacy and effectiveness of the Risk Management Framework to Senate.

The University's Risk Management Policy sets out a process to assess the impact and likelihood of identified risks occurring. Risk criteria, based on a materiality threshold, have been established. In considering whether a risk remains or is removed from the Risk Register, the Risk Management Committee assesses its risk appetite for that activity. The University takes appropriate levels of risk to achieve a step change across its core areas of activity: education, skills and the student experience, research and innovation, and business engagement, but adopts a more cautious attitude in matters of legislative and regulatory compliance to reduce risk to the University's reputation, our people and other resources and assets.

In the current and constantly changing and complex operating environment, the cumulative risk being experienced by the HE Sector and the University, is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including the Senate, is vital at this challenging time.

In addition to the longer-term risk associated with Pensions, the key risks facing Queen's are as set out overleaf.

> THE UNIVERSITY TAKES **APPROPRIATE LEVELS OF RISK** TO ACHIEVE A STEP CHANGE ACROSS ITS CORE AREAS OF ACTIVITY

Risk Area	Risk Management
Financial sustainability Absence of a sustainable financial position in support and delivery of Strategy 2030.	The University faces significant financial challenges which have been further compounded by current inflationary pressures. The lack of a functioning Executive, as well as the ongoing political and Government funding uncertainty in Northern Ireland (NI) continues to be of concern and the University continues to engage with our partners in Government in developing a sustainable level of funding for Higher Education (HE) in NI. Strategy 2030 will be underpinned by a sustainable financial position enabling Queen's to be responsive to the opportunities and challenges presented, and will include a transformational change programme.
International student recruitment Failure to recruit high-quality international undergraduate and post graduate students.	Our Global Student Recruitment Strategy is underpinned by an Integrated Action Plan. Measures include: • Strengthening of specialised in-market teams, • Digital transformation to support the applicant journey, • Launch of a potential Growth Market Strategy, • Development of a focused demand-led innovative course portfolio, • Development of an institutional approach to English language support.
Research quality/strategy Failure to secure competitive, high-quality research funding streams from prestigious national and international sources in order to deliver on strategic priorities and failure to meet research contribution targets.	Our Research and Innovation Strategy includes KPIs and targets which seek to maximise our impact and performance built around three interconnected pillars, People, Research Quality and Partnerships and Place. Given the increasingly complex and competitive research funding environment, measures implemented aimed at achieving nationally and internationally recognised research excellence and sustainability include: • Targeted support for high-quality research funding, • School level research grant funding pipelines, • Development of Funder Liaison Groups to strengthen connectivity, • Pump-priming of new research endeavours, • An increased focus on collaborative working with colleagues in the Republic of Ireland (RoI) and United Kingdom (UK).

Cyber security Failure to prevent, communicate and deal with the risks arising from cyber security attacks including 'hacking' and attacks aimed at theft of IP.	We adopt a holistic approach to be protected from Cyber Security attacks and have a cyber security plan in place. This approach includes: • Robust policies and procedures, • Mandatory training for staff, • Ongoing monitoring and vulnerability testing, • Multifactor authentication, • Maintaining awareness of current and potential threat areas and their mitigation, • A default deny approach to network access, • Investment to improve security, access controls and infrastructure enhancement whilst providing appropriate remote access to support operational delivery.
Global reputation, international partnerships and alliances Failure to develop a world class global reputation and international partnerships/alliances to enhance the University's impact in globally competitive education and research areas, enhance recruitment and support the development of global citizens to address international challenges.	Our International Partnerships Group ensure a strategic and agile approach to new partner selection. Measures include development of Market Interest Groups, USA, and India Strategy groups, as well as a dedicated resource to optimise partnerships in China. We have dedicated engagement with Global Funding Bodies and Ministries through the Russell Group and UUK and have implemented a Global Research Engagement Plan. We continue to engage and provide evidence about the importance of European partnerships including monitoring progress on Horizon Europe association and the development of alternative funding schemes.
Delivery of Strategy 2030 Failure to ensure the delivery of Strategy 2030 is appropriately resourced, managed and monitored leading to sustainability and reputational issues.	A number of mitigating measures implemented to date include Faculty Plans to support delivery, detailed workstream and planning sessions as part of the overall strategy development. Further actions include the development of a three-year rolling plan to support strategy delivery, the development of Key Performance Indicators (KPI's) and a reporting/ monitoring matrix, all underpinned by a robust governance framework. The delivery of Strategy 2030 and corresponding risks will be further reviewed in dedicated risk workshops, which will include a detailed Risk Action Plan as a key deliverable.

CONCLUSION

The University achieved a positive financial performance in 2021-22. Whilst elements of the operational surplus position were as a consequence of non-recurrent funding and income, student recruitment, in particular was strong, and furthermore, there was an improvement in the number and value of new research awards.

In the current, and constantly changing complex operating environment, including economic and political uncertainty, inflationary cost and utility pressures, the cumulative risk being experienced by the sector and the University is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within Queen's, including Senate, is vital at this challenging time.

Financial sustainability will underpin the delivery of our Strategy 2030, Delivering for our Future. Effective governance and strong financial performance is critical to the success of Queen's and we are well positioned to meet the challenges facing the sector which includes social and economic recovery post-pandemic, the need for investment in HE in NI to ensure we deliver/optimise impact and our contribution to the Skills for a 10x Economy.



CORPORATE GOVERNANCE

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

Incorporation and Governance Framework

The University is an autonomous body established by Royal Charter in 1908. Its activities, and those of Senate, are underpinned by its Charter and Statutes and its Regulations, together with the strong framework of legislation and regulation within which it operates.

Senate sets and reviews all University activity, both strategic and operational, and also complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education. The University is formally registered with the Charity Commission for Northern Ireland and all Senate members are thus required to register as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

The Committee of University Chairs (CUC) published the latest version of their Higher Education Code of Governance in September 2020. The revision updates and extends the previous version of the Code (June 2018) placing inclusivity at the heart of governance. The Code has been developed to support Governing Bodies to deliver the highest standards of governance across their Institutions. In addition to meeting all mandatory requirements the University seeks to embrace best practice and thus Senate is responsible for ensuring the application of the Code.

Responsibilities of Senate

Senate meets formally at least four times each year but can have additional informal sessions, where necessary and appropriate, to inform its decision-making and effective governance. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property and the general conduct of its affairs. Senate works with the Executive Officers to set the institutional mission and strategy, and the Executive Officers ensure that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

When executing its duties, Senate maintains a comprehensive system of risk management, control and corporate governance, including the prevention and detection of corruption, fraud, bribery and irregularities. Senate receives effective and regular information to monitor performance and track the use of public funds to enable it to identify any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and its main sponsoring Department, the Department for the Economy (DfE).

Membership of Senate

Senate members are appointed under the Statutes of the University - a copy of which can be found at (https://www.qub.ac.uk/ about/Leadership-and-structure/Registrars- Office/University-Governance/).

Senate comprises the Vice-Chancellor; two Pro-Chancellors; the Honorary Treasurer; the Students' Union President; ten external lay members (non-executive); two Academic Council representatives; four staff representatives (two academic and two professional services); one representative from Convocation (graduate body); and one from the Students' Union Council.

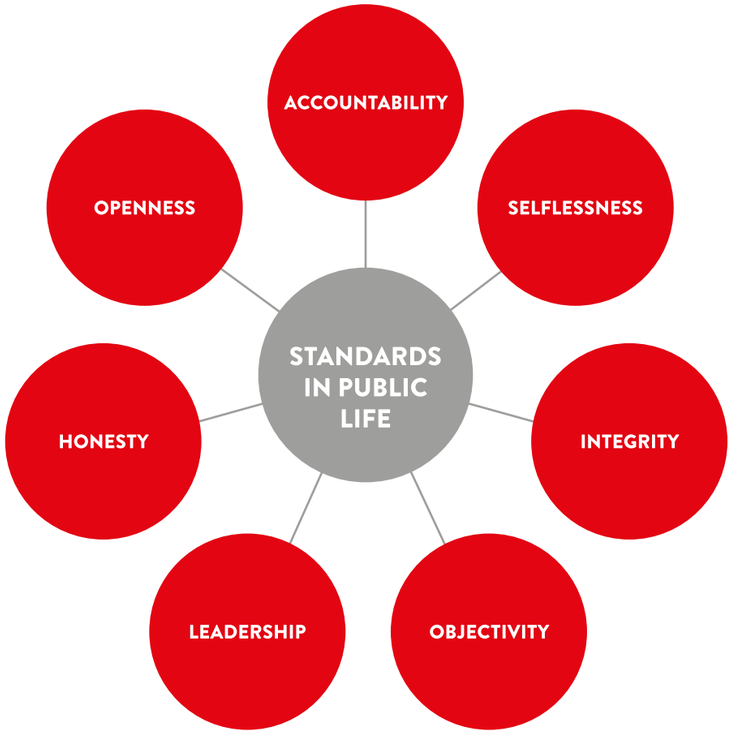
External members hold office for an initial term of four years and are eligible for re-appointment up to a maximum of two terms, subject to satisfactory performance.

Academic Council and staff representatives are elected by their relevant constituencies, serve for an initial term of four years, and, if re-elected, have the opportunity to serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

There is a clear distinction between the role of the Chair of Senate and that of the Vice-Chancellor. The Chair is a Pro-Chancellor supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate also appointed a Senior Independent Governor, in September 2020, from amongst its external membership, to further strengthen its governance arrangements. The Senior Independent Governor role is to provide enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices.

Senate members are required to conduct all business in accordance with the seven principles identified by the Committee on Standards in Public Life and in line with the guidance set out within the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK. All Senate members are required to sign up to a Code of Conduct. No member of Senate receives remuneration for work they do in respect of their position on the governing body, and all interests are reported through the Register of Interests, which is managed by the Secretary to Senate.

In accordance with its Charter and Statutes, the Registrar and Chief Operating Officer serves as Secretary to Senate and its core Committees, providing advice on matters of governance to Senate members.



Senate development opportunities

In the exercise of their duties, it is vital that Senate members have the opportunity to steer the strategic direction of the University. To support this members of Senate attend an annual Senate Away Day, to allow members and management to focus on the strategic priorities of the University in a more relaxed and informal setting.

In the prior year Senate considered the University's Strategic Planning process and the role of the University in contributing to the economic and societal recovery of Northern Ireland in a post Covid-19 environment.

Members also regularly attend briefing events, tours of key facilities and training/development sessions, all of which are aimed at keeping members up-to-date on activities happening across the campus and the wider Higher Education (HE) sector. Moving forward, Faculties will also feed into this process.

In line with best practice, Senate also keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its Committees. To ensure independence in this process, the evaluation is undertaken by the University's Internal Auditors. All members contribute to this process and the outworkings, including recommendations on how the existing arrangements could be enhanced and are reported to Senate through the Standing Committee.

Members of Senate are required to meet with the Chair of Senate, on a one to one basis, every two years. The purpose of these meetings, or Senate Appraisals, is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development flagged. A monitoring system against KPI's will be in place to ensure continuous review of progress towards objectives.

IT IS VITAL THE SENATE MEMBERS HAVE THE OPPORTUNITY TO **STEER THE STRATEGIC DIRECTION** OF THE UNIVERSITY

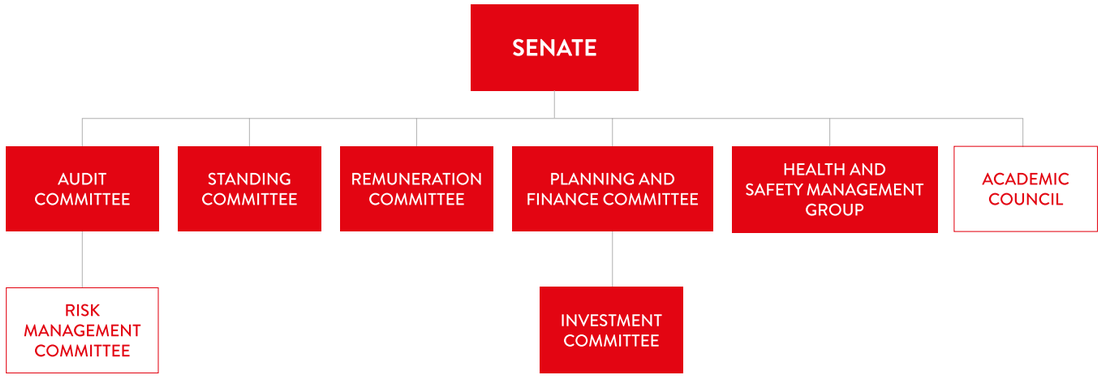
Senate Committees

Under its Approval Framework/Scheme of Delegation, Senate delegates some of its powers and responsibilities to its core Committees. A review of the Scheme of Delegation is underway which will encompass best practice from across the Russell Group universities to ensure that there is an effective and efficient governance and decision-making structure.

Committee's are provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required, at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees are also required to submit a comprehensive report, on business transacted, to the next available meeting of the Senate.

The key Committees are the Audit Committee, the Planning and Finance Committee, the Standing Committee, and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate representation:

Committee Governance Structure



All these Committees are formally constituted with Terms of Reference and are comprised mainly of lay members of Senate. These committees and their respective attendance by each Senate member is listed below:

	Meeting	Senate		Audit Committee		Planning and Finance Committee		Standing Committee		Remuneration Committee	
Constituency	**Senate Members**	**Members**	**Attendance**	**Members**	**Attendance**	**Members**	**Attendance**	**Members**	**Attendance**	**Members**	**Attendance**
Pro-Chancellor	Dr S Kingon	Chair	4 of 4					✓	4 of 4	✓	5 of 5
Pro-Chancellor	Dr L O'Hagan	✓	4 of 4			Chair	4 of 4			Chair	5 of 5
President and Vice-Chancellor	Professor I Greer	✓	4 of 4			✓	4 of 4	✓	4 of 4		
Honorary Treasurer	Ms O Corr	✓	4 of 4			✓	2 of 4			✓	5 of 5
President, Students' Union	Ms Katie Ní Chléire	✓	3 of 4			✓	2 of 4				
Students' Union Council Representative	Mr Jamie-Lukas Campbell	✓	3 of 4								
Academic Council Representative	Professor D Fitzsimons	✓	3 of 4								
Academic Council Representative	Professor P McKeown	✓	4 of 4								
Academic Staff Representative	Dr V Altglas	✓	4 of 4					✓	2 of 4		
Academic Staff Representative	Dr L Hannan	✓	1 of 4								
Support Staff Representative	Mr K Flanagan	✓	3 of 4								
Support Staff Representative	Ms D Hyland	✓	1 of 4					✓	3 of 4		
Convocation	Mr E McMullan	✓	4 of 4	✓	3 of 4						
Lay Member and Senior Independent Governor	Ms E Graham	✓	4 of 4			✓	3 of 4	✓	4 of 4		
Lay Members	Ms B Arthurs	✓	2 of 4			✓	3 of 4				
	Mr R Bailie	✓	4 of 4			✓	3 of 4				
	Mr A Doran	✓	3 of 4			✓	2 of 4				
	Mr K Jess	✓	4 of 4	Chair	4 of 4						
	Ms M Matchett	✓	3 of 4					Chair	4 of 4		
	Ms A McGregor	✓	2 of 4	✓	3 of 4						
	Ms M Regan	✓	3 of 4							✓	5 of 5
	Mr A Shannon	✓	4 of 4			✓	3 of 4				
	Ms P Slevin	✓	4 of 4					✓	4 of 4		

While Senate members' attendance at Committee meetings is not mandatory, our members are extremely dedicated and endeavour to attend all scheduled meetings.

Further detail on each of our core Committees is provided overleaf:

Audit Committee

The Audit Committee is responsible for reviewing the audit aspects of the University's Financial Statements and for making recommendations to Senate for their approval or otherwise, in accordance with the Department for the Economy's (DfE) Accounts Direction. These obligations are set out in the Financial Memorandum (FM) last updated with effect from 1 April 2014. The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control and governance (the risk management element includes the accuracy of the Statement of Internal Control included with the Annual Statement of Accounts).
- Economy, efficiency and effectiveness (value for money).
- Approval and oversight of the implementation of the Institution's policy on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit Committee meets four times annually. Members of the Committee do not have executive authority. The Chair of the Committee is not a member of any other core Committees of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit Report. It considers the appropriateness of the Internal Auditor's risk assessment and Audit Plans and reviews reports from them on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

The Committee meets at least once a year with the External and Internal Auditors without any officers present. It also meets once a year without the External and Internal Auditors present to consider the Auditors' performance and to advise Senate on the re-appointment of the External Auditors in line with the requirements of the Financial Memorandum. In addition, it undertakes an annual self-assessment review of its own effectiveness and reports the findings through to the governing body.

An annual training event is held as part of the Audit Committee Schedule of Business. The event is facilitated by representatives from the Internal and External Auditors and enables members to be kept appraised of the key issues facing the HE sector at that time.

Throughout 2021–22, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks — examples include Covid-19; Pensions; and Cyber Security. The Committee also considers reports, at each of its meetings from the Risk Management Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a Corporate level and at a Faculty/Professional Services level.

A copy of the Committee's full Membership and Terms of Reference is available here (qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University- Governance/Directory-of-Committees/ AuditCommittee/).

Planning and Finance Committee

The Planning and Finance Committee advises and, where appropriate, makes recommendations to Academic Council and Senate, on the University's academic, financial, physical and human resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning and Finance Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's main focus has been on the financial impact of Covid-19; Belfast Region City Deal initiative; and the financial position of the University during 2021–22.

The Committee also welcomed updates on the development of Strategy 2030 and related consultation processes.

A copy of the Committee's full Membership and Terms of Reference is available here.

Standing Committee

Standing Committee meets at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture and values, to include staff engagement and its impact on organisational performance.

In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998.

During the year the Committee was advised of, and approved, the plans for a Governance Apprenticeship Programme to instil some further diversity at Board or Senate level; a challenge across the HE sector. They were also advised of, and acknowledged, the efforts to support staff through the ongoing pandemic period.

A copy of the Committee's full Membership and Terms of Reference is available here.

Remuneration Committee

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. The Committee annually determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group and Senior Academic Managers.

The Committee also oversees the implementation of the Senior Salaries Scheme. The scheme, informed by best practice from within both the public and private sectors, incorporates a number of key features, these include defined ranges; a clear policy on salary progression and performance pay; and integrated mechanisms to measure and reward such performance. The annual salary review of the Senior Management Group is based on two components — corporate and individual performance.

The Remuneration Committee recognises it must strike the right balance between recruiting, rewarding and retaining the best senior staff possible in order to deliver the best outcomes for the students and the University whilst, at the same time, demonstrating effective use of limited resources and achieving value for money.

The Remuneration Committee is committed to complying with all the elements of the CUC guidelines on best practice, as set out in its Higher Education Senior Staff Remuneration Code, published in June 2018 and demonstrating leadership and stewardship in relation to remuneration. The Code sets out a framework through which Higher Education Institutions can demonstrate that they are being managed in the best interests of their key stakeholders, including staff and students. In this context, Senate has implemented a number of updates to its practices in response to evolving best practice within the Code and across the sector.

The Committee has also adopted the production and publication for Senate, of an Annual Report setting out its key priorities and activities during the course of the academic year — a copy of the report of the Remuneration Committee can be found here.

The focus of the Committee during 2021–22 was the Senior Salaries Scheme and the associated approach to pay and reward for this population during this challenging time.

A copy of the Committee's full Membership and Terms of Reference is available here.

Nominations Committee

The Nominations Committee seeks out and recommends new lay members for membership to Senate at the beginning of each term and remains in place throughout the four-year term of Senate. Senate was reconstituted in January 2022, the aim being to shape the membership to deal with future challenges, as well as ambitions, of the University. A separate Membership Committee subsequently meets to determine the allocation of Senate members to core Committees, ensuring an appropriate balance in terms of skills and characteristics.

A copy of the Committee's full Membership and Terms of Reference is available here.

Executive team

Senate delegates operational management control of the University to the University Executive Board (UEB), chaired by the Vice-Chancellor, and to the University Operating Board (UOB), chaired by the Registrar and Chief Operating Officer.

The University's Charter and Statutes place responsibility for the University's operations with the Vice-Chancellor who, as the Accountable Officer, supported by the Executive Officers, implements the Board's policies and develops and manages the University's business. Senate works with the Executive Officers to set the institutional mission and strategy, and the Executive Officers ensure that steps are taken to deliver the institutional goals and that there are effective systems of control and risk management in place.

Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

Statement on Internal Control

As the governing body of Queen's University Belfast, Senate has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This responsibility has been assigned to Senate in accordance with the University's Charter and Statutes, and the Financial Memorandum.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives. To that extent it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2022 and up to the date of approval of these Financial Statements and accords in full with DfE guidance.

As part of the University's co-ordinated response to the Covid-19 pandemic and the related changes in working practices, key processes and procedures were proactively reviewed, and adapted as necessary, to ensure that the University's comprehensive control framework remained robust. During the period, up to the signing of these Financial Statements, there were two (greater than £5k) actual or suspected frauds identified. These related to an attempted fraudulent withdrawal from the University's bank account in August 2021 and an incident whereby a small payment was made to fraudulent bank details following the interception of emails. Both incidents have been fully reported and investigated in line with the University's Anti-Fraud Policy and the Financial Memorandum. In this respect a range of remedial actions and developments have also been agreed and an implementation programme is underway.

Senate has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.

b. Senate receives regular reports from the Chair of the Audit Committee concerning internal control, and also requires regular reports from managers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate and the Vice-Chancellor receive an annual report from the Audit Committee covering the business of the Committee over the previous academic year.

c. Senate has established a Risk Management Committee to oversee risk management.

d. The Audit Committee receives regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating and managing their significant risks.

f. A programme of risk awareness training is ongoing and risk management is integrated within the University's business planning process.

g. A system of key performance and risk indicators has been developed.

h. A robust risk prioritisation methodology, based on risk ranking and cost–benefit analysis has been established.

i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.

j. An Emerging Risk Register has been developed and is reviewed at each meeting of the University Operating Board and the University Executive Board.

k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third-parties or relied on by other parts of Government.

l. Reports are received, as appropriate, from budget holders, department heads and project managers on internal control activities.

Senate's review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to the DfE's Accounts Direction. It is Senate's view that the University has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the University's Internal Auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS) and submit regular reports on the adequacy and effectiveness of the University's system of risk management, internal controls and corporate governance, and economy, efficiency and effectiveness (value-for-money) with recommendations for improvement. Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit Committee.

As a result of Senate's overall review of the effectiveness of the system of internal control, including risk management, it is content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the University's Accounting Officer by the Internal Auditors, in their Annual Statement of Assurance.



RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing each of the Group and University Financial Statements, Senate is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it intends to liquidate the Group, or the University, or to cease operations, or has no realistic alternative but to do so.

Senate is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and University's transactions and disclose with reasonable accuracy at any time the financial position of the Group and University. Senate is responsible for such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and it has general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Group and University, and to prevent and detect fraud and other irregularities.

Senate is also responsible for ensuring that:

- funds from DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- the economical, efficient and effective management of the Group's and University's resources and expenditure is secured.

Senate is responsible for the maintenance and integrity of the Financial Statements included on the University's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2022 set out on pages 82 to 113, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and the related notes, including the summary of significant accounting policies set out on pages 72 to 79.

The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the accompanying Financial Statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2022, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice — Accounting for Further and Higher Education; and
- meet the requirements of the Department for the Economy (DfE) Accounts Direction to Higher Education Institutions for 2021–22 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of Financial Statements in the UK, including the Financial Reporting Council (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

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group's and the University's financial position means that this is realistic.

They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group's and University's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with the management as to the Group's and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements.

The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information.

Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements set out on page 67, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as it determines necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and 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 it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

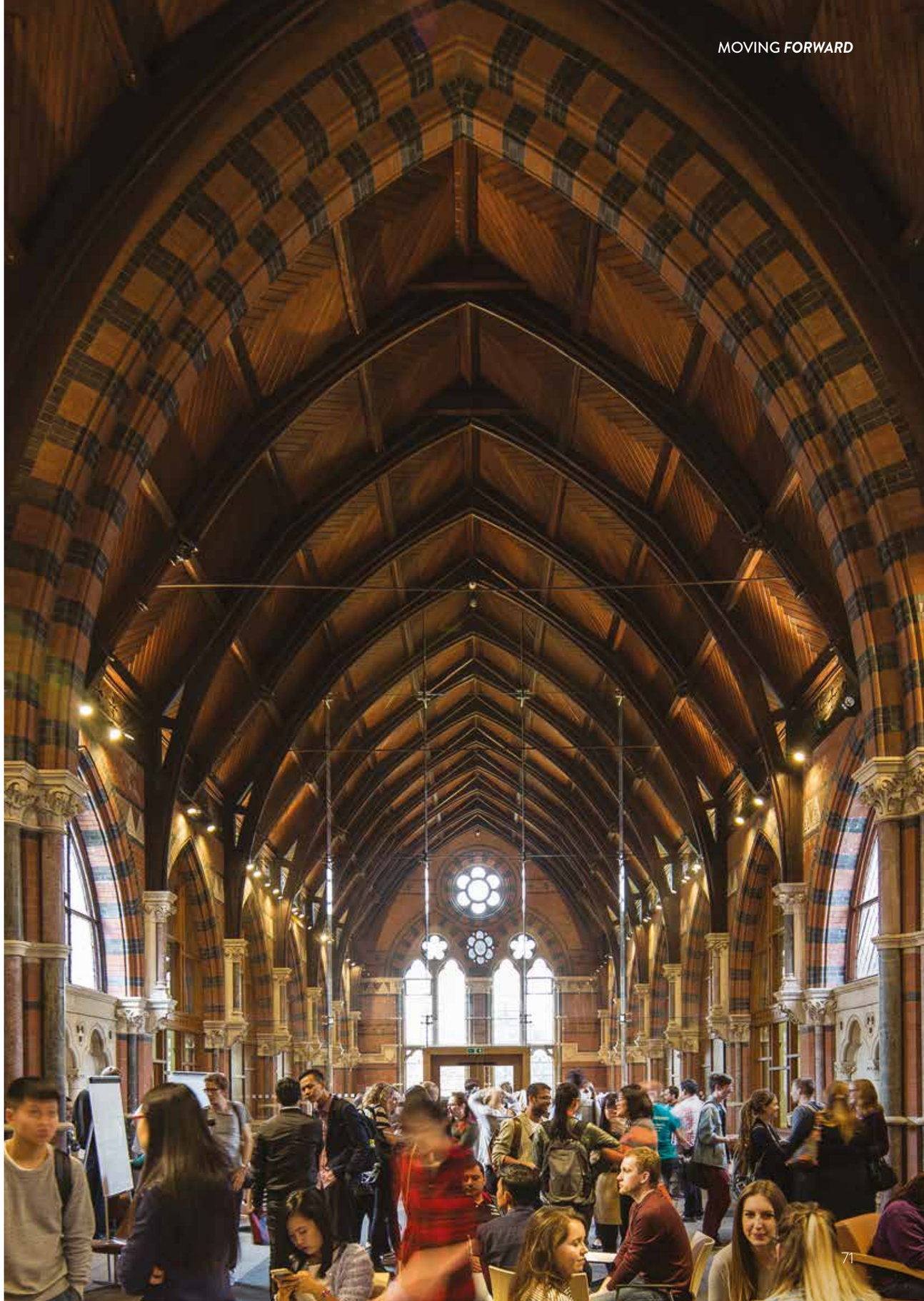
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992. In our opinion, in all material respects:
funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and funds provided by the DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

Our report is made solely to Senate, in accordance with the Charter and Statutes of the institution. Our audit work has been undertaken so that we might state to Senate those matters we are required to state to it 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 Senate, for our audit work, for this report, or for the opinions we have formed.

Sean O'Keefe
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast
25 November 2022



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounts Direction issued by the Department for the Economy.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (as modified by the revaluation of fixed assets on the transition to FRS 102 as at 1 August 2014 and the revaluation of investments and investment property carried at fair value).

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate Financial Statements.

The Financial Statements are prepared in sterling which is the functional currency of the University and Group and rounded to the nearest £'000.

BASIS OF PREPARATION

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

The Financial Statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons:

Senate has prepared cash flows for a period of twelve months from the date of approval of these Financial Statements. After reviewing these cashflows, Senate is of the opinion that the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements. Senate has also noted the Group's and University's limited borrowing and loan portfolio.

Therefore, Senate has prepared the Financial Statements on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the University and its wholly owned subsidiaries, QUBIS Limited, Queen's Overseas Recruitment Limited, Queen's Composites Limited and its partially owned subsidiary NIACE Limited. Intra–group transactions are eliminated in full, on consolidation.

Joint ventures are accounted for using the equity method.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Group and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the Balance Sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, and the part relating to the University's share is eliminated.

The Consolidated Financial Statements do not include a connected charity, the Queen's University of Belfast Foundation Ltd, which is a separate and independent organisation.

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

Income from the sale of goods or services is credited to the Consolidated and University Statements of Comprehensive Income (SOCI), when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

TUITION FEE INCOME

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCI over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

GOVERNMENT REVENUE GRANTS

Government revenue grants including the Department for the Economy (DfE) block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred, it is recognised as deferred income within creditors, and allocated between creditors due within one year and due after more than one year, as appropriate.

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve, until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

INVESTMENT INCOME

Investment income is credited to the SOCI on a receivable basis.

Investment income is recognised in income in the year in which it arises. Appreciation of endowments, including gains/losses relating to disposals within the Investment Fund, is recorded as fair value gains/losses on investments in the year in which they arise. These items are shown as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 36 to the Financial Statements.

The USS is a multi–employer scheme. It is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme; therefore, this scheme is accounted for as a defined contribution scheme. As a result, obligations for contributions to the USS scheme are recognised as an expense in the income statement in the periods during which services are rendered by employees. A liability is recorded within provisions for any contractual commitment to a recovery plan to fund past deficits within the USS scheme.

Under the RBP Scheme, as a defined benefit scheme, 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 and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 23). This net 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.

Annually the University engages independent actuaries to calculate the FRS 102 obligation for the RBP scheme.

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. 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 RBP, recognised in expenditure as staff costs, 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 opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 36.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the (loss)/surplus for the year.

INTEREST PAYABLE

Interest payable and similar charges includes interest payable, finance charges, unwinding of the discount on provisions and material net foreign exchange losses that are recognised in the SOCI.

FIXED ASSETS

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

LAND AND BUILDINGS

Freehold land and buildings and long-leasehold land and buildings were revalued to fair value on the date of transition to the 2015 SORP, and these assets are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

All land and buildings, completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in relation to land and buildings after initial purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated, as it is considered to have an indefinite useful life. Freehold and long leasehold buildings are depreciated on a straight-line basis over their expected useful lives.

For buildings revalued at fair value at transition date, the estimated useful life is that determined as part of the revaluation exercise. For all other buildings the estimated useful life is either 40 or 60 years depending on the category of the building in question.

No depreciation is charged on assets in the course of construction. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

EQUIPMENT

Equipment, including microcomputers and software, costing less than £25,000 per individual item, or group of related items, is written-off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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.

Capitalised equipment is depreciated on a straight-line basis over its expected useful life, as follows:

- Motor vehicles and other general equipment 4 years.
- Equipment acquired for specific research projects 2–3 years.

Where assets are donated or acquired with

the aid of specific grants or donations they are capitalised and depreciated as outlined above. Expenditure (>£25,000) relating to subsequent replacement of components is capitalised as incurred.

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

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCI.

HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available. Heritage assets, including works of art, acquired since 1 August 2007, and valued at over £25,000, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value, mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services. Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP, and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

Non–current investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments, that can be measured reliably, are measured at fair value, with changes in measurement recognised in the SOCI. Realised gains on disposals within the Investment Fund are reinvested within the Fund and recognised within total income for the year and are included within fair value gain on investments and investment property in the SOCI. Gains on disposal of equity investments or from the Investment Fund, which are realised, are included within gain on disposal of investments within the surplus before tax.

Current asset investments relate to deposits held with banks and building societies in the UK, and are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in associates are held at fair value. Changes in fair value are recognised through other Comprehensive Income in the relevant subsidiary accounts. In the Consolidated Financial Statements, changes in fair value are recognised in the SOCI.

Investments in subsidiaries are measured at cost less impairment in the University Balance Sheet.

STOCK

Stock is held at the lower of cost and estimated selling price less costs to complete and sell, and is measured on the basis of a first in first out approach.

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 highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Financial Statements when:

a. the Group or University has a present obligation (legal or constructive) as a result of a past event;
b. it is probable that an outflow of economic benefits will be required to settle the obligation;
c. 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 liability arises from a past event that gives the Group or 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 Group or 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the SOCI.

CONCESSIONARY LOANS

Concessionary loans are measured initially at the amounts received and adjusted to reflect any accrued interest and/or repayment of capital.

FINANCIAL INSTRUMENTS

The Group and University have elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Group or University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the SOCI.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the SOCI. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-Group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

TAXATION

The University is an exempt Charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a Charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by 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's non–charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and University's Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. Details are outlined in note 37.

