



ROBERT GORDON
UNIVERSITY ABERDEEN

ANNUAL REPORT & FINANCIAL STATEMENTS

2024/25

FOR THE YEAR ENDED 31 JULY 2025

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PRINCIPAL'S FOREWORD

The 2024/25 academic year has been one of the most challenging periods for the UK Higher Education sector in recent memory. Against this backdrop, RGU's continued progress towards financial recovery stands as a powerful reflection of our resilience, adaptability and sound strategic direction.

Through the Financial Transformation Project, we have delivered savings that are both substantial and necessary. This progress represents more than just financial prudence - it signals our collective commitment to long-term sustainability, ensuring we can continue to deliver outstanding education and research for our students, colleagues, and communities across Aberdeen, the wider UK and beyond.

RGU's roots in Aberdeen are deep and enduring. Our university plays a vital role in driving regional prosperity and opportunity, and our distinctive, work-integrated approach to learning continues to strengthen that contribution. By equipping graduates with practical skills and industry experience, we are helping to fuel economic growth and enhance social mobility across Scotland.

This year, we have gone further in reinforcing our national reputation for employability and professional education. RGU was recognised among the UK's leading universities for graduate career prospects in the Guardian University Guide 2025, rising three places overall.

Our research continues to deliver real-world impact. By working closely with partners across the NHS, industry, government and the public and third sectors, we ensure that our work remains relevant, applied, and focused on addressing pressing societal challenges. Among this year's many achievements, we celebrated the 20th anniversary of the Scottish Centre for Evidence-based Multiprofessional Practice within our School of Healthcare, marking two decades of significant contributions to evidence-based healthcare.

However, it is clear that the higher education sector remains under sustained financial pressure. Rising costs and declining real-terms funding mean that cost efficiencies alone cannot secure the future we aspire to. That is why I am determined to lead RGU into a new era of collaboration and partnership. Over the past year, I have engaged closely with colleagues, students and representatives of our Board of Governors to shape an ambitious Roadmap to 2030 - a shared vision that will guide our next phase of development aligned with the University's values.

Our Roadmap will guide the University's priorities and activities over the next five years. It sets out our vision to be the UK's leading work-integrated university by 2030. This recognises and builds on the University's close relationships with industry and employers, our professionally-relevant teaching and our applied and impactful research, capitalising on our strengths and distinctiveness. The Roadmap will ensure we remain focused over the next five years on priorities related to the development of our curriculum embracing flexible and work-integrated learning models, capitalising on synergies across our research, innovation and enterprise activity, and expanding our reputation and reach. The Roadmap will streamline how we work, enabling staff to focus on the delivery of strategic priorities.

What has inspired me most throughout this process is the genuine willingness across our community to embrace change - to think and work differently in order to safeguard what is distinctive about RGU, to deliver even greater value to our students and to support wider social and economic transformation.

We have travelled a demanding path to reach this point, and I want to express my sincere gratitude to everyone who has contributed along the way. Together, we are positioning RGU not only to weather the challenges of our time but to realise our full potential as a university that transforms lives and communities through knowledge, partnership and advancement.

HIGHLIGHTS

- We achieved our highest-ever ranking in the Times and Sunday Times Good University Guide 2025, in which we rated among the very best in Scotland for teaching quality and sustainability
- RGU's Graduate Apprenticeship (GA) in Cyber Security has been certified by the UK Government's National Cyber Security Centre (NCSC).
- Aberdeen Business School (ABS) has received prestigious accreditation from The Energy Institute (EI)
- Awarded the prestigious Athena Swan UK Bronze award in recognition of our commitment to promoting gender equality.
- Award of a Bronze Engage Watermark by the National Co-ordinating Centre for Public Engagement (NCCPE)
- Herald Education Award - The National Energy Skills Accelerator, a collaboration between RGU, the University of Aberdeen and North-East Scotland College, won the Partnership Award
- RGU and Denis Law Legacy Trust signed new enhanced partnership agreement
- Launched one of the largest biodiversity projects on a university campus in Scotland
- Launched the UK's first BSc (Hons) Clinical Practice for Pharmacy Technicians
- Receiving formal accreditation by the Living Wage Foundation as a real Living Wage employer
- The University's Energy Transition Institute published its latest report, Striking the Balance – Building a Sustainable UK Offshore Energy Workforce. The report has been extensively referenced by politicians and the media
- Hosting the inaugural Curious Minds Research Festival celebrating the inspiring and impactful research undertaken by staff and students at RGU
- Contributing, alongside regional partners to the development of the North-East Scotland Investment Zone

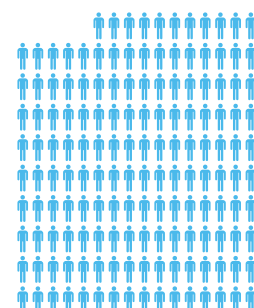
2025 AT A GLANCE



96%
Graduate
Employability



80.3%
student
satisfaction



155
graduate
apprentices
from
91
Scottish
firms



33 online
upskilling
courses



£3.34m
in research and
knowledge
exchange income

**2nd in
Scotland**
and top 10
in the UK for
teaching
quality

527 degree
link pathways
from eight FE colleges



1,000
students learning with
our Transnational
Education partners



**2,000 pupils from
28 schools in
widening access
programmes**

STRATEGIC REPORT



OUR STRATEGY

Our strategy is an evolution of our strengths as a diverse, work-integrated university that aims to transform people and communities. The University prides itself on a collaborative approach to research, innovation and enterprise, working closely with industry and professions to meet the future economic, societal and cultural demands of a rapidly changing digital world. We have a well-deserved reputation for providing courses with a strong professional and vocational focus. All our programmes have some form of work-based learning and nearly all are professionally accredited.

We have come through a tough year in which we reduced our costs by significantly restructuring the University with our Finance Transformation Project (FTP). This has involved comprehensive structural changes to better meet the needs of industry and research and knowledge exchange aligned with the University's strategic focus. Changes include: a new academic school structure which embraces interdisciplinary working; scaled-up professional service departments with greater coherence; development of School and Departmental plans; and an improved staff establishment model.

Transparency with our staff, students, campus trade unions, Board of Governors and external stakeholders on the FTP proposals and actions has been a priority throughout the project. As far as possible we have sought to maximise opportunities for staff to leave the University on voluntarily agreed terms, minimising compulsory redundancy. The University has also used redeployment to further minimise compulsory redundancy.

We are now in a much stronger position to navigate the ongoing uncertainties of higher education while seizing opportunities around work-integrated learning, international partnership, interdisciplinary and impactful research, online course development and the expansion of our graduate apprenticeship provision. We must remain agile to enable us to continually adapt to a constantly changing operating environment.

As we look to secure a successful and financially sustainable future, we have developed a Roadmap that will take us through to 2030 with a vision to be the UK's leading work-integrated university.

STRATEGIC AIM 1: TEACHING, LEARNING AND THE STUDENT EXPERIENCE

To provide students with an excellent experience that will enable them to raise their aspirations and thrive in their professional careers as global citizens.

Our students are at the heart of everything we do, as we work to deliver a first-rate university experience and curricula that prepare RGU graduates for a seamless transition into meaningful careers. Our priority is to provide an excellent, supportive and future-focused experience through flexible, work-integrated curricula that attract both students and employers.

Work placements and community practice are at the core of our teaching delivery, and professional representatives sit on all our examination boards – making us unique among UK universities.

The University continues to develop and diversify its portfolio of undergraduate, post-graduate and short courses with embedded skills, which are delivered in close collaboration with industry to ensure they are demand informed and tailored to current and future skills needs.

University league tables

This year, we have increased our ranking across the board in the UK and Scottish higher education league tables.

The academic school restructure has enabled more interdisciplinary collaboration and a merging of expertise. These developments and the University's ongoing commitment to its students have resulted in another positive year of external survey results with improvements across the league tables for teaching excellence and learning

environment, student experience, and employability.

The improved rankings demonstrate the hard work and commitment of our academic and professional services teams and recognise the University's focus on making our students work-ready.

- Second in Scotland and top 10 in the UK for teaching quality (The Times and Sunday Times Good University Guide 2024).
- Third in Scotland and top 10 in the UK for satisfaction with teaching (Good University Guide 2024).
- Third in Scotland for learning opportunities (National Student Survey, 2024).
- Top 10 in the UK and top three in Scotland for student satisfaction (Complete University Guide 2024 and 2025, respectively).
- Third in Scotland for student support (Daily Mail 2025).
- Top five in Scotland for Student Experience (The Times and Sunday Times Good University Guide 2025).
- 4th in Scotland for highly skilled jobs (Daily Mail 2025).
- 96% graduate employability (Graduate Outcomes Survey).
- Top 3 in Scotland for positive graduate outcomes (latest Graduate Outcomes Survey).
- 80.3% student satisfaction according to the National Student Survey (NSS).

There are also impressive results for individual subjects. The Complete University Guide 2026 ranks Physiotherapy at RGU first in Scotland and second in the UK, while Forensic Science, Food Science, and Counselling, Psychotherapy and Occupational Therapy are ranked in the top 20 in the UK. Computing Science is ranked first in the UK for student satisfaction. For Graduate Prospects, outcomes in both Physiotherapy and Medical

Technology and Bioengineering at RGU are ranked first in the UK, while a further nine subjects feature in the top 20 in the UK, including Electrical and Electronic Engineering, Mechanical Engineering, Nursing and Midwifery, and Pharmacology and Pharmacy.

In the Daily Mail University Guide, five of our subject areas featured in the UK's top 10: Art; Architecture, Building & Planning; Pharmacy; Counselling, Psychotherapy and Occupational Therapy; and Media Studies. Notably, 60% of the subjects taught by RGU were ranked in the UK's top 20. The Guardian University Guide once again placed RGU top in Scotland the UK for Physiotherapy, while subjects including Pharmacy & Pharmacology, Children's Nursing, Fine Art, Construction, Surveying & Planning, are also highly ranked.

Student numbers

The Scottish market continues to be extremely competitive. During this cycle, however, the University was consistently showing a year-on-year increase in applications that was ahead of the sector for Scottish applications, and we successfully increased our intake on last year for this group.

Applications and entrants grew in the school leaver market from both Aberdeen City and Aberdeenshire, and numbers also increased from school leavers further afield. The number of applications to articulate from college into an RGU degree course has also increased.

Graduate apprenticeships and online courses

We have seen a welcome rise in our Graduate Apprenticeship (GA) courses and continued growth in the take-up of online courses. The University's focus on national engagement with employers to promote the GA courses and their benefits has resulted in a strong recruitment of 155 learners enrolling from 91 Scottish firms. We are now looking at expanding our GA programme to make these courses more available not only to students in our region but to other parts of Scotland and beyond through online learning. The University has also continued to highlight the importance of

expanding GA frameworks and 'what counts' as a GA so that we can capitalise fully on the GA model.

This year, RGU offered 33 online, short upskilling courses, which are aligned to the University's strategic priority sectors of energy and health and social care, and three cross-sectoral themes of enterprise, digital and data, and sustainability.

We recruited more than 3,000 students to these short courses in 2024-25 at both postgraduate and undergraduate level.

International students

The international market remains challenging, with external factors including in-country conditions, significant competition and UK Government immigration policy influencing recruitment. In line with the rest of the university sector, we have seen a further decline in the number of international student enrolments. To address this downturn, we are diversifying into new markets, including through the use of social media campaigns and in-country student recruitment managers.

Our work-integrated learning is a great fit for growing economies, where governments are keen for their students to increase their employability and attain the skills and knowledge required to succeed in today's evolving industries, particularly through post-graduate programmes. RGU is also hugely appealing for the way we look after the wellbeing of our international students, providing them with social and community support as well as pastoral care.

We have continued to strengthen our relationships with two Transnational Education (TNE) partners with more than 1,000 students studying with us at Benedict in Switzerland and at IIT in Sri Lanka.

Widening access

RGU is committed to working with communities across Scotland to inspire, support and enable people from all backgrounds to pursue their ambitions through degree education and professional employment. The proportion of entrants from SIMD20 postcode areas was 6.6%, against our internal target of 7%. This represents a marginal improvement on last year's position.

The University has actively engaged with Ministers, politicians, the SFC and successive Commissioners for Fair Access, highlighting that as an area-based measure, SIMD is not good at identifying disadvantaged individuals. Institutions in the North-East of Scotland have been disproportionately adversely affected by widening access institutional targets based on SIMD by virtue of the fact there are far fewer SIMD20 postcodes in this region compared to the central belt. The Scottish Government has announced it will withdraw the institutional target that students from the 20% most deprived backgrounds should represent at least 10% of full-time first-degree entrants in each university. This will be replaced with a commitment from each university to increase the proportion of SIMD20 entrants or to match the highest proportion they have achieved since 2013-14. This change will be enacted for AY 2026-27. The policy change is positive recognition of the University's influencing work in this area. The University is preparing a Widening Access and Participation plan which will highlight our ambition across a variety of widening access metrics.

Northern Lights and Access programmes

The University is highly-committed to widening access and to contributing to national ambitions to support individuals to access higher education and to achieve positive outcomes throughout the student journey. The University has continued to invest in school engagement and widening participation activity in the face of considerable financial challenges. The University engages extensively with secondary schools throughout Aberdeen City and Aberdeenshire regions, working with 27 secondary schools through RGU's distinctive Schools' Hub initiative. The hub approach involves RGU staff being based in schools on a fortnightly or monthly basis, working directly with schools and learners on a sustained basis on a range of outreach, application and subject-specific activities. The programme is tailored to the needs of individual schools, and provides personalised guidance to learners from widening participation backgrounds as they consider tertiary education options. These sustained connections mean we can ensure learners, schools and careers advisors have a good understanding of different career

pathways, and support learners into them, whether that be into RGU or other post-16 destinations.

We welcomed 2,000 pupils across our senior and junior widening access programmes in the last year. The University's 'ACCESS TO' and Our Northern Lights programmes continue to make a significant contribution to widening access to higher education. These programmes raise ambitions and showcase pathways to higher education and subject options, as well as boosting confidence and self-efficacy. Northern Lights is a junior phase programme for S1 and S2 learners that showcases all the different academic areas available at RGU. The scheme brings S2 pupils into RGU from across the regional schools with which we partner. For many of these young people this is the first time they have set foot on a university campus. The 'ACCESS TO' senior phase programme for S5 and S6 pupils has grown from 70 pupils in 2019 to 1,037 in 2024/2025, with 146 enrolling at RGU in 2025. This is up from 1012 in 2023/24 and 74 enrolling in 2024. ACCESS TO offers a choice of 11 subjects, with pupils choosing to study one subject on campus. The programmes provide equitable access, covering travel and catering costs. Academic staff contribute significantly, with 35-40 academics involved per week, giving up their evenings, supporting these programmes to help young people widen their horizons.

College partnerships

RGU partners with eight colleges across Scotland, offering 527 varying pathways in our Degree Link programme to support students to progress from further to higher education. This is up from 304 the previous year.

For students pursuing an HNC or HND at college, Degree Link provides a guaranteed route to complete a degree at RGU, with advanced entry into year two or three. It is a great option for those returning to education and for those who did not meet direct university entry requirements.

RGU and North East Scotland College (NESCol) have a longstanding strategic relationship providing guaranteed progression opportunities for learners with more than 80 pathways available across all of our academic Schools.

The partnership provides students with seamless progression from college to university, including guaranteed entry and the opportunity to study for their degree in the NESCol environment. RGU and NESCol together contribute to SFC Pathfinders' focus on developing innovative educational initiatives, progression pathways and employment opportunities for the North-East of Scotland that can be replicated nationwide. Together, NESCol and RGU have developed skills-aligned provision and learner pathways to meet future skills needs.

