

2023/24



University of Dundee

Reports and  
Financial Statements  
2023/24





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# Introduction

## from Chair of Court and Interim Principal and Vice-Chancellor

**The publication of these financial statements is long overdue, a result of the institutional crisis within the University which publicly emerged late in 2024.**

This has been the greatest crisis the University has ever seen. It has had a significant impact on our staff, students and all who have an interest in the University.

We recognise and regret the mistakes of leadership, financial management and governance, outlined in the Gillies Report commissioned by the Scottish Government, which led the University of Dundee to this point. One result of that has been wholesale changes in leadership, with an entirely new University Executive Group, a new Chair of Court and a significant number of new Court members. We have very substantially strengthened our leadership, our governance and our processes, and we are now, in 2026, engaged in the recruitment process for a new substantive Principal and Vice-Chancellor to lead the organisation.

We are grateful for the support of the Scottish Funding Council and the Scottish Government over the last eighteen months, which has been vital in helping us stabilise the institution and work towards a sustainable future. And we acknowledge and thank Professor Pamela Gillies who so thoroughly investigated the issues that led us to crisis point in November 2024.

Since the financial aspect of the crisis was first announced, we have reduced our expenditure, on staffing, operational and capital costs. We have implemented two Voluntary Severance schemes which have removed recurrent staffing costs. This action is supporting our move towards financial sustainability, to enable the University of Dundee not just to survive but to thrive. However, we acknowledge that significant further action is needed and the University's entire cost base is being considered for reduction to bring us to a position of financial sustainability. Much of this further saving is to be derived from staff cost reductions, a process underway at the point of signing these Financial Statements. Going forward, the University's operations will be transformed; we will be leaner and more efficient in our activities, but still committed to good work across our teaching and research. We will provide the best possible

experience for our students, managing our finances with prudence, while examining all opportunities to attract additional income and investment. We are committed to achieving an EBITDA in the range of 8-10% by 2027/28, which will provide us the opportunity to reinvest in our organisation and rebuild towards a stable and sustainable future state.

There remain significant financial challenges, across the Higher Education sector as a whole as well as those financial issues and issues of non-compliance and leadership failure which were specific to our University. Overcoming those macro and micro challenges, and becoming a University fit to last into the future will require substantial change to our model of operation, which we know will be demanding for all those involved. Following the approval by Court of the short term Strategy to Recovery and submission to the Scottish Funding Council, on 16 June 2026 the University announced it had entered into formal Collective Consultation for a minimum period of 45 days as we move forward with identifying further savings across its entire cost base.

Delivery of both this short term Strategy to Recovery and a subsequent new five-year Strategy will be demanding. We are here to meet that challenge, for the benefit of our students, our staff and the wider community of Dundee, to secure the future of this venerable institution as we approach our 60th anniversary in 2027.

**Esther Robertson**  
Chair of Court

**Professor Nigel Seaton**  
Interim Principal and Vice-Chancellor



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**Esther Robertson**  
Chair of Court



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**Professor Nigel Seaton**  
Interim Principal and Vice-Chancellor

# The University's crisis

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The University of Dundee's crisis, which arose as a result of failures in governance and leadership, straddles the financial year reported in these financial statements and subsequent years. The matters described here are of significance to understanding the University's governance, financial sustainability and risk profile and are therefore relevant to the University's assessment of going concern.

Updated forecasts and financial recovery plans materially impact on the University's going concern status described in the "Basis of Preparation" in the Statement of Accounting Policies. At the time of signing these Financial statements, action has been taken which has had a significant impact, however it should be noted that material further cost reduction measures are still required to address uncertainty around going concern.

The University of Dundee's crisis became publicly apparent in late 2024. Failure of action by University Executive and Court during 2024, following a breakdown of leadership and governance in 2023 culminated in the revelation of the financial aspect of the crisis in November 2024. A shortfall in student recruitment against over ambitious budget assumptions for 2024/25 and a lack of progress in the delivery of material savings targets and cost mitigation measures included in the approved 2024/25 budget led to a significant revision of forecasts and a potential operating deficit of circa £30m for financial year 2024/25. Delivery of these targets was essential to protect low cash balances and maintain sufficient cash for University operations. However, institutional failure at Executive and Court level to manage these factors, in-year (2024/25) and across the previous year (2023/24), as highlighted and detailed in the Gillies report, exacerbated the crisis.

The revised forecasts were presented to the University Executive Group on 12 November 2024, and Court was informed the same day by the Principal and Vice-Chancellor, Prof Iain Gillespie, the University's going concern position would be reassessed and the going concern assessment revised accordingly, and therefore Court was not in a position to consider the draft 2023/24 Financial Statements.

On 13 November 2024, University staff and the Scottish Funding Council were notified of the deterioration in the University's financial position, in terms of forecast operating position, cash position and liquidity, with significant deficits forecast for 2024/25 and beyond. In addition, the University breached covenants associated with its £40m Revolving Credit Facility, thereby removing access to this facility.

The University immediately put in place measures to reduce costs including:

- A freeze on recruitment, including on filling vacancies for existing posts
- Reducing operational and capital expenditure

From December 2024 to the date of approval of these Financial Statements, a number of events and actions have impacted on the ongoing financial position and the timeline for cost reduction actions. These events include a material adverse change to the financial position of the University, changes in key leadership and governance roles and enhancements to governance and financial oversight.

With University governance and financial management called into question, the Principal and Vice Chancellor, Professor Iain Gillespie resigned from his post on 5 December 2024. The Chair of Court, Amanda Millar resigned on 17 February 2025. The Deputy Vice Chancellor, Professor Shane O'Neill was appointed Interim Principal and Vice-Chancellor on 11 December 2024 and worked with members of the University Executive Group and Court to address the immediacy of the challenge.

The University Executive Group began work on further cost control and budget projections for the years ahead. In February 2025 the University requested additional financial support from the Scottish Funding Council while it developed a financial recovery plan; a grant of £10m was awarded by the Scottish Funding Council in May 2025.

In May 2025 Professor O'Neill wrote to the Scottish Funding Council to request further financial support of £20m per annum for the next two financial years, 2025/26 and 2026/27. This request was based on updated financial forecasts prepared by the University with external support from professional advisers

Following an appearance in March 2025 at the Education, Children and Young People Committee of the Scottish Parliament, by Acting Chair of Court Tricia Bey, Interim Principal Prof Shane O'Neill, Interim Finance Director Helen Simpson and Vice Principal, Professor Blair Grubb, the Scottish Government commissioned Professor Pamela Gillies to undertake a review into the University's financial position governance and leadership. The Scottish Funding Council published Professor Gillies' report on 19 June 2025 ("the Gillies Report"). The report highlighted clear failings in financial monitoring, management and governance at the University, which had not been identified because both the Executive and Court were operating sub-optimally.

Following publication of the Gillies Report, Professor Shane O'Neill stepped down as Interim Principal and Vice-Chancellor on 19 June 2025, along with Tricia Bey, Acting Chair of Court, and Carla Rossini, Convener of the Finance and Policy Committee, who were both due to step down from Court in the summer of 2025. Dr Ian Mair, Deputy Chair of Court was appointed Acting Chair of Court and Professor Nigel Seaton was appointed Interim Principal and Vice-Chancellor.

In August 2025, the University published a formal response to the Gillies Report, acknowledging the failures of governance, financial management and leadership which had led to the crisis. The response documented actions to be taken in the short, medium and long term, designed to ensure the University had a sustainable future built upon strong governance, financial competence, transparency and accountability. Since August 2025, the University has reported monthly to the Scottish Funding Council on its progress against the actions outlined in the Gillies Report response.

The University had already launched a Voluntary Severance Scheme to deliver significant financial savings and remove recurrent core costs on 6 June 2025. This scheme closed on 25 July 2025 and resulted in a reduction of 240 staff FTE, with staff exiting in the first quarter of financial year 2025/26.

The Scottish Government continued to play a key role in the University's long-term viability and sustainability. On 24 June 2025 the Cabinet Secretary for Education, Jenny Gilruth, confirmed an additional £40m funding in principle for the Scottish Funding Council to support the University of Dundee's recovery. This funding, directed under Section 25 of the Further and Higher Education (Scotland) Act 2005, was to be subject to appropriate conditions, due diligence, and at the time of writing the initial tranche has only just been released by the Scottish Government to the Scottish Funding Council and to the University of Dundee now the appropriate due diligence has been concluded. Further additional funding of £12m in a loan has been offered by the Scottish Funding Council to support the University

as it takes action to return to a position of financial health. This loan has now been accepted and received by the University.

Following the appointment of Professor Nigel Seaton as Interim Principal and Vice-Chancellor, a recovery plan was developed detailing key financial recovery actions to address the financial sustainability of the University. On 11 August 2025 this plan, the University Recovery Plan ("URP") was shared with the Scottish Funding Council following approval by Court. This URP was not supported by the Scottish Funding Council, and dialogue with the SFC continued.

In November 2025 the University received draft Conditions of Grant from the Scottish Funding Council, subsequently confirmed as final in the formal Section 25 funding letter received in March 2026. These Conditions of Grant required a number of actions from the University, all of which have been completed by the deadlines stated in the draft Conditions of Funding where required up to the date of approval at the time of approval of these Financial Statements. Ongoing monitoring of compliance with the Conditions of Grant is in place until 6 months after the end of the Section 25 funding period (31 July 2027).

In January 2026 the University prepared revised financial forecasts covering the period to July 2030, which have been evaluated by external advisors appointed by the Scottish Government as part of the Section 25 Accountable Officer process. These forecasts form the basis of the Going Concern Assessment referred to in the Statement of Accounting Policies and form the financial basis of the Strategy To Recovery which has been developed in consultation with Court, staff, students and other key stakeholders. Following approval by the University Court on 9 June 2026, the Strategy to Recovery was submitted to the Scottish Funding Council. On 12 June 2026 the SFC Board confirmed in writing that it had considered the Strategy to Recovery and had determined that it was compliant with the Conditions of Grant.

A second Voluntary Severance scheme was launched in February 2026, closed in March 2026 and resulted in a further reduction of 111 staff FTE.

On 16 June 2026 the University announced it had entered into formal Collective Consultation for a minimum period of 45 days as it moves forward with identifying further savings across its entire cost base.

Following the process outlined in the Higher Education Governance (Scotland) Act 2016, Esther Robertson was elected as Chair of Court on 27 November 2025, setting a new course for a refreshed Court membership and a pathway to recovery.

The election of a new Chair of Court, aligned to the appointment of a new University Executive Group sets the course for a pathway to a sustainable and secure future for the University, unencumbered by any senior leadership who could be held accountable for the previous failure of governance, financial oversight and institutional management.

# Our strategy

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Our institutional strategy was put under threat due to fundamental failures in governance and leadership that became apparent in November 2024 and threw the University into a financial crisis. The immediacy of the scale of the financial challenge put paid to the ongoing delivery of the 2022-27 Strategy and thus this report outlines the position in 2023-24, and the effect that the revelation of the crisis had on the University's capacity to achieve its aims. As the University slowly recovers from the crisis, in order to address financial sustainability, the University Executive Group and Court are creating a short-term Strategy to Recovery covering the period 31 July 2029. This is aligned to improvements in governance and leadership, will be approved by Court, and will drive future actions.

**However, as the University works towards recovery, the institution's mission, which defines our core purpose, remains unchanged. Building on our history and the world-changing heritage of our city, our mission continues to be to 'transform lives through the creation, sharing and application of knowledge'.**

Our vision for the University guides our thinking on our future state – where we aspire to be. A secure and successful future for the University of Dundee will be built on our renowned and demonstrable excellence and impact in teaching, research and knowledge exchange. Delivery of these core strengths will lie at the heart of our journey to sustainability, and through our actions, we will both rebuild our competence and engender the trust of our community.

We deliver impact through our students and graduates, our research and scholarship, and the contribution we make to health, the environment, society, and the economy both across the globe and here in Scotland.

The coming years will be challenging. Difficult decisions will be required, and we recognise that, but we remain passionate about our role in our city, the region and the country's future.

By effectively and efficiently making use of our skills and resources, we will foster a sustainable organisation and an environment that encourages engagement, supports wellbeing, promotes innovation, and enhances the overall experience for students, staff, and the wider Dundee community across all our campuses and digital platforms.

## Strategy 2022-27

The emergence of the crisis in November 2024 clarified that continuing to adhere to the 2022-27 Strategy was both financially and logistically unsustainable; over the intervening period, institutional disruption has therefore had significant impact on achieving the strategic goals identified in the 2022-27 strategy. In 2023/24, many of the KPIs and targets for the year were not met, and the University was unable to address these targets in 2024/25. As part of the Strategy to Recovery and in preparation for a new institutional Strategy, 2027/31, these targets and KPIs are under review.

In 2023/24, we had aimed to deliver on our aspiration for triple-intensity across teaching, research and engagement to achieve our vision and goals.

We made progress towards our overarching aims by focusing on our enabling strategies: research with impact, education and student experience, engagement and enterprise, people and talent and digital.

We created an Education Academy to support excellence in learning and teaching. Our reinvigorated Student Partnership agreement facilitated measurable and tangible improvements in student support and experience.

We focused on disciplines where we excelled, or could reasonably hope to excel, in research, education and engagement, ensuring sustainability, outstanding research and impact and strong student attraction.

We made significant progress in achieving student positivity, moving up a quartile in the National Student Survey. However our Research Grants and Contracts Income decreased by £7.7m, setting us back on a goal to achieve £83m by 2027. We maintained our position within the top quintile of the Times Higher Education Impact Rankings, achieving the KPI. The University dropped 4 places in the estimated current turnover of all active spin-outs and start-ups, ten places away from the target of top 5 by 2027.

Financial constraints saw the follow-up staff survey in 2024/25 cancelled and we are unable to address the Digital Enablement KPI as the supplier contract has been cancelled because of budget constraints.

The University crisis had major impact on capacity to deliver the Net Zero Strategy, with reductions in both human and financial resource detracting attention from this critical area.

Finally, the University's EBITDA target of 7% in 2027 was significantly affected by the financial aspects of the institutional crisis.

As the University slowly recovers from the crisis, in order to address financial sustainability the University Executive Group and Court are creating a short-term Strategy to Recovery. This is aligned to the sustainability of the institution, will be approved by Court, will drive future actions and following submission to the Scottish Funding Council in June 2026, will be the basis on which we report progress on our recovery to the Scottish Funding Council. Following approval by the University Court on 9 June 2026, the Strategy to Recovery was submitted to the Scottish Funding Council. On 12 June 2026 the SFC Board confirmed in writing that it had considered the Strategy to Recovery and had determined that it was compliant with the Conditions of Grant.

In 2023/24, we worked towards the following Key Performance Indicators (KPIs) and targets to assess the progress towards the outcomes of the 2022-27 strategy in place at the time. KPIs and targets detailed in the table below were applicable as at 31 July 2024 and should be considered in the context of the crisis that emerged thereafter and the impact of that crisis on these measures. These targets were not met in 2024/25 and are currently under review as the University's future strategy is developed.

Strategic focus	KPI name	Base year <sup>1</sup>	23/24 results (see notes <sup>2</sup> )	Target (by year 5)
Education & Student Experience <sup>3</sup>	Student positivity with teaching, assessment and feedback (NSS)	89th (Q2)	57th (Q3)	Top Quartile (Q4) in the UK
Research with Impact	Research Grant Income	£71.8M	£71.2M	£83M per annum
Engagement	Times Higher Education Impact Rankings	201-300 (Q5)	201-300 (Q5)	Ranked in the World's Top Quintile (Q5)
Enterprise	Estimated current turnover of all active spin-outs and start-ups	11th	15th	Top 5 in the UK
People & Talent <sup>4</sup>	Staff Engagement Index	5.9	Second survey due 2024/25	Staff Engagement Index of 7.0
Digital Enablement <sup>5</sup>	Digital Business Maturity Assessment (Gartner)	2.46	Not available	Score 3.50 out of 5.00
Climate Action & Net Zero	Greenhouse Gas net Emissions	45% reduction	38% reduction	Target of 75% reduction compared to baseline by 2030
Financial Sustainability <sup>6</sup>	Cash generation (EBITDA)	4%	(0.9)%	EBITDA as a percentage of income of at least 7%

#### Notes:

- The baseline year is 2021/22, except for People & Talent which is 2022/23. The Strategy was launched at the end of the 2021/22 academic year.
- The latest figure is for 2023/24 except for Enterprise and Climate Action & Net Zero which are for 2022/23.
- The Education & Student Experience KPI and target have been updated in response to methodological changes to the National Student Survey.
- The People & Talent KPI baseline was established in 2022/23 following the introduction of the biennial HIVE Staff Engagement Survey and a target was subsequently established. The first indication of progress will be available in 2024/25.
- The Digital Business Maturity Assessment KPI was based on Garter tool which the University no longer has access to therefore this measure cannot be reported.
- The Financial Sustainability KPI target of 7% was not met in 2024/25 and is under review as the University embarks on the delivery of its Strategy to Recovery.

## Financial Review

### Context

This Financial Review primarily describes the financial position for financial year 2023/24 and should be considered in the context of the crisis that emerged thereafter and the impact of that crisis on the University's finances. This impact increased in severity in the 2024/25 financial year as a result of issues in leadership, governance and financial oversight and monitoring.

The impact on the University's finances beyond 2023/24 is considered in more detail in the Future outlook section of this review.

### Financial performance

In 2023/24 the Group reported an FRS 102 Financial Statements surplus before other gains of £71.7m, including the Universities Superannuation Scheme pensions accounting adjustment (2023: surplus £4.8m). The reported FRS 102 surplus for the year is £73.3m (2023: £5.1m surplus).

Total comprehensive income for the year is £81.2m (2023: £11.7m) and includes a £2.5m gain on investments and a £7.8m reduction in the University of Dundee Superannuation Scheme (UODS) liability.

These results include a number of non-recurrent items which do not reflect the underlying operating position for the University. The results for the year reflect the accounting adjustments in place for the 2023 actuarial valuation of the Universities Superannuation Scheme (USS). The impact on expenditure in the year was a £80.3m expenditure reduction as a result of the elimination of the USS provision in full (2023: £9.3m credit). The 2024 result also includes £5.1m of capital grants funding assets completed as part of the Tay Cities Deal.

Adjusting for non-recurrent items, the underlying operating position for 2023/24 is a deficit of £12.8m compared with a £2.4m surplus in 2022/23 as shown below:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
FRS 102 surplus before other gains and losses	71,655	4,788
<b>Adjustments</b>		
USS pension adjustment (net impact on staff costs and interest)	(80,316)	(9,265)
Exceptional impairment of fixed assets due to RAAC and cessation of capital works	891	5,885
Restructuring costs	-	955
Tay Cities income - capital grants recognised	(5,050)	-
<b>Underlying (deficit)/surplus</b>	<b>(12,820)</b>	<b>2,363</b>

More information on the accounting implications of the USS and UODS pension schemes is provided in the Pensions section of this review and in Note 32 to the Financial Statements.

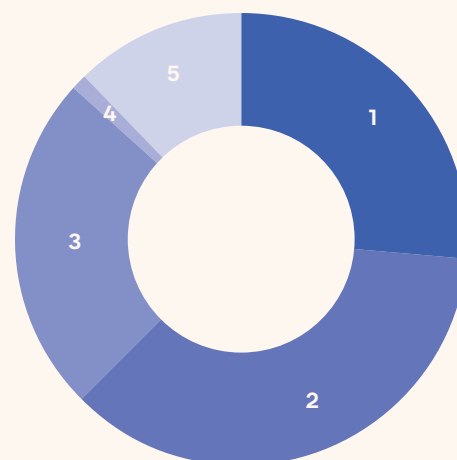
The University has identified EBITDA as its primary measure of financial performance as described in the Strategy KPI table on page 9. The EBITDA calculation follows the EBITDA for Higher Education methodology published by the British Universities Finance Directors Group. Further details are provided in the Measures of Financial Performance section below. EBITDA reduced in 2023/24 to (£0.9)m. This is a significant reduction compared with the 2022/23 EBITDA of £11.8m. As a percentage of total income, 2023/24 EBITDA represents (0.3)% of total income (adjusted for Tay Cities income) (2023: 3.6%).

The Group reports net assets of £272.4m at 31 July 2024, an increase of £81.2m in the year. This increase is mainly due to the USS accounting adjustments which are not related to financial operating performance. The cash balance has reduced to £32.4m (2023: £74.4m). Net cash from operating activities was an outflow of £17.1m and this is described in more detail in the Cashflow and Treasury section of this review. No new loans were drawn down in the year. The significant drop in EBITDA performance and the cash outflow are clear indications of a material deterioration in financial performance during the financial year.

## Income

Total income decreased by £0.6m (0.2%) to £325.1m (2023: £325.7m).

	2024		2023	
1 SFC grants	£86.3m	26.6%	£86.7m	26.6%
2 Tuition fees	£115.5m	35.5%	£117.6m	36.1%
3 Research grants and contracts	£71.2m	21.9%	£78.9m	24.2%
4 Donations	£8.5m	2.6%	£3.5m	1.1%
5 Other	£43.6m	13.4%	£39.0m	12.0%
<b>Total</b>	<b>£325.1m</b>		<b>£325.7m</b>	



Total income 2024 – Source: Consolidated and Institution Statement of Income and Expenditure

Total grant income from the Scottish Funding Council reduced by 0.5% to £86.3m, with teaching income flat and income for research and innovation reducing by £1.0m.