FINANCIAL *STATEMENTS*

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2022

	Notes	2022		2021	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Income					
Government grants	1	**110,939**	**110,939**	109,945	109,945
Tuition fees, support grants and education contracts	2	**152,247**	**152,247**	143,443	143,443
Research grants and contracts	3	**98,425**	**98,425**	88,583	88,583
Other income	4	**69,534**	**66,732**	49,519	47,817
Investment income	5	**3,363**	**3,351**	2,726	2,719
Total income before endowments and donations		**434,508**	**431,694**	394,216	392,507
Donations and endowments	6	**3,173**	**3,173**	3,253	3,253
Total income		**437,681**	**434,867**	397,469	395,760
Expenditure					
Staff costs	7	**246,580**	**246,580**	232,799	232,799
Other operating expenses	9	**150,139**	**149,238**	116,058	116,517
Depreciation	13	**23,848**	**23,728**	22,570	22,450
Interest and other finance costs	10	**1,791**	**1,791**	1,733	1,733
Total expenditure excluding USS provision	11	**422,358**	**421,337**	373,160	373,499
Surplus before USS provision and other gains/(losses)		**15,323**	**13,530**	24,309	22,261
Staff costs – movement in USS provision	8	**(94,749)**	**(94,749)**	125	125
(Deficit)/Surplus before other gains/(losses)		**(79,426)**	**(81,219)**	24,434	22,386
Gain on disposal of fixed assets		**–**	**–**	47	47
Gain on disposal of investments		**442**	**–**	213	–
(Deficit)/Surplus before tax and fair value gain on investments		**(78,984)**	**(81,219)**	24,694	22,433
Fair value (loss)/gain on investments and investment property	15/16	**(43,998)**	**(2,538)**	103,070	21,998
Taxation	12	**–**	**–**	–	–
(Deficit)/Surplus for the year		**(122,982)**	**(83,757)**	127,764	44,431
Actuarial adjustment in respect of pension schemes	36	**37,720**	**37,720**	15,386	15,386
Total comprehensive (expenditure)/income for the year		**(85,262)**	**(46,037)**	143,150	59,817
Represented by: (expenditure)/income					
• Endowment (expenditure)/income for the year		**(687)**	**(687)**	7,332	7,332
• Restricted comprehensive income for the year		**518**	**518**	273	273
• Unrestricted (expenditure)/income for the year		**(85,085)**	**(45,868)**	135,552	52,212
Attributable to the University (expenditure)/income		**(85,254)**	**(46,037)**	143,157	59,817
Attributable to the non-controlling interest		**(8)**	**–**	(7)	–
		(85,262)	**(46,037)**	143,150	59,817

Included within the deficit (2021: Surplus) for the year is a loss of (£8k) (2021:(£7k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2022

	Notes	2022		2021	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Non-current assets					
Fixed assets	13	**687,647**	**681,493**	667,838	661,564
Heritage assets	14	**118**	**118**	118	118
Investment property	15	**6,385**	**6,385**	6,145	6,145
Investments	16	**389,833**	**213,096**	387,571	165,582
Investment in associates	18	**8,556**	**–**	3,142	–
		1,092,539	**901,092**	1,064,814	833,409
Current assets					
Stock		**658**	**658**	697	696
Debtors	19	**26,872**	**27,431**	22,473	22,858
Investments	20	**215,000**	**215,000**	187,999	187,999
Cash and cash equivalents	27	**75,030**	**63,432**	120,551	110,602
		317,560	**306,521**	331,720	322,155
Less: Creditors: amounts falling due within one year	21	**(137,389)**	**(137,645)**	(117,962)	(118,213)
Net current assets		**180,171**	**168,876**	213,758	203,942
Total assets less current liabilities		**1,272,710**	**1,069,968**	1,278,572	1,037,351
Creditors: amounts falling due after more than one year	22	**(386,645)**	**(382,988)**	(369,010)	(365,258)
Provisions					
Pension obligations	23	**(40,199)**	**(40,199)**	(74,103)	(74,103)
Other provisions	24	**(158,284)**	**(156,390)**	(62,615)	(61,562)
Total net assets		**687,582**	**490,391**	772,844	536,428
Restricted reserves					
Income and expenditure reserve – endowment reserve	25	**68,978**	**68,978**	69,665	69,665
Income and expenditure reserve – restricted reserve	26	**1,734**	**1,734**	1,216	1,216
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**616,144**	**419,679**	701,229	465,547
		686,856	**490,391**	772,110	536,428
Non-controlling interest		**726**	**–**	734	–
Total reserves		**687,582**	**490,391**	772,844	536,428

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

The Financial Statements were approved by Senate on 22 November 2022 and were signed on its behalf on that date by:

Ms O. Corr,	Professor I. Greer,	Mrs A. McLaughlin,
Honorary Treasurer	President and Vice-Chancellor	Interim Director of Finance

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	**63,833**	**943**	**564,177**	**628,953**	**741**	**629,694**
Surplus/(deficit) from the statement of comprehensive income	7,332	1,436	119,003	127,771	(7)	127,764
Transfer between reserves	(1,500)	–	1,500	–	–	
Other comprehensive income	–	–	15,386	15,386	–	15,386
Release of restricted funds spent in year	–	(1,163)	1,163	–	–	–
Total comprehensive income/ (expenditure) for the year	5,832	273	137,052	143,157	(7)	143,150
Balance at 1 August 2021	**69,665**	**1,216**	**701,229**	**772,110**	**734**	**772,844**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(124,346)	(122,974)	(8)	(122,982)
Transfer between reserves	–	–	–	–	–	–
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(85,085)	(85,254)	(8)	(85,262)
Balance at 31 July 2022	**68,978**	**1,734**	**616,144**	**686,856**	**726**	**687,582**

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	**63,833**	**943**	**411,835**	**476,611**	**–**	**476,611**
Surplus/(deficit) from the statement of comprehensive income	7,332	1,436	35,663	44,431	–	44,431
Transfer between reserves	(1,500)	–	1,500	–	–	–
Other comprehensive income	–	–	15,386	15,386	–	15,386
Release of restricted funds spent in year	–	(1,163)	1,163	–	–	–
Total comprehensive income/ (expenditure) for the year	5,832	273	53,712	59,817	–	59,817
Balance at 1 August 2021	**69,665**	**1,216**	**465,547**	**536,428**	**–**	**536,428**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(85,129)	(83,757)	–	(83,757)
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(45,868)	(46,037)	–	(46,037)
Balance at 31 July 2022	**68,978**	**1,734**	**419,679**	**490,391**	**–**	**490,391**

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2022

	Notes	2022	2021
		£'000	£'000
Cash flow from operating activities			
(Deficit)/surplus for the year		**(122,982)**	127,764
Adjustment for non-cash items			
Depreciation	13	**23,848**	22,570
Release of deferred capital grants		**(17,223)**	(15,597)
Gain on disposal of fixed assets		**–**	(47)
Gain on disposal of investments		**(442)**	(213)
Fair value (loss)/gain on investments and investment property		**43,998**	(103,070)
(Increase)/decrease in stock		**39**	(3)
(Increase) in debtors	19	**(4,399)**	(2,535)
Increase in creditors	21	**18,384**	28,181
(Decrease) in pension provision	23	**(33,904)**	(11,861)
Actuarial adjustment to pension provision		**37,720**	15,386
Increase/(decrease) in other provisions	24	**95,669**	(334)
Adjustment for investing or financing activities			
Investment income	5	**(3,363)**	(2,726)
Interest payable	10	**–**	–
Endowment income	6	**(140)**	(497)
Capital grant income	4	**(177)**	–
Net cash inflow from operating activities		**37,028**	57,018
Cash flows from investing activities			
Proceeds from sale of fixed assets		**–**	152
Capital grant receipts		**37,351**	24,829
Disposal of non-current asset investments		**33,610**	18,591
Investment income		**3,363**	2,726
Payments made to acquire fixed assets	13	**(43,655)**	(28,577)
New investment property	15	**–**	–
New non-current asset investments	16	**(84,210)**	(17,523)
(Investments in) deposits>3 months		**(27,001)**	(89,999)
New associate investments		**(872)**	(362)
		(81,414)	(90,163)
Cash flows from financing activities			
Endowment cash received		**140**	497
Repayments of amounts borrowed		**(1,275)**	(1,275)
		(1,135)	(778)
Decrease in cash and cash equivalents in the year		**(45,521)**	(33,923)
Cash and cash equivalents at beginning of the year	27	**120,551**	154,474
Cash and cash equivalents at end of the year	27	**75,030**	120,551

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
1. Government grants				
Recurrent grant:				
Teaching	**50,732**	**50,732**	53,837	53,837
Research	**32,388**	**32,388**	32,359	32,359
Other specific grants	**12,888**	**12,888**	9,961	9,961
Deferred capital grants released in year	**14,931**	**14,931**	13,788	13,788
	110,939	**110,939**	109,945	109,945

The University received £98.7m (2021: £98.4m) of recurrent grant funding in the year, of which some £15.6m (2021: £12.2m) has been deferred as detailed in note 22.

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	**66,041**	**66,041**	66,560	66,560
International students	**56,716**	**56,716**	49,677	49,677
Part-time fees	**6,631**	**6,631**	6,254	6,254
Short courses	**1,334**	**1,334**	1,040	1,040
Department of Health nursing contract	**17,598**	**17,598**	16,222	16,222
Research training, other support grants and other fees	**3,927**	**3,927**	3,690	3,690
	152,247	**152,247**	143,443	143,443

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
3. Research grants and contracts				
Research councils /UKRI	**28,953**	**28,953**	24,056	24,056
Research charities	**11,225**	**11,225**	10,116	10,116
UK Government and EU	**45,268**	**45,268**	43,650	43,650
Other sources	**12,979**	**12,979**	10,761	10,761
	98,425	**98,425**	88,583	88,583

Income from research grants and contracts includes deferred capital grants released in year totalling £1,777k (2021: £1,294k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
4. Other income				
Residences, catering and conferences	**16,131**	**16,131**	11,331	11,331
Other services rendered	**25,919**	**25,919**	19,316	19,316
Other capital grants	**177**	**177**	–	–
Other income	**20,986**	**18,184**	13,003	11,301
Contribution to joint appointment salaries (note 7)	**6,321**	**6,321**	5,869	5,869
	69,534	**66,732**	49,519	47,817

Other income and other services rendered include deferred capital grants released in year totalling £443k (2021: £443k).
Other income in respect of the University includes gift aid income of £214k (2021: £184k) from its subsidiaries.

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
5. Investment income				
Investment income from endowments (note 25)	**2,012**	**2,012**	2,079	2,079
Other investment income	**1,351**	**1,339**	647	640
	3,363	**3,351**	2,726	2,719

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
6. Donations and endowments				
New endowments (note 25)	**140**	**140**	497	497
Donations with restrictions (note 26)	**1,091**	**1,091**	792	792
Unrestricted donations	**1,942**	**1,942**	1,964	1,964
	3,173	**3,173**	3,253	3,253

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
7. Staff costs				
Salaries	**185,250**	**185,250**	175,631	175,631
Social security costs	**17,812**	**17,812**	16,237	16,237
Other pension costs	**27,418**	**27,418**	26,229	26,229
Current service cost – RBP pension scheme (note 36)	**9,779**	**9,779**	8,833	8,833
	240,259	**240,259**	226,930	226,930
Joint appointment salaries (note 4)	**6,321**	**6,321**	5,869	5,869
	246,580	**246,580**	232,799	232,799

Included within staff costs is £6,018k (2021: £4,435k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.

Consolidated and University	**2022**	2021
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	**315**	306
Pension contributions to USS	**18**	6
	333	312

In respect of the Vice-Chancellor no additional amounts (2021: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. Until 1 April 2021, this was treated as a non taxable benefit valued at an estimated market rental of £15k for a similar property (prorated to reflect only personal use). Following a change in HMRC guidelines, this will now be treated as a taxable benefit from that date. A review has been completed and has quantified the benefit as being £6,468 per annum, as calculated in line with HMRC guidelines. The Vice-Chancellor received no further additional taxable benefits (2021: £nil).

Professor Ian Greer was appointed as Vice-Chancellor with effect from 1 August 2018. Professor Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the Institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £314,693 for 2021-22. The package reflects the complexity, demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice Chancellor's basic salary is 8.2 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff.

The Vice Chancellor's basic salary is 6.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration salaries provided by the University to its staff.

The pay median does not include workers who were not employed under contract by the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	Number	Number
7. Staff costs (continued)		
Remuneration of higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	**13**	7
£105,000 to £109,999	**8**	6
£110,000 to £114,999	**7**	3
£115,000 to £119,999	**10**	6
£120,000 to £124,999	**4**	5
£125,000 to £129,999	**3**	3
£130,000 to £134,999	**2**	2
£135,000 to £139,999	**1**	4
£140,000 to £144,999	**5**	-
£145,000 to £149,999	**1**	1
£150,000 to £154,999	**–**	–
£155,000 to £159,999	**–**	–
£160,000 to £164,999	**–**	–
£165,000 to £169,999	**–**	–
£170,000 to £174,999	**–**	1
£175,000 to £179,999	**1**	–
£305,000 to £309,999	**–**	1
£310,000 to £314,999	**1**	–

Consolidated and University	2022	2021
	£'000	£'000
Staff numbers		
Academic	**1,270**	1,250
Research	**678**	696
Academic related	**915**	907
Technical and clerical	**978**	997
Other	**503**	509
	4,344	4,359

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £1,098k (2021: £626k) relating to 118 (2021: 133) staff. These payments were mainly in respect of staff on fixed terms contracts.

All severance payments, including compensation for loss of office, in respect of higher paid staff within its remit, are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

Consolidated and University	2022	2021
	£'000	£'000
Key management personnel Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full time equivalent (FTE) included as Key Management Personnel is 11 (2021:11 FTE).		
Key management personnel compensation	**2,364**	2,306

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
8. Movement in USS provision		
Following the completion of the 2020 USS actuarial valuation in 2021-22 a new deficit recovery plan was agreed. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. The adoption of this new USS deficit recovery plan has given rise to a significant increase in the deficit provision. This has resulted in a item of expenditure within staff costs which, due to its exceptional size, has been disclosed separately in the Statements of Comprehensive Income. Further details relating to the USS pension scheme and the related USS provision are laid out in notes 24 and 36.		
Movement in USS provision	**94,749**	(125)

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
9. Other operating expenses				
Consumables and laboratory expenditure	**12,774**	**12,774**	12,309	12,309
Books and periodicals	**5,374**	**5,374**	5,328	5,328
Studentships and bursaries	**16,558**	**16,558**	15,622	15,622
Heat, light, water and power	**12,585**	**12,585**	5,799	5,799
Repairs and general maintenance	**4,142**	**4,142**	3,700	3,700
External auditor's remuneration – audit services	**103**	**93**	65	54
External auditor's remuneration – non-audit services	**191**	**181**	57	46
Rates, insurance and telecommunication expenses	**6,194**	**6,194**	6,183	6,183
Hospitality and accommodation services	**7,871**	**7,871**	5,421	5,421
Equipment and equipment maintenance	**13,211**	**13,211**	10,124	10,124
Postage, photocopying and printing	**1,249**	**1,249**	1,063	1,063
Patent fees	**866**	**866**	472	472
Collaborative research payments	**10,914**	**10,914**	8,963	8,963
Other	**58,107**	**57,226**	40,952	41,433
	150,139	**149,238**	116,058	116,517
External auditor's fees for non audit services include:				
Audit related services	**43**	**43**	32	32
Other non-audit services	**–**	**–**	4	–
Taxation compliance services	**148**	**138**	21	14
	191	**181**	57	46

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
10. Interest and other finance costs				
Unwinding of discount – USS pension deficit plan provision (note 24)	**530**	**530**	442	442
Net charge on RBP pension scheme (note 36)	**1,261**	**1,261**	1,291	1,291
	1,791	**1,791**	1,733	1,733

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated	Staff costs	Depreciation	Other operating expenses	Interest payable	Total
	£'000	£'000	£'000	£'000	£'000
11. Analysis of total expenditure by activity					
Academic departments	138,859	2,876	16,266	–	**158,001**
Academic services	17,114	1,707	17,288	–	**36,109**
Research grants and contracts	35,547	2,343	40,501	–	**78,391**
Hospitality and accommodation services	3,880	–	8,095	–	**11,975**
Premises	7,259	16,860	25,012	–	**49,131**
Administration	28,032	50	26,378	–	**54,460**
Other expenses	15,889	12	16,599	1,791	**34,291**
	246,580	**23,848**	**150,139**	**1,791**	**422,358**

12. Taxation

There is no taxation charge arising from the operating activities of the Group (2021 £nil).

Consolidated	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets							
Cost or valuation							
At 1 August 2021	662,250	79,963	46,539	22,627	811,379	118	811,497
Additions	–	–	8,702	34,953	43,655	–	43,655
Transfers	4,136	12	–	(4,148)	–	–	-
Disposals	–	–	(5,978)	–	(5,978)	–	(5,978)
At 31 July 2022	**666,386**	**79,975**	**49,263**	**53,432**	**849,056**	**118**	**849,174**
Depreciation							
At 1 August 2021	94,293	10,111	39,137	–	143,541	–	143,541
Charge for the year	14,840	2,020	6,988	–	23,848	–	23,848
Disposals	–	–	(5,980)	–	(5,980)	–	(5,980)
At 31 July 2022	**109,133**	**12,131**	**40,145**	**–**	**161,409**	**–**	**161,409**
Net book value							
At 31 July 2022	**557,253**	**67,844**	**9,118**	**53,432**	**687,647**	**118**	**687,765**
At 31 July 2021	567,957	69,852	7,402	22,627	667,838	118	667,956

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2021	662,250	72,849	46,539	22,627	804,265	118	804,383
Additions	–	–	8,702	34,953	43,655	–	43,655
Transfers	4,136	12	–	(4,148)	–	–	–
Disposals	–	–	(5,978)	–	(5,978)	–	(5,978)
At 31 July 2022	**666,386**	**72,861**	**49,263**	**53,432**	**841,942**	**118**	**842,060**
Depreciation							
At 1 August 2021	94,293	9,271	39,137	–	142,701	–	142,701
Charge for the year	14,840	1,900	6,988	–	23,728	–	23,728
Disposals	–	–	(5,980)	–	(5,980)	–	(5,980)
At 31 July 2022	**109,133**	**11,171**	**40,145**	**–**	**160,449**	**–**	**160,449**
Net book value							
At 31 July 2022	**557,253**	**61,690**	**9,118**	**53,432**	**681,493**	**118**	**681,611**
At 31 July 2021	567,957	63,578	7,402	22,627	661,564	118	661,682

A full valuation of the University's freehold and long leasehold land and buildings portfolio was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. In line with FRS 102, this valuation was used as the deemed cost for these assets at the date of transition i.e. 1 August 2014.

14. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In the last five years the University has acquired heritage assets of £118k relating to pieces of sculpture.

The University holds other heritage assets in its main library and throughout the general campus. The special collections service at Queen's provides access to the Library's rare and early printed book, map and manuscript collections, as well as to more modern material relating to Ireland and Ulster in particular. The books, pamphlets, manuscripts, correspondence, photographs and maps are considered to be of lasting research value and include examples of the earliest printed works published between the 16th and early 19th centuries. In order to preserve the material for future readers these collections are housed in a secure and environmentally controlled setting. The University also has an important collection of fine art, silver and sculpture, as well as a build environment which contains some of the best architecture in Ireland. The University has a Curator of Art who manages and develops the collection as well as developing an ambitious programme of educational work.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
15. Investment property		
Balance at 1 August	**6,145**	4,543
Transfers from fixed assets (note 13)	**–**	558
Additions	**–**	–
Net gain from fair value adjustments	**240**	1,044
Balance at 31 July	**6,385**	6,145

A valuation of the investment property was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. This valuation is reviewed annually by the University using industry recognised indices and the carrying value of the assets adjusted accordingly for any material changes.

The University received property rental income of £762k (2021: £460k) in respect of these proprieties for the year ended 31 July 2022.

	Subsidiary companies	Other fixed assets investments	Total
	£'000	**£'000**	**£'000**
16. Non-current investments			
Consolidated			
At 1 August 2021	–	387,571	**387,571**
Additions	–	84,211	84,211
Transfer (to)/from investment in associates	–	–	**–**
Disposals	–	(33,169)	**(33,169)**
(Loss)/gain on fairvalue and (losses)/gains on disposals	–	(48,780)	**(48,780)**
At 31 July 2022	-	389,833	**389,833**
University			
At 1 August 2021	2,255	163,327	**165,582**
Additions	–	83,461	**83,461**
Disposals	–	(33,169)	**(33,169)**
(Loss)/gain on fairvalue and (losses)/gains on disposals	–	(2,778)	**(2,778)**
At 31 July 2022	2,255	210,841	**213,096**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
16. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	**129,957**	**129,957**	100,773	100,773
University Investment Fund:				
UK gilts and fixed asset stocks	**11,094**	**11,094**	10,324	10,324
UK equities (listed)	**17,855**	**17,855**	18,525	18,525
Overseas investments (listed)	**18,319**	**18,319**	20,245	20,245
Other investments	**14,024**	**14,024**	13,460	13,460
	61,292	**61,292**	62,554	62,554
Other	**26,775**	**19,592**	6,501	–
Listed investments	**171,809**	**-**	217,743	–
	389,833	**210,841**	387,571	163,327

General investment fund

The general investment fund consists of UK equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2022 was £76,478k (2021: £46,748k).

University Investment Fund

The University Investment Fund is an investment fund operated on unit trust principles, and administered under the terms of the Queen's University (Trust Scheme) Order (Northern Ireland) 1982. The purpose of the Investment Fund is to provide an investment vehicle for the greater part of the University endowment funds. The investments are shown at market value.

BlackRock undertakes the role of investment manager for both the general investment fund and the University investment fund. Further information is included in the Financial Review.

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value.

Other investments

The Group's other investments relate to the University's investment within a pooled investment fund and a subsidiary's investments in 21 other UK unlisted companies.

Fair Value Gain on investments and investment property

The consolidated fair value (loss)/gain on investments and investment property of (£43,998k) (2021: £103,070k) as shown in the SOCI, relates to appreciation/(loss) on investment property of £240k (2021:£1,044k), non-current investments of (£48,780k) (2021: £101,856k) and a fair value gain on investments in associates of £4,542k (2021: £170k).

The University's fair value (loss)/gain on investments and investment property of (£2,536k) (2021: £21,998k) as shown in the SOCI, relates to appreciation/(loss) of investment property of £240k (2021:£1,044k) and non-current investments of (£2,778k) (2021:£20,954k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

17. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP
A Limited Partnership which was incorporated in April 2009 to recruit and provide education to international students. It is a joint venture between Queen's Overseas Recruitment Limited and INTO University Partnerships Limited, a company registered in England. It is based in Belfast.

NI Composites O&M LLP
A Limited Partnership which was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between Queen's Composites Limited and Innovation Ulster Limited. It is based in Belfast.

	2022	2021
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	**3,717**	3,693
Share of (deficit) before tax	**(454)**	(163)
Balance Sheet:		
Fixed assets	**348**	355
Current assets	**1,775**	1,385
Creditors: amounts due within one year	**(3,747)**	(3,572)
Creditors: amounts due after one year	**(700)**	(300)
Share of net liabilities	**(2,324)**	(2,132)

A provision of £1,893k (2021: £1,053k) has been recognised in relation to the Group's liability in respect of joint ventures.

Consolidated and University	2022	2021
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	**1,724**	1,768
NI Composites O&M LLP	**108**	145
	1,832	1,913
Amounts owed by the University:		
INTO Queen's LLP	**26**	254
NI Composites O&M LLP	**–**	–
	26	254

The balances all relate to ongoing trading activity.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

18. Investment in associates

Details of the Group's interests in associated undertakings are set out below. Each company is incorporated in Northern Ireland.

Consolidated	**% of equity held**	**Aggregate of capital and reserves**	**Profit / (loss) for the period**	**Financial Period ended**	**Principle Activity**
		£'000	**£'000**		
Acksen Limited	24%	119	a	31 Dec 21	Supply of instruments for monitoring electromagnetic radiation
Marenco Limited	28%	65	a	31 Dec 21	Marine and environmental consultancy services
Biocolor Limited	20%	2,145	a	31 Jul 21	Supply and development of assay kits for tissue laboratories
Examenlab Limited	22%	308	a	30 Nov 21	Provision of infertility testing services
Green Lizard Technologies Limited	22%	335	a	31 Aug 21	Technological solutions
Continga Limited	33%	3	a	28 Feb 21	Human health activities
MOF Technologies Limited	23%	221	a	31 Dec 21	Novel techniques for the synthesis of MOFs
Analytics Engines Limited	21%	(11)	a	31 Mar 22	Bespoke data analysis solutions
Porous Liquids Technologies Limited	23%	97	a	31 Dec 21	Production and development of porous liquids
Sonrai Analytics Limited	22%	361	a	28 Feb 21	Knowledge platform to conduct analytics
VascVersa Limited	22%	178	a	31 Dec 21	Human vascular stem cell generation
Fjordstrong Limited	29%	117	a	31 Jul 21	Biodiversity survey solutions
Phasora Limited	24%	100	a	30 Sep 21	Develop novel software to aid management of complex electricity distribution networks
GenoMe Diagnostics Limited	36%	-	a	31 Jan 21	Development of molecular diagnostic tests
Aramune Technologies Limited	34%	(29)	a	31 Dec 21	Development of natural immunomodulating agents
AntennaWare Limited	22%	(140)	a	21 Mar 22	High-performance wearable antenna technology
Amply Discovery Limited	28%	99	a	28 Feb 22	Development of new biological molecules for anti-infective health and nutrition applications
Rapid-Myco Technologies Limited	38%	b	b	–	Development of novel, rapid bacteria testing
ReproGo Limited	37%	c	c	31 Mar 21	Vascular experts in stem cell technology
Medinect Bioservices Limited	50%	b	b	–	Research services in ophthalmic therapeutic development

Note:
a. The associated company has filed Financial Statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.
b. These two associated companies are recently incorporated and accounts are not yet available.
c. Dormant company.

The directors believe that the carrying value of the investments in associates is supported by their underlying net assets.

In addition to these associate interests the Group has shareholdings of less than 20% in 21 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £7,183k at 31 July 2022 (2021: £6,501k).

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
19. Debtors				
Amounts falling due within one year:				
Research grant debtors	**5,513**	**5,513**	4,114	4,114
Other debtors	**8,951**	**8,665**	7,755	7,458
Prepayments and accrued income	**12,408**	**12,399**	10,604	10,593
Amounts due from subsidiary companies:				
QUBIS Limited	**–**	**253**	–	90
Queen's Overseas Recruitment Limited	**–**	**440**	–	440
Queen's Composites Limited	**–**	**10**	–	12
NIACE Limited	**–**	**151**	–	151
	26,872	**27,431**	22,473	22,858

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

20. Current investments

Current investments relate to deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. These short term deposits do not meet the definition of cash equivalents

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
21. Creditors: amounts falling due within one year				
Research grants received in advance	**37,507**	**37,507**	30,472	30,472
Other unsecured loans	**1,275**	**1,275**	1,275	1,275
Trade creditors	**29,075**	**29,077**	28,002	28,002
Social security and other taxation payable	**7,854**	**7,854**	5,318	5,318
Accruals and deferred income	**45,063**	**45,031**	37,298	37,267
Deferred capital grant income	**16,615**	**16,543**	15,597	15,525
Due to subsidiary, QUBIS Limited	**–**	**358**	–	354
	137,389	**137,645**	117,962	118,213

Included within accruals and deferred income is deferred income of £22,882k (2021: £19,183k) relating to other income. This income has been deferred until the performance related conditions have been met.

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred capital grant income	**362,403**	**358,775**	343,470	339,770
Other unsecured loans	**23,785**	**23,785**	25,060	25,060
Other	**457**	**428**	480	428
	386,645	**382,988**	369,010	365,258
The other unsecured loans are repayable as follows:				
Due between one and two years	**1,275**	**1,275**	1,275	1,275
Due between two and five years	**3,825**	**3,825**	3,825	3,825
Due in five years or more	**18,685**	**18,685**	19,960	19,960
	23,785	**23,785**	25,060	25,060
Other unsecured loans repayable by 2040	**10,260**	**10,260**	10,840	10,840
Other unsecured loans repayable by 2042	**7,125**	**7,125**	7,500	7,500
Other unsecured loans repayable by 2043	**6,400**	**6,400**	6,720	6,720
	23,785	**23,785**	25,060	25,060

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum.
The deferred capital grant income includes £15.6m (2021: £12.2m) of recurrent Government grant which has been deferred.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	**Defined benefit obligations RBP pension**	**Other pension provision**	**Total**
	£'000	**£'000**	**£'000**
23. Pension obligations			
At 1 August 2021	74,042	61	**74,103**
Movement (note 36)	(33,904)	–	**(33,904)**
At 31 July 2022	40,138	61	**40,199**

Details of the RBP deficit are included at note 36.

	Obligation re USS pension deficit recovery plan	**Provision for joint venture losses**	**Provision for restructuring**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
24. Other provisions				
Consolidated				
At 1 August 2021	60,909	1,053	653	**62,615**
Utilised in year	(3,331)	–	(936)	**(4,267)**
Additions	98,080	841	485	**99,406**
Unwinding of discount (note 10)	530	–	–	**530**
At 31 July 2022	**156,188**	**1,894**	**202**	**158,284**
University				
At 1 August 2021	60,909	–	653	**61,562**
Utilised in year	(3,331)	–	(936)	**(4,267)**
Additions	98,080	–	485	**98,565**
Unwinding of discount (note 10)	530	–	–	**530**
At 31 July 2022	**156,188**	**–**	**202**	**156,390**

The restructuring provision relates to a number of ongoing restructuring reviews.
The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 17.

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below.

Following the completion of the 2020 USS actuarial valuation in 2021-22 a new deficit recovery plan was agreed of which more detail is given in note 36. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038.

	2022	2021
The major assumptions used to calculate the obligation are:		
Discount rate	**3.31%**	0.87%
Salary growth (over 16 year period)	**3.0–5.0%**	2.5–3.0%

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 22	**Approximate impact**
0.5% decrease in the discount rate	£6.66m increase
0.5% pa increase in salary inflation over duration	£6.63m increase
0.5% increase in salary inflation year 1 only	£0.74m increase
0.5% increase in staff numbers over duration	£6.76m increase
0.5% increase in staff numbers year 1 only	£0.77m increase
1% increase in deficit contributions	£24.83m increase

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
25. Endowment reserves						
Balances at 1 August 2021						
Capital	45,830	2,720	15,407	–	**63,957**	58,925
Accumulated income	2,987	–	2,564	157	**5,708**	4,908
	48,817	2,720	17,971	157	**69,665**	63,833
New endowments (note 6)	111	–	29	–	**140**	497
Investment income (note 5)	1,571	71	525	(155)	**2,012**	2,079
Expenditure	(820)	(71)	(382)	–	**(1,273)**	(1,419)
Transfer to unrestricted reserve	–	–	–	–	**–**	(1,500)
(Decrease)/increase in market value of investments	(1,144)	(51)	(371)	–	**(1,566)**	6,175
Total endowment comprehensive income for the year	(282)	(51)	(199)	(155)	**(687)**	5,832
At 31 July 2022	48,535	2,669	17,772	2	**68,978**	69,665
Represented by:						
Capital	45,036	2,669	15,784	–	**63,489**	63,957
Accumulated income	3,499	–	1,988	2	**5,489**	5,708
	48,535	2,669	17,772	2	**68,978**	69,665

	2022	2021
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	**8,040**	8,248
Scholarships, studentships, medal and prize funds	**17,880**	18,030
Research, directorate, school or faculty use	**32,045**	32,129
Public lectures	**2,257**	2,261
Travel	**288**	288
Student amenities and associated objects	**2,139**	2,144
Student assistance	**1,631**	1,673
Other restricted funds	**2,027**	2,015
General funds	**2,669**	2,720
Total endowments	**68,976**	69,508
Undistributed investment fund income	**2**	157
	68,978	69,665
Analysis by asset type held in Investment Fund:		
Investment property	**210**	210
Non-current asset investments (note 16)	**61,292**	62,554
Current asset investments	**6,769**	6,837
Cash and cash equivalents	**707**	64
	68,978	69,665

There are no endowments with a material deficit balance.

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Consolidated and University	2022 £'000	2021 £'000
26. Restricted reserves		
Balance at 1 August 2021	**1,216**	943
New restricted income:		
Donations (note 6)	**1,091**	792
Other	**964**	533
Other services rendered	**4**	111
	2,059	1,436
Expenditure	**(1,541)**	(1,163)
Total restricted comprehensive income for the year	**518**	273
Balance at 31 July 2022	**1,734**	1,216
Analysis of other restricted funds/donations by type of purpose:		
Research support	**528**	313
Capital	**477**	80
General	**729**	823
	1,734	1,216

Consolidated	At 1 August 2021 £'000	Cash flows £'000	At 31 July 2022 £'000
27. Cash and cash equivalents			
Cash and cash equivalents	120,551	(45,521)	**75,030**
	120,551	(45,521)	**75,030**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated	2022
	£'000
28. Reconciliation of net debt	
Net cash 1 August 2021	**93,788**
Movement in cash and cash equivalents	**(45,521)**
Other non-cash changes	**1,275**
Net cash 31 July 2022	**49,542**
Change in net debt	**(44,246)**

Consolidated	2022	2021
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	**75,030**	120,551
Borrowings: amounts falling due within one year:		
Unsecured loans	**(1,275)**	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	**(24,213)**	(25,488)
Net cash	**49,542**	93,788

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
29. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	**337,940**	**166,131**	357,286	139,543
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	**51,893**	**46,965**	30,285	26,039
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	**75,030**	**63,432**	120,551	110,602
Other investments	**215,000**	**215,00**	187,999	187,999
Other debtors	**26,872**	**27,431**	22,473	22,858
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	**25,517**	**25,488**	26,763	26,763
Trade creditors	**29,075**	**29,077**	28,002	28,002
Other creditors	**469,442**	**466,068**	432,207	428,706
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2022.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

29. Financial instruments (cont'd)

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Planning and Finance Committee approved treasury management policy. The treasury management policy is in line with best practice and is reviewed, updated, and approved as appropriate, on a regular basis.

