LONDON'S GLOBAL UNIVERSITY

University College London

Annual Report and Financial Statements for the year ended 31 July 2024

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COMMITTEE MEMBERSHIP

Council (Trustees)

External Members:	Dominic Blakemore (Vice-Chair)*† Roger Blundell§ (from 01/10/23; Treasurer from 01/01/24) Victor Chu (Chair)*◆† Philip Clark§ Tina Harris Tania Holt◆	Lindsay Nicholson*◆† (to 30/09/23; 06/11/23-30/09/24) Turlogh O'Brien◆§ Christine Ohuruogu* (to 04/09/23) Lord (John) Sharkey◆† Dr Justin Turner KC (to 09/07/24) Sarah Whitney*◆§ (Treasurer to 31/12/23)
Academic Members:	Professor David Attwell (from 01/10/23) Professor Stephanie Bird§ Professor Jonathan Butterworth§ Dr Alun Coker* Dr Martin Fry* (to 30/09/23)	Dr Sandra Leaton Gray (from 01/10/23) Professor Helen Roberts*† Professor Ralf Schoepfer (to 30/09/23) Dr Michael Spence*†§ (Provost)
UCL Union:	Muhammad Shaban Chaudhary* Goksu Danaci (from 16/07/24)† (§ observer)	Mary McHarg (to 15/07/24)† (§ observer)

Finance Committee

External Members:	Roger Blundell (Chair from 01/01/24) Philip Clark	Tania Holt Sarah Whitney (Chair, to 31/12/23)
Academic Members:	Professor Stephanie Bird Dr Alun Coker	Professor Patrick Haggard Dr Michael Spence
UCL Union:	Mary McHarg (observer) (to 15/07/24)	Goksu Danaci (observer) (from 16/07/24)

Audit Committee

External Members:	Dominic Blakemore (Chair to 30/09/24) Mariette Davis	Tina Harris Turlogh O'Brien Sarah Whitney (Chair) from 01/10/24
Academic Members:	Dr Martin Fry (to 30/09/23) Professor David Attwell (from 06/11/23)	

Investments Committee

External Members:	Roger Blundell (from 06/11/23) Philip Clark (Chair from 06/11/23) Chris Hills Jumana Saleheen (to 05/11/23)	Philip Sturrock (to 30/09/23) Joseph Tabarani (from 31/01/24) Sarah Whitney (Chair to 05/11/23)
Staff Members:	Charu Gorasia Dr Sandra Leaton Gray (from 06/11/23)	Dr Michael Spence
UCL Union:	Mary McHarg (observer) (to 15/07/24)	Goksu Danaci (observer) (from 16/07/24)

◆ denotes also member of Remuneration Committee
* denotes also member of Nominations Committee
† denotes also member of People Committee
§ denotes also member of Estates Committee

FINANCIAL SUMMARY

CONSOLIDATED INCOME & EXPENDITURE ACCOUNT	2024 £m	2023 £m
Tuition fees and education contracts	971.2	929.3
Funding body grants	228.1	236.7
Research grants and contracts	538.8	526.7
Other income	272.3	218.5
Investment income	39.2	28.1
Donations and endowments	25.0	29.0
TOTAL INCOME	**2,074.6**	**1,968.3**
(TOTAL EXPENDITURE) before USS pension provision	**(1,972.2)**	**(1,853.8)**
(Loss) / gain on disposal of fixed assets	(2.7)	14.3
Gain on disposal of investments	21.0	1.4
Unrealised gain / (loss) on revaluation of investments	23.0	(4.2)
Share of operating profit in joint ventures and associates	0.2	0.6
Taxation	(0.3)	(0.2)
Movement on USS pension provision	454.0	101.8
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**597.6**	**228.2**
BALANCE SHEET		
Intangible assets	85.4	67.1
Fixed assets	2,706.6	2,671.9
Long term investments, joint ventures and associates	332.7	299.6
Other long-term receivables	11.1	11.4
Cash, short term investments and other current assets	920.3	951.8
TOTAL ASSETS	**4,056.1**	**4,001.8**
Short-term creditors	(802.9)	(881.6)
NET CURRENT ASSETS	**117.4**	**70.2**
Non-current liabilities	(1,020.7)	(1,030.4)
Pension provisions	(0.9)	(454.8)
Other provisions	(12.0)	(12.8)
TOTAL NET ASSETS	**2,219.6**	**1,622.2**
Represented by:		
Endowments	174.8	156.8
Reserves	2,044.8	1,465.3
Non-controlling interest	-	0.1
	2,219.6	**1,622.2**

OTHER KEY STATISTICS	2024	2023
Student numbers	49,248	51,058
Average number of employees	17,798	17,291

STRATEGIC REPORT

Introduction

The financial statements of University College London (UCL) are prepared in accordance with the "Statement of Recommended Practice: Accounting for Further and Higher Education 2019" and with reference to the "Regulatory framework for higher education in England" published by the Office for Students (OfS) in February 2018. UCL is an exempt charity under the Charities Act 2011 with the OfS being UCL's principal regulator.

The financial statements include the consolidated results of UCL's subsidiary companies, details of which are shown at Note 32. These financial statements have been prepared on a going concern basis as described in paragraph b) of the Statement of Accounting Policies. Unless otherwise stated, results for the year-ended 31 July 2024 are presented as "2024", with comparative results for the year-ended 31 July 2023 presented as "2023".

The Operating and Financial Review for 2024 comprises the following five sections:

1) UCL's mission and strategic plan
2) Progress in 2024 in our five strategic outcome areas
3) The financial review and outlook
4) UCL's approach to risk management
5) How UCL delivers public benefit

UCL's mission and strategic plan

Our mission as London's Global University continues to be that of a diverse intellectual community, engaged with the wider world and committed to changing it for the better; recognised for our radical and critical thinking and widespread influence; with an outstanding ability to integrate our education, research and enterprise for the long-term benefit of humanity.

Over the past twelve months, our community of staff and students has built on our world-leading academic excellence, within and across disciplines, through fundamental and applied research, innovation and education. Despite the cost-of-living crisis, the climate crisis, and geopolitical instability, we have continued to seek and find solutions to some of the greatest challenges facing people and planet, forging strong, sustainable partnerships and educating leaders of the future.

Our approaching bicentenary in 2026 has prompted us to reflect on our past, present and future, and consider what we need to do to sustain our position among the best universities in the world in the medium and longer term. This year we celebrated the official launch of UCL East, the university's largest expansion in our almost 200-year history, with the opening of Marshgate. The eight-storey structure rises next to the ArcelorMittal Orbit and London Stadium on the site of the London Olympic Park and is full of hi-tech research labs, teaching space, a library and exhibition spaces. It hosts leading research centres spanning a range of disciplines and is designed to accelerate breakthroughs in areas including robotics and AI, ecology, sustainable cities, green manufacturing, decarbonised transport, assistive technology, fair finance, and global health. We have agreed physical legacy projects for our Bloomsbury campus; enhancing the Main Quad and the community space in the Wilkins Building, and adapting Gordon Street into a primarily pedestrian-focused area for students, staff, and visitors. And we have begun a UCL-wide conversation to explore the potential of our disciplines and articulate our longer-term academic ambition. This will guide our academic development and capital investment so that we maintain and build on our global excellence over the next ten years and beyond. In tandem, we are developing our UCL Estates 2050 Vision as a key enabler of this ambition.

We have made progress in delivering improvements to our systems, processes and practice, as set out in our Strategic Plan 2022-27, so that our people have the tools and environment that enable them to do their best work. Progress against this plan saw a refinement of the strategic outcome areas which describe our objectives. A sharper focus on these objectives has been achieved by assigning key performance indicators against which our progress can be monitored. This narrative is structured around these refined strategic outcome areas, which are as follows:

1. **Academic excellence and impact:** we will be among the top ten universities in the world, recognised locally, nationally and internationally for the excellence and impact of our research and innovation. Key Performance Indicators: Size of research portfolio (Annual Income); Research Excellence Framework ('REF') overall performance; Knowledge Excellence Framework ('KEF') overall performance; UCL fundraising and engagement campaign pledges in-year; Global League Table position.
2. **Education and student experience:** our education offer will be recognised as excellent, providing students with a coherent framework for their learning, with access to the opportunities, support and community that they need to thrive. Key performance indicator: Teaching Excellence Framework ('TEF') outcome
3. **Living our values:** our institutional culture will have greater openness, inclusion and mutual accountability, where our staff, students and partners feel respected, supported and enabled to do their best work. Key

Performance Indicators: median length of time to resolve Employee Relations cases; research contract completion time; % of the campus that is accessible.

4. **Positive enabling environments and structures:** the experience of our staff and students will have improved through more effective enabling systems and processes, and enhanced campus environments. Key Performance Indicators: median length of time to resolve Employee Relations cases; research contract completion time; % of the campus that is accessible.
5. **Financial sustainability and compliance:** we will be financially resilient, with transparent planning for investment in academic areas of promise. Key Performance Indicators: operating margin as a percentage of total income; operating cash flow as a percentage of total income; Debt times earnings before interest, tax, depreciation and amortisation ('EBITDA'); number of liquidity days.

Strategic outcome areas: performance in 2024

1. Academic excellence and impact

Over the last year we have maximised the quality and quantity of our research and innovation, delivering the second year of our REF action plan with clear ambitions for REF 2029. We sustained our global reputation for academic excellence with the following achievements:

- Ranked 9th best university in the 2025 QS World University Rankings for the second year in a row.
- Ranked 1st in the 2024 QS World University Rankings by Subject for: Education & Training; Architecture & Built Environment. A further eight subjects were ranked in the top 10.
- University of the Year 2024 by the Times and Sunday Times Good University Guide in recognition of UCL's world-leading performance in multidisciplinary research and education, the enhanced career prospects of UCL's graduates, our ambitious work around sustainability, and our new and 'visionary' UCL East Campus on Queen Elizabeth Olympic Park.
- Ranked 8th on the Clarivate Highly Cited Researchers based on the number of Awards.
- Ranked 9th in the World's top 2% Scientists list.

We continued to evolve UCL's Grand Challenges programme, which drives the application of our research across disciplinary boundaries to solve the world's most pressing problems. Since the programme began in 2008, it has served as a powerful research accelerator: the award of £1.9 million in grants across six themes has supported 442 projects and more than 850 researchers and won a further £31 million in funding. Now, through our Strategic Plan 2022-27, two new themes have been launched and their academic leaders appointed. The Mental Health & Wellbeing theme is led by Professors Essi Viding and Argyris Stringaris and the Climate Crisis by Professors Mark Maslin and Lisa Vanhala. Informed by the expertise of our academic community, these academic leaders will steer investment in faculties and departments to support new areas of research and innovation. The breadth of engagement with this programme is striking: in the past year more than 3,000 people took part in Grand Challenges events and more than 60 seed funding awards were made.