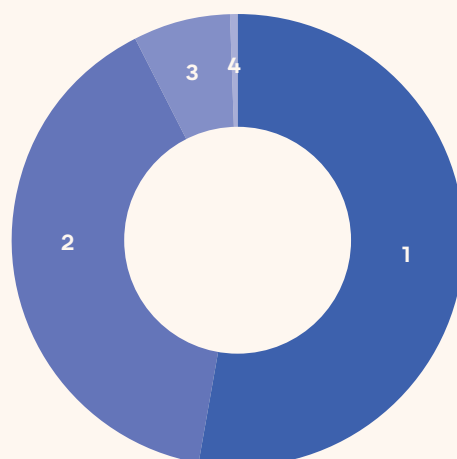
Tuition Fee income reduced by 1.8% in the year and totalled £115.5m. Income from international students, one of the essential foundations of the University's future financial sustainability, demonstrated minimal growth, increasing by only £0.4m from the previous year as a result of a challenging environment for international student recruitment.

Research income has decreased by £7.7m or 9.8% to £71.2m. Diversification in the sources of research income and an increase in commercial funding leads to a more volatile level of research income recognition due to the nature of the contractual performance conditions. The University continues to have a high level of research intensity with 21.9% of income from external research grants and contracts.

## Expenditure

Total expenditure (excluding the impact of the USS adjustment on staff costs and interest) increased by 1.1%, an increase of £3.6m to £333.8m (2023: £330.2m).

	2024		2023	
1 Staff Costs	£183.0m	54.8%	£174.5m	52.9%
2 Operating expenses	£128.3m	38.5%	£130.8m	39.6%
3 Depreciation and amortisation	£20.4m	6.1%	£23.0m	7.0%
4 Interest	£2.1m	0.6%	£1.9m	0.5%
<b>Total adjusted for USS</b>	<b>£333.8m</b>		<b>£330.2m</b>	



Total expenditure 2024 – Source: Consolidated and Institution Statement of Income and Expenditure with Staff Costs and Interest adjusted for the impact of the USS pension accounting adjustment

Staff costs have increased by 4.9%, increasing by £8.6m to £183.0m, with staff numbers increasing by 6.8%. Staff costs in 2023/24 benefitted from reduced employer pension costs compared with 2022/23. Staff costs as a percentage of total income has increased to 56.3% (2023: 53.6%) reflecting the increase in staff costs while overall income has reduced. The increase in staff costs to 56.3% would have been even higher had it not been for the reduction in employer pension costs.

Other operating expenses reduced by 1.9% to £128.3m as a result of a reduction in costs relating to international student scholarships and agent fees.

Depreciation and amortisation reduced by £2.6m to £20.4m (2023: £23.0m) including an impairment of £0.9m in intangible assets relating to software implementation and £0.9m fixed asset impairment due to the cessation of capital works due to the University's challenging financial position. Prior year depreciation included a £5.9m impairment relating to the presence of Reinforced Autoclaved Aerated Concrete (RAAC) in three University buildings, the Fulton building, Crawford building and the Dundee University Students Association building. The impairment reflected the impact of closure of parts of these buildings on the value of the assets to the University.

## Measures of financial performance

The University has identified EBITDA as a key measure of financial performance. The calculation of EBITDA in accordance with the Higher Education methodology published by the British Universities Finance Directors Group. This measure is calculated as follows:

Surplus/Deficit before other gains and losses
+ interest payable
+ depreciation and amortisation
+ staff costs adjustment for change to pension provisions
- capital grants received
- new permanent endowments.

At the reporting date of 31 July 2024 the University Court had approved a target of 7% EBITDA as a percentage of income as a strategic KPI.

EBITDA for 2023/24 is (£0.9)m. This is a reduction of £12.7m compared with the 2022/23 EBITDA of £11.8m. As a percentage of total income, 2023/24 EBITDA is (0.3)% of total income (2023: 3.6%). This is a significant deterioration of 3.9 percentage points compared with the prior financial year.

Staff costs as a percentage of income (adjusted for movements on USS provision) is a further key measure, with the university targeting a reduction over time to more closely align with sector norms. Achieving this reduction in percentage terms becomes more challenging as income growth is constrained by the challenging international student recruitment market.

Staff costs in 2023/24 represent 56.3% of income, an increase from the 2022/23 proportion of 53.6% and a part reversal of the positive reduction seen in recent years. The percentage increase would have been even higher had it not been for the reduction in employer pension contribution costs.

## Other gains and losses

The Group made a small loss of £17k on the write-off of investments in spin-out companies (2023: £215k gain). A net non-cash gain of £2.5m is reported on investments (2023: £0.1m loss). Endowment investments increased by £3.1m in the year (2023: £0.5m increase). Endowment investments are held at market value and are managed on the University's behalf by external fund managers. The Group made a loss of £0.6m on other investments.

## Actuarial gain in respect of pension schemes

This figure relates to the University of Dundee Superannuation Scheme (UODS). In addition to employer contribution rates, during 2023/24 the University made additional cash payments totalling £3.6m (2023: £3.5m).

The FRS 102 valuation at 31 July 2024 shows an overall £13.2m improvement, including actuarial gains of £6.6m, resulting in a closing provision of £27.8m for the UODS scheme (2023: £40.9m).

## Net assets

At 31 July 2024 the University net assets were £272.4m, a £81.2m increase on the prior year as a result of the accounting surplus. The main reason for the increase is the release of the USS provision plus the gain on investments and the accounting impacts of the UODS pension scheme.

Capital expenditure of £43.8m included the construction of the Tay Cities Deal capital projects, space refurbishments and continued investment in IT systems, digital infrastructure and research and teaching equipment.

Net current liabilities at 31 July 2024 amounted to £30.4m, a reduction of £39.5m against the £9.1m net current assets reported at 31 July 2023. The primary driver of this reduction is the £42.0m reduction in cash and cash equivalents in the year, described further below.

The pension scheme provisions as at 31 July 2024 primarily relate to the UODS pension arrangements and with the USS provision released in full reduce overall this year from £124.9m to £31.2m based on latest valuation and actuarial advice.

## Cashflow and treasury

Cash and cash equivalents reduced by £42.0m over the year, closing at £32.4m, which is a very low level of cash for a University with a turnover of over £325m. The closing cash balance at 31 July 2024 was only £2.4m above the minimum cash balance threshold of £30m set by the University. This was exacerbated by the removal of access to the Revolving Credit Facility due to breach of covenant. Previous consideration of the University's cash position was based on the assumption of the continued availability of this facility. The significant deterioration in the University's cash balance and in EBITDA clearly highlighted the severity of the University's financial position and that urgent financial recovery measures were required. Actions to reduce cost commenced significantly later with the public acknowledgement of the University's financial challenges in November 2024.

Net cash outflow from operating activities was £17.1m.

Working capital movements include a £4.9m decrease in debtors, including a £4.3m increase in accrued income on research projects and a £4.4m reduction in trade receivables reflecting lower student debt as a result of a reduced January 2024 intake.

Since the end of the reporting period the University has agreed a minimum expected cash balance of £30m.

At 31 July 2024 the University had in place a three-year £40m Revolving Credit Facility with options to extend via one year extensions at the end of years one and two although this facility was not accessible at 31 July 2024. This facility was

undrawn. As a result of the deterioration in the University's financial performance a breach of covenants occurred and this had not been flagged in advance to the lender. The University was therefore unable to access this facility. In August 2025, and following approval by Court, the University cancelled the Revolving Credit Facility.

No additional loan finance from other sources has been drawn down during the year. Of the £15.9m low-interest loan finance from the Scottish Funding Council drawn down in previous financial years, £1.1m was repaid in the year.

Endowment assets of £33.4m (2023: £30.0m) continue to be managed by independent fund managers whose performance is monitored by the University's Finance and Policy Committee.

### Supplier payments

The University supports the Prompt Payment Code in its relationship with suppliers. It is the University's policy that payments to suppliers are made in accordance with the terms and conditions agreed between the University and its suppliers, providing that all trading terms and conditions have been complied with. At 31 July 2024 the University had an average of 21 days purchases outstanding in trade creditors (2023: 28 days).

Interest paid under the Late Payment of Commercial Debts (interest) Act 1998 was £97 (2023: £59).

### Pensions

The University contributed to three main pension schemes for its employees during the year, the Universities Superannuation Scheme (USS), the University of Dundee Superannuation Scheme (UODS) and University of Dundee Royal London Pension Scheme (RLPS). A detailed analysis of these schemes is given at Note 32 of the financial statements.

The revaluation of USS at 2023 is the basis of the provision release calculation at 31 July 2024. The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged in the Consolidated Statement of Comprehensive Income in financial year 2023/24 represents the contributions payable to the scheme of £16.5m together with the £80.3m provision release.

A formal actuarial valuation for the University of Dundee Superannuation Scheme was carried out as at 31 July 2023 and consultation of resulting changes concluded in September 2024. As of September 2024, the University pays 13.26% of salary in respect of future accrual, and additional monthly lump sum contributions. The University of Dundee Superannuation and Life Assurance Scheme (UODS) closed to new entrants on 31 December 2022. The Defined Benefit scheme remains open for existing active members on this date.

### Financial outlook

The five-year plan approved by Court in June 2024 included a material reduction in forecast international student recruitment as a result of the very challenging sector-wide student recruitment market. To partly offset this reduction, ambitious savings targets were set over all five years of the plan, requiring significant savings in staff costs and other operating expenses and growth in other income streams.

Establishing an effective process to implement these savings was not taken forward by the Executive and no pathway to achieving the savings was presented to Court for their scrutiny.

Following the end of the 2023/24 financial year, updated student recruitment data and revised financial forecasts for the 2024/25 financial year were prepared. These updates identified a material shortfall in student recruitment against budget assumptions and lack of progress in the delivery of material saving targets and cost mitigation measures included in the approved 2024/25 budget and plan. Delivery of these targets was essential to protect low cash balances and maintain sufficient cash for University operations.

These revised forecasts, highlighting a material deterioration in the University's financial position, were presented to the University Executive Group on 12 November 2024, with updated forecasts indicating a potential operating deficit of circa £30m for financial year 2024/25.

Since that time, in response to the crisis in leadership and governance described in "The University Crisis" on page 6, a new University Executive Group is in place. No members in post in 2024 remain in post in April 2026. Membership of the University Court is materially changed, and with a new Chair of Court in place. There is a renewed focus on driving good governance and leadership across the entire University and on addressing the institutional failings so clearly highlighted in the Gillies Report. Cost reductions included a Voluntary Severance scheme in 2025 resulting in a reduction of 240 FTE. A further Voluntary Severance scheme closed in March 2026 and resulted in a reduction of 111 FTE.

Throughout the period from November 2024 when the University's financial position was made public to the date of signing these financial statements a number of financial plans have been prepared and shared with stakeholders. In spring of 2026 the University prepared a Strategy to Recovery with engagement with a range of stakeholders including staff and students. This Strategy to Recovery was approved by Court and submitted to the Scottish Funding Council in June 2026 and aims to bring the University back to a sustainable position so that it can survive the current severe financial challenges and then thrive once again in the future.

Two Voluntary Severance schemes have taken place to reduce core recurrent staffing costs, reflecting the University's commitment to ensuring past failings are not repeated by taking significant action to start putting the University on a path to financial sustainability.

In January 2026 the University prepared an updated forecast for financial years 2025/26 to 2029/30 with revised income projections together with cost reductions to put the University on a path to financial sustainability. This forecast forms the basis of the going concern assessment as described in the Basis of Preparation section of the Principal Accounting Policies section of these Annual Reports and Financial Statements.

This updated forecast targets an EBITDA of 8% to 10% by 2027/28.

It is important to note that further significant cost reductions, over and above those savings derived from the second VS scheme, in the region of £20m-£25m will be required to achieve an EBITDA in this range. The entirety of the University's cost base must be considered for reduction, however as staff costs constitute the majority of operational spend the bulk of further savings will, regrettably, need to come from staff costs.

The going concern forecast assumes that action to implement these further cost savings is taken in the second quarter of the 2026 calendar year, subject to approval by Court and working within the parameters of the Scottish Funding Council Conditions of Grant for the Section 25 funding. Taking action to achieve these savings is a key assumption in the University's financial forecasts and a key determinant of the appropriateness of preparing these financial statements on a going concern basis. Delivering the scale of savings required will require significant change and transformation in the University's operations. On this basis, the University Court has concluded that a material uncertainty exists in relation to the University's ability to continue as a going concern.

On 16 June 2026 the University announced it had entered into formal Collective Consultation for a minimum period of 45 days as it moves forward with identifying further savings across its entire cost base.

Please refer to the Statement of Principal Accounting Policies, Going concern section for further detail.



## Equality, diversity, and inclusion

The University recognises and profoundly regrets the significant impact of the crisis on staff and acknowledges that the period since the crisis emerged has been deeply challenging. With new leadership in place, and an acknowledgement of previous issues, all actions taken continue to be in line with University policies.

In August 2025, the University undertook a listening exercise with staff to gauge the impact the crisis had and deployed a programme of mitigations to address the issues that emerged from this exercise.

Irrespective of the University's crisis and the matters impacting the leadership and governance of the University, the position around and commitment to equality, diversity and inclusion (EDI) remained strong in 2023/24.

We are a University of Sanctuary, and have been able to offer refuge and support to those displaced by humanitarian crises, merging our humanitarian initiatives with our educational objectives. Financial constraints since the crisis emerged have curtailed activity in this area.

During 2023/24, we re-energised our support for EDI by investing in this area. The first outcome of this investment was the development of an EDI Strategy 2024-2027 based on four foundational interlocking themes, these are:

1. Inclusive campus communities - where everyone feels valued, respected, empowered, safe, and able to achieve their full potential.
2. Workforce diversity - that harnesses the power of representative backgrounds, experiences, and perspectives, encouraging creativity, and dynamic research and teaching outcomes.
3. A vibrant research culture and environment - that actively promotes an inclusive atmosphere, enhancing collaboration and innovation, fostering societal impact via transformative discoveries.
4. Equity in educational achievement and experience - ensuring a proactive, accountable educational approach empowering every student to excel and thrive.

This strategy is an important step towards developing our Public Sector Equality Duty response for 2025 as referenced below.

The Public Sector Equality Duty (PSED) reporting cycle for 2023 include:

- Mainstreaming Report 2023
- Pay Gap Report 2023

Since the reporting date of 31 July 2024, the University has reported on the 2025 PSED cycle; these reports include an Annual Staff Diversity Report 2025, a Mainstreaming Report 2025, and Equal Pay Report 2025 and an Equality Outcomes Report for 2025.

As part of our systemic approaches to EDI, the University continues to implement the action plans we devised for our Athena Swan and Race Equality Charters. These action plans are fundamental to improving working and learning practices for students and staff.

In 2023/24, the University conducted a significant review of the Dignity at Work and Study Policy, with the aim of streamlining the policy and emphasising support for informal resolution. The rollout of the revised policy included a toolkit to support students, staff and those responding to reports of harassing or bullying behaviour.

The University runs a biennial staff engagement survey which we analyse by characteristic groups and use to direct the future work of the EDI team. This was last completed in 2023 and has been paused due to financial restrictions. In addition, we have very active staff networks for ethnic minority, LGBT+ and Disabled staff. These groups act as a supportive mechanism for colleagues, but also help the University prioritise and shape policy and process.

We continue to support Disabled staff (5.8%) through recruitment and the employee journey. As part of this the EDI Team has reviewed the reasonable adjustment support process for Disabled staff as a key priority, and this is embedded as part of the EDI strategy. The outcome of this is to ensure Disabled colleagues have appropriate support through the application and recruitment process, are supported with reasonable adjustment should their disability status change within their employment, and have full access to all career development opportunities supporting progression and promotion.

With regards to Fair Work Practices, the University complies with all aspects of the recommendations, as detailed below.

- The University has been a Real Living Wage employer since 2014 and gained accreditation in 2023.
- The University has three recognised trade unions on campus, University and College Union, Unite and Unison. The trade unions participate in informal policy and process consultations with the People Directorate, and formal agreement process with members of the University Executive.
- The University supports career development of all its employees and provides a range of development opportunities in-house through our Talent and Development team and supporting external training/accreditation. We also have a structured promotions process for academic staff and are currently working on career development pathways for professional services.
- We are a member of the Technicians Commitment, where we consider development and career progression for this specialist cohort of staff.
- All staff have an annual opportunity to set clear objectives for the year ahead and discuss development needs through the appraisal process.
- The University is committed to engaging all members of our workforce on the most appropriate contract and to do this in a fair and transparent way.

- The University conducts a biennial gender pay gap analysis in line with the Public Sector Equality Duty, with reporting in 2023 and in 2025, in line with legislative requirements. In addition, Remuneration Committee has considered senior salary pay gaps based on sex, disability and ethnicity this year, and specific interventions have been discussed with relevant Schools.
- The University offers a broad range of family friendly policies, including flexible working and enhanced parental pay packages. As part of the Athena Swan process and to ensure we offer excellent benefits packages.
- The University's recruitment processes ensure high-quality hiring decisions and practices. These are based on best practice in the field of recruitment, and reflect our core values: Valuing People, Working Together, Integrity, Making a Difference, and Excellence. They aim to attract and engage the highest quality candidates; enhance our reputation as an employer-of-choice by delivering an outstanding candidate experience to all applicants – both successful and unsuccessful; be fair and consistent; and be non-discriminatory and inclusive of people from all walks of life.
- The University is committed to protecting the employment of its staff and on occasions where organisational change is required, will work with the recognised trade unions, consulting over the proposed changes and seeking measures to avoid any redundancies or minimise their impact where possible through the process in the University's Redundancy Avoidance Policy. This has been exemplified through the two voluntary severance schemes implemented in 2025 and 2026. In so doing the University will consider potential redeployees for posts across all University locations and campuses.



## Corporate Governance

This report covers the period from 1 August 2023 to 31 July 2024 and developments up to the date of approval.

The Gillies Report into financial oversight and decision making at the University of Dundee was published on 19 June 2025. In addition to inadequate financial management and reporting, the report identified serious governance failures relating to financial accountability by the Court and its committees.

The University welcomed Professor Gillies' report following the robust and rigorous investigation into the circumstances which led to the University's current financial position. It was evident from the report that there had been serious failings in financial monitoring, management and governance. These failings are described in the Foreword of the Gillies Report. While there were significant external factors, which had affected the higher education sector across the UK to varying degrees, the University's response to these, and responsible management of our finances, had fallen well short of the standards required by the Scottish Code of Good HE Governance and the standards that everyone should have expected.

The University has taken robust action to address the serious failings in maintaining good stewardship of the University in the period up to November 2024. A detailed action plan was put in place in August 2025 which sets out actions to be taken in the areas of:

- Financial Reporting and Financial Management
- Governance and Oversight
- Culture and Leadership
- Listening to the University Community

The underpinning action plan created 64 individual actions under the four themes, and mapped out these actions within three time periods - January 2026, July 2026 and January 2027. There was also a section listing commitments undertaken by the University in relation to the Gillies Response, including the commitment to provide SFC with a monthly update on progress. This has happened consistently since the publication of the Action Plan in August 2025.

The tranche of actions for the first period closed at the end of January 2026. During this first period, the University successfully moved 33 actions to complete. As part of the review of this first period, UEG discussed and agreed to add an additional six actions to the plan, which will all be completed within the July 2026 timeframe. During this period, it was also agreed to rebadge the plan as the University Action Plan (UAP) to reflect the development and expansion of the actions and the University's ownership of its progress in these areas.

Our Action Plan is designed to rectify the causal factors identified in the Gillies Report to ensure a sustainable future for the University, built upon strong governance, financial competence, transparency, and accountability. Our response to the Gillies Report, including the full action plan, can be viewed here: [dundee.ac.uk/strategy-recovery/gillies-report/actions-gillies-report](https://dundee.ac.uk/strategy-recovery/gillies-report/actions-gillies-report)

Our institutional integrity depends on the implementation of immediate, robust, and impactful action to instigate significant structural, operational, and cultural change. As changes are implemented, we are directly addressing identified weaknesses, improving governance and strengthening controls. These changes will, as appropriate, feed into updates to the Standing Orders of the University.

At the time of approval of these Financial Statements all current actions are progressing in line with the projected timeline and all prior actions due have been completed.

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

In the opinion of the Court (the University's Governing Body), material non-compliance with the principles and provisions of the 2023 Scottish Code of Good Higher Education Governance occurred in 2023/24 as outlined in the Gillies Report, including non-compliance with:

- Section 1, paragraph 9 of the Code (Legal and Regulatory Obligations) with respect to the University's compliance with the Scottish Funding Council's Financial Memorandum with Higher Education Institutions.
- Section 1, paragraph 4 which notes that the governing body must be attentive to risks which could threaten the sustainability of the University.
- Section 6, paragraph 79 of the Scottish Code which notes that the Principal must alert the governing body if any actions or policy under consideration are incompatible with the Financial Memorandum.
- Public Contract (Scotland) procurement regulations and duties set out in the Financial Memorandum. This non-compliance has been fully investigated and processes reviewed. Two breaches identified during and relating to the 2023/24 financial year were reported to the Scottish Government in the Annual Procurement Report.

The University acknowledges the seriousness of this non-compliance with the Scottish Code and the Financial Memorandum which was a contributing factor to the financial aspects of the crisis that first emerged in November 2024. As part of our response to the Gillies Report, the institution is taking action to address these weaknesses by engaging fully with the Scottish Funding Council. The University is aware of further Procurement related breaches of regulations or policies in financial year 2023/24 and other years and is taking appropriate reporting action.