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

Credit/counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2022, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of deposits held with banks and building societies is limited because the counterparties are banks with investment grade credit-ratings assigned by international credit-rating agencies. The University's exposure and the credit-ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit-ratings set within the treasury management policy.

The fixed asset investments, as outlined in note 16, consist of investment funds and listed investments. The risk is limited as the investment funds are externally managed by a professional fund manager, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to the large number of diverse customers across both students and commercial customers.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University planning process and are revised regularly during the financial year. Excess funds are invested to maximise the return whilst observing the treasury management policy limits.

Details of the University's long term loans are outlined in notes 21 and 22 and consist of concessionary loans which have a carrying value of £25,060k (2021: £26,335k) at the year end.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the Euro. On an annual basis, after satisfying Euro denominated liabilities, the University is left with a surplus of Euros, which are held in a Euro bank account. Surplus Euros are converted at spot rates as required, with the rate being monitored closely to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Most of the University cash deposits at 31 July 2022 are on relatively short term deposits (up to 12 months) as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk.

Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Decisions in respect of investments are made on the recommendation of the Investment Committee in line with the University's treasury policy. The Investment Committee monitors the performance of the University's investments and meets fund managers on a regular basis with the aim of optimising the future long term return, guided by the University's Responsible Investment Policy.

Concentration risk

Concentration risk refers to the risk of a material loss in value of non-current asset investments due to a large investment in a single party or sector. The Investment committee monitors the Group's non current asset portfolio on a regular basis to ensure a satisfactory level of diversification.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
30. Capital and other commitmentsto		
Commitments contracted at 31 July	**42,095**	56,642
Authorised but not contracted at 31 July	**101,380**	104,472
	143,475	161,114

The capital commitments include capital projects with anticipated spend in excess of £12m within Health Sciences, supporting Belfast Regional City Deal and Queen's Management School.

31. Contingent liabilities

The University has entered into a limited partnership agreement with Crescent Capital III LLP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £1m to the Crescent Capital III Fund. As at 31 July 2022 £825k (2021: £790k) had been provided to Crescent Capital III LLP.

32. Events after the reporting period

Recent changes in global and UK economic pressures and the tightening of monetary policy have had a significant impact on asset markets and corporate bond yields, which are key to the FRS 102 assessment of the net pension liability in respect of the RBP scheme (note 36). In particular AA corporate bond yields used to set the FRS 102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore, while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

33. Subsidiary undertakings

The University, unless otherwise stated, holds the entire share capital of the following limited companies which have been fully consolidated into the Financial Statements. The companies are all incorporated in Northern Ireland.

QUBIS Limited

Technology transfer company which engages in the commercial exploitation of the academic and research activities of the University by establishing corporate ventures.

Queen's Overseas Recruitment Limited

Promotion and funding of educational courses and the recruitment of students.

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

Ownership of the NIACE centre building which is a technology hub to support research in advanced engineering and materials technologies. The University owns and manages 70% of the company which commenced trading in 2012–13.

34. Connected charitable Institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable Institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and is a separate and independent organisation from the University and, therefore, its Financial Statements are not consolidated within the University Group.

The movement in the year on the total funds of the Foundation, as reported in its Financial Statements, is as follows:

	2022	2021
	£'000	£'000
Opening fund	**4,020**	4,354
Income generated	**3,532**	3,887
Disbursements in year	**(3,726)**	(4,215)
Other expenditure	**–**	(6)
Closing fund	**3,826**	4,020

NOTES TO THE ACCOUNTS
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Consolidated and University	2022	2021
	£'000	£'000
35. Student support funds		
Department for the Economy	**2,528**	3,051
Interest received	**–**	–
University contribution	**377**	76
	2,905	3,127
Disbursed to students	**(2,851)**	(2,974)
Underspend in the year	**54**	153
Opening balance as at 1 August	**462**	309
Closing balance as at 31 July	**516**	462

36. Pension schemes

The University participates in two separate defined benefit occupational schemes, each of which is valued at least triennially by professionally qualified actuaries. The schemes are the Universities Superannuation Scheme (USS) for academic and academic related staff, in which the majority of UK universities participate, and the Retirements Benefits Plan of the Queen's University Belfast (RBP) for certain non-academic staff and academic related staff. The assets of the schemes are held in trustee-administered funds, and the rates of contribution payable are determined by the trustees on the advice of the actuaries.

(i) The Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Due to the mutual nature of the scheme, the assets are not attributed to individual Institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other Institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the SOCI represents the contributions payable to the scheme.

The total cost charged to the SOCI is £27,418k (2021: £26,229k) as shown in note 7. This includes £3,876k (2021: £3,590k) of outstanding contributions at the balance sheet date. Deficit recovery contributions due within one year are £9,346k (2021: £7,400k)

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, with related expenses being recognised through the SOCI. Details of the provision to recognise this liability in respect of the USS recovery plan are outlined in note 24.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

36. Pension schemes (cont'd)

The key financial assumptions used in the 2020 valuation are described below:

More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples).

Discount rate (forward rates)

Fixed interest gilt yield curve plus:
Pre-retirement: 2.75% p.a.
Post retirement: 1.00% p.a.

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Pension increases (subject to a floor of 0%)

CPI assumption plus 0.05%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	2022	2021
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	**23.9**	24.7
Females currently aged 65 (years)	**25.5**	26.1
Males currently aged 45 (years)	**25.9**	26.7
Females currently aged 45 (years)	**27.3**	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan (note 24). The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	**3.31%**	0.87%
Salary growth (per annum over 16 year period)	**3.0–5.0%**	2.5–3.0%

The in year movement in the provision relating to the USS deficit recovery provision is £94.8m. The substantial increase reflects the new deficit recovery plan relating to the 2020 actuarial valaution which was finalised in year. In the prior year the provision was based on the previous recovery plan. Further information on the provision, including a sensitivity analysis in relation to the main assumptions is set out in note 24 and also note 8 in respect of significant one-off pension items.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

36. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2022, was carried out at 31 March 2020 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2022, using the projected unit credit method.

The major assumptions used by the actuary for the purposes of these accounts are:

	2022	2021
Future salary increase:		
Under 40	**2.95%**	2.95%
Over 40	**3.20%**	3.20%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	**2.65%**	2.65%
CPI subject to a maximum of 3.00% p.a	**2.25%**	2.25%
Pension increase rate in deferment	**2.70%**	2.70%
Discount rate	**3.55%**	1.70%
Inflation assumption:		
Retail prices index	**3.20%**	3.20%
Consumer prices index	**2.70%**	2.70%
GMP equalisation - % of DBO	**0.60%**	0.60%
Average pension increase in payment	**2.41%**	2.41%

		2022	2021
The average life expectancies at age 65 used to determine benefit obligations are:			
Member age 65	Male	**21.9**	21.8
	Female	**23.7**	23.6
Member age 40	Male	**23.6**	23.5
	Female	**25.6**	25.5

	2022	2021	2020
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	**61,133**	60,054	55,035
Bonds and gilts	**22,641**	37,792	37,240
Matching assets (LDI)	**93,956**	108,976	98,630
Overseas fixed interest	**26,076**	39,802	47,101
Cash and other	**11,968**	24,684	12,621
	215,774	271,308	250,627

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

36. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these Financial Statements:

	2022	2021
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	**215,774**	271,308
Scheme liabilities	**(255,912)**	(345,350)
Deficit in the scheme – net pension liability recorded within pension provision (note 23)	**(40,138)**	(74,042)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	**9,779**	8,833
Total operating charge (note 7)	**9,779**	8,833
Analysis of the amount charged to interest payable:		
Interest on liabilities	**5,883**	5,057
Expected return on assets	**(4,622)**	(3,766)
Net charge to interest and other finance costs (note 10)	**1,261**	1,291
Analysis of other comprehensive income:		
(Loss)/gain on assets	**(59,032)**	17,846
Gain/(Loss) on liabilities	**96,752**	(2,460)
Total adjustment to other comprehensive income before deduction for tax	**37,720**	15,386

	2022	2021
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	**(74,042)**	(85,903)
Movement in the year:		
Current service cost	**(9,779)**	(8,833)
Contributions	**7,224**	6,599
Other finance costs	**(1,261)**	(1,291)
Actuarial gain	**37,720**	15,386
Deficit in scheme at 31 July	**(40,138)**	(74,042)

The valuation at 31 July 2022 showed a decrease in the deficit from £74.0m to £40.1m.

	2022	2021
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	**345,350**	336,530
Current and past service cost	**9,779**	8,833
Interest cost	**5,883**	5,057
Actuarial (gain)/loss	**(96,752)**	2,460
Benefits paid	**(8,348)**	(7,530)
Present value of liabilities at 31 July	**255,912**	345,350

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022	2021
	£'000	£'000
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	**271,308**	250,627
Expected return on plan assets	**4,622**	3,766
Actuarial (loss)/gain	**(59,032)**	17,846
Employer contributions	**7,224**	6,599
Benefits paid from plan	**(8,348)**	(7,530)
Value of assets at 31 July	**215,774**	271,308

	2022	2021
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	**4,622**	3,766
Asset (loss)/gain	**(59,032)**	17,846
	(54,410)	21,612

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	**(59,032)**	17,846	15,565	20,863	10,317
Percentage of scheme assets	**-27%**	7%	6%	9%	5%
Experienced gains and losses on scheme liabilities	**(3,635)**	4,159	9,072	(257)	9,379
Percentage of present values of plan liabilities	**-1%**	1%	3%	0%	4%
Actuarial adjustment	**37,720**	15,386	(20,123)	(9,252)	48,351

University contributions

Under the current schedule of contributions the University contributes the following:

- 25.2% of pensionable earnings in respect of pensions + active members
- 16.2% of pensionable earnings in respect of other active members; and
- deficit contributions of 4.8% per annum of pensionable earnings between 1 August 2021 and 31 March 2030.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

37. Accounting estimates and judgements

The preparation of Financial Statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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 charges 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. Details of the carrying value of property, plant and equipment are shown in note 13.

Pension obligation — RBP pension

The University obtains a valuation from an external, professionally qualified actuary, who advises the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI% movements, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. While the University reviews these assumptions in detail, and adopts the assumptions in these Financial Statements, the actuary, as a pension expert, will provide advice and guidance, and apply their skill and judgement in setting these parameters. A sensitivity analysis in respect of the RBP pension deficit is as follows:

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(22,200)k/£22,800k
Inflation (+ / - 0.5%)	£20,300k/£(17,400)k
Mortality (+ / - 1 Year)	£7,600k/£(7,600)k

USS deficit recovery plan liability

The University is satisfied that the USS scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approval of these Financial Statements.

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, the University has used the discount rate commissioned by the British Universities Finance Directors' Group (BUFDG) and University estimates for increases in staff numbers and salary growth percentage over the period of the contracted obligation. The impact of possible changes in these assumptions on the recovery plan liability are set out in note 24.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

38. Disclosure of related party transactions

The University's Senate members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Senate, which is drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Senate, related committees or key management personnel may have an interest. All transactions involving organisations in which a member of Senate, related committees or key management personnel may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

Included in the Consolidated and University Statements of Comprehensive Income and the Balance Sheets are the following transactions, with a value greater than £5k, with organisations in which a member of Senate, related committees or key management personnel have an interest:

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Anderson Spratt Holdings Limited	–	(46)	–	289
Belfast City Council	–	–	(8)	104
Belfast Metropolitan College	–	–	(58)	50
Catalyst	–	–	–	24
Centre for Competitiveness	–	–	(8)	42
Chartered Accountants Ireland	–	–	(12)	–
Chinese Welfare Society	–	–	–	12
Choice Housing	–	–	(33)	–
Confederation of British Industry (CBI)	–	–	–	10
Crescent Capital III Advisory Board	–	–	–	35
Dale Farm Limited	–	–	(10)	–
Ernst and Young (EY)	–	–	(22)	75
Friends of the Cancer Centre	75	–	(300)	–
Health Innovation Research Alliance NI	–	–	(149)	100
Irish Football Association	2	–	(31)	–
INTO	1,724	(26)	(823)	652
Lanyon Group	–	–	–	16
Loud Mouth Media	–	–	–	70
Medical Research Council	–	–	(4,837)	–
NICOM LLP	109	–	(25)	81
Northern Ireland Chamber of Commerce and Industry	–	–	–	25
Northern Ireland Chest Heart and Stroke Association	13	–	(205)	–
Northern Ireland Electricity Limited	–	–	–	33
Northern Ireland Water	–	–	(2)	622
Russell Group	–	–	–	83
Stranmillis College Belfast	–	–	(4)	7
Universities Ireland	–	–	–	9
University of Warwick	–	–	(42)	36
Waterfront and Ulster Hall	–	–	–	7

As at 31 July 2022, the University also had £9m in short-term deposits in Barclays Bank Plc.

The University received disbursements of £3,727k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in Note 34.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

39. Jointly controlled operations

In 2014 the University established an educational presence in China, in the form of a Joint College, formed between Queen's and the China Medical University (CMU), one of the foremost medical universities in China. The Joint College is known as 'China Queen's College (CQC)' and is founded on the basis of the PRC Ministry of Education (MoE) 'Cooperation in Running Schools (CIRS)' Regulations first promulgated in 2004.

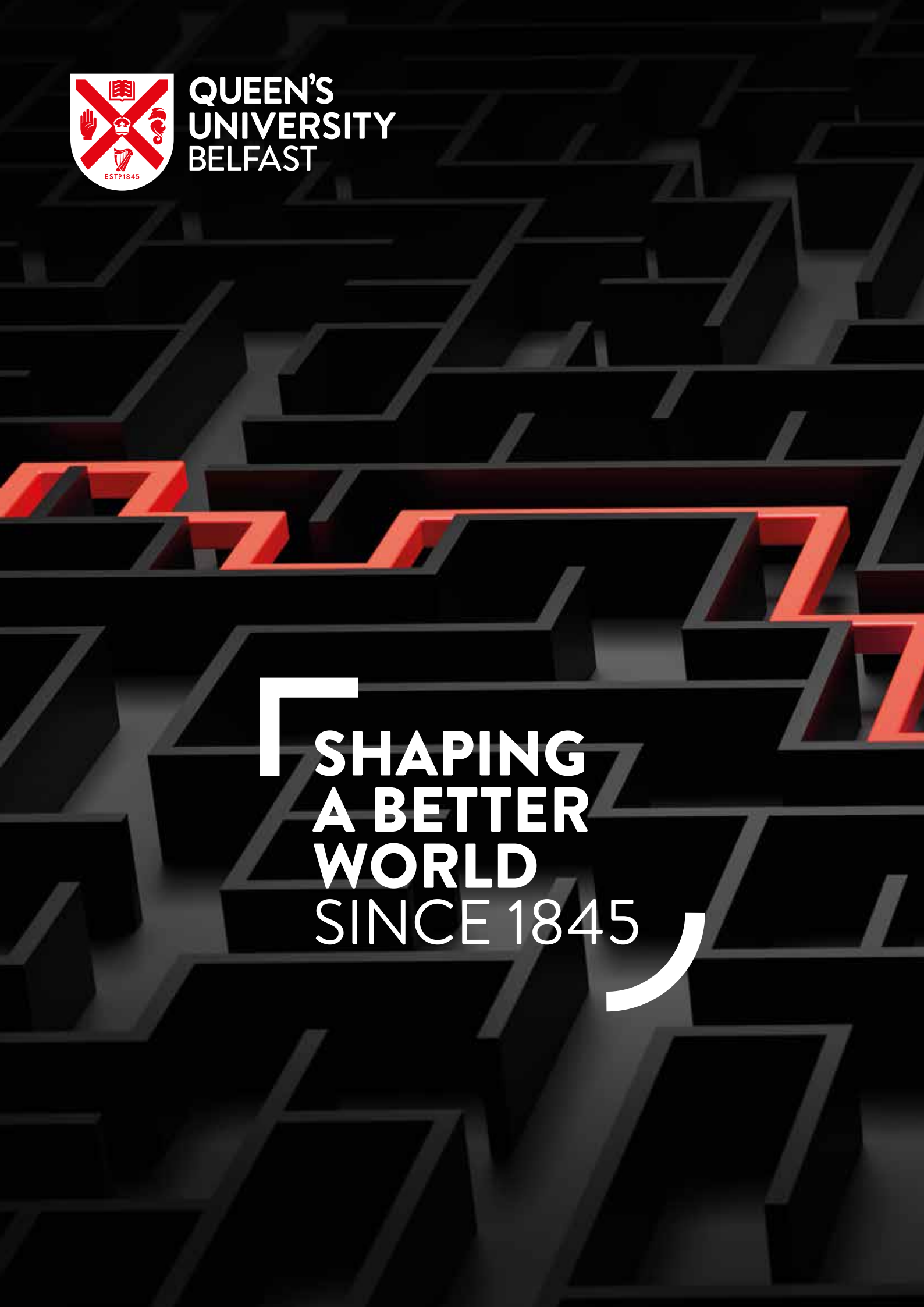
CQC delivers Queen's degree programmes from purpose-designed buildings provided by CMU on its new campus in the City of Shenyang in Northern China. A number of BSc degrees are offered. All the degree programmes in CQC are taught in compliance with UK Quality Assurance Agency requirements.

A Joint Management Committee (JMC) has oversight of the activities and resources of CQC with key specific terms of reference and reporting lines to ensure good academic and financial governance.

40. US Department of Education Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

			Consolidated	
			2022	2022
Lines	Expendable Net Assets		£'000	£'000
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		616,144
Balance Sheet	Statement of Financial Position — Net assets with donor restrictions	Net assets with donor restrictions		71,438
Note 13 and Note 15	Statement of Financial Position — Property, Plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	694,150	
Note 13 (balancing figure)	Note of the Financial Statements — Statement of Financial Position — Property, plant and equipment — pre-implementation	Property, plant and equipment — pre-implementation		650,495
Note 13	Note of the Financial Statements — Statement of Financial Position — Property, plant and equipment — post-implementation without outstanding debt for original purchase	Property, plant and equipment — post-implementation without outstanding debt for original purchase		8,702
Note 13	Note of the Financial Statements — Statement of Financial Position — Construction in progress	Construction in progress		34,953
Note 23	Statement of Financial Position — Post-employment and pension liabilities	Post-employment and pension liabilities		196,387
Notes 21 and 22	Statement of Financial Position — Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt — for long term purposes	25,060	
Notes 21 and 22	Statement of Financial Position — Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt — for long term purposes pre-implementation		25,060
Note 25 restricted permanent +unrestricted permanent endowments	Statement of Financial Position — Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		51,204
	Total Expenses and Losses			
Statements of Comprehensive Income (SOCI)	Statement of Activities — Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		422,483
SOCI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities — Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) — (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		97,664
SOCI: Investment income	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		40,635
	Modified Net Assets			
Balance Sheet	Statement of Financial Position — Net assets without donor restrictions	Net assets without donor restrictions		616,144
Balance sheet	Statement of Financial Position — Total Net assets with donor restrictions	Net assets with donor restrictions		71,438
	Modified Assets			
	Statement of Financial Position — Total Assets			1,410,099
	Net Income Ratio			
Balance Sheet	Statement of Activities — Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		-85,093
SOCI	Statement of Activities — (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		434,760


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WORLD
SINCE 1845

The Queen's University of Belfast

Northern Ireland - Charity number 101788

Annual report

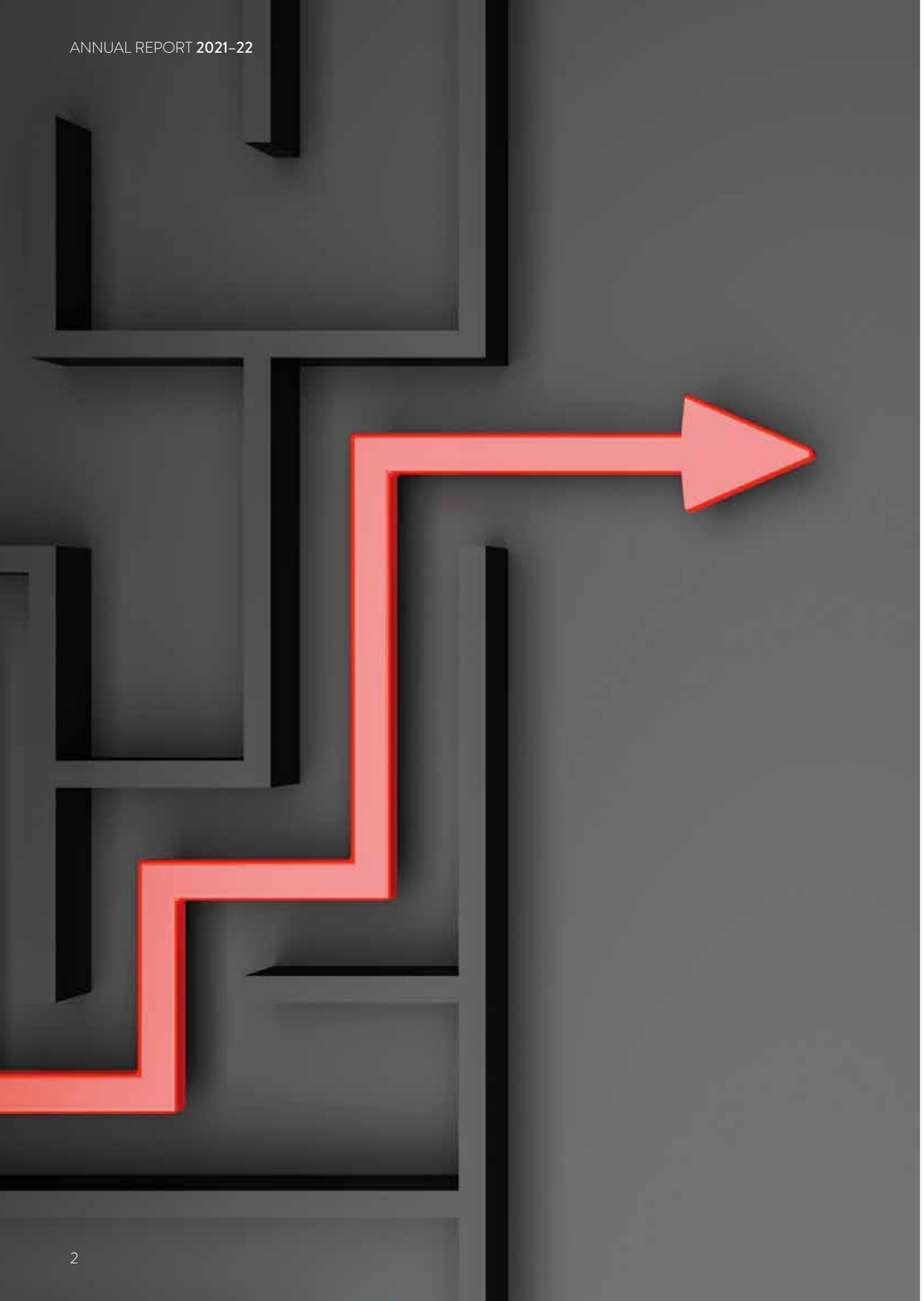
QUEEN'S UNIVERSITY BELFAST

ESTD 1845

ANNUAL REPORT 2021–22



MOVING *FORWARD*



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MESSAGE FROM THE VICE-CHANCELLOR

This was a year in which we cemented our leadership role in the economic and social development of Northern Ireland, aided by the continuing progress of our Strategy 2030 ambitions.

In the recent Research Excellence Framework (REF) results, detailed in this report, not only was our research rated 1st in the UK for Agriculture, Veterinary and Food Sciences, 4th for Health and Biomedical Sciences and 8th for Law, but the proportion of staff in the top five performing units increased from 16.9% in REF 2014 to over 47% in REF 2021.

Overall, our REF evaluation demonstrates a clear alignment between our institutional strengths, in terms of quality and volume, and emerging regional priority areas, particularly in relation to the opportunities presented by the Belfast Region City Deal, in which we play a key part.

We make a major economic contribution to the wider UK. A recent London Economics Report has estimated the total impact of our activities at £3bn per annum – with research and knowledge exchange accounting for £1,186m (39%); teaching and learning £1,068m (35%); and educational exports £305m (10%); in addition, the impact generated by our operating and capital expenditure stands at £482m (16%).

This is a picture of a University which is reaching out, informing and engaging, improving lives, regionally, nationally and globally.

This was a year in which we gradually emerged from under the dark cloud of Covid-19, but faced other challenges – the effect of the war in Ukraine, the cost of living and financial crises, as well as the impasse within the NI Assembly with the continuing absence of a devolved Government impacting long and medium term planning, something which is impacting directly and specifically on our University's future success. Lack of investment and the migration of students away from our shores create a perfect storm which must be tackled urgently, especially with the increase in the population of young people that we can see in the 10 years ahead. We can calm that storm through collaboration and partnership – our universities working in harmony with Government, industry and society. Queen's stands ready to play its part.

Under our Social Charter we are committed to providing leadership locally and globally, to promoting a positive impact through research and education and to promoting equality and social justice. This Annual Report shows how we are embracing that role, enabling change for the better through the work of our people in every part of our University.

Professor Ian Greer
President and Vice-Chancellor

MESSAGE FROM THE CHAIR OF SENATE

One of the great pleasures for all of us at Queen's is to see the University alive, vibrant and flourishing again, to see activity all across the campus, all year round - from Freshers' Week to Graduation.

There were many occasions of celebration during the year, not least the long-awaited installation of our Chancellor, Secretary Hillary Rodham Clinton.

After the bleakness of the pandemic, this past year saw life returning to normal for our students and staff. It saw our University regaining its momentum and moving forward. There was a renewed focus on improving the Student Experience. In addition, Senate approved £30m of investment to support the delivery of Strategy 2030, our ten-year ambition to shape a better world through education and research that changes lives.

I am delighted that our journey will continue through to 2030 under the exceptional leadership of Professor Ian Greer in a second term as Vice-Chancellor.

Since his appointment in 2018 he has faced not only the unprecedented challenge of Covid-19 but also long-standing issues such as the funding crisis for Higher Education, the loss of our young people through educational migration and its effect on the long-term future of the local economy.

He has advanced the achievements and reputation of our university through a focus on building alliances through collaboration, not least in helping to deliver the Belfast Region City Deal and establishing highly effective partnerships that place Queen's at the centre of the socio-economic development not only of Northern Ireland but across these islands. There is a multi-million pound sustainability action plan to help us play our part in tackling the climate crisis, with Queen's among the top 10 per cent in the Times Higher Education Impact Rankings.

We are providing opportunities for more students with the ability to succeed, regardless of background. In addition, we are improving our ranking in league tables and in the Research Excellence Framework (REF) results in which 99% of our research environment was assessed as world-leading or excellent.

This progress and more is reflected in this Annual Report. Our University is embarked on a journey of transformation. Part of that will involve the establishment of a new leadership structure that will help us build our inner strength so that we are better equipped to deliver the ambitions of Strategy 2030.

These are exciting times for all of us at Queen's as we continue to play a positive contribution to our people and to Northern Ireland and I look forward to our future achievements and success.

Dr Stephen Kingon
Chair of Senate



MOMENTS OF THE YEAR



SEPTEMBER 2021

CHANCELLOR INSTALLATION

The Installation of Secretary Hillary Rodham Clinton as the University's 11th and first female Chancellor.



DECEMBER 2021

BELFAST REGION CITY DEAL

Signing of the Belfast Region City Deal – a momentous occasion for our region and for innovation in Northern Ireland. Queen's is leading on three innovation projects.



DECEMBER 2021

SILVER DIVERSITY MARK ACCREDITATION

Queen's awarded a Silver Diversity Mark recognising our commitment to advancing diversity and inclusion in the workplace.



JUNE 2022

THE PLATINUM JUBILEE OF HER MAJESTY QUEEN ELIZABETH II

The University planted a magnolia tree as part of the Queen's Green Canopy project and launched four new Platinum Jubilee Scholarships.

NOVEMBER 2021

SUSTAINABILITY ACTION PLAN

Queen's pledges a multi-million pound investment in a Sustainability Action Plan to help play its part in tackling the global climate emergency.



DECEMBER 2021

WINTER GRADUATION

The return to in-person Graduation and Celebration events for our students who graduated virtually during COVID.



MAY 2022

REF RESULTS

REF 2021 highlighted the depth of quality of Queen's research across the whole University.



JUNE 2022

PROFESSOR LORD DAVID TRIMBLE

The Inaugural Annual Professor Lord David Trimble lecture and portrait unveiling to mark the outstanding contribution that Lord Trimble made to society for over fifty years.



OVERVIEW OF THE UNIVERSITY

Queen's University Belfast is one of the leading universities in the UK and Ireland with a distinguished heritage and history.

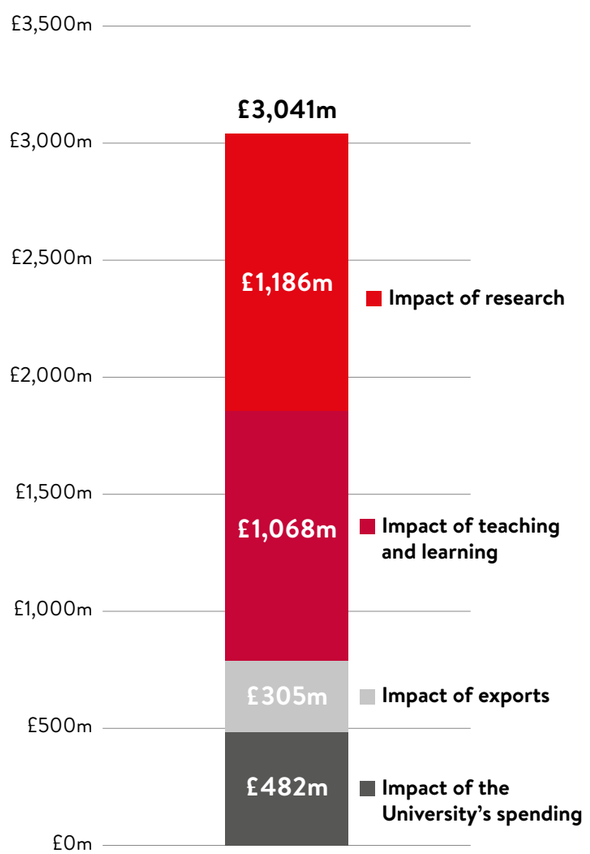
The ninth oldest University in the UK, we are a member of the Russell Group, combining excellence in research and education with a student-centred ethos. We are ranked joint 13th in the UK for research intensity (Complete University Guide 2022), with 88% of research submitted by Queen's assessed as world-leading or internationally excellent (REF 2021).

Our global reputation is building. The Times Higher Education World University Rankings (2022) placed Queen's in the top 200 universities in the world. They also ranked Queen's 17th in the world for international outlook while U-Multirank 2020 positioned us in the top 25 universities for international joint publications. In addition, 13 subject areas are ranked in the top 200 in the world (QS World Rankings by Subject 2022).

Our global partnerships continue to grow and build on and forge alliances with leading Institutions in America, China, India, the Middle East and Asia.

Queen's is pivotal to Northern Ireland's social and economic development. We are playing a central role in the Belfast Region City Deal and are accelerating economic growth, ensuring a talent pipeline of fully equipped, future-ready graduates to meet demand. The University is renowned for its strengths in enterprise and innovation, and was ranked 1st in the UK as the most entrepreneurial University in 2019 and 2020 (Octopus Ventures Impact Rankings).

Total Economic Impact of Queen's



THE World University Rankings 2023 TOP 200

OUR STAKEHOLDERS

STUDENTS

With over 25,000 students from more than 96 countries, our diverse student body makes a rich and exciting contribution to campus life. Working in partnership with the Students' Union, the University is committed to student participation and engagement. The Student Partnership Framework and the shared programme of representation, ensure meaningful involvement in decision-making. There are many opportunities to contribute — through the Students' Union, Student Representation at Course, Subject, School and Faculty level and through membership of University Committees, including Senate and Academic Council.

COLLEAGUES

We have over 4,300 members of staff from over 98 countries. They are represented in our governance through membership of Senate and engagement with the Trade Unions. They are also members of many committees and groups, including the Staff Forum.

ALUMNI

We maintain life-long relationships with more than 218,000 alumni across the world, engaging regularly to build connections and community amongst alumni and with the University. Alumni are kept up to date through a number of communication channels, including the alumni magazine as well as through a wide range of associations and alumni chapters. In-person annual dinners, meet-ups and outings, including the Annual Alumni Awards, sponsored this year by Allstate NI, form an important part of our engagement. Alumni are also members of Convocation which, through volunteer alumni leadership, creates opportunities for connectivity and engagement between alumni and the Queen's community. Convocation also facilitates representation to and dialogue with the University on behalf of Alumni.