An indicator of our academic strength is the income achieved through research and innovation activity. A quantum hub for healthcare was established, led by UCL and the University of Cambridge, to harness quantum technology to improve early diagnosis and treatment of disease; A new UCL AI Hub was announced as part of a total of £80m funding from the EPSRC for AI research; £1.7 million was awarded to establish a new research network, led by UCL and the University of Exeter, to reduce dementia risk and improve people's experience of living with dementia; with £54 million ESPRC funding, UCL will lead seven new Doctoral Training Centres in areas including quantum computing, cybersecurity, digital healthcare, and antimicrobial resistance. New research centres were announced for rare diseases and kidney and bladder health, with £3 million for research into heart disease, and £5m for Oriel, the new eye health centre that is a partnership between Moorfields Eye Hospital NHS Foundation Trust, the UCL Institute of Ophthalmology and Moorfields Eye Charity.

Among the great number of significant funding announcements, the pioneering work of three UCL researchers won notable boosts in the latest round of UKRI Future Leaders Fellowships. Dr Joanne Littlefair (UCL Biosciences) received a Future Leaders Fellowship worth £1.9 million to create and lead a research group pursuing new genetic technologies to monitor nature, investigating the use of existing environmental infrastructure – air quality networks – for the novel purpose of monitoring biodiversity using filtered fragments of DNA. The research of Dr Jessie Baldwin (UCL Psychology & Language Sciences), a psychiatric epidemiologist working in child mental health, uses innovative causal inference methods to understand how to interrupt the intergenerational transmission of mental health problems. Dr Luke Caldwell (UCL Physics & Astronomy) is testing the fundamental laws of physics through tabletop experiments, with a particular interest in understanding why the universe is made of matter rather than antimatter.

Of course, it is not only our research that makes an impact. Graduates from higher education have been shown to be a consistent contributor to productivity growth in the UK. This is in part because our sector works hard to ensure graduates leave with useful knowledge. At UCL almost half of undergraduates study on programmes which are accredited or endorsed by professional bodies, helping to create the next generation in fields such as Medicine, Engineering, Pharmacy, Law, Psychology, and Architecture.

STRATEGIC REPORT

Creating impact through innovation and enterprise

We performed strongly in Research England's third Knowledge Exchange Framework (KEF) assessment, scoring top marks in the areas of intellectual property and commercialisation, research partnerships, working with business and working with the public and third sector. This was a great baseline for the launch of our Knowledge Exchange and Innovation Strategy, which aims to enhance our position as one of the country's leading universities for knowledge exchange.

This year also saw extremely strong performance by UCL spinouts, formed to commercialise and scale up innovations in research. This represents the cumulative effort, led by our wholly owned subsidiary UCL Business Limited (UCLB), of a lot of parts of our ecosystem and community working together over the last decade; and forms a very strong platform for future growth. According to a UCLB report in February 2024, UCL spinouts have created more than 2,200 new jobs and attracted almost £3 billion in investment in the last five years. Recent examples include EnAcuity, co-founded by Professor Danail Stoyanov (UCL Computer Science), which won seed funding to improve the effectiveness of laparoscopic surgery using AI; and computer programme developed by UCL staff, which uses AI to help hospital staff to manage the flow of patients through hospital, won the Healthcare Partnership of the Year category at the London Higher Awards 2024. Our Business Growth programme, which we deliver on behalf of Innovate UK, supports small and medium-sized enterprises to grow and achieve their industry and society transforming ambitions. In the year to March 2024 the portfolio of activities grew by 65%, involving 182 high/growth companies and 45 partnerships. The programme helped companies to raise £38 million, creating 97 jobs, operating in 17 new markets and sustaining 163 jobs.

Engaging with London, UK and international stakeholders

Leadership in our external engagement activity was strengthened by the establishment of two senior roles: Marc Stears, founding Director of the UCL Policy Lab and Professor in the Department of Political Science, was appointed Pro-Provost (Policy Engagement), to champion our work to inform and engage with policy development in the UK and globally; John Tomaney, Professor of Urban and Regional Planning, was made Pro-Provost (Regional Communities), to build UCL's capacity to develop impactful partnerships with a range of collaborators and actors in areas outside London.

In London, new momentum was created around life sciences. We secured a major partnership agreement with British Land and established a stakeholder group to lead development of life sciences and technology investment in the Euston area. We welcomed Baroness Gillian Merron, the Health Minister responsible for life sciences and innovation, to tour some of our life sciences facilities, to see first-hand how UCL research is helping to tackle some of the world's biggest health challenges. UCL and University College London Hospitals NHS Foundation Trust (UCLH) signed an agreement for the effective sharing of data for research between institutions, increasing research activity within our NHS partners and enabling more rapid translation of research to benefit patient care. Discussions are underway to extend our healthcare data-sharing agreement to include Great Ormond Street, Moorfields and the Royal Free hospitals.

Our President & Provost Dr Michael Spence and Professor Mariana Mazzucato joined global leaders attending the World Economic Forum in Davos, Switzerland, to exchange ideas and make progress on advancing climate action, strengthening the global economy, building resilience and addressing questions on frontier technologies. We agreed UCL's Strategic Plans for China, India and Europe, led academic delegations to Europe and India, created 30 new strategic institutional or faculty-level global partnerships and hosted two high profile events on UCL's expertise in AI and Global Health for embassy staff and attachés.

We welcomed significant individuals to UCL to share their knowledge, to learn more about our research, and to celebrate our evolution as London's global university. The UCL Prize Lecture in Life and Medical Sciences was given by Sir Demis Hassabis, Co-founder and CEO of Google DeepMind and 2024 Nobel Prize winner, who spoke on 'Using AI to Accelerate Scientific Discovery'. Their Majesties King Charles III and Queen Camilla met UCL clinical researchers developing new cancer treatments, along with cancer patients receiving care and their families, in a visit to the University College Hospital Macmillan Cancer Centre. Author, educator and journalist Professor Linda Villarosa gave the UCL-Lancet Lecture 2024, discussing her work on the societal forces that cause Black people to "live sicker and die quicker" compared to their white counterparts. Scholars from around the world joined our academic symposia on cancer, neuroscience, climate change and neuro AI, as well as collaboration sessions on computational cancer and children's mental health. Olympic champion and alumna Christina Ohuruogo MBE officially opened UCL East.

The three UCL public museums welcomed a total of 41,742 visitors, despite periods of closure for improvement works. The Grant Museum of Zoology's £300,000 refurbishment introduced new displays connecting the Museum's collections to biodiversity and conservation research, and featured six new showcases, 7,000 specimen moves, 200 conservation treatments and 350 new labels. The museums also hosted regular weekend family workshops and student collaborations, including Reimagining Flinderella, an event series critically reflecting on the legacies of Flinders Petrie. In spring 2024, Research England supported four of UCL's museums and collections, including the Science Collections and Pathology Museum, with £2.4 million of Higher Education Museums, Galleries and

Collections funding over the coming five years. This investment will enable us to improve the way we store, document, display and interpret museum objects and advance our commitment to curating world-class collections that are open to all.

Our Festival of Engineering, *Six Days to Save the World*, attracted 7,000 people to 250 events across six London boroughs (and the International Space Station), to explore how UCL engineers are creating the future in fields such as artificial intelligence, space exploration, robotics and medicine.

Other high-profile events included our graduations which took place in May, July and September 2024. 13,995 students crossed the graduation stage over 36 ceremonies and celebrated their achievements with over 42,000 of their family and friends. In addition, about 16,000 prospective students and their families booked for our two open days in June 2024.

The latest Graduate Outcomes survey, published in August 2024, indicated the value of a UCL degree to our students. 15 months after leaving, our 2021-22 graduating cohort was working in 90 different countries and 90.6% were either in a graduate-level job (professional, technical or managerial employment), in postgraduate study or had just graduated from a course of postgraduate study. See further details at https://www.ucl.ac.uk/careers/case-studies/2024/aug/what-are-ucls-class-2021-22.

Building our community networks

We are committed to deepening our relationship with our alumni by providing an outstanding experience that generates impactful volunteering and giving in support of world-class research and the student life cycle. In the last year, we supported 27 active alumni groups around the world and 49 events were organised for and by alumni. These included a bespoke event for over 80 Greek alumni at the residence of the Greek Ambassador to the UK, a special reception for the Hong Kong alumni board to hear more about the vision for our future philanthropic and engagement campaign, reigniting the Indian alumni community with events in Delhi and Mumbai, and an ambitious series of events across five European cities in five days, which attracted more than 200 guests.

Telling the world about our research

We are committed to the principle of open science, whereby our research is made accessible to all levels of society. UCL Press, the UK's first fully open access university press, passed a significant milestone last year, reaching 10 million downloads of its books and journals since it began in 2015. The launch this year of a new search and discovery tool, UCL Profiles, facilitates cross-faculty collaboration and allows external audiences to search UCL's academic community to explore their research and teaching activities, collaborations, industry partnerships, publications and more. By the end of the year, 93% of UCL's 6,207 research staff featured on the system.

A prolific programme of podcasts enriched the communication of our research, with twelve new podcast mini-series introduced in the last year across a range of areas including women's health, health taboos, statistics, the built environment, the social sciences, and engineering. Generation One, UCL's flagship climate change campaign, has produced four podcast series over the past four years, tackling the big climate questions of today and tomorrow with topics as diverse as 'Does the earth have to be a fashion victim?' to 'How can we eat our way to a better planet?' Hosted by Prof Mark Maslin and Dr Simon Chin-Yee, it has engaged leading figures in climate change, from the Greater London Authority to Google Deep Minds. The series achieves an average of 1,400 listens per episode making it one of the most listened to podcasts from UCL.

Our global reputation for academic excellence was supported by our strengthening media profile. In the year to July 2024, the issue of 157 press releases led to over 2,600 recorded positive UK/wire articles and tens of thousands of positive global media articles. We achieved 1,924 positive or constructive UCL expert comments in print, online, or broadcast media around the world, and the number of media mentions rose to 297k, up from 276k in the preceding year. 188 first person comment pieces were written by UCL academics, the majority published by The Conversation, the second highest of any UK university, achieving over 5 million reads. In addition, a high-profile BBC documentary, *The Jennings vs Alzheimer's*, explored the discoveries made by researchers at UCL and UCLH that have given hope for Alzheimer's disease over the past four decades.

Recognising outstanding achievements

There has been notable recognition of people from within the UCL community over the last year. For his work on the economic importance of intact natural ecosystems on society, Professor Robert Costanza (UCL Institute for Global Prosperity) was awarded the prestigious international Blue Planet Prize, which is given for scientific research or applications of science that contribute to solving global environmental problems.