The University has taken steps to identify and address all areas of non-compliance but cannot state with certainty, due to the current management and individuals charged with governance not being in post during the financial year in question, that all non-compliance from 2023/24 has been identified and reported.

All required actions to ensure compliance are included within this response and the University continues to work towards full compliance with the Scottish Code, with a further update to be provided in the next Financial Statements. The University continues to report to SFC in between financial reporting, including highlighting any forecast or actual material changes.

## Constitution and Regulation

The University is an independent corporation and a registered Scottish charity (SC015096). Its legal status derives from a Royal Charter originally granted in 1967 and its objects, powers and framework of governance are set out in the Charter and its supporting Statutes, as amended from time to time with the approval of the Privy Council. The core mission of the University continues to be 'to transform lives through the creation, sharing and application of knowledge'. The mission and vision build on the formal original objects of the University, as laid out in the Charter, which are to 'advance and diffuse knowledge, wisdom and understanding by teaching and research and by the example and influence of its corporate life'.

The Charter and Statutes require the University to have two separate bodies to oversee and manage its activities, as follows:

Court is the governing body, responsible for the finance, property, investments, employment of staff and general business of the University, and for setting the general strategic direction of the institution. The statement of Primary Responsibilities was adopted by the Court on 24 April 2018 and can be found at: [dundee.ac.uk/corporate-information/statement-primary-responsibilities-court](https://dundee.ac.uk/corporate-information/statement-primary-responsibilities-court)

Court has a total membership of 24, with a majority of lay members from outside the University. Members also include representatives of the student body and the staff of the University, including two members nominated by the recognised trade unions.

The Chair of Court for the 2023/24 academic year, Amanda Millar, was elected in April 2022 and appointed from 1 August 2022; she resigned on 17 February 2025. Tricia Bey served as Acting Chair of Court between 18 February and 19 June 2025. Between 19 June and 27 November 2025 Dr Ian Mair served as Acting Chair of Court.

Esther Robertson was elected Chair of Court on 27 November 2025.

The Deputy Chair of Court, is appointed by the Court on the recommendation of the Governance and Nominations Committee and deputises for the Chair as necessary. In 2023/24 and for the majority of 2024/25, the Deputy Chair of Court was Tricia Bey. Dr Ian Mair, the current Deputy Chair of Court was appointed to the post on 16 June 2025.

The lay members are all considered to be independent. The Governance and Nominations Committee appoints ten such members following an external advertisement and interview. This process takes into account the skills and diversity of existing

Court members as well as future requirements and issues of succession, for example, to convenerships of Court Committees. The Court uses a skills matrix; the most recent version for the 2024/25 financial year is available at: [dundee.ac.uk/corporate-information/university-court-skills-matrix](https://dundee.ac.uk/corporate-information/university-court-skills-matrix). The matrix was developed to inform lay appointments to the Court and has agreed a statement setting out its goals in relation to the balance of its membership in terms of equality and diversity, and this is also reflected in objectives for the Court within the University's Race Equality Charter Submission.

With the exception of the Chair of Court, none of the lay members receive any payment other than eligibility for the reimbursement of expenses for the work they undertake for the University. The Chair of Court is entitled to be remunerated at a gross per diem rate equivalent to the Tier 1 minimum for chairs set out by the Scottish Government in the Daily Fee Framework of its technical guide to the Public Sector Pay Policy for 2023 to 2024. For the financial year 2023/24 this was equivalent to a gross daily rate of £344. In financial year 2023/24 the Chair of Court, Amanda Millar, was remunerated for 567.5 hours totalling £24,118.75.

The powers reserved to Court and those it has delegated to its Committees, to Senate and to the Principal and other senior officers, are set out in a Schedule of Delegation and Decision-making Powers.

Subject to the general control and approval of Court, Senate is the academic authority of the University and draws its membership entirely from the staff (mainly academic staff) and the students of the institution. The membership conforms to the requirements of the Act: more than half of its membership comprises elected staff and students, and students comprise more than 10% of the total membership. Its role is to direct and regulate the teaching, learning and research work of the University. Senate is supported in this respect by a number of committees including the Learning and Teaching Committee (renamed Education and Student Experience Committee in 2025), Research and Knowledge Exchange Committee (renamed Research and Innovation Committee in 2026), Quality Assurance and Enhancement Committee, and Internationalisation Committee (renamed Global Engagement and Future Students Committee in 2025). Senate is chaired by the Principal and Vice-Chancellor. The Court receives regular reports from the Senate and the Chair of the Senate, highlighting matters of decision, interest and noting.

The University Charter also requires the University to have a Staff Council. The Staff Council is a forum for all staff and its functions are set out in Statutes and Ordinances. All staff of the University are members of the Council which is chaired by the Principal.

The University is regulated by the Scottish Funding Council under a Financial Memorandum and is required to comply with the conditions of grant set out in the funding arrangements. The Scottish Funding Council introduced a new Outcomes Framework and Assurance Model (OFAM) in June 2024 which requires the University to report regularly on its performance against agreed outcomes to demonstrate that it meets conditions of grant.

## Statement of Responsibilities

Court has adopted a Statement of Primary Responsibilities which sets out its duties, including overseeing the delivery of the University's mission and strategy, and overseeing the management of all revenue and property.

The University maintains a register of interests of members of Court and senior officers, which may be consulted by arrangement with the University Secretary. The interests of individual members are also published on the University's web pages.

Court is responsible for keeping proper accounting records setting out the financial position of the University and which enable it to ensure that the financial statements are prepared in accordance with the Charter and Statutes, the Statement of Recommended Practice (Accounting for Further and Higher Education Institutions) and other relevant accounting standards. In addition, within the terms and conditions of the Financial Memorandum agreed with the Scottish Funding Council (SFC), Court is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

When management is preparing the financial statements, Court has to ensure that:

- suitable accounting policies are selected and applied consistently
- judgement and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

Court also has a responsibility to:

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

The University's system of internal financial control includes the following key elements:

- A medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Reviews of financial results, involving variance reporting and updates of forecast out-turns
- Clear definitions of the responsibilities of, and authority delegated to, budget-holders in academic Schools and the professional services
- Detailed financial operating procedures for the authorisation and control of expenditure, whose provisions are approved by the Finance and Policy Committee and monitored by the Audit and Risk Committee.
- A professional internal audit team whose annual programme is approved by the Audit and Risk Committee on Court's behalf and which submits to the Audit and Risk Committee an annual report on internal audit activity and on the adequacy and effectiveness of the University's system of internal financial and other controls. Any system of internal financial control, however, only provides reasonable, not absolute, assurance against material misstatement or loss.

In 2023/24 and subsequent years, the University Executive Group, Court and the Audit & Risk Committee have formally reviewed the institutional risk register regularly, with biannual reporting to Audit & Risk Committee and annual reporting to Court.

The University fully accepts the findings of the Gillies Report which found that there were clear failings in financial monitoring, management and governance at the University during the reporting period 2023/24.

Remedial action taken by the University following the crisis serves to demonstrate the University's commitment to supporting and complying with the Financial Memorandum with the Scottish Funding Council, and to reaffirm the University's commitment to openness, integrity and accountability, having regard to the Nine Principles in Public Life. These failings impacted on Court's ability to meet its governance responsibilities.

Any enquiries about the constitution and governance of the University should be addressed to the University Secretary.

## Committees

The Gillies Report referenced areas of weakness in the overall governance of the University, alongside failures in financial governance. As part of our response to the Gillies Report we have committed to a number of actions that will seek to address the deficiencies around setting and monitoring strategic direction, overseeing effective fiscal management and risk, and ensuring legal, ethical, and regulatory compliance through our committee structure. As part of the University Action Plan, a full external review of the University's committees is being carried out in 2026. An overview of actions can be viewed here: [dundee.ac.uk/strategy-recovery/gillies-report/actions-gillies-report](https://dundee.ac.uk/strategy-recovery/gillies-report/actions-gillies-report)

Although Court meets at least five times each academic year, including an annual strategic retreat, much of its detailed work is handled by committees: Finance and Policy Committee, People and Organisational Development Committee, Governance and Nominations Committee, Remuneration Committee and Audit and Risk Committee. These committees have written remits, which are reviewed annually, and their decisions and recommendations are formally reported to Court. They each have a specified membership, including lay members and a lay convener, which is approved on an annual basis.

The composition of Court and its committees, along with the attendance of members at meetings during the session 2023/24, is set out in the table below. In summary the committees operate as follows:

The Governance and Nominations Committee has general oversight of the governance framework of the institution, considers changes to the governing instruments and makes recommendations to Court on Court and committee membership. It considers the contributions and commitment of members to the work of the Court and its Committees and more generally to the life of the University. The Committee plays a role in overseeing the effectiveness of the Court and its committees in providing support and challenge to the University Executive Group.

The Governance and Nominations Committee met four times in 2023/24.

The Remuneration Committee determines the remuneration of the members of the University Executive Group, including the Principal, and oversees the University Executive Group's decision-making in relation to the remuneration of other grade 10 staff across the University. The Remuneration Committee is expected to represent the public interest and avoid any inappropriate use of public funds. In preparation for this role, and to ensure transparency over decisions on remuneration, the Committee is guided by the Court on the policy it wishes the Committee to adopt in reaching its decisions with regard to senior executive pay. The Committee comprises four lay members of Court, a student and a staff member. The Chairperson of Court is included within this membership but is not the Convener of the Committee.

Whilst the Principal is invited by the Committee to attend in order to advise on the remuneration of members of the University Executive Group, the Principal is not present at any meeting of the Committee that considers their own remuneration. The Committee submits an annual report to the Court which provides further detail on the operation of the Committee and policy and approach to the review of senior pay. The Committee has reviewed its Remit, Terms of Reference and Severance Policy in light of sectoral reports and works closely with the People and Organisational Development Committee to ensure the robustness of practice.

The Remuneration Committee met three times in 2023/24. Note during 2024/25 the Committee met regularly, including meeting to consider and approve the exit arrangements for the Interim Principal and Vice-Chancellor, Professor Shane O'Neill.

The Audit and Risk Committee, which can include up to two additionally co-opted non-Court members, is chaired by a lay member of Court and meets four times a year, with the University's internal and external auditors in attendance. The Committee considers detailed reports from the internal and external auditors, together with recommendations for the improvement of the University's systems of internal control and management's responses and implementation plans.

The Audit and Risk Committee's role is one of high-level review of the arrangements for internal control, risk management and value for money. It also makes recommendations to the Court on the appointment of both internal and external auditors. It has authority to investigate any matters within its terms of reference. Whilst senior university officers attend meetings of the Committee, as necessary, they are not members of the Committee. In order to safeguard the independence of the University's external auditors, provision by them of any non-audit services is subject to the approval of the Audit and Risk Committee.

The Audit and Risk Committee also has a general responsibility for monitoring the operation and effectiveness of the University's Public Interest Disclosure and Anti-Bribery policies and arrangements.

The Audit and Risk Committee met four times in 2023/24.

The Finance and Policy Committee advises Court on all matters pertaining to the financial health and sustainability of the University and makes recommendations to Court on the adoption of financial forecasts, annual budgets and the financial statements (this last with the Audit and Risk Committee). The Committee also reviews and monitors the Estates Strategy, including providing scrutiny of major capital developments.

The Finance and Policy Committee met four times in 2023/24. To note, over the period between June 2025 and January 2026, the Finance and Policy Committee did not meet as scheduled due to the lack of a Committee Convener. All relevant Finance and Policy matters were considered at full Court. To note, Court was inquorate at the meeting in July 2025 and, as a result, formal decision making was affected. This included consideration of the University's 2025/26 budget which was presented to this meeting of Court for approval. A 2025/26 budget has subsequently been updated and approved by Court.

The People and Organisational Development Committee oversees all policies, strategies and procedures relating to the staff of the University other than those for which the Remuneration Committee is responsible. This includes performance; organisational development; reward and recognition; leadership and management; equality and diversity; health, safety and wellbeing; and retention and recruitment.

In 2023/24 the People and Organisational Development Committee met three times.

Full remits for all committees of Court are available from the University's website at:  
[dundee.ac.uk/governance/university/court](https://dundee.ac.uk/governance/university/court)

## Effectiveness

In response to the findings of the Gillies Report, action is being taken to strengthen the induction, training and development offerings for Court. Members of the Court are encouraged to participate in training and development sessions offered by Advance HE as part of its Governor Development Programme. In addition, training sessions are organised from time to time on issues of relevance, and briefing presentations are held as appropriate prior to meetings of the Court to provide members with training and contextual information of relevance to items on the agenda. Information webinars have been introduced, and these will be rolled out more widely in future. Members of the Audit and Risk Committee are also encouraged to attend external training sessions provided by the audit sector.

The Court reflects annually on the effectiveness of both the Chair and the Court itself, and each committee also reflects annually on its own effectiveness and general operation, with outputs from these committee reviews being considered by the Court.

In addition, the effectiveness of Court and its Committees is evaluated formally using external facilitation at least every five years in accordance with the Scottish Code of Good Higher Education Governance and the SFC's Expectations of Good Governance, published in September 2025. The most recent review occurred in the summer of 2024 with a report considered by Court at its meeting in November 2024. This report highlighted a number of areas for improvement, which the Governance and Nominations Committee was tasked with taking forward. The actions were subsequently incorporated into the University Action Plan developed following the Gillies findings.

The Audit and Risk Committee carries out formal self-assessments every four years, and the most recent was carried out in spring 2021, with a number of recommendations for enhancement introduced. A self-assessment was not carried out in 2025 because of the crisis and has been rolled over to 2026. The Chairperson of Court and Deputy Chairperson of Court meet with Court members on an individual and informal basis at least annually to discuss their contribution and development needs and to provide guidance and support if needed.

To promote transparency and accountability, the Court holds an annual public meeting, open to all with the Chair of Court and the Principal and Vice-Chancellor present to take questions with regard to the performance of the University and the operation of the Court over the previous 12-month period. The most recent public meeting of Court was held in January 2024. No public meeting was held in 2025 owing to the challenges facing the University, but regular scheduling of open meetings is due to recommence in 2026/27.

## Executive

The Principal and Vice-Chancellor is the chief academic and administrative officer of the University, who has a general responsibility to Court and for maintaining and promoting the efficiency and good order of the University. As de facto Chief Executive, the Principal exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments, and shaping of the institutional ethos. Under the terms of the formal Financial Memorandum between the University and the Scottish Funding Council, the Principal is also the accountable officer of the University.

The Principal and Vice-Chancellor chairs the University Executive Group (UEG) and presents a written report on its work to each meeting of Court. In 2023/24 the UEG comprised the Principal, the Deputy Vice-Chancellor and Provost, the Vice-Principals, the University Secretary and Chief Operating Officer, the Director of People, the Director of Finance and the Director of the University Executive and Strategy Office.

As a result of the crisis, there have been changes in senior leadership. Professor Iain Gillespie was University Principal in the 2023/24 reporting period but he demitted office in December 2024. Professor Shane O'Neill was Interim Principal between December 2024 and June 2025, when Professor Nigel Seaton was appointed Interim Principal and Vice Chancellor. The University is due to appoint a permanent Principal in 2026.

Dr Jim McGeorge was Chief Operating Officer (COO) and University Secretary during 2023/24 but he demitted office in May 2025. In line with the recommendations of the Gillies Report, the responsibilities of the COO and the Secretary were separated in June 2025. Dr Veena O'Halloran was appointed Interim University Secretary in July 2025 for a fixed term of three months. She was succeeded by Jon Price in October 2025. Jon Price stepped down in December 2025 when Philip Henry became Interim Secretary. Dr Hulda Sveinsdottir took up post as permanent University Secretary in March 2026.

Since the announcement of the crisis in November 2024, the University Executive Group membership has changed fundamentally. All those serving in 2023/24 have left the organisation. A new structure for the UEG has been put in place, with the following membership: Principal and Vice-Chancellor; Vice Principal Global Engagement and Future Students; Vice Principal Education and Student Experience; Vice Principal Research and Innovation; four Faculty Vice Principals (Arts and Social Sciences; Health; Life Sciences; Science, Engineering and Business); Chief Operating Officer; University Secretary; Chief People Officer; and Chief Finance Officer.

## Strategic Planning and Monitoring

During 2021/22, the University developed a new strategic plan for the period 2022-27, which was approved by the University Court in February 2022. The University Strategy 2022-27 was further developed to respond to three “strategic pillars”, progress against each of which was monitored by implementation plans. These implementation plans, and a set of Institutional Key Performance Indicators, were approved by Court in April 2022 and revised in November 2023.

As the University's crisis emerged in November 2024, work towards the 2022-27 Strategy was put on pause and many of the identified KPIs were therefore not met. The University has prepared a new Strategy to Recovery which was approved by Court in June 2026 and will support the move towards long-term financial sustainability. The Strategy to Recovery will serve to guide the University over the short term as strategic planning and consultation begins for a Strategy 2027-32. This work will be fully realised following the appointment of a substantive Principal and Vice-Chancellor.

## Equality, Diversity and Inclusion

In accordance with Section 8 of the Gender Representation on Public Boards (Scotland) Act 2018, the University reviewed its position in relation to the Gender Representation Objective (GRO), compiling a report approved by Court in February 2024. In it the University demonstrated it had achieved the GRO (50% of the non-excluded membership of a governing body are women) but continued to review its position when considering membership and succession planning. The Court made a commitment in its ‘Statement on Equality, Diversity and Inclusion on the University Court’ to achieving diversity amongst its membership which reflects the diversity within the University community.

Among other commitments made by the Court within the University's Race Equality Charter (REC) Submission, the Court set itself the objective of increasing BAME representation on Court to at least reflect the current ethnic make-up (10%) of the University Community within a period of three years. In the year 2023/24, the percentage of BAME individuals amongst the lay members of Court was 30%. The Court and its People and Organisational Development Committee maintain an active interest in the achievement of the REC action plan. During 2023/24, the University developed a new Equality, Diversity and Inclusion Strategy, which was adopted by the Court at its meeting on 10 June 2024. The EDI Strategy was launched in October 2024, and the actions were embedded in the Public Sector Equality Duty as the University Equality Outcomes in April 2025.

## Court and Committee Attendance 2023/24

Membership of Court and its committees is set out in the Tables below. In 2023/24 Court held five meetings. The following persons served as members of Court during the year from 1 August 2023 to 31 July 2024.

Name	Notes	Court (of 5)	F&PC (of 5)	G&NC (of 4)	PODCo (of 3)	A&RC (of 4)	RC (of 3)
Amanda Millar*, Chair	To 17/02/2025	5	4	4	-	-	3
Janice Aitken	To 31/07/2024	5	-	-	2	-	-
Glenn Allison*		4	3	-	-	-	-
Alan Bainbridge*		5	2	-	-	-	-
Tricia Bey*	Acting Chair from 18/02/2025	5	4	4	-	4	-
Ian Buerger	To 31/07/2024	5	-	4	-	-	-
Gregory Colgan*		3	-	-	-	-	-
Claire Cunningham	To 11/12/2024	5	-	-	3	-	-
Mike Ferguson		4	4	-	-	-	-
Iain Gillespie	To 05/12/2024	5	4	3	-	-	2
Keith Harris, Rector <sup>2</sup>		-	-	-	-	-	-
Andrew Lothian*		3	-	-	-	3	-
Linda Martindale		5	4	-	-	-	-
Ron Mobed*		2	3	-	-	-	3
Nyasha Mutembwa	To 31/07/2024	4	4	-	-	-	2
Anna Notaro		5	-	3	-	-	-
Carla Rossini*		3	3	-	-	1	-
Amina Shah*		3	-	2 (of 3)	1 (of 1)	-	-
Karthik Subramanya*		3	-	-	3	-	-
Jay Surti*		5	-	-	3	-	3
Sharon Sweeney		3	-	4	-	-	3
Garry Taylor*		5	4	-	-	-	-
Karen Thompson*	To 31/07/2024	5	-	-	2	-	3
Susan Walker	To 30/09/2024	4	-	-	-	3	-
Irene Wilson <sup>1</sup>		-	-	-	-	3	-
Keith Winter*	To 31/07/2024	4	3	-	-	4	-

\*Lay Members

## Court and Committee Attendance 2024/25

Name	Notes	Court (of 18)	F&PC (of 5)	G&NC (of 4)	PODCo (of 5)	A&RC (of 8)	RC (of 3)
Amanda Millar*, Chair	To 17/02/2025	4 (of 4)	2 (of 2)	2 (of 2)	-	-	2 (of 2)
Glenn Allison*	To 31/03/2025	3 (of 8)	3	-	-	2 (of 2)	-
Alan Bainbridge*		17	5	-	-	-	3
Tricia Bey*	Acting Chair from 18/02/2025 to 19/06/2025	15 (of 15)	5	4	-	2 (of 2)	-
Manaswi Budhathoki	From 01/08/2024	16	4	-	-	-	1
Carolina Castro*	From 01/08/2024 to 13/07/2025	14	-	-	-	5 (of 6)	-
Gregory Colgan*		17	-	-	-	5 (of 5)	-
Claire Cunningham	To 11/12/2024	3 (of 3)	-	-	1 (of 1)	-	-
Kim Dale	From 01/08/2024	4 (of 4)	-	2 (of 2)	-	-	-
Mike Ferguson	To 31/07/2025	18	5	-	-	-	-
Marcus Flucker	From 01/08/2024	15	-	4	-	-	-
Iain Gillespie	To 05/12/2024	2 (of 3)	1 (of 1)	1 (of 1)	-	-	0 (of 0)
Keith Harris, Rector <sup>2</sup>	N/A	-	-	-	-	-	-
Andrew Lothian*	To 31/07/2025	9	-	-	-	1	-
Ian Mair*	From 01/08/2024	16	-	3	4	-	-
Claire Martin	From 12/11/2024	16 (of 17)	-	-	3 (of 3)	-	1 (of 1)
Linda Martindale	To 10/08/2025	17	-	-	-	-	-
Ron Mobed*		17	3	-	-	-	2
Andy Mohan	From 11/04/2025	6 (of 8)	-	-	-	-	-
Anna Notaro	To 31/07/2025	15	-	3	-	-	-
Shane O'Neill	From 05/12/2024 to 19/06/2025	11 (of 13)	4 (of 4)	3 (of 3)	-	-	2 (of 2)
Carla Rossini*	To 19/06/2025	9 (of 15)	5	-	-	1	-
Amina Shah*		15	-	4	-	2 (of 3)	-
Karthik Subramanya*	To 31/07/2025	13	-	-	5	-	-
Jay Surti*		18	-	-	5	-	3
Sharon Sweeney	To 31/07/2025	101	-	3	-	-	2
Garry Taylor*	To 19/06/2025	14 (of 15)	4	-	-	-	3
Susan Walker	To 30/09/2024	1 (of 1)	-	-	-	0 (of 1)	-

\*Lay Members

## Court and Committee Membership 2025/26

Since the emergence of the University's crisis, membership of Court has changed significantly with the majority of the members listed above now having stood down. The following table lists members of Court in 2025/26.