THE LOCAL COMMUNITY

Queen's is committed to the community and we are proud of the contribution our students make, with 11,000 students involved in volunteering, clubs and societies. We have developed partnerships with Belfast City Council, the Health and Social Care Board, and a range of local community and voluntary groups. We convene the Neighbourhood Forum, a platform for local residents, politicians and representatives of the University and Students' Union to address important issues. We are also community planning partners with Belfast City Council and we hold membership of a number of business representative bodies.

FUNDERS AND REGULATORS

Unlike other parts of the UK, Northern Ireland has no Higher Education Funding Council. Instead, the Department for the Economy (DfE) undertakes that role. There are formal and informal channels of engagement between the University and the DfE. Queen's is registered with the Charities Commission for Northern Ireland. In setting and reviewing all our activity Senate, the University's governing body, seeks to comply with the Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

PARTNER ORGANISATIONS

Our partners are a diverse range of organisations locally, nationally and internationally. We work with business, Government, community and the Higher and Further Education sectors in Northern Ireland, collaborating in a number of initiatives, including the Belfast Region City Deal. Queen's is a member of Universities UK, the Russell Group and the all-island Universities Ireland. We work with universities in the UK and Europe and have more than 120 partnerships across the globe, including the Mohammed Bin Rashid University of Medicine and Health Sciences (MBRU) and the China Medical University – Queen's University Belfast Joint College (CQC).

STRATEGY 2030

Strategy 2030 sets out our 10-year ambition to shape a better world through life-changing education and research. Our vision is to be a global research-intensive University, generating internationally leading research coupled with outstanding teaching and learning, focused on the needs of our society, locally and globally. Our ambition for 2030:

01

A GLOBAL UNIVERSITY

From our hub in Belfast we will build partnerships and collaborations across the globe, attracting the brightest and the best, being known for our exceptional record in diversity, inclusion and sustainability.

02

SCALE NEW HEIGHTS

Climbing the Global league tables and ranked in the top 175 in the world.

03

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

That inspires and delivers the engaged global citizens of tomorrow with flexible and broad-based learning opportunities that are lifelong, coupled with outstanding support.

04

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

A University known for research of the highest quality, with impact and exceptional translation driving strong partnerships with industry and business.

05

A GREAT PLACE TO WORK

A leading employer for equality, diversity and inclusion with an organisational culture that supports and empowers staff to produce their best.

06

AN ANCHOR INSTITUTION

An anchor Institution in Northern Ireland that takes pride in social and civic responsibility, supporting progressive social change and economic growth in an environmentally sustainable way.

07

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

A University that is financially sustainable, with the capacity to invest to deliver the best opportunities for students, staff and society in a changing world.

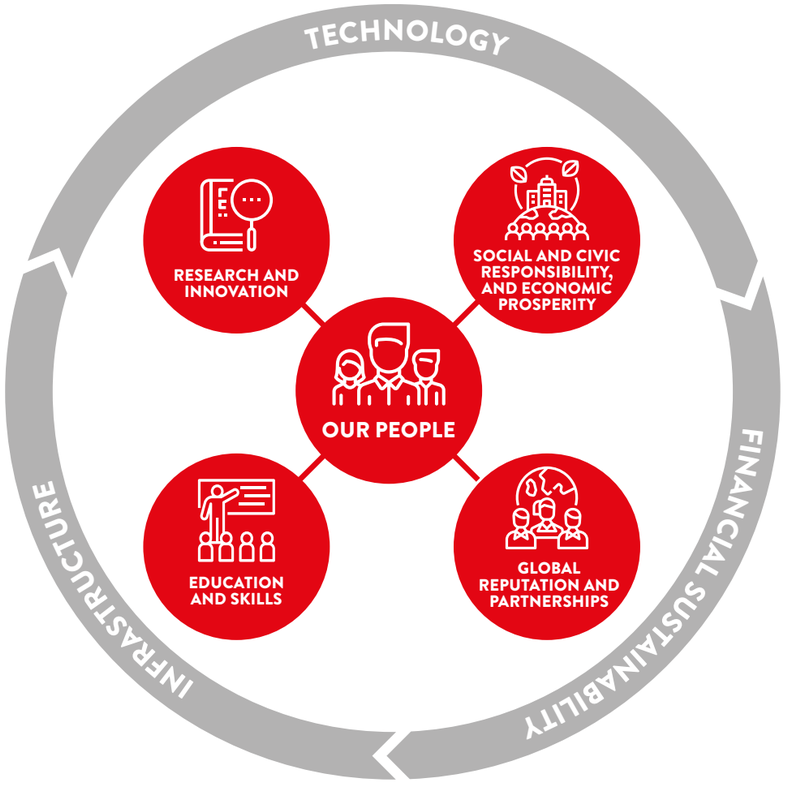
REALISING OUR VISION

WE WILL REALISE OUR VISION BY FOCUSING ON FOUR PRIORITIES:

- Education and Skills
- Research and Innovation
- Global Reputation and Partnerships
- Social and Civic Responsibility, and Economic Prosperity

THESE WILL BE UNDERPINNED BY FOUR ENABLERS:

- Our People
- Technology
- Infrastructure
- Financial Sustainability



DELIVERING OUR VISION

While our ambition reflects a vision with a 10-year horizon, the operational delivery is on a rolling three-year basis, to allow us to respond to opportunities and risks.

Following Senate approval of Strategy 2030 in June 2021, a Strategy Delivery Group was established to take forward Strategy 2030 implementation. In parallel to the work of the Strategy Delivery Group, an integrated annual planning cycle was introduced to support the University Executive Board in the consideration of rolling three-year institutional plans. During 2021-22, all key components of the Strategy were advanced and £30m of recurrent investment was approved to support implementation.

STRATEGIC PRIORITY
EDUCATION AND SKILLS

During the year, the University endorsed a new plan for Education and Skills which includes the following key commitments.

THEME	COMMITMENT
A transformative student experience	Create future-ready graduates by embedding opportunities for every student to engage with **innovation and enterprise** within the curriculum and through extracurricular opportunities.
	Offer learning beyond the boundaries of nation and culture by embedding a culture of **diversity and inclusivity** within the curriculum and student experience by enhancing our range of high-quality mobility programmes.
An education for societal impact	Introduce a portfolio of broadly-based degree programmes and **inter-disciplinary** opportunities and offer minor pathways to enable structured engagement in inter-disciplinary learning.
	Embed in all programmes a focus on **United Nations Sustainable Development Goals (UN SDGs)** supported by meaningful engagement between students and research leaders and innovators. Work with business to identify and deliver key skills for our growing economy.
Enhancing the learning experience	**Rebalance assessment** at Queen's: reduce replication and redundancy in summative assessment and increase the quality and timeliness and self-evaluation.
	Create an optimal environment for learning, teaching and assessment by embracing **digital transformation.**

PROGRESS UPDATE

The opening of the new £42m Student Centre and Students' Union, One Elmwood, in August 2022 marks a major milestone in the development of our student services and the broad student experience. The new building, which will enable the introduction of a "student first" customer service, will cater for the changing needs of students and create a new focus for life on campus.

Phase 1 of the new Education and Skills plan, endorsed during the year, focuses on transforming assessment, digital development and programme development and will enhance our reputation for education with the introduction of a Scholarly and Reputation Enhancement Programme. The plan will build a solid infrastructure for innovation and collaborative learning practices to support our Strategy 2030 ambitions.

The provision of student wellbeing services remains an important priority. While the 2021-22 academic year was focused on responding to the challenges created by the Covid-19 pandemic, we made good progress on the development of the #QUBeWell Healthy Campus Framework. Activity included awareness campaigns such as the Charge Up, Get Connected – Men's Mental Health Campaign and projects delivered through the Students' Union Health and Wellbeing Action Plan. Partnership working with our Students' Union is important, particularly in mental health issues. Recognising the need for timely support, additional funding has been allocated for the Disability Services team and the International Student Support team.

We are proud of our Widening Participation programme. A focus over the last year was educational attainment, fair and flexible access, and transition (from post-primary school) support. Activity included support for care-experienced young people, delivery of the Junior Academy, which offers a range of focused interactive activities to nominated pupils in Years 9 to 12, and piloting of interventions pre- and post-GCSE. The year also saw the continued expansion of the Pathway Opportunities Programme (POP) and development of pathways to Higher Education (HE) with Further Education (FE). This is the sixth intake of POP and the target of 300 participants across all subject areas was achieved. The conversion rate has improved each year and has surpassed the goal of 50%, reaching 56% in 2021, with an intake of 138 students to Queen's.

A transformative student experience is a key theme of Strategy 2030. The National Student Survey (NSS) results provide a useful basis for identifying areas of best practice and where improvements can be made. We are working in partnership with the Students' Union to identify issues and deliver solutions to enhance the student experience.

13 SUBJECTS
ranked in the top 10 in the UK
(Complete University Guide 2023)

12th IN THE UK
for graduate outcomes
(Complete University Guide 2023)



Mental health campaign: Honorary Graduate Carl Frampton pictured at the launch of the Charge Up, Get Connected – Men's Mental Health Campaign.

STRATEGIC PRIORITY
RESEARCH AND INNOVATION

During 2021-22, the University approved a new £7m plan for Research and Innovation which includes the following key commitments.

THEME	COMMITMENT
People	Enhance researcher excellence across all career stages.
	Integrate and enhance support, training and mentorship coaching along the researcher lifecycle.
	Foster an inclusive, collaborative, entrepreneurial and supportive research community.
Research Quality	Ensure our research is founded upon integrity, excellence and ambition.
	Enable our research with high quality infrastructure (including digital), systems and services.
Partnership and Place	Ensure a collaborative research ethos founded on agile engagement and enduring partnerships locally and globally with universities, business and government.
	Realise more meaningful and enduring academic partnerships, connecting nationally and globally.
	Deliver leading-edge research and innovation activity in partnership with business and industry.

PROGRESS UPDATE

Research performance improved significantly over the past year with over £100m in new awards, including an increase from United Kingdom Research and Innovation (UKRI). Allied to this is an increase in the proportion of larger-scale grants (over £1m).

The Research Excellence Framework (REF) 2021 highlighted the depth of quality across the University. We were ranked joint 1st in the UK for Agriculture, Veterinary and Food Science, 4th for Health and Biomedical Sciences and 8th for Law, with 96% of our Engineering research rated as world-leading or internationally excellent. The transformative potential of our research was also rewarded as we increased our overall percentage of outstanding research impact, with 11 different disciplines showcasing 100% outstanding and very considerable impact. The proportion of staff conducting world-leading or internationally-excellent research increased from 76.5% in 2014 to 88.2% in 2021. As part of the Research Culture Action Plan, we launched an institutional Postdoctoral Development Centre to support our postdoctoral researchers. Other initiatives included enhanced training and peer review support for funding.

We are creating a research ecosystem by underpinning work aligned to Strategy 2030. The new Agility Fund supports a wide range of activities. New or revised internal seed funding opportunities, such as a Research and Innovation Conference Fund, the Engaged Research Seed Fund, and a first call to the Research Culture Seed Fund, were also introduced. The Queen's Fellowship Academy continues to provide development support for Research Fellows recruited through Queen's-funded Fellowships, and supports staff holding specified externally funded Fellowships.

OVER 99%
of our research environment was assessed as world-leading or internationally recognised (REF 2021)

The implementation of the Technicians Commitment Action Plan continues to progress to support, develop and celebrate our technical staff. During the year, we were awarded a Technician Commitment Impact Award in recognition of this work.

Other achievements included a Global Research Engagement Plan providing enhanced training, access to seed funding and revised frameworks for managing international partnerships. We also secured over £2.8m in Impact Acceleration Account funding from four Research Councils.

We have expanded partnerships across the island of Ireland. Through the Irish Government's Shared Island Initiative, we secured 43 projects totalling around €9m, including a collaboration to create an All-Island Cancer Research Institute. We also signed a Memorandum of Understanding (MoU) with University College Dublin on areas of mutual strength and with University College Cork we made a successful application to the UN-affiliated Sustainable Development Solutions Network, the first of its kind on the island. Progress through the Belfast Region City Deal gains pace as does our work as part of the Northern Ireland Nano Technology Consortium, a partnership with Seagate Technologies which was awarded £42.4m from UKRI's Strength in Places Fund. Our industry-led research funding has continued to increase, from £10.4m in 2018-19 to £30m in 2021-22.

We are making a global impact through our entrepreneurial and spin-out activity. Queen's and the biopharmaceutical company, Ipsen, entered a major collaboration and licensing agreement relating to our preclinical stage FLIP Inhibitor Programme.

Spin-outs supported by QUBIS Ltd and the University's commercialisation team saw Causeway Sensors securing €1.8m in investment for nanosensor platform, Sonrai Analytics gaining £2.2m 'Seed Plus' funding to accelerate international growth and Aramune technologies raising £0.8m to scale its health product.



1st IN THE UK
for entrepreneurial impact
(Octopus Venture 2019 and 2020)



Launch of the Postdoctoral Research Centre: (L-R) Joanne Clague, Registrar and Chief Operating Officer; Dr Rebecca Loader, Research Fellow in the School of Social Sciences, Education and Social Work; Dr Alice Dubois, Head of the Postdoctoral Development Centre; Dr Suha Dadou, Research Fellow in the School of Pharmacy; Professor Ian Greer, President and Vice-Chancellor; Dr Ahmed Ibrahim Osman, Research Fellow in the School of Chemistry and Chemical Engineering; Professor Emma Flynn, Pro-Vice-Chancellor for Research and Enterprise.

STRATEGIC PRIORITY GLOBAL REPUTATION AND PARTNERSHIPS

During the year, work progressed on enhancing our global reputation and partnerships to the following commitments.

THEME	COMMITMENT
International Experience	Offer an international experience that attracts and supports exceptional individuals from around the world.
International Reputation, Networks and Partnerships	Focus our efforts on high-quality international partnerships in areas of strength, which will support our priorities in research, education and impact.
Global Alumni Engagement	Further develop close connections with our community of global alumni. Increase philanthropic income.

PROGRESS UPDATE

In September 2021, our Global Reputation Action Plan was approved with key year one actions focused on optimising international rankings, international student recruitment, and the articulation of strategic research themes.

Our performance in global league tables has improved and we are now ranked in the top 200 in the Times Higher Global Rankings, our highest position in recent years. This rise of 24 places has been driven by improvements in teaching and research reputation as well as research quality.

Work to enhance our reputation continues with research Champions appointed for all Schools and the launch of a research reputation campaign, as well as new online web content to showcase our strengths.

During the year, our international student population increased by 18%, further contributing to the diversity of our University and city, and making a significant economic impact, estimated at £305m (London Economics). We also welcomed our largest ever study abroad cohort from a single Institution with over 100 Belmont University students coming to Queen's across the year.

Offering an international experience remains a priority. A Global and Inclusive Student Experience Task and Finish Group has been established and will take forward work on: international student support from recruitment to induction; international student support (in-course); an inclusive culture of work and study; a global and inclusive estate; and outward student and staff mobility.

We continue to enhance our global partnerships. During the year, investment was approved to enable us to take forward academic business development opportunities. One of our key partnerships is with the Mohammed Bin Rashid University (MBRU), working in collaboration to provide world-class healthcare training, anchored in the delivery of an outstanding student experience. In June 2022 we reached a significant milestone with the graduation of the first medical and nursing students from MBRU.

OVER 4,200

international students (an increase of 18% on the prior year)

Queen's alumni play a key role in the life of our University and continue to support us in a number of ways. Alumni volunteers help students with future employment decisions through mentoring and placement opportunities.

During the year, we welcomed a number of new Honorary Graduates at ceremonies in Belfast and New York. Our Chancellor, Secretary Hillary Rodham Clinton, conferred degrees on leading figures from the worlds of business, politics, sport, the arts, policing and education, including members of the Women's Coalition and former diplomat and Ireland's first female Ambassador to the US, Anne Anderson. A special posthumous award was made to Norman Houston, Director of the Northern Ireland Bureau and an annual Norman Houston Study Northern Ireland Scholarship created with the Bureau, to support a US student studying at Queen's.



Graduation: The graduating MBRU class of 2022



Honorary Degree Ceremony in New York: (L-R) Queen's Chancellor Secretary Hillary Rodham Clinton, Ambassador Anne Anderson, Queen's President and Vice-Chancellor Professor Ian Greer

STRATEGIC PRIORITY
SOCIAL AND CIVIC RESPONSIBILITY AND ECONOMIC PROSPERITY

Our Social and Civic Responsibility and Economic Prosperity activity this year focused on the following commitments.

THEME	COMMITMENT
Economic Growth and Prosperity	Deliver on the Regional Growth Deals, the Northern Ireland Executive's strategic priorities, and the UK Government's industrial and innovation priorities in the context of Northern Ireland, enhancing UK/Ireland partnerships.
	Partner with other anchor institutions and business to deliver collective impact and maximise benefits.
Drive Social Change	Address key social challenges in Northern Ireland though our research and teaching, and through our role as a major civic Institution in the region.
	Tackle social inequality by address key social challenges in Northern Ireland.
Partnership and Place	Embed the UN Sustainable Development Goals across all our activities.
	Transition to a Zero-Carbon society.

PROGRESS UPDATE

We continue to play a critical role in the socio-economic development of Northern Ireland, making a major economic contribution. Our economic impact on the UK has been estimated at over £3bn (London Economics), representing a 45% increase over the previous five-year period and a benefit to cost ratio of approximately 8.2 : 1.

During the year, considerable progress was made on the Belfast Region City Deal. This represents a major opportunity for the University, Belfast and Northern Ireland by driving collaborative University-industry R&D to harness additional investment, build workforce skills, create new jobs and accelerate inclusive growth. The Deal Document was signed in December 2021 and work is advancing across all the Queen's-led innovation projects – the Advanced Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII), and the Institute for Research Excellence in Advanced Clinical Healthcare (iREACH) whose collective funding from UK government, the Northern Ireland Executive, the University and its partners for the three centres is circa £200m.

Addressing global challenges remains a priority and during the year we reinforced our commitment to sustainability. In advance of COP26, we pledged a multi-million pound investment in an action plan to help play our part in tackling the climate emergency. A Sustainability Team has been created and a Sustainability Board established to report on a quarterly basis. Investment has also been approved to develop a Carbon Reduction Plan, which will consider the costs and the feasibility of achieving net zero emissions by 2030, 2040 and 2050. Further details of our sustainability activities can be found in the United Nation Sustainable Development Goal (UN SDG) section of this report.

A new strategy has been developed to enhance our institutional approach to Civic Engagement and Social Responsibility over the next five years. During the year, we engaged with political parties and the civic and business sectors to ensure our impact is relevant and embedded in future policy. This involved engagement with the Administrations in both Westminster and Dublin and included visits to the University by the then Secretary of State for the Department of Business, Energy and Industrial Strategy, Kwasi Kwarteng MP; An Taoiseach Micheál Martin; Simon Harris, Minister for Further and Higher Education, Research, Innovation and Science; and Vice-President of the European Commission Maroš Šefčovič. We also continued our partnerships within the civic and community sectors to deliver on the University's Social Charter.

Ranked in the **TOP 10%** in the SDG areas

(Times Higher Education 2022 Impact Rankings)



Taoiseach Micheál Martin's visit: Pictured with the Taoiseach on his visit to the Patrick G Johnston Centre for Cancer Research is (L-R) Dr Wendy McLoone, Interim Director of Research; Professor Chris Scott, Centre Director; Pro-Vice-Chancellor Professor Emma Flynn and Vice-Chancellor Professor Ian Greer.



BRCD: Pictured at the announcement of the new £58m Global Innovation Institute as part of the Belfast Region City Deal are (L-R): Professor Mark Lawler, Scott Rutherford, Professor Máire O'Neill, Minister Conor Murphy MLA, Professor Chris Johnson and Dr Godfrey Gaston.

ENABLING OUR VISION

People

Our people are at the heart of Strategy 2030. During the year a new People Strategy was developed focussed on enhancing the employee experience, building capability within the workforce, and improving the organisational culture.

Activity undertaken during 2021-22 included our Pulse Survey which gathered feedback from staff on workload and work-life balance. In response, agile flexible working arrangements have been rolled-out to all roles. Work is underway to address academic workload and a Staff Charter based on the behaviours aligned to our Core Values has been developed. A Steering Group has also been established to support cultural change within the organisation.

Health and wellbeing support remains a priority. During the year new policies for Menopause and Fertility Leave were approved and there was the official launch of the Queen's Carers' Network which offers a peer resource for those working carers balancing the demands of supporting others with their roles at Queen's. Our commitment to advancing diversity and inclusion was recognised with the award of the Silver Diversity Mark.

While progress has been made on many issues, there is still more to do. We remain committed to working in partnership with the Trade Unions to make the University a better place to work. During the year, we agreed with our branch, University and College Union (UCU), to work with them on a wide range of issues, including our positions, plans and commitments on casualisation, values and behaviours, equality, diversity and inclusion, and career development.

Technology

In October 2021, proposals to invest in digital transformation to maximise the benefits of technology were approved.

The Digital Transformation roadmap brings together all the technology-enabled change that Queen's needs to deliver in the next 3-5 years, aligned to Strategy 2030 and in support of teaching and research outcomes. The investment will improve efficiency and effectiveness through automation and streamlining of business processes, generating benefits for students and staff and having positive effects on wellbeing by removing burdensome manual processes.

A Digital Transformation Steering Group has been established to prioritise projects and, in Spring 2022, it approved the business cases for the redesign and digital transformation of the applicant management system and of the student support process. These projects are now underway and a further business case for the redesign of the staff recruitment process was approved in May 2022.



Pride picnic: Queen's first Pride Picnic took place during the year.

Infrastructure

Key institutional projects during the year included the completion of our new £42m Student Centre, One Elmwood, which houses both the Students' Union and University Services in one purpose-built facility and will transform the student experience at Queen's.

The £26m Riddel Hall expansion to provide postgraduate teaching accommodation for the Queen's Management School is due for completion in January 2023. The creation of the new building was given a boost this year as a result of a £1m pledge to fund a state-of-the-art lecture theatre.

During the year, the University advanced plans to build three Innovation Centres as part of the Belfast Region City Deal. Design teams were appointed for each of the Queen's-led Centres in areas including advanced manufacturing, clinical research, and secure, connected digital technologies. With a total investment of over £200m from the UK Government and the Northern Ireland Executive, the University and its partners, the Centres represent the most ambitious building projects we have overseen in recent years.

To further support the ambitions of Strategy 2030, a ten-year Estate Strategy is currently being developed which will centre on the concept of three major zones: Medical; Arts; and Technology/Engineering.

Financial Sustainability

Financial sustainability is a key tenet of our Strategy 2030. A detailed analysis of the University's financial performance for 2021-22 is set out in the Consolidated Income Review on pages 36 to 54

SUSTAINABLE DEVELOPMENT GOALS

Sustainability is at the cornerstone of Strategy 2030. Building on an established track record of innovation, education and impact in areas such as climate, health and technology, Strategy 2030 sets out how we will embed and make visible the UN Sustainable Development Goals (SDGs) across all our activities.

As a signatory to the UN Accord, Queen's is already delivering a wide range of programmes across and beyond the Institution which embed sustainability issues and address the climate crisis. Notable developments include the establishment of an All-Island Sustainable Development Strategic Network in collaboration with University College Cork – this will provide an island-wide framework focused on mobilising local action for the Sustainable Development Goals. This section highlights some of the work taking place across the University in all seventeen SDGs.



Pedalling to Progress: Big Loop Bike Hub: Richard Good, Director of the Turnaround Project, Belfast Lord Mayor, Councillor Kate Nicholl and Vice-Chancellor Professor Ian Greer.



Green Meetings Accreditation: - Pictured celebrating the Green Meetings Gold Awards are (L-R): Lord Mayor Cllr Tina Black; Grainne Doherty, Head of Eventus and Culture and Arts; Director of Student Plus, Caroline Young; Fionnuala Lavery, Student Plus; Sara Lynch, Head of Sustainability; and Jac Callen, Visit Belfast.

Education and skills

Net-zero innovation academy

The Net-Zero Innovation Academy developed at Queen's aims to create zero-carbon cooperatives by bringing communities and businesses together. The aim is that all carbon emitted by the community is reabsorbed and all waste is reused, eliminating the need for external resources. The real value of zero-carbon cooperatives is the intelligent and innovative cross-community linking of individuals and organisations. Academics and Entrepreneurs have pulled together a package of free training programmes in core fundamentals of net-zero and innovation, enabling the implementation of new technologies and the creation of new businesses or collaborations.



Education for sustainable development

In collaboration with SOS-UK (Students Organising for Sustainability), the School of Electronics, Electrical Engineering and Computer Science has undertaken a comprehensive curriculum audit to determine the degree of inclusion of SDG context-based knowledge. This provided staff with a baseline understanding of how modules support students' understanding of sustainability in an engineering context, whilst equipping the staff with the knowledge on how to confront, manage and shape social, economic and ecological challenges. Associated actions included the incorporation of Engineering for People Design Challenge within key modules and deployment of Sulitest, an online tool designed to raise awareness of the SDGs, in relevant modules.



Carbon literacy training

In partnership with Keep Northern Ireland Beautiful and the Department of Agriculture, Environment and Rural Affairs (DAERA), a Carbon Literacy Training initiative was launched in January 2022. This provides staff and students with certified training on carbon literacy and climate action, with over 300 people participating in the first phase. The interactive training provides staff and students with an understanding of climate change science and the climate impacts of our everyday actions. It encourages people to map their own carbon footprint and the motivation to reduce personal and organisational carbon emissions.



Research and innovation

Appointing a more reflective Judiciary for Northern Ireland

Research completed by staff in the School of Law for the Northern Ireland Judicial Appointments Commission (NIJAC) has underpinned changes to the judicial appointments process. This has impacted directly on the diversity of the judiciary in Northern Ireland. Significant and demonstrable changes have followed directly and are evidenced in the operational policy and practices of NIJAC, and in the profile of the current judiciary at all levels. The summary of this impact is captured through key changes, for example, in 2015 NIJAC appointed two female applicants to the High Court for the first time since the court was created in 1921. There is an even more pronounced change at the other court tiers, and in tribunals where around 50% of legal roles are held by women.



The social and solidarity economy and local development

Researchers from the School of Natural and Built Environment, commissioned by Joseph Rowntree Foundation, explored the potential of implementing a Social and Solidarity Economy Model within Belfast. Findings demonstrated that asset-based development, regeneration and community anchor organisations strongly contributed to job creation, new services and produced significant cross-community outcomes. This research leveraged capital investment, improved supply of social finance, supported the growth of community businesses and helped to develop new policies and investment programmes within Belfast.



Health, deprivation and unemployment within Belfast City Council

The School of Natural and Built Environment and Geography, in partnership with Belfast City Council, are researching themes connected to deprivation and employment within Belfast. A range of research has been undertaken into key themes – uptake of employability training schemes; health inequalities and excess winter mortality; long-term deprivation and unemployment trends. Key findings have resulted in a range of actions being undertaken. This includes targeting key areas for recruitment and directing vital health resources to vulnerable people. Further, research has supported the creation of a bespoke scheme which takes account of deprivation and the local area history, supporting Belfast City Council's inclusive growth strategy.



Campus activities

Pedalling to progress - Big Loop Bike Hub

The Big Loop Bike Hub was launched in October 2021, in partnership with the social enterprise Turnaround Project, who help people coming out of the justice system by providing transitional employment opportunities that help reduce barriers to employment. The Bike Hub aims to increase access to cycling facilities for staff, students and the wider south Belfast community. The hub was part-funded by Belfast City Council, Department for Infrastructure and Department for Communities. The Bike Hub offers lease bikes, refurbished second-hand bikes, puncture repair and much more. In response to enhanced cycling to and from campus, the University has continued to invest in cycle parking – to date 1,540 cycle spaces have been created.



Geothermal at Riddel Hall

Queen's University is an institutional pioneer in geothermal technology, with it deployed within the new Management School build at Riddel Hall with 38 boreholes drilled and awaiting connection. This is a very visible example of Queen's decarbonising heat within our University estate.

Green meetings accreditation

In June 2022, Queen's University became the first organisation on the island of Ireland to be given a Green Meetings Gold Award. The Green Tourism initiative is designed to help individual tourism businesses contribute to improving the environment, address climate change and lift the local economy.



Tackling period poverty

To tackle period poverty and stigma, a pilot scheme distributing free period products across the campus was launched in 2021. Students who are unable to access period products experience an impact on their physical and mental health. This can lead to students struggling to concentrate on studies, and result in class absences. The pilot was funded by the Northern Ireland Department for the Economy.

Saving H2O One Drip at a Time

Queen's is working in partnership with NI Water to monitor, and prevent, water leaks within the Queen's campus. This revolutionary pilot has included the design and implementation of 72 meters to enable an early warning system to monitor for leaks.



Outreach and engagement

BT9 student allotment

In partnership with The Conservation Volunteers, staff and students have been busy creating, maintaining, and growing BT9 Student Allotment. The allotment was created in 2019 by a group of student volunteers, funded via the Queen's Green Fund. Since 2019, the allotment has evolved in size, with the addition of an apple orchard in 2020 and the formation of a Gardening Club in 2021. The allotment provides students with a valuable green space, an opportunity to learn about where their food comes from whilst enhancing the biodiversity of their campus. This project contributes to the 'One Million Trees for Belfast' programme.



Community-led partnership to tackle derelict land

Academics have been engaging with BUILD Shankill in a community-led partnership that is working to address issues around vacant and derelict land across the Greater Shankill. Using housing market data and GIS spatial analysis, academics within Queen's Communities and Place (QCAP) have assisted the BUILD working group to better understand local housing market dynamics through a bespoke and interactive site register. Queen's Communities and Place is a new initiative based on partnership between communities, policymakers and academics. Key findings were presented at a community event in June 2022, which was attended by MLAs, Councillors, the NI Housing Executive, and local developers. This project aims to provide knowledge that will allow the delivery of viable housing schemes.



Knowledge economy Hub@theMarket

A collaboration between academic staff from QCAP, the Gardening Team within Queen's and the Market Development Association, launched a community partnership project with St Malachy's Primary School. The focal point of the project involves the refurbishment of the school's pond area, with the wider programme providing opportunities for the community to participate in knowledge-intensive activities. This includes encouraging curiosity, engagement, and skills development across a range of ages, to consider scientific and environmental issues that directly impact the community.





Green Flag Award: Pictured at the Awards are (L-R): Environment Minister Edwin Poots; Queen's Environmental Officer Naomi Martin; Head Gardener at Queen's Paul Wallace; and Dr Ian Humphreys, Chief Executive of Keep Northern Ireland Beautiful.



Laboratory efficiency assessment framework: Pictured (L-R): BACKROW: Alan Stitt, Academic Sponsor of the LEAF Program and Dean of Innovation and Impact, Faculty of MHLS; Jim Sloan, WWIEM; Sarah Gilchrist, Centre for Public Health; Phillip Orr, Maths and Physics; Collette O'Hagan, Pharmacy. FRONT ROW: Sara Lynch, Head of Sustainability; Alison Meredith, Biological Sciences; Jill Kilner, Centre for Public Health; Pamela Maxwell, PGJCCR; Maria Rea, PGJCCR; Naomi Martin, Environmental Assistant.

PUBLIC BENEFIT STATEMENT

The University is registered with the Charities Commission and has a responsibility to act for the public benefit across all its activities. Under our Social Charter we are committed to the core principles of:

- Providing leadership locally and globally.
- Equality and social justice.
- Promoting a positive impact on society through research and education.

These principles were evidenced in many ways during the year.

Education

Our vision is to provide education that transforms and a student experience that enriches, inspiring the global citizens of tomorrow and benefitting society. The University has a longstanding commitment to equality of opportunity, ensuring that those who have the ability to benefit from Higher Education have an opportunity to do so.

Investment in future of healthcare

The QUB-KN Cheung SK Chin InterSim Centre at the Faculty of Medicine, Life and Health Sciences demonstrates leadership in nursing, midwifery, medicine and pharmacy through the provision of state of the art interdisciplinary clinical simulation for healthcare students. Another significant development in healthcare training is the introduction of a Graduate Entry MSc programme in pre-registration nursing, the first programme of its kind on the island of Ireland. Students have the opportunity to gain their registration as a qualified nurse or midwife and a Masters level degree within two years. The first cohort of students will graduate in October 2022.

Open learning opening doors

Queen's has been offering short courses to the local community since 1850. The Open Learning programme builds on that tradition and continues to develop the opportunities it provides, helping participants to engage with and understand the major issues of our time. Current courses include the theme of teaching English to migrants, refugees and asylum seekers, which is being run in partnership with the Belfast Centre for the Unemployed, and a course on migration and human rights.

Training support for Ukraine

The war in Ukraine presents continuing challenges, including how to support people suffering from Post-Traumatic Stress Disorder (PTSD) and those who are trying to help them.

Dr Michael Duffy, Senior Lecturer and Cognitive Psychotherapist from the School of Social Sciences, Education and Social Work, specialises in PTSD and complex grief and is one of the world's leading experts in trauma and conflict. He and Dr Ciaran Mulholland, Senior Lecturer from the School of Medicine, Dentistry and Biomedical Sciences and Consultant Psychiatrist at the NI Regional Trauma Network, have been engaging in a series of international webinars to educate and support mental health professionals working with Ukrainian refugees.