Staff, alumni and members of our wider community were recognised in the King's Birthday Honours. Professor Peter Fonagy OBE (UCL Psychology & Language Sciences) was honoured as a Commander of the Order of the British Empire (CBE) for his services to mental health care for children and young people; Professor Liz Varga (UCL Civil, Environmental & Geomatic Engineering), Professor of Complex Systems and Director of UCL's Infrastructure

Systems Institute, was appointed a Commander of the Order of the British Empire (CBE) for services to critical infrastructure; Professor Qing Gu (IOE, Faculty of Education and Society), Professor of Leadership in Education and Director of UCL Centre for Educational Leadership, was appointed Officer of the Order of the British Empire (OBE) for services to education. Professor Mervyn Singer (UCL Medicine) was appointed Officer of the Order of the British Empire (OBE) for services to intensive care. Professor Singer is Professor of Intensive Care Medicine at UCL, Director of the Bloomsbury Institute for Intensive Care Medicine, and a critical care consultant at UCLH. Professor Jamshed Bomanji (UCL Medicine) was appointed Officer of the Order of the British Empire (OBE) for services to the NHS and to global nuclear medicine. Professor Shane Johnson (UCL Security & Crime Science), Professor of Future Crime, was appointed a Member of the Order of the British Empire (MBE), for public service. Professor Paul Griffiths (UCL Infection and Immunity), Emeritus Professor of Virology, was appointed a Member of the Order of the British Empire (MBE), for services to virology. Alumni, former staff, honorary degree holders and other members of our community presented in this year’s King’s Birthday Honours list include: Nica Burns OBE (Law), awarded a CBE for services to Theatre; Dr Amar Shah, (Clinical Medicine), awarded an OBE for services to Healthcare Improvement; Lulu Lytle (Egyptology and Ancient History), awarded an OBE for services to British Manufacturing and Craftsmanship; and Pradip Patel, (Pharmacy), awarded an MBE for services to the NHS.

Professor Sarah Tabrizi (UCL Queen Square Institute of Neurology) and Professor Bart Vanhaesebroeck (UCL Cancer Institute) were elected Fellows of the Royal Society for their invaluable contributions to scientific research. Four UCL scientists were elected Fellows of the Academy of Medical Sciences in recognition of their outstanding contributions to their respective fields: Professors Christopher Denton (UCL Institute of Immunity and Transplantation), Roberto Mayor (UCL Biosciences), Sergio Quezada (UCL Cancer Institute) and Alison Rodger (UCL Institute for Global Health) were among just 58 biomedical and health scientists to be elected to the Academy of Medical Sciences Fellowship this year.

Five UCL academics were elected as Fellows of the British Academy in recognition of their contribution to the humanities and social sciences. Professors Carey Jewitt (IOE, UCL’s Faculty of Education and Society), Alison Shell (UCL English), Lucy O'Brien (UCL Philosophy), Phiroze Vasunia (UCL Greek and Latin) and Jennifer Robinson (UCL Geography) were among the 86 academics who joined the British Academy, which brings together over 1,700 leading minds from the UK and overseas to better understand the world and help share a brighter future.

Professor Claire Carmalt and Professor Matthew Powner (both UCL Chemistry) were awarded Royal Society of Chemistry prizes in recognition of their outstanding contributions to the field. The Tilden Prize for established career scientists went to Professor Carmalt, whose research group focuses on the creation of innovative, industrially important inorganic materials and their deposition into thin films. The MSD Prize, which goes to mid-career scientists working in inorganic chemistry, was awarded for Professor Powner’s pioneering work on the prebiotic synthesis of essential biomolecules, including amino acids, peptides and co-factors – in other words, showing how key biological ingredients could be created at the origin of life.

Two UCL professors were honored with Royal Society Medals in recognition of their outstanding work. Professor Hannah Fry (UCL Centre for Advanced Spatial Analysis) was awarded this year’s David Attenborough Award and Lecture for her prolific work as a science communicator and as the foremost popularizer of mathematics in the UK. Professor Gillian Bates (UCL Queen Square Institute of Neurology), already a Fellow of the Royal Society, was awarded this year’s Ferrier Medal and Lecture for her work in understanding the molecular basis of Huntington’s disease, a devastating inherited neurodegenerative disorder that affects movement and cognition and is ultimately fatal.

Two senior educators were awarded prestigious National Teaching Fellowships. The awards, which were made to Professor John Mitchell (Faculty of Engineering) and Professor Tim Young (Faculty of Brain Sciences), celebrate and recognise individuals who have made an outstanding impact on student outcomes and the teaching profession in higher education.

Our Initial Teacher Education at IOE, UCL's Faculty of Education and Society was awarded ‘Outstanding’ by OFSTED across early years, primary, secondary, and further education teacher training. The report praised IOE's "highly effective partnership work” with 596 schools, colleges and early years settings across London, which provide enriching classroom placements and valuable professional mentors for student teachers.

Our enterprising students and alumni garnered top awards and recognition for their impact in the world of business. Tech startup CarbonTrac, founded by final year chemical engineering student Yasmine Abdu, won the tech award and £20,000 in funding in this year’s prestigious London Mayor’s Entrepreneurial competition, held at London’s City Hall. UCL graduate Zain Ansari ‘s startup Phyta Biodesign won a Bronze Medal at RHS Chelsea Flower Show for Apia, a garden wall system which creates pollinator infrastructure for endangered solitary bees in London. Nineteen UCL alumni and students earned a place in Forbes’ annual Top 30 Under 30 list of leading entrepreneurs and creatives in Europe, recognised for their achievements in fields such as international journalism, artificial intelligence and child healthcare.

20 UCL undergraduate students were chosen as Millennium Fellows 2023–24 to help achieve the UN Sustainable Development Goals (SDGs). Run by the Millennium Campus Network (MCN) and United Nations Academic Impact (UNAI), the Millennium Fellowship Scheme is an international leadership development programme, during which students undertake their own projects to further the SDGs in their communities. In 2024, UCL boasts the most Millennium Fellows of any UK university for the fourth year running.

In addition, seven friends and alumni of UCL received Honorary Awards in recognition of their outstanding work, volunteering, advocacy and philanthropy. A Doctorate of Literature was awarded to Rob Rinder MBE, barrister, media personality, and contributor to the Centre for Holocaust Education at UCL, and a Doctorate of Science to Erich Herrmann, technical specialist, innovator, and long-standing manager of the High Precision Design and Fabrication Facility (Mechanical Workshop) at UCL Engineering. Honorary Fellowships were awarded to Dr Sebastian Bailey, Co-Founder, President and Executive Director of MindGym; Mark Cleary, former President of the UCL Friends and Alumni Association; Alderman Vincent Keaveny CBE KStJ, former Lord Mayor of the City of London; and James and Cathleen Stone, Director and President of the James M. and Cathleen D. Stone Foundation.

2. Education and student experience

In the prior year, Students' Union UCL, in partnership with UCL, launched the university's first Student Life Strategy, aiming to create thousands more opportunities for students to try new activities, develop their skills, feel a stronger sense of belonging, and immerse themselves in exceptional experiences tailored to their needs. Since its launch, successful pilots of new initiatives included the UCL Campus Run, an expanded International Festival, new major events programme and the expansion of artsUCL. Engagement with the Students' Union's programme of opportunities for students has increased across the board. Over 21,000 students joined a sports club or society and almost 15,000 engaged with sport and physical activity.

Initial research into students' experience of co-curricular activity at UCL, including a survey of over 5,000 students, suggests that students who participate are more likely to feel part of the UCL student community, have a strong network of support and feel they are gaining valuable transferable skills at university. This year the Students' Union hosted 7,956 events, up from 4,797 in 2023. More than thirty thousand students booked a ticket to at least one event, with many thousands more attending unticketed events. 57% of students now describe themselves as having some level of engagement with the Students' Union's extra-curricular offer, with 47% reporting they would like to get more involved in student life activities outside of formal education. The same period saw increases in all NSS scores related to student life, including 85% of students being satisfied with the range of clubs and societies on offer.

Our students' appetite for innovation and enterprise continues to grow. 2,500 students received entrepreneurship training in the first half of the year, up from 3,500 in total in the previous year. 93 student startups were newly registered and 447 active student startups were sustained, with 215 surviving at least 3 years. Their brilliant ideas secured £60M external investment, with £97M turnover in total, supporting 2,085 people in employment.

Our role in ensuring equality of opportunity is of utmost importance. At UCL we take great pride in our partnership with schools aimed at helping potential students from underrepresented backgrounds see that they belong at UCL. We are also proud to provide a range of financial aid, from supporting prospective students fleeing conflict to our UCL East London Scholarship for aspiring local students to study at our new campus on the Olympic Park. This latter scheme is just one aspect of our work to support young people in our local London boroughs. We worked as the only university partner with Camden Learning on their new London AI Campus in collaboration with Google, preparing for the opening of the campus in the coming year, providing significant opportunities for young people in Camden. Pupils from Edith Neville Primary School visited UCL to learn more about languages and cultures from all around the world in a Language & Cultural Day organised by our Students' Union volunteering service. And UCL took part in Camden STEAM Work Experience initiative for the first time, welcoming year 12 students from Camden schools to UCL Faculty of Life Sciences for a week.

Our inaugural India Summer School gave Indian pre-university students an exceptional opportunity to experience the research-led teaching of a world-leading UK university, participating in sessions on a range of interdisciplinary topics, led by UCL professors. The Mandarin Excellence Programme (MEP) resumed at scale for the first time since the COVID-19 pandemic, enabling nearly 1,200 pupils and 157 teachers from 61 English schools to visit China for a 10-day trip to improve their Mandarin language skills and cultural awareness. This flagship initiative, delivered by IOE, UCL's Faculty of Education and Society, on behalf of the Department for Education (DfE) in partnership with the British Council, has helped more than 11,000 young learners on the path to fluency in Mandarin since its launch eight years ago.

Enhancing our education

Our academic departments worked to their annual education plans, which respond to issues raised by our students through the many channels available to them, including the National Student Survey (NSS). Longer term work to improve assessment and feedback saw an increase in student satisfaction on this theme in the NSS, while focussed work by specific departments, supported by our new institute for Higher Education Skills and Development, also received higher satisfaction rates from their students. Our ChangeMakers programme continued to bring together staff and students to codesign enhancements to education and student experience. Projects this year included improving feedback and assessment, personal academic tutoring, and supporting the review of our undergraduate portfolio. Staff and students also teamed up to explore the use of AI tools in education, producing recommendations for their use in research, assessment and feedback, and as an aid to learning. Later in the year, eleven staff worked with student teams to reflect on their teaching in the light of AI tools.