Name	Position	Effective Start Date	Court	F&PC	G&NC	PODCo	A&RC	R
Alan Bainbridge	Lay Member	01/08/2018	X	X				X
Amina Shah	Lay Member	01/08/2023	X		X		X	
Andrea Mohan	Elected by Senate	11/04/2025	X			X		
Andrew Swift	Lay Member	01/08/2025	X	X		X		
Annie Ingram	Lay Member	01/08/2025	X		X	X	X	
Carlo Morelli	Elected by Trade Union	01/08/2025	X				X	
Claire Martin	Elected by Staff Council	01/08/2024	X			X	X	
Emma Preston	Elected by Trade Union	01/08/2025	X	X				
Esther Roberton	Chair	01/12/2025	X		X			X
Greg Colgan	Nominated by Dundee City Council Executive	01/08/2022	X					
Ian Mair	Lay Member	01/08/2024	X	X	X			
Irene Wilson	Lay Member	01/08/2025	X	X				
Jay Surti	Lay Member	01/08/2018	X			X		X
Maggie Chapman	Rector	01/08/2025	X			X	X	
Marcus Flucker	Independent Student Member	01/08/2024	X		X			X
Margo Williamson	Lay Member	01/08/2025	X				X	
Martine van Ittersum	Elected by Senate	01/08/2025	X		X			
Nicholas Buckworth	Lay Member	01/08/2025	X	X				
Nigel Seaton	Interim Principal	20/06/2025	X		X			
Noel Lawlor	Lay Member	01/08/2025	X				X	
Ron Mobed	Lay Member	01/08/2020	X	X				X
Nicola Gray	Elected by Senate	01/02/2026 to 30/04/2026	X					
Susan Kinnear	Elected by Senate	01/08/2025	X	X				
Tánaiste Custance	President, Students' Association	01/08/2025	X	X				

### Going Concern

The University's cash flows and liquidity in the period are set out in the Financial Statements and factors affecting future performance are set out in the Financial Review. As noted throughout this report, there were significant and pervasive internal control weaknesses at the University of Dundee in 2023/24 and these are highlighted in the Gillies Report. In response, the University has developed a detailed University Action Plan which sets out actions and timelines for improvement to governance.

[dundee.ac.uk/strategy-recovery/gillies-report/actions-gillies-report](https://dundee.ac.uk/strategy-recovery/gillies-report/actions-gillies-report)

Overall, Court is of the view that robust governance arrangements have been put in place as a result of the Action Plan and that the University has adequate resources to continue operation until 31 July 2027, the going concern period. This is considered in detail in Accounting Policies, including the material uncertainty that will continue until further cost reduction actions are implemented.



Prior to the publication of the Gillies Report the Convener of the Finance & Policy Committee was invited to attend meetings of the Audit & Risk Committee and a reciprocal arrangement was in place for the Convener of the Audit & Risk Committee to attend meetings of the Finance & Policy Committee. This practice was discontinued in 2025.

<sup>1</sup> The Audit and Risk Committee had one additional co-opted member in 2023/24 and 2024/25, who was not a member of Court: Irene Wilson.

<sup>2</sup> In 2023/24 the Rector did not attend Court, with a Rector's Assessor attending in his place, in line with Statutes.

The Deputy Chair of Court is also invited to attend meetings of the Finance & Policy Committee.

**Notes:**

In addition to the major committees reported above, attendance of members of Court is also recorded for meetings of the Welfare and Ethical Use of Animals Committee, Endowments Sub-Committee and the Pensions Sub- Group.

F&PC = Finance & Policy Committee

G&NC = Governance & Nominations Committee

A&RC = Audit & Risk Committee

RC = Remuneration Committee

PODCo = People & Organisational Development Committee



## Net Zero Strategies

The University is committed to delivering on Scotland's climate change and sustainability agenda and had been working on our Net Zero Strategy to 2045. Since the University's crisis emerged, and in the current context of ongoing uncertainty around strategy and financial sustainability, expenditure limitations have hampered the scale of direct action that can be taken by the University to address progress towards a Net Zero Strategy to 2045. This is an area which will be re-prioritised as the University returns to stability, and as a new institutional Strategy to 2032 is developed.

In 2023/24 we had a Carbon Management Steering Group that had clear goals and was establishing a process to better understand and manage the data to ensure our actions were measurable. We had established a network of Sustainability Champions across the University, who met regularly to discuss new ideas and approaches at a grass roots level to reduce

our carbon footprint; and our Estates & Campus Services were active in work to reduce our energy need, working within the local partnership to create change for the region. This group has not met since the crisis emerged.

In 2023, we had been recent signatories to the Concordat for the Environmental Sustainability of Research and Innovation Practice and we continue to take active steps with colleagues in the School of Life Sciences to ensure our research activity conforms to best practice in this area through the Laboratory Assessment Efficiency Framework (LEAF).

Our endowment portfolio continues to be invested with a focus on sustainability. We have divested from fossil fuels, but in addition to that we only make investments where there is a clear alignment to the United Nations Sustainable Development Goals (UNSDG).

## Appointment of a new Chancellor



The Rt Hon. Lord Robertson of Port Ellen KT was formally installed as the Chancellor of the University at our Graduation ceremonies in November 2023.

The role of Chancellor is the most senior in the University and involves acting as its ceremonial head, presiding over Academic Ceremonies and acting as President of the Graduates' Association.

Lord (George) Robertson is an alumnus of the University, graduating in 1968 with an MA(Hons) Economics degree. He is also an Honorary Fellow of the Royal Society of Edinburgh (honFRSE).

He was Member of Parliament for Hamilton and then Hamilton South from 1978 -99 and joined the House of Lords in 1999. He became a member of Her Majesty's Privy Council in 1997.

He was the 10th Secretary General of NATO and Chairman of the North Atlantic Council from 1999 to 2003 and UK Secretary of State for Defence from 1997-1999. He was Shadow Secretary of State for Scotland in the Shadow Cabinet from 1992-1997 and Principal Opposition Spokesman on Europe from 1983-92. He was named Joint Parliamentarian of the Year in 1992.

### The Role of University Chancellor

The Chancellor is the nominal head of the University, with ceremonial responsibilities including presiding at Graduations. The Chancellor helps to promote the University's profile, and participates in staff, student, alumni and other events.

The Chancellor, Lord Robertson, appointed in November 2023, has been invaluable in supporting the University through the challenging period of crisis and has both supported and advocated for the sustainable future of the University as the University's leadership has navigated through challenging times.

He is one of the sixteen Knights of the Thistle (KT), a Knight Grand Cross of the Order of St Michael and St George (GCMG), and among several high international honours received, he was awarded the highest American civilian honour, the Presidential Medal of Freedom in 2003.

Lord Robertson succeeded Dame Jocelyn Bell Burnell, who had served as Chancellor since 2018. Other previous Chancellors are HM The Queen Mother (1967-77), Lord Dalhousie (1977-92), Sir James Black (1992-2006), and Lord Patel (2006-2017).

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## Risks

### How risks are managed

The Scottish Funding Council (SFC) requires all institutions to confirm they have an effective system of internal control. This includes an ongoing process for identifying, evaluating and managing significant risks. In 2023/24 the University had a Risk Management Policy in place which aimed to:

- Embed a culture of risk management throughout the University
- Motivate staff to take ownership of risks
- Control the organisation's risk management programme through monitoring, audit and other techniques

The Gillies Report identified significant shortcomings in the University's risk management, in particular non-compliance with section 1:4 of the Scottish Code which places a responsibility on governing bodies to be attentive to risks which could threaten the sustainability of the institution and ensure procedures are in place to identify and manage risk.

As part of the University Action Plan, action was taken in 2025 to strengthen risk management across the University to address these weaknesses. In 2023/24 ownership of risks in the Institutional Risk Register was distributed amongst UEG members and Professional Services Directorates. In 2025/26 all IRR risks are now owned by a UEG member. They are supported by the Risk and Resilience manager to assess risks and establish effective controls. Schools (now Faculties) and Professional Services have their own local risk registers in place to ensure risks are identified, managed and escalated to the Institutional Risk Register as needed. The new Risk Assurance Group is responsible for ensuring the effectiveness of operational risk management in Schools and Directorates, replacing the Risk Management Oversight Group that was in operation in 2023/24.

An interim update to the Risk Management Policy was approved by the University Court in May 2025, with more fundamental development undertaken subsequently. This has involved:

- Joint work between the University Court and University Executive Group to agree a new Principal Risk approach focusing attention on the twelve most critical risks facing the organisation, which will be formally proposed to Audit and Risk Committee in May 2026;
- Joint work between the University Court and University Executive Group to agree a new Risk Appetite for the University, which will also come to Audit and Risk Committee and Court for approval in 2026;
- Establishment of a new Risk Assurance Group in place of RMOG, with a stronger, clearer mandate to scrutinise and assure operational risk management, including the implementation of controls on risk registers and arising from internal audit, recommending escalation as required;
- Linking the risk management function into Strategic Planning to better integrate risk controls with action planning and resource decisions.

## Identified key risks 2023/24

We acknowledge the issues raised in the Gillies Report around governance and management of risk, and recognise there were limitations in the identification and scrutiny of risk by UEG and Court during the financial year 2023/24.

The Gillies Report highlighted significant optimism bias in student recruitment targets, a failure to recognise that material cost savings were not deliverable, the collapse in revenue at the beginning of the 2024/25 financial year, which resulted from the international student recruitment crisis, the impact of Brexit and other external factors. In tandem, there was a complete breakdown in cash management and expenditure control at the senior level of the organisation. Staff costs spiralled, the student-to-staff ratio fell, and operating costs grew by 43%, the Exscientia funds intended for future strategic investment were spent in full and banking covenants breached. The University's risk framework at the time did not sufficiently highlight these issues until they had crystallised.

The situation was exacerbated by a lack of independent challenge around strategic financial decisions. Furthermore, members of the University Executive Group (UEG) were focused on their own portfolios, with limited cross-functional financial accountability.

The table below lists key risks identified in 2023/24 with an update on mitigations in place at the time of writing (in 2026). It should be noted that a new Risk Register has been developed which is awaiting final approval in spring 2026.

Risk area	Risk description (2023/24)	Risk management and current mitigation of 2023/24 risks
<b>Financial Sustainability</b>	Failure to achieve financial sustainability	<ul style="list-style-type: none"> <li>→ A recovery plan is now being implemented</li> <li>→ Consideration and implementation of cost saving measures</li> <li>→ Budgetary control is exercised by Court through the Finance &amp; Policy Committee, and by the University Executive Group</li> </ul>
<b>Cybersecurity</b>	Failure in controls and recovery plans in the event of a cyber-related incident	<ul style="list-style-type: none"> <li>→ Cybersecurity team in place to address potential vulnerabilities and plan for threats</li> <li>→ Training in place for all staff</li> </ul>
<b>Student experience</b>	A decline in the quality of the student experience could adversely affect the University's reputation with a consequent reduction in student recruitment	<ul style="list-style-type: none"> <li>→ There is student representation on all the major University committees and a formal Student Experience Oversight Group monitors all aspects of student experience</li> <li>→ There is a formal partnership agreement between the University and Dundee University Students' Association</li> <li>→ Portfolio plans are in place to ensure an attractive offering</li> </ul>
<b>Staff experience</b>	Inability to attract, retain or develop staff could result in a loss in performance in key areas	<ul style="list-style-type: none"> <li>→ The People &amp; Organisational Development Committee focuses on staff issues</li> <li>→ Investment in Athena Swan and other equality and diversity and inclusion measures</li> <li>→ People &amp; Talent Strategy</li> <li>→ Local Joint Committee in place and regular meetings with the campus trade unions to discuss key issues</li> </ul>
<b>Research excellence</b>	A reduction in the quality of research could adversely affect the University's reputation and could lead to a loss of staff and students	<ul style="list-style-type: none"> <li>→ Research Review measures research quality and provides data for strategic management of research activity</li> <li>→ Recruitment focuses on research excellence</li> </ul>

# Independent Auditor's Report to the University Court of the University of Dundee

## Opinion

We have audited the financial statements of the University of Dundee ('the institution') and its subsidiaries ('the group') for the year ended 31 July 2024 which comprise Consolidated and Institution Statement of Comprehensive Income, Consolidated and Institution Statement of Changes in Reserves, Consolidated and Institution Statement of Financial Position, Consolidated Statement of Cash Flows and the related notes 1 to 33, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

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

## Basis for opinion

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

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

## Material uncertainty relating to going concern

We draw attention to the Statement of Principal Accounting Policies (1. Basis of preparation, going concern) in the financial statements, which describes the current status of the University's Recovery Plan, and its reliance upon exceptional Section 25 funding from the Scottish Funding Council (SFC).

As stated in the Statement of Principal Accounting Policies, these events or conditions, along with the other matters as set forth in the Statement of Principal Accounting Policies, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern.

The financial scenario planning and stress testing undertaken by the University highlights that significant cost reductions, beyond those achieved to date, are required to be delivered within the going concern period to 31 July 2027. The delivery of these measures remains subject to both approval and execution risk.

The University Court's assessment of going concern is also dependent on the SFC and Scottish Government's assessment of the University's continued compliance with the conditions attached to the Section 25 funding, including implementation of the agreed Strategy to Recovery. Should the University be determined to not meet these conditions, any resultant changes to the agreed profile of Section 25 funding payments may adversely impact the University's liquidity.

In auditing the financial statements, we have concluded that the University Court's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our opinion is not modified in respect of this matter.

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

## Other information

The other information comprises the information included in the Reports and Financial Statements other than the financial statements and our auditor's report thereon. The University Court is responsible for the other information contained in the Financial Statements.

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine

whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

### Opinion on other matters prescribed by the Scottish Funding Council's (SFC) Financial Memorandum

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

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

### Qualified opinion on compliance with the SFC's Financial Memorandum

The SFC's Financial Memorandum requires the governing body to comply with the principles of good governance set out in the 2023 Scottish Code of Good HE Governance ("the Scottish Code"). The Financial Memorandum also requires the governing body to ensure that the institution has regular, timely, accurate and adequate information to monitor performance and account for the use of public funds.

Disclosures made by interim and permanent management in post since November 2024, subsequent independent reviews commissioned by the University and our audit work identified instances of procurement irregularities, where the process for awarding contracts did not comply with the Public Contracts (Scotland) Regulations 2015 or the Procurement (Scotland) Regulations 2016.

In addition, as set out in the Governance Statement on page 18, the University has stated they cannot provide confirmation that all areas of non-compliance with the requirements of the SFC Financial Memorandum, including procurement irregularities, outlined above have been identified and disclosed in the Governance Statement, as those individuals were not in post during the 2023/24 financial year.

Consequently, as we are unable to satisfy ourselves on the completeness of disclosures in relation to non-compliance with the SFC's Financial Memorandum, there is also the potential for relevant disclosures around these matters to be incomplete.

Therefore, we were unable to determine whether, in all material respects, the University has complied with the requirements

of the SFC Financial Memorandum with Higher Education Institutions.

Matters on which we are required to report by exception

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

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

### Responsibilities of the University Court

As explained more fully in the Statement of Responsibilities set out on page 20, the University Court is responsible for the preparation of the financial statements and for being satisfied that give a true and fair view, and for such internal control as the University Court determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the University Court is responsible for assessing the group's and the institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the group or the institution or to cease operations, or has no realistic alternative but to do so.

### Auditor's responsibilities for the audit of the financial statements

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements

## Independent Auditor's Report to the University Court of the University of Dundee

can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent institution and determined that the most significant are FRS 102 'The Financial Reporting standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education and the Scottish Funding Council Financial Memorandum.
- We understood how group and parent institution is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of the Court minutes and papers provided to the Audit and Risk Committee, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence which was then followed up.
- We designed procedures to address the matters identified and reported above. These matters include performing additional inquiries with management and those charged with governance specific to the matters identified, additional substantive testing around procurement compliance in contracts with expenditure by the University in 2023/24, inspection of reports commissioned by the University by third parties related to the matter and review of any correspondence with relevant third parties including regulators.
- We assessed the susceptibility of the group and parent institution financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there

was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage financial performance. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating large or unusual transactions based on our understanding of the business; review of Court minutes to identify any non-compliance with laws and regulations, and inspection of any correspondence between the University and Scottish Funding Council.

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

### Use of our report

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

**Ernst & Young LLP,**  
Statutory Auditor

City

Date



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# Financial Statements

Year ended 31 July 2024

## Consolidated and Institution Statement of Comprehensive Income

Year ended 31 July 2024

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£000	£000	£000	£000
<b>Income</b>					
Scottish funding council grants	1	86,326	86,326	86,731	86,731
Tuition fees and education contracts	2	115,525	115,525	117,589	117,589
Research grants and contracts	3	71,201	71,201	78,916	78,916
Other income	4	41,891	41,557	37,324	36,872
Investment income	5	1,708	1,810	1,682	1,771
Donations and endowments	6	8,468	8,468	3,468	3,468
<b>Total income</b>		<b>325,119</b>	<b>324,887</b>	<b>325,710</b>	<b>325,347</b>
<b>Expenditure</b>					
Staff costs excluding movement on USS pension provision	7	183,000	182,526	174,432	173,963
Staff costs - movement on USS pension provision	7	(82,163)	(82,163)	(12,230)	(12,230)
Other operating expenses	8	128,265	129,041	130,803	131,301
Depreciation and amortisation	12, 13	20,438	20,282	23,049	22,892
Interest and other finance costs	9	3,924	3,924	4,868	4,868
<b>Total expenditure</b>		<b>253,464</b>	<b>253,610</b>	<b>320,922</b>	<b>320,794</b>
<b>Surplus before other gains and losses</b>		<b>71,655</b>	<b>71,277</b>	<b>4,788</b>	<b>4,553</b>
Gain on disposal of tangible assets		-	-	7	7
(Loss)/gain on disposal of investments		(17)	(17)	215	215
Gain/(loss) on investments		2,454	2,454	(52)	(52)
Share of (loss)/profit in associate	21	(766)	-	161	-
<b>Surplus before tax</b>		<b>73,326</b>	<b>73,714</b>	<b>5,119</b>	<b>4,723</b>
Taxation	10	-	-	-	-
<b>Surplus for the year</b>		<b>73,326</b>	<b>73,714</b>	<b>5,119</b>	<b>4,723</b>
Remeasurement of pension scheme liability	32	7,845	7,845	6,624	6,624
<b>Total comprehensive income for the year</b>		<b>81,171</b>	<b>81,559</b>	<b>11,743</b>	<b>11,347</b>
Represented by:					
Endowment comprehensive income for the year		2,784	2,784	498	498
Restricted comprehensive income for the year		223	224	308	309
Unrestricted comprehensive income for the year		78,930	78,551	10,776	10,540
Attributable to the Institution		81,937	81,559	11,582	11,347
Attributable to the Associate		(766)	-	161	-
		<b>81,171</b>	<b>81,559</b>	<b>11,743</b>	<b>11,347</b>
<b>Surplus/(deficit) for the year attributable to:</b>					
Associate		(766)	-	161	-
Institution		74,092	73,714	4,958	4,723

All items of income and expenditure relate to continuing activities.

The accompanying notes and policies on pages 43 to 85 form part of these financial statements.