In 2024/25, 148 NESCol students from Sports Coaching, Business or Social Science programmes dual enrolled on the Enhanced Associate Student Scheme - meaning they could progress to the next year of study without applying via UCAS. This joint offer initiative is continuing this academic year.

Student activities

RGU Students' Union continued to deliver a wide range of opportunities and support for students. Over the year, 1,582 students engaged with societies, groups and networks, while 1,160 joined sports clubs. The Advice Service supported 286 students with tailored guidance, and our cost-of-living initiatives made a significant impact, including the delivery of 2,230 free hot meals through the supper club and almost 300 emergency food parcels. These efforts were nationally recognised with the University Alliance Star Award for cost-of-living welfare projects. Student engagement remained strong, with more than 330 events delivered and supported, and in partnership with Student Life and academic schools, over 400 student school officers and student representatives were registered to ensure a strong student voice across the University.

The RGU Students' Union STAR Awards are an annual highlight. The STAR Awards provide an opportunity for RGU students to thank and celebrate support and teaching staff who go above and beyond to support them, and for staff to receive recognition from students. The Awards recognise the significant contribution that staff make to ensure an excellent student experience. More than 100 staff were shortlisted for a STAR Award this year.

RGU Plus continued to grow significantly, with 86 awards achieved this year compared to 13 in the inaugural year. The programme helps students reflect on and showcase the skills and attributes that make them well-rounded and employable, recognising contributions through activities such as volunteering, placements, studying abroad and impactful projects. Focused on three key strands - community engagement, sustainability, and entrepreneurial mindset - RGU Plus enables students to record and celebrate the skills they develop, helping them stand out in the world of work.

2024/2025 was another outstanding year for RGU Sport. 34% of on-campus students were members of RGU Sport, and 10% joined one of our 26 sports clubs. In total, we welcomed over 5,500 members, including 300 staff and more than 1,200 community members. Our facilities recorded 135,000 visits, with members consistently highlighting the positive impact of RGU Sport on their social, mental and physical wellbeing. We remain committed to enhancing the student experience through our continued investment in free memberships for RGU students, which adds significant value to campus life and contributes to a vibrant, active community.

STRATEGIC AIM 2: RESEARCH AND KNOWLEDGE EXCHANGE

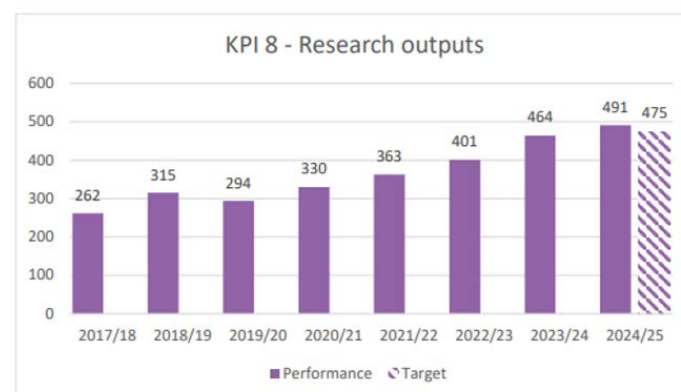
To grow the quality and impact of our globally recognised, innovative and interdisciplinary research.

Research

The University's ambition to grow its research reputation has continued to develop during this academic year as the Research Excellence Framework (REF) 2029 approaches.

Our five research themes of environment, energy and sustainability; health and wellbeing; living in a digital world; inclusive and creative societies; and pedagogy (to promote collaboration between research and teaching) provide a basis for interdisciplinarity across individuals and Schools.

The University exceeded its target for scholarly outputs, with 491 research publication outputs during the year, continuing the trend of delivering year-on-year increases over the last five years. The University generated £3.4m in research grant and contract income, with a strong pipeline of research applications.



Definition: The University measures the number of scholarly outputs as reported for the previous calendar year as reported via Scopus.

Our strengthening research culture is also driving graduate engagement. In session 2024/25, there were 69 successful Postgraduate student completions, comprising 57 PhD, three Professional Doctorate, three PhD by Public Output and six MRes/MScR. This represents an increase of 58% compared to the previous year as well as a diverse mix of awards. The Graduate School participated in an internal Postgraduate Research Experience Survey (iPRES) in April 2025 and received an impressive satisfaction rate of 90%. The strongest performing areas included Supervision 94%, Research Skills 93% and Progress and Assessment 90%.

Work is ongoing to develop potential articulation partners overseas, allowing academic schools to consider ways in which they can collaborate more closely on projects for postgraduate research students. Collaborative efforts this year included a new energy PhD programme with Nigeria.

Nigerian Petroleum Technology Development Fund (PTDF) – energy doctorate

RGU strengthened its international collaborations with the launch of a new energy doctoral programme that will enable students to study in both Aberdeen and Nigeria.

The University has signed a Memorandum of Understanding (MoU) with the Nigerian capacity-building agency for the energy industry, PTDF – as well as an agreement between the two organisations and the College of Petroleum and Energy Studies, Kaduna (CPESK) – to deliver up to 45 split-site energy PhDs for Nigerian students over the next three years. Students on the three-year programme will split their time between the University's campus in Aberdeen and CPESK in Nigeria. The agreement builds on RGU's existing partnership with PTDF to increase international doctoral study opportunities for Nigerian students. The long-standing relationship between RGU and PTDF has provided funding opportunities to study at RGU for more than 400 Nigerian students.



Recent research awards for RGU

- £384,00 funding to develop an AI project to support young cancer survivors led by the School of Computing, Engineering and Technology – a small mirror device provides interactive, AI-driven dialogue and personalised health support.
- £1m in UKRI funding received by Dr Gael Morrow in the School of Pharmacy, Applied Sciences and Public Health for research on trauma injuries and uncontrolled bleeding, plus £30,000 funding over three years to look at the haemostatic profile of patients with Endometriosis.
- Gray's School of Art, in partnership with Duncan of Jordanstone College of Art and Design, has been awarded more than £400,000 from the Arts and Humanities Research Council to lead a research project on Yugoslavian art.

Athena Swan Charter Bronze Award

The University was awarded the Athena Swan Charter Bronze Award in recognition of RGU's commitment to promoting gender equality across academic, professional, and support roles. The award is also valuable in terms of providing evidence of our commitment to gender equality in research grant submissions.

Knowledge exchange

RGU is recognised for its knowledge exchange (KE) achievements and for working closely with industry to meet its needs and to benefit wider society. Some examples include:

Highland Heat Harvesters – recycling wasted heat energy

RGU's School of Computing, Engineering and Technology collaborated with Highland Heat

Harvesters Ltd to design a device to capture wasted heat energy generated from the exhaust/flue discharge of any heating system in any building. The innovative Recycling Waste Energy System will then recycle the waste and distribute it throughout the building, raising the ambient temperature.

For the project, RGU collaborated on the development of an innovative oscillating jet nozzle for enhanced cleaning of process pipes and geothermal wells. The nozzle creates 25% higher impact force than conventional nozzles, demonstrating its superior cleaning efficiency. As the nozzle has a larger coverage area, the clean-out process is quicker, conserving water and energy and reducing its carbon footprint. The University went on to secure further funding through the DataLab for this collaboration.

The innovation, which will reduce emissions into the environment and save on energy bills, was shortlisted for Innovation of the Year category at the Scottish Knowledge Exchange Awards 2025.

Harbour Energy – engineering scholarship

Harbour Energy donated £15,000 to launch a new scholarship programme at RGU. The Harbour Energy Access Scholarship Programme aims to support females with strong academic credentials in taking their first steps towards a career in engineering and to address patterns of under-representation in technical disciplines in the energy sector.

The first two recipients are second-year students, Melanie Beats from Peterhead and Caitlin Esslemont from Banff, both of whom are studying mechanical engineering.

As well as financial support, the students will receive placement opportunities with Harbour Energy and technical mentoring from the company.

PlanSea – subsea decommissioning AI-demonstrator

PlanSea, which offers world-leading marine logistics artificial intelligence (AI) technology, and RGU's National Subsea Centre (NSC), a centre of excellence for subsea research and technology development, jointly completed the development of a subsea decommissioning optimisation software demonstrator.

This project is a move towards the digitalisation and optimisation of offshore operations in the £21bn UK market. It will also reduce costs and emissions. The robust software demonstrator can ingest decommissioning data from multiple sources and then use an AI-enhanced scheduler to optimise fleet and resource allocation whilst integrating expert insights and feedback into operations modelling.

PlanSea is now engaging with the sector to deliver this service on a global consultancy basis, both for operator strategic planning and contractors seeking to optimise fleet and other resources.

The Energy Transition Institute

RGU's Energy Transition Institute (ETI) has been a central component of the University's contribution to working with the industry in the North-East of Scotland to help shape the future skills requirements of the offshore workforce and the supply chain, and establish the region as a global energy hub in a green economy.

In June 2025, ETI launched a major new report "Striking the Balance: Building a sustainable UK

offshore energy workforce". The report offered analysis and insights into the future of the UK's offshore energy sector and underscored the urgency for action and collaboration across sectors to protect jobs, sustain the worldclass offshore energy supply chain, and accelerate the transition to a greener and cleaner future. The report, widely quoted in the national media and cited in Holyrood and Westminster debates, forecast that the UK oil and gas workforce will fall from 115,000 to between 57,000 and 71,000 by the early 2030s, and the Scottish-based offshore energy workforce decrease from around 75,000 to between 45,000 and 63,000.

STRATEGIC AIM 3: ECONOMIC, SOCIAL AND CULTURAL DEVELOPMENT

To ensure that we contribute significantly towards Scotland's economic and social regeneration.

RGU has continued its commitment to contributing towards the economic, social and cultural development of not only the North-East of Scotland but also the wider nation during the 2024/25 academic year through a range of initiatives that set it apart as one the leading entrepreneurial and progressive institutions in Scotland.

TalEntEd Islands Growth Deal

Complementing the University's existing work in Orkney, the next stages of the Islands Growth Deal was signed off earlier this year. The Deal will see RGU play a central role in the TalEntEd Islands Programme, a near £6m initiative that will focus on fast-tracking the decarbonisation of the islands through opportunities in education, skills, entrepreneurship, intrapreneurship and commercialisation to support an increase of sustainable employment. RGU will lead on the development and delivery of the Islands Entrepreneurial Network, working alongside community partners, local authorities and agencies, to stimulate and foster entrepreneurship, and create new ventures and jobs.

Being part of the Islands Growth Deal will provide RGU with opportunities for island-focused engagement for student recruitment, research, and economic development.

Startup Accelerator Showcase

The seventh cohort of the University's Startup Accelerator programme was launched in the

autumn of 2024. The programme was funded through the UK Shared Prosperity Fund via Aberdeen City Council. The Start Up Accelerator programme supports early-stage entrepreneurs and nurtures a culture of enterprise across the North-East of Scotland. Over the years RGU's flagship start-up programme has helped create over 130 new ventures in addition to many jobs and positive economic impact. Following a competitive process, eighteen teams took part in the five-month programme which culminated in the annual Startup Accelerator Showcase event in March 2025. The Showcase marked a celebration of Scotland's entrepreneurial ecosystem with a particular focus on space. More than £30,000 was disbursed to the winning teams at the Showcase event.

North East Scotland Investment Zone

The University has been central to key developments in the region, including the creation of a new Regional Economic Strategy and the North-East Scotland Investment Zone. The University is playing a full and active role in development of the North-East Scotland Investment Zone (NESIZ), which has as its focus Green Energy and Digital Technology. Significant progress has been made by regional partners on NESIZ submission to the Scottish and UK Governments in 2024/25. Following a rigorous prioritisation process, 16 interventions were endorsed by the NESIZ Steering Group for submission to the Governments. RGU is leading on one NESIZ prioritised intervention – Digital Innovation Lab – and partnering in a further five strategic interventions.



ISC2 - cyber security training

RGU is the first university in Scotland to become an academic partner of ISC2, which is the world's leading not-for-profit member association for cyber security professionals.

This allows RGU to offer training and courseware in support of cyber security professional certifications such as Certified Information Systems Security Professional (CISSP) on all its cyber security courses as well as in the form of short courses to the wider community of professionals.

ISC2's CISSP certification is among the gold standards for IT and cybersecurity professionals and holding this credential can lead to higher salaries, a competitive advantage in the job market and knowledge of the latest industry advancements.

The academic partnership is a further boost for the School of Computing, Engineering and Technology, after the graduate apprenticeship MSc Cyber Security course was certified by the UK Government's National Cyber Security Centre (NCSC).

Generative Artificial Skills in Schools Project

The impact of an innovative digital literacy project led by RGU, which aims to improve young people's understanding of generative artificial intelligence, was showcased at an event held at Glasgow's Mitchell Library. The project is funded by Responsible AI in partnership with the University and the Chartered Institute of Library and Information Professionals in Scotland (CILIPS).

Regional IMechE Design Challenge

RGU hosted and won the Regional IMechE Advanced Level Design Challenge for the second year in a row. The annual UK-wide challenge organised by the Institution of Mechanical Engineers (IMechE) aims to provide university students with hands-on engineering experience. RGU's achievement reflects the commitment of the School of Computing, Engineering and Technology to hands-on, work-based learning and our drive to develop the next generation of industry-ready engineers.

NCCPE Bronze Engage Watermark Award

This year the University received the Bronze Engage Watermark Award from the National Coordinating Centre for Public Engagement (NCCPE) in recognition of our commitment to public engagement and the positive contribution we have made to local communities. The NCCPE highlighted examples right across the University in teaching and research, the emphasis on volunteering opportunities for students, our work with the Denis Law Legacy Trust on Streetsport, and the activities that make up the Look Again arts festival. As part of the watermark process, the University has produced an ambitious three-year action plan to take forward public engagement.

Student-led clinics

RGU's student-led physio clinic received £20,000 in funding from The National Lottery Community Fund to launch exercise classes for the local community in Aberdeen. The classes are held on campus and in various community venues. This is a great example of how RGU is committed to using its knowledge and expertise to support the health and wellbeing of our community. The physio clinic complements other community-based clinics involving our students and staff that the University supports, including the Grampian Community Law Centre which provides free, confidential legal advice, support and assistance to members of the public who might not otherwise be able to afford it.

Streetsport and the Denis Law Legacy Trust

RGU and the Denis Law Legacy Trust signed a new agreement, formalising their long-standing partnership to support and empower young people living in Aberdeen's most disadvantaged communities to thrive.

The University plays a vital role in the steering of the Denis Law Legacy Trust and its flagship Streetsport programme, which was founded in 2006 by two members of staff from Gray's School of Art and RGU SPORT with the aim of reducing instances of anti-social behaviour, improving health and wellbeing, and encouraging inclusivity through sport, physical activity, and creative endeavour.



Under the banner of the Denis Law Legacy Trust, the programme has grown significantly, with more than 24,000 participations across all activities, delivering free weekly sport and creative activity sessions for young people, five-nights a week, 50-weeks of the year.

The Denis Law RGUplus Award encourages students to go beyond academic achievement to make a meaningful impact through volunteering, leadership, and extracurricular involvement. It is structured around three learning strands: Sustainability, Entrepreneurial Mindset, and Community Engagement. Each strand is awarded at three levels -Bronze, Silver, and Gold. In the 2024/25 academic session, 86 awards were granted.

As part RGUplus, members of the RGU community can collate their hours of positive impact and the skills they have developed into an app which will help to articulate their achievements. Certified recognition for those taking part is recognised at graduation ceremonies.

Gray's School of Art - SPECTRA

Gray's School of Art and its creative arm, Look Again, has achieved significant success in raising the cultural offering of Aberdeen and the region through various key activities, events and partnerships. The School's work in the community and commitment to the North-East of Scotland has consistently helped ensure art is inclusive and made accessible to people of all backgrounds.