In October 2023, UCL was in the top 10 of universities in the English Social Mobility Index, which measures the social distance travelled by graduates from each institution as well as the proportion of graduates so transported. It combines access, continuation and outcomes measures for undergraduates for all modes of study except apprenticeships. We made progress in our work to address disparities in outcomes and experience of our undergraduate students. There persists a small but statistically significant discrepancy in the rate of good degrees achieved by Black, Asian and minority ethnic (BAME) students compared with white students, despite entering UCL with the same high entry qualifications. This ‘awarding gap’ has reduced significantly, from 4.8% in 2019/20 to 2.9% in 2024. There has also been a reduction in the gap for first class degrees, from 9.3% in 2019/20 to 4.6% in 2024.

In October 2023, we launched the Programme Excellence Project (PEP), a major education element of our Strategic Plan. PEP aims to strengthen the attractiveness and quality of our programme portfolio and improve our approaches to programme quality assurance. This year the first phase of streamlining our education offer was completed, rationalising our undergraduate programme portfolio and programme structures to improve how we manage and market our programmes. More than 120 new undergraduate ‘post-enrolment specialisms’ were introduced, allowing students to more flexibly tailor what appears on their degree certificates. We developed a set of curriculum principles, which define what excellence means in the context of programme structure, design and delivery, and against which programmes will be reviewed in the next phase of our curriculum review.

Supporting our students

A review of our personal tutoring set out the first steps towards a simple and coherent model, and a lengthier list of recommendations to improve the experience of academic support of our undergraduate and postgraduate students. A new Personal Academic Tutoring dashboard was made ready for launch at the start of the 2024-25 academic year, enabling academic tutors to access relevant attendance and academic progress data. A Specialist Housing Advice service was established to support students at risk of homelessness, and our new Independent Sexual Violence Advisor service was launched. The US Surgeon General, Dr Vivek Murthy, held an in-person ‘fireside chat’ with UCL students, offering insights into his research on student wellbeing, particularly around loneliness and the need for connection.

3. Living our values

The Strategic Plan 2022-27 commits to a people-led culture and to a renewed focus on equity, inclusion and diversity, as well as amplifying the community voice in institutional decisions and a developing clearer, values-led approach to regulation and policy.

A strategic review of equality, diversity and inclusion (EDI) across UCL was completed, and will inform the development of a new EDI Strategy through consultation and cocreation over the next year.

Disagreeing Well, UCL’s flagship campaign, aims to better equip UCL’s community and the public to disagree well through the ability to listen with an open mind and a willingness to genuinely consider other perspectives. Over the year, UCL staged three public events, where renowned figures from higher education, the media, and politics were brought together to discuss ways to debate with mutual respect and to find common ground. In addition, UCL's President & Provost Dr Michael Spence led a discussion at Westminster on the importance of freedom of speech and disagreeing well, securing coverage in five national newspapers.

Supporting our community

After we qualified for a University Mental Health Charter Award at the end of 2022, we established our University Mental Health Charter Oversight Group to provide institutional co-ordination and recommendations to build a ‘whole institution response’ to mental health and wellbeing. This year, the Group developed a set of Mental Health and Wellbeing Principles for all staff and students to guide longer-term culture change. These Principles have been adopted and will underpin the delivery of tangible actions over the coming years.

Launched in 2019, UCL’s Report and Support platform enables staff and students to report incidents of bullying, harassment and/or sexual misconduct, either anonymously or with contact details. The platform connects users to the appropriate UCL support services. Reports have increased steadily, with 945 cases in 2023 (the latest available annual data) compared to 369 in 2020. Anonymous reporting has dropped from 65% to 44% over the same period. At this stage of Report and Support maturity at UCL and benchmarked against the sector, these data suggest growing trust and confidence in the system.

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Supporting our staff

We continued to implement UCL's pay strategy, agreed in July 2023, to ensure that UCL salaries are more competitive, both within and outside the higher education sector, while also helping with more immediate cost of living challenges. 3,000 staff received a new increment in December 2023. UCL's London allowance also increased significantly in 2023: staff in grades 1-7 received an additional £500 from December 2023. Altogether, the median salary at UCL progressed by 9.5% in 2023 due to a combination of the national pay award, incremental progression and London allowance increase. The London allowance increase will also have a positive effect on UCL's gender ethnicity and disability pay gaps.

The professorial minimum salary was raised by 2.5% from August 2024, positively affecting 345 staff. To achieve consistency, policies for senior professional staff, and professorial salary reviews were refreshed in 2024 and new criteria for re-banding was developed and agreed, so that all professors (including Teaching and Research Fellows) are eligible for consideration for professorial banding.

As part of the pay strategy, visa support for researchers was introduced from December 2023, providing new researchers joining UCL from overseas with financial support for their certificates of sponsorship and immigration health surcharge.

Support for the development of our staff included eleven Leadership Programmes, completed by 511 staff; professional development short courses, attended by 2,087 attendees; and our People Management Essentials programme, completed by 437 people. In addition, the highly qualified and specialized technical staff, on whom much of our research activity depends, can now access more professional development support, with the launch of the Technical Skills Development Hub and UCL's very first Technical Professional Career framework. Our Researcher Development Programme was attended by 4,365 postgraduate research (PGR) students, with 71% of the PGR joining at least one event in the Programme, a 4% increase on the previous year. 2,309 research staff also attended the Programme, with 63% of all research staff joining at least one event, a 33% increase on 2023.

Sustainability

We consulted with stakeholder groups across the institution to develop a revised Sustainability Plan, due to be launched early in 2025. The plan aims to align our sustainability approach to the institutional Strategic Plan and the newly formed Grand Challenge for Climate Crisis, informed both by our academic insight and our professional services expertise, putting UCL on a robust path to meet ambitious sustainability commitments.

During the year, we continued to make progress against the existing strategy. UCL joined a broad coalition of leading universities to call on financial institutions to offer cash investing options that do not support the expansion of greenhouse gas-emitting fossil fuels. We signed up to the Concordat for Environmental Sustainability, a ground-breaking new agreement aimed at making research more environmentally sustainable. Marshgate, the buildings on UCL's new East campus, as well as the campus itself, achieved 'Excellent' BREEAM ratings for sustainable construction. Lauded for their people-centric design, the assessment process recognised the high levels of energy efficiency, strong public transport connections, and sustainable use of materials. This year WARPit (UCL's internal system to re-use items from furniture to lab equipment) has surpassed £2m in avoided costs and delivered significant waste reductions.

UCL continued to be rated as a "First Class" university in the UK's People & Planet University League 2024, ranking 12th overall and placing as the second Russel Group university. 2024 also saw UCL re-certified under the ISO 14001 international standard for environmental management and the ISO 50001 standard for energy management. These achievements highlight our commitment to environmental and energy management across UCL, from waste management to integrating sustainability into teaching and research.
Between 2023 and 2024 a 3% reduction in greenhouse gas emissions from UCL buildings was achieved. This is a smaller saving than in previous years due to the opening of the Marshgate building at UCL and the PEARS building at the Royal Free Hospital. Energy use for the existing buildings has decreased in part due to the culmination of a number of energy-saving activities, including a new building energy optimisation team that improved the control of heating/cooling systems in several buildings across campus, saving on average £500k per annum. In addition, contractors were appointed to decarbonise one of UCL's district heating systems, that serves the Institute of Education, by moving from gas-fired heating to renewable electricity.

A major focus for UCL has long been minimising the environmental impact of our laboratory spaces: last year the LEAF programme, which was developed at UCL, supported over 155 laboratories to take action towards a more sustainable laboratory environment. This is nearly double the number of participants of the previous year. Further afield the LEAF programme is now being used by over 100 institutions globally to reduce carbon emissions and waste in laboratories.

Climate change continues to be an emerging risk for UCL. Further details on current priorities and progress against these are included in our separate sustainability reports, available on our website: https://www.ucl.ac.uk/sustainable/.

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In May 2021, UCL issued a £300m sustainability bond, marking it the first publicly listed sustainability bond ibn the UK higher education sector. The proceeds are allocated to projects that align with UCL's Sustainability Finance Framework, which outlines eligible green and social initiatives. These projects include the development of energy-efficient buildings (such as UCL East which was opened in 2023), renewable energy installations, and programmes aimed at enhancing social equity. This sustainability bond underscores UCL's commitment to integrating sustainability into its operations and infrastructure development. Further details on the framework and most recent Bond Impact Reports are available from our website: https://www.ucl.ac.uk/sustainable/bond.

In assessing the impact of sustainability on the financial statements, there are no plans or requirements to take existing assets out of service, discontinue revenue generating activities or incur expenditure outside currently approved budgets, that would materiality impact impairment, going concern, or revenue recognition. UCL will continue to monitor developments and reassess if necessary as part of its regular risk management and reporting processes.

4. Positive enabling environments and structures

A central goal of the Strategic Plan is to provide the tools and the environment that our people need to do their remarkable work, and we have made progress towards this ambition in several areas.

Improving our systems

New systems were introduced to improve the efficiency and effectiveness of our service administration. Since its launch, our new recruitment system, TalentLink, supported significant efficiencies and widened the pool of candidates for UCL roles, with more than 25% reduction on recruitment and agency worker spend and a 42% increase to 40,989 applications for vacancies. Our new online appraisal system, MyAppraisal, achieved significant engagement from our professors and will be extended to other academic staff, technicians and professional services staff in the coming year. MyCampus launched to manage all service requests relating to our estate, including maintenance, repair, cleaning, setting up for an event, or moving. This streamlined process saves time for those reporting issues and allows our engineers to address and fix problems more quickly. Late in the year, we launched a common services technology platform to enable more joined-up work across our central services, including information services, human resources and finance, and quickly saw measurable improvements in self-service and workload efficiencies.

Developing our estate

While we celebrated the official launch of UCL East at Stratford, there were also major developments in Bloomsbury. The purchase of the historic Dr Williams's Library and Henry Morley Building on Gordon Square at the heart of UCL's Bloomsbury campus. The purchase of the Grade II listed, mid-19th century property brings the building back to UCL. Designed by Thomas Leverton Donaldson, Professor of Architecture at University College, London and built in 1848-49 as a hall of residence, the impressive building is set across a basement, raised ground and five upper floors, and its c33,000 sq ft provides a range of spaces for different uses across the University. From the double-height library to the stunning views of Gordon Square, this historic building will provide an inspiring setting for UCL's trademark radical thinking for many years to come. Significant construction projects continued. Our new landmark facility at 256 Gray's Inn Rd reached 70% completion. Focusing on pre-clinical neuroscience research, it will provide a dual hub for both Institute of Neuroscience and the Dementia Research Institute (further details relating to the main contractor entering administration are provided in the Financial Review and in note 35). The first year of construction of Oriel was completed, creating what will be a world-leading centre for advancing eye health in a partnership between Moorfields Eye Hospital NHS Foundation Trust, the UCL Institute of Ophthalmology and Moorfields Eye Charity.