## Consolidated and Institution Statement of Changes in Reserves

Year ended 31 July 2024

Consolidated	Income and expenditure reserve					
	Endowment	Restricted	Unrestricted	Total excluding Associate	Associate	Total
	£000	£000	£000	£000	£000	£000
<b>Balance at 1 August 2022</b>	33,937	439	151,149	185,525	(6,053)	179,472
Surplus from the income and expenditure statement	1,485	1,655	1,818	4,958	161	5,119
Other comprehensive income	-	-	6,624	6,624	-	6,624
Other reserve movements	-	-	-	-	45	45
Release of restricted funds spent in year	(987)	(1,347)	2,334	-	-	-
<b>Total comprehensive income for the year</b>	<b>498</b>	<b>308</b>	<b>10,776</b>	<b>11,582</b>	<b>206</b>	<b>11,788</b>
<b>Balance at 1 August 2023</b>	<b>34,435</b>	<b>747</b>	<b>161,925</b>	<b>197,107</b>	<b>(5,847)</b>	<b>191,260</b>
Surplus/(deficit) from the income and expenditure statement	4,253	6,287	63,552	74,092	(766)	73,326
Other comprehensive income	-	-	7,845	7,845	-	7,845
Other reserve movements	-	-	-	-	(8)	(8)
Release of restricted funds spent in year	(1,469)	(6,064)	7,533	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,784</b>	<b>223</b>	<b>78,930</b>	<b>81,937</b>	<b>(774)</b>	<b>81,163</b>
<b>Balance at 31 July 2024</b>	<b>37,219</b>	<b>970</b>	<b>240,855</b>	<b>279,044</b>	<b>(6,621)</b>	<b>272,423</b>

Institution	Income and expenditure reserve					
	Endowment	Restricted	Unrestricted	Total excluding Associate	Associate	Total
	£000	£000	£000	£000	£000	£000
<b>Balance at 1 August 2022</b>	33,937	435	150,856	185,228	-	185,228
Surplus/(deficit) from the income and expenditure statement	1,485	1,656	1,582	4,723	-	4,723
Other comprehensive income	-	-	6,624	6,624	-	6,624
Other reserve movements	-	-	-	-	-	-
Release of restricted funds spent in year	(987)	(1,347)	2,334	-	-	-
<b>Total comprehensive income for the year</b>	<b>498</b>	<b>309</b>	<b>10,540</b>	<b>11,347</b>	<b>-</b>	<b>11,347</b>
<b>Balance at 1 August 2023</b>	<b>34,435</b>	<b>744</b>	<b>161,396</b>	<b>196,575</b>	<b>-</b>	<b>196,575</b>
Surplus from the income and expenditure statement	4,253	6,288	63,173	73,714	-	73,714
Other comprehensive income	-	-	7,845	7,845	-	7,845
Other reserve movements	-	-	-	-	-	-
Release of restricted funds spent in year	(1,469)	(6,064)	7,533	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,784</b>	<b>224</b>	<b>78,551</b>	<b>81,559</b>	<b>-</b>	<b>81,559</b>
<b>Balance at 31 July 2024</b>	<b>37,219</b>	<b>968</b>	<b>239,947</b>	<b>278,134</b>	<b>-</b>	<b>278,134</b>

## Consolidated and Institution Statement of Financial Position

Year ended 31 July 2024

	Notes	As at 31 July 2024		As at 31 July 2023	
		Consolidated £000	Institution £000	Consolidated £000	Institution £000
<b>Non-current assets</b>					
Intangible assets	12	5,183	5,183	6,971	6,971
Tangible assets	13	312,228	309,858	287,090	284,565
Investments	15	34,886	34,767	32,079	32,079
		<b>352,297</b>	<b>349,808</b>	326,140	323,615
<b>Current assets</b>					
Stock		313	313	310	310
Trade and other receivables	16	50,745	51,997	55,605	57,083
Cash and cash equivalents	17	32,391	32,331	74,432	74,354
		<b>83,449</b>	<b>84,641</b>	130,347	131,747
Less: Creditors: amounts falling due within one year	19	(113,876)	(113,482)	(121,264)	(120,672)
<b>Net current (liabilities)/assets</b>		<b>(30,427)</b>	<b>(28,841)</b>	9,083	11,075
<b>Total assets less current assets/(liabilities)</b>		<b>321,870</b>	<b>320,967</b>	335,223	334,690
Creditors: amounts falling due after more than one year	20	(11,315)	(11,315)	(12,670)	(12,670)
<b>Provisions</b>					
Pension provisions	21	(31,204)	(31,204)	(124,900)	(124,900)
Other provisions including share of net liabilities in associate	21	(6,928)	(314)	(6,393)	(545)
<b>Total net assets</b>		<b>272,423</b>	<b>278,134</b>	191,260	196,575
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	22	37,219	37,219	34,435	34,435
Income and expenditure reserve - restricted reserve	23	970	968	747	744
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		240,855	239,947	161,925	161,396
<b>Attributable to the Institution</b>		<b>279,044</b>	<b>278,134</b>	197,107	196,575
Attributable to the Associate		(6,621)	-	(5,847)	-
<b>Total Reserves</b>		<b>272,423</b>	<b>278,134</b>	191,260	196,575

## Consolidated and Institution Statement of Financial Position

Year ended 31 July 2024

The financial statements, including the accompanying notes and policies on pages 43 to 85, were approved by the Court on 9 June 2026 and were signed on its behalf on 26 June 2026 by:

**Esther Robertson**  
Chair of Court

**Professor Nigel Seaton**  
Interim Principal and Vice-Chancellor

**Lee Hamill**  
Chief Finance Officer

## Consolidated Statement of Cash Flows

Year ended 31 July 2024

		Year ended 31 July 2024	Year ended 31 July 2023
	Notes	Consolidated £000	Consolidated £000
<b>Cash flow from operating activities</b>			
Surplus for the year		73,326	5,119
<b>Adjustment for non-cash items</b>			
Depreciation		18,233	21,769
Amortisation of intangible assets		2,205	1,280
(Gain)/loss on endowments and investments		(2,454)	52
(Increase) in stock		(3)	(100)
Decrease/(increase) in debtors		4,860	(14,673)
(Decrease)/increase in creditors		(7,627)	6,943
(Decrease)/increase in other provisions		(231)	14
(Decrease) in pension provisions		(221)	(144)
Pension cost less contributions payable		(89,361)	(18,076)
Share of operating loss/(gain) in associate		766	(161)
<b>Adjustment for investing or financing activities</b>			
Investment income		(1,708)	(1,682)
Interest payable		3,924	4,868
Endowment income		(610)	(671)
Gain on sale of fixed assets		-	(7)
Loss/(gain) on sale of investments		17	(215)
Capital Grant Income		(18,231)	(3,901)
<b>Net cash flows from operating activities</b>		<b>(17,115)</b>	<b>415</b>
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		-	52
Proceeds from sales of investments		88	215
Capital grants receipts	6	18,231	3,901
Disposal of non-current asset investments		33,100	7,438
Investment income	5	1,708	1,682
Endowment funds invested	6	(610)	(671)
Withdrawal of deposits		610	671
Payments made to acquire fixed assets	13	(43,371)	(30,380)
Payments made to acquire intangible assets	12	(417)	(942)
New non-current asset investments	15	(33,558)	(7,070)
<b>Total cash flows from investing activities</b>		<b>(24,219)</b>	<b>(25,104)</b>
<b>Cash flows from financing activities</b>			
Interest paid	9	(193)	(196)
Interest element of finance lease	9	-	-
New endowments		610	671
New unsecured loans	20	-	-
Repayments of amounts borrowed	20	(1,124)	(1,227)
Capital element of finance lease		-	-
<b>Total cash flows from financing activities</b>		<b>(707)</b>	<b>(752)</b>
<b>(Decrease) in cash and cash equivalents in the year</b>		<b>(42,041)</b>	<b>(25,441)</b>
Cash and cash equivalents at beginning of the year	17	74,432	99,873
Cash and cash equivalents at end of the year	17	32,391	74,432

# Statement of Principal Accounting Policies

Year ended 31 July 2024

## 1. Basis of preparation

The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with applicable Financial Reporting Standards in the United Kingdom.

The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial statements have also been prepared in accordance with the Accounts Direction issued by the Scottish Funding Council.

The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of fixed assets and derivative financial instruments).

### Going concern

These financial statements have been prepared on a going concern basis for the University and Group. The Going Concern Assessment considers the period to 31 July 2027.

Although the University is reporting a surplus before other gains and share of operating loss in associate of £71.7m in 2023/24, the underlying operating position presents a different picture. The 2023/24 reported surplus includes a number of non-recurrent items which are excluded when considering the underlying financial operating position, including Tay Cities capital grants of £5.1m, asset impairment of £0.9m and a £80.3m credit due to the release of the provision for the USS pension scheme. Adjusting for non-recurrent items, the University is reporting an operating deficit of £12.8m in 2023/24.

In November 2024 the University publicly announced it was in an extremely challenging financial position, both in terms of its forecast operating position and also its cash and liquidity position, with significant deficits forecast for 2024/25 and subsequent years. The University breached covenants associated with its £40m Revolving Credit Facility, thereby removing access to this facility.

From December 2024 to the date of approval of these Financial Statements a number of events and actions have impacted on the ongoing financial position and the timeline for cost reduction actions, as detailed in Note 27 Events after the Reporting Period and the University's crisis section on page 6.

In January 2026 the University prepared an updated forecast for financial years 2025/26 to 2029/30 with revised income projections together with cost reductions to put the University on a path to financial sustainability. The forecasts include a number of scenarios which form the basis of the University Court's assessment of going concern. The Going Concern Assessment has been reviewed and updated up to the date of the approval of these financial statements and is based on the period of this forecast to 31 July 2027.

The forecast includes a base case scenario with assumptions reflecting:

- i. latest forecasts of student recruitment for home, international and rest of UK students, including (all in 2026/27) a 5% reduction in international undergraduate recruitment, a 10% reduction in Rest of UK undergraduate recruitment, a 1.6% increase in undergraduate Home Scottish recruitment in uncontrolled subjects and a 2.6% reduction in Home Scottish recruitment in controlled subjects. For taught postgraduate activity the forecast includes a 1.9% increase in Home Scottish recruitment, a 5.6% increase in Rest of UK, and a 2.1% increase in international recruitment, including through partnerships.
- ii. workforce restructuring and cost reduction measures, including a Voluntary Severance scheme in 2025 which resulted in a reduction of 240 FTE staff and a further Voluntary Severance scheme in 2026 which resulted in a reduction of a further 111 FTE staff
- iii. estates optimisation and asset disposals, with asset sales forecast to generate net cash after fees of £2.3m over the going concern period
- iv. revised capital expenditure programme, reducing planned spend to focus on compliance, health and safety and equipment and facilities essential to maintain teaching and research activities. This reduces forecast capital expenditure on buildings, equipment and intangible assets to £32.0m in total across financial years 2025/26 and 2026/27
- v. a 5% reduction in discretionary core funded non-staff operating expenditure, resulting in annual savings of £1.2m
- vi. no ongoing requirement for deficit recovery contributions for the University of Dundee Superannuation Scheme following conclusion of the 2026 triennial valuation
- vii. full compliance with the published Conditions of Grant for the £40m Section 25 funding from the Scottish Funding Council forecast to be received by July 2027.

A key judgement underpinning the going concern assessment is that further significant cost reductions, over and above those savings derived from the second VS scheme, in the region of £20m-£25m will be required to achieve an EBITDA in the range of 8% to 10% by 2027/28. In the going concern period to 31 July 2027 these further savings drive a net cash improvement of £6.8m (net of cost of change).

The entirety of the University's cost base must be considered for reduction and as staff costs constitute the majority of operational spend the bulk of further savings will need to come from staff costs. The going concern forecast assumes that action to implement these further cost savings will begin in the second quarter of the 2026 calendar year, subject to approval by Court and working within the parameters of the Scottish Funding

# Statement of Principal Accounting Policies

Year ended 31 July 2024

Council conditions of grant for the Section 25 funding. Achieving these savings will require significant change and transformation in the University's operations.

While the University Court will also look to improve revenue growth it should be noted that in order to achieve an equivalent net cash improvement of the same level, i.e £20m-£25m, income growth of £50m-£60m, or 15%-20%, by 2027/28 would be required, based on average margins. This level of income growth is considered to be well beyond what is feasible for the University in the current market and, therefore, well beyond what could be considered appropriate for a going concern assessment.

A key assumption in this financial forecast is that the financial support package publicly announced by the Scottish Government for the University is received in full. This includes:

- i. £12m Financial Transactions loan from the Scottish Funding Council. This loan was accepted and received in March 2026. This loan is repayable over a ten-year period with an interest rate of 2%.
- ii. £40m additional 'Section 25' funding that is forecast to be available to the University in the form of a grant. This funding is provided under Section 25 of the Further and Higher Education (Scotland) Act 2005. This additional grant funding is ultimately made available by the Scottish Government (SG) and then distributed by the SFC. This £40m grant is forecast to be received over two financial years £20m in 2025/26 and £20m in 2026/27. This funding was formally offered to the University and accepted in March 2026 with the first drawdown of £13m also received. The forecast assumes all grant conditions will be met and a further £27m received by July 2027.

Full ongoing compliance with the published Conditions of Grant for the £40m Section 25 funding will be required for the future funding to be received. At the time of approving these Financial Statements all Conditions had been met, including submission to the Scottish Funding Council of a Strategy to Recovery by the end of June 2026. On 12 June 2026 the Scottish Funding Council confirmed in writing to the University's Chair of Court that the SFC Board had considered the Strategy to Recovery and determined that it was compliant with the Conditions of Grant, but noted that it will continue to closely monitor the implementation of the strategy and will require the University to provide it with the Key Performance Indicators detailed in those conditions. The Conditions remain in place for the duration of the funding period to 31 July 2027, and the subsequent 6 months after this date, and therefore the key assumption that the full Scottish Government financial support package will be received is subject to the Scottish Funding Council's and Scottish Government's ongoing monitoring and assessment of compliance with the conditions.

The forecasts indicate that, with this financial support package in place and no further commercial or government financing, the University will have sufficient liquidity to continue to operate and

meet its financial obligations over the going concern period to 31 July 2027.

However, a material uncertainty exists which casts significant doubt in relation to the University's ability to continue as a going concern in the period after 31 July 2027 arising from the requirement to deliver further cost reductions of £20m-£25m, which remain subject to approval and execution risk and if not delivered will result in significant liquidity challenges.

In addition, while the SFC confirmed compliance with the Strategy to Recovery on 12 June 2026, there is a need to maintain compliance with the conditions attached to the Section 25 funding from the date of approval of these financial statements until conditions end 6 months after the end of the Section 25 funding period (31 July 2027). Until the Scottish Funding Council has confirmed that the conditions are completely discharged 6 months after the end of the Section 25 funding period there is a material uncertainty which casts significant doubt in relation to the University's ability to continue as a going concern if the conditions are not met.

The forecast operating deficit in 2026/27 is £(1.0)m with cash at 31 July 2027 forecast at £37.7m, with a minimum cash balance of £25.6m across the 2026/27 financial year. The University has set a minimum cash balance target of £30m. Although forecast cash would fall below this during 2026/27 this represents a short-term pressure which management believes can be managed through standard treasury management actions.

The University Court has considered a number of risks and the potential impacts of these risks in producing its financial plans and forecasts. The University is closely monitoring compliance with the Conditions associated with the Section 25 funding.

In addition to the base scenario, a downside scenario has been prepared. The downside scenario reflects severe but plausible adverse movements and tests the resilience of the University's financial position before mitigating actions and considers the impact of:

- i. delays in the sale of assets, including a nine-month delay for those assets not yet on the market
- ii. material adverse movements in student recruitment against the base forecast including:
  - a. a reduction of 10-20% in Home Scottish
  - b. a reduction of 20% for international UG and PGT intake in all years
  - c. a reduction of 15% in RUK UG and PGT intake
- iii. a two-month delay in implementing staff restructuring and cost reduction measures. This scenario does not consider the failure to reduce the staff numbers during the going concern period as this action is essential to avoid a severe deterioration in the financial position in 2027/28 when the additional government funding package ends in July 2027

- iv. ongoing deficit recovery contributions of £1.9m per annum for the University of Dundee Superannuation Scheme following conclusion of the 2026 valuation
- v. partial delivery only of savings in other operating expenses savings, assuming only 50% of the 5% of discretionary spend targeted is achieved
- vi. a 5% reduction in the volume of externally funded research as a result of staff reductions, reducing research income by £1.4m with a £0.3m reduction in the net contribution from research (income less marginal costs)

Forecast cash balances for this downside scenario, although challenging with a minimum cash balance of £20.5m in 2026/27, before mitigations, indicate that the University would have sufficient resources to continue to operate and meet its essential financial obligations over the period to 31 July 2027. Although forecast cash during 2026/27 would fall below the £30m minimum cash target set by the University this represents a short-term pressure which management expects can be managed through standard treasury management actions and delaying commitments to material items of expenditure.

If a severe downside scenario does occur, management has identified a range of further mitigating actions depending on the severity of the situation. These include:

- further limiting discretionary spend, the scale of which would be determined by the scale of the downside. This could also include more severe short-term action until a revised plan is put in place and could save up to £5m
- further restricting capital expenditure, including delaying uncommitted building works, cancelling or delaying planned equipment replacement for key student facing spaces and research laboratories, with a short-term timing only cash impact of up to £15m

Forecasts will be closely monitored and reported to management and Court committees through monthly management accounts.

The University is experiencing a period of considerable change with significant restructuring activity and realigning the cost base with the expected future income streams and available funding linked to the requirements and guidelines established by the Scottish Funding Council. The forecast is dependent on the successful delivery of further cost reductions of £20m-£25m, which have not yet been fully implemented and remain subject to approval and execution risk. In addition, the forecast assumes ongoing compliance with the conditions attached to the Section 25 funding, including implementation of the agreed Strategy to Recovery. The ability to deliver the planned Strategy to Recovery and meet the conditions of Section 25 funding therefore represent a material uncertainty that may cast significant doubt over the ability of the University to continue as a going concern.

Whilst the University Court recognises these uncertainties, it has reviewed these forecasts and is satisfied that the University will

have sufficient funds, the University plans are achievable and appropriate mitigations are in place to meet its liabilities as they fall due over the period to 31 July 2027. Accordingly, the financial statements have been prepared on a going concern basis.

## 2. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Institution and its subsidiary undertakings for the financial year to 31 July 2024. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Entities, other than subsidiaries, in which the Group has a participating interest and over who's operating and financial policies the Group exercises a significant influence are treated as associates. In the consolidated Financial Statements, associated companies and joint ventures are accounted for using the equity method, including the appropriate share of the results and reserves of each associate. The Consolidated Statement of Comprehensive Income and Expenditure includes the Group's share of the profit or loss of Dundee Student Villages (DSV), an associated undertaking, and the consolidated balance sheet similarly includes the Group's share of the net assets or liabilities of DSV.

## 3. Income recognition

Grant funding including Scottish Funding Council grants, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the Institution is entitled to 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.

Fee income is stated gross of any expenditure which is not a discount and credited to the Consolidated Statement of Comprehensive Income and Expenditure over the period in which the 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 not deducted from income.

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

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

# Statement of Principal Accounting Policies

Year ended 31 July 2024

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

## Donations and Endowments

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

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

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

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

## Capital grants

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

## 4. Accounting for retirement benefits

The principal pension schemes for the Institution's staff are the Universities Superannuation Scheme (USS), the University of Dundee Superannuation and Life Assurance Scheme (UODS) (closed to new members from 31 December 2023) and University of Dundee Royal London Pension Scheme (RLPS). USS and UODS are or include defined benefit schemes and are valued every three years by professionally qualified independent actuaries. RLPS is a defined contribution scheme.

The Institution participates in a number of other defined benefit pension schemes. Where the scheme is a multi-employer scheme and it is not possible to identify the University's share of the underlying assets and liabilities, it is accounted for on a defined contribution basis and contributions are included in expenditure in the period in which they are payable.

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

## Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

## Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the Institution'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 Institution. The Institution recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Institution is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

### Multi-employer Scheme

The institution participates in Universities Superannuation Scheme. The defined benefits section of USS is a multi-employer scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme.

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.

The University has a liability for the enhancement of pensions payable to some former members of staff who have taken early retirement. These liabilities are unfunded but are assessed on the same basis as the liabilities within each defined benefit pension scheme.

### 5. Finance leases

Leases in which the institution 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 leases and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at 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.

Expenditure on fixed assets acquired under finance leases and the related lease obligations is capitalised in so far as the costs exceed the Institution's capitalisation threshold.

### 6. Service concession arrangements

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

### 7. Operating leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases

### 8. Foreign currency

Transactions denominated in foreign currencies are recorded at the rates of exchange ruling at the dates of the transactions, or at the rate ruling at the month end prior to the transaction taking place. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at month or year end rates or, where there are related forward foreign exchange contracts, at contract rates. The resulting exchange differences are dealt with in the determination of income and expenditure for the financial year.

### 9. Property, plant, and equipment

#### Land and buildings

Land and buildings are stated at deemed cost less accumulated depreciation. Donated land and buildings are stated at fair value at the date of receipt.

Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the Institution from the existing tangible fixed asset beyond its previously assessed standard of performance; the costs of any such enhancements are added to the gross carrying amount of the tangible fixed asset concerned.

#### Depreciation

Land is not depreciated as it is considered to have an indefinite useful life.

The component items of buildings, and alterations and additions to buildings, are depreciated over their estimated useful lives on a straight line basis as follows:

Structure	50 years
Mechanical and electrical	25 years
Fit-out	15 years

Assets in the course of construction are not depreciated until they are brought into use.

#### Repairs and maintenance

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

# Statement of Principal Accounting Policies

Year ended 31 July 2024

## Assets used by the Institution

The Institution occupies various premises owned by the NHS. The main locations are subject to service charges which are reflected in the income and expenditure account but are not subject to formal rentals. It is not possible to attribute value to these arrangements and hence these assets are not included in the financial statements.

## Assets held for resale

Assets for resale are land and buildings which are no longer in use by the Institution and which the Institution is committed to sell and not replace. These assets are valued at the lower of net book value and net realisable value and included in current assets.