For the second year in a row, SPECTRA, Scotland's festival of light delivered by Aberdeen City Council, selected Gray's School of Art to lead an augmented reality showcase, 'Northern Lights' that illuminated urban spaces around Aberdeen City Centre. Aberdeen artist, Craig Barrowman, was commissioned by Look Again to lead the project, which featured digital artwork produced by five artists inspired by Aberdeen, the North-East and Spectra's 2025 theme 'Journeys'.



CASE STUDIES

Our student change-makers

The rise in the cost of living has meant increased hardship for many students who are struggling to afford their bills or food shopping.

The University and Students' Union worked together to help students through the cost-of-living crisis with a range of support services, including the introduction of a breakfast club that provides free food and beverages every Tuesday morning alongside the University's catering provider Aramark. The service was extended to a supper club, which attracted 80 students a week. The Union also introduced an emergency food parcel service, designed to sustain an individual for a week, in collaboration with local charity Cfine, which supports students who are most affected by financial pressures.

The University Students' Union won the Star Award at the University Alliance Awards in September 2024 in recognition of their hard work. Supporting our 18,000-strong student population through the cost-of-living crisis with these initiatives has been crucial to ensure our learners can continue to focus on their studies.

Valuing our staff

Our staff are the heartbeat of our University. Their drive and passion are key to ensuring we continue to support one another to thrive. Our staff are key to delivering the University's strategic ambitions.

Staff told us that the Finance Transformation Project was causing uncertainty and worry across our campus community.

We responded by developing a rolling programme of community listening and engagement events to provide transparent communication and answers

to any questions. Our programme included open meetings, monthly video updates, Townhall events, and drop-in surgeries with the Principal.

This approach helped us to maintain constructive relationships with campus trade unions.

Creative partnership

Hauser and Wirth, a leading international art gallery founded by Iwan Wirth, Manuela Wirth and Ursula Hauser, wanted to make a difference.

Gray's School of Art had a plan to deliver outreach across the region, engaging communities and raising awareness and understanding of the creative industries.

By co-creating a vision for regional arts empowerment, a three-year partnership was born which will fund £30,000 a year for a Mobile Art School.

The custom-built Mobile Art School vehicle is equipped with creative tools including 3D digital design, visualisation and production resources, combined with traditional art design making materials. The unit takes expertise and resources beyond Gray's School of Art, offering free workshops to communities while providing professional experience and teaching opportunities for recent graduates.

Leading digital innovation

The Scottish Government has recognised the vital need to diversify the North-East of Scotland economy away from carbon-intensive industries.

Having secured £1.3m through the Scottish Government's Just Transition Fund, the University is now developing a Digital Innovation Lab with the

initial aim of supporting the construction sector to decarbonise.

It will be the first of its kind in the North East and Moray with the latest virtual reality technology being used to help address challenges across a range of sectors. The lab has been welcomed by local authorities, those involved in inward investment and economic development, as well as representatives of the planning, construction and agriculture sectors.

This year the project hit key milestones including completion of the visualisation space and creation of an interactive 3D model of Aberdeen.

FINANCIAL AND ENVIRONMENTAL SUSTAINABILITY

The University’s strategy places sustainability at its core, recognising that it is key to the ongoing and future success and the positive impact of the University. The strategy commits us to:

- Minimising the University’s environmental footprint and meeting net zero targets
- Being recognised as a leading university in the energy and health sectors
- Realising its moral purpose for the common good
- Generating financial surpluses to invest in its future.

Each of the strategic aims reference the University’s wide-ranging intentions to achieve financial sustainability. This includes widening access and growing enrolments on our courses, increasing research and knowledge exchange income to sustain research of public value and our activities related to underpinning economic development and entrepreneurship.

Our annual business plan sets out the actions we will prioritise to implement the strategy. It is developed through the annual school and department planning process which identifies actions and risks for the year ahead connected with each of the aims and enablers, including an update of performance at school/department level against the Key Performance Indicators, which are also aligned to the aims and enablers.

Progress against the business plan is monitored by the Executive on a regular basis and reported to the Board of Governors through quarterly reports on progress against the actions and also

the improvement actions within the high-level risk register to ensure that the University is actively monitoring its risks. The Executive advises the Board on the effect of changing internal and external circumstances and where this requires amendment to the business plan and/or the high-level risk register.

Throughout the year, the Executive and Governance committees receive regular reports on the University’s financial position and costs are rigorously reviewed at institutional and at individual school and department levels. To continue to generate revenue, over and above the public funding received, actions to sustain future revenue generation and to deliver efficiencies are embedded within the business plan. This includes:

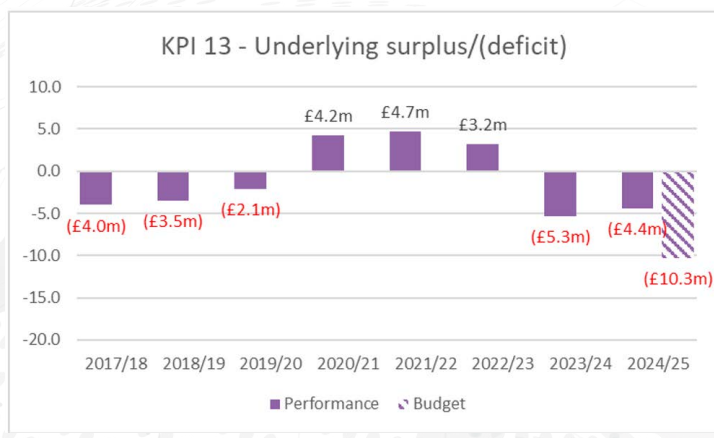
- Maximising fee-paying student recruitment
- Growing research and knowledge exchange funding
- Taking a sector-based approach to supporting the regional and Scottish economy
- Developing international opportunities.

Commentary on Financial Sustainability

The University’s Financial Transformation Project (FTP) continued throughout the financial year and the positive financial impacts are evident in the improved financial performance as compared to budget. This is testament to the hard work of all our staff in continuing to deliver upon the University’s strategic priorities against a back drop of significant change and essential cost saving exercises.

Whilst income from international and rest of UK students has seen further significant decreases this year, the timely introduction of the FTP has seen the University make savings in both staff and operational costs that have successfully controlled the scale of the deficit.

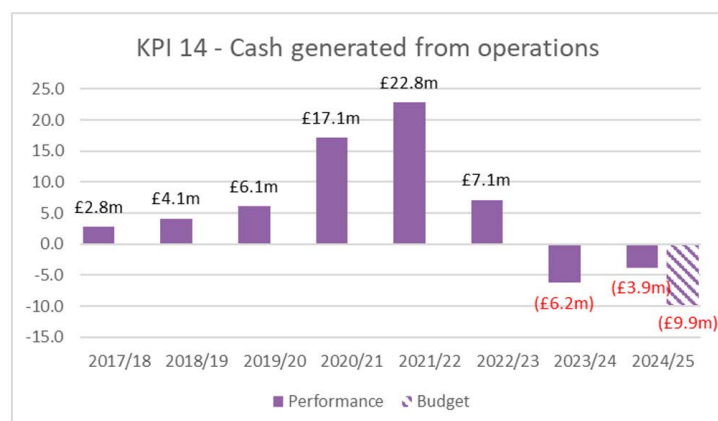
The University’s deficit before other gains and losses of £5.5m is a £0.7m improvement on the prior year (2024: 6.2m). The underlying deficit, defined as the deficit before other gains and losses after adjusting for exceptional items and non-cash pension costs or charges, is £4.4m which is a £0.9m improvement on the prior year (2024:5.3m) (KPI 13: Underlying surplus/deficit).



Definition: The ‘Surplus or Deficit Before Other Gains and Losses’ as reported in the annual financial statements, after adjusting for exceptional items and non-cash pension costs or charges.

As expected, the University has not generated a cash surplus in the year however the cash outflow from operations of £3.9m is £6.0m less than budgeted. Cash liquidity days remain strong, in excess of the University's internal required minimum level and the University has a robust plan to return to cash surplus in the coming years that is being delivered upon.

The University remains in compliance with the covenants attached to external debt both in the current financial year and in future forecast periods.



Definition: The University's net cash inflow/outflow from operating activities is the net cash inflow/outflow from operating activities reported in the cash flow statement, excluding cash flows from exceptional items.

The financial challenges facing the University, and the wider sector as a whole, continue and whilst the FTP finished at the end of the current financial year, ongoing change is required to ensure the University can return to surplus and reinforce its long-term financial sustainability over the short, medium and long term.

The University continues to be in a financially stable position and there remains firm confidence in the future viability of the University and its ability to achieve its long-term strategic objectives.

Environmental Sustainability

The University is committed to ensuring that the institution is environmentally sustainable and achieves its net zero target by 2045. RGU's strategy recognises the importance of its responsibility to reduce the environmental impact of its operations, understanding that the pace of climate change will continue to accelerate without urgent interventions across all aspects of society.

A key component of this commitment is its Net Zero Carbon Reduction programme driven by its Sustainability Group, formed with representatives from across the University. It also includes representatives of the University's student body and Go Green society and is supported by local initiatives of its building user groups.

Sustainability acts as a guiding principle for policies and processes and ensures the University remains compliant with its legislative duties regarding the Climate Change (Duties of Public Bodies; Reporting Requirements) (Scotland) Order 2015 to support the Climate Change Act. This includes the additional annual reporting requirements set out in the Amendment Order 2020 relating to spending plans, the use of resources to reduce emissions and deliver on its emission reduction targets.



SUSTAINABILITY HIGHLIGHTS

Waterside Farm Restoration Project

Since 2024 RGU has been working to transform Waterside Farm into an area of biodiversity, enhancing the already high carbon-holding capacity of the site, and demonstrating an exemplary approach to land stewardship in a sustainable and ecologically positive manner. In October 2024, RGU held a listening event for local stakeholders to outline the proposals and help strengthen links between the University and the communities around Waterside Farm. Those in attendance overwhelmingly support Waterside Farm as a natural space and the restoration proposals. Volunteer sessions take place weekly with regular volunteers coming from the local community as well as students and staff of the University.

The main activities in 2024/25 include clearance of invasive species, removal of tree tubes, relocation of saplings, and the felling of smaller dead and diseased trees. A collaboration between BAM and RGU has also created birdboxes and bug hotels from leftover materials from maintenance work.

An increase in biodiversity on site has been witnessed from new animal species frequenting the area and new plant species being found to increased sightings of animals previously on site.

Fabric First Approach to Carbon Reduction

The University secured more than £5m in funding over the last five-years to develop carbon reduction initiatives across the campus to meet its net zero targets, including installation of LED lighting and solar panels. We replaced single-glazed windows in the Garthdee House Annexe and ensure its ground source heat pump operates efficiently, generating 15% of the energy requirements for the Sir Ian Wood Building. The University has also implemented policies and initiatives to reduce its waste, energy and water consumption, such as the installation of waterless urinals.

First Our Campus, Our World & Achieving Net Zero posters

RGU's Sustainability Week took place in February 2025 featuring the Achieving Net Zero poster exhibition, which went on display until the end of March, and the first Our Campus, Our World event. This showcased the RGU community's efforts to achieve a more sustainable future and included student research projects into "bio-charcoal"; a Keystone documentary on the challenges in achieving Net Zero; and talks on our biodiversity research initiatives, and how we align with the United Nations Sustainable Development Goals.

Launch of EV Salary Sacrifice Scheme

In April 2025, in partnership with TCH vehicle leasing, we introduced a voluntary benefit providing employees with a flexible and affordable means of transitioning to a sustainable electric vehicle through a salary sacrifice scheme. To date, five members of staff have taken up the EV offer.

RISK MANAGEMENT AND INTERNAL CONTROLS

The University's approach to risk management recognises the need to strike a balance between innovation and stability. To ensure consistency with our strategic aims, the Risk Appetite Statement is reviewed on an annual basis. The statement is used extensively across the University to triage new business and commercial opportunities as they arise.

The University has a risk-averse appetite for managing its exposure to compliance risks, while encouraging an open approach to risks around reputation and financial risks. RGU has an eager risk appetite for its strategic aims and enablers. The University's overall appetite for risk is high, however this varies according to the activity undertaken and to reflect regulatory requirements. The risk management policy defines the key aims of our approach to risk management as follows:

- Integrate risk management into the culture of the University
- Manage risk in accordance with good practice
- Consider legal compliance as a minimum standard
- Anticipate and respond to changing social, environmental and legislative requirements
- Prevent injury and damage and reduce the cost of risk
- Raise awareness of the need for risk management.

The process to identify, evaluate and manage risks is embedded in the University's annual planning process. This includes maintaining a strategic high-level risk register, aligned with the strategy and business plan, as well as requiring each School and professional support department to develop and maintain their own risk register, informed by the annual planning process, the risk management policy and the risk appetite statement.

The Deputy Vice Chancellor (Resources) has responsibility for risk management and for ensuring that the Audit Committee is provided with regular reviews of how risks are being actively managed. The Board of Governors retains the overall responsibility for the University's system of internal control and for reviewing its effectiveness. The strategic high-level risk register is reviewed on a regular basis by the Executive and the Audit Committee, with the Board of Governors receiving quarterly reports.

While high-level strategic risks are aligned with the strategic aims of the University, we recognise that risks may evolve and change over the year. As such, the risks are regularly reviewed and re-scored if necessary to ensure that our risk management framework is addressing the most important risks.

The high-level risk register was updated for 2024/25, with high-scoring risks and improvements undertaken to date as follows:

Risk Title	Risk	Internal controls and mitigating actions
1. STUDENT INCOME	The University's revenue levels are reduced due to external factors including greater competition for Scottish students and the UK's attractiveness for international students.	<ul style="list-style-type: none">• The Student Recruitment Strategy and detailed recruitment and marketing plans• Student Recruitment Group and Academic Development Committee monitoring of pipeline reports• Student number targets in place• Annual recruitment activities and events to both generate interest and convert interest to enrolment• Targeted Student Recruitment marketing campaigns to generate leads and applications• Provision of regular market insight to monitor the effectiveness of each activity and identify new or missed opportunities

Risk Title	Risk	Internal controls and mitigating actions
2. PUBLIC FUNDING ENVIRONMENT	The University's public funding is reduced by changes in the funding formulae	<ul style="list-style-type: none">• Regular scanning of external environment with regular briefings to ensure that Executive and UMG are aware of relevant developments• Membership and full engagement with US by senior members of the University staff• Regular participation in Universities Scotland meetings at various levels to ensure that the University is up to date with forecast change• Public policy activity with SFC, UK and Scottish Government and politicians to ensure the positive profile of the University is maintained• Membership of the US/SFC Funding Policy Group and the University Alliance

Risk Title	Risk	Internal controls and mitigating actions
3. FINANCIAL TRANSFORMATION	The Financial Transformation Project weakens the University's performance and/or ability to seize future opportunities	<ul style="list-style-type: none">• Planning and budgeting cycle• Oversight through University Committees of opportunities around teaching portfolio, research activity and business engagement• Controls around staff recruitment• VS scheme• Regular UMG meetings and staff townhalls



Risk Title	Risk	Internal controls and mitigating actions
4.EMPLOYEE RELATIONS	The ability to deliver core services is impacted by poor employee relations including low staff morale and strike action	<ul style="list-style-type: none"> • Levels of staff morale monitoring by staff survey • Communication channels for staff to share unprompted feedback, and to receive responses i.e. YourView inbox • UMG continuing to develop plans to meet objectives • EPR's used to support and guide in new structures to achieve renewed institutional objectives • Regular dialogue between HR and TU representatives • Planned regular meetings between FTP lead, Director of HR and Trade Unions • Regular tailored, and where required personalised communication to staff • Regular visibility of Principal e.g. Townhall, staff bulletin updates (in print and recordings) • Proactive use of staff feedback in the development of communications and considered by FTP • UMG used by Deans/Directors to identify strategic risks linked to staff diminished levels of morale on university metrics i.e. NSS • Early meaningful engagement with respective Trade Union representatives at a local and national level • Open timely communication and sharing of pertinent information • Keep student body abreast of changes to the University's industrial relations with the trade unions • Regular dialogue with recognised TU's.