5. Financial sustainability and compliance

A new financial strategy was developed alongside the Strategic Plan 2022-27 to ensure UCL's long term financial sustainability. This focuses on both income growth and cost control. Over the course of 2024 we reduced costs in academic and professional services areas by over £40m. This has enabled reinvestment in institutional priorities including pay. See the Financial Review below for further details on current year performance.

As we continue to prepare for our largest fundraising and engagement campaign, launching in 2026, we undertook a visioning process with academic leadership that culminated in the first iteration of our campaign case for support. This was socialised with many of our closest donors and supporters to enable us to hear first-hand their views on our vision and direction of travel which will be refined in the year ahead. We also laid the foundations to grow and re-establish our legacy and regular giving programmes, which, alongside our transformational, major and international giving programmes, will ensure we are increasing philanthropic income and pipeline at all levels.

STRATEGIC REPORT

Financial Review

Our internal Key Financial Indicator ‘Operating Margin’ is reconciled to total comprehensive income as follows:

	2024 £m	[1] 2023 £m
Total income	**2,074.6**	**1,968.3**
Operating expenditure (excluding impairment and pension provision)	(1,968.2)	(1,853.8)
Other gains, losses and tax	(3.0)	14.1
Share in joint ventures, associates and non-controlling interests	0.2	0.6
Operating Margin Key Financial Indicator [1]	**103.6**	**[1] 129.2**
Gains on disposal of investments [a]	21.0	1.4
Unrealised gain / (loss) on revaluation of investment portfolio [b]	23.0	(4.2)
Impairment [c]	(4.0)	-
Total comprehensive income for the year (excluding pension provision)	**143.6**	**126.4**
Movement on USS pension provision	454.0	101.8
Total comprehensive income for the year	**597.6**	**228.2**

[1] *In 2023, ‘Operating Margin’ included a gain on disposal of investments of £1.4m and an unrealised loss on investments of (£4.2m) and excluded £0.7m of other consolidation adjustments. In 2024, due to the one-off nature and/or significance of similar items, as well as impairments, these amounts are not considered part of the core operations of the University and have been excluded from the operating margin calculation. The 2024 excluded amounts are as follows, see Note 17 for more details:*

- [a] *Disposal of equity interests held by the subsidiary UCL Business Limited (£21.0m)*
- [b] *Unrealised gains on the investment portfolio (£23.0m).*
- [c] *Impairment of long-term investment asset £4.0m*

Operating margin disclosed in 2023 was £125.7m.

UCL’s Financial Strategy is designed to enable investment in people, buildings and technology on the scale required to deliver its institutional strategy and ensure long-term financial sustainability. To monitor progress, the University’s performance and financial health are assessed through four Key Financial Indicators (KFIs). These targets and performance against each are as follows:

Key Financial Indicator	Target	2024	[2] 2023
Operating Margin [2]	5.0%	5.0%	[2] 6.6%
Operating Cashflow [3]	8.0%	3.2%	8.0%
Debt Times EBITDA [4]	<5x	2.9x	2.4x
Liquidity Days [5]	80 days	108 days	126 days

[2] *As explained above, the 2023 operating margin was adjusted to be consistent with the 2024 calculation. The equivalent operating margin percentage disclosed in 2023 was 6.4%. The table above reconciles the measure to statutory total comprehensive income. Calculated as operating margin as a percentage of total income.*

[3] *Calculated as Net cash inflow from operating activities as a percentage of total income.*

[4] *Calculated as total debt as a percentage of (total income less capital grant income) less (staff costs and other operating expenses).*

[5] *Calculated as cash and short-term investments divided by total expenditure excluding USS pension provision, less depreciation and amortisation, times 365 days.*

KFI targets for the year have been met except for operating cashflow. Operating cashflow was impacted by movements in working capital at the year-end, predominantly due to research grants, where the timing of grant payments have resulted in lower amounts received in advance.

Overall performance

UCL continued to generate strong growth, with income generated increasing by £106.3m (5.4%) to £2,074.6m, primarily driven by increases to tuition fees, education contracts and other commercial income. This higher income was used to fund the cost of delivering high quality teaching and research, and the higher running costs of the University which continued to be impacted by inflationary cost pressures, with expenditure increasing by £118.4m (6.4%) to £1,972.2m. Total surplus for the year was £597.6m, up from £228.2m in 2023, which was boosted by one-off gains from the USS pension provision of £454.0m (2023: gain of £101.8m) and gains from investments of £44.0m (2023: loss of £2.8m). The key drivers are further explained below.

STRATEGIC REPORT

Operating performance

As noted above, operating margin of £103.6m (5.0%) was boosted by a 5.4% growth in income:

Source of income	**2024 £m**		2023 £m	
Tuition fees and education contracts	971.2	47%	929.3	47%
Funding body grants	228.1	11%	236.7	12%
Research contracts	538.8	26%	526.7	27%
Commercial and other income	272.3	13%	218.5	11%
Investment income	39.2	2%	28.1	1%
Donations and endowments	25.0	1%	29.0	2%
Total	**2,074.6**		1,968.3	

Within tuition fees and education contracts, 17% (2023: 19%) relates to full-time UK and EU students, and 70% (2023: 69%) relates to international students. Overall fee growth reflects UCL's reputation as London's Global University and the continued strong demand for places at UCL. We continued to diversify our incomes sources by increasing commercial and other income, which grew by £53.8m (24.6%) to £272.3m, predominately driven by patents and royalties income, consulting contracts, catering and residencies income.

As a world-leading centre of research, we continued to receive significant levels of funding from research partners and sponsors (£538.8m or 26% of total income compared to £526.7m or 27% in 2023) as well as from funding bodies for teaching and research (£228.1m or 11% of total income compared to £236.7m or 12% in 2023).

Total expenditure increased as we continued to invest in our staff, academic services and our estate in-line with our financial strategy:

Source of expenditure	**2024 £m**		2023 £m	
Staff and related costs [1]	1,135.9	58%	1,085.9	59%
Academic, educational and student related costs	293.7	15%	260.9	14%
Estates, office and related running costs	226.8	11%	219.7	12%
Other operating costs	177.3	9%	159.8	9%
Depreciation, amortisation and finance costs	138.5	7%	127.5	7%
Total	**1,972.2**		1,853.8	

[1] Excludes USS pension £454.0m (2023: £101.8m). Includes recruitment, advertising, contractor costs £45.7m (2023: £48.4m).

As a people-centric organisation, the largest proportion of that was focussed on our staff, who are essential in the creation and delivery of our academic provision, with £1,135.9m representing 58% of total expenditure. Responding to the increase in the cost of living, this included the ongoing impact of implementation a nationally agreed pay increase for 2024 as well as a locally agreed increase to the local pay and reward strategy.

Academic, educational and student related costs then accounted for a further 15% of expenditure at £293.7m (2023: £260.9m), which included £106.4m (2023: £98.1m) relating to scholarships. Schemes were managed both centrally and within Faculties, with the aims of widening participation; providing research scholarships; creating a strong research environment; and providing students with financial assistance. Fundraising for scholarships to address underrepresentation and disadvantage in the graduate student community remains a priority.

Estates, office and relating running costs (excluding capital costs) also accounted for 11% of total expenditure at £226.8m (2023: £219.7m). These costs are continuing to be impacted by inflationary pressures, specifically relating to utilities, rents, rates and insurance. Beyond the ongoing effect of inflation, the opening of UCL East have increased the overall cost of operating our estate.

Non-operating gains

Universities Superannuation Scheme (USS) Pension Provision

Our reported results have been materially influenced by a £454.0m gain (2023: £101.8m gain) due to the USS pension provision. This is a non-cash movement because of actuarial movements.

We participate in several pension schemes, the most significant of which is USS. An actuarial valuation is undertaken every three years. Under the scheme's 2020 valuation, the scheme had a deficit of £14.1bn and a funding ratio of 83%. As a result, a recovery plan had been agreed with employers as a proportion of future employer contributions to fund the deficit. As a participating employer and in line with UK Accounting Standards, the recovery plan was recognised as a provision on the balance sheet.

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On 20 December 2023, the latest actuarial valuation results were released (referred to as the 2023 valuation). This showed the whole scheme was now in a surplus position of £7.4bn, with a funding ratio of 111%. As a result of this funding surplus, the deficit recovery plan ended and UCL was no longer required to make deficit recovery contributions from 1 January 2024.

For accounting purposes, this has led to the release of the provision, with a net gain recognised of £454.0m. Given the non-cash element of this gain, this has been excluded from the operating margin KFI. Further detailed are disclosed in Notes 23 and 33.

Gains on investments

Gains on investments totalled £44.0m (2023: loss of £2.8m). A significant portion, £21.0m, was generated from the sale of equity interest in Endomagnetics Limited, a spin-out company specialising in innovative breast cancer surgery technologies, through UCL's wholly owned subsidiary, UCL Business Limited. Endomagnetics Limited was acquired by Hologic, Inc. for approximately £241m (US$310m), demonstrating the success of UCL's commercialisation efforts and the impact of its research in advancing healthcare solutions while generating value for the University. An additional £23.0m in revaluation gains arose from favourable valuations across our fixed interest securities, equities, and cash investment portfolio. See Note 17 for further details. UCL's Policy for Socially Responsible Investing is reviewed approximately every two years. The University will refresh the Policy during the 2024-25 academic year accordingly.

Financial position

	2024 £m	2023 £m
Long-term assets		
Property, Plant & Equipment and intangible assets	2,792.0	2,739.0
Endowment investments	298.5	277.0
Associates and joint ventures	34.2	22.6
Other long-term assets	11.1	11.4
	3,135.8	**3,050.0**
Current Assets		
Cash and short-term investments (short-term gilts)	545.0	597.8
Other current assets	375.3	354.0
	920.3	**951.8**
Total assets	**4,056.1**	4,001.8
Current liabilities	(802.9)	(881.6)
Net current assets	**117.4**	70.2
Loans and bonds	(579.0)	(580.3)
Other long-term liabilities	(454.6)	(917.7)
Net assets	**2,219.6**	1,622.2

Net assets increased in the year by £597.3m (36.8%) from £1,622.2m to £2,219.6m, driven largely by the removal of the USS pension provision (£454.0m) the operating surplus (£103.6m), gains on disposal of investments (£21.0m) and revaluation of endowment investments (£23.0m). We continued to invest in both major new developments as well as existing estate with capital cash expenditure of £157.7m, in addition to the £265.8m invested in 2023. Net current assets increased to £117.4m (2023: £70.2m).