150 years of history: Pictured at the launch of an exhibition to mark the 150th anniversary of the Shankill's St Matthew's Church are (l-r): Professor of Social History at Queen's Olwen Purdue, Researcher Sam Guthrie, Rector Rev Tracey Roberts, Heather Stanley of PRONI, Queen's Pro-Vice-Chancellor Professor Nola Dundas-Hewitt and Jackie Redpath of the Greater Shankill Partnership.

Pathways to new opportunity

Queen's is a leading participant in the Skill Up Programme, supported by up to £23m from the Department for the Economy and the Northern Ireland Office. Skill Up funds local Higher and Further Education in the provision of more than 20,000 training places on over 250 subject areas and is part of our commitment to support learning skills to meet our economy's need from our local workforce. Through the programme, Queen's is delivering a number of short online PG Certificate courses across digital, leadership and management, green technologies, advanced manufacturing engineering, and health. More than 7,500 people benefitted from the Skill Up Programme in 2021-22.

As part of our Widening Participation initiatives, 2021-22 saw the continued expansion of the Pathway Opportunities Programme, supporting students from disadvantaged backgrounds with academic and direct financial support to study at Queen's. Now on its sixth intake, the programme has achieved its target of 300 participants across all subject areas, including medicine, dentistry and law.

Supporting development within local schools

QCAP is a new initiative, launched in 2021, and is a partnership involving communities, policymakers and academics focused on tackling disadvantage and improving outcomes for children and young people.

Engaging with local communities and providing support for their development is a long-standing commitment. An outstanding example is our relationship with the Greater Shankill Partnership Board and Children and Young Person's Zone which has been working with primary and post-primary schools serving the Shankill community on areas that need support.

Discussions led by QCAP identified four priorities: support for middle managers, sharing and dissemination of good practice, supporting school principals and an induction programme for new teachers on the history of the Shankill community. Design teams are now developing programmes on all four themes.

Research

Queen's has a proud history of conducting innovative, impactful and world-leading research that has positively changed people's lives. We have a reputation for research of the highest quality, addressing local and global challenges and making a global impact in partnership with innovators in business and industry.

Food Fortress: safeguarding health

Contamination of animal feedstuffs and the consequences for animal and human health are well recognised. The Food Fortress scheme was launched by Queen's in 2014 using innovative techniques to enable low-cost detection of toxins. It is now recognised globally as a world-leading risk management and feed quality assurance scheme. The programme is building Northern Ireland's reputation as one of the safest supply chains in world food production.

Life after cancer: giving vital support

Queen's researchers have transformed supportive care for cancer survivors and their families. They carried out a study which found that people who were 2-15 years post treatment had significantly poorer health than the general population. This research led to the launch of a £1.3m project for patients in Northern Ireland – the Recovery Package – funded by Macmillan Cancer Care. There is also an online support system www.cancercarecoping.com which helps 10,000 families a year in Northern Ireland and has been adopted in Australia and Vietnam.

Help for care home residents and families

Covid-19 was a cruel blow to care home residents and their families. In the absence of regular visits and communication with staff, it was a challenging time in trying to ensure that needs were met. To address this, Queen's Centre for Evidence and Social Innovation developed an online resource – Advance Care Planning – to help people make decisions about end-of-life care. The process supports adults at any stage of health in understanding and sharing their personal values and preferences regarding future care and realistic treatment choices.

Walking trail of the solar system

An extraordinary 10km scale model of the solar system was created by the artist and children's author Oliver Jeffers and Professor Stephen Smartt from Queen's Astrophysics Research Centre. Involving sculpture and a walking trail, it went to various locations in Northern Ireland during the year as part of the Our Place In Space project, led by the Nerve Centre and partners in science, technology and the arts, and was a contribution to UNBOXED, the UK-wide celebration of creativity in 2022.

Community engagement

As a civic University, Queen's plays a vital role in supporting our surrounding communities and is involved in a wide range of programmes, in partnership with our local community. As well as research and education, activity includes volunteering by staff and students, access to cultural and sporting facilities, and events for the community to engage with.

Platform for our politicians

As part of our Social Charter commitments, we engage with politicians, locally and nationally. In the run-up to the 2022 Assembly Election, we gave Northern Ireland's party leaders the opportunity to pitch their vision to an audience of students, staff and alumni and to take part in an open question and answer session. A further pre-election event was An Audience With Northern Ireland's Political Leaders, organised at Queen's in conjunction with the CBI during which our Vice-Chancellor, Professor Ian Greer, addressed the issue of budget cuts in Higher Education.

Talking technology through TEDx

During the year, along with our event corporate partner PwC, we organised our fifth independent TEDx event. Among those taking part were Bill Neely, the former Chief Global Correspondent for NBC News and our Graduate of the Year, the Vice-Chancellor, Professor Greer, Professor Richard English, Director of the Mitchell Institute at Queen's, and Katie Ni Chleire, the Students' Union President. The theme of the event was 'Ctrl+Alt+Del' which highlighted some of the innovative projects at Queen's involving technology, design, people and natural resources.

Balmoral show: showcase for innovation

Colleagues from across the University, including the Schools of Natural and Built Environment, Pharmacy and Biological Sciences, Knowledge Transfer Partnerships, Institute for Global Food Security and the Patrick G. Johnston Cancer Centre spent four days at the Balmoral Show demonstrating key areas of our research to members of the public in interactive exhibitions. The show had more than 100,000 visitors and it was the first time for three years – after disruption by Covid-19 - that it was held in its traditional May slot. Plans are under way for a Queen's presence again at the 2023 show.

Celebrating 100 years of local history

During the year, an exhibition was held at St. Matthew's Parish Church on the Woodvale Road which showcased a collaboration involving Queen's, the Greater Shankill Partnership and the Public Records Office to celebrate the church's 150th anniversary. The church and the parish it serves has an important history dating back to pre-Christian times and the wider story of the growth of Belfast. As part of the exhibition and for one day only, a Bishop's Crozier, discovered in the Shankill graveyard 300 years ago and dating back to the 9th century, was on display, loaned for the occasion by the National Museum of Ireland.

PHILANTHROPY AT QUEEN'S

Philanthropic support enables the enhancement of world-class research, student experience and facilities that would not be possible without the generosity of individuals, charitable organisations, trusts, funds and businesses who give to our projects.



Widening Participation: Pictured at the launch of the Bright Future Collective to support students from disadvantaged backgrounds are (L-R): Andrew Wilson, Allen & Overy; Michelle Edwards, Queen's Pathway Student; Conal Henry, Fibrus; Professor Ian Greer Vice-Chancellor; John Harkin, Alchemy Technology Services.

The Queen's Foundation is an independent charity which generates philanthropic support for the University and works with donors to create both vision and legacy using their gifts.

In 2021-22, the University received £3.7m from the Foundation to support agreed priorities.

Almost £0.8m was received for Medicine and Health projects, including the first instalment of a gift from the Brian Conlon Foundation to support vital early detection research of Barrett's oesophagus and oesophageal cancer research at The Patrick G. Johnston Centre for Cancer Research at Queen's.

Diabetic Retinopathy and Age-Related Macular Degeneration at the Wellcome-Wolfson Institute for Experimental Medicine was also supported through an individual donor gift, which is part of a new five-year commitment to research in this area.

The first instalment of a £0.4m gift from Agilent Technologies through their Thought Leaders' Award Programme was given to Professor Chris Elliott, whose research programme at the Institute of Global Food Security at Queen's focuses on helping to solve complex food authenticity challenges.

Focusing on the student experience, the Queen's Annual Fund has given thousands of students a transformative student experience since it was established in 1999. In 2021-22, £0.1m was distributed to a range of student projects and scholarships, including 49 clubs and societies.

A gift from Santander UK, who have now pledged more than £2m in support of Queen's, provided the opportunity for 61 students to attend Utrecht Summer School, and supported six young people facing additional barriers to employability through a careers programme which provided training and internships for students with autism.

Donors continue to provide generous scholarships and prizes, with income during 2021-22 being £0.6m. These include the Brian Conlon GAA scholarship thanks to a gift from the Brian Conlon Foundation; the Denis Lynn Scholarship for Sustainable Food Innovation thanks to a gift from Finnebrogue Artisan; and the Yondr Women in Engineering Scholarship. Funding was also secured from our Law alumni, and others, to establish the Lord Kerr Bar Scholarship in memory of Baron Kerr of Tonaghmore (1948-2020), Law alumnus of Queen's University Belfast (1969), former Lord Chief Justice of Northern Ireland and Justice of the Supreme Court of the United Kingdom. This will be awarded for the first time in 2022-23.

Widening Participation was another key focus for 2021-22. A gift from the Northern Ireland Office to mark the NI 100 Centenary supported social mobility through the provision of a one-off scholarship and Year One bursaries awarded to young people from a widening participation background starting at Queen's in September 2021.

The Pathway Opportunity Programme reached more school students from under-represented areas than ever before, providing them with support to encourage progression to University. In January 2021, 255 Year 13 and 14 students entered the programme. Thanks to a generous gift from Kilwaughter Minerals, we will be able to continue giving a £1,000 bursary to Pathway students on entry to Queen's, up to and including 2024-25.

To further expand the Pathway Opportunity Programme, the Bright Future Collective was launched with the aim of raising philanthropic funds from the business community to support the programme. Made up of local businesses, the initiative secured five new members in 2021-22, raising an additional £0.2m.

Looking ahead, the Queen's Foundation is working to increase financial support for widening participation programmes; raise funds to establish an International Chair of Creative Writing and programme of outreach and engagement at the new Seamus Heaney Centre; support health priorities, including cancer research; and promote legacy giving amongst alumni and friends of the University.

CONSOLIDATED INCOME REVIEW

	2021-22 £m	2020-21 £m
Income	437.7	397.5
Expenditure	(422.4)	(373.2)
Surplus (before other gains/(losses) and movement in the USS provision)	15.3	24.3

The outturn position for 2021–22 was positive for the University, with an operational surplus of £15.3m. We focus on this measure to indicate financial sustainability, as it is less susceptible to movements in the actuarial valuations of pension schemes and market conditions prevailing at the financial year end, than the total income/(expense) reported in the Statement of Comprehensive Income (SOCI).

The SOCI position also includes a number of accounting adjustments as set out below.

The 2020 actuarial valuation of the Universities Superannuation Scheme (USS) and associated Recovery Plan was approved during 2021-22. As a consequence, the balance sheet provision in respect of the University's future commitments to the USS recovery plan provision increased significantly by £95.3m to £156.2m as at 31 July 2022 and the resulting accounting adjustments include an in-year charge to staff costs of £94.7m (further detail on the USS valuation is provided in the section on Pension Schemes on page 46 and note 36).

During 2021–22, a total gain of £0.4m was realised on the disposal of investments. This relates to the Group's disposal of shareholdings in Titan IC.

The valuation of our fixed asset investments and investment properties as at 31 July 2022 resulted in an unrealised fair value loss of £44.0m. Of this total, some £45.5m relates to a decrease in the market value of the Group's remaining shareholding in Kainos Group plc. The balance relates to a decrease in the market value of the University's General and Investment funds of £2.5m offset by an increase in the value of the Group's other unlisted holdings.

The funding position for the Retirement Benefits Plan RBP), has reduced from a deficit of £74.0m at 31 July 2021 to a deficit of £40.1m at 31 July 2022. The SOCI position reflects the resulting actuarial gain of £37.7m, primarily as a result of a reduction in scheme liabilities arising from increases in underlying discount rates.

The application of the accounting adjustments outlined above have resulted in a final overall SOCI deficit for the year of £85.3m.

Whilst the balance sheet has been impacted by the USS 2020 actuarial valuation and the unrealised loss in the value of the Group's investments, the net assets position remains strong at £687.6m. Financial sustainability underpins our Strategy 2030. Effective governance and strong financial performance is critical to the future success of Queen's and while we are very well positioned to continue to achieve our ambitions, we do not underestimate the scale of the current challenges facing the Higher Education (HE) sector and the economy as a whole.

4%

OPERATIONAL SURPLUS IS 4%

Surplus as a percentage of income decreased from 6.0% in 2020-21 to 4%.

(Note 1)

14%

GROWTH IN INCOME FROM NON-GOVERNMENT SOURCES

Income from non-government sources has increased year on year by 14%

(Note 2)

£98.4m

INCOME FROM RESEARCH GRANTS AND CONTRACTS

Income from research grants and contracts, increased by £9.8m (11%) from the 2020-21 position (£88.6m)

14%

INCREASE IN INTERNATIONAL STUDENT INCOME

International student fee income (full and part-time) increased by £7.0m (14%) during 2021-22

56%

STAFF COSTS 56% OF INCOME

Staff costs (excluding USS provision) represent 56% of income which compares to 59% for 2020-21

(Note 3)

4%

EXPENDITURE ON CORE ESTATE

Expenditure on core estate represents 4% of the Insurable Replacement Value This compares to 3.0% in 2020-21

NOTES

1. Surplus is prior to the gain to disposal of fixed assets and investments; the movement in the USS provision, the fair value loss on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).
2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.
3. Staff Costs exclude the movement associated with the USS Pension Scheme.

TOTAL INCOME INCREASED BY OVER 10% TO **£437.7M**

Income

Total income for the year was £437.7m, representing an increase of £40.2m (10.1%). The main components of this income are shown in Chart 1.

The total recurrent grant position takes account of the 2021-22 budget settlement to HE within NI, which for Queen's included a number of additional funded places to Queen's to aid flexibility as a result of Covid-19. This funded uplift was introduced in the 2020-21 year for a three-year period. In addition, Queen's was allocated additional non-recurrent funding allocations from the NI Executive/the Department for the Economy (DfE) to support the University in promoting economic recovery following the implications of Covid-19.

Income from tuition fees and education contracts increased by £8.8m (6.1%). Of this total, international tuition fee income continued to increase with in-year growth of 14.1% (£7.0m). International tuition fee income now represents 13.0% of the University's total income base.

As set out in Chart 2, research income increased by 11% to £98.4m, reflecting the steady increase in awards, particularly from UK Research and Innovation (UKRI), over the past few years.

Research awards continued to increase year-on-year from £88.5m to £100.5m, with a number of high-value awards received in 2021-22. As set out in Chart 4, of this total £69.2m or 69% of research awards was from the UK Central Government, the European Union (EU) and the UKRI.

Other income increased by 40% to £69.5m reflecting growth in Innovate funding in respect of research and enterprise activities and an increase in other commercial income following the easing of Covid-19 restrictions.

Expenditure

Total expenditure for the year, excluding the adjustment in respect of the USS pension provision, was £422.4m, representing an increase of £49.2m (13.2%) from the prior year.

The main components of expenditure are shown in Chart 3.

Staff costs, excluding the impact of the USS pension provision, increased by £13.8m (5.9%). This includes an annual pay award of 1.5% and costs relating to incremental progression, academic promotions, and the Apprenticeship Levy. The in-year expenditure also includes a payment of £1,000 made to all staff in July 2022 as a recognition for hard work and dedication during Covid-19.

Queen's staff costs, excluding the costs associated with USS pension provision, represented 59% of income in 2021-22, and the average number of staff remained broadly similar to prior year at 4,344.

Other operating expenses increased by 29.3% to £150.1m. This increase reflects global utility cost pressures, additional costs in respect of digitalisation initiatives and increases in a number of areas of expenditure following the relaxation of Covid-19 restrictions.

Depreciation costs have increased by £1.2m mainly driven by the increased research equipment expenditure in year.

CHART 1: Income Analysis

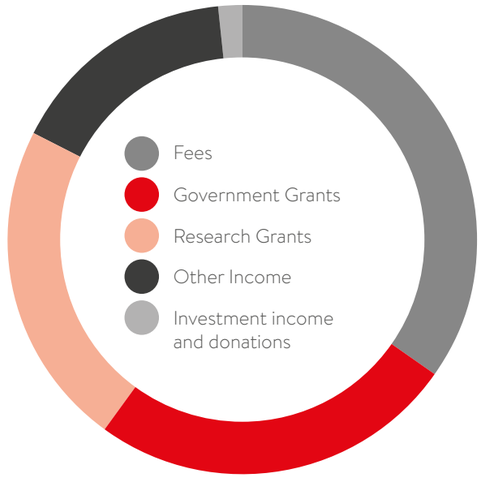


CHART 3: Expenditure Analysis



CHART 2: Income from Research Grants & Contracts

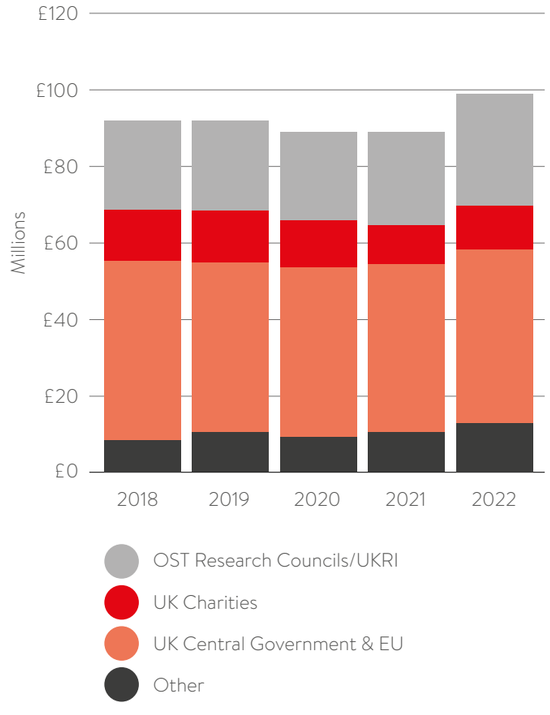
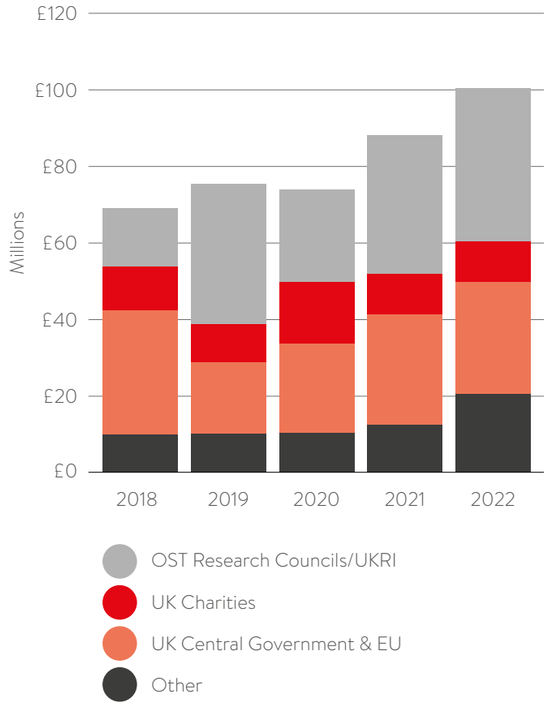


CHART 4: Value of Research Grants & Contracts Awarded



Gain on disposal of fixed assets and investments

In 2021-22, a total gain of £0.4m was realised. This total relates to the Group's disposal of shareholdings in Titan IC.

Fair value loss on investments and investment property

The movement in fair value of the Group's fixed asset investments, investment property and investments in associates as at 31 July 2022 was an unrealised loss of £44.0m which is reflected within the SOCI. Of this total, £45.5m related to a decrease in the market value of the Group's holding in Kainos Group plc, which partially reversed the unrealised gain of £79.0m in the prior year. The balance of the decrease was due to a reduction in the market value of the investments held in the University's General and Investment Funds of circa £2.5m offset by an increase in fair value of the Group's unlisted investments. The reductions in fair value as at the 31 July 2022 reflect the ongoing uncertainty in the UK and global markets. Whilst the position is being closely monitored, these investments are mainly long-term in nature and have reflected a significant upward trend in recent years.

Actuarial adjustment in respect of pension schemes

The funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from a deficit of £74.0m at 31 July 2021, to a deficit of £40.1m at 31 July 2022, primarily as a result of a reduction in scheme liabilities arising from increases in underlying discount rates.

Under FRS 102, the SOCI includes the resulting actuarial adjustment of £37.7m for the year.

Universities Superannuation Scheme (USS)

The 2020 USS valuation, which identified a deficit in the region of £15bn, was approved during 2021-22 resulting in the adoption of an associated revised deficit recovery plan. As a consequence, the University's liability in respect of future commitments to the USS has increased significantly. Under FRS 102, the SOCI reflects the resulting accounting adjustments including a charge of £94.7m for the year.

Balance sheet

The University had total consolidated net assets of £687.6m as at 31 July 2022. Whilst this represents a reduction of £85.2m from the prior year, the net asset position remains very strong.

The balance sheet reflects the significant investment in the capital programme over the last decade; the investment portfolio; the strong liquidity position of the University, and its effective working capital management processes, in particular, the robust control of debtors.

The total level of realised unrestricted reserves is £200m, much of which is ringfenced to support the Capital Development Programme including our commitment to the Belfast Region City Deal and Faculties and Professional Services in executing their priorities and plans in support of Strategy 2030.

Capital and long-term maintenance

Queen's is a vibrant campus University at the heart of Belfast city. Substantial investment in our facilities has developed our historic campus into an innovative learning environment for our students and staff that stimulates, enables and supports world-class education and research.

Capital expenditure has continued across the entire University in terms of new build and major refurbishment of the existing estate. The total projected cost of authorised building projects is currently in the region of £101m.

These projects will maintain the momentum of the capital development programme, investing in world-class infrastructure for students and staff.

During 2021-22, progress was made on a number of projects including One Elmwood and the expansion of the Management School at Riddel Hall.

One Elmwood, which opened in August 2022 is a brand-new state-of-the-art building set right at the heart of campus. This vibrant new hub builds on existing services and support across the campus and brings together student services with a range of facilities so students can access services, collaborate in shared spaces, get support and advice, and socialise in first-class venues.

The expansion of Riddell Hall will extend and enhance the campus and contribute to the on-going success of the Queen's Management School and William J Clinton Leadership Institute located on the site. It will ensure the School is ready to serve the changing educational needs of a rapidly growing postgraduate community, who will prove invaluable to the progress of the University and the Northern Ireland economy.

Significant work was also undertaken during the year in respect of the initial preparation, planning and design for each of the three Queen's-led Innovation projects as part of the Belfast Region City Deal.

Cash and treasury management

Cash balances, including current asset investments were £309.6m at the year end, which is broadly in line with the prior year. Within this total, there is a marked increase in investments greater than 3 months reflecting the opening up of markets during the year and the increased ability to secure short/medium-term deposits with a reasonable rate of return. The University has a comprehensive Treasury Policy in place. The policy is regularly reviewed by the Investment Committee to ensure that risk is minimised and, during the banking and financial sector uncertainty of recent years, this has proved to be robust.

REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

Investment performance

The notes to the accounts set out full details of the two Investment Funds – the University Investment Fund and General Investment Fund, both of which are managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock).

The University Investment Fund is administered, under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982, and includes endowment funds donated and bequeathed to the University for specific purposes. The fund is actively managed by BlackRock and at 31 July 2022 was valued at £62m. Investment by endowment fund holders in the fund is by share purchase, and with 6,874,971 shares issued, the value of a share was £9. This represented a decrease of 2.9% on the valuation of the previous year. The income distributed by the Investment Fund to the endowments was increased from 30p to 32p per share and, in total, amounted to £2.2m.

The General Investment Fund is for the longer-term investment of University funds. At 31 July 2022, the fund was valued at £130m. This valuation reflects an additional investment of £30m made during the year, and represents an adjusted decrease of £0.8m, or 0.01% on the previous year's valuation of £100.8m.

The early part of 2021-22 was characterised by the opening up of societies and economies, as concerns around the impacts of the coronavirus pandemic receded, on the back of rising vaccination levels most notably in the developed markets. This in turn, unleashed pent up demand and drove economic growth, resulting in strong returns from the equity markets. However, this increase in demand, coupled with inelastic supply chains in some sectors, created a material acceleration in global inflation from historically very low levels.

As we moved into 2022, the increase in global inflation was further exacerbated by continued challenges in global supply chains and the shock to global energy supply caused by the Russian invasion of Ukraine. This created a challenging and volatile market backdrop for investors and risk assets like equities have delivered negative returns in the face of a challenging combination of higher inflation, tighter central bank policy and slower growth.

The University maintains a significant weighting to investment in equities in the view that, long-term growth ahead of normalised inflation is likely to be generated. Although the University's investment portfolios have reduced in value during 2022, the portfolios have performed relatively better than global equity markets (to use the MSCI World Index as a comparison).

Responsible investment

Decisions in respect of investments are made on the recommendation of the Investment Committee guided by the University's Responsible Investment Policy. The University's Investment Committee meet with BlackRock on a regular basis to review the investments and their performance.

BlackRock has a clear understanding of the University's Responsible Investment Policy, including the commitment to transfer its indirect investment into funds which exclude companies involved in the extraction and production of fossil fuels, by 2025, provided that the effect is not materially detrimental to expected investment returns.

We have engaged with BlackRock during 2021-22 to precisely define the way the fossil fuel exposure across our Funds is measured and the portfolio managers have continued to take steps to reduce this exposure in our portfolios. The Investment Committee understands that the sustainable investing landscape is constantly evolving and expects that the sustainability and carbon intensity of the University's investment portfolio will improve over time, importantly without unduly damaging the returns generated.

BlackRock include environmental, social and governance (ESG) metrics in the regular reporting and presentations that they provide to the University and specific data on the evolution of our fossil fuel exposure. The Investment Committee has worked with the portfolio managers to evolve the asset allocation, aligned to BlackRock's market views, with a focus on reducing the exposure to fossil fuels and improving the sustainability of the portfolio.

In the last year, as measured by the BlackRock exposure index of companies, which derive more than 5% of their income from the extraction and production of fossil fuels, the University's exposure from its investments has reduced from 3.8% to 1.2% at 31 July 2022.

As an investment manager, BlackRock makes sustainability integral to the way that it manages risk, constructs portfolios, designs products and engages with companies. In January 2021, BlackRock outlined its clear commitment to achieving 'Net Zero' carbon emissions by 2050, outlining the series of actions that it believes will help clients prepare their portfolios for a net zero world. BlackRock has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008, was an original member of the 32-member industry-led 'Task Force on Climate Related Financial Disclosure' (TCFD) and joined the Climate Action 100+ in 2020. As a signatory of the Net Zero Asset Managers Initiative, BlackRock are one of 100+ asset managers committed to aligning the financial sector and supporting the goals of the Paris Agreement, and attended the UN Climate Change Conference (COP26) in November 2021 to help accelerate action towards the goals of the Agreement.

BlackRock has both a Sustainable Investing team, bringing together its investment and product teams to build innovative sustainable fund solutions, and a dedicated 60+ person strong Investment Stewardship Team which constantly monitors and engages with companies to encourage business practices consistent with sustainable long-term value creation.

The Investment Committee recognises that, alongside a divestment policy, engagement via its investment manager with the companies in which it invests is an important tool in encouraging more sustainable behaviours, and ultimately influencing the way in which companies are managed.

In the period from July 2021 to June 2022, BlackRock voted on more than 14,100 companies, and 173,000 management and shareholder proposals across 70 voting markets. In line with its conviction that climate risk is investment risk, climate and natural capital remains one of the five key priorities that BlackRock believes are essential to the long-term financial performance of its clients' investments. A full summary of the voting year 2021-22, can be viewed here. BlackRock continues to publish regular detailed 'voting bulletins' to offer rationale behind important company votes, which are also available here.

As the University continues to evolve its Responsible Investing Policy, the Investment Committee feels confident that BlackRock is well positioned to offer solutions to meet the University's responsible investment needs. As a market-leader in developing innovative ESG-aligned investment solutions and with a broad global investment platform, BlackRock will be able to support the transition to a greener, more sustainable portfolio. The focus of the Investment Committee's work with BlackRock over the coming year will be on accelerating the reduction of the already low exposure to fossil fuels in the University's investment portfolio as we look forward to 2025.

These activities demonstrate the Investment Committee's commitment to Responsible Investment and its incorporation into the long-term management and investment arrangements for the University's Investment Funds.



PENSION SCHEMES

The University is a participating employer in two separate defined benefit pension schemes, the Retirement Benefits Plan (RBP), which is available to staff in posts graded 1–5, and the Universities Superannuation Scheme (USS), which is available to staff at grade 6 and above.

Retirement Benefits Plan (RBP)

The RBP funding position is calculated annually for accounting purposes, in accordance with FRS 102.

As set out in note 23 of the Financial Statements, the RBP funding position under FRS 102 shows a deficit of £40.1m at 31 July 2022 (£74.0m at 31 July 2021). The reduction in the deficit position reflects several factors including, a change in the financial assumptions which underpin the calculation, specifically significantly higher corporate bond yields and resulting discount rates.

The latest Actuarial Valuation of the RBP as at 31 March 2020 identified a funding shortfall of £4.7m and a funding level of 98.1%. A Recovery Plan has been agreed to address this funding deficit by 31 March 2030.

Universities Superannuation Scheme (USS)

USS is the principal pension scheme provided in the Higher Education (HE) Sector and, with 212,306 active members, 360 participating employers, and assets of some £90.8bn (31 March 2022), is one of the largest pension schemes in the UK. FRS 102 requires each Institution to recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed as part of the outworking of the most recent Actuarial Valuation.

The 31 March 2020 valuation (and the associated Recovery Plan and Schedule of Contributions) is the basis for calculating the USS liability in these Financial Statements. The movement in Queen's liability in respect of future commitments to the deficit recovery plan has increased by £95.3m to £156.2m (£60.9m at 31 July 2021). Further details are set out in note 24 of the Financial Statements.

The 31 March 2020 Valuation was signed and filed with the Pensions Regulator with an effective date of 1 October 2021 and indicated a deficit of £14.8bn (£3.6bn at 31 March 2018). The 2020 valuation was signed off on the basis that the proposed package of benefit and contribution rate changes, as recommended by the Joint Negotiating Committee (JNC), would be implemented.

A modification to the JNC recommended changes were made in relation to the 2.5% cap on indexation. Employers agreed to pay an additional 0.2% contribution from 1 April 2022 to 31 March 2024, to delay the introduction of the cap until April 2024. The total employer contribution from 1 April 2022 is 21.6%, with a member contribution of 9.8%.

On 18 August 2022, the USS Trustee issued their latest Financial Management Plan Monitoring Report (as at 30 June 2022). The end of June position indicated a surplus of £1.8bn and a future service cost of 21.2% at that date.

Universities UK (UUK) commenced a consultation on the current USS governance arrangements in July 2022 and other long-term plans for the Scheme continue to be explored, including conditional indexation and lower cost options.

Pensions continue to be one of the most significant longer term risks currently facing the HE sector.



HIGHER EDUCATION FUNDING

During 2021-22, DfE continued to provide funding support to Queen's for an additional 192 student places to aid flexibility as a result of COVID-19. This funded uplift will be maintained for three years, ending in the academic year 2022–23.

Furthermore, during the course of 2021-22, institutions in NI, and HE students themselves continued to benefit from a number of significant non-recurrent funding allocations from the NI Executive/DfE due to COVID-19.

In total, Queen's was allocated £9.7m on a non-recurrent basis as set out below:

- £5.3m through the allocation of additional QR and the Higher Education Innovation Fund (HEIF) to support the capability to strengthen core research capacity and support our role in underpinning economic growth through knowledge exchange activity. These funds have been earmarked for specific purposes and interventions.

- £3.4m Economic Recovery R&D funding to support additional strategic investment in R&D in order to help drive the Department's 10x economic vision and promote economic productivity and prosperity through excellent commercialisation.

- £1.0m of funding through the Higher Education Transition Experience initiative to promote interventions that address the detrimental learning impacts of Covid-19 on those entering Higher Education in the 2021-22 academic year.

In addition, our students benefitted from additional financial support through an increased allocation from DfE to the Student Support Funds, enabling more awards to students who were facing financial hardship whilst studying and additional funding for students experiencing financial hardship as a result of rising living costs.