Risk Title	Risk	Internal controls and mitigating actions
5. PUBLIC SECTOR REFORM	Uncertain impact on the University as a result of the public sector reform 'agenda' and implementation of the SFC's Outcomes Framework & Assurance Model	<ul style="list-style-type: none"> • Membership and engagement with US and UUK • Membership of and engagement with the University Alliance • Ongoing engagement with the HE sector representative bodies • Co-ordination of the Outcomes Framework & Assurance model via the oversight group

Risk Title	Risk	Internal controls and mitigating actions
6. STUDENT EXPERIENCE	The University's performance in key metrics is affected adversely as it navigates a challenging landscape	<ul style="list-style-type: none"> • Leadership of Universities Scotland's Teaching & Learning and Student Mental Health Groups, ensures active participation in sector-level discussions about the stages and outcomes of each of the policy changes • Regular monitoring of the impact of change through established mechanisms such as Quality Assurance and Enhancement Committee ensures that the reviews and their outcomes are understood clearly and actions to mitigate issues are implemented • Review of student feedback and performance metrics by committees such as Student Experience, Quality Assurance and Enhancement, and Equality and Diversity ensures significant issues are highlighted for improvement • Carefully considered responses to all consultation documents to ensure that the University's views and concerns are communicated. • VP ADSE and Director of Student Life participation in sector networks, Universities Scotland, AMOSSHE and the Scottish Government to lobby for continued funding to support students in need • Teaching, Learning and Student Experience sub-strategy completed, which will draw together the University's approach to the delivery of high quality learning and teaching, leading to high quality student experience • Institution and School enhancement plans ensure both university and local level focus on an excellent student experience • Creation of an Innovation Group to identify business practices that could be streamlined/removed to enable staff to focus on the delivery of the strategic priorities • Implemented an institution wide attendance and engagement policy and attendance recording mechanism for the early identification of students at risk of withdrawal

Risk Title	Risk	Internal controls and mitigating actions
7. CYBERSECURITY	Digital infrastructure is compromised by the University experiencing a major cybersecurity attack.	<ul style="list-style-type: none"> • Programme of replacement of legacy systems funded by Major Projects Group • Ongoing internal monitoring of cybersecurity blogs to supplement information about risks as identified by agencies and Scottish Government • Cyber Security Strategy implemented • Improved backup capability with a move to immutable technologies and backup hardening processes • Micro-segmentation of the Network in progress • Attack surface reduction (ASR) rules on servers and end user devices turned on • Local Administration Accounts removed on user devices • Cyber Security Training and Awareness activities • Regular assessments with third parties and partners (JISC, Microsoft, Hefestis etc) • Comprehensive internal processes are in place for Device management and security monitoring, including the use of an established SIEM Service • Multi-factor authentication and self-service password reset have been implemented for all users. • Improved firewall monitoring and automation to assist in identifying attacks • Improvement in the university's cybersecurity maturity through the rollout of cybersecurity awareness training across the University • Cyber Insurance Policy in place • To help strengthen M365 Azure security, Azure Admin accounts required to re-authenticate every 9 hours • Mandatory training in place and regular phishing simulations conducted

FINANCIAL REVIEW

SCOPE OF THE FINANCIAL STATEMENTS

These financial statements are prepared under Financial Reporting Standard 102 (FRS 102) and the applicable Statement of Recommended Practice (SORP) – Accounting for Further & Higher Education Institutions.

The financial statements include the relevant results of the University and its subsidiaries, principally Univation Limited (together ‘the group’).

OPERATING RESULTS FOR THE YEAR

The group’s results for the year are detailed in the Consolidated Statement of Comprehensive Income and Expenditure on page 68.

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
Income	123,465	123,566	126,670	126,738
Expenditure	128,984	129,084	132,821	132,889
Deficit before other gains and losses	(5,518)	(5,518)	(6,151)	(6,151)
Other gains/(losses)	2,592	2,592	1,809	1,809
Deficit before tax	(2,926)	(2,926)	(4,342)	(4,342)

Income

Total incomes of £123.5m at a Group level were £3.2m or 2.5% lower than the previous year. This includes £11.1m of pension interest income (2024: £2.9m). Excluding the impact of the pension interest income, total income of £112.4 is £11.4m (-9.2%) less than the comparable income of FY 2023-34 (2024: £123.8m).

Tuition fee income continued to decrease in FY 24-25 by a further £9.2m in total, or 17.5%, to £43.2m. Whilst Scotland home domicile fees (+£1.8m), EU domicile fees (+£0.6m) and non-credit bearing course fees (+£0.3m) all increased in the year, this increase was not sufficient to offset the further decline in international fees payable by international students, which suffered an £11.3m (-37.5%) decline as compared to FY 2023-24. The reduction was made worse by a £0.6m (-24.8%) decline in RUK domicile fees from students from the rest of the UK.

Funding Body grants recognised in the year include a £1.6m provision release following the finalisation of claw back from the SFC for non-controlled places in prior years. Excluding this release, funding council grants decreased from the prior year, by £1.9m to £51.3m. A further £0.5m of Funding Council grant income has been deferred into FY 2025-26 in agreement with the SFC.

Income from research grants and contracts for the year was down on prior year, by £0.8m, or -19.6%, at £3.3m. Whilst increasing research income remains a key strategic objective of the University, the Financial Transformation Project (FTP) has impacted on research outputs in FY 2024-25. With the FTP now complete the University is confident of realistically improving upon income from research grants in contracts in FY 2025-26.

Other incomes decreased by £0.4m (-3.6%) to £11.1m reflecting the ongoing impact on the University's other services income streams of falling numbers of international students on campus (-£0.7m). This has been partially offset with small performance gains in the University's residences and catering outlets (+£0.3m).

Investment income of £13.7m increased £7.4m as compared to the prior year, however £11.1m of this total is the interest on the NESPF pension scheme (2024: £2.9m). The remaining categories reported a £0.8m decline (-12.3%) driven by poorer market returns as compared to the prior year (-£0.4m) and the impact of lower cash balances in generating interest income (-£0.4m).

Expenditure

Total expenditures for the year decreased by 2.9% (-£3.8m) to £129.0m (2024: £132.8m) reflecting the positive financial impact of the FTP and ongoing strict control of operational spend. Total expenditure includes £11.1m of pension interest expense (2024: £2.8m). Excluding the impact of the pensions interest expense, total expenditure of £117.9 is £12.1m (-9.3%) less than the comparable expenditure of FY 2023-34 (2024: £130.0m).

Included within expenditure are £2.9m (2024: £3.4m) of exceptional restructuring costs which relate to the costs of staff leaving the University and a specific bad debt provision of £2.6m. Excluding the impact of these exceptional costs and the pension scheme's interest cost, the University's operating expenditure is £112.4m for FY 2024-25, £14.2m (-11.2%) less than the comparable expenditure of FY 2023-24 (2024: £126.6m).

Overall staff costs, excluding restructuring costs, decreased during the year by £8.8m or 11.5% to

£67.6m (2024: £76.4m). Average staff FTE fell 137 (-10.5%) as compared to the prior year (2024: 1,303) as the University restructured in line with the strategic objective of securing long-term financial sustainability.

Other operating expenses of £38.2m decreased by £1.7m, 4.3% (2024: £39.9m). This includes the £2.6m impact of the exceptional bad debt provision. The decrease is driven by the reduction in direct teaching costs relating to the decline in student volume and the impact of the FTP on identifying operating costs savings.

The group's depreciation charge for the year decreased from £9.2m to £8.0m, a reduction of 13.0%.

Interest and other finance costs increased by £8.3m during the year. Underlying long term loan interest was unchanged – the increase reflects the impact of the NESPF's pension scheme interest income.

The net group operating result for the year was a deficit of £2.9m (2024: 4.3m deficit).

Total comprehensive expenditure for the year

The group's total comprehensive expenditure for the year was £3.6m (2024: £6.1m) due to non-operating expenditure for the year totalling £0.7m.

This expenditure relates to the actuarial gain on the North East Scotland Pension Fund defined benefit pension scheme, offset by the impact of not recognising the scheme's pension asset of £96.6m (2024: £63.8m) in the University's accounts. The University continues not to recognise this asset as it does not believe that the asset meets accounting requirements for

recognition. In particular, asset recognition is not justified because the actuary's calculation of the present value of our employer contributions is greater than the present value of our current service cost. The University supports the prudent approach adopted by the actuary in measuring employer contributions due to the September 2023 closure of the Scheme to new entrants.

More details of the University's pension obligations including other pension schemes are provided on page 83.

Cash flows

The group's cash flows are detailed in the Consolidated Statement of Cash Flows on page 71. Available cash and cash equivalents reduced by £6.2m from £34.1m at the start of the year to £27.9m on 31 July 2025. It should be noted that both the University's debt covenants continue to be met in FY 24/25 and the University maintains liquidity in excess of required levels established by the financial strategy.

The group generated cash outflows from operating activities of £3.9m for the year, an increase of £2.2m over the £6.1m cash spent during the previous financial year.

Investing activities resulted in net cash outflows of £0.9m (FY 2023-24 cash inflow of £2.3m). Lower spend on fixed assets and fewer transfers of cash to short term deposits have been offset by less investment income when compared to the prior year. Financing activities experienced net cash outflows of £1.4m (FY 2023-24 £1.6m).

Group debt levels reduced slightly from the previous year to £36.1m (2024: £36.4m) in line with repayment profiles.

Capital projects

The group invested £2.6m in fixed assets during the year, a reduction of £0.5m from the prior year.

Treasury management

The group's financing and liquidity requirements are managed by the University's central finance function. Minimum liquidity levels are set by the group's financial strategy and adherence to these is monitored by regular cash flow forecasting throughout the year. In addition, as part of the group's planning processes, regular financial forecasts are prepared which include the group's estimated capital expenditure requirements. In this way, both liquidity requirements and any future borrowing needs can be determined on a timely basis.

Professional external managers manage the investment of the group's free cash balances, and their performance is monitored by the Finance and General Purposes Committee of the Board of Governors.

The group's foreign currency earnings form a small part of its overall revenues and, hence, overall exposure to exchange risk is low. It is not, therefore, appropriate to adopt formal strategies to reduce exposure to these risks although, on occasion, the group hedges significant one-off foreign currency receivables by purchasing forward contracts.

Year-end financial position of the group

The group's balance sheets are detailed in the Consolidated and University Balance Sheet on page 70. At year end the group had net assets of £203.8m, a decrease of £3.6m (-1.7%) on the prior year figure of £207.4m. The net current asset position of the group has weakened in the year to

£31.7m (2024: £34.5m) reflecting the cash impact of the underlying deficit off-set by lower creditors due within one year (£21.0m compared to £25.1m) and improved short-term investments (£17.8m compared to £16.8m).

The financial statements continue to be prepared on a going concern basis as the University Board considers that the University has adequate financial resources to continue in operational existence for the foreseeable future.

Payment of creditors

It is the University's policy to obtain the best terms for all business and there is no single policy as to the terms used. In agreements negotiated with suppliers, the University endeavours to abide by specific payment terms. There was no interest paid under the Late Payments of Commercial Debts (Interest) Act.

Political donations

No donations for political purposes were made during the year.

Auditor

Henderson Loggie LLP are the external auditors to the University. In addition, in line with the Financial Memorandum, the University has appointed KMPG LLP to provide internal audit services

FAIR WORK FIRST

University Community 2025

As part of the University's equity, diversity and inclusion (EDI) commitments, RGU is dedicated to removing barriers and fostering understanding to help disabled people reach their potential. As a Disability Confident Employer, we actively promote the recruitment, development, and retention of disabled staff through inclusive policies and practices.

Key initiatives include regular reviews of access and safety, support for staff who become affected by a disability, and inclusive recruitment procedures. The university also has a Disability Action Group and a Disability Staff Champion to help ensure disabled and neurodiverse voices are represented in decision-making through several committees and forums.

RGU is committed to conducting a disability pay gap analysis by 2027 and continues to enhance support for neurodiverse individuals, improve representation in senior roles, and ensure equitable recruitment and promotion. The University also provides reasonable adjustments, promotes flexible working, and maintains both physical and digital accessibility, supported by a BSL Action Plan.

Through ongoing review and collaboration, RGU strives to create and maintain an inclusive environment where disabled staff and students can thrive.

RGU promotes equality in the delivery of services under the Equality Act 2010 through a comprehensive and strategic approach that embeds EDI across the university through all its functions. Progress and outcomes are monitored

via the Equality Outcomes Progress Report and Gender Pay Gap analysis.

The Equality and Diversity policy, Dignity at RGU policy, Hybrid Working Policy and the suite of family friendly policies support fair treatment for all and outline the expected standards of behaviour for staff. All staff are required to complete the mandatory EDI module. Equality and respectfulness are two of the core values of the university. These values are embedded throughout our recruitment, induction and staff appraisals helping to embed EDI within the overall culture of the university.

There is a range of opportunities for staff to engage, learn about and participate with EDI including action groups for each equality strand. They meet regularly to promote inclusivity and address matters affecting service delivery for diverse groups. A wealth of initiatives and events are detailed in the EDI calendar including International Women's Day, Black History Month and Disability Week.

The University has made significant strides in implementing the Scottish Government's Fair Work First practices. These practices are embedded across the university's employment policies and culture, and include:

Appropriate Channels for Effective Workers' Voice

- The joint agreement with trade unions (UCU, Unison, EIS) ensures staff have representation and a platform to raise concerns and contribute to decision-making.
- Employees are regularly encouraged to provide feedback directly to the Principal and the wider executive by utilising the dedicated 'Your View' mailbox.
- Anonymous staff surveys are regularly launched to gather feedback on leadership and management.

Fair Pay

- RGU offers competitive salaries with annual increments and pay awards (where appropriate).
- The institution was accredited by the Living Wage Foundation in October 2024 and is dedicated to ensuring all staff receive at least the real Living Wage as defined by the Living Wage Foundation.

No Inappropriate use of Zero Hour Contracts

RGU offers permanent or fixed term contracts with specified hours where possible and avoids inappropriate use of zero hour contracts.

Investment in Workforce Development

- Staff have access to personal and professional development, training, and career progression pathways including, the in-house catalogue of Skills 4 Success modules, Digital Skills Network and the academic progression framework.
- The university is actively working on a staff development strategy following feedback from key stakeholders which will support our workforce planning discussions with each of our schools and departments.

Work-Life Balance

- RGU has maintained the harmonised working hours of just 35 hours per week for 1 FTE and an annual leave entitlement of 46 days (including statutory holidays) for all staff since 2022.
- Hybrid and flexible working arrangements are encouraged and supported in line with the RGU Hybrid Working Policy and flexible working scheme.
- The University has a range of family friendly policies which provide support and time off work for employees during important life events.

Respect and Inclusion

- RGU is committed to equality, diversity, and inclusion across all departments. Some of the training and guidance available to employees is found in the Dignity at RGU policy, specific EDI mandatory training for all employees and managers' guidance.
- The University runs action groups relating to the specific protected characteristics as named in the Equality Act 2010. These actions groups are run by dedicated staff champions and are supported by the University EDI Adviser and an appointed HR Adviser.
- RGU is actively engaged with the Athena SWAN Charter and achieved the Bronze Award in February 2025, demonstrating a strong commitment to advancing gender equality across the institution. Details regarding RGU's commitment to the five desirable Fair Work First criteria can be found here: <https://www.rgu.ac.uk/files/328/University-Policies/2934/Fair-Work-Statement.pdf>



CORPORATE GOVERNANCE STATEMENT 2024-25

CORPORATE GOVERNANCE STATEMENT 2024/25

Overview

The University is committed to achieving the highest possible standards of corporate governance relevant to the higher education sector. As part of this commitment, and as required by the financial memorandum with the Scottish Funding Council, it reports compliance against the principles of good governance as set out in the Scottish Code of Good HE Governance (revised 2023).