The major part of the investment in 2024 was the continued development of the Institute of Neurology Dementia Research Institute (IoN-DRI) at Grays Inn Road. The IoN-DRI is a new state-of-the-art facility that will equip the next generation of scientists to tackle the devastating global health challenge of neurological diseases such as dementia, and dramatically improve patient treatments. Cost increases relating to this development are expected to occur in 2024/25 following the main contractor, ISG, entering administration in September 2024. This is considered a non-adjusting post balance sheet event with respect to impairment considerations. It is not yet possible to reliably estimate the impact of any future impairment. Further details are disclosed in Note 35. Other investments included the next phase of the Institute of Education development masterplan and continued delivery of the UCL-Moorfields Eye Hospital (known as Project Oriel), situated in Camden, which will become a centre for eye care research and education that harnesses the expertise of its partners and speeds up delivery of the highest quality treatments and therapies for patients in the UK and globally.

We also invested a further £23.4m in our digital infrastructure, adding to the £21.9m invested in 2023. This investment will improve the experience of students, academics, researchers and staff.

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Cash and current investments stood at £545.0m (2023: £597.8m) which contributed towards the 108 liquidity days, well above the KFI of 80 days.

Total drawings against debt facilities amounted to £580.7m (2023: £585.2m), comprising:

- £280.0m (2023: £280.0m) under a long-term credit facility with the European Investment Bank, expiring in 2048 with repayments commencing in June 2026.
- £291.6m (2023: £291.3m) sustainability bond, representing the £300m face value less the issue discount. The bond was issued with a 1.625% coupon rate and is repayable in 2061.
- £7.4m (2023: £9.1m) of other long-term loans.
- £1.7m (2023: £4.8m) in bank loans due within one year.

As to mid-term liquidity support, UCL holds a revolving credit facility (RCF) with NatWest, which provides rolling access to a maximum of £150m up to January 2027. Nothing had been drawn against the RCF leaving £150m of headroom.

Financial outlook

The financial outlook for UK universities remains challenging.

Despite the challenging environment, UCL's financial performance remains stable. 2024 marked the first year of our new financial strategy (see page 11) and has demonstrated our ability to manage our cost base and respond quickly to volatility in the postgraduate student recruitment market that was seen across the sector.

Looking to the future, although 2024 saw a slight reduction in overall student numbers (49,248 compared to 51,058) demand for places at UCL from UK and international students remains strong. For the 2024/25 academic year, UCL received c.167,000 applications for c.24,000 taught places. This was a slight (<1%) increase year on year, which translated into a 9% increase in intake in 2024/25. Total applications for undergraduate entry in 2025/26 received by the first UCAS deadline of 15 October 2024 stood at 29,275 against an equivalent 27,413 in the prior year. This is an increase of 6.8%, represented by a 13% increase for overseas students and a 2.5% decrease for UK students. Nevertheless, we plan to increase and diversify student numbers carefully, in line with our ability to grow our estate and teaching resource, to maintain a high-quality student experience. We will continue to manage our costs to ensure resources are directed towards achieving academic excellence in both teaching and research.

Across its research base, UCL has a fully diversified portfolio of income sources which largely accrues from governments, commercial, charitable and international organisations – reflecting the quality and excellence of our research. Ultimately however, there continues to be a shortfall in the funding received to deliver research activities due to government policy choices that limit the proportion of indirect costs that can be recovered. The cost of this shortfall must therefore be met from other income sources, and that cost increases as UCL is more successful at winning research grants. Going forward, we must continue diversifying and growing our other sources of income, commercialising our world-leading research, and maximising revenue generating opportunities from our estate.

Inflationary pressures are being closely monitored, particularly regarding impacts on the construction industry that directly affect UCL’s capital programme, where we’ve increased our focus on capital programme delivery. In addition, as discussed earlier in this report, we are managing cost pressures following the main contractor for the Institute of Neurology and Dementia Research Institute (IoN/DRI) construction project entering administration in September 2024. Further details are disclosed in Note 35.

In 2026, we celebrate 200 years of cultivating diversity, and many successes achieved through bringing different perspectives and disciplines together. An exciting philanthropy campaign in 2026 will position UCL to direct this wealth of expertise to addressing the challenges of tomorrow.

Managing risk

UCL maintains a risk management framework which provides a consistent method for identifying, reviewing and reporting risks across the University. As part of the top-down and bottom-up risk reporting process, those institutional risks that pose the greatest threat to UCL achieving its strategic objectives are documented in the ‘strategic risk register’, which is reviewed by the University Management Committee, Audit Committee and Council biannually. Every risk on the strategic risk register is owned by a senior leader to facilitate accountability and focus on the management of risk. Impact and likelihood assessments are carried out both at the inherent and residual level. Controls and further mitigation actions are identified for each risk, which will help reduce the risk level.

At the end of the 2024 financial year, our highest top three strategic risks are summarised below:

1. ***Financial Sustainability:*** For most universities, including UCL, course fees from students represents the largest proportion of income. Further growth and diversification in UK and international student numbers is planned across the sector. However, the Office for Students suggests that these plans are likely to be unrealistic for many institutions. In response, UCL has developed a multi-year financial strategy which aims to help UCL maintain its financial sustainability and resilience against financial shocks. This includes continued management and control of our cost base, alongside controlled and deliverable growth and diversification in student numbers and fee

income. Student recruitment is overseen by the newly formed Recruitment and Admissions Committee, which has been established to oversee and manage student recruitment risk.

2. ***Cyber Security:*** We recognise that universities remain a prime target for cyber-crime, with student data, personal information, and extremely valuable research data at risk of theft or unauthorised access and use. UK threat level for Higher Education sector increased in 2023/2024 with financial and reputational risks associated with data breach could be significant. Our focus has been on reducing the likelihood of a significant incident happening and if the risk were to materialise, then to minimise the impact on UCL operations. Our information security team has developed IT strategy and resilience plans and is rolling out control measures such as the extension of vulnerability prevention efforts, the implementation of anti-phishing controls, and the enforcement of multi-factor authentication for all logins to minimise risk of unauthorized access to our IT systems. Further work is in progress to raise security awareness amongst our employees and students and enhancements in endpoint detection will be rolled out to all departments and faculties.

3. ***Student recruitment and diversification*****:** A substantial proportion of UCL income is from student fees and our ability to manage the risks associated with these markets' student recruitment is critical in ensuring financial sustainability. UCL has global reach, but as the numbers of international students has grown, the risk of overreliance on certain international student markets has remained. Mitigating actions include the formation of the Recruitment and Admissions Committee, which has been established to oversee student recruitment risk, and to improve governance and decision making across all Faculties. Maintaining the focus on recruitment from a broad range of countries is also a priority, alongside reviewing our entry criteria, our admissions approach and offering targeted scholarships and bursaries. These efforts aim to create a more diverse and robust student cohort.

In parallel, UCL continues to identify, monitor and manage operational risk through a continuous cycle of local risk register review by organisational units within UCL and through internal audit. The focus of the audit work is reviewed annually in collaboration with UCL's internal audit partner, and results are reported periodically to Audit Committee.

Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require us to publish information on Trade Union facility time relating to a specific 12-month period. UCL's most recent data for the reporting period to 1 April 2023 to 31 March 2024 is as follows:

Relevant union officials	
Number of employees who were relevant union officials during the relevant period	66
Full-time equivalent employee number	62.9
Percentage of time spent on facility time	
Percentage of time	Number of employees
0%	24
1-50%	42
51-99%	0
100%	0
Percentage of pay bill spent on facility time	
The percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100%	0.02%
Paid Trade Union Activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period / total paid facility time hours) x 100%	11.65%

Modern Day Slavery

UCL is committed to combatting Modern Day Slavery and human trafficking risks within its operations and supply chain and publishes an annual modern day slavery statement in line with this commitment. Please see a list of Modern Day Slavery Statements on our web pages https://www.ucl.ac.uk/commercial-procurement/modern-day-slavery-statement.

STRATEGIC REPORT

Delivering public benefit

UCL has exempt charity status and, in accordance with part 3 of the Charities Act 2011, the Office for Students (OfS) is charged, as its principal regulator, with monitoring compliance with charity law obligations.

In exercising their powers and duties, UCL's trustees have taken due consideration of the guidance relating to public benefit published by the Charity Commission. UCL's objects, as outlined in its Royal Charter, are "to provide education and courses of study in the fields of Arts, Laws, Pure Sciences, Medicine and Medical Sciences, Social Sciences and Applied Sciences and in such other fields of learning as may from time to time be decided upon by the college and to encourage research in the said branches of knowledge and learning and to organise, encourage and stimulate postgraduate study in such branches."

In addition to its objectives, UCL's global vision is informed by four clear principles of intent that form the basis of all it does:

- To enhance UCL's educational and research environment by promoting the global context in which UCL operates;
- To contribute throughout the range of UCL activity (research, teaching, learning, business links, and community engagement) to the resolution of problems of global significance;
- To contribute to UCL's financial stability by maximising income generation from all aspects of global activity where the potential to do so exists;
- To engage with public bodies, including UK Government, in matters of support for British higher education in a global market.

UCL's contribution to these objectives is described in the Strategic Report on pages 3 to 17.

This Strategic Report was approved by Council on 9 December 2024.

Signed by:
Dr Michael Spence
0C6B9E6CD501416...
Dr. Michael Spence
President and Provost

DocuSigned by:
Victor Chu
12267F998FC1456...
Victor Chu
Chair of Council

CORPORATE GOVERNANCE

UCL is an independent corporation whose legal status derives from a Royal Charter. Its objects, powers and framework of governance are set out in the Charter and its supporting Statutes.

UCL is an exempt charity under Schedule 3 of the Charities Act 2011 and is regulated by the Office for Students (OfS). UCL appears on the OfS' Register of officially recognised Higher Education providers.

UCL undertakes fundraising to assist with its charitable activities, claiming Gift Aid under its exempt charity status, and is registered with the Fundraising Regulator.

UCL is committed to exhibiting best practice in all aspects of corporate governance and endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. UCL has a Public Interest Disclosure ("Whistleblowing") Policy to enable staff, students, and other members of the University to raise concerns in the public interest.

Corporate Governance Structures

The Council is the governing body of UCL. In accordance with the Statutes of UCL, the Council comprises: external members; the President and Provost ('Provost' hereafter) who is the designated Accountable Officer with the OfS for the purposes of the Higher Education and Research Act 2017; elected academic staff members, and student members. All new members of Council receive an induction to the University and their responsibilities as a member of the governing body. The Statutes provide for the distinct roles of Chair and Vice-Chair of the Council, the Treasurer, and of UCL's Chief Academic and Administrative Officer, the Provost. The Council met eight times during the year (including an away day).