## Equipment

Equipment, including computers and software, costing less than £25,000 per individual item or group of related items is recognised as expenditure in the year of acquisition. All other items of equipment are capitalised and depreciated on a straight line basis over their expected useful lives as follows:

Plant	20 years
Computer equipment	4 - 12 years
Research equipment	Shorter of 4 years or project life
Other equipment	4 years

## Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

## Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

## 10. Intangible Assets

All intangible assets are considered to have finite lives which will be determined by the assessed useful economic life and the period of any contractual or legal rights (including any renewal periods where the cost of renewal is not significant). Costs are amortised over their useful economic life. Intangible assets in the course of development are not amortised until they are brought into use.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

## 11. Investments

Non-current asset investments are included in the balance sheet at fair value for investments in publicly traded shares or where the fair value can be measured reliably, with movements recognised in the surplus or deficit. Investments in unlisted spin-outs where no fair value can be established are listed at cost.

Investments in subsidiaries are carried at cost less impairment in the University's balance sheet.

Investments in associates are shown in the consolidated balance sheet at attributable share of net assets.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

Interests in land and/or buildings held for their investment potential are included in the balance sheet at their market value without charging depreciation.

## 12. Stocks

Stocks comprise mainly building maintenance, catering and laboratory supplies, and are brought into the financial statements at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

## 13. Cash and cash equivalents

Cash includes cash in hand, sterling and foreign currency bank balances, deposits repayable on demand and overdrafts.

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. Typically, they will have a maturity of less than three months.

Short-term deposits include deposits with recognised banks and building societies and government securities held as part of the University's treasury management activities.

## 14. Provisions, contingent liabilities, and contingent assets

Provisions are recognised when:

- a. the University has a present legal or constructive obligation as a result of a past event
- b. it is probable that a transfer of economic benefit 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.

The attributable share of net liabilities in associates is shown as a provision in the consolidated balance sheet.

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 resource 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.

## 15. Taxation

The University is a charity within the meaning of part 1, chapter 2, section 7 of the Charities and Trustee Investment (Scotland) Act 2005, and is considered to pass the tests set out in paragraph 1, schedule 6, Finance Act 2010 and is recorded on the index of charities maintained by the Office of the Scottish Charity Regulator (Charity Number SC015096) and therefore it meets the definition of the charitable company for UK corporation tax purposes.

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

The University's subsidiaries, with the exception of the charitable company, University of Dundee Nursery Limited, 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 the financial statements. Deferred tax assets are recognised to the extent that they are regarded as more likely than not that they will be recovered.

Deferred tax assets and liabilities are not discounted. Deferred taxation for subsidiaries is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is estimated that taxation will be payable.

## 16. Derivatives

Derivatives are held on the balance sheet at fair value with movements in fair value recorded in the Consolidated Statement of Comprehensive Income and Expenditure.

## 17. Reserves

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

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

## 18. Critical accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Key estimates and judgements are detailed at Note 33.

Due to the time that has elapsed between the end of reporting period and the date of signing these financial statements, a number of estimates have been updated to reflect the confirmed outcome. In addition, estimates have been reviewed and updated to reflect impacts of the University's challenging financial position, including impairment of capital works that are not proceeding.

# Financial Statements

Year ended 31 July 2024  
continued

## Notes to the Financial Statements

Year ended 31 July 2024

	Notes	Year Ended 31 July 2024		Year Ended 31 July 2023	
		Consolidated £000	Institution £000	Consolidated £000	Institution £000
<b>1. Scottish funding council grants</b>					
General fund – Teaching		61,997	61,997	61,418	61,418
General fund – Research and Innovation		20,526	20,526	21,501	21,501
Strategic Funding		1,317	1,317	511	511
Capital Funding		2,486	2,486	3,301	3,301
		<b>86,326</b>	<b>86,326</b>	86,731	86,731

General fund - Teaching income includes ringfenced grants funded by the Scottish Government of £13,587k in 2023/24 (2022/23: £12,984k)

<b>2. Tuition fees and education contracts</b>					
Home/EU domicile fees		21,430	21,430	22,938	22,938
RUK domicile fees		11,125	11,125	12,101	12,101
Non-EU domicile fees		77,972	77,972	77,559	77,559
Non-credit bearing course fees		532	532	651	651
Other contracts		4,466	4,466	4,340	4,340
		<b>115,525</b>	<b>115,525</b>	117,589	117,589

<b>3. Research grants and contracts</b>					
Research councils		20,139	20,139	20,108	20,108
UK charities		18,962	18,962	18,897	18,897
European commission		1,368	1,368	3,660	3,660
UK industry		3,396	3,396	3,174	3,174
Other grants and contracts		27,336	27,336	33,077	33,077
		<b>71,201</b>	<b>71,201</b>	78,916	78,916

## Notes to the Financial Statements

Year ended 31 July 2024

	Notes	Year Ended 31 July 2024		Year Ended 31 July 2023	
		Consolidated £000	Institution £000	Consolidated £000	Institution £000
<b>4. Other income</b>					
Residences, catering and conferences		11,272	11,272	10,786	10,786
Other services rendered		12,305	12,380	11,685	11,760
Health authorities		7,570	7,570	6,924	6,924
Other income		10,744	10,335	7,929	7,402
		<b>41,891</b>	<b>41,557</b>	<b>37,324</b>	<b>36,872</b>
<b>5. Investment income</b>					
Investment income on endowments	22	539	539	350	350
Other investment income		1,169	1,271	1,332	1,421
		<b>1,708</b>	<b>1,810</b>	<b>1,682</b>	<b>1,771</b>
<b>6. Donations and endowments</b>					
Capital grants		5,050	5,050	600	600
New endowments	22	610	610	671	671
Donations with restrictions	23	648	648	636	636
Other income with restrictions	23	589	589	420	420
Unrestricted donations		1,571	1,571	1,141	1,141
		<b>8,468</b>	<b>8,468</b>	<b>3,468</b>	<b>3,468</b>

## Notes to the Financial Statements

Year ended 31 July 2024

	Notes	Year Ended 31 July 2024		Year Ended 31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£000	£000	£000	£000
<b>7. Staff costs</b>					
Staff costs:					
Wages and salaries		<b>146,392</b>	<b>146,007</b>	134,205	133,836
Social security costs		<b>14,734</b>	<b>14,709</b>	13,606	13,581
Movement on USS provision		<b>(82,163)</b>	<b>(82,163)</b>	(12,230)	(12,230)
Other pension costs	32	<b>21,874</b>	<b>21,810</b>	25,666	25,591
Sub-total		<b>100,837</b>	<b>100,363</b>	161,247	160,778
Restructuring costs		-	-	955	955
Total		<b>100,837</b>	<b>100,363</b>	162,202	161,733

A further breakdown of pension costs has been included in note 32.

Staff costs by major category:

Academic departments		<b>100,342</b>	<b>100,342</b>	92,196	92,197
Academic services		<b>15,320</b>	<b>15,320</b>	14,552	14,552
Research grants and contracts		<b>33,459</b>	<b>33,459</b>	33,908	33,908
Administration and central services		<b>25,901</b>	<b>25,427</b>	23,545	23,075
Premises		<b>5,468</b>	<b>5,468</b>	5,096	5,096
Other		<b>1,883</b>	<b>1,883</b>	3,645	3,645
Catering and residences		<b>627</b>	<b>627</b>	535	535
Sub-total before movement on USS Provision		<b>183,000</b>	<b>182,526</b>	173,477	173,008
Movement on USS provision		<b>(82,163)</b>	<b>(82,163)</b>	(12,230)	(12,230)
Total before restructuring costs		<b>100,837</b>	<b>100,363</b>	161,247	160,778
Restructuring costs		-	-	955	955
Total		<b>100,837</b>	<b>100,363</b>	162,202	161,733

Due to the material impact of the release of the USS provision in 2023/24 the movement on the USS provision has been shown separately in the table above.

The staff costs of key management personnel are shown below. Full-time equivalent (FTE) across the year 2023/24 are also shown noting this FTE is reported on the same basis as the overall University staff numbers reported in this note.

Key management personnel are the University's Executive Group (UEG) and comprise the salary cost of UEG members in post, including any payment in lieu of notice or severance costs, and excluding employer's pension contributions. In 2023/24 a payment of £67,500 was made to one UEG member including severance costs and payment in lieu of notice.

Staff costs of key management personnel £000	1,783	1,221
FTE	10.3	6.9

## Notes to the Financial Statements

Year ended 31 July 2024

### 7. Staff costs - continued

Total remuneration of the Principal and Vice-Chancellor/Accountable Officer:

	2023/24	2022/23
	£000	£000
<b>Professor Iain Gillespie (from 1 January 2021)</b>		
Annual salary	298	259
Bonus	-	-
Taxable benefits in kind	2	1
Non-taxable benefits in kind	-	-
Pension contributions to USS	51	56
Supplement in lieu of employers' pension contributions	-	-
<b>Total</b>	<b>351</b>	<b>316</b>

The emoluments of the Principal are shown on the same basis as that for higher paid staff. The Principal's remuneration is approved by the Remuneration Committee.

As noted in the tables above, the emoluments of Professor Iain Gillespie include a taxable benefit in kind. These benefits in kind arise from rental of a residential property. All rentals in relation to this property are charged at an externally verified commercial market rate, however HMRC guidance requires the assessment of the deemed value based on a specified computation, this has resulted in an unintentional taxable benefit of kind.

Professor Iain Gillespie was appointed Principal and Vice-Chancellor on 1 January 2021 and his employment ended by mutual agreement on 5 December 2024. The terms of his departure were approved by the Remuneration Committee, and the payments made on termination were in accordance with the University's published severance policy.

Professor Gillespie received £152,421.00 gross in respect of his contractual entitlement to six months' notice (minus invoices recovered in relation to University House bills). The University also contributed £500 plus VAT, where applicable, towards the cost of independent legal advice in connection with the settlement agreement, in line with standard practice. Save for that legal-fee contribution, no ex-gratia or non-contractual severance payment was made.

Professor Shane O'Neill was appointed as Interim Principal and Vice-Chancellor on 10 December 2024. Following discussion with the University's Deputy Chair of Court, Acting Chair of Court and Director of People on 18 June 2025, the University understood Professor O'Neill to have intimated his intention to resign from his employment with the University. The University treated 18 June 2025 as the commencement of Professor O'Neill's six-month contractual notice period.

Professor O'Neill's employment was terminated by the University on 3 December 2025. Professor O'Neill received his normal salary and associated contractual benefits, including pension contributions, from 18 June 2025 to 30 November 2025, amounting to £100,184.56 gross comprising salary payments of £87,497.44 and employer pension contributions of £12,687.12. Professor O'Neill was also paid £11,335.12 gross including employer pension contributions (salary payment of £9,810.92 and employer pension contributions of £1,524.20) as a payment in lieu of notice in respect of the remaining period from 1 December 2025 to 18 December 2025, together with £30,218.13 gross in respect of untaken annual leave accrued up to 3 December 2025. The terms of Professor O'Neill's departure and associated payments were approved by the Remuneration Committee. No ex-gratia or non-contractual severance payment was made.

For 2023/24 the pay multiple of the Principal, Professor Iain Gillespie, to the median earnings of the whole workforce is 7.2 (2023: 7.2) based on total remuneration including salary, bonus, employer pension contribution, payments in lieu of pension contributions, taxable and non-taxable benefits. The median is based on the annualised, full-time equivalent remuneration of all staff at the reporting date.

## Notes to the Financial Statements

### Year ended 31 July 2024

#### 7. Staff costs - continued

The number of staff with a basic salary of over £100,000 per annum has been included below. Payments made on behalf of the NHS in respect of its contractual obligations to Institution staff under separate NHS contracts of employment are not included within remuneration.

	31/07/2024	31/07/2024	31/07/2023	31/07/2023
	Number	Number	Number	Number
	Non-clinical	Clinical	Non-clinical	Clinical
£100,000 to £109,999	15	6	14	6
£110,000 to £119,999	15	4	13	2
£120,000 to £129,999	5	6	5	9
£130,000 to £139,999	5	6	5	5
£140,000 to £149,999	2	6	1	8
£150,000 to £159,999	2	9	4	4
£160,000 to £169,999	2	3	1	7
£170,000 to £179,999	2	6	2	3
£180,000 to £189,999	3	6	1	4
£190,000 to £199,999	1	3	1	2
£200,000 to £209,999	-	2	-	1
£210,000 to £219,999	-	1	-	-
£220,000 to £229,999	-	-	-	-
£230,000 to £239,999	-	-	-	-
£240,000 to £249,999	-	-	-	-
£250,000 to £259,999	-	-	-	-
£260,000 to £269,999	-	-	1	-
£270,000 to £279,999	-	-	-	-
£280,000 to £289,999	-	-	-	-
£290,000 to £299,999	1	-	-	-
	<b>53</b>	<b>58</b>	<b>48</b>	<b>51</b>

	2023/24	2022/23
	Number	Number
Average staff numbers by major category:		
Academic departments	1,543	1,410
Academic services	300	276
Research grants and contracts	676	640
Administration and central services	495	479
Premises	157	157
Other	72	73
Catering and residences	16	16
	<b>3,259</b>	<b>3,051</b>

Compensation for loss of office payable to senior post-holders:

	£000	£000
Compensation payable recorded within staff costs	-	-

Voluntary Severance schemes after the 31 July 2024 reporting date are detailed at Note 27.

The percentage of the total pay bill spend on trade union facility time was 0.06%.

## Notes to the Financial Statements

Year ended 31 July 2024

	Notes	Year Ended 31 July 2024		Year Ended 31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£000	£000	£000	£000
<b>8. Other operating expenses</b>					
Academic departments		18,418	18,418	19,078	19,078
Academic services		13,516	13,515	12,250	12,250
Research grants and contracts		23,697	23,697	24,517	24,517
Administration and central services		42,233	42,174	46,885	46,803
Premises		13,747	14,583	14,993	15,573
Other		3,584	3,584	3,341	3,341
Catering and residences		13,070	13,070	9,739	9,739
		<b>128,265</b>	<b>129,041</b>	130,803	131,301

Other operating expenses include:

External auditors remuneration in respect of audit services		894		311
External auditors remuneration in respect of non-audit services		19		18
Internal auditors remuneration		124		124
Operating lease rentals:				
Plant and machinery	26	-		-
Office equipment	26	432		265
Agency staffing costs		1,451		974

Interest paid under the Late Payment of Commercial Debts (interest) Act 1998 was £97 (2023: £59).

	Notes	Year Ended 31 July 2024		Year Ended 31 July 2023	
		Consolidated	Institution	Consolidated	Institution
		£000	£000	£000	£000
<b>9. Interest and other finance costs</b>					
Loan interest		193	193	196	196
Finance lease interest		-	-	-	-
Net charge on pension schemes	32	3,731	3,731	4,672	4,672
		<b>3,924</b>	<b>3,924</b>	4,868	4,868

## Notes to the Financial Statements

Year ended 31 July 2024

	Year Ended 31 July 2024		Year Ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
<b>10. Taxation</b>				
Recognised in the statement of comprehensive income:				
Current tax				
UK corporation tax	-	-	-	-
Foreign tax	-	-	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

	Year Ended	Year Ended
	31 July 2024	31 July 2023
	Consolidated	Consolidated
	£000	£000
<b>11. Surplus on continuing operations for the year</b>		
University surplus for the year	73,731	5,229
(Deficit)/surplus generated by associate and subsidiary undertakings	(388)	396
<b>Surplus on continuing operations for the year</b>	<b>73,343</b>	<b>5,625</b>

	Assets in Use	Assets in the	Total
		Course of	
	£000	Construction	£000
<b>Consolidated and University</b>			
<b>Cost</b>			
At 1 August 2023	8,627	11,573	20,200
Additions	417	-	417
Disposals	(408)	(884)	(1,292)
Transfers	789	(789)	-
<b>At 31 July 2024</b>	<b>9,425</b>	<b>9,900</b>	<b>19,325</b>
<b>Depreciation and Impairment</b>			
At 1 August 2023	3,734	9,495	13,229
Charge for the year	1,292	-	1,292
Impairment loss	16	897	913
Disposals	(408)	(884)	(1,292)
<b>At 31 July 2024</b>	<b>4,634</b>	<b>9,508</b>	<b>14,142</b>
<b>Closing balance</b>	<b>4,791</b>	<b>392</b>	<b>5,183</b>

The additions during the year relate to costs incurred in the development phase of software projects.

All assets in the course of construction at 31 July 2024 have subsequently been brought into use with no impairment.

The disposals in the year relate to software assets fully amortised or impaired and not in use.

## Notes to the Financial Statements

Year ended 31 July 2024

### 13. Property, plant and equipment

	Land and Buildings	Plant and Machinery	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£000	£000	£000	£000	£000
<b>Consolidated</b>					
<b>Cost or valuation</b>					
At 1 August 2023	402,406	3,202	48,831	17,073	471,512
Additions	8,149	-	10,210	25,012	43,371
Transfers	4,857	-	2,594	(7,451)	-
Disposals	-	-	(28,556)	-	(28,556)
<b>At 31 July 2024</b>	<b>415,412</b>	<b>3,202</b>	<b>33,079</b>	<b>34,634</b>	<b>486,327</b>
<b>Depreciation and impairment</b>					
At 1 August 2023	144,742	1,054	38,626	-	184,422
Charge for the year	11,493	143	5,706	-	17,342
Impairment loss	891	-	-	-	891
Disposals	-	-	(28,556)	-	(28,556)
<b>At 31 July 2024</b>	<b>157,126</b>	<b>1,197</b>	<b>15,776</b>	<b>-</b>	<b>174,099</b>
<b>Net book value</b>					
<b>At 31 July 2024</b>	<b>258,286</b>	<b>2,005</b>	<b>17,303</b>	<b>34,634</b>	<b>312,228</b>
At 1 August 2023	257,664	2,148	10,205	17,073	287,090

## Notes to the Financial Statements

Year ended 31 July 2024

### 13. Property, plant and equipment - continued

Institution	Land and Buildings £000	Plant and Machinery £000	Fixtures, Fittings and Equipment £000	Assets in the Course of Construction £000	Total £000
<b>Cost or valuation</b>					
At 1 August 2023	401,847	-	48,771	17,073	467,691
Additions	8,149	-	10,209	25,012	43,370
Transfers	4,857	-	2,594	(7,451)	-
Disposals	-	-	(28,556)	-	(28,556)
<b>At 31 July 2024</b>	<b>414,853</b>	<b>-</b>	<b>33,018</b>	<b>34,634</b>	<b>482,505</b>
<b>Depreciation and impairment</b>					
At 1 August 2023	144,554	-	38,572	-	183,126
Charge for the year	11,482	-	5,704	-	17,186
Impairment loss	891	-	-	-	891
Disposals	-	-	(28,556)	-	(28,556)
<b>At 31 July 2024</b>	<b>156,927</b>	<b>-</b>	<b>15,720</b>	<b>-</b>	<b>172,647</b>
<b>Net book value</b>					
<b>At 31 July 2024</b>	<b>257,926</b>	<b>-</b>	<b>17,298</b>	<b>34,634</b>	<b>309,858</b>
At 1 August 2023	257,293	-	10,199	17,073	284,565

A full valuation of the University's academic, office, ancillary and support buildings was carried out on assets held at 1 August 2014 by Gerald Eve LLP.

At 31 July 2024, freehold land and buildings included £9.2m (2023 - £9.2m) in respect of freehold land and is not depreciated

The impairment loss relates to preliminary works relating to Reinforced Autoclaved Aerated Concrete (RAAC) where the building work is not proceeding.

The University's halls of residence are subject to a service concession arrangement described in Note 14 and are not included in fixed assets. Upon expiry of the Dundee Student Villages Agreement, the Agreement provides the University with contractual options to reacquire title to the properties remaining within the Project. The University is not under any obligation to exercise those options but instead holds a limited, discretionary first contractual right to reacquire the titles at the end of the term. In relation to the West Park Conference Centre, the University has a first option to purchase the Conference Centre if it is placed on the market for sale.

## Notes to the Financial Statements

Year ended 31 July 2024

### 14. Service Concession Arrangements

On 5 July 2004, the University entered into a 35-year contract with Dundee Student Villages Limited, a company limited by guarantee and with charitable status, whereby certain of the University's halls of residence were sold, or leased, in part or full, to that company.

The agreement provides that the company shall operate and maintain the residences to agreed standards and that the University shall continue to market and allocate rooms to students, and provide them with pastoral care.

The University has no minimum guaranteed payment and therefore no asset and liability to recognise on the Balance Sheet.

Upon expiry of the Dundee Student Villages Limited agreement, the agreement provides the University with contractual options to reacquire title to the properties. Those options are subject to specified conditions. Importantly, the University is not under any obligation to exercise those options but instead holds a limited, discretionary first contractual right to reacquire the titles at the end of the term

In relation to the West Park Conference Centre, the University has a first option to purchase the Conference Centre if it is placed on the market for sale.

### 15. Non-Current Investments

	Subsidiary companies	Other fixed asset investments	Endowment asset investments	Total
	£000	£000	£000	£000
<b>Consolidated</b>				
<b>At 1 August 2023</b>	-	2,082	29,997	32,079
Additions	119	-	33,439	33,558
Disposals	-	(107)	(33,098)	(33,205)
Increase/(decrease) in market value of investments	-	(648)	3,102	2,454
<b>At 31 July 2024</b>	<b>119</b>	<b>1,327</b>	<b>33,440</b>	<b>34,886</b>

#### Institution

<b>At 1 August 2023</b>	-	2,082	29,997	32,079
Additions	-	-	33,439	33,439
Disposals	-	(107)	(33,098)	(33,205)
Increase/(decrease) in market value of investments	-	(648)	3,102	2,454
<b>At 31 July 2024</b>	<b>-</b>	<b>1,327</b>	<b>33,440</b>	<b>34,767</b>

Other non-current investments consist of:

	Consolidated and University
	£000
Listed investments	-
Index linked government stocks and investment trusts	78
Other	1,249
	<u>1,327</u>

Listed investments are held at fair value.