The Board of Governors (Board) have overall responsibility for corporate governance at the University.

The Board has established a number of key Standing Committees which have clear remits and all of these are reviewed annually. All Committees are primarily composed of independent members of the Board, one of whom is the convener, with at least one staff and one student governor on all except Audit and Risk Committee. The Board has external lay appointees to many of its committees. Annually the Board also reviews its Statement of Primary Responsibilities and, together with a mapping document, they provide transparency as to how these responsibilities are discharged.

On 12 May 2025 the Board held its annual stakeholder event. The event was in person and on campus. Many of the University's stakeholders from across the region came together for the event to receive from both the Chair of the Board of Governors and the Principal an overview of key developments at the University as it looks ahead to build on its years of success in ensuring workforces are equipped with both the skills needed for the future workplace and innovative solutions are delivered for some of society's biggest challenges.

The Board meets formally four times a year and also holds at least one Board Strategy and Development Event, which was also attended by members of the University's Executive. The minutes of the meetings of the board and meeting agendas are made available to the public, staff and students through the website, unless they contain commercially sensitive or personal information.

Board members are required to declare any relevant interests on appointment and this information is formally reviewed on an annual basis. Declarations of interest are made publicly available on the University's website. Individual board members are also asked to declare any interests in relation to Board and Committee agenda business on a routine basis and the Chair may require members to recuse themselves for particular items.

Recruitment, Induction, and Training

The Board, through the Governance and Nominations Committees, monitor both the range of skill and experience as well as equality and diversity of its composition regularly. The composition of the lay members of our Board was gender balanced, however, our staff and student Governors – who are either nominated or elected by their respective constituencies– comprise three male and four females

The Board has recently welcomed two new Student Governors, (two males) who have been elected in accordance with the processes agreed with the Student Union. In the period the Board also welcomed new external members to its Committees.

All newly appointed Board members are provided a formal induction and encouraged to attend the Advance HE event New Governors of Scottish Institutions.

As a matter of good practice, members of the Board either attend visits or receive presentations from specific academic schools or professional/support departments. In this year development presentations included presentation by Academic Quality and Learning Enhancement on the Quality Assurance – Scotland's Evolving Quality Landscape and a session on AI in Education. During the year, opportunities for Governors to meet with staff and students across the University included Graduations, the Regional Startup Accelerator, Gray's School of Art Degree Show, and the annual Boat Race with Aberdeen University.

Evaluation

In 2022/23 the internal auditors carried out an audit of Governance effectiveness, the report was low risk with one low risk finding a few advisory recommendations and a number of areas of good practice identified. It was agreed that the Board would commission a further Board effectiveness review in session 2025/26 post publication of the Gillies Report and the related OSCR report.

The Board and its Standing Committees have in place an annual system of internal evaluation. Committee members rank the performance and effectiveness of each in accordance with its specific remit. The overall evaluation for 2024/25 for both the Board and its Standing Committees was very positive.

Within the financial year 2024-25 the Board considered a wide range of business including:

- Monitoring the delivery of the University's Finance Transformation Project;
- Approving the Roadmap to 2030;
- Approving consultation and implementation of redundancy scheme including voluntary and compulsory redundancies;
- Approving the Business Plan, including measurement of KPI's, and Risk Register and monitoring the latter's progress;
- Approving and monitoring plans for savings and future growth;
- Approving KEIF strategy;
- Considering estates matters including legal action and significant potential repair;
- Overseeing the University's work on equality, diversity and inclusion including the submission and achievement of Athena Swan Bronze Award;
- Overseeing the University's approach to sustainability and our Net Zero Carbon Reduction.

As part of its normal business, the Board approves the Annual Occupational Health and Safety Report and the Student Union Annual Report and Budget, which includes compliance with the Code of Practice and the Education Act 1994.

The Board also receives reports from each meeting of Academic Council as part of its routine business. This ensures Academic Council is effective in its duties, by monitoring its compliance with internal quality processes, reports of engagement with external quality processes and the Quality Assurance Agency.

Standing Committees

The Finance and General Purposes Committee advises the Board on policy, strategy and planning concerning all estates and financial matters, including investments, and makes recommendations to the Board of Governors for approval of the annual budgets for income and expenditure. The committee also considers, oversees and provides guidance to the Board on a wide range of matters such as the annual Financial Statements and Financial Forecasts, the system of financial control and administration, the University's annual revenue and capital budgets, the finance and estates strategies including sustainability, investment policy and strategy, key performance indicators and any material changes to financial limits and authorisations in the Financial Regulations. The Committee has external members.

In 2024-25 the Committee considered a range of associated business matters:

- Approving and monitoring Phase 2 of Financial transformation project, including the redundancy compensation scheme
- Student debt collection and Ghanan Scholarship Secretariat (GSS) debt.

The Governance and Nominations Committee provides a single forum for ensuring the Board of Governors and the University complies with all relevant governance frameworks, including the Scottish Code of Good Higher Education Governance, and make recommendations for change where necessary. The committee consists of at least one, but not more than two members who are external to the University, as well as a staff and student governor. The committee advises the Board of Governors on the evaluation of the balance of skills, attributes and experience required from membership of the governing body and considers equality and diversity both as regards Board composition as well as the work on EDI across the University as a whole.

During 2024-25 the Committee considered a range of associated business matters:

- Governance effectiveness
- Approved submission to Athena Swan, which achieved the Bronze Award.

The Remuneration Committee determines the remuneration of the senior management (including the Principal and Vice-Chancellor of the University) in accordance with Board approved policy and processes. The membership of the Committee includes both a Staff Governor and a Student Governor and four lay governors. Decisions on the provision of pay increases are informed by a robust system of benchmarking and by monitoring individual performance against agreed objectives. The Committee is also responsible for ensuring that any severance payments to senior staff are in accordance with the overall University Severance Policy and guidance to the sector.

The Staff Governance Committee ensures the University has a clear human resource strategy aligned with the overall University strategy and that it is appropriate, realistic and achievable. The committee

also reviews and endorses the overall health and safety strategy and plan. It is the role of the committee to monitor the relevance and these strategies, its implementation and effectiveness and ensure all plans are responsive to changing internal and external environment.

Within the Financial Year 2024-25, the Committee considered a range of associated business matters including:

- Progress updates on the implementation of the human resource strategy;
- Considering and approving amendments to the Redundancy Policy/ procedure; and
- Reviewing the annual occupational health and safety report and receiving regular occupational health and safety strategic review reports.

The Audit and Risk Committee (formerly titled Audit Committee) fulfils a key role in reviewing the effectiveness of the financial and other internal control systems and advising the Board on its compliance with good governance requirements. The most recent report from the Audit Committee about the institution's adequacy and effectiveness of risk management, internal control and governance was one of reasonable assurance / moderate assurance, meaning governance, risk management and control in relation to business-critical areas is generally satisfactory.

There was a wide range of business considered throughout 2024/25 including:

- Approving the Internal Audit Plan for Session 2024/25;
- Receiving internal audit reports provided in accordance with the annual plan;
- Receiving/reviewing internal audit follow-up reports;
- Reviewing the Risk Register regularly throughout the year;
- Recommending approval to the Board of the Annual Report and Financial Statements;
- Reviewing the interim and final external audit reports; and
- Considering annual reports on related party and spin outs, procurement and value for money; gifts and hospitality; fraud and whistleblowing.
- Considering Gillies Report.

The internal audit programme included an audit on the effectiveness of the Financial Transformation Project, which audit was carried out at the end of the financial year therefore reporting to the Committee early in financial year 2025/26.

The consideration of the Gillies Report and the lessons for the sector by Audit and Risk Committee informed further considerations by the Executive and by Governance and Nominations Committee and at the Board Strategy and Development Event in the next financial year.

The attendance data for the Board of Governors and its Standing Committees (1 August 2024 to 31 July 2025) is summarised in the following table:

Governors	Board of Governors	Audit and Risk Committee	Finance & General Purposes Committee	Staff Governance Committee	Governance & Nominations Committee	Remuneration Committee	Board Strategy & Development Event
	5 meetings	5 meetings	6 meetings	2 meetings	2 meetings	2 meetings	2 events
O Afolayan Student Governor (from 8.7. 24 – 4.7.25)	4/5		1/6		0/2		2/2
A Bannister Independent Governor	4/5		6/6				1/2
G Barron Staff Governor	5/5		5/6				2/2
J Booth Independent Governor	3/5			2/2	0/1	1/2	0/2
A Campbell Trade Union	5/5			2/2			2/2
N Crawford Independent Governor	2/5		4/6	2/2		2/2	0/2
A Easton Independent Governor (until 28.2.25)	3/3		4/4		1/1		1/1
S. Elston Independent Governor	4/5	5/5					1/2
K Gifford Independent Governor	5/5	2/2	6/6		2/2		2/2
C Hunter Chair of the Board	5/5		6/6	2/2	2/2		2/2
B U Igbinigie Student Governor	5/5		4/6			2/2	2/2

Governors	Board of Governors	Audit and Risk Committee	Finance & General Purposes Committee	Staff Governance Committee	Governance & Nominations Committee	Remuneration Committee	Board Strategy & Development Event
	5 meetings	5 meetings	6 meetings	2 meetings	2 meetings	2 meetings	2 events
J Isaacs Academic Council elected	5/5			1/2	1/2		2/2
M McGinlay Independent Governor (until 31.12.24)	2/3			1/1		1/1	0/1
R Marcella Trade Union	4/5				1/2		2/2
P Murray Independent Governor	4/5	3/3	1/2				2/2
S Olivier Principal	5/5		5/6	2/2	1/2		2/2
S Saluja Independent Governor (from 1.1.25)	2/2			1/1	0/1	1/1	1/1
N Seaton Independent Governor (on period of leave from May 2025)	4/4	3/3	3/4				1/1
M Clare Independent Governor (on period of leave from Sept 2025)	5/5		5/5				2/2
J Strachan Staff elected	5/5			2/2		2/2	2/2
T Walker Independent Governor (until 31.12.24)	2/3	0/2					0/1
E Walton Independent Governor	4/5	3/5		2/2		1/2	2/2

External Committee Members

Governors	Board of Governors	Audit and Risk Committee	Finance & General Purposes Committee	Staff Governance Committee	Governance & Nominations Committee	Remuneration Committee	Board Strategy & Development Event
E Askeland (until December 2026)					2/2		
M Findlay (from 1.7.24 then Board Member from 1 July 2025)		5/5					
K Milroy		3/5					
R Morrison			1/6				
M Twigg (from 1.9.24)					2/2		

CONCLUSION

Overall, the Board is of the view that it has in place a robust set of governance arrangements and procedures to fulfil its responsibilities.
 In the opinion of the Governing Body, the institution complied with all the principles and provisions of the 2023 Scottish Code of Good Higher Education Governance through the year.

Signed



C Hunter,
 Chair of the Board of Governors

18 December 2025

STATEMENT OF THE PRIMARY RESPONSIBILITIES OF THE GOVERNING BODY

This Statement is based on the model statement formerly contained in the Governance Code of Practice published by the Committee of University Chairmen, adapted to reflect the functions and duties that the Board derives from its Statutory Instrument. It takes account of the minimum priorities contained in the Scottish Code of Good Higher Education Governance (2023 edition).
 The Board is the governing body of the University. The Board has ultimate responsibility for the affairs of the University with the exception of academic standards, which are the responsibility of the Academic Council. The Board is responsible for reviewing the work of the University, taking such steps as necessary to ensure the University’s strategic objectives are achieved. The objectives being to:
 (a) to provide students with an excellent experience that will enable them to raise their aspirations and thrive in their professional careers as global citizens;
 (b) to grow the quality and impact of our globally recognised, innovative and interdisciplinary research; and
 (c) to ensure that we contribute significantly towards Scotland’s economic and social regeneration.
 Consistent with the University’s Statutory Instrument, the primary functions and duties of the University Board are as follows:
 (a) to admit, enrol and deal with students including among other things the power to make academic regulations and to impose sanctions, impose or grant suspensions of studies and terminate enrolment in accordance with those academic regulations;
 (b) to confer on any person higher and other education awards including degrees, diplomas, certificates and other academic awards or distinctions and honorary degrees;
 (c) to deprive the recipient of a University award of

that award;
 (d) to create, award and maintain fellowships, scholarships, studentships and other prizes;
 (e) to create and maintain codes of conduct, regulations and policies required for the maintenance of standards and good order within the University;
 (f) to enter into contracts;
 (g) to form and maintain arrangements with any person;
 (h) to acquire, hold and dispose of any legal entity;
 (i) to acquire, hold and dispose of any of the undertakings, rights, assets or liabilities of the University;
 (j) to charge fees for any service or facilities provided by the University;
 (k) to buy, hold, lease, construct and sell any heritable or moveable property (including stocks, shares, loans and intellectual property rights) and to borrow and to give and take security of all types;
 (l) to invest and disinvest University monies and assets as it sees fit;
 (m) to approve student bodies, entities and associations;
 (n) to create and own intellectual property, any discovery and invention of any type and to exploit these commercially (including the sale thereof);
 (o) to establish and maintain an alumni association;
 (p) to employ staff;
 (q) to sue and be sued in the name of the University; and
 (r) to exercise the organisational functions listed below.
The organisational functions of the Board are:
 (a) to oversee the University’s activities, determine its mission and future direction, foster an environment in which the University’s objects are

achieved and provide strategic input to all material policy or other matters affecting the University (including the adoption and publication of a statement of the primary responsibilities of the Board);

(b) to appoint and regulate committees of the Board formed of Governors and, where appropriate, others;

(c) to set up within the University such departments, schools, faculties and other units of organisation and delegate to them such functions, duties and powers as it sees fit;

(d) to appoint a Chancellor as the titular head of the University;

(e) to appoint a Principal and Vice-Chancellor as the chief academic and executive officer of the University;

(f) to appoint one or more Vice-Principals, a Secretary to the Board and other office holders to have such powers as the Board may see fit; (g) to reimburse any Governor for reasonable financial loss, travel or subsistence expenses, and to make such payments in accordance with any policies of the Board;

(h) to make regulations, byelaws and standing orders for the exercise of the functions and duties of the Board acting on behalf of the University;

(i) to provide facilities to carry on any activities which are necessary or desirable to enable the University to fulfil its objects;

(j) to establish and monitor systems of control and accountability, including financial and operational controls and risk assessment;

(k) to review and monitor the management of the University and its performance; and

(l) to approve a business plan and budget for the University for and in advance of each 12-month financial period of the University.

Responsibility for financial matters

The Governing Body is responsible for keeping proper accounting records, which disclose, with

reasonable accuracy, the financial position of the university at any time and enable it to ensure that the financial statements are prepared in accordance with the Statutes, the 2019 Statement of Recommended Practice (SORP): Accounting for Further and Higher Education and other relevant accounting standards, including FRS 102 the Financial Reporting Standard applicable in the UK and Republic of Ireland. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Governing Body of the Robert Gordon University, the Governing Body, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit, total comprehensive income and expenditure and cash flows for that year.

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

- Select suitable accounting policies and ensure these are applied consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Assess the group and parent 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 they either intend to liquidate the group or the parent university, or to cease operations, or have no realistic alternative but to do so.

The Governing Body 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.