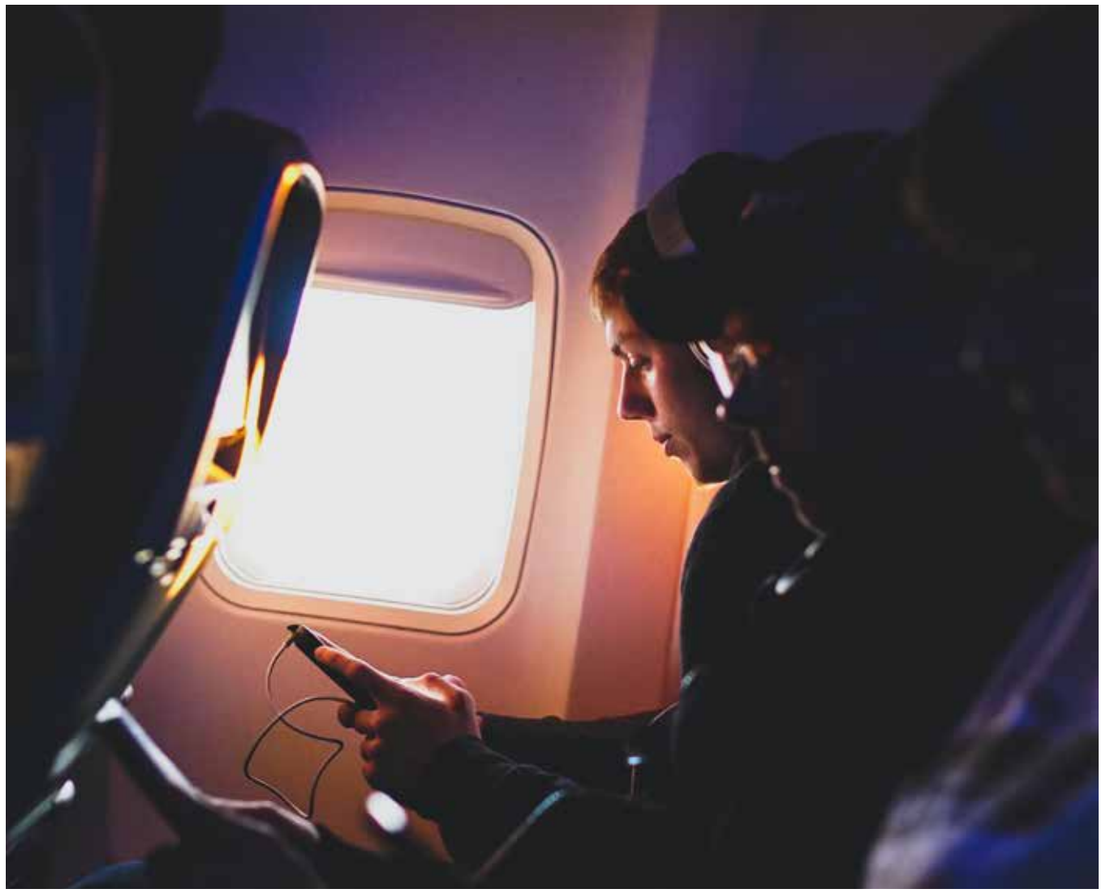
The additional non-recurrent funding made available to support Queen's and our students was very much welcomed, in what continued to be a very challenging period. This funding will be utilised to support initiatives and support the economy and society as they recover post pandemic. Furthermore, in the last two years the Department has also provided capital funding of almost £26m to support the development of One Elmwood and the expansion of the Queen's Management School at Riddel Hall.

The underlying finding position for HE in NI remains, however, a matter of concern for the University.

Since 2011, funding for HE in NI has been reduced by 40 per cent, making us the only region in the UK to have reduced investment in further and higher education.

Every year, approximately 5,000 talented young people leave Northern Ireland for study outside NI, less than a third of whom return. This educational migration impacts negatively on our local economy, which currently needs more highly skilled people as it transitions into a knowledge-based economy. With only a modest inflow of students from other parts of the UK, the net loss is significantly more than 25 per cent of our young people. This is an unsustainable position for the NI economy.

Potential future funding reductions come at a time when a demographic change in our population will see the number of 18-year-olds increase by 19 per cent by the year 2030. Our universities in NI will need an extra 5,000 places just to maintain the current levels of provision, which we know are not meeting the demands of our local and international businesses. We are currently advancing new City-Region



growth deals across NI that will create many thousands of new, high-value jobs in sectors that will transform the local economy and create growth. A lack of skilled graduates threatens the impact and sustainability of such investment on our economy.

Universities play a significant role in economic development: at Queen's, we contribute almost £3bn per year to the economy; through research, we drive innovation to ensure our companies are competitive globally; and through education, we deliver the skills that create our talented, young workforce. This is a major selling point for the region, particularly in terms of attracting foreign direct investment and supporting our indigenous businesses. We are an anchor institution focused on enhancing Northern Ireland and our people.

Investing in the future fuels a growing economy that in turn is crucial to the prosperity of Northern Ireland. Investing today – or failing to do so – will be tomorrow's legacy.

Queen's welcomes the recent announcement from DfE regarding a full review of the Higher Education funding system. NI needs to have an agreed sustainable funding model that is fair to students and prevents the significant flow of our young talent from Northern Ireland.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with the NI Executive to ensure that HE is sustainably funded given the key role the sector has in supporting the social and economic recovery of Northern Ireland.

Brain drain: Every year, approximately 5,000 talented young people leave Northern Ireland for study outside NI, less than a third of whom return.

RISK AND UNCERTAINTY

The University acknowledges the risks inherent in its activities and adopts an open, proactive and receptive approach to identifying and managing them. A comprehensive Risk Management Framework defined in the University Risk Management Policy assists the identification of the key risks that pose a significant threat to the achievement of the University's strategic priorities.

Risks are inherent in all activities and constantly evolve with changes in the external and internal environment. The risk management process within the University is structured to continually identify, evaluate and monitor such risks proactively and respond quickly to issues as they arise. It is embedded across the organisation as part of normal management arrangements and includes the regular review of emerging risks by the University's Executive and Operating Boards. The Risk Management Committee provides the strategic leadership and considers updates to the Corporate Risk Register with input from the University's Internal Auditors.

The Risk Management Committee reports to the Audit Committee which provides the necessary assurances on the adequacy and effectiveness of the Risk Management Framework to Senate.

The University's Risk Management Policy sets out a process to assess the impact and likelihood of identified risks occurring. Risk criteria, based on a materiality threshold, have been established. In considering whether a risk remains or is removed from the Risk Register, the Risk Management Committee assesses its risk appetite for that activity. The University takes appropriate levels of risk to achieve a step change across its core areas of activity: education, skills and the student experience, research and innovation, and business engagement, but adopts a more cautious attitude in matters of legislative and regulatory compliance to reduce risk to the University's reputation, our people and other resources and assets.

In the current and constantly changing and complex operating environment, the cumulative risk being experienced by the HE Sector and the University, is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including the Senate, is vital at this challenging time.

In addition to the longer-term risk associated with Pensions, the key risks facing Queen's are as set out overleaf.

> THE UNIVERSITY TAKES **APPROPRIATE LEVELS OF RISK** TO ACHIEVE A STEP CHANGE ACROSS ITS CORE AREAS OF ACTIVITY

Risk Area	Risk Management
Financial sustainability Absence of a sustainable financial position in support and delivery of Strategy 2030.	The University faces significant financial challenges which have been further compounded by current inflationary pressures. The lack of a functioning Executive, as well as the ongoing political and Government funding uncertainty in Northern Ireland (NI) continues to be of concern and the University continues to engage with our partners in Government in developing a sustainable level of funding for Higher Education (HE) in NI. Strategy 2030 will be underpinned by a sustainable financial position enabling Queen's to be responsive to the opportunities and challenges presented, and will include a transformational change programme.
International student recruitment Failure to recruit high-quality international undergraduate and post graduate students.	Our Global Student Recruitment Strategy is underpinned by an Integrated Action Plan. Measures include: • Strengthening of specialised in-market teams, • Digital transformation to support the applicant journey, • Launch of a potential Growth Market Strategy, • Development of a focused demand-led innovative course portfolio, • Development of an institutional approach to English language support.
Research quality/strategy Failure to secure competitive, high-quality research funding streams from prestigious national and international sources in order to deliver on strategic priorities and failure to meet research contribution targets.	Our Research and Innovation Strategy includes KPIs and targets which seek to maximise our impact and performance built around three interconnected pillars, People, Research Quality and Partnerships and Place. Given the increasingly complex and competitive research funding environment, measures implemented aimed at achieving nationally and internationally recognised research excellence and sustainability include: • Targeted support for high-quality research funding, • School level research grant funding pipelines, • Development of Funder Liaison Groups to strengthen connectivity, • Pump-priming of new research endeavours, • An increased focus on collaborative working with colleagues in the Republic of Ireland (RoI) and United Kingdom (UK).

Cyber security Failure to prevent, communicate and deal with the risks arising from cyber security attacks including 'hacking' and attacks aimed at theft of IP.	We adopt a holistic approach to be protected from Cyber Security attacks and have a cyber security plan in place. This approach includes: • Robust policies and procedures, • Mandatory training for staff, • Ongoing monitoring and vulnerability testing, • Multifactor authentication, • Maintaining awareness of current and potential threat areas and their mitigation, • A default deny approach to network access, • Investment to improve security, access controls and infrastructure enhancement whilst providing appropriate remote access to support operational delivery.
Global reputation, international partnerships and alliances Failure to develop a world class global reputation and international partnerships/alliances to enhance the University's impact in globally competitive education and research areas, enhance recruitment and support the development of global citizens to address international challenges.	Our International Partnerships Group ensure a strategic and agile approach to new partner selection. Measures include development of Market Interest Groups, USA, and India Strategy groups, as well as a dedicated resource to optimise partnerships in China. We have dedicated engagement with Global Funding Bodies and Ministries through the Russell Group and UUK and have implemented a Global Research Engagement Plan. We continue to engage and provide evidence about the importance of European partnerships including monitoring progress on Horizon Europe association and the development of alternative funding schemes.
Delivery of Strategy 2030 Failure to ensure the delivery of Strategy 2030 is appropriately resourced, managed and monitored leading to sustainability and reputational issues.	A number of mitigating measures implemented to date include Faculty Plans to support delivery, detailed workstream and planning sessions as part of the overall strategy development. Further actions include the development of a three-year rolling plan to support strategy delivery, the development of Key Performance Indicators (KPI's) and a reporting/ monitoring matrix, all underpinned by a robust governance framework. The delivery of Strategy 2030 and corresponding risks will be further reviewed in dedicated risk workshops, which will include a detailed Risk Action Plan as a key deliverable.

CONCLUSION

The University achieved a positive financial performance in 2021-22. Whilst elements of the operational surplus position were as a consequence of non-recurrent funding and income, student recruitment, in particular was strong, and furthermore, there was an improvement in the number and value of new research awards.

In the current, and constantly changing complex operating environment, including economic and political uncertainty, inflationary cost and utility pressures, the cumulative risk being experienced by the sector and the University is at a significant level. The proactive and embedded approach to risk management and its visibility at all levels within Queen's, including Senate, is vital at this challenging time.

Financial sustainability will underpin the delivery of our Strategy 2030, Delivering for our Future. Effective governance and strong financial performance is critical to the success of Queen's and we are well positioned to meet the challenges facing the sector which includes social and economic recovery post-pandemic, the need for investment in HE in NI to ensure we deliver/optimise impact and our contribution to the Skills for a 10x Economy.



CORPORATE GOVERNANCE

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

Incorporation and Governance Framework

The University is an autonomous body established by Royal Charter in 1908. Its activities, and those of Senate, are underpinned by its Charter and Statutes and its Regulations, together with the strong framework of legislation and regulation within which it operates.

Senate sets and reviews all University activity, both strategic and operational, and also complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education. The University is formally registered with the Charity Commission for Northern Ireland and all Senate members are thus required to register as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

The Committee of University Chairs (CUC) published the latest version of their Higher Education Code of Governance in September 2020. The revision updates and extends the previous version of the Code (June 2018) placing inclusivity at the heart of governance. The Code has been developed to support Governing Bodies to deliver the highest standards of governance across their Institutions. In addition to meeting all mandatory requirements the University seeks to embrace best practice and thus Senate is responsible for ensuring the application of the Code.

Responsibilities of Senate

Senate meets formally at least four times each year but can have additional informal sessions, where necessary and appropriate, to inform its decision-making and effective governance. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property and the general conduct of its affairs. Senate works with the Executive Officers to set the institutional mission and strategy, and the Executive Officers ensure that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

When executing its duties, Senate maintains a comprehensive system of risk management, control and corporate governance, including the prevention and detection of corruption, fraud, bribery and irregularities. Senate receives effective and regular information to monitor performance and track the use of public funds to enable it to identify any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and its main sponsoring Department, the Department for the Economy (DfE).

Membership of Senate

Senate members are appointed under the Statutes of the University - a copy of which can be found at (https://www.qub.ac.uk/ about/Leadership-and-structure/Registrars- Office/University-Governance/).

Senate comprises the Vice-Chancellor; two Pro-Chancellors; the Honorary Treasurer; the Students' Union President; ten external lay members (non-executive); two Academic Council representatives; four staff representatives (two academic and two professional services); one representative from Convocation (graduate body); and one from the Students' Union Council.

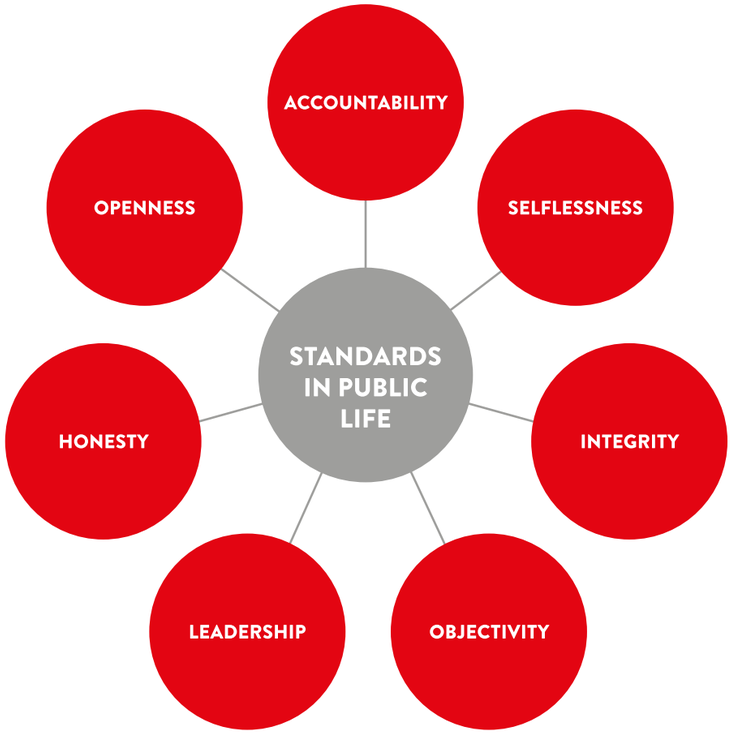
External members hold office for an initial term of four years and are eligible for re-appointment up to a maximum of two terms, subject to satisfactory performance.

Academic Council and staff representatives are elected by their relevant constituencies, serve for an initial term of four years, and, if re-elected, have the opportunity to serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

There is a clear distinction between the role of the Chair of Senate and that of the Vice-Chancellor. The Chair is a Pro-Chancellor supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate also appointed a Senior Independent Governor, in September 2020, from amongst its external membership, to further strengthen its governance arrangements. The Senior Independent Governor role is to provide enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices.

Senate members are required to conduct all business in accordance with the seven principles identified by the Committee on Standards in Public Life and in line with the guidance set out within the Committee of University Chairs (CUC) Guide for Members of Higher Education Governing Bodies in the UK. All Senate members are required to sign up to a Code of Conduct. No member of Senate receives remuneration for work they do in respect of their position on the governing body, and all interests are reported through the Register of Interests, which is managed by the Secretary to Senate.

In accordance with its Charter and Statutes, the Registrar and Chief Operating Officer serves as Secretary to Senate and its core Committees, providing advice on matters of governance to Senate members.



Senate development opportunities

In the exercise of their duties, it is vital that Senate members have the opportunity to steer the strategic direction of the University. To support this members of Senate attend an annual Senate Away Day, to allow members and management to focus on the strategic priorities of the University in a more relaxed and informal setting.

In the prior year Senate considered the University's Strategic Planning process and the role of the University in contributing to the economic and societal recovery of Northern Ireland in a post Covid-19 environment.

Members also regularly attend briefing events, tours of key facilities and training/development sessions, all of which are aimed at keeping members up-to-date on activities happening across the campus and the wider Higher Education (HE) sector. Moving forward, Faculties will also feed into this process.

In line with best practice, Senate also keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its Committees. To ensure independence in this process, the evaluation is undertaken by the University's Internal Auditors. All members contribute to this process and the outworkings, including recommendations on how the existing arrangements could be enhanced and are reported to Senate through the Standing Committee.

Members of Senate are required to meet with the Chair of Senate, on a one to one basis, every two years. The purpose of these meetings, or Senate Appraisals, is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development flagged. A monitoring system against KPI's will be in place to ensure continuous review of progress towards objectives.

IT IS VITAL THE SENATE MEMBERS HAVE THE OPPORTUNITY TO **STEER THE STRATEGIC DIRECTION** OF THE UNIVERSITY

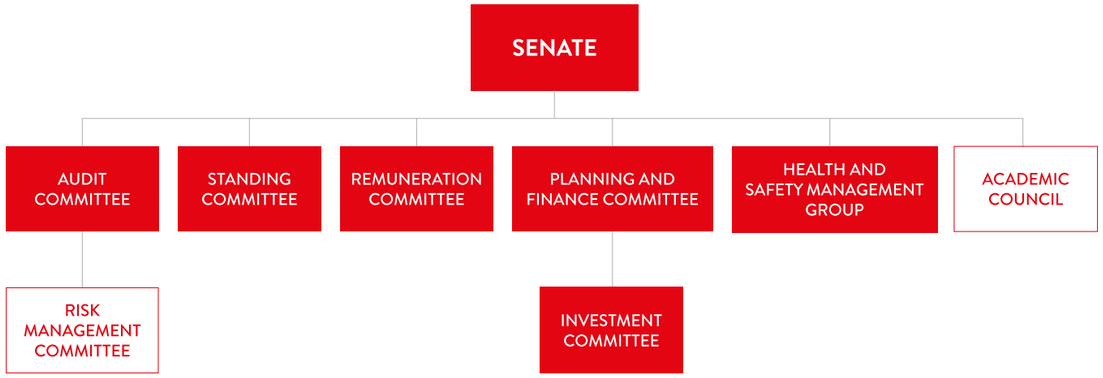
Senate Committees

Under its Approval Framework/Scheme of Delegation, Senate delegates some of its powers and responsibilities to its core Committees. A review of the Scheme of Delegation is underway which will encompass best practice from across the Russell Group universities to ensure that there is an effective and efficient governance and decision-making structure.

Committee's are provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required, at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees are also required to submit a comprehensive report, on business transacted, to the next available meeting of the Senate.

The key Committees are the Audit Committee, the Planning and Finance Committee, the Standing Committee, and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate representation:

Committee Governance Structure



All these Committees are formally constituted with Terms of Reference and are comprised mainly of lay members of Senate. These committees and their respective attendance by each Senate member is listed below:

	Meeting	Senate		Audit Committee		Planning and Finance Committee		Standing Committee		Remuneration Committee	
Constituency	**Senate Members**	**Members**	**Attendance**	**Members**	**Attendance**	**Members**	**Attendance**	**Members**	**Attendance**	**Members**	**Attendance**
Pro-Chancellor	Dr S Kingon	Chair	4 of 4					✓	4 of 4	✓	5 of 5
Pro-Chancellor	Dr L O'Hagan	✓	4 of 4			Chair	4 of 4			Chair	5 of 5
President and Vice-Chancellor	Professor I Greer	✓	4 of 4			✓	4 of 4	✓	4 of 4		
Honorary Treasurer	Ms O Corr	✓	4 of 4			✓	2 of 4			✓	5 of 5
President, Students' Union	Ms Katie Ní Chléire	✓	3 of 4			✓	2 of 4				
Students' Union Council Representative	Mr Jamie-Lukas Campbell	✓	3 of 4								
Academic Council Representative	Professor D Fitzsimons	✓	3 of 4								
Academic Council Representative	Professor P McKeown	✓	4 of 4								
Academic Staff Representative	Dr V Altglas	✓	4 of 4					✓	2 of 4		
Academic Staff Representative	Dr L Hannan	✓	1 of 4								
Support Staff Representative	Mr K Flanagan	✓	3 of 4								
Support Staff Representative	Ms D Hyland	✓	1 of 4					✓	3 of 4		
Convocation	Mr E McMullan	✓	4 of 4	✓	3 of 4						
Lay Member and Senior Independent Governor	Ms E Graham	✓	4 of 4			✓	3 of 4	✓	4 of 4		
Lay Members	Ms B Arthurs	✓	2 of 4			✓	3 of 4				
	Mr R Bailie	✓	4 of 4			✓	3 of 4				
	Mr A Doran	✓	3 of 4			✓	2 of 4				
	Mr K Jess	✓	4 of 4	Chair	4 of 4						
	Ms M Matchett	✓	3 of 4					Chair	4 of 4		
	Ms A McGregor	✓	2 of 4	✓	3 of 4						
	Ms M Regan	✓	3 of 4							✓	5 of 5
	Mr A Shannon	✓	4 of 4			✓	3 of 4				
	Ms P Slevin	✓	4 of 4					✓	4 of 4		

While Senate members' attendance at Committee meetings is not mandatory, our members are extremely dedicated and endeavour to attend all scheduled meetings.

Further detail on each of our core Committees is provided overleaf:

Audit Committee

The Audit Committee is responsible for reviewing the audit aspects of the University's Financial Statements and for making recommendations to Senate for their approval or otherwise, in accordance with the Department for the Economy's (DfE) Accounts Direction. These obligations are set out in the Financial Memorandum (FM) last updated with effect from 1 April 2014. The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control and governance (the risk management element includes the accuracy of the Statement of Internal Control included with the Annual Statement of Accounts).
- Economy, efficiency and effectiveness (value for money).
- Approval and oversight of the implementation of the Institution's policy on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit Committee meets four times annually. Members of the Committee do not have executive authority. The Chair of the Committee is not a member of any other core Committees of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit Report. It considers the appropriateness of the Internal Auditor's risk assessment and Audit Plans and reviews reports from them on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

The Committee meets at least once a year with the External and Internal Auditors without any officers present. It also meets once a year without the External and Internal Auditors present to consider the Auditors' performance and to advise Senate on the re-appointment of the External Auditors in line with the requirements of the Financial Memorandum. In addition, it undertakes an annual self-assessment review of its own effectiveness and reports the findings through to the governing body.

An annual training event is held as part of the Audit Committee Schedule of Business. The event is facilitated by representatives from the Internal and External Auditors and enables members to be kept appraised of the key issues facing the HE sector at that time.

Throughout 2021–22, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks — examples include Covid-19; Pensions; and Cyber Security. The Committee also considers reports, at each of its meetings from the Risk Management Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a Corporate level and at a Faculty/Professional Services level.

A copy of the Committee's full Membership and Terms of Reference is available here (qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University- Governance/Directory-of-Committees/ AuditCommittee/).

Planning and Finance Committee

The Planning and Finance Committee advises and, where appropriate, makes recommendations to Academic Council and Senate, on the University's academic, financial, physical and human resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning and Finance Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's main focus has been on the financial impact of Covid-19; Belfast Region City Deal initiative; and the financial position of the University during 2021–22.

The Committee also welcomed updates on the development of Strategy 2030 and related consultation processes.

A copy of the Committee's full Membership and Terms of Reference is available here.

Standing Committee

Standing Committee meets at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture and values, to include staff engagement and its impact on organisational performance.

In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998.

During the year the Committee was advised of, and approved, the plans for a Governance Apprenticeship Programme to instil some further diversity at Board or Senate level; a challenge across the HE sector. They were also advised of, and acknowledged, the efforts to support staff through the ongoing pandemic period.

A copy of the Committee's full Membership and Terms of Reference is available here.

Remuneration Committee

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. The Committee annually determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group and Senior Academic Managers.

The Committee also oversees the implementation of the Senior Salaries Scheme. The scheme, informed by best practice from within both the public and private sectors, incorporates a number of key features, these include defined ranges; a clear policy on salary progression and performance pay; and integrated mechanisms to measure and reward such performance. The annual salary review of the Senior Management Group is based on two components — corporate and individual performance.

The Remuneration Committee recognises it must strike the right balance between recruiting, rewarding and retaining the best senior staff possible in order to deliver the best outcomes for the students and the University whilst, at the same time, demonstrating effective use of limited resources and achieving value for money.

The Remuneration Committee is committed to complying with all the elements of the CUC guidelines on best practice, as set out in its Higher Education Senior Staff Remuneration Code, published in June 2018 and demonstrating leadership and stewardship in relation to remuneration. The Code sets out a framework through which Higher Education Institutions can demonstrate that they are being managed in the best interests of their key stakeholders, including staff and students. In this context, Senate has implemented a number of updates to its practices in response to evolving best practice within the Code and across the sector.

The Committee has also adopted the production and publication for Senate, of an Annual Report setting out its key priorities and activities during the course of the academic year — a copy of the report of the Remuneration Committee can be found here.

The focus of the Committee during 2021–22 was the Senior Salaries Scheme and the associated approach to pay and reward for this population during this challenging time.

A copy of the Committee's full Membership and Terms of Reference is available here.

Nominations Committee

The Nominations Committee seeks out and recommends new lay members for membership to Senate at the beginning of each term and remains in place throughout the four-year term of Senate. Senate was reconstituted in January 2022, the aim being to shape the membership to deal with future challenges, as well as ambitions, of the University. A separate Membership Committee subsequently meets to determine the allocation of Senate members to core Committees, ensuring an appropriate balance in terms of skills and characteristics.

A copy of the Committee's full Membership and Terms of Reference is available here.

Executive team

Senate delegates operational management control of the University to the University Executive Board (UEB), chaired by the Vice-Chancellor, and to the University Operating Board (UOB), chaired by the Registrar and Chief Operating Officer.

The University's Charter and Statutes place responsibility for the University's operations with the Vice-Chancellor who, as the Accountable Officer, supported by the Executive Officers, implements the Board's policies and develops and manages the University's business. Senate works with the Executive Officers to set the institutional mission and strategy, and the Executive Officers ensure that steps are taken to deliver the institutional goals and that there are effective systems of control and risk management in place.

Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

Statement on Internal Control

As the governing body of Queen's University Belfast, Senate has responsibility for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible. This responsibility has been assigned to Senate in accordance with the University's Charter and Statutes, and the Financial Memorandum.

The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives. To that extent it can therefore only provide reasonable, and not absolute, assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2022 and up to the date of approval of these Financial Statements and accords in full with DfE guidance.

As part of the University's co-ordinated response to the Covid-19 pandemic and the related changes in working practices, key processes and procedures were proactively reviewed, and adapted as necessary, to ensure that the University's comprehensive control framework remained robust. During the period, up to the signing of these Financial Statements, there were two (greater than £5k) actual or suspected frauds identified. These related to an attempted fraudulent withdrawal from the University's bank account in August 2021 and an incident whereby a small payment was made to fraudulent bank details following the interception of emails. Both incidents have been fully reported and investigated in line with the University's Anti-Fraud Policy and the Financial Memorandum. In this respect a range of remedial actions and developments have also been agreed and an implementation programme is underway.

Senate has responsibility for reviewing the effectiveness of the system of internal control. The following processes have been established:

a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.

b. Senate receives regular reports from the Chair of the Audit Committee concerning internal control, and also requires regular reports from managers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate and the Vice-Chancellor receive an annual report from the Audit Committee covering the business of the Committee over the previous academic year.

c. Senate has established a Risk Management Committee to oversee risk management.

d. The Audit Committee receives regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.

e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating and managing their significant risks.

f. A programme of risk awareness training is ongoing and risk management is integrated within the University's business planning process.

g. A system of key performance and risk indicators has been developed.

h. A robust risk prioritisation methodology, based on risk ranking and cost–benefit analysis has been established.

i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.

j. An Emerging Risk Register has been developed and is reviewed at each meeting of the University Operating Board and the University Executive Board.

k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third-parties or relied on by other parts of Government.

l. Reports are received, as appropriate, from budget holders, department heads and project managers on internal control activities.

Senate's review of the effectiveness of the system of internal control is undertaken, on an annual basis, with reference to the DfE's Accounts Direction. It is Senate's view that the University has an effective risk management process in place and that the Corporate Risk Register is being managed on an active basis with specific action plans in place to address all risks. This view is informed by the work of the University's Internal Auditors who operate to standards defined in the UK Public Sector Internal Audit Standards (PSIAS) and submit regular reports on the adequacy and effectiveness of the University's system of risk management, internal controls and corporate governance, and economy, efficiency and effectiveness (value-for-money) with recommendations for improvement. Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit Committee.

As a result of Senate's overall review of the effectiveness of the system of internal control, including risk management, it is content that no significant weaknesses have been identified. This has been confirmed by the assurance given to the University's Accounting Officer by the Internal Auditors, in their Annual Statement of Assurance.



RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

In preparing each of the Group and University Financial Statements, Senate is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the Financial Statements;
- assess the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it intends to liquidate the Group, or the University, or to cease operations, or has no realistic alternative but to do so.

Senate is responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and University's transactions and disclose with reasonable accuracy at any time the financial position of the Group and University. Senate is responsible for such internal control as it determines is necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error, and it has general responsibility for taking such steps as are reasonably open to it, to safeguard the assets of the Group and University, and to prevent and detect fraud and other irregularities.

Senate is also responsible for ensuring that:

- funds from DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- the economical, efficient and effective management of the Group's and University's resources and expenditure is secured.

Senate is responsible for the maintenance and integrity of the Financial Statements included on the University's website. Legislation in the UK governing the preparation and dissemination of Financial Statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2022 set out on pages 82 to 113, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and the related notes, including the summary of significant accounting policies set out on pages 72 to 79.

The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the accompanying Financial Statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2022, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice — Accounting for Further and Higher Education; and
- meet the requirements of the Department for the Economy (DfE) Accounts Direction to Higher Education Institutions for 2021–22 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of Financial Statements in the UK, including the Financial Reporting Council (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

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group's and the University's financial position means that this is realistic.

They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group's and University's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with the management as to the Group's and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements.

The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information.

Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements set out on page 67, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as it determines necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and 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 it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

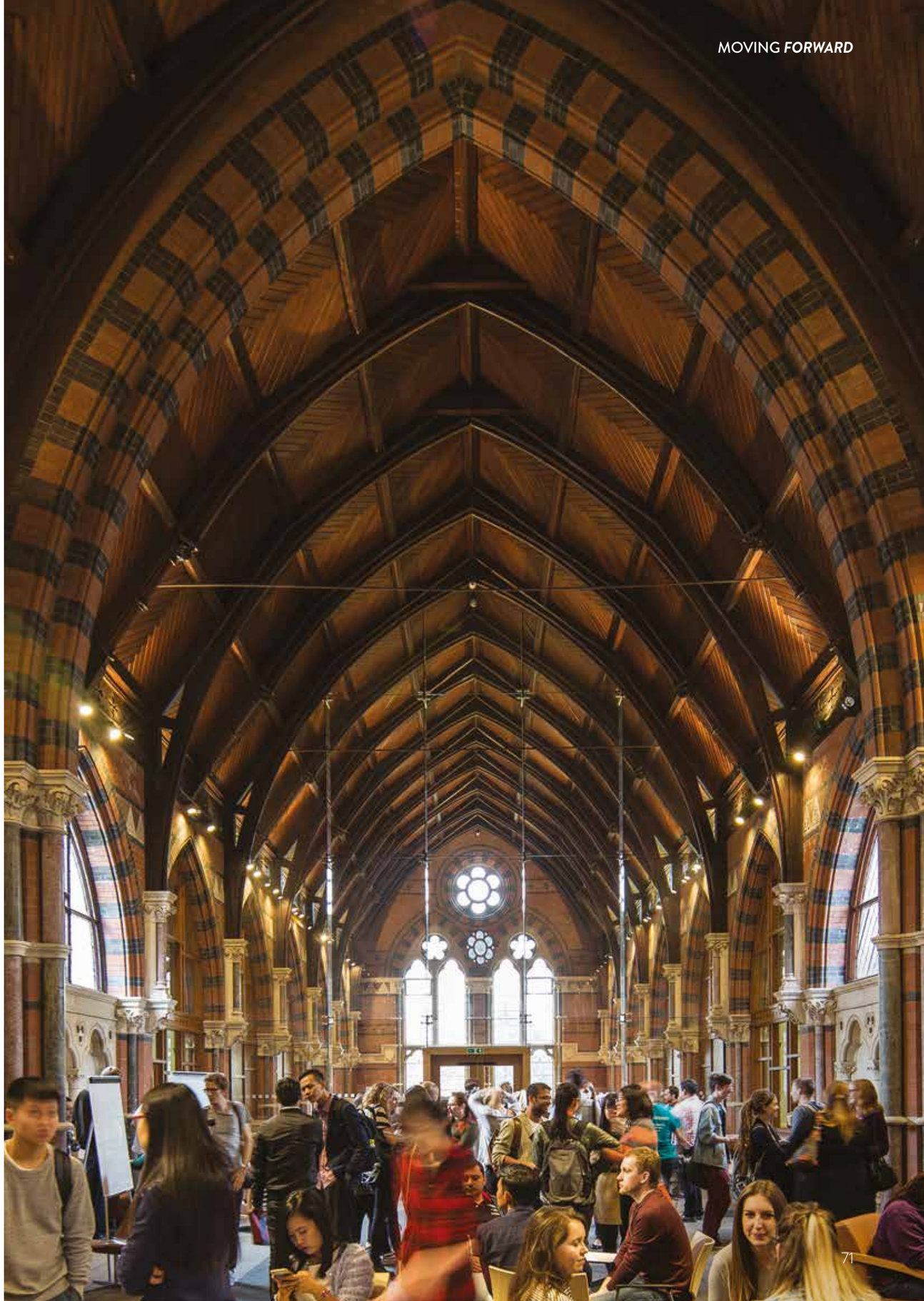
REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992. In our opinion, in all material respects:
funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and funds provided by the DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

Our report is made solely to Senate, in accordance with the Charter and Statutes of the institution. Our audit work has been undertaken so that we might state to Senate those matters we are required to state to it 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 Senate, for our audit work, for this report, or for the opinions we have formed.