The powers and duties of the Council are set out in the Statutes. The Council has adopted a Statement of Primary Responsibilities, a delegation framework, Regulations for Management and Financial Regulations. The Council holds to itself the responsibilities for the ongoing strategic direction of UCL, approval of major developments and the receipt of regular reports from UCL officers on the day-to-day operation of its business and its subsidiary companies. The Council also acts as the board of trustees in the context of UCL's status as an exempt charity and in line with the responsibilities thereby incurred. Council Members provide a Register of Interests (updated at least annually) and a declaration that they are fit and proper persons, as defined by the OfS. Declaration of Interests is a standing item at the beginning of each Council and Committee meeting to remind members of the need to disclose any interests relating to items on the agenda.

The Council has several committees, including the Finance Committee, Audit Committee, Remuneration Committee, People Committee and Nominations Committee. All of these committees are formally constituted with Terms of Reference.

The Finance Committee comprises external members, the Provost and academic staff members, and is chaired by the Treasurer. The Committee met nine times during the year. Among other things, it: recommends to the Council UCL's annual revenue and capital budgets; recommends the acquisitions or disposals of land or buildings; monitors performance in relation to the approved budgets; and reviews UCL's annual financial statements with regard to UCL's financial performance and strategy. The Committee also receives and considers reports from the Office for Students (OfS) and UK Research and Innovation (UKRI) as they affect UCL's business and monitors adherence with the regulatory requirements.

The Estates Committee, a sub-committee of Finance Committee, met six times during the year. Minutes of Estates Committee meetings are reported to Finance Committee.

The Investments Committee, which also reports to Finance Committee, includes the Treasurer, as well as four other external members with investment expertise, appointed by Council It governs, manages and regulates the investments of UCL.

The Audit Committee, which meets at least four times each financial year, is chaired by an external member of Council and comprises a majority of external members. The Committee approves the internal audit programme, drawn up based on assessment of the relative risks in relation to institutional strategy, the significance of each operating area and their materiality in the context of overall UCL activity. The Committee also considers reports from the Internal Auditors arising from their audits, which highlight significant issues and management's response thereon, and reviews the conclusions of this work. The Committee is also responsible for meeting with the External Auditor to consider the nature and scope of the annual audit, and thereafter to discuss audit findings and the internal control report arising out of the audit of the annual financial statements. The Audit Committee reviews the annual financial statements, paying particular attention to financial disclosures, accounting adjustments and control issues. Whilst

CORPORATE GOVERNANCE

UCL officers attend the meetings of the Audit Committee as necessary, they are not members of the Committee, and the Committee meets from time to time with the Internal and External Auditors on their own for independent discussions.

The Remuneration Committee is chaired by an external member of Council and comprises four other external members of Council, including the Chair. The Committee determines the annual remuneration of senior officers of UCL, including non-clinical staff earning a salary of £180,000 or more, and where necessary decides on any severance payments.

The Provost is not a member of the Remuneration Committee and has always been excluded from discussions relating to his own remuneration package. The Remuneration Committee also receives a report of the annual review of all non-clinical professorial salaries and administrative equivalents earning £100,000 or more.

Salary levels are set to attract and retain members of staff for the successful operation of UCL, both academically and administratively, whilst being mindful of financial constraints and internal relativities. Modest awards are also made from time to time for exceptional individual performance. No remuneration is paid to external members of the Council or any of its committees.

The People Committee provides oversight, assurance and advice to Council on the University's HR strategies and compliance obligations. Membership of the People Committee is determined by Council.

The Nominations Committee considers the filling of vacancies in the external membership of Council and the membership of other standing committees of Council. It maintains an overview of committee membership more generally. In exercising these functions, the Committee has regard to the diversity and skills of Council members, which are assessed on an ongoing basis. Membership of Nominations Committee is determined by Council.

In addition, other key governance highlights for the year included the undertaking of a Council Effectiveness Review, in accordance with the good practice in the sector. Council appointed Advance HE to carry out the review and established the Council Effectiveness Review Oversight Group (CEROG), comprising members of Council including the Vice-Chair of Council (as chair of CEROG) to oversee the review process. Drafting of an initial report and recommendations concluded in July 2024. These were considered by CEROG and by Council in the Autumn term 2024.

The Academic Board is a large body of over 2,000 members that provides advice to Council on a range of matters that have a bearing on UCL's academic activity. The Academic Committee, which makes reports to both the Academic Board and Council, is responsible for, among other things, monitoring the effectiveness of UCL's academic strategies, policies and procedures in respect of the management of research, teaching and learning, the definition and maintenance of academic standards and the enhancement of the quality of the student experience.

Statement of Internal Control

The Council is responsible for the system of internal control operating within UCL and its subsidiary undertakings ("the Group") and for reviewing its effectiveness. Such a system can only provide reasonable, and not absolute, assurance against material misstatement or loss, and cannot eliminate business risk. The Council identifies areas for improvement in the system of internal control, based on reports and views from the Audit Committee, Academic Board and other committees.

During 2024 the Audit Committee established and received regular updates from a Financial Controls Steering Group charged with overseeing a programme of works designed to drive improvements in UCL's financial controls.

At its last meeting of each calendar year, the Council carries out an assessment for the year ended 31 July by considering a report from the Audit Committee, taking account of events since 31 July. The Council is of the view that there is an ongoing process for identifying, evaluating and managing the Group's key risks and internal controls, that it has been in place for the whole of the year ended 31 July 2024 and that, up to the date of approval of the annual report and financial statements, the process has been subject to regular review. The Council approaches this responsibility from the perspective of discharging its duties, as specified in the "Regulatory Framework for Higher Education in England" published by the OfS.

UCL also looks to other sources of good governance principles, for example, paragraph 29 of the UK Corporate Governance Code ("The board should monitor the company's risk management and internal control systems and, at least annually, carry out a review of their effectiveness and report on that review in the annual report"). The Audit Committee conducts a high-level review of the arrangements for internal control and data quality, with regular consideration of risk and control, as well as of the adequacy and effectiveness of procedures surrounding the

CORPORATE GOVERNANCE

management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), the OfS, the UKRI, the Student Loans Company, and other bodies. In reaching this opinion the Committee relies on reports from the Internal Auditor. When deemed necessary, follow-up reports are requested either from UCL officers or from the Internal Auditors, as appropriate. The Committee keeps a rigorous track of the implementation of internal audit recommendations. At each meeting the Committee considers a report on the progress of the implementation of every recommendation, in which any overdue recommendations are highlighted.

During 2024, overall responsibility for ensuring that significant risks to UCL's corporate objectives were regularly reviewed, assessed, monitored and appropriately reported upon within UCL was assigned to the Risk Management Working Group, chaired by the General Counsel. The Working Group was responsible for developing the UCL Risk Policy and for ensuring that key strategic risks to the achievement of UCL's corporate objectives were regularly reviewed, assessed and reported to Council and the Audit Committee. The Working Group also reported to the University Management Committee ('UMC') biannually on the progress of current controls and future risk reduction actions.

RESPONSIBILITIES OF THE COUNCIL OF UNIVERSITY COLLEGE LONDON

In accordance with UCL's Charter and Statutes, the Council is responsible for the administration and management of the affairs of UCL, including ensuring an effective system of internal control, and is required to present audited financial statements for each financial year.

The Council is responsible for the keeping of proper accounting records which disclose with reasonable accuracy at any time the financial position of UCL and for ensuring that the financial statements are prepared in accordance with UCL's Charter and Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of the “Regulatory framework for higher education in England” published by the OfS, the Council, through the Provost, its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of UCL and of the surplus or deficit and cash flows for that year. In causing the financial statements to be prepared, the Council has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgments and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis. The Council is satisfied that it has adequate resources to continue in operation for the foreseeable future and for this reason the going concern basis continues to be adopted in the preparation of the financial statements.

The Council has taken reasonable steps to:

- ensure that funds from the OfS and UKRI are used only for the purposes for which they have been given and in accordance with the Regulatory framework for higher education in England published by the OfS;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of UCL and prevent and detect fraud;
- secure the economical, efficient and effective management of UCL's resources and expenditure.

UCL’s system of internal control, designed to discharge the responsibilities above, includes the following:

- clear definitions of the responsibilities of, and authority delegated, to executive management;
- comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Council;
- a professional Internal Audit Service whose annual programme of work is approved by Audit Committee and endorsed by the Council. The Internal Audit Service provides an annual report to the Audit Committee, summarising the results of internal audit activity undertaken during the year to assist the Audit Committee to include in its annual report to Council it’s opinion on the adequacy and effectiveness of UCL’s risk management, control and governance systems in place during the years;
- regular reviews of financial performance and key business risks, and financial forecasts including variance reporting and updating;
- a comprehensive planning process for the short to medium term supported by detailed income, expenditure, capital and cash flow budgets and forecasts, including review and refresh of strategic objectives, the key risks affecting their achievement and key performance indicators of progress;
- embedded risk management policies and procedures incorporating identification, monitoring and review of the internal controls mitigating key risks, covering all categories of risk at all levels of the organisation;
- clearly defined procedures for the approval and control of expenditure, with investment decisions involving capital or recurrent expenditure being subject to formal detailed review according to levels set by the Council.

Under Condition E3 of the OfS’s regulatory framework, Council must ensure the University’s 'compliance with all of its conditions of registration and with the OfS Accounts Direction'. Council confirms that its accounts have been prepared in accordance with the OfS Accounts Direction and give a true and fair view of the state of affairs of the University and Group and of the surplus or deficit and cash flows for 2024.

Any system of internal control can only provide reasonable, and not absolute, assurance against material misstatement or loss. Reflecting on the challenges associated with a period of sustained and rapid growth however, and following a self-assessment of the University’s financial control systems carried out in collaboration with professional advisors, Council believes it is essential that adequate attention is applied to the University’s system of internal controls now and in the future to ensure that it is effective and commensurate with the scale and complexity of the organisation, with a project to refresh controls to ensure that they remain adequate underway.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Opinion

In our opinion, University College London's group financial statements and parent institution financial statements (the "financial statements"):

- Give a true and fair view of the state of the group's and of the parent institution's affairs as at 31 July 2024 and of the group's and of the parent institution's income and expenditure, gains and losses and changes in reserves and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction (OfS 2019.41).