The Governing Body has taken reasonable steps to:

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

The Governing Body is responsible for the maintenance and integrity of the corporate and financial information included on the university's web site. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

FINANCIAL STATEMENTS

For the year to 31 July 2025

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF ROBERT GORDON UNIVERSITY

Opinion

We have audited the financial statements of Robert Gordon University (the 'University') and its subsidiaries (the 'Group') for the year ended 31 July 2025 which comprise the Consolidated & University Statement of Comprehensive Income and Expenditure, the Consolidated & University Statement of Changes in Reserves, the Consolidated & University Statement of Financial Position and the Consolidated Statement of Cash Flows and the related notes to the financial statements, including the Statement of Principal Accounting Policies and estimation Techniques. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are approved. Our responsibilities and the responsibilities of the Board of Governors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Board of Governors are responsible

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Scottish Funding Council's Financial Memorandum with Higher Education Institutions

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

- the Scottish Funding Council's Accounts Direction has been met;
- funds from whatever source administered by the University for specific purposes have been applied properly to those purposes and, if relevant, managed in accordance with relevant legislation, and any other terms and conditions attached to them;

- and funds provided by Scottish Funding Council have been applied in accordance with the requirements of the Scottish Funding Council Financial Memorandum with Higher Education Institutions.

Matters on which we are required to report by exception

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

- the information given in the financial statements is inconsistent in any material respect with the Board of Governors' Report (contained within the Strategy Report);
- or proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Board of Governors

As explained more fully in the Statement of the primary responsibilities of the governing body, the Board of Governors is responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the Board of Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Governors is responsible for assessing the Group and the University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Governors either intend to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

As part of our planning process:

- We enquired of management regarding the systems and controls the University has in place, and the areas of the financial statements that are most susceptible to the risk of irregularities

and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud impacting on the financial statements;

- We obtained an understanding of the legal and regulatory frameworks applicable to the University. We determined that the following were most directly relevant to the financial statements: financial reporting legislation (including charity and higher education legislation), taxation legislation, and pensions legislation. In addition we identified that the Group and University are required to comply with many other laws and regulations, such as health and safety, employment laws, UK Visas and Immigration requirements, where the consequences of non-compliance could give rise to an impact on the financial statements through the imposition of fines, or litigation or restrictions on the Group and/or the University's licences to operate;
- We considered the incentives and opportunities that exist in the University, including possible pressures to meet performance targets and comply with loan covenants, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly;
- Using our knowledge of the University, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our audit procedures according to this risk assessment. The key procedures we undertook to detect irregularities including fraud during the course of the audit included:
- Inquiry of management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Corroboration of our enquiries through reviewing minutes of the Board of Governors meetings and relevant sub-committee meetings, including the Audit Committee;

- Review of the policies and procedures approved by the Board of Governors and its committees to set a culture of honesty and ethical behaviour, including policies for prevention and detection of fraud, ethical behaviours and making public interest disclosures;
- Challenging assumptions and judgments made by management in their significant accounting estimating including accounting for defined benefit pension schemes, evaluating the carrying value and depreciation of tangible fixed assets, assessing the fair value of investments, and the application of bad debt provisions, accruals, and provisions;
- Auditing the risk of management override of controls, including through testing or a risk basis journal entries and reviewing any large or unusual transactions and any other adjustments for appropriateness and available supporting documentation.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud rests with the Board of Governors.

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

Use of our report

Use of our report This report is made solely to the Board of Governors of the University, as a body, in

accordance with the The Robert Gordon University (Scotland) Order of Council 2019, and the Board of Governors' role as charity trustees, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended). Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors as a body, for our audit work, for this report, or for the opinions we have formed.

Henderson Loggie LLP

Henderson Loggie LLP
Chartered Accountants
Statutory Auditor

Henderson Loggie LLP is eligible to act as auditor in terms of section 1212 of the Companies Act 2006

The Stamp Office
Level 5, 10-14 Waterloo Place
Edinburgh
EH1 3EG

18 December 2025

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES AND ESTIMATION TECHNIQUES

1. Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standards (FRS102). The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of equity investments and derivative financial instruments).

At 31 July 2025, the University and its subsidiaries had cash and cash equivalents of £27.9m, short term liquid investments of £17.8m and long term listed investments of £25.8m. Within current asset investments and cash, £3.0m are restricted endowments. In the year ended 31 July 2025, the Group generated cash outflows from operating activities of £3.9m. The University has one long term bank facility of £32m for which no principal repayments are due before 2038. This bank loan agreement is subject to two principal financial covenants relating to net asset cover and cash flow cover. Other key obligations include current and deficit employer cash contributions to defined benefit pension schemes. The University has no capital commitments other than as disclosed in note 21.

The Board of Governors has prepared cash flow and covenant forecasts for the University and its subsidiaries for the period to 31 July 2025 which indicate that, taking account of reasonably possible changes to student numbers, the Group and University will have sufficient funds to meet their liabilities as they fall due for that period and achieve both bank financial covenants.

Consequently, the Board of Governors is confident that the University and its subsidiaries will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

2. Basis of consolidation

The consolidated financial statements include the University and its subsidiary undertaking Univation Limited for the financial year to 31 July 2025. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

The consolidated financial statements do not include the income and expenditure of the Robert Gordon University Student Association as the University does not exert control or dominant influence over policy decisions. The RGU Foundation is not consolidated on the basis of its immateriality to the Group.

Associated companies and joint ventures are accounted for using the equity method.

The financial position of the University, including details of its long-term borrowing facilities, is set out in the financial review on pages 37 to 40. The financial statements have been prepared on a going concern basis.

3. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income and Expenditure

when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

Tuition Fees

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

Grant funding

Grant funding including funding council block grant, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income 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 and appreciation of endowments is recorded in income in the year in which it arises as either restricted or unrestricted income according to the terms of the individual endowment fund.

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

a. 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.

b. 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.

Other income

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

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

Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

4. Accounting for retirement benefits

Retirement benefits for employees of the university are provided by the Scottish Teachers' Pension Scheme (STPS), the North East Scotland Pension Fund (NESPF) (which was closed to new entrants on 1 September 2023) and the RGU Pension Plan. All schemes are available to staff of more than one employer, are contracted out of the State Earnings-Related Pension Scheme, and the assets of the schemes are held separately from those of the university.

The NESPF and STPS funds are valued by actuaries, the rates of contributions being determined by the trustees on the advice of the actuaries.

Defined Contribution Plan

The RGU Pension Plan was opened on 1 September 2023 and is a defined contribution plan. This is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension

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

The STPS scheme is a multi-employer defined benefit scheme, however, the university is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 17 'Retirement benefits', accounts for the scheme as if it were a defined contribution scheme. Accordingly, contributions to this scheme are included in expenditure in the period in which they are payable.

Defined Benefit Plan

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

5. 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.

6. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7. Operating leases

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

8. Foreign currency

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at year end rates. Any resulting exchange differences are taken to the consolidated statement of comprehensive income and expenditure account in the year.

9. Fixed assets

Fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to 1st August 2014, the date of transition to the FRS 102 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Land and buildings are stated at deemed cost at 1st August 2014 less accumulated depreciation and accumulated impairment losses.

Costs incurred in relation to land and buildings after initial purchase or construction, and prior to re-valuation to deemed cost, 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 buildings are depreciated by component on a straight-line basis over their expected useful lives.

Leasehold buildings are depreciated over the life of the lease up to a maximum of 50 years.

No depreciation is charged on assets in the course of construction.

Equipment

Equipment, including computers and software, costing less than a £10,000 per item or group of related items is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life of between 3 and 10 years.

Fixtures and Fittings

Fixtures and fittings are stated at purchase cost together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of fixtures and fittings on a straight-line basis over the expected useful economic lives of the assets concerned. The principal expected useful lives for this purpose are between 5 and 15 years.

Borrowing costs

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

10. Intangible assets and Goodwill

Intangible assets (computer software) are amortised over period not exceeding 5 years representing the remaining estimated economic life of the assets.

The University currently has no recognised goodwill or negative goodwill.

11. Investment Properties

The University does not have any properties that are considered investment properties.

12. Investments

Non-current asset listed investments are held on the balance sheet at market value with movements taken to the consolidated statement of comprehensive income and expenditure.

Investments in subsidiaries and spinouts are carried at cost less impairment in the University's accounts.

Current asset investments are held at fair value with movements recognised in the Surplus or Deficit.

13. Stock

Stock is held at the lower of cost and net realisable value.

14. Cash and cash equivalents

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

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

15. Provisions, contingent liabilities and contingent assets

Premature retirement compensation

Provision is made for the estimated costs which will be incurred as a result of decisions made by the Governing Body concerning premature retirement which create a legal or constructive obligation before the balance sheet date.

An annual contribution representing interest is credited to the provision and the costs of enhanced pensions are charged against the provision which is revalued actuarially on an annual basis.

Provisions - general

Provisions are recognised in the financial statements when:

- (a) the 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; and
- (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.

Contingent liabilities and contingent assets

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

A contingent asset arises where an event has taken place that gives the University a possible

asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

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

16. 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.

17. Taxation

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

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

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of

items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

18. Financial Instruments

Basic financial instruments

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially 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 in the case of trade debtors. If payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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

Other financial instruments

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

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part

of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. Any ineffective portion of the hedge is recognised immediately in profit or loss.

For cash flow hedges, where the forecast transactions resulted in the recognition of a non-financial asset or non-financial liability, the hedging gain or loss recognised in OCI is included in the initial cost or other carrying amount of the asset or liability. Alternatively when the hedged item is recognised in profit or loss the hedging gain or loss is reclassified to profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity discontinues designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

19. Judgments and estimation techniques

No new critical judgments have been required in the preparation of the financial statements. In prior periods, judgment has been required in the evaluation of the Scottish Teachers' Pension Scheme as a multi-employer scheme (note 29) and in the classification of finance and operating leases.

The preparation of the financial statements requires management to make estimations that affect the financial statements during the reporting period. Actual results could differ from those estimates. Estimates are principally used when accounting for defined benefit pension schemes and when evaluating the carrying value and depreciation of tangible fixed assets, assessing the fair value of investments, and the application of bad debt provisions, accruals and provisions. Details of the estimates used are set out in the relevant accounting policy and financial statement note.

Consolidated & University Statement of Comprehensive Income and Expenditure

For the year ended 31 July 2025

	Notes	2025		2024	
		Group £'000	University £'000	Group £'000	University £'000
Income					
Tuition fees and education contracts	1	43,244	43,244	52,424	52,424
Funding body grants	2	51,382	51,382	51,705	51,705
Research grants and contracts	3	3,349	3,349	4,167	4,167
Other income	4	11,123	11,251	11,537	11,641
Investment income	5	13,678	13,650	6,276	6,240
Donations and endowments	6	690	690	561	561
Total income		123,466	123,566	126,670	126,738
Expenditure					
Staff costs	7	67,628	67,628	76,424	76,424
Restructuring costs		2,948	2,948	3,441	3,441
Other operating expenses	9	38,165	38,265	39,869	39,937
Depreciation, impairment and amortisation	12/13	7,992	7,992	9,185	9,185
Interest and other finance costs	8	12,251	12,251	3,902	3,902
Total expenditure	10	128,984	129,084	132,821	132,889
Deficit before other gains and losses		(5,518)	(5,518)	(6,151)	(6,151)
Loss on disposal of fixed assets		(1)	(1)	3	3
Gain on endowment investments	20	238	238	163	163
Gain on non-current investments	14	2,355	2,355	1,643	1,643
Deficit before tax		(2,926)	(2,926)	(4,342)	(4,342)
Taxation	11	-	-	-	-
Deficit for the year		(2,926)	(2,926)	(4,342)	(4,342)
Actuarial gain in respect of pension schemes	29	29,015	29,015	6,018	6,018
Effect of pension scheme asset ceiling	29	(29,664)	(29,664)	(7,801)	(7,801)
Total comprehensive income for the year		(3,575)	(3,575)	(6,125)	(6,125)
Represented by:					
Endowment comprehensive income for the year		326	326	169	169
Unrestricted comprehensive income for the year		(3,901)	(3,901)	(6,294)	(6,294)
		(3,575)	(3,575)	(6,125)	(6,125)

All items of income and expenditure relate to continuing activities and are attributable to the University.

The notes on pages 72 to 86 form an integral part of these financial statements.

Consolidated & University Statement of Changes in Reserves

For the year ended 31 July 2025

Group	Income and Expenditure Account		
	Endowment Reserves £'000	Unrestricted Reserves £'000	Total £'000
Balance at 1 August 2023	2,494	210,994	213,488
Deficit from the income and expenditure statement	169	(4,511)	(4,342)
Other comprehensive income	-	(1,783)	(1,783)
Total comprehensive income for the year	169	(6,294)	(6,125)
Balance at 1 August 2024	2,663	204,700	207,363
Surplus from the income and expenditure statement	326	(3,252)	(2,926)
Other comprehensive expenditure	-	(649)	(649)
Total comprehensive income for the year	326	(3,901)	(3,575)
Balance at 31 July 2025	2,989	200,799	203,788

University	Income and Expenditure Account		
	Endowment Reserves £'000	Unrestricted Reserves £'000	Total £'000
Balance at 1 August 2023	2,494	210,877	213,371
Surplus from the income and expenditure statement	169	(4,511)	(4,342)
Other comprehensive income	-	(1,783)	(1,783)
Total comprehensive income for the year	169	(6,294)	(6,125)
Balance at 1 August 2024	2,663	204,583	207,246
Surplus from the income and expenditure statement	326	(3,252)	(2,926)
Other comprehensive expenditure	-	(649)	(649)
Total comprehensive income for the year	326	(3,901)	(3,575)
Balance at 31 July 2025	2,989	200,682	203,671

The notes on pages 72 to 86 form an integral part of these financial statements.


Consolidated & University Statement of Financial Position
 For the year ended 31 July 2025

	Notes	2025		2024	
		Group £'000	University £'000	Group £'000	University £'000
Non-current assets					
Fixed assets	12	185,947	185,947	191,386	191,386
Intangible assets	13	1,258	1,258	1,291	1,291
Investments	14	25,810	25,910	23,331	23,431
		213,015	213,115	216,008	216,108
Current assets					
Stock		22	22	20	20
Trade and other receivables	15	6,962	7,177	8,647	9,070
Investments	16	17,796	17,796	16,820	16,820
Cash and cash equivalents	23	27,911	27,213	34,103	33,269
		52,691	52,208	59,590	59,179
Less: Creditors: amounts falling due within one year	17	(20,993)	(20,727)	(25,095)	(24,901)
Net current assets		31,698	31,481	34,495	34,278
Total assets less current liabilities		244,713	244,596	250,503	250,386
Creditors: amounts falling due after more than one year	18	(35,772)	(35,772)	(36,316)	(36,316)
Provision for liabilities					
Premature retirement compensation	19a	(4,683)	(4,683)	(5,459)	(5,459)
Pension scheme liability	19b	(470)	(470)	(478)	(478)
Restructuring provision		-	-	(887)	(887)
Total net assets		203,788	203,671	207,363	207,246
	Notes	2025		2024	
		Group £'000	University £'000	Group £'000	University £'000
Restricted Reserves					
Endowment reserve	20	2,989	2,989	2,663	2,663
Unrestricted Reserves					
Income and expenditure reserve		200,799	200,682	204,700	204,583
Total reserves		203,788	203,671	207,363	207,246

The notes on pages 72 to 86 form an integral part of these financial statements.