## Notes to the Financial Statements

Year ended 31 July 2024

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
<b>16. Trade and other receivables</b>				
Amounts falling due within one year:				
Trade receivables	18,278	18,196	22,684	22,669
Accrued income on research projects	17,811	17,811	13,522	13,522
Prepayments and other accrued income	14,656	14,607	19,399	19,095
Amounts due from subsidiary companies	-	1,383	-	1,797
	<b>50,745</b>	<b>51,997</b>	55,605	57,083

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
<b>17. Cash and cash equivalents</b>				
Short term deposits	29,446	29,446	62,438	62,438
Bank	2,927	2,867	11,965	11,887
Cash on hand	18	18	29	29
	<b>32,391</b>	<b>32,331</b>	74,432	74,354

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority as instant access or with less than three months maturity at the balance sheet date.

## Notes to the Financial Statements

Year ended 31 July 2024

### 18. Consolidated reconciliation of net cash

	<b>£000</b>	
Net cash at 1 August 2023	60,637	
Movement in cash and cash equivalents	(42,041)	
New loan finance	-	
Repayment of unsecured loans	1,124	
Movements in finance leases	-	
Net cash at 31 July 2024	<b>19,720</b>	
Change in net cash	(40,917)	
Analysis of net cash:	<b>31 July 2024</b>	31 July 2023
	<b>£000</b>	£000
<b>Cash and cash equivalents</b>	<b>32,391</b>	74,432
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	<b>(1,356)</b>	(1,125)
Obligations under finance leases	-	-
	<b>(1,356)</b>	(1,125)
<b>Borrowings: amounts falling due after more than one year</b>		
Unsecured loans	<b>(11,315)</b>	(12,670)
Obligations under finance leases	-	-
	<b>(11,315)</b>	<b>(12,670)</b>
Net cash at 31 July 2024	<b>19,720</b>	<b>60,637</b>

## Notes to the Financial Statements

### Year ended 31 July 2024

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

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
Unsecured loans	1,356	1,356	1,125	1,125
Obligations under finance leases	-	-	-	-
Trade payables	7,215	7,099	10,075	9,713
Social security and other taxation payable	3,954	3,954	3,825	3,825
Accruals and deferred income	101,351	101,073	106,239	106,009
	<b>113,876</b>	<b>113,482</b>	121,264	120,672

#### Deferred income

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met.

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
Research grants received on account	29,293	29,293	30,183	30,183
Other income received on account	42,234	42,230	45,602	45,597
	<b>71,527</b>	<b>71,523</b>	75,785	75,780

## Notes to the Financial Statements

### Year ended 31 July 2024

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

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
Deferred income	-	-	-	-
Unsecured loans	11,315	11,315	12,670	12,670
Obligations under finance leases	-	-	-	-
	<b>11,315</b>	<b>11,315</b>	12,670	12,670
Analysis of secured and unsecured loans:				
Due within one year or on demand	1,355	1,355	1,125	1,125
Due between one and two years	2,021	2,021	1,355	1,355
Due between two and five years	5,870	5,870	5,934	5,934
Due in five years or more	3,425	3,425	5,381	5,381
	<b>12,671</b>	<b>12,671</b>	13,795	13,795
Due within one year or on demand	(1,356)	(1,356)	(1,125)	(1,125)
<b>Total secured and unsecured loans due after more than one year</b>	<b>11,315</b>	<b>11,315</b>	12,670	12,670
Unsecured loans repayable by 2031	12,671	12,671	13,795	13,795
	<b>12,671</b>	<b>12,671</b>	13,795	13,795

There is one loan from Salix Limited amounting to £888k (2023: £1,574k) repayable in six-monthly, interest-free instalments until April 2026 to fund energy efficient lighting projects of which £86k (2023: £130k) remains outstanding at 31 July 2024.

There is a loan from the Scottish Funding Council carbon reduction programme amounting to £295k (2023: £295k) repayable in monthly, interest-free instalments until December 2025 to fund energy saving projects of which £63k (2023: £105k) remains outstanding at 31 July 2024.

There are seven Scottish Funding Council Financial Transactions loans amounting to £15,900k. Interest is calculated at 0.25% per annum and the loans are all repayable by March 2031. £12,520k (2023: £13,560k) remains outstanding as at 31 July 2024. One of the loans, which amounts to £5.5m, has the capital repayments deferred until June 2025 and then payable quarterly thereafter is for the specific purpose of Growing the Tay Cities Biomedical Cluster. Each of the remaining six loans has been granted to ensure building refurbishments and energy and efficiency upgrades and are repayable in quarterly instalments until 31 March 2031.

At 31 July 2024 the University had in place a three-year £40m Revolving Credit Facility with options to extend via one year extensions at the end of years one and two. This facility was undrawn. As a result of the deterioration in the University's financial performance a breach of covenants occurred and this had not been flagged in advance to the lender. The University was therefore unable to access this facility. In August 2025, and following approval by Court, the University cancelled the Revolving Credit Facility.

## Notes to the Financial Statements

Year ended 31 July 2024

### 21. Provisions for liabilities

	Obligation to fund deficit on USS Pension (note 32) £000	Pension enhancement on termination £000	UODS scheme deficit (note 32) £000	Total Pensions Provisions £000	Total Other Provisions £000	Associated Company £000	Total Associated and Other £000
<b>Consolidated</b>							
At 1 August 2023	80,316	3,664	40,920	124,900	545	5,848	6,393
Interest	1,847	-	1,884	3,731	-	-	-
Utilised in year	(2,428)	(442)	(9,002)	(11,872)	(95)	-	(95)
Additions in 2023/24	-	186	3,688	3,874	314	766	1,080
Unused amounts reversed in 2023/24	(79,735)	35	(9,729)	(89,429)	(450)	-	(450)
<b>At 31 July 2024</b>	<b>-</b>	<b>3,443</b>	<b>27,761</b>	<b>31,204</b>	<b>314</b>	<b>6,614</b>	<b>6,928</b>

	Obligation to fund deficit on USS Pension (note 32) £000	Pension enhancement on termination £000	UODS scheme deficit (note 32) £000	Total Pensions Provisions £000	Total Other Provisions £000	Associated Company £000	Total Associated and Other £000
<b>Institution</b>							
At 1 August 2023	80,316	3,664	40,920	124,900	545	-	545
Interest	1,847	-	1,884	3,731	-	-	-
Utilised in year	(2,428)	(442)	(9,002)	(11,872)	(95)	-	(95)
Additions in 2023/24	-	186	3,688	3,874	314	-	314
Unused amounts reversed in 2023/24	(79,735)	35	(9,729)	(89,429)	(450)	-	(450)
<b>At 31 July 2024</b>	<b>-</b>	<b>3,443</b>	<b>27,761</b>	<b>31,204</b>	<b>314</b>	<b>-</b>	<b>314</b>

Note: in the Consolidated Statement of Cash Flows the movement on USS pension provision is accounted for under "Pension cost less contributions payable".

#### Pension enhancement on termination

This reflects the University's commitment to pay pension benefits to existing and former employees where a separate scheme is not in place. A valuation of the existing pension provision at 31 July 2024 was carried out by the University's appointed independent actuary, Spence & Partners.

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

	<b>Consolidated</b>
Discount rate net of CPI inflation	<b>1.95% - 2.51%</b>
Inflation	<b>2.39% - 2.95%</b>

## Notes to the Financial Statements

Year ended 31 July 2024

### 21. Provisions for liabilities - continued

#### UODS deficit

The obligation to fund the deficit on the University of Dundee's Superannuation Scheme (UODS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. The deficit within the scheme at 31 July 2024 was assessed by the University's appointed independent actuary, Spence & Partners.

The assumptions for calculating the provision are described in Note 32.

The exact amount and timing of these outflows is uncertain.

#### Associated Company

The University has a 33.3% holding in Dundee Student Villages (DSV), a company limited by guarantee, which operates and maintains University residences.

Proportion of voting rights held	<b>33.3%</b>
Nature of business	<b>Residences</b>
Date of financial information	<b>31 July 2024</b>

	<b>DSV Limited</b>	<b>University share of DSV Limited</b>
	<b>£000</b>	<b>£000</b>
Total funds	(19,842)	(6,614)
(Deficit) Surplus for the year	(2,298)	(766)
Total income	8,322	2,774
Total fixed assets	22,275	7,425
Total current assets	15,925	5,308
Liabilities less than one year	(3,366)	(1,122)
Liabilities more than one year	(54,676)	(18,225)

## Notes to the Financial Statements

Year ended 31 July 2024

### 22. Endowment Reserves

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2024 Total	2023 Total
	£000	£000	£000	£000	£000
<b>Consolidated and Institution</b>					
<b>Balances at 1 August</b>					
Capital	21,189	8,020	3,793	<b>33,002</b>	32,202
Accumulated income	1,433	-	-	<b>1,433</b>	1,735
	22,622	8,020	3,793	<b>34,435</b>	33,937
New endowments	44	-	566	<b>610</b>	671
Investment income	340	128	71	<b>539</b>	350
Expenditure	(540)	(129)	(800)	<b>(1,469)</b>	(987)
Increase in market value of investments	2,253	851	-	<b>3,104</b>	464
	2,097	850	(163)	<b>2,784</b>	498
<b>Total endowment comprehensive income for the year</b>					
<b>At 31 July</b>	<b>24,719</b>	<b>8,870</b>	<b>3,630</b>	<b>37,219</b>	<b>34,435</b>
<b>Represented by:</b>					
Capital	23,485	8,870	3,630	<b>35,985</b>	33,002
Accumulated income	1,234	-	-	<b>1,234</b>	1,433
	24,719	8,870	3,630	<b>37,219</b>	34,435
<b>Analysis by type of purpose:</b>					
Lectureships	8,174	-	-	<b>8,174</b>	7,399
Scholarships and bursaries	11,141	4,628	418	<b>16,187</b>	14,948
Research support	757	-	2,619	<b>3,376</b>	3,460
Prize funds	3,831	-	74	<b>3,905</b>	3,578
General	816	4,242	519	<b>5,577</b>	5,050
	24,719	8,870	3,630	<b>37,219</b>	34,435
<b>Analysis by asset:</b>					
Current and non-current asset investments				<b>33,440</b>	29,997
Cash and cash equivalents				<b>3,779</b>	4,438
				<b>37,219</b>	34,435

## Notes to the Financial Statements

Year ended 31 July 2024

### 23. Restricted Reserves

Reserves with restrictions are as follows:

	Unspent capital grants	Donations	2024 Total	2023 Total
	£000	£000	£000	£000
<b>Consolidated</b>				
<b>Balances at 1 August</b>	100	647	747	439
New grants	5,050	-	5,050	600
New donations	-	648	648	636
Other income	-	589	589	420
Capital grants utilised	(5,148)	-	(5,148)	-
Expenditure	-	(916)	(916)	(1,348)
<b>Total restricted comprehensive income for the year</b>	<b>(98)</b>	<b>321</b>	<b>223</b>	<b>308</b>
<b>At 31 July</b>	<b>2</b>	<b>968</b>	<b>970</b>	<b>747</b>

#### Analysis of other restricted funds/donations by type of purpose:

Lectureships	-	-
Scholarships and bursaries	7	7
Research support	81	8
Prize funds	-	-
General	880	632
	<b>968</b>	<b>647</b>

### 24. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2024:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	Institution	Consolidated	Institution
	£000	£000	£000	£000
Commitments contracted for	3,945	3,945	27,624	27,624
Authorised but not contracted for	2,556	2,556	8,110	8,110
	<b>6,501</b>	<b>6,501</b>	<b>35,734</b>	<b>35,734</b>

Due to the University's financial position, capital projects (excluding those supported through external funding such as the Tay Cities Deal) have been paused or delayed unless essential, for example for health and safety reasons. Excluding Tay Cities projects, expenditure post 31 July 2024 for the project listed above totalled £2.8m.

## Notes to the Financial Statements

Year ended 31 July 2024

### 25. Contingent liabilities

The University has disclosed all contingent liabilities for the year ended 31 July 2024 below. In undertaking its assessment of contingent liabilities, the University has ensured it has considered all matters set out in these financial statements, including the potential impact of identified non-compliance set out in its governance statement on potential liabilities at 31 July 2024.

The University, jointly with six other universities, has provided a pension guarantee to the Universities Superannuation Scheme (USS) in the event of the cessation of membership of the USS by Advanced Procurement for Universities and Colleges (APUC). The potential financial effect cannot be estimated.

The University has provided a written undertaking of support to the University's subsidiary company, Dundee University Utility Supply Company Limited for the period to 31 July 2027 to assist the company in meeting its liabilities as and when they fall due but only to the extent that funds are not otherwise available to the company to meet such liabilities.

The University has also provided a written undertaking of support to University of Dundee Nursery Limited, a subsidiary company, for the period to 31 August 2026 for the same purpose. As at 31 July 2024, University of Dundee Nursery Limited reported net liabilities of £287k, indicating the level of financial support required.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments to benefits made after 6 April 1997 for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment was subject to appeal, and the Court of Appeal heard the arguments on 26 and 27 June 2024. The Court ruled that amendments made without the required Section 37 confirmation are not valid, potentially impacting Defined Benefits (DB) schemes that were previously contracted-out on a salary-related basis.

In June 2025 the Department for Work and Pensions advised that it would introduce legislation to allow affected schemes the ability retrospectively to obtain written actuarial confirmation that historic benefit changes met the standards required.

The Trustees of the University of Dundee Superannuation Scheme have taken actuarial advice and have no material concerns in relation to the Section 37 implications for the Scheme. A proportionate approach has been taken regarding the identification of benefit changes in the relevant period and a review of relevant documentation. The Trustees have noted that the Pension Schemes Bill includes provisions which will mean that most schemes will be able to retrospectively obtain the actuarial confirmation which will validate the affected scheme rule amendment. As the guidance has been published ahead of Royal Assent, which is also the effective date of these Pension Schemes Bill provisions, it may change if the Pension Schemes Bill changes. The Trustees have agreed to keep a watching brief on developments in this area.

The University does not consider it necessary to include an allowance for the potential impact of the Virgin Media case in its pension provisions.

### 26. Lease obligations

Total rentals payable under operating leases:

	31 July 2024			31 July 2023
	Plant and Machinery	Office Equipment	Total	Total
	£000	£000	£000	£000
<b>Payable during the year</b>	-	432	432	265
<b>Future minimum lease payments due:</b>				
Not later than 1 year	-	432	432	265
Later than 1 year and not later than 5 years	-	-	-	-
Later than 5 years	-	-	-	-
<b>Total lease payments due</b>	-	432	432	265

## Notes to the Financial Statements

### Year ended 31 July 2024

#### 27. Events After the Reporting Period

It is a requirement under FRS 102 to disclose events that have occurred after the reporting date and prior to the date of signing and to consider whether these events result in an adjustment to the financial statements. The following significant events occurred between the reporting date of 31 July 2024 and the date of approval of these financial statements, many of which are detailed in the University's crisis section on page 6.

These events include a material adverse change to the financial position of the University, changes in key leadership and governance roles and enhancements to governance and financial oversight.

#### Significant Events

Following the year end 31 July 2024, updated student recruitment data and revised financial forecasts for the 2024/25 financial year were prepared. These updates identified:

- A shortfall in student recruitment against budget assumptions
- Lack of progress in the delivery of material saving targets and cost mitigation measures included in the approved 2024/25 budget and plan. Delivery of these targets was essential to protect low cash balances and maintain sufficient cash for University operations

Resulting in:

- A material deterioration in forecast operating performance
- Increased pressure on cash flow and breaches of covenant compliance

These revised forecasts were presented to the University Executive Group on 12 November 2024, with updated forecasts indicating a potential operating deficit of circa £30m for financial year 2024/25 as a result of factors including a forecast of £12m adverse variance on tuition fee income, a £16.1m shortfall in identifying savings built into budgets partly offset by a number of other movements in income and expenditure.

At a meeting of the Court on 12 November 2024 the Principal and Vice-Chancellor, Prof Iain Gillespie, informed Court members and advised that the University's going concern position was to be revised and therefore Court was not in a position to consider the draft 2023/24 Financial Statements. University staff were notified of the deterioration in the University's financial position on 13 November 2024.

University staff were notified of the deterioration in the University's financial position on 13 November 2024.

The Scottish Funding Council was informed on 13 November 2024.

Professor Iain Gillespie's employment as Principal and Vice-Chancellor was terminated by mutual agreement on 5 December 2024 and Court approved the appointment of Professor Shane O'Neill as Interim Principal and Vice-Chancellor on 10 December 2024. The financial arrangements relating to Professor Gillespie's termination are detailed at Note 7.

On 14 February 2025 the University submitted a letter to the Scottish Funding Council requesting financial support while it developed a financial recovery plan. The University received a grant of £10m in May 2025 and an offer of a £12m low interest loan. Due to the financial outlook and their responsibilities as Charity Trustees, Court members did not approve acceptance of the loan at that time.

Amanda Millar resigned as Chair of Court on 17 February 2025 with Trica Bey subsequently appointed Acting Chair of Court. On 6 March 2025 the University submitted a document "Towards a Recovery Plan" to the Scottish Funding Council. This Plan detailed proposed financial recovery actions to be taken to address the financial deficits. This Plan was not supported by key stakeholders.

## Notes to the Financial Statements

Year ended 31 July 2024

### 27. Events After the Reporting Period - continued

In March 2025 the Scottish Funding Council announced it had appointed Professor Pamela Gillies to undertake an independent review into the financial oversight and decision making at the University of Dundee. The purpose of the review was to:

- Examine the effectiveness of Court oversight
- Assess the adequacy of financial reporting to governors
- Review the robustness of forecasting and risk management
- Identify governance failings
- Make recommendations to strengthen controls, accountability, and transparency

In April 2025 a Scottish public inquiry, The Eljamel Inquiry, was formally launched to investigate the professional practice of Mr Eljamel, a consultant neurosurgeon who worked for NHS Tayside between 1995 and 2014. The University of Dundee is a "Core Participant" in the Inquiry. During the relevant period Mr Eljamel held an honorary contract with the University of Dundee.

In May 2025 the Interim Principal & Vice-Chancellor, Professor Shane O'Neill, wrote to the Scottish Funding Council to request further financial support of £20m per annum for the next two financial years, 2025/26 and 2026/27. This request was based on updated financial forecasts prepared by the University with external support from professional advisers.

On 6 June 2025 the University launched a Voluntary Severance Scheme to deliver significant financial savings. This scheme closed on 25 July 2025 and resulted in a reduction of 240 staff FTE at a transitional cost of £9.4m with staff exiting during financial year 2025/26.

On 19 June 2025 the Scottish Funding Council published the report by Professor Pamela Gillies ("the Gillies Report"). The report highlighted clear failings in financial monitoring, management and governance.

On 19 June 2025 following publication of the Gillies Report, Professor Shane O'Neill stepped down as Interim Principal and Vice-Chancellor. Tricia Bey, Acting Chair of Court, and Carla Rossini, Convener of the Finance & Policy Committee, who were both due to step down from Court in the summer of 2025 left their positions with immediate effect. Ian Mair was appointed Acting Chair of Court and Professor Nigel Seaton was appointed Interim Principal and Vice-Chancellor. The financial arrangements relating to Professor O'Neill are detailed at Note 7.

The University published a formal response to the Gillies Report. The response documented actions to be taken in the short, medium and long term, designed to ensure the University has a sustainable future built upon strong governance, financial competence, transparency and accountability.

On 24 June 2025 Education Secretary Jenny Gilruth confirmed additional £40m funding in principle for the Scottish Funding Council to support the University of Dundee recovery. This funding, directed under Section 25 of the Further and Higher Education (Scotland) Act 2005, will be subject to appropriate conditions, due diligence, and will only be released by Scottish Government once a sustainable, long-term recovery plan is put in place.

Following the appointment of Professor Nigel Seaton as Interim Principal and Vice-Chancellor a recovery plan was developed detailing key financial recovery actions to address the financial sustainability of the University. On 11 August 2025 this plan, the University Recovery Plan ("URP") was shared with the Scottish Funding Council following approval by Court. This URP was not supported and in September 2025 three main conditions for future funding were confirmed.

In November 2025 the University received draft Conditions of Grant from the Scottish Funding Council, subsequently confirmed as final in the formal Section 25 funding letter received in March 2026. These Conditions of Grant required a number of actions from the University, all of which have been provided by the deadlines stated in the draft Conditions of Grant at the time of approval of these Financial Statements.

On 27 November 2025 Esther Robertson was elected as Chair of Court.

## Notes to the Financial Statements

Year ended 31 July 2024

### 27. Events After the Reporting Period - continued

A second Voluntary Severance scheme was launched in February 2026 and closed on 13 March 2026. This scheme resulted in a reduction of 111 staff FTE with a transitional cost of £3.9m.

In January 2026 the University prepared revised financial forecasts. These forecasts form the basis of the going concern assessment referred to in the Statement of Accounting Policies and also form the financial basis of the Strategy to Recovery which has been developed in consultation with staff, students and other key stakeholders. The Scottish Government appointed professional advisers to undertake due diligence of the University's forecasts. This work supported the Scottish Government's Accountable Officer process and resulted in formal confirmation of the offer of up to £40m of Section 25 grant funding over the 2025/26 and 2026/27 financial years. On 31 March 2026 the University received the first tranche of this funding of £13m. In addition, the University's Court approved the acceptance of the £12m SFC loan offered in 2025 and received the £12m on 31 March 2026.