Sean O'Keefe
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast
25 November 2022



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These Financial Statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounts Direction issued by the Department for the Economy.

The University is a public benefit entity and therefore has applied the relevant public benefit requirements of FRS 102. The Financial Statements are prepared in accordance with the historical cost convention (as modified by the revaluation of fixed assets on the transition to FRS 102 as at 1 August 2014 and the revaluation of investments and investment property carried at fair value).

The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate Financial Statements.

The Financial Statements are prepared in sterling which is the functional currency of the University and Group and rounded to the nearest £'000.

BASIS OF PREPARATION

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

The Financial Statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons:

Senate has prepared cash flows for a period of twelve months from the date of approval of these Financial Statements. After reviewing these cashflows, Senate is of the opinion that the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of twelve months from the date of approval of the Financial Statements. Senate has also noted the Group's and University's limited borrowing and loan portfolio.

Therefore, Senate has prepared the Financial Statements on a going concern basis.

BASIS OF CONSOLIDATION

The Consolidated Financial Statements include the University and its wholly owned subsidiaries, QUBIS Limited, Queen's Overseas Recruitment Limited, Queen's Composites Limited and its partially owned subsidiary NIACE Limited. Intra–group transactions are eliminated in full, on consolidation.

Joint ventures are accounted for using the equity method.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Group and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the Balance Sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, and the part relating to the University's share is eliminated.

The Consolidated Financial Statements do not include a connected charity, the Queen's University of Belfast Foundation Ltd, which is a separate and independent organisation.

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

Income from the sale of goods or services is credited to the Consolidated and University Statements of Comprehensive Income (SOCI), when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

TUITION FEE INCOME

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCI over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and not deducted from income. Education contracts are recognised when the Institution is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

GOVERNMENT REVENUE GRANTS

Government revenue grants including the Department for the Economy (DfE) block grant and research grants are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a Government grant is deferred, it is recognised as deferred income within creditors, and allocated between creditors due within one year and due after more than one year, as appropriate.

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

Non-exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve, until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

INVESTMENT INCOME

Investment income is credited to the SOCI on a receivable basis.

Investment income is recognised in income in the year in which it arises. Appreciation of endowments, including gains/losses relating to disposals within the Investment Fund, is recorded as fair value gains/losses on investments in the year in which they arise. These items are shown as either restricted or unrestricted income according to the terms applied to the individual endowment fund.

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 36 to the Financial Statements.

The USS is a multi–employer scheme. It is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme; therefore, this scheme is accounted for as a defined contribution scheme. As a result, obligations for contributions to the USS scheme are recognised as an expense in the income statement in the periods during which services are rendered by employees. A liability is recorded within provisions for any contractual commitment to a recovery plan to fund past deficits within the USS scheme.

Under the RBP Scheme, as a defined benefit scheme, 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 and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 23). This net 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.

Annually the University engages independent actuaries to calculate the FRS 102 obligation for the RBP scheme.

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. 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 RBP, recognised in expenditure as staff costs, 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 opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 36.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the (loss)/surplus for the year.

INTEREST PAYABLE

Interest payable and similar charges includes interest payable, finance charges, unwinding of the discount on provisions and material net foreign exchange losses that are recognised in the SOCI.

FIXED ASSETS

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses.

LAND AND BUILDINGS

Freehold land and buildings and long-leasehold land and buildings were revalued to fair value on the date of transition to the 2015 SORP, and these assets are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

All land and buildings, completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in relation to land and buildings after initial purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated, as it is considered to have an indefinite useful life. Freehold and long leasehold buildings are depreciated on a straight-line basis over their expected useful lives.

For buildings revalued at fair value at transition date, the estimated useful life is that determined as part of the revaluation exercise. For all other buildings the estimated useful life is either 40 or 60 years depending on the category of the building in question.

No depreciation is charged on assets in the course of construction. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

EQUIPMENT

Equipment, including microcomputers and software, costing less than £25,000 per individual item, or group of related items, is written-off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost on initial recognition and then subsequently at cost less accumulated depreciation and accumulated impairment losses.

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.

Capitalised equipment is depreciated on a straight-line basis over its expected useful life, as follows:

- Motor vehicles and other general equipment 4 years.
- Equipment acquired for specific research projects 2–3 years.

Where assets are donated or acquired with

the aid of specific grants or donations they are capitalised and depreciated as outlined above. Expenditure (>£25,000) relating to subsequent replacement of components is capitalised as incurred.

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

IMPAIRMENT

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the SOCI.

HERITAGE ASSETS

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets acquired before 1 August 2007 have not been capitalised, since reliable estimates of cost or value are not available. Heritage assets, including works of art, acquired since 1 August 2007, and valued at over £25,000, have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Heritage assets are not depreciated as their long economic life and high residual value, mean that any depreciation would not be material.

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services. Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP, and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

Non–current investments in equity instruments are measured initially at fair value, which is normally the transaction price. Subsequent to initial recognition, investments, that can be measured reliably, are measured at fair value, with changes in measurement recognised in the SOCI. Realised gains on disposals within the Investment Fund are reinvested within the Fund and recognised within total income for the year and are included within fair value gain on investments and investment property in the SOCI. Gains on disposal of equity investments or from the Investment Fund, which are realised, are included within gain on disposal of investments within the surplus before tax.

Current asset investments relate to deposits held with banks and building societies in the UK, and are initially recognised at transaction price plus attributable transaction costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in associates are held at fair value. Changes in fair value are recognised through other Comprehensive Income in the relevant subsidiary accounts. In the Consolidated Financial Statements, changes in fair value are recognised in the SOCI.

Investments in subsidiaries are measured at cost less impairment in the University Balance Sheet.

STOCK

Stock is held at the lower of cost and estimated selling price less costs to complete and sell, and is measured on the basis of a first in first out approach.

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 highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the Financial Statements when:

a. the Group or University has a present obligation (legal or constructive) as a result of a past event;
b. it is probable that an outflow of economic benefits will be required to settle the obligation;
c. 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 liability arises from a past event that gives the Group or 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 Group or 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.

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the SOCI.

CONCESSIONARY LOANS

Concessionary loans are measured initially at the amounts received and adjusted to reflect any accrued interest and/or repayment of capital.

FINANCIAL INSTRUMENTS

The Group and University have elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement, and disclosure of financial instruments. Financial assets and liabilities are recognised when the Group or University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

FINANCIAL ASSETS

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (i.e. deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the SOCI.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the SOCI. Where the investments in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-Group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

Financial liabilities are de-recognised when the liability is discharged, cancelled or expires.

TAXATION

The University is an exempt Charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a Charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by 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's non–charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

The University receives no similar exemption in respect of Value Added Tax (VAT). Irrecoverable VAT on expenditure (revenue and capital) is included in the cost of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group's and University's Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results. Details are outlined in note 37.

FINANCIAL *STATEMENTS*

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2022

	Notes	2022		2021	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Income					
Government grants	1	**110,939**	**110,939**	109,945	109,945
Tuition fees, support grants and education contracts	2	**152,247**	**152,247**	143,443	143,443
Research grants and contracts	3	**98,425**	**98,425**	88,583	88,583
Other income	4	**69,534**	**66,732**	49,519	47,817
Investment income	5	**3,363**	**3,351**	2,726	2,719
Total income before endowments and donations		**434,508**	**431,694**	394,216	392,507
Donations and endowments	6	**3,173**	**3,173**	3,253	3,253
Total income		**437,681**	**434,867**	397,469	395,760
Expenditure					
Staff costs	7	**246,580**	**246,580**	232,799	232,799
Other operating expenses	9	**150,139**	**149,238**	116,058	116,517
Depreciation	13	**23,848**	**23,728**	22,570	22,450
Interest and other finance costs	10	**1,791**	**1,791**	1,733	1,733
Total expenditure excluding USS provision	11	**422,358**	**421,337**	373,160	373,499
Surplus before USS provision and other gains/(losses)		**15,323**	**13,530**	24,309	22,261
Staff costs – movement in USS provision	8	**(94,749)**	**(94,749)**	125	125
(Deficit)/Surplus before other gains/(losses)		**(79,426)**	**(81,219)**	24,434	22,386
Gain on disposal of fixed assets		**–**	**–**	47	47
Gain on disposal of investments		**442**	**–**	213	–
(Deficit)/Surplus before tax and fair value gain on investments		**(78,984)**	**(81,219)**	24,694	22,433
Fair value (loss)/gain on investments and investment property	15/16	**(43,998)**	**(2,538)**	103,070	21,998
Taxation	12	**–**	**–**	–	–
(Deficit)/Surplus for the year		**(122,982)**	**(83,757)**	127,764	44,431
Actuarial adjustment in respect of pension schemes	36	**37,720**	**37,720**	15,386	15,386
Total comprehensive (expenditure)/income for the year		**(85,262)**	**(46,037)**	143,150	59,817
Represented by: (expenditure)/income					
• Endowment (expenditure)/income for the year		**(687)**	**(687)**	7,332	7,332
• Restricted comprehensive income for the year		**518**	**518**	273	273
• Unrestricted (expenditure)/income for the year		**(85,085)**	**(45,868)**	135,552	52,212
Attributable to the University (expenditure)/income		**(85,254)**	**(46,037)**	143,157	59,817
Attributable to the non-controlling interest		**(8)**	**–**	(7)	–
		(85,262)	**(46,037)**	143,150	59,817

Included within the deficit (2021: Surplus) for the year is a loss of (£8k) (2021:(£7k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2022

	Notes	2022		2021	
		Consolidated	**University**	Consolidated	University
		£'000	**£'000**	£'000	£'000
Non-current assets					
Fixed assets	13	**687,647**	**681,493**	667,838	661,564
Heritage assets	14	**118**	**118**	118	118
Investment property	15	**6,385**	**6,385**	6,145	6,145
Investments	16	**389,833**	**213,096**	387,571	165,582
Investment in associates	18	**8,556**	**–**	3,142	–
		1,092,539	**901,092**	1,064,814	833,409
Current assets					
Stock		**658**	**658**	697	696
Debtors	19	**26,872**	**27,431**	22,473	22,858
Investments	20	**215,000**	**215,000**	187,999	187,999
Cash and cash equivalents	27	**75,030**	**63,432**	120,551	110,602
		317,560	**306,521**	331,720	322,155
Less: Creditors: amounts falling due within one year	21	**(137,389)**	**(137,645)**	(117,962)	(118,213)
Net current assets		**180,171**	**168,876**	213,758	203,942
Total assets less current liabilities		**1,272,710**	**1,069,968**	1,278,572	1,037,351
Creditors: amounts falling due after more than one year	22	**(386,645)**	**(382,988)**	(369,010)	(365,258)
Provisions					
Pension obligations	23	**(40,199)**	**(40,199)**	(74,103)	(74,103)
Other provisions	24	**(158,284)**	**(156,390)**	(62,615)	(61,562)
Total net assets		**687,582**	**490,391**	772,844	536,428
Restricted reserves					
Income and expenditure reserve – endowment reserve	25	**68,978**	**68,978**	69,665	69,665
Income and expenditure reserve – restricted reserve	26	**1,734**	**1,734**	1,216	1,216
Unrestricted reserves					
Income and expenditure reserve – unrestricted		**616,144**	**419,679**	701,229	465,547
		686,856	**490,391**	772,110	536,428
Non-controlling interest		**726**	**–**	734	–
Total reserves		**687,582**	**490,391**	772,844	536,428

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

The Financial Statements were approved by Senate on 22 November 2022 and were signed on its behalf on that date by:

Ms O. Corr,	Professor I. Greer,	Mrs A. McLaughlin,
Honorary Treasurer	President and Vice-Chancellor	Interim Director of Finance

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

Consolidated	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	**63,833**	**943**	**564,177**	**628,953**	**741**	**629,694**
Surplus/(deficit) from the statement of comprehensive income	7,332	1,436	119,003	127,771	(7)	127,764
Transfer between reserves	(1,500)	–	1,500	–	–	
Other comprehensive income	–	–	15,386	15,386	–	15,386
Release of restricted funds spent in year	–	(1,163)	1,163	–	–	–
Total comprehensive income/ (expenditure) for the year	5,832	273	137,052	143,157	(7)	143,150
Balance at 1 August 2021	**69,665**	**1,216**	**701,229**	**772,110**	**734**	**772,844**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(124,346)	(122,974)	(8)	(122,982)
Transfer between reserves	–	–	–	–	–	–
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(85,085)	(85,254)	(8)	(85,262)
Balance at 31 July 2022	**68,978**	**1,734**	**616,144**	**686,856**	**726**	**687,582**

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2022

University	Income and expenditure account			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	**63,833**	**943**	**411,835**	**476,611**	**–**	**476,611**
Surplus/(deficit) from the statement of comprehensive income	7,332	1,436	35,663	44,431	–	44,431
Transfer between reserves	(1,500)	–	1,500	–	–	–
Other comprehensive income	–	–	15,386	15,386	–	15,386
Release of restricted funds spent in year	–	(1,163)	1,163	–	–	–
Total comprehensive income/ (expenditure) for the year	5,832	273	53,712	59,817	–	59,817
Balance at 1 August 2021	**69,665**	**1,216**	**465,547**	**536,428**	**–**	**536,428**
(Deficit)/surplus from the statement of comprehensive income	(687)	2,059	(85,129)	(83,757)	–	(83,757)
Other comprehensive income	–	–	37,720	37,720	–	37,720
Release of restricted funds spent in year	–	(1,541)	1,541	–	–	–
Total comprehensive (expenditure)/ income for the year	(687)	518	(45,868)	(46,037)	–	(46,037)
Balance at 31 July 2022	**68,978**	**1,734**	**419,679**	**490,391**	**–**	**490,391**

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 JULY 2022

	Notes	2022	2021
		£'000	£'000
Cash flow from operating activities			
(Deficit)/surplus for the year		**(122,982)**	127,764
Adjustment for non-cash items			
Depreciation	13	**23,848**	22,570
Release of deferred capital grants		**(17,223)**	(15,597)
Gain on disposal of fixed assets		**–**	(47)
Gain on disposal of investments		**(442)**	(213)
Fair value (loss)/gain on investments and investment property		**43,998**	(103,070)
(Increase)/decrease in stock		**39**	(3)
(Increase) in debtors	19	**(4,399)**	(2,535)
Increase in creditors	21	**18,384**	28,181
(Decrease) in pension provision	23	**(33,904)**	(11,861)
Actuarial adjustment to pension provision		**37,720**	15,386
Increase/(decrease) in other provisions	24	**95,669**	(334)
Adjustment for investing or financing activities			
Investment income	5	**(3,363)**	(2,726)
Interest payable	10	**–**	–
Endowment income	6	**(140)**	(497)
Capital grant income	4	**(177)**	–
Net cash inflow from operating activities		**37,028**	57,018
Cash flows from investing activities			
Proceeds from sale of fixed assets		**–**	152
Capital grant receipts		**37,351**	24,829
Disposal of non-current asset investments		**33,610**	18,591
Investment income		**3,363**	2,726
Payments made to acquire fixed assets	13	**(43,655)**	(28,577)
New investment property	15	**–**	–
New non-current asset investments	16	**(84,210)**	(17,523)
(Investments in) deposits>3 months		**(27,001)**	(89,999)
New associate investments		**(872)**	(362)
		(81,414)	(90,163)
Cash flows from financing activities			
Endowment cash received		**140**	497
Repayments of amounts borrowed		**(1,275)**	(1,275)
		(1,135)	(778)
Decrease in cash and cash equivalents in the year		**(45,521)**	(33,923)
Cash and cash equivalents at beginning of the year	27	**120,551**	154,474
Cash and cash equivalents at end of the year	27	**75,030**	120,551

The Statement of Principal Accounting Policies on pages 72 to 79 and the notes to the accounts on pages 87 to 113 form part of these Financial Statements.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
1. Government grants				
Recurrent grant:				
Teaching	**50,732**	**50,732**	53,837	53,837
Research	**32,388**	**32,388**	32,359	32,359
Other specific grants	**12,888**	**12,888**	9,961	9,961
Deferred capital grants released in year	**14,931**	**14,931**	13,788	13,788
	110,939	**110,939**	109,945	109,945

The University received £98.7m (2021: £98.4m) of recurrent grant funding in the year, of which some £15.6m (2021: £12.2m) has been deferred as detailed in note 22.

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	**66,041**	**66,041**	66,560	66,560
International students	**56,716**	**56,716**	49,677	49,677
Part-time fees	**6,631**	**6,631**	6,254	6,254
Short courses	**1,334**	**1,334**	1,040	1,040
Department of Health nursing contract	**17,598**	**17,598**	16,222	16,222
Research training, other support grants and other fees	**3,927**	**3,927**	3,690	3,690
	152,247	**152,247**	143,443	143,443

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
3. Research grants and contracts				
Research councils /UKRI	**28,953**	**28,953**	24,056	24,056
Research charities	**11,225**	**11,225**	10,116	10,116
UK Government and EU	**45,268**	**45,268**	43,650	43,650
Other sources	**12,979**	**12,979**	10,761	10,761
	98,425	**98,425**	88,583	88,583

Income from research grants and contracts includes deferred capital grants released in year totalling £1,777k (2021: £1,294k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
4. Other income				
Residences, catering and conferences	**16,131**	**16,131**	11,331	11,331
Other services rendered	**25,919**	**25,919**	19,316	19,316
Other capital grants	**177**	**177**	–	–
Other income	**20,986**	**18,184**	13,003	11,301
Contribution to joint appointment salaries (note 7)	**6,321**	**6,321**	5,869	5,869
	69,534	**66,732**	49,519	47,817

Other income and other services rendered include deferred capital grants released in year totalling £443k (2021: £443k).
Other income in respect of the University includes gift aid income of £214k (2021: £184k) from its subsidiaries.

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
5. Investment income				
Investment income from endowments (note 25)	**2,012**	**2,012**	2,079	2,079
Other investment income	**1,351**	**1,339**	647	640
	3,363	**3,351**	2,726	2,719

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
6. Donations and endowments				
New endowments (note 25)	**140**	**140**	497	497
Donations with restrictions (note 26)	**1,091**	**1,091**	792	792
Unrestricted donations	**1,942**	**1,942**	1,964	1,964
	3,173	**3,173**	3,253	3,253

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
7. Staff costs				
Salaries	**185,250**	**185,250**	175,631	175,631
Social security costs	**17,812**	**17,812**	16,237	16,237
Other pension costs	**27,418**	**27,418**	26,229	26,229
Current service cost – RBP pension scheme (note 36)	**9,779**	**9,779**	8,833	8,833
	240,259	**240,259**	226,930	226,930
Joint appointment salaries (note 4)	**6,321**	**6,321**	5,869	5,869
	246,580	**246,580**	232,799	232,799

Included within staff costs is £6,018k (2021: £4,435k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.

Consolidated and University	**2022**	2021
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	**315**	306
Pension contributions to USS	**18**	6
	333	312

In respect of the Vice-Chancellor no additional amounts (2021: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. Until 1 April 2021, this was treated as a non taxable benefit valued at an estimated market rental of £15k for a similar property (prorated to reflect only personal use). Following a change in HMRC guidelines, this will now be treated as a taxable benefit from that date. A review has been completed and has quantified the benefit as being £6,468 per annum, as calculated in line with HMRC guidelines. The Vice-Chancellor received no further additional taxable benefits (2021: £nil).

Professor Ian Greer was appointed as Vice-Chancellor with effect from 1 August 2018. Professor Greer's remuneration package is determined by the Remuneration Committee and is commensurate with the size of the Institution, its budget and the scale of its operations. Queen's is a highly complex organisation, making a significant contribution to the economic and social wellbeing of the city and the region, and operating in an increasingly competitive environment, which requires the very highest level of leadership.

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £314,693 for 2021-22. The package reflects the complexity, demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice Chancellor's basic salary is 8.2 times the median pay of staff, where the median pay is calculated on a full time equivalent basis for the salaries provided by the University to its staff.

The Vice Chancellor's basic salary is 6.9 times the median total remuneration of staff, where the median total remuneration is calculated on a full time equivalent basis for the total remuneration salaries provided by the University to its staff.

The pay median does not include workers who were not employed under contract by the University.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	Number	Number
7. Staff costs (continued)		
Remuneration of higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	**13**	7
£105,000 to £109,999	**8**	6
£110,000 to £114,999	**7**	3
£115,000 to £119,999	**10**	6
£120,000 to £124,999	**4**	5
£125,000 to £129,999	**3**	3
£130,000 to £134,999	**2**	2
£135,000 to £139,999	**1**	4
£140,000 to £144,999	**5**	-
£145,000 to £149,999	**1**	1
£150,000 to £154,999	**–**	–
£155,000 to £159,999	**–**	–
£160,000 to £164,999	**–**	–
£165,000 to £169,999	**–**	–
£170,000 to £174,999	**–**	1
£175,000 to £179,999	**1**	–
£305,000 to £309,999	**–**	1
£310,000 to £314,999	**1**	–

Consolidated and University	2022	2021
	£'000	£'000
Staff numbers		
Academic	**1,270**	1,250
Research	**678**	696
Academic related	**915**	907
Technical and clerical	**978**	997
Other	**503**	509
	4,344	4,359

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £1,098k (2021: £626k) relating to 118 (2021: 133) staff. These payments were mainly in respect of staff on fixed terms contracts.

All severance payments, including compensation for loss of office, in respect of higher paid staff within its remit, are approved by the Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by the University's management in accordance with delegated authority.

Consolidated and University	2022	2021
	£'000	£'000
Key management personnel Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full time equivalent (FTE) included as Key Management Personnel is 11 (2021:11 FTE).		
Key management personnel compensation	**2,364**	2,306

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
8. Movement in USS provision		
Following the completion of the 2020 USS actuarial valuation in 2021-22 a new deficit recovery plan was agreed. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038. The adoption of this new USS deficit recovery plan has given rise to a significant increase in the deficit provision. This has resulted in a item of expenditure within staff costs which, due to its exceptional size, has been disclosed separately in the Statements of Comprehensive Income. Further details relating to the USS pension scheme and the related USS provision are laid out in notes 24 and 36.		
Movement in USS provision	**94,749**	(125)

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
9. Other operating expenses				
Consumables and laboratory expenditure	**12,774**	**12,774**	12,309	12,309
Books and periodicals	**5,374**	**5,374**	5,328	5,328
Studentships and bursaries	**16,558**	**16,558**	15,622	15,622
Heat, light, water and power	**12,585**	**12,585**	5,799	5,799
Repairs and general maintenance	**4,142**	**4,142**	3,700	3,700
External auditor's remuneration – audit services	**103**	**93**	65	54
External auditor's remuneration – non-audit services	**191**	**181**	57	46
Rates, insurance and telecommunication expenses	**6,194**	**6,194**	6,183	6,183
Hospitality and accommodation services	**7,871**	**7,871**	5,421	5,421
Equipment and equipment maintenance	**13,211**	**13,211**	10,124	10,124
Postage, photocopying and printing	**1,249**	**1,249**	1,063	1,063
Patent fees	**866**	**866**	472	472
Collaborative research payments	**10,914**	**10,914**	8,963	8,963
Other	**58,107**	**57,226**	40,952	41,433
	150,139	**149,238**	116,058	116,517
External auditor's fees for non audit services include:				
Audit related services	**43**	**43**	32	32
Other non-audit services	**–**	**–**	4	–
Taxation compliance services	**148**	**138**	21	14
	191	**181**	57	46

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
10. Interest and other finance costs				
Unwinding of discount – USS pension deficit plan provision (note 24)	**530**	**530**	442	442
Net charge on RBP pension scheme (note 36)	**1,261**	**1,261**	1,291	1,291
	1,791	**1,791**	1,733	1,733

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated	Staff costs	Depreciation	Other operating expenses	Interest payable	Total
	£'000	£'000	£'000	£'000	£'000
11. Analysis of total expenditure by activity					
Academic departments	138,859	2,876	16,266	–	**158,001**
Academic services	17,114	1,707	17,288	–	**36,109**
Research grants and contracts	35,547	2,343	40,501	–	**78,391**
Hospitality and accommodation services	3,880	–	8,095	–	**11,975**
Premises	7,259	16,860	25,012	–	**49,131**
Administration	28,032	50	26,378	–	**54,460**
Other expenses	15,889	12	16,599	1,791	**34,291**
	246,580	**23,848**	**150,139**	**1,791**	**422,358**

12. Taxation

There is no taxation charge arising from the operating activities of the Group (2021 £nil).

Consolidated	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets							
Cost or valuation							
At 1 August 2021	662,250	79,963	46,539	22,627	811,379	118	811,497
Additions	–	–	8,702	34,953	43,655	–	43,655
Transfers	4,136	12	–	(4,148)	–	–	-
Disposals	–	–	(5,978)	–	(5,978)	–	(5,978)
At 31 July 2022	**666,386**	**79,975**	**49,263**	**53,432**	**849,056**	**118**	**849,174**
Depreciation							
At 1 August 2021	94,293	10,111	39,137	–	143,541	–	143,541
Charge for the year	14,840	2,020	6,988	–	23,848	–	23,848
Disposals	–	–	(5,980)	–	(5,980)	–	(5,980)
At 31 July 2022	**109,133**	**12,131**	**40,145**	**–**	**161,409**	**–**	**161,409**
Net book value							
At 31 July 2022	**557,253**	**67,844**	**9,118**	**53,432**	**687,647**	**118**	**687,765**
At 31 July 2021	567,957	69,852	7,402	22,627	667,838	118	667,956

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2021	662,250	72,849	46,539	22,627	804,265	118	804,383
Additions	–	–	8,702	34,953	43,655	–	43,655
Transfers	4,136	12	–	(4,148)	–	–	–
Disposals	–	–	(5,978)	–	(5,978)	–	(5,978)
At 31 July 2022	**666,386**	**72,861**	**49,263**	**53,432**	**841,942**	**118**	**842,060**
Depreciation							
At 1 August 2021	94,293	9,271	39,137	–	142,701	–	142,701
Charge for the year	14,840	1,900	6,988	–	23,728	–	23,728
Disposals	–	–	(5,980)	–	(5,980)	–	(5,980)
At 31 July 2022	**109,133**	**11,171**	**40,145**	**–**	**160,449**	**–**	**160,449**
Net book value							
At 31 July 2022	**557,253**	**61,690**	**9,118**	**53,432**	**681,493**	**118**	**681,611**
At 31 July 2021	567,957	63,578	7,402	22,627	661,564	118	661,682

A full valuation of the University's freehold and long leasehold land and buildings portfolio was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. In line with FRS 102, this valuation was used as the deemed cost for these assets at the date of transition i.e. 1 August 2014.

14. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In the last five years the University has acquired heritage assets of £118k relating to pieces of sculpture.

The University holds other heritage assets in its main library and throughout the general campus. The special collections service at Queen's provides access to the Library's rare and early printed book, map and manuscript collections, as well as to more modern material relating to Ireland and Ulster in particular. The books, pamphlets, manuscripts, correspondence, photographs and maps are considered to be of lasting research value and include examples of the earliest printed works published between the 16th and early 19th centuries. In order to preserve the material for future readers these collections are housed in a secure and environmentally controlled setting. The University also has an important collection of fine art, silver and sculpture, as well as a build environment which contains some of the best architecture in Ireland. The University has a Curator of Art who manages and develops the collection as well as developing an ambitious programme of educational work.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
15. Investment property		
Balance at 1 August	**6,145**	4,543
Transfers from fixed assets (note 13)	**–**	558
Additions	**–**	–
Net gain from fair value adjustments	**240**	1,044
Balance at 31 July	**6,385**	6,145

A valuation of the investment property was carried out on 1 August 2014 by an independent valuer with an appropriate professional qualification and recent experience in the location and class of property. This valuation is reviewed annually by the University using industry recognised indices and the carrying value of the assets adjusted accordingly for any material changes.

The University received property rental income of £762k (2021: £460k) in respect of these proprieties for the year ended 31 July 2022.

	Subsidiary companies	Other fixed assets investments	Total
	£'000	**£'000**	**£'000**
16. Non-current investments			
Consolidated			
At 1 August 2021	–	387,571	**387,571**
Additions	–	84,211	84,211
Transfer (to)/from investment in associates	–	–	**–**
Disposals	–	(33,169)	**(33,169)**
(Loss)/gain on fairvalue and (losses)/gains on disposals	–	(48,780)	**(48,780)**
At 31 July 2022	-	389,833	**389,833**
University			
At 1 August 2021	2,255	163,327	**165,582**
Additions	–	83,461	**83,461**
Disposals	–	(33,169)	**(33,169)**
(Loss)/gain on fairvalue and (losses)/gains on disposals	–	(2,778)	**(2,778)**
At 31 July 2022	2,255	210,841	**213,096**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
16. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	**129,957**	**129,957**	100,773	100,773
University Investment Fund:				
UK gilts and fixed asset stocks	**11,094**	**11,094**	10,324	10,324
UK equities (listed)	**17,855**	**17,855**	18,525	18,525
Overseas investments (listed)	**18,319**	**18,319**	20,245	20,245
Other investments	**14,024**	**14,024**	13,460	13,460
	61,292	**61,292**	62,554	62,554
Other	**26,775**	**19,592**	6,501	–
Listed investments	**171,809**	**-**	217,743	–
	389,833	**210,841**	387,571	163,327

General investment fund

The general investment fund consists of UK equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2022 was £76,478k (2021: £46,748k).

University Investment Fund

The University Investment Fund is an investment fund operated on unit trust principles, and administered under the terms of the Queen's University (Trust Scheme) Order (Northern Ireland) 1982. The purpose of the Investment Fund is to provide an investment vehicle for the greater part of the University endowment funds. The investments are shown at market value.

BlackRock undertakes the role of investment manager for both the general investment fund and the University investment fund. Further information is included in the Financial Review.

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value.

Other investments

The Group's other investments relate to the University's investment within a pooled investment fund and a subsidiary's investments in 21 other UK unlisted companies.

Fair Value Gain on investments and investment property

The consolidated fair value (loss)/gain on investments and investment property of (£43,998k) (2021: £103,070k) as shown in the SOCI, relates to appreciation/(loss) on investment property of £240k (2021:£1,044k), non-current investments of (£48,780k) (2021: £101,856k) and a fair value gain on investments in associates of £4,542k (2021: £170k).

The University's fair value (loss)/gain on investments and investment property of (£2,536k) (2021: £21,998k) as shown in the SOCI, relates to appreciation/(loss) of investment property of £240k (2021:£1,044k) and non-current investments of (£2,778k) (2021:£20,954k).

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

17. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP
A Limited Partnership which was incorporated in April 2009 to recruit and provide education to international students. It is a joint venture between Queen's Overseas Recruitment Limited and INTO University Partnerships Limited, a company registered in England. It is based in Belfast.

NI Composites O&M LLP
A Limited Partnership which was incorporated in 2011 to promote collaborative research in advanced composites. It is a joint venture between Queen's Composites Limited and Innovation Ulster Limited. It is based in Belfast.

	2022	2021
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	**3,717**	3,693
Share of (deficit) before tax	**(454)**	(163)
Balance Sheet:		
Fixed assets	**348**	355
Current assets	**1,775**	1,385
Creditors: amounts due within one year	**(3,747)**	(3,572)
Creditors: amounts due after one year	**(700)**	(300)
Share of net liabilities	**(2,324)**	(2,132)

A provision of £1,893k (2021: £1,053k) has been recognised in relation to the Group's liability in respect of joint ventures.

Consolidated and University	2022	2021
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	**1,724**	1,768
NI Composites O&M LLP	**108**	145
	1,832	1,913
Amounts owed by the University:		
INTO Queen's LLP	**26**	254
NI Composites O&M LLP	**–**	–
	26	254

The balances all relate to ongoing trading activity.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

18. Investment in associates

Details of the Group's interests in associated undertakings are set out below. Each company is incorporated in Northern Ireland.

Consolidated	**% of equity held**	**Aggregate of capital and reserves**	**Profit / (loss) for the period**	**Financial Period ended**	**Principle Activity**
		£'000	**£'000**		
Acksen Limited	24%	119	a	31 Dec 21	Supply of instruments for monitoring electromagnetic radiation
Marenco Limited	28%	65	a	31 Dec 21	Marine and environmental consultancy services
Biocolor Limited	20%	2,145	a	31 Jul 21	Supply and development of assay kits for tissue laboratories
Examenlab Limited	22%	308	a	30 Nov 21	Provision of infertility testing services
Green Lizard Technologies Limited	22%	335	a	31 Aug 21	Technological solutions
Continga Limited	33%	3	a	28 Feb 21	Human health activities
MOF Technologies Limited	23%	221	a	31 Dec 21	Novel techniques for the synthesis of MOFs
Analytics Engines Limited	21%	(11)	a	31 Mar 22	Bespoke data analysis solutions
Porous Liquids Technologies Limited	23%	97	a	31 Dec 21	Production and development of porous liquids
Sonrai Analytics Limited	22%	361	a	28 Feb 21	Knowledge platform to conduct analytics
VascVersa Limited	22%	178	a	31 Dec 21	Human vascular stem cell generation
Fjordstrong Limited	29%	117	a	31 Jul 21	Biodiversity survey solutions
Phasora Limited	24%	100	a	30 Sep 21	Develop novel software to aid management of complex electricity distribution networks
GenoMe Diagnostics Limited	36%	-	a	31 Jan 21	Development of molecular diagnostic tests
Aramune Technologies Limited	34%	(29)	a	31 Dec 21	Development of natural immunomodulating agents
AntennaWare Limited	22%	(140)	a	21 Mar 22	High-performance wearable antenna technology
Amply Discovery Limited	28%	99	a	28 Feb 22	Development of new biological molecules for anti-infective health and nutrition applications
Rapid-Myco Technologies Limited	38%	b	b	–	Development of novel, rapid bacteria testing
ReproGo Limited	37%	c	c	31 Mar 21	Vascular experts in stem cell technology
Medinect Bioservices Limited	50%	b	b	–	Research services in ophthalmic therapeutic development

Note:
a. The associated company has filed Financial Statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.
b. These two associated companies are recently incorporated and accounts are not yet available.
c. Dormant company.