The financial statements were approved by the Governing Body on the 18 December 2025 and were signed on its behalf on that date by:


C Hunter
 Chair of the Board of Governors


S McInnes
 Acting Director of Finance


S Olivier
 Principal and Vice Chancellor

Consolidated Statement of Cash Flows
 For the year ended 31 July 2025

	Notes	2025	2024
		Group £'000	Group £'000
Cash flow from operating activities			
Deficit for the year		(2,926)	(4,342)
Adjustment for non-cash items			
Depreciation, impairment and amortisation	12/13	7,992	9,185
(Increase)/Decrease in stock		(2)	2
Decrease in debtors	15	1,685	1,006
Decrease in creditors < 1 year	17	(4,194)	(4,554)
Decrease in creditors > 1 year	18	(123)	(205)
(Decrease)/Increase in restructuring provision		(887)	887
(Decrease)/Increase in premature retirement provision	19a	(776)	162
Pension current service cost less contributions paid	19b	(1,711)	(1,388)
Other pension scheme non-cash movements	19b	1,054	83
Adjustment for investing or financing activities			
Investment income	5	(2,604)	(6,276)
Interest paid	8	1,135	1,132
New endowments	20	(94)	(28)
Dividends on non-current asset investments	14	(124)	(91)
Gain on non-current investments	14	(2,355)	(1,643)
Loss/(Gain) on disposal of fixed assets		1	(3)
Net cash outflow from operating activities		(3,929)	(6,073)
Cash flows from investing activities			
Proceeds from sales of fixed assets		77	114
Payments made to acquire fixed assets	12	(2,123)	(2,888)
Payments made to acquire intangible assets	13	(475)	(249)
Increase in current asset investments	16	(252)	(172)
Placing of deposits	16	(724)	(800)
Investment income	5	2,604	6,276
Net cash (outflow)/ inflow from investing activities		(893)	2,281
Cash flows from financing activities			
Interest paid	8	(1,135)	(1,132)
Capital element of finance lease	18	(5)	(159)
Capital element of loan repayments	18	(324)	(380)
New endowments	20	94	28
Net cash outflow from financing activities		(1,370)	(1,643)
Decrease in cash and cash equivalents for the year		(6,192)	(5,435)
Cash and cash equivalents at beginning of the year	23	34,103	39,538
Cash and cash equivalents at end of the year	23	27,911	34,103

The notes on pages 72 to 86 form an integral part of these financial statements.

Notes to the Accounts
For the year ended 31 July 2025

1. Tuition Fees and Education Contracts

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
Scotland home domicile fees	19,327	19,327	17,577	17,577
EU domicile fees	1,841	1,841	1,217	1,217
RUK domicile fees	1,884	1,884	2,506	2,506
Non-EU domicile fees	18,799	18,799	30,061	30,061
Non-credit bearing course fees	1,393	1,393	1,063	1,063
	43,244	43,244	52,424	52,424

2. Funding Body Grants

General Fund - Teaching	41,072	41,072	39,316	39,316
General Fund - Research and innovation	1,377	1,377	1,734	1,734
Ring fenced grants Scottish Government	7,276	7,276	7,999	7,999
Capital grants received in year	891	891	1,285	1,285
Strategic funding	491	491	1,057	1,057
Capital maintenance grants	275	275	314	314
	51,382	51,382	51,705	51,705

3. Research Grants and Contracts

Research Councils	627	627	609	609
UK based charities	194	194	152	152
European Commission	195	195	223	223
UK Government	1,470	1,470	1,829	1,829
Other grants and contracts	863	863	1,354	1,354
	3,349	3,349	4,167	4,167

4. Other Income

Residences & Catering	5,074	5,074	4,759	4,759
Other services rendered	3,263	3,263	3,811	3,811
Other income	2,786	2,914	2,967	3,071
	11,123	11,251	11,537	11,641

5. Investment Income

Investment income on endowments	31	31	33	33
Interest on defined benefit pension scheme	11,074	11,074	2,902	2,902
Other investment income	2,573	2,545	3,341	3,305
	13,678	13,650	6,276	6,240

6. Donations and Endowments

Unrestricted donations	690	690	561	561
	690	690	561	561

7. Staff Costs

Salaries	54,007	54,007	60,369	60,369
Social security costs	5,941	5,941	6,144	6,144
Employers pension contributions	8,379	8,379	11,197	11,197
Pension net service cost	(1,711)	(1,711)	(1,388)	(1,388)
Past service costs (including curtailments)	1,012	1,012	102	102
Total excluding restructuring costs	67,628	67,628	76,424	76,424
Restructuring costs	2,870	2,870	3,441	3,441
Total	70,498	70,498	79,865	79,865

Notes to the Accounts (continued)
For the year ended 31 July 2025

7. Staff Costs (continued)

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
Analysis of staff costs by activity:				
Academic / Teaching departments	42,174	42,174	48,198	48,198
Academic / Teaching support	7,455	7,455	7,686	7,686
Research grants and contracts	1,743	1,743	2,345	2,345
Administration and central services	10,968	10,968	12,780	12,780
Premises	2,948	2,948	3,596	3,596
Catering and residences	739	739	963	963
Other income generating activities	2,256	2,256	2,249	2,249
Other expenditure	44	44	(107)	(107)
Pension net service cost	(1,711)	(1,711)	(1,388)	(1,388)
Pension past service cost (including curtailments)	1,012	1,012	102	102
Sub Total	67,628	67,628	76,424	76,424
Restructuring costs	2,870	2,870	3,441	3,441
Total	70,498	70,498	79,865	79,865

Average staff numbers by category:

	Fte No.	Fte No.
Academic / Teaching departments	638	786
Academic / Teaching support	120	124
Research grants and contracts	29	31
Administration and central services	192	218
Premises	82	91
Catering and residences	24	39
Other income generating activities	81	85
	1,166	1,374

Remuneration of other higher paid staff, excluding employer's pension contributions, were:

	No.	No.
£100,000 - £109,999	7	3
£110,000 - £119,999	4	4
£120,000 - £129,999	1	-
£130,000 - £139,999	-	1
£140,000 - £149,999	1	-
£280,000 - £289,105	1	1
	14	9

Remuneration of the Principal:

	2025 £	2024 £
Salary	233,408	230,482
Benefits in kind	4,599	3,905
Pension contributions	-	0
Payments in lieu of pension contributions	41,490	41,114
Total	279,497	275,501

The total annual remuneration of the Principal, comprising salary, benefits in kind & pension contribution is 7.4 times (2024: 6.3 times) the median remuneration of all other staff.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing, and controlling the activities of the University. This comprises members of the Principal's Executive. Total remuneration for the year ended 31 July 2025 (including employers pension contributions, employers NI & apprenticeship levy) was £1,450k (2024: £1,340k). The Director of Finance remains on long-term leave from the University and accordingly, the reported total remuneration of the Executive does not reflect the full cost of this position. The remuneration of the Acting Director of Finance has been included in the total cost for the year.

Compensation for loss of office

£nil compensation for loss of office (2024: £93.5k) was paid to one individual earning over £100,000 per annum. No individual restructuring plan resulted in costs of compensation for loss of office or severance totalling more than £100,000.

Remuneration of Governing body

The Chair of the Board of Governors received remuneration of £15k (2024: £15k) from the University for acting as a board member.

Notes to the Accounts (continued)

For the year ended 31 July 2025

8. Interest & Other Finance Costs

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
Loan interest	1,135	1,135	1,132	1,132
Interest on defined benefit pension scheme	11,116	11,116	2,770	2,770
	12,251	12,251	3,902	3,902

9. Other Operating Expenses by Activity

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
Academic / Teaching departments	7,319	7,269	8,268	8,284
Academic / Teaching support	6,517	6,517	6,484	6,484
Research grants and contracts	1,246	1,246	1,176	1,176
Administration and central services	6,476	6,462	6,959	6,965
Premises	7,411	7,411	7,965	7,965
Catering and residences	4,292	4,292	4,380	4,380
Other income generating activities	1,435	1,606	2,643	2,689
Other expenditure	3,469	3,462	1,994	1,994
	38,165	38,265	39,869	39,937

Other operating expenses include:

Auditor's remuneration (ex vat):

External Auditor - audit services	83	77	69	63
Internal Auditor - audit services	76	76	74	74
Internal Auditor - tax and advisory services	125	125	46	46

Provision for premature retirement compensation

Agency staff costs	447	447	366	366
Grants to Student Association	528	528	528	528

Non-audit services paid by the Group to external auditors in the current year comprise £nil (2024: £12k) for other assurance services and £nil (2024: £nil) for tax compliance and advisory services.

10. Total Group Expenditure

	Staff Costs £'000	Operating Expenses £'000	Dep'n Charge £'000	Interest Payable £'000	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Academic / Teaching departments	42,174	7,319	1,284	1,121	51,898	59,342
Academic / Teaching support	7,455	6,517	1,086	-	15,058	15,813
Research grants and contracts	1,743	1,246	0	-	2,989	3,591
Administration and central services	10,968	6,476	27	-	17,471	19,797
Premises	2,948	7,411	4,929	-	15,288	16,496
Catering and residences	739	4,292	488	-	5,519	5,838
Other income generating activities	2,256	1,435	178	-	3,869	5,132
Other expenditure	(655)	3,469	-	11,130	13,944	3,371
Restructuring costs	2,870	78	-	-	2,948	3,441
	70,498	38,243	7,992	12,251	128,984	132,821

11. Taxation

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
Current tax				
Current tax expense	-	-	-	-
Withholding tax	-	-	-	-
	-	-	-	-

Deferred taxation

Neither the Group nor the University have any deferred taxation balances.

Notes to the Accounts (continued)

For the year ended 31 July 2025

12. Fixed Assets

Group	Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation				
At 1 August 2024	236,076	41,594	1,948	279,618
Additions	230	1,389	504	2,123
Transfers between categories	1,229	17	(1,338)	(92)
Disposals	-	(870)	(78)	(948)
At 31 July 2025	237,535	42,130	1,036	280,701
Consisting of valuation as at:				
31 July 2014	216,135	-	-	216,135
Cost	21,400	42,130	1,036	64,566
At 31 July 2025	237,535	42,130	1,036	280,701
Depreciation				
At 1 August 2024	51,358	36,874	-	88,232
Charge for the year	5,090	2,302	-	7,392
Disposals	-	(870)	-	(870)
At 31 July 2025	56,448	38,306	-	94,754
Net book value at 31 July 2025	181,087	3,824	1,036	185,947
Net book value at 31 July 2024	184,718	4,720	1,948	191,386

University	Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Cost or valuation				
At 1 August 2024	236,076	41,594	1,948	279,618
Additions	230	1,389	504	2,123
Transfers between categories	1,229	17	(1,338)	(92)
Disposals	-	(870)	(78)	(948)
At 31 July 2025	237,535	42,130	1,036	280,701
Consisting of valuation as at:				
31 July 2014	216,135	-	-	216,135
Cost	21,400	42,130	1,036	64,566
At 31 July 2025	237,535	42,130	1,036	280,701
Depreciation				
At 1 August 2024	51,358	36,874	-	88,232
Charge for the year	5,090	2,302	-	7,392
Disposals	-	(870)	-	(870)
At 31 July 2025	56,448	38,306	-	94,754
Net book value at 31 July 2025	181,087	3,824	1,036	185,947
Net book value at 31 July 2024	184,718	4,720	1,948	191,386

Notes to the Accounts (continued)

For the year ended 31 July 2025

12. Fixed Assets (continued)	Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
Leased out assets included above:				
Net Book Value at 31 July 2025	5,341	-	-	5,341
Net Book Value at 31 July 2024	5,578	-	-	5,578
Assets held under finance leases:				
Net Book Value at 31 July 2025	-	176	-	176
Net Book Value at 31 July 2024	-	368	-	368

A full valuation of the University's land and buildings was carried out on 31 July 2014 by F.G Burnett, Chartered Surveyors, Aberdeen. The basis of valuation is depreciated replacement cost or (for non-specialised properties) market value, as set out in the Royal Institute of Chartered Valuation - Professional Standards (January 2014). The valuation is used as deemed cost as at and from 31 July 2014.

13. Intangible Assets		Group	University
		£'000	£'000
Computer Software			
Cost	At 1 August 2024	9,532	9,532
	Additions	475	475
	Transfers between categories	92	92
	Disposals	(144)	(144)
	At 31 July 2025	9,955	9,955
Amortisation	At 1 August 2024	8,241	8,241
	Amortisation for year	600	600
	Disposals	(144)	(144)
	At 31 July 2025	8,697	8,697
Net book value	At 31 July 2025	1,258	1,258
Net book value	At 31 July 2024	1,291	1,291

14. Non-Current Investments	Subsidiary	Listed	Spinouts	Total
	£'000	£'000	£'000	£'000
Group				
At 1 August 2024	-	23,244	87	23,331
Investment income	-	124	-	124
Gain on investments	-	2,355	-	2,355
At 31 July 2025	-	25,723	87	25,810
University				
At 1 August 2024	100	23,244	87	23,431
Investment income	-	124	-	124
Gain on investments	-	2,355	-	2,355
At 31 July 2025	100	25,723	87	25,910

Notes to the Accounts (continued)

For the year ended 31 July 2025

14. Non-Current Investments (continued)	2025		2024	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Investments in spinout companies:				
CVCP Properties PLC	29	29	29	29
Celerum Ltd	58	58	58	58
	87	87	87	87

15. Trade and Other Receivables

Amounts falling due within one year:				
Trade receivables	1,307	1,071	2,315	2,294
Debts from students	1,518	1,518	1,663	1,663
Prepayments and accrued income	4,137	4,137	4,669	4,669
Amounts owed by group undertakings	-	451	-	444
	6,962	7,177	8,647	9,070

16. Current Investments

Equities	2,160	2,160	1,940	1,940
Fixed interest stocks	545	545	513	513
Bank deposits	15,091	15,091	14,367	14,367
	17,796	17,796	16,820	16,820

17. Creditors: Amounts Due Within One Year

Unsecured loans (Note 18a)	323	323	323	323
Obligations under finance leases (Note 18b)	305	305	213	213
Social security and taxation payable	2,875	2,875	3,438	3,438
Trade payables	1,252	1,252	2,212	2,211
Other creditors and accruals	4,517	4,517	4,169	4,169
Deferred income	11,721	11,455	14,740	14,547
	20,993	20,727	25,095	24,901

Deferred Income

Included within deferred income are the following items of non-exchange transaction income which have been deferred until specific performance related conditions have been met.				
Donations	36	36	108	108
Research grants received on account	581	581	0	0
Grant income	862	862	736	736
	1,479	1,479	844	844

Notes to the Accounts (continued)

For the year ended 31 July 2025

18. Creditors: Due After More Than One Year	2025		2024	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
Unsecured loans (Note 18a)	35,308	35,308	35,632	35,632
Obligations under finance leases (Note 18b)	116	116	213	213
Other creditors	348	348	471	471
	35,772	35,772	36,316	36,316
Bank loans and finance leases are repayable as follows:				
a) Analysis of unsecured loans:				
Due within one year (Note 17)	323	323	323	323
Due between one and two years	323	323	323	323
Due between two and five years	914	914	959	959
Due in five years or more	34,071	34,071	34,350	34,350
	35,631	35,631	35,955	35,955
b) Analysis of obligations under finance leases:				
Due within one year (Note 17)	305	305	213	213
Due between one and two years	116	116	213	213
Due between two and five years	-	-	-	-
	421	421	426	426
Total bank loans and finance leases	36,052	36,052	36,381	36,381

Details of unsecured loans repayable in more than one year are as follows:

£450k SFC financial transactions loan with interest at 0.25% repayable over 10 years by March 2029.
£2,111K SFC energy efficiency loan with interest at 0.25% repayable over 15 years by March 2035.
£1,500k SFC Gray's Annex replacement loan with interest at 0.25% repayable over 20 years by March 2040.
£1,250k SFC Gray's Annex replacement loan with interest at 0.25% repayable over 20 years by March 2041.
£16.0m 20 year private placement with interest at 3.44% repayable in full on 19th June 2038.
£16.0m 30 year private placement with interest at 3.57% repayable in full on 19th June 2048.