Following approval by the University Court on 9 June 2026, the Strategy to Recovery was submitted to the Scottish Funding Council. On 12 June 2026 the SFC Board confirmed in writing that it had considered the Strategy to Recovery and had determined that it was compliant with the Conditions of Grant. The Scottish Funding Council also confirmed it will continue to closely monitor the implementation of the strategy and will require the University to continue to comply with the Conditions of Grant, including providing SFC with the Key Performance Indicators detailed in those conditions.

On 16 June 2026 the University announced it had entered into formal Collective Consultation for a minimum period of 45 days as it moves forward with identifying further savings across its entire cost base.

#### Current Position at Date of Signing

Engagement with external stakeholders remains ongoing at the date of approval of these financial statements.

In response to the matters identified, the University has implemented or commenced:

- Enhanced financial reporting measures
- Cost containment and restructuring measures
- Governance review and reform
- Review and enhancement of financial controls and financial oversight
- Strengthened risk management procedures

These actions are intended to stabilise the University's financial position and address governance weaknesses identified in the Gillies Report.

All members of the University Executive Group in place in 2024 have now left the University. All positions which are now members of the University Executive Group have either been appointed to on a permanent basis or this is currently in train.

#### Conclusion

The matters described above primarily relate to:

- Post year-end student recruitment outcomes
- Updated financial forecasts for 2024/25 and subsequent periods
- Governance failings identified after the reporting date
- Executive and Court resignations occurring after 31 July 2024
- Regulatory correspondence and funding conditions issued after year end

## Notes to the Financial Statements

### Year ended 31 July 2024

#### 27. Events After the Reporting Period - continued

These events are considered non-adjusting events as they reflect conditions that became evident after the reporting date rather than conditions that existed at 31 July 2024. Accordingly, no adjustments have been made to the amounts recognised in these financial statements for the year ended 31 July 2024.

However, these events are significant to understanding of the University's governance, financial sustainability, and risk profile and are therefore disclosed.

The matters described above are relevant to the University's assessment of going concern. The impact of updated forecasts and financial recovery planning are described in the "Basis of Preparation" in the Statement of Accounting Policies.

#### 28. Bursaries and other student support funds disbursed as agent

	2023/24 Childcare	2023/24 Nursing	2023/24 Discretionary	2023/24 Total	2022/23 Total
	£000	£000	£000	£000	£000
Balance brought forward	-	-	44	44	105
Repaid to funder	-	-	(44)	(44)	(61)
Allocation received in the year	140	55	431	626	906
Expenditure	(126)	(55)	(449)	(630)	(890)
University contribution to funds	-	1	1	2	2
Virements	(14)	(1)	17	2	(18)
<b>Balance carried forward</b>	-	-	-	-	44
Repayable as clawback	-	-	-	-	44
Retained by University for students	-	-	-	-	-

Student Award Agency Scotland grants are available solely for students: the University acts only as paying agents. The grants and related disbursements are therefore excluded from the statement of comprehensive income.

## Notes to the Financial Statements

Year ended 31 July 2024

### 29. Disclosure of related party transactions

#### Members of University Court

The members of University Court are the trustees for charitable law purposes. Due to the nature of the University's operations and the membership of University Court being drawn from the public and private sectors, it is inevitable that transactions will take place with organisations in which a member of University Court or University Executive Group may have an interest. All such transactions, including those identified below, are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. The University has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

A review of the register of interests of Court members and University Executive Group was made and the following purchase ledger and sales ledger transactions were identified for disclosure:

Organisation	Relationship	Nature of Transaction	Receipts	Payments	Balance due from/(to) at 31/07/2024
			£000	£000	£000
Association of Heads of University Administration	Supplier	Operations	-	8	-
British Heart Foundation	Funder	Operation/Grants	50	-	8
British Library	Supplier	Operations	-	1	-
Design Dundee Ltd	Supplier	Operations	-	252	(63)
Dundee City Council	Supplier/ Customer	Operation/Grants	17	1,594	(76)
Dundee Rep Theatre	Funder	Operations	-	9	-
Edinburgh Napier University	Funder	Operations	24	21	5
Medicines for Malaria Venture	Funder	Operations	108	-	65
National Library of Scotland	Supplier	Operations	-	13	-
NatureScot	Supplier	Operations	6	-	-
Phaser Biomedical Ltd	Supplier	Operations	35	21	26
Robert Gordon University	Funder	Operations	2	8	-
Robertson Construction Tayside Ltd	Supplier	Operations	-	26,162	-
Royal Society of Biology	Funder	Operations	1	-	-
Royal Society of Edinburgh	Funder	Operations	93	3	19
Scottish Enterprise	Funder	Operation/Grants	8,267	8	11
Scottish Government	Funder	Operation/Grants	714	507	39
Scottish Library and Information Council	Supplier	Operations	-	1	-
University and Colleges Employers Association	Supplier	Operations	-	20	(17)
UK Biobank Ltd	Supplier	Operations	4	-	-
UK Research and Innovation (excludes individual research councils)	Supplier	Operation/Grants	1	60	(9)
West Park Centre	Supplier	Operations	-	18	-

No expenses were recognised in respect of bad or doubtful debts on amounts due from related parties.

## Notes to the Financial Statements

Year ended 31 July 2024

### 29. Disclosure of related party transactions continued

Principal Prof Iain Gillespie rented a residential property from the University at a cost of £1,100 per month, based on a comparable commercial market rent for the area. At 31 July 2024 there was no outstanding balance on payments due for this arrangement.

Balances due from related parties not disclosed on the balance sheet at 31 July were as follows:

	<b>2024</b>	2023
	<b>£000</b>	£000
Due to Dundee Student Villages	-	-

In accordance with the agreement with Dundee Student Villages, the University transferred £11.6m (2023: £10.0m) of student rental income to Sanctuary Housing Association.

Accommodation amounting to £18k (2023: £35k) was purchased from West Park Centre Limited, a trading subsidiary of Dundee Student Villages.

### 30. Subsidiary undertakings

The subsidiary companies wholly-owned or effectively controlled by the University and registered in Scotland are as follows:

Company	Purpose	Number of Shares	Percentage Owned
Dundee University Utility Supply Company Limited SC124982	To generate heat and power solely for the University.	2	100%
University of Dundee Nursery Limited SC230105	To promote the care and education of children of staff and students of the University.	Limited by Guarantee	100%
UOD Enterprises Limited SC747153	Holding company	1	100%

The University of Dundee Nursery will close in September 2026.

## Notes to the Financial Statements

Year ended 31 July 2024

### 31. Connected charitable institutions

Two charitable institutions are administered by or on behalf of the University and have been established for special purposes. One of the connected institutions is included as a subsidiary undertaking in these consolidated financial statements; the other is not included in the consolidation since the University does not have control over its activities.

The movement in the year to 31 July 2024 on the total funds of the University of Dundee Nursery Limited, as reported in its financial statements, was as follows:

	At 31 July 2023	Income	Expenditure	Change in market value	At 31 July 2024
	£000	£000	£000	£000	£000
<b>Consolidated (see note 30)</b>					
University of Dundee Nursery Limited (SC032969)	(159)	469	(597)	-	(287)

The movement in the year to 31 July 2024 on the total funds of the Centenary Trust of Duncan of Jordanstone College of Art, as reported in its financial statements, was as follows:

	At 31 July 2023	Income	Expenditure	Change in market value	At 31 July 2024
	£000	£000	£000	£000	£000
<b>Not consolidated</b>					
Centenary Trust of Duncan of Jordanstone College of Art (SC020617)	124	1	-	-	125

The Centenary Trust was established in 1991 to award scholarships, grants and other financial support to students, graduates or staff of Duncan of Jordanstone College of Art and Design.

### 32. Pension Schemes

The principal pension schemes open to new University staff, depending on the category of staff, are:

- Universities Superannuation Scheme (USS)
- University of Dundee Royal London Pension Scheme (RLPS)
- National Health Service Pension Scheme (NHS)

In addition, contributions are paid in respect of members of the following schemes which are closed to new employees:

- University of Dundee Superannuation and Life Assurance Scheme (UODS)
- Tayside Superannuation Fund (TSF)
- Strathclyde Pension Fund (SPF)
- Scottish Teachers Superannuation Scheme (STSS)
- Medical Research Council Pension Scheme (MRC)

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Dundee Superannuation and Life Assurance Scheme (UODS) and the University of Dundee Royal London Pension Scheme (RLPS).

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pension Schemes - Continued

The University of Dundee Superannuation and Life Assurance Scheme (UODS) closed to new entrants on 31 December 2022. The Defined Benefit scheme remains open for existing active members on this date.

University of Dundee Royal London Pension Scheme is a Defined Contribution pension scheme and is a qualifying scheme as per automatic enrolment legislation. This scheme is open to support staff of the University.

The STSS is unfunded, multi-employer, defined benefits scheme. As there are no underlying assets and liabilities, the University has accounted for its contributions as if it were a defined contribution scheme.

The NHS pension scheme is a multi employer defined benefit scheme. As there are no underlying assets and liabilities the University has accounted for its contributions as if it were a defined contribution scheme.

For reasons of materiality, the University has accounted for its contributions to the two local government schemes, TSF and SPF, and the MRC as if these were defined contribution schemes.

The total pension staff cost for the University and its subsidiaries was:

		Year Ended 31 July 2024	Year Ended 31 July 2023
	Note	£000	£000
USS		(63,846)	8,463
UODS including FRS 102 adjustments		1,723	3,858
Royal London Pension Scheme		460	79
Other pension schemes	7	1,374	1,036
		<b>(60,289)</b>	13,436

#### 1. Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme. Since the University had entered into an agreement (the Recovery Plan) that determined how each employer within the scheme will fund any overall deficit, the University recognised a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Statement of Comprehensive Income.

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

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pension Schemes - Continued

#### 1. Universities Superannuation Scheme (USS)

The total (credit)/cost (released)/charged to the Statement of Comprehensive Income is £80.3m (2023: £9.3m)

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recover plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision in the Statement of Comprehensive Income.

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

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

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

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

#### CPI assumption

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less:

1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030

#### Pension increases (subject to a floor of 0%)

Benefits with no cap:

CPI assumption plus 3bps

Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%):

CPI assumption minus 3bps

#### Discount rate (forward rates)

Fixed interest gilt yield curve plus:

Pre-retirement: 2.5% p.a

Post retirement: 0.9% p.a.

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pension Schemes - Continued

#### 1. Universities Superannuation Scheme (USS) - continued

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

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

The current life expectancies on retirement at age 65 are:

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

#### 2. University of Dundee Superannuation and Life Assurance Scheme (UODS)

The University of Dundee ('the University') sponsors The University of Dundee Superannuation and Life Assurance Scheme ('the Scheme'), a funded defined benefit pension scheme in the UK. The Scheme closed to new members on 31 December 2022.

Under UK pensions legislation, the University is responsible for funding the Scheme benefits and for paying contributions to make up any shortfall between the assets and the liabilities of the Scheme. The Scheme liabilities are assessed at least every three years by the Scheme actuary. It is the University's funding policy to annually contribute an amount agreed between the University and the Trustee of the Scheme in accordance with UK legislative requirements if a funding deficit exists. The amount of contributions required depends on the assumptions used by the actuary and can therefore be volatile between actuarial valuations. This volatility of contribution amounts can be to the detriment of the University's cashflows. The volatility of the Scheme's liabilities against the assets held impacts on the University's balance sheet.

Formal funding calculations as at 31 July 2024 have been used in the completion of these disclosures. The University currently pays deficit reduction contributions of £3,713,000 p.a. (increasing by 3% p.a. each 1 August) as noted in the Schedule of Contributions agreed as part of the actuarial valuation as at 31 July 2020. A new Schedule of Contributions was agreed on 30 January 2023 and as such Active members in the Scheme now pay increased contributions at the rate of 8.75% p.a. of salary. The University pays 24.85% p.a. of salary in respect of future accrual.

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pensions Schemes - continued

#### 2. University of Dundee Superannuation and Life Assurance Scheme (UODS) - continued

##### (Retirement Benefits) Disclosure for the accounting period ending 31 July 2024

Under the definitions set out in FRS 102(28), UODS is a defined benefit pension scheme. The disclosures for the determination of the net pension liability by the actuary are set out below.

The amounts recognised in the statement of financial position are as follows:

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£000	£000
Fair value of plan assets	106,673	94,581
Present value of benefit obligation	(134,434)	(135,501)
Surplus/(deficit) in the Scheme	(27,761)	(40,920)

The amounts recognised in the Statement of Comprehensive Income are:

The current and past service costs, settlements and curtailments, together with the net interest expense for the year are included in profit or loss. Remeasurements of the net defined benefit liability are included in other comprehensive income.

	Year Ended 31 July 2024	Year Ended 31 July 2023
Current service cost	1,804	3,968
Net interest on net defined benefit obligation	1,884	1,707
Gains and losses on settlements and curtailments	-	-
Gains and losses due to surplus limitations	-	-
<b>Total pension cost recognised in Statement of Comprehensive Income</b>	<b>3,688</b>	<b>5,675</b>

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pension Schemes - continued

#### 2. University of Dundee Superannuation and Life Assurance Scheme (UODS)

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£000	£000
<b>Changes in Defined Benefit Obligation</b>		
Opening Defined Benefit Obligation	135,501	172,218
Current Service Cost	1,804	3,968
Interest Expense	6,811	6,051
Employee Contributions	1,863	1,967
Actuarial (Gains)/Losses	(6,635)	(44,102)
Currency Exchange Differences	-	-
Benefits Paid	(4,910)	(4,601)
Charges Paid	-	-
Liabilities Assumed in Business Combinations	-	-
Losses/(Gains) on Settlements/Curtailments	-	-
Liabilities Extinguished on Settlements	-	-
<b>Closing Defined Benefit Obligation</b>	<b>134,434</b>	<b>135,501</b>

	Year Ended 31 July 2024	Year Ended 31 July 2023
<b>Change in Fair Value of Scheme Assets</b>		
Opening Fair Value of Scheme Assets	94,581	120,534
Actual Return on Scheme Assets less Interest Income	1,210	(37,478)
Interest Income	4,927	4,344
Currency Exchange Differences	-	-
Employer Contributions	9,002	9,815
Employee Contributions	1,863	1,967
Benefits Paid	(4,910)	(4,601)
Administration Costs	-	-
Assets Acquired in a Business Combination	-	-
Settlements	-	-
<b>Closing Fair Value of Scheme Assets</b>	<b>106,673</b>	<b>94,581</b>

	Year Ended 31 July 2024	Year Ended 31 July 2023
<b>Other Comprehensive Income</b>		
Actual Return on Scheme Assets Less Interest Income on Scheme Assets	1,210	(37,478)
Change in Assets Not Recognised Due to Change in Surplus Limitation	-	-
Actuarial Gains and (Losses)	6,635	44,102
<b>Remeasurement Gains and (Losses) Recognised in Other Comprehensive Income</b>	<b>7,845</b>	<b>6,624</b>

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pension Schemes – continued

#### 2. University of Dundee Superannuation and Life Assurance Scheme (UODS)

The principal actuarial assumptions used were:

	Year Ended 31 July 2024	Year Ended 31 July 2023
	£000	£000
Liability discount rate	4.96%	5.05%
Inflation assumption - RPI (pre-2030)	3.29%	3.37%
Inflation assumption - RPI (post-2030)	3.09%	3.17%
Inflation assumption - CPI (pre-2030)	2.39%	2.47%
Inflation assumption - CPI (post-2030)	2.99%	3.07%
Rate of increase in salaries (pre-2030)	3.39%	3.47%
Rate of increase in salaries (post-2030)	3.99%	4.07%
Revaluation of deferred pensions:		
Benefits accrued prior to 1 August 2009 (pre-2030)	2.39%	2.47%
Benefits accrued prior to 1 August 2009 (post-2030)	2.99%	3.07%
Benefits accrued after 1 August 2011 (pre-2030)	2.39%	2.47%
Benefits accrued after 1 August 2011 (post-2030)	2.50%	2.50%
Increases for pensions in payment:		
Benefits accrued prior to 6 April 1997	3.00%	3.00%
Benefits accrued after 6 April 1997 (pre-2030)	3.63%	3.67%
Benefits accrued after 6 April 1997 (post-2030)	3.53%	3.57%
Benefits accrued after 1 August 2009 (pre-2030)	3.23%	3.30%
Benefits accrued after 1 August 2009 (post-2030)	3.05%	3.12%
Benefits accrued after 1 August 2011 (pre-2030)	2.39%	2.47%
Benefits accrued after 1 August 2011 (post-2030)	2.95%	3.03%

## Notes to the Financial Statements

Year ended 31 July 2024

### 32. Pension Schemes – continued

#### 2. University of Dundee Superannuation and Life Assurance Scheme (UODS) - continued

	Year Ended 31 July 2024	Year Ended 31 July 2023
<b>Male Mortality</b>	123% of S3PMA	123% of S3PMA
<b>Female Mortality</b>	111% of S3PFA	111% of S3PFA
<b>Male mortality improvements</b>	CMI 2023 with 1.25% p.a. long-term improvements, initial addition of 0.2%, weight on 2020 and 2021 data of 10%, all other core parameters	CMI 2022 with 1.25% p.a. long-term improvements, initial addition of 0.2%, weight on 2020 and 2021 data of 10%, weight on 2022 data of 25%, all other core parameters
<b>Female Mortality Improvements</b>	CMI 2023 with 1.25% p.a. long-term improvements, initial addition of 0.2%, weight on 2020 and 2021 data of 10%, all other core parameters	CMI 2022 with 1.25% p.a. long-term improvements, initial addition of 0.2%, weight on 2020 and 2021 data of 10%, weight on 2022 data of 25%, all other core parameters
<b>Cash Commutation</b>	no allowance	no allowance
<b>Expenses</b>	no allowance	no allowance
<b>GMP Equalisation</b>	0.4% of liabilities	0.4% of liabilities

The major categories of scheme assets are as follows:

	Year Ended 31 July 2024	Year Ended 31 July 2023
LLDI/Cash	43,737	41,615
Leveraged Synthetic Equity	13,014	9,458
Private Credit	11,947	11,350
Diversified Alternatives	11,947	14,755
Diversified Growth Fund	11,947	17,403
UK Corporate Bonds	14,081	-
<b>Total</b>	<b>106,673</b>	<b>94,581</b>
Level 1	3,243	2,861
Level 2	79,533	65,621
Level 3	23,897	26,099
Total market value of assets	106,673	94,581

No assets included in the fair value of plan assets are the entity's own financial instruments or are properties occupied or used by the entity.

Major categories of scheme assets are classified differently for the year ended 31 July 2024 to align with the actuarial report.

## Notes to the Financial Statements

Year ended 31 July 2024

### 33. Accounting estimates and judgements

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

#### a). Pensions - University of Dundee Superannuation Scheme (UODS)

The liability for the UODS scheme and key assumptions are shown in Note 32. A formal actuarial valuation has been carried out as at 31 July 2023. The disclosures have been calculated based on formal funding calculations as at 31 July 2024 by the actuary, Spence & Partners, using payroll and benefit information provided by the University. The resulting liabilities have then been adjusted to reflect the different assumptions used. The accounting disclosures are therefore heavily dependent on the results of the 31 July 2023 valuation and this approach is not as accurate as if the actuary had used actual census information as at 31 July 2024, but it is appropriate for the purpose of these disclosures and is in accordance with the provisions of FRS 102. Material changes to the membership profile since the 31 July 2023 valuation could result in the approximate approach producing materially inaccurate figures for the purpose of FRS 102.

The results are highly sensitive both to the actuarial assumptions used and to market conditions. The pension cost disclosures under FRS 102 are likely to remain volatile in future years. This is because the liabilities are discounted by reference to corporate bond yields whereas the scheme invests a significant proportion of its assets in equities and other return-seeking investments.

The key actuarial assumptions as at 31 July 2023 are set out in Note 32.

#### b). Pensions - Universities Superannuation Scheme (USS)

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

At 31 July 2023, the institution's balance sheet included a liability of £80.3m for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability of £79.7m was released to the Statement of Comprehensive Income. Further disclosures relating to the deficit recovery liability and key assumptions can be found in Note 32.

## Notes to the Financial Statements

Year ended 31 July 2024

### 33. Accounting estimates and judgements - continued

#### c). Provisions and contingent liabilities

Management apply judgement to measuring and recognising provisions and the exposures to contingent liabilities related to pending litigation or other outstanding claims. Judgement is necessary in assessing the likelihood that a pending claim will succeed, or a liability will arise, and to quantify the possible range of the financial settlement. Because of the inherent uncertainty in this evaluation process, actual losses may be different from the originally estimated provision.

Provisions and contingent liabilities are disclosed in Notes 21 and 25 respectively.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments to benefits made after 6 April 1997 for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgement was subject to appeal, and the Court of Appeal heard the arguments on 26 and 27 June 2024. The Court ruled that amendments made without the required Section 37 confirmation are not valid, potentially impacting Defined Benefits (DB) schemes that were previously contracted-out on a salary-related basis.

The Trustees have not looked into the potential impact of Section 37 related matters for the Scheme. It will be difficult to materially quantify any impact at the present time, and we are not currently aware of any negative impact on liabilities, although this may change in the future.

#### d). Material expenditure accruals are included in these financial statement relating to a long standing commercial dispute.

Although material, these accruals have been quantified based on a signed settlement agreement in place at the time of approving these financial statements.







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