The directors believe that the carrying value of the investments in associates is supported by their underlying net assets.

In addition to these associate interests the Group has shareholdings of less than 20% in 21 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £7,183k at 31 July 2022 (2021: £6,501k).

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
19. Debtors				
Amounts falling due within one year:				
Research grant debtors	**5,513**	**5,513**	4,114	4,114
Other debtors	**8,951**	**8,665**	7,755	7,458
Prepayments and accrued income	**12,408**	**12,399**	10,604	10,593
Amounts due from subsidiary companies:				
QUBIS Limited	**–**	**253**	–	90
Queen's Overseas Recruitment Limited	**–**	**440**	–	440
Queen's Composites Limited	**–**	**10**	–	12
NIACE Limited	**–**	**151**	–	151
	26,872	**27,431**	22,473	22,858

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

20. Current investments

Current investments relate to deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. These short term deposits do not meet the definition of cash equivalents

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
21. Creditors: amounts falling due within one year				
Research grants received in advance	**37,507**	**37,507**	30,472	30,472
Other unsecured loans	**1,275**	**1,275**	1,275	1,275
Trade creditors	**29,075**	**29,077**	28,002	28,002
Social security and other taxation payable	**7,854**	**7,854**	5,318	5,318
Accruals and deferred income	**45,063**	**45,031**	37,298	37,267
Deferred capital grant income	**16,615**	**16,543**	15,597	15,525
Due to subsidiary, QUBIS Limited	**–**	**358**	–	354
	137,389	**137,645**	117,962	118,213

Included within accruals and deferred income is deferred income of £22,882k (2021: £19,183k) relating to other income. This income has been deferred until the performance related conditions have been met.

	2022		2021	
	Consolidated	**University**	Consolidated	University
	£'000	**£'000**	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred capital grant income	**362,403**	**358,775**	343,470	339,770
Other unsecured loans	**23,785**	**23,785**	25,060	25,060
Other	**457**	**428**	480	428
	386,645	**382,988**	369,010	365,258
The other unsecured loans are repayable as follows:				
Due between one and two years	**1,275**	**1,275**	1,275	1,275
Due between two and five years	**3,825**	**3,825**	3,825	3,825
Due in five years or more	**18,685**	**18,685**	19,960	19,960
	23,785	**23,785**	25,060	25,060
Other unsecured loans repayable by 2040	**10,260**	**10,260**	10,840	10,840
Other unsecured loans repayable by 2042	**7,125**	**7,125**	7,500	7,500
Other unsecured loans repayable by 2043	**6,400**	**6,400**	6,720	6,720
	23,785	**23,785**	25,060	25,060

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum.
The deferred capital grant income includes £15.6m (2021: £12.2m) of recurrent Government grant which has been deferred.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	**Defined benefit obligations RBP pension**	**Other pension provision**	**Total**
	£'000	**£'000**	**£'000**
23. Pension obligations			
At 1 August 2021	74,042	61	**74,103**
Movement (note 36)	(33,904)	–	**(33,904)**
At 31 July 2022	40,138	61	**40,199**

Details of the RBP deficit are included at note 36.

	Obligation re USS pension deficit recovery plan	**Provision for joint venture losses**	**Provision for restructuring**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
24. Other provisions				
Consolidated				
At 1 August 2021	60,909	1,053	653	**62,615**
Utilised in year	(3,331)	–	(936)	**(4,267)**
Additions	98,080	841	485	**99,406**
Unwinding of discount (note 10)	530	–	–	**530**
At 31 July 2022	**156,188**	**1,894**	**202**	**158,284**
University				
At 1 August 2021	60,909	–	653	**61,562**
Utilised in year	(3,331)	–	(936)	**(4,267)**
Additions	98,080	–	485	**98,565**
Unwinding of discount (note 10)	530	–	–	**530**
At 31 July 2022	**156,188**	**–**	**202**	**156,390**

The restructuring provision relates to a number of ongoing restructuring reviews.
The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 17.

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below.

Following the completion of the 2020 USS actuarial valuation in 2021-22 a new deficit recovery plan was agreed of which more detail is given in note 36. This new plan requires deficit payments of 6.2% of salaries from 1 April 2022 to 31 March 2024 and then payments of 6.3% of salaries from 1 April 2024 to 30 April 2038.

	2022	2021
The major assumptions used to calculate the obligation are:		
Discount rate	**3.31%**	0.87%
Salary growth (over 16 year period)	**3.0–5.0%**	2.5–3.0%

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

Change in assumptions at 31 July 22	**Approximate impact**
0.5% decrease in the discount rate	£6.66m increase
0.5% pa increase in salary inflation over duration	£6.63m increase
0.5% increase in salary inflation year 1 only	£0.74m increase
0.5% increase in staff numbers over duration	£6.76m increase
0.5% increase in staff numbers year 1 only	£0.77m increase
1% increase in deficit contributions	£24.83m increase

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2022 Total	2021 Total
	£'000	£'000	£'000	£'000	£'000	£'000
25. Endowment reserves						
Balances at 1 August 2021						
Capital	45,830	2,720	15,407	–	**63,957**	58,925
Accumulated income	2,987	–	2,564	157	**5,708**	4,908
	48,817	2,720	17,971	157	**69,665**	63,833
New endowments (note 6)	111	–	29	–	**140**	497
Investment income (note 5)	1,571	71	525	(155)	**2,012**	2,079
Expenditure	(820)	(71)	(382)	–	**(1,273)**	(1,419)
Transfer to unrestricted reserve	–	–	–	–	**–**	(1,500)
(Decrease)/increase in market value of investments	(1,144)	(51)	(371)	–	**(1,566)**	6,175
Total endowment comprehensive income for the year	(282)	(51)	(199)	(155)	**(687)**	5,832
At 31 July 2022	48,535	2,669	17,772	2	**68,978**	69,665
Represented by:						
Capital	45,036	2,669	15,784	–	**63,489**	63,957
Accumulated income	3,499	–	1,988	2	**5,489**	5,708
	48,535	2,669	17,772	2	**68,978**	69,665

	2022	2021
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	**8,040**	8,248
Scholarships, studentships, medal and prize funds	**17,880**	18,030
Research, directorate, school or faculty use	**32,045**	32,129
Public lectures	**2,257**	2,261
Travel	**288**	288
Student amenities and associated objects	**2,139**	2,144
Student assistance	**1,631**	1,673
Other restricted funds	**2,027**	2,015
General funds	**2,669**	2,720
Total endowments	**68,976**	69,508
Undistributed investment fund income	**2**	157
	68,978	69,665
Analysis by asset type held in Investment Fund:		
Investment property	**210**	210
Non-current asset investments (note 16)	**61,292**	62,554
Current asset investments	**6,769**	6,837
Cash and cash equivalents	**707**	64
	68,978	69,665

There are no endowments with a material deficit balance.

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YEAR ENDED 31 JULY 2022

Consolidated and University	2022 £'000	2021 £'000
26. Restricted reserves		
Balance at 1 August 2021	**1,216**	943
New restricted income:		
Donations (note 6)	**1,091**	792
Other	**964**	533
Other services rendered	**4**	111
	2,059	1,436
Expenditure	**(1,541)**	(1,163)
Total restricted comprehensive income for the year	**518**	273
Balance at 31 July 2022	**1,734**	1,216
Analysis of other restricted funds/donations by type of purpose:		
Research support	**528**	313
Capital	**477**	80
General	**729**	823
	1,734	1,216

Consolidated	At 1 August 2021 £'000	Cash flows £'000	At 31 July 2022 £'000
27. Cash and cash equivalents			
Cash and cash equivalents	120,551	(45,521)	**75,030**
	120,551	(45,521)	**75,030**

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated	2022
	£'000
28. Reconciliation of net debt	
Net cash 1 August 2021	**93,788**
Movement in cash and cash equivalents	**(45,521)**
Other non-cash changes	**1,275**
Net cash 31 July 2022	**49,542**
Change in net debt	**(44,246)**

Consolidated	2022	2021
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	**75,030**	120,551
Borrowings: amounts falling due within one year:		
Unsecured loans	**(1,275)**	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	**(24,213)**	(25,488)
Net cash	**49,542**	93,788

	2022		2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
29. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	**337,940**	**166,131**	357,286	139,543
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	**51,893**	**46,965**	30,285	26,039
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	**75,030**	**63,432**	120,551	110,602
Other investments	**215,000**	**215,00**	187,999	187,999
Other debtors	**26,872**	**27,431**	22,473	22,858
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	**25,517**	**25,488**	26,763	26,763
Trade creditors	**29,075**	**29,077**	28,002	28,002
Other creditors	**469,442**	**466,068**	432,207	428,706
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2022.				

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

29. Financial instruments (cont'd)

Risk management

The University operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Planning and Finance Committee approved treasury management policy. The treasury management policy is in line with best practice and is reviewed, updated, and approved as appropriate, on a regular basis.

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

Credit/counterparty risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2022, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of deposits held with banks and building societies is limited because the counterparties are banks with investment grade credit-ratings assigned by international credit-rating agencies. The University's exposure and the credit-ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counterparty credit-ratings set within the treasury management policy.

The fixed asset investments, as outlined in note 16, consist of investment funds and listed investments. The risk is limited as the investment funds are externally managed by a professional fund manager, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

Student and commercial debtors are reviewed on an on-going basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to the large number of diverse customers across both students and commercial customers.

Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University planning process and are revised regularly during the financial year. Excess funds are invested to maximise the return whilst observing the treasury management policy limits.

Details of the University's long term loans are outlined in notes 21 and 22 and consist of concessionary loans which have a carrying value of £25,060k (2021: £26,335k) at the year end.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movements in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the Euro. On an annual basis, after satisfying Euro denominated liabilities, the University is left with a surplus of Euros, which are held in a Euro bank account. Surplus Euros are converted at spot rates as required, with the rate being monitored closely to mitigate the risk of adverse exchange rate movements.

Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations in value of balance sheet items (i.e. price risk) or changes in interest income or expenses (i.e. re-investments risk).

Most of the University cash deposits at 31 July 2022 are on relatively short term deposits (up to 12 months) as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk.

Market risk

Market risk is the risk of changes to the fair value of the Group's financial instruments. Market risk embodies the potential for both losses and gains and includes currency risk, interest rate risk and other price risk.

Decisions in respect of investments are made on the recommendation of the Investment Committee in line with the University's treasury policy. The Investment Committee monitors the performance of the University's investments and meets fund managers on a regular basis with the aim of optimising the future long term return, guided by the University's Responsible Investment Policy.

Concentration risk

Concentration risk refers to the risk of a material loss in value of non-current asset investments due to a large investment in a single party or sector. The Investment committee monitors the Group's non current asset portfolio on a regular basis to ensure a satisfactory level of diversification.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
30. Capital and other commitmentsto		
Commitments contracted at 31 July	**42,095**	56,642
Authorised but not contracted at 31 July	**101,380**	104,472
	143,475	161,114

The capital commitments include capital projects with anticipated spend in excess of £12m within Health Sciences, supporting Belfast Regional City Deal and Queen's Management School.

31. Contingent liabilities

The University has entered into a limited partnership agreement with Crescent Capital III LLP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £1m to the Crescent Capital III Fund. As at 31 July 2022 £825k (2021: £790k) had been provided to Crescent Capital III LLP.

32. Events after the reporting period

Recent changes in global and UK economic pressures and the tightening of monetary policy have had a significant impact on asset markets and corporate bond yields, which are key to the FRS 102 assessment of the net pension liability in respect of the RBP scheme (note 36). In particular AA corporate bond yields used to set the FRS 102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore, while both gross defined benefit obligations and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

33. Subsidiary undertakings

The University, unless otherwise stated, holds the entire share capital of the following limited companies which have been fully consolidated into the Financial Statements. The companies are all incorporated in Northern Ireland.

QUBIS Limited

Technology transfer company which engages in the commercial exploitation of the academic and research activities of the University by establishing corporate ventures.

Queen's Overseas Recruitment Limited

Promotion and funding of educational courses and the recruitment of students.

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

Ownership of the NIACE centre building which is a technology hub to support research in advanced engineering and materials technologies. The University owns and manages 70% of the company which commenced trading in 2012–13.

34. Connected charitable Institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable Institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and is a separate and independent organisation from the University and, therefore, its Financial Statements are not consolidated within the University Group.

The movement in the year on the total funds of the Foundation, as reported in its Financial Statements, is as follows:

	2022	2021
	£'000	£'000
Opening fund	**4,020**	4,354
Income generated	**3,532**	3,887
Disbursements in year	**(3,726)**	(4,215)
Other expenditure	**–**	(6)
Closing fund	**3,826**	4,020

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

Consolidated and University	2022	2021
	£'000	£'000
35. Student support funds		
Department for the Economy	**2,528**	3,051
Interest received	**–**	–
University contribution	**377**	76
	2,905	3,127
Disbursed to students	**(2,851)**	(2,974)
Underspend in the year	**54**	153
Opening balance as at 1 August	**462**	309
Closing balance as at 31 July	**516**	462

36. Pension schemes

The University participates in two separate defined benefit occupational schemes, each of which is valued at least triennially by professionally qualified actuaries. The schemes are the Universities Superannuation Scheme (USS) for academic and academic related staff, in which the majority of UK universities participate, and the Retirements Benefits Plan of the Queen's University Belfast (RBP) for certain non-academic staff and academic related staff. The assets of the schemes are held in trustee-administered funds, and the rates of contribution payable are determined by the trustees on the advice of the actuaries.

(i) The Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Due to the mutual nature of the scheme, the assets are not attributed to individual Institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other Institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the SOCI represents the contributions payable to the scheme.

The total cost charged to the SOCI is £27,418k (2021: £26,229k) as shown in note 7. This includes £3,876k (2021: £3,590k) of outstanding contributions at the balance sheet date. Deficit recovery contributions due within one year are £9,346k (2021: £7,400k)

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, with related expenses being recognised through the SOCI. Details of the provision to recognise this liability in respect of the USS recovery plan are outlined in note 24.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2020 (the valuation date), which was carried out using the projected unit method.

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

The 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

36. Pension schemes (cont'd)

The key financial assumptions used in the 2020 valuation are described below:

More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples).

Discount rate (forward rates)

Fixed interest gilt yield curve plus:
Pre-retirement: 2.75% p.a.
Post retirement: 1.00% p.a.

CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040.

Pension increases (subject to a floor of 0%)

CPI assumption plus 0.05%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2020 valuation
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females

	2022	2021
The current life expectancies on retirement at age 65 are:		
Males currently aged 65 (years)	**23.9**	24.7
Females currently aged 65 (years)	**25.5**	26.1
Males currently aged 45 (years)	**25.9**	26.7
Females currently aged 45 (years)	**27.3**	27.9

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan (note 24). The liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	**3.31%**	0.87%
Salary growth (per annum over 16 year period)	**3.0–5.0%**	2.5–3.0%

The in year movement in the provision relating to the USS deficit recovery provision is £94.8m. The substantial increase reflects the new deficit recovery plan relating to the 2020 actuarial valaution which was finalised in year. In the prior year the provision was based on the previous recovery plan. Further information on the provision, including a sensitivity analysis in relation to the main assumptions is set out in note 24 and also note 8 in respect of significant one-off pension items.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

36. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2022, was carried out at 31 March 2020 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2022, using the projected unit credit method.

The major assumptions used by the actuary for the purposes of these accounts are:

	2022	2021
Future salary increase:		
Under 40	**2.95%**	2.95%
Over 40	**3.20%**	3.20%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	**2.65%**	2.65%
CPI subject to a maximum of 3.00% p.a	**2.25%**	2.25%
Pension increase rate in deferment	**2.70%**	2.70%
Discount rate	**3.55%**	1.70%
Inflation assumption:		
Retail prices index	**3.20%**	3.20%
Consumer prices index	**2.70%**	2.70%
GMP equalisation - % of DBO	**0.60%**	0.60%
Average pension increase in payment	**2.41%**	2.41%

		2022	2021
The average life expectancies at age 65 used to determine benefit obligations are:			
Member age 65	Male	**21.9**	21.8
	Female	**23.7**	23.6
Member age 40	Male	**23.6**	23.5
	Female	**25.6**	25.5

	2022	2021	2020
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	**61,133**	60,054	55,035
Bonds and gilts	**22,641**	37,792	37,240
Matching assets (LDI)	**93,956**	108,976	98,630
Overseas fixed interest	**26,076**	39,802	47,101
Cash and other	**11,968**	24,684	12,621
	215,774	271,308	250,627

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

36. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these Financial Statements:

	2022	2021
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	**215,774**	271,308
Scheme liabilities	**(255,912)**	(345,350)
Deficit in the scheme – net pension liability recorded within pension provision (note 23)	**(40,138)**	(74,042)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	**9,779**	8,833
Total operating charge (note 7)	**9,779**	8,833
Analysis of the amount charged to interest payable:		
Interest on liabilities	**5,883**	5,057
Expected return on assets	**(4,622)**	(3,766)
Net charge to interest and other finance costs (note 10)	**1,261**	1,291
Analysis of other comprehensive income:		
(Loss)/gain on assets	**(59,032)**	17,846
Gain/(Loss) on liabilities	**96,752**	(2,460)
Total adjustment to other comprehensive income before deduction for tax	**37,720**	15,386

	2022	2021
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	**(74,042)**	(85,903)
Movement in the year:		
Current service cost	**(9,779)**	(8,833)
Contributions	**7,224**	6,599
Other finance costs	**(1,261)**	(1,291)
Actuarial gain	**37,720**	15,386
Deficit in scheme at 31 July	**(40,138)**	(74,042)

The valuation at 31 July 2022 showed a decrease in the deficit from £74.0m to £40.1m.

	2022	2021
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	**345,350**	336,530
Current and past service cost	**9,779**	8,833
Interest cost	**5,883**	5,057
Actuarial (gain)/loss	**(96,752)**	2,460
Benefits paid	**(8,348)**	(7,530)
Present value of liabilities at 31 July	**255,912**	345,350

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

	2022	2021
	£'000	£'000
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	**271,308**	250,627
Expected return on plan assets	**4,622**	3,766
Actuarial (loss)/gain	**(59,032)**	17,846
Employer contributions	**7,224**	6,599
Benefits paid from plan	**(8,348)**	(7,530)
Value of assets at 31 July	**215,774**	271,308

	2022	2021
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	**4,622**	3,766
Asset (loss)/gain	**(59,032)**	17,846
	(54,410)	21,612

	2022	2021	2020	2019	2018
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	**(59,032)**	17,846	15,565	20,863	10,317
Percentage of scheme assets	**-27%**	7%	6%	9%	5%
Experienced gains and losses on scheme liabilities	**(3,635)**	4,159	9,072	(257)	9,379
Percentage of present values of plan liabilities	**-1%**	1%	3%	0%	4%
Actuarial adjustment	**37,720**	15,386	(20,123)	(9,252)	48,351

University contributions

Under the current schedule of contributions the University contributes the following:

- 25.2% of pensionable earnings in respect of pensions + active members
- 16.2% of pensionable earnings in respect of other active members; and
- deficit contributions of 4.8% per annum of pensionable earnings between 1 August 2021 and 31 March 2030.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

37. Accounting estimates and judgements

The preparation of Financial Statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. These judgements, 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. The resulting accounting estimates will, by definition, seldom equal the related actual results.

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 charges 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. Details of the carrying value of property, plant and equipment are shown in note 13.

Pension obligation — RBP pension

The University obtains a valuation from an external, professionally qualified actuary, who advises the University on the financial assumptions used to calculate the net liability of the scheme. These assumptions include the RPI% movements, CPI% increases, salary increases, pension increases, discount rate and the estimate of the duration of employer liabilities. While the University reviews these assumptions in detail, and adopts the assumptions in these Financial Statements, the actuary, as a pension expert, will provide advice and guidance, and apply their skill and judgement in setting these parameters. A sensitivity analysis in respect of the RBP pension deficit is as follows:

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(22,200)k/£22,800k
Inflation (+ / - 0.5%)	£20,300k/£(17,400)k
Mortality (+ / - 1 Year)	£7,600k/£(7,600)k

USS deficit recovery plan liability

The University is satisfied that the USS scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approval of these Financial Statements.

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, the University has used the discount rate commissioned by the British Universities Finance Directors' Group (BUFDG) and University estimates for increases in staff numbers and salary growth percentage over the period of the contracted obligation. The impact of possible changes in these assumptions on the recovery plan liability are set out in note 24.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

38. Disclosure of related party transactions

The University's Senate members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Senate, which is drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Senate, related committees or key management personnel may have an interest. All transactions involving organisations in which a member of Senate, related committees or key management personnel may have an interest, including those identified below, are conducted at arms length and in accordance with the University's Financial Regulations and usual procurement procedures.

Included in the Consolidated and University Statements of Comprehensive Income and the Balance Sheets are the following transactions, with a value greater than £5k, with organisations in which a member of Senate, related committees or key management personnel have an interest:

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Anderson Spratt Holdings Limited	–	(46)	–	289
Belfast City Council	–	–	(8)	104
Belfast Metropolitan College	–	–	(58)	50
Catalyst	–	–	–	24
Centre for Competitiveness	–	–	(8)	42
Chartered Accountants Ireland	–	–	(12)	–
Chinese Welfare Society	–	–	–	12
Choice Housing	–	–	(33)	–
Confederation of British Industry (CBI)	–	–	–	10
Crescent Capital III Advisory Board	–	–	–	35
Dale Farm Limited	–	–	(10)	–
Ernst and Young (EY)	–	–	(22)	75
Friends of the Cancer Centre	75	–	(300)	–
Health Innovation Research Alliance NI	–	–	(149)	100
Irish Football Association	2	–	(31)	–
INTO	1,724	(26)	(823)	652
Lanyon Group	–	–	–	16
Loud Mouth Media	–	–	–	70
Medical Research Council	–	–	(4,837)	–
NICOM LLP	109	–	(25)	81
Northern Ireland Chamber of Commerce and Industry	–	–	–	25
Northern Ireland Chest Heart and Stroke Association	13	–	(205)	–
Northern Ireland Electricity Limited	–	–	–	33
Northern Ireland Water	–	–	(2)	622
Russell Group	–	–	–	83
Stranmillis College Belfast	–	–	(4)	7
Universities Ireland	–	–	–	9
University of Warwick	–	–	(42)	36
Waterfront and Ulster Hall	–	–	–	7

As at 31 July 2022, the University also had £9m in short-term deposits in Barclays Bank Plc.

The University received disbursements of £3,727k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in Note 34.

NOTES TO THE ACCOUNTS
YEAR ENDED 31 JULY 2022

39. Jointly controlled operations

In 2014 the University established an educational presence in China, in the form of a Joint College, formed between Queen's and the China Medical University (CMU), one of the foremost medical universities in China. The Joint College is known as 'China Queen's College (CQC)' and is founded on the basis of the PRC Ministry of Education (MoE) 'Cooperation in Running Schools (CIRS)' Regulations first promulgated in 2004.

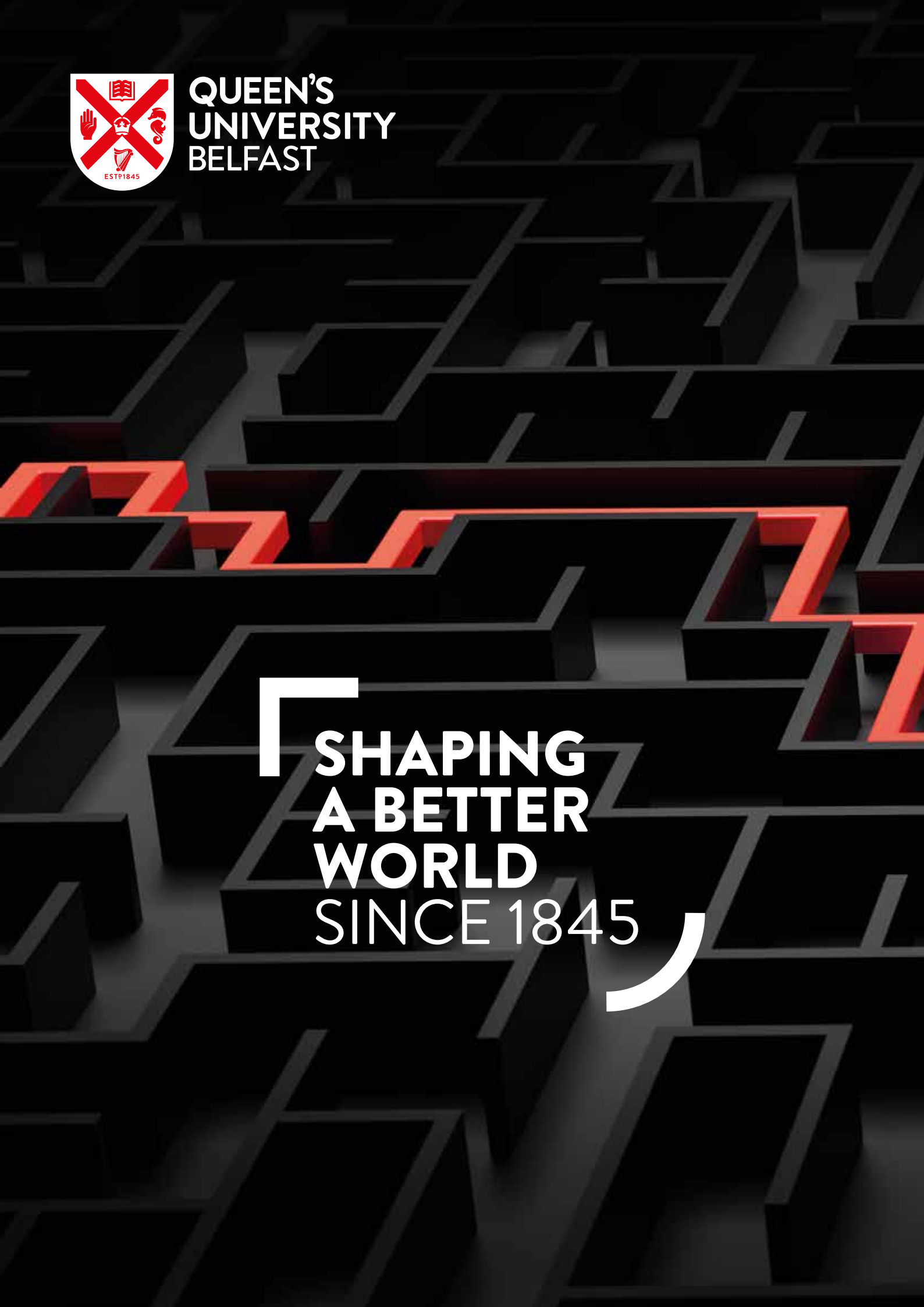
CQC delivers Queen's degree programmes from purpose-designed buildings provided by CMU on its new campus in the City of Shenyang in Northern China. A number of BSc degrees are offered. All the degree programmes in CQC are taught in compliance with UK Quality Assurance Agency requirements.

A Joint Management Committee (JMC) has oversight of the activities and resources of CQC with key specific terms of reference and reporting lines to ensure good academic and financial governance.

40. US Department of Education Supplementary Schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

			Consolidated	
			2022	2022
Lines	Expendable Net Assets		£'000	£'000
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		616,144
Balance Sheet	Statement of Financial Position — Net assets with donor restrictions	Net assets with donor restrictions		71,438
Note 13 and Note 15	Statement of Financial Position — Property, Plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	694,150	
Note 13 (balancing figure)	Note of the Financial Statements — Statement of Financial Position — Property, plant and equipment — pre-implementation	Property, plant and equipment — pre-implementation		650,495
Note 13	Note of the Financial Statements — Statement of Financial Position — Property, plant and equipment — post-implementation without outstanding debt for original purchase	Property, plant and equipment — post-implementation without outstanding debt for original purchase		8,702
Note 13	Note of the Financial Statements — Statement of Financial Position — Construction in progress	Construction in progress		34,953
Note 23	Statement of Financial Position — Post-employment and pension liabilities	Post-employment and pension liabilities		196,387
Notes 21 and 22	Statement of Financial Position — Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt — for long term purposes	25,060	
Notes 21 and 22	Statement of Financial Position — Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt — for long term purposes pre-implementation		25,060
Note 25 restricted permanent +unrestricted permanent endowments	Statement of Financial Position — Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		51,204
	Total Expenses and Losses			
Statements of Comprehensive Income (SOCI)	Statement of Activities — Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		422,483
SOCI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities — Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) — (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		97,664
SOCI: Investment income	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		40,635
	Modified Net Assets			
Balance Sheet	Statement of Financial Position — Net assets without donor restrictions	Net assets without donor restrictions		616,144
Balance sheet	Statement of Financial Position — Total Net assets with donor restrictions	Net assets with donor restrictions		71,438
	Modified Assets			
	Statement of Financial Position — Total Assets			1,410,099
	Net Income Ratio			
Balance Sheet	Statement of Activities — Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		-85,093
SOCI	Statement of Activities — (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		434,760


QUEEN'S
UNIVERSITY
BELFAST
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A BETTER
WORLD
SINCE 1845

The Queen's University of Belfast

Northern Ireland - Charity number 101788

Annual return

INDEPENDENT AUDITOR'S REPORT TO THE SENATE OF QUEEN'S UNIVERSITY BELFAST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the Financial Statements of Queen's University Belfast ('the University') and its subsidiaries (collectively 'the Group') for the year ended 31 July 2022 set out on pages 82 to 113, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Balance Sheets, the Consolidated and University Statements of Changes in Reserves, the Consolidated Cash Flow Statement and the related notes, including the summary of significant accounting policies set out on pages 72 to 79.

The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion the accompanying Financial Statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2022, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of the Department for the Economy (DfE) Accounts Direction to Higher Education Institutions for 2021–22 Financial Statements.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the Financial Statements section of our report. We are independent of the Group in accordance with ethical requirements that are relevant to our audit of Financial Statements in the UK, including the Financial Reporting Council (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

Senate has prepared the Financial Statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group's and the University's financial position means that this is realistic.

They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the Financial Statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group's and University's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

In auditing the Financial Statements, we have concluded that Senate's use of the going concern basis of accounting in the preparation of the Financial Statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for a period of at least twelve months from the date when the Financial Statements are authorised for issue.

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

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

DETECTING IRREGULARITIES INCLUDING FRAUD

We identified the areas of laws and regulations that could reasonably be expected to have a material effect on the Financial Statements and risks of material misstatement due to fraud, using our understanding of the entity's industry, regulatory environment and other external factors and inquiry with management. In addition, our risk assessment procedures included: inquiring with the management as to the Group's and University's policies and procedures regarding compliance with laws and regulations and prevention and detection of fraud; inquiring whether the management have knowledge of any actual or suspected non-compliance with laws or regulations or alleged fraud; inspecting the Group's and University's regulatory and legal correspondence; and reading committee minutes.

We discussed identified laws and regulations, fraud risk factors and the need to remain alert among the audit team.

The Group and University are subject to laws and regulations that directly affect the Financial Statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The Group and University are not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the Financial Statements.

Auditing standards limit the required audit procedures to identify non-compliance with these non-direct laws and regulations to inquiry of the management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

We assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. As required by auditing standards, we performed procedures to address the risk of management override of controls. We did not identify any additional fraud risks.

In response to risk of fraud, we also performed procedures including: identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation; evaluating the business purpose of significant unusual transactions; assessing significant accounting estimates for bias; and assessing the disclosures in the Financial Statements.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the Financial Statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the Financial Statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the Financial Statements.

The other information comprises the information included in the Message from the Vice-Chancellor, Message from the Chair of Senate, Moments of the Year, Overview of the University, Our Stakeholders, Strategic Overview, Sustainable Development Goals, Public Benefit Statement, Philanthropy at Queen's, Financial Review and Corporate Governance. The Financial Statements and our auditor's report thereon do not comprise part of the other information.

Our opinion on the Financial Statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our Financial Statements audit work, the information therein is materially misstated or inconsistent with the Financial Statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the Financial Statements

As explained more fully in the Responsibilities of Senate in respect of the Consolidated and University Financial Statements set out on page 67, Senate is responsible for: the preparation of the Financial Statements including being satisfied that they give a true and fair view; such internal control as it determines necessary to enable the preparation of Financial Statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and 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 it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud, other irregularities or error, and to issue an opinion in an auditor's report. 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, other irregularities 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.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992. In our opinion, in all material respects:
funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and funds provided by the DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

Our report is made solely to Senate, in accordance with the Charter and Statutes of the institution. Our audit work has been undertaken so that we might state to Senate those matters we are required to state to it 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 Senate, for our audit work, for this report, or for the opinions we have formed.

Sean O'Keefe
(Senior Statutory Auditor)
For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast
25 November 2022