19. Provision For Liabilities

	2025		2024	
	Group	University	Group	University
	£'000	£'000	£'000	£'000
a) Premature Retirement Compensation				
At 1 August	5,459	5,459	5,297	5,297
Expenditure in period	(510)	(510)	(508)	(508)
Revaluation adjustment	(366)	(366)	568	568
Notional interest	100	100	102	102
At 31 July	4,683	4,683	5,459	5,459
A valuation of the premature retirement compensation provision was carried out by Mercer Limited, an independent firm of actuaries, at 31 July 2025. The valuation was based on a discount rate of 5.5% and an inflation rate (CPI) of 2.8%.				
b) North East Scotland Pension Fund				
At 1 August	478	478	-	-
Net interest income	(3,084)	(3,084)	(2,902)	(2,902)
Administration expenses	-	-	113	113
Remeasurements (assets and liabilities)	(29,015)	(29,015)	(6,018)	(6,018)
Effect of asset ceiling	29,664	29,664	7,801	7,801
Interest cost on asset ceiling	3,126	3,126	2,770	2,770
Past Service Cost (including curtailments)	1,012	1,012	102	102
Current service cost less contributions paid	(1,711)	(1,711)	(1,388)	(1,388)
At 31 July	470	470	478	478

Notes to the Accounts (continued)

For the year ended 31 July 2025

20. Endowment Reserves	Permanent	Expendable	2025	2024
	Endowments	Endowments	Total	Total
	£'000	£'000	£'000	£'000
Group & University				
At 1 August	2,621	42	2,663	2,494
New endowments	6	88	94	28
Investment income	31	-	31	33
Expenditure for year	(24)	(13)	(37)	(55)
Movement in market value	238	-	238	163
At 31 July 2025	2,872	117	2,989	2,663
Analysis by asset:				
Current asset investments			2,705	2,453
Cash			284	210
			2,989	2,663

21. Capital And Other Commitments

	2025		2024	
	Committed	Contracted	Committed	Contracted
	£'000	£'000	£'000	£'000
Committed and contracted expenditure remaining at end of year.				
Major construction works	-	6	14,861	338
Other works	427	302	691	8
	427	308	15,552	346

Contracted expenditure represents orders raised whilst committed expenditure represents the balance of expenditure required to complete the projects. Prior year included an amount expected to be required to address the external facade of the Sir Ian Wood building. This project has been re-scoped and the expenditure is no longer required.

22. Operating Lease Commitments

	2025			2024
	Land and Buildings	Office Equipment	Motor Vehicles	Total
	£'000	£'000	£'000	£'000
Group & University				
Amounts paid during the year	1,110	41	14	1,165
Future minimum lease payments due:				
Not later than 1 year	1,010	41	11	1,062
Later than 1 year & not later than 5 years	1,287	101	-	1,388
Later than 5 years	-	-	-	-
Total lease payments due	2,297	142	11	2,450

In addition to acting as a lessee as above, the University acts as a lessor of a building in Aberdeen, which is leased under a non-cancellable operating lease structure as an Internal Repairing and Insuring lease. As such, the tenant is responsible for internal maintenance and insurance and the University retains responsibility for maintaining the external fabric of the building. This property is not currently required for teaching or research purposes and a nominal rental value is charged at £1 per annum with no contingent elements attached. The lease runs from 7 December 2018 to 7 December 2033, with break dates on 7 December 2023 and 7 December 2028.

Notes to the Accounts (continued)
For the year ended 31 July 2025

23. Cash And Cash Equivalents	At 1st August 2024 £'000	Cash Flows £'000	At 31st July 2025 £'000
Group			
Cash at bank and in hand	33,893	(6,266)	27,627
Endowment assets	210	74	284
	34,103	(6,192)	27,911
University			
Cash at bank and in hand	33,059	(6,130)	26,929
Endowment assets	210	74	284
	33,269	(6,056)	27,213

24. Consolidated Reconciliation of Net Debt	At 31st July 2025 £'000	At 31st July 2024 £'000
Net (debt)/cash 1 August	(2,278)	2,618
Movement in cash and cash equivalents	(6,192)	(5,435)
Capital element of finance lease repayments	5	159
Capital element of unsecured loan repayments	324	380
Net debt 31 July	(8,141)	(2,278)
Change in net debt	(5,863)	(4,896)
Analysis of net debt:	At 31st July 2025 £'000	At 31st July 2024 £'000
Cash and cash equivalents	27,911	34,103
Borrowings: amounts falling due within one year		
Unsecured loans	(323)	(323)
Obligations under finance leases	(305)	(213)
	(628)	(536)
Borrowings: amounts falling due after more than one year		
Unsecured loans	(35,308)	(35,632)
Obligations under finance leases	(116)	(213)
	(35,424)	(35,845)
Net debt	(8,141)	(2,278)

Notes to the Accounts (continued)
For the year ended 31 July 2025

25. Amounts Disbursed As Agent	Discretionary Fund £'000	Childcare Fund £'000	Nursing Fund £'000	2025 Total £'000	2024 Total £'000
Group & University					
Balance brought forward	6	1	1	8	33
Allocation received in the year	313	-	-	313	492
Interest	8	-	-	8	11
Expenditure for year	(261)	-	-	(261)	(528)
Balance carried forward	66	1	1	68	8

26. Disclosure Of Related Party Transactions

The consolidated financial statements consolidate the financial statements of Univation Limited and its non-trading subsidiaries (note 27). The related party transactions with these entities, because they are 100% owned, have not been disclosed (in accordance with FRS 102).

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

27. Subsidiary Undertakings

The University owns 100% of the issued share capital of 100,000 £1 ordinary shares of Univation Limited a company registered in Scotland, whose principal activities are the provision of short courses, training and consultancy services in engineering, management, health and design.

Univation Limited owns 100% of the share capital of each of The Robert Gordon University - The Energy University Limited, The Aberdeen Business School Limited and The Aberdeen Management Centre Limited. All are dormant companies, registered in Scotland. The university has control over the RGU Foundation, a charity registered in Scotland.

28. Financial Instruments

a) Risk management

The University operates a centralised treasury management function which is responsible for managing credit, liquidity, foreign currency and interest risk. These financial risks are managed within the parameters specified in an approved treasury management policy.

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.

Notes to the Accounts (continued)

For the year ended 31 July 2025

28. Financial Instruments (continued)

b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University. The University's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2025, the maximum exposure is represented by the carrying value of each financial asset in the balance sheet.

The credit risk of liquid funds and financial instruments 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 counter party credit ratings set within the treasury management policy.

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

c) Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University has no significant foreign currency exposures.

d) Interest rate risk

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

The University's main financing relates to two private placements of £16m each, repayable on the 19th June 2038 and the 19th June 2048. The 20 year placement is at an interest rate of 3.44 % and the 30 year placement at a rate of 3.57%. The interest rates are fixed with no re-pricing risk attached.

e) Hedge accounting

The University holds no hedging financial instruments.

f) Liquidity risk

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities. Cash flow forecasts form part of the University planning process and are revised during the financial year with re-forecasts made as required. The University policy is to maintain an average operating cash balance of £5m.

g) Financial assets and liabilities

	2025		2024	
	Group £'000	University £'000	Group £'000	University £'000
The carrying value of financial assets and liabilities comprise:				
Assets measured at fair value through profit or loss				
- Non-current investments (note 14)	25,723	25,723	23,244	23,244
- Current asset investments (note 16)	17,796	17,796	16,820	16,820

The fair value of financial assets is determined by reference to their quoted bid price at the balance sheet date.

Notes to the Accounts (continued)

For the year ended 31 July 2025

29. Pension Schemes

1) Scottish Teachers Pension Scheme

Robert Gordon University participates in the Scottish Teachers Pension Scheme. The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary.

Robert Gordon University has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

As the scheme is unfunded multi-employer defined benefit scheme, it is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Robert Gordon University is unable to identify its share of the underlying assets and liabilities of the scheme. As such, the costs recognised within the University's income and expenditure account will be equal to the contributions payable to the schemes in the year.

The employer contribution rate for the period from 1 April 2024 is 26% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.

The total Scottish Teachers' scheme cost for the University for the year to 31st July 2025 was £6,241k (2024: £6,623k) and at 31 July 2025 £496k was outstanding (2024: £584k).

2) North East Scotland Pension Fund

The University participates in the Local Government Pension Scheme in respect of professional and support staff and is able to identify its share of the underlying assets and liabilities. The Local Government Pension Scheme is a defined benefit scheme which is externally funded and contracted out of the State Earnings-Related Pension Scheme. The assets of the scheme are held in a separate trustee-administered fund.

The latest valuation was carried out as at 31 March 2024 and as a result of that valuation the rate payable by the University from 1st April 2025 until 31 March 2028 was confirmed at 13.0%.

Contributions paid by employees from 1st April 2010 are based on salary bands ranging from 5.5% to 11.2% of pensionable pay. There was no change to this rate following the latest valuation.

Under the definitions set out in FRS102, The total North East Scotland Pension Fund is a defined benefit scheme. Accordingly, the University has implemented the accounting standard "FRS102: Accounting for retirement benefits" to determine the University's net pension liability.

Notes to the Accounts (continued)

For the year ended 31 July 2025

29. Pension Schemes (continued)

2) North East Scotland Pension Fund (continued)

Financial assumptions used by the actuary at the end of the accounting period	2025 %	2024 %
Rate of CPI inflation	2.8	2.6
Rate of increase in salaries	4.3	4.1
Rate of increase in pensions	2.8	2.7
Discount rate	5.8	4.9

All inflationary increases are linked to CPI. CPI is derived from RPI. In both the current and prior year RPI inflation has been set in line with market break even expectations, and has maintained the long term gap between RPI and CPI.

Post retirement mortality assumptions (normal health)

Non-retired members	SAPS 4 CMI 23 (1.5%) 116% Male SAPS 4 CMI 23 (1.5%) 109% Female	SAPS 3 CMI 22 (1.5%) 118% Male SAPS 3 CMI 22 (1.5%) 108% Female
Retired members	SAPS 4 CMI 23 (1.5%) 112% Male SAPS 4 CMI 23 (1.5%) 108% Female	SAPS 3 CMI 22 (1.5%) 114% Male SAPS 3 CMI 22 (1.5%) 108% Female

Life expectancy		2025 Years	2024 Years
Future pensioner age 65 in 20 years time	Males	22.6	21.9
	Females	25.1	24.7
Current pensioner age 65	Males	21.3	20.6
	Females	23.5	23.0

Asset allocation	2025 £'000	%	2024 £'000	%
Equities	144,184	59.0	131,552	57.4
Government bonds	46,432	19.0	12,206	6.0
Property	36,657	15.0	14,014	6.5
Cash/liquidity	17,107	7.0	6,555	3.5
Other	-	-	61,707	26.6
	244,380		226,034	

Analysis of the amount shown in the balance sheet	2025 £'000	2024 £'000
Fair value of plan assets	244,380	226,034
Present value of benefit obligations	(148,228)	(162,680)
Impact of asset ceiling	(96,622)	(63,832)
Net pension liability	(470)	(478)

Components of pension expense recognised in I&E

Current service cost	3,346	3,719
Net interest income	(3,084)	(2,902)
Administration expenses	-	113
Interest cost on asset ceiling	3,126	2,770
Past Service Cost (including curtailments)	1,012	102
Total expense recognised in I&E	4,400	3,802

Remeasurements (assets and liabilities)	(29,015)	(6,018)
Effect of asset ceiling	29,664	7,801
Total remeasurements included in SOCI	649	1,783

Notes to the Accounts (continued)

For the year ended 31 July 2025

29. Pension Schemes (continued)

2) North East Scotland Pension Fund (continued)	2025 Group £'000	2024 Group £'000
Change in benefit obligation		
Benefit obligation at beginning of year	162,680	151,671
Current service cost	3,346	3,719
Past service cost (including curtailments)	1,012	102
Interest on pension liabilities	7,990	7,776
Member contributions	1,523	1,766
Remeasurements - experience (gain)/loss	(624)	(1,759)
Remeasurements - (gain)/loss on assumptions	(21,353)	5,435
Curtailments	-	-
Benefits / transfers paid	(6,346)	(6,030)
Benefit obligation at end of year	148,228	162,680
Change in plan assets		
Fair value of plan assets at beginning of year	226,034	204,932
Interest on plan assets	11,074	10,678
Remeasurements (assets)	7,038	9,694
Administration expenses	-	(113)
Employer contributions	5,057	5,107
Member contributions	1,523	1,766
Benefits / transfers paid	(6,346)	(6,030)
Fair value of plan assets at end of year	244,380	226,034
Actual return on plan assets	18,112	17,894

The NESPF defined benefit scheme is sensitive to the following assumption changes:

Disclosure Item	Central	Sensitivity 1 +0.5% p.a. discount	Sensitivity 2 +0.25% p.a. inflation	Sensitivity 3 +0.25% p.a. pay growth	Sensitivity 4 1yr inc life expectancy	Sensitivity 5 +1% change investment returns	Sensitivity 6 -1% change investment returns
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	148,228	136,318	154,526	148,606	154,058	148,228	148,228
Assets	(244,380)	(244,380)	(244,380)	(244,380)	(244,380)	(246,624)	(242,113)
Surplus (exc ceiling impact)	(96,152)	(108,062)	(89,854)	(95,774)	(90,322)	(98,396)	(93,885)
Projected service cost for next year	2,515	2,080	2,764	2,515	2,671	2,515	2,515
Projected net interest cost for next year (exc ceiling impact)	(5,598)	(6,844)	(5,225)	(5,576)	(5,255)	(5,728)	(5,466)

The defined benefit scheme assets do not include any of the institutions own financial instruments, or any property occupied by the University.

The estimate for the employer contribution for the defined benefit scheme for the year 2025/26 is £3,175k.

Notes to the Accounts (continued)

For the year ended 31 July 2025

29. Pension Schemes (continued)

2) North East Scotland Pension Fund (continued)

FRS102 requires that the rate used to discount post-employment benefit obligations should be based on the yields of high quality corporate bonds (generally taken to mean AA rated corporate bonds) appropriate to the currency and term of the Scheme's liabilities. The bond universe used is all corporate bonds that have an AA rating from at least Moody's and S&P Global Ratings and that meet certain criteria for inclusion (e.g. bonds that do not have floating coupon rates, options or other unusual features).

Asset valuations are based on a scheme valuation as at 30 June 2025 (2024: 30 June 2024), with returns for the month of July 2025 (2024: July 2024) estimated by asset class.

The mortality rate is based on publicly available mortality tables for the specific country. Regarding the impact of COVID 19 on mortality, the University view is that it is not possible at this point to draw any meaningful conclusions on the potential impact of COVID 19 on mortality rates going forward, and so it would be inappropriate to make any adjustments to mortality assumptions at this time.

There has been substantial volatility in financial markets since the start of the COVID-19 pandemic. Despite a period of relative stability, recently this volatility has increased again with the situation in Ukraine. This has consequences for asset values, and any changes in markets will be reflected in the accounting figures. Over the same period, volatility has extended to bonds. As the assumptions for accounting purposes are based on bond yields, this will also impact on accounting liabilities.

3) Aviva Defined Contribution Pension Scheme

Staff working for Developing Young Workforce North East (DYWNE) TUPE transferred from Grampian Chamber of Commerce to Robert Gordon University on the 1st April 2023. The employees were offered membership of a defined contribution scheme managed by Aviva. Employer contributions were set at 5% and employee contributions 3%.

The total DYWNE scheme cost for the University for the year was £28.9k (2024: £26.3k) and at 31 July 2025 £2.4k was outstanding (2024: £3.7k).

4) Legal & General Defined Contribution Pension Scheme

On 1 September 2023 the University closed access to the North East Scotland Pension to new employees. On the same day, the University opened a new defined contribution pension scheme, the RGU Pension Plan. Employer contributions to this new scheme are set at 11%. The default employee contribution rate is 4%.

Contributions of £169.5k were paid in the year (2024:£73.8k) and have been recognised in the income statement.

30. Post Balance Sheet Events

No material post balance sheet events.