We have audited the financial statements of University College London (the 'parent institution') and its subsidiaries (the 'group') for the year ended 31 July 2024 which comprise:

Group	**Parent institution**
Consolidated Statement of Financial Position as at 31 July 2024	Institution Statement of Financial Position as at 31 July 2024
Consolidated Statement of Comprehensive Income for the year then ended	Institution Statement of Comprehensive Income for the year then ended
Consolidated Statement of Changes in Reserves for the year then ended	Institution Statement of Changes in Reserves for the year then ended
Consolidated Statement of Cash Flows for the year then ended	
Statement of Accounting Policies	Statement of Accounting Policies
Related notes 1 to 36 to the financial statements	Related notes 1 to 36 to the financial statements

The financial reporting framework that has been applied in the preparation of the group and parent institution financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice**).**

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent institution 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 as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Council's assessment of the group and parent institution's ability to continue to adopt the going concern basis of accounting included:

- Reading the Annual Report and Financial Statement disclosures in relation to the financial statements being prepared on a going concern basis to ensure that they were consistent with our knowledge of the group and parent institution's financial position;
- Obtaining an understanding of the business planning process and challenging the underlying assumptions, for the going concern period through to 31 July 2026, for evidence of bias and for consistency with our knowledge of the organisation. We also assessed the information used in the going concern assessment for consistency with management reporting and information obtained through auditing other areas of the business;
- Comparing actual performance for the years to 31 July 2023 and 31 July 2024 to budgets for those periods to assess the historical accuracy of management forecasts;
- Challenging management's assumptions compared to historic financial performance and assessing the level of available reserves against plans to apply those reserves to meet any future requirements;
- Challenging the financial forecast position of the group and parent institution as set out in the base case and plausible downside scenarios prepared by management to assess that it has sufficient liquidity to meet its anticipated liabilities and ensure compliance with its loan covenants through to 31 July 2026;
- Challenging management's reverse stress testing to understand the potential circumstances required and likelihood of those circumstances occurring that could result in insufficient liquidity to maintain the group and parent institution's financial position within the going concern period;

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

- Testing management’s assumptions and performing our own plausible downside scenario and reverse stress testing;
- Evaluating management’s assessment of the circumstances under which, and the likelihood of those circumstances occurring, the covenants applicable to the group and parent institutions’ external borrowings could be breached;
- Assessing the levels of current borrowing and confirmed that under management’s base case and downside scenario the group and parent institution is forecasting sufficient liquidity to enable repayment of all borrowings with covenants, should this be required, through the going concern period; and
- Assessing management’s going concern disclosures in the Financial Statements to ensure they are appropriate based on our knowledge and in conformity with FRS 102 “The financial reporting standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice).

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent institution’s ability to continue as a going concern for the period to 31 July 2026.

Our responsibilities and the responsibilities of the Council 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.

Overview of our audit approach

Audit scope	• We performed an audit of the complete financial information of 1 component and audit procedures on specific balances for a further 2 components. • The components where we performed full or specific audit procedures accounted for 98.8% of surplus before tax, 99.3% of revenue and 99.8% of total assets.
Key audit matters	• Risk of fraud in revenue recognition • Accounting for property, plant and equipment
Materiality	• Overall group materiality of £20.7m which represents 1% of total income.

An overview of the scope of the parent and group audits

Tailoring the scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each entity within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account size, risk profile, the organisation of the group and effectiveness of group wide controls, changes in the business environment and other factors such as recent internal audit results when assessing the level of work to be performed at each entity.

In assessing the risk of material misstatement to the group financial statements, and to ensure we had adequate quantitative coverage of significant accounts in the financial statements, of the 10 reporting components of the group, we selected 3 components covering entities within the UK, which represent the principal business units within the Group.

Of the 3 components selected, we performed an audit of the complete financial information of 1 component (“full scope component”) which was selected based on its size or risk characteristics. For the remaining 2 components (“specific scope components”), we performed audit procedures on specific accounts within that component that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile.

The reporting components where we performed audit procedures accounted for 98.8% (2023: 97.9%) of the group’s surplus before tax, 99.3% (2023: 99.4%) of the group’s revenue and 99.8% (2023: 99.8%) of the group’s total assets. For the current year, the full scope component contributed 89.2% (2023: 85.7%) of the group’s surplus before tax, 95.4% (2023: 96.3%) of the group’s revenue and 97.4% (2023: 98.0%) of the group’s total assets. The specific scope components contributed 9.6% (2023: 12.2%) of the group’s surplus before tax, 3.9% (2023: 3.1%) of the group’s revenue and 2.4% (2023: 1.8%) of the group’s total assets. The audit scope of these components may not have included testing of all significant accounts of the component but will have contributed to the coverage of significant accounts tested for the Group.

Of the remaining 7 components that together represent 0.7% of the group’s total income, none are individually greater than 0.5% of the group’s total income. For these components, we performed other procedures including analytical review and testing of consolidation journals and intercompany eliminations to respond to any potential risks of material misstatement to the group financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Changes from the prior year

There were no changes to the components where we performed full or specific audit procedures from the prior year.

Involvement with component teams

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team. All audit work performed for the purposes of the audit was undertaken by the group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact University College London. The Institution has determined that the most significant future impact from climate change on its operations will be development of a climate change adaptation plan. This is explained in the Strategic Report on pages 10 and 11 and forms part of the "other information" rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on "other information".

Our audit effort in considering climate change was focused on the adequacy and completeness of the group's disclosures in the financial statements and conclusion that no issues were identified that would impact the carrying values of assets with indefinite and long lives or have any other impact on the financial statements for University College London. We have also assessed the completeness of the Council's considerations of climate change in their assessment of going concern and associated disclosures.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Risk of fraud in revenue recognition (£2,075m total income, 2023: £1,968m) *Refer to the Statement of Accounting Policies (pages 35 and 36), and notes 1-7 of the consolidated financial statements (pages 41 and 42)* Revenue is recognised in accordance with FRS 102 and sections 16, 17 and 18 of the Statement of Recommended Practice: Accounting for Further and Higher Education. Under ISA 240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. There is inherently more judgement applied in determining the amount and timing of income to be recognised in respect of capital grant income, tuition fees, research and education contracts and other income streams. Judgemental areas increase the opportunity for inappropriate recognition policies or bias in revenue recognition accounting estimates. We have assessed the risk arises in the following areas: *Research grants and contracts (£539m, 2023: £527m)* Recognition requires judgement at year end in determining accrued and deferred income which could result in recognising income in the year incorrectly either by recognising the incorrect value or recording income that should be deferred until any performance related conditions are met. *Tuition fee income (£971m, 2023: £929m)* The timing of certain courses which span the year end creates judgement in determining which period the income should be recognised in. *Other income (inc. investment income and donations and endowments) (£337m, 2023: £276m).* The varied nature and size of the income streams creates an opportunity to apply judgement in the period the income is recognised in. *Funding body grants, other than from the Office for Students (£198m, 2023: £207m)* Recognition may require judgement in determining when related conditions have been satisfied and, therefore, which period the income should be recognised in.	Our audit procedures included: *Procedures across all revenue streams associated with the risk:* • Understanding the revenue processes for each material revenue stream. • Identification and walkthrough of key controls over revenue to understand processes for each material revenue stream. • Performing an overall analytical review on revenue compared to prior year to identify, understand and corroborate any unusual fluctuations. • Agreeing a sample of trade and other receivables back to source documents, such as invoices, contracts, grant agreements and cash. • Agreeing a sample of deferred and accrued income back to source documents, such as invoices, contracts, grant agreements and cash. • Performing cut off testing for a sample of transactions recorded either side of the year end, with a particular focus on those recorded after the year end, to confirm that they have been recorded in the correct financial year. *Procedures specifically in relation to research grants and contracts* • Testing a sample of research income, deferred income and accrued income, challenging the judgement applied in recognising income to ensure in accordance with the relevant accounting policy. This included agreeing to source documents such as award letters and contracts with funders, and reconciling project spend to our analytics data. • Testing a sample of movements in deferred and accrued income for research income. This included agreeing to source documentation such as invoices and cash receipts. *Procedures specifically in relation to tuition fees* • For full-time courses we performed substantive analytical review procedures, developing an expectation of fee income and comparing this to the income recognised in the Consolidated and Institution Statement of Comprehensive Income. Our expectation was calculated by forming an expectation of the movement in overall income based on changes in student	Based upon the audit procedures performed, we conclude that revenue is not materially misstated as a result of fraud and has been appropriately recorded in the period in accordance with the requirements of FRS 102 and sections 16, 17 and 18 of the Statement of Recommended Practice: Accounting for Further and Higher Education.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Since there is no material judgement associated with the recognition of the University's funding body grants from the Office for Students (£30m, 2023: £29m), we have determined that the risk of revenue recognition does not materialise within this area. This risk is the same as in the prior year.	numbers and course fees. • Testing the accuracy of student numbers by sample testing data such as course type, fee and student registration back to student offer letters, cash payments and the published fees for the academic year. • Testing a sample of part time student fees and short course fees, agreeing the amounts back to invoices and cash. *Procedures specifically in relation to other income* • Testing a sample of other income back to source documents, such as invoices, contracts, grant agreements and cash. • Testing a sample of donation and endowment income back to source documents, such as invoices, contracts, grant agreements and cash. • Agreeing a sample of investment income back to external confirmations by the investment manager. *Procedures specifically in relation to funding body grants, other than from the Office for Students* • Testing a sample of grant income back to bank statements to confirm receipt, to grant agreements to confirm whether there were any associated performance conditions and evaluating whether those conditions had been met, and to bank statements to confirm receipt of funds. We performed full scope audit procedures over this risk, which covered 95.4% of the risk amount. We also performed specified procedures over revenue in two additional components, which covered 3.9% of the risk amount.	
Accounting for property, plant and equipment *Refer to the Statement of Accounting Policies (pages 37 and 38), and note 15 of the consolidated financial statements (page 48)* University College London has a significant capital estate which is an important element of supporting the University's learning, teaching and working environment. The combined value of freehold and leasehold land and buildings and assets under construction as at 31 July 2024 was £2,614m (2023: £2,575m). A further £93m (2023: £97m) was held as equipment, plant and machinery, primarily in relation to equipment used in research projects.	Our audit procedures included: *Procedures applicable to the capital programme as a whole* • Meeting the University's Estates team to understand the approach to asset management, estate valuation and ongoing maintenance and development. • Gaining an understanding of the level of activity during the year through review of key committee papers and capital financial forecasts. *Procedures specifically in relation to capitalisation of expenditure* • Testing a sample of capital additions back to source documents, such as invoices, contracts and supplier account statements to verify that additions to	Our audit procedures identified £26.5m of intangible assets which were incorrectly classified as property, plant and equipment, for which the financial statements have been amended to correct. Based upon the audit procedures performed, and after inclusion of the above adjustment, we conclude that property, plant and equipment is materially correctly stated for in accordance with the requirements of FRS 102 and the Statement of Recommended Practice: Accounting for Further and Higher Education.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Risk	Our response to the risk	Key observations communicated to the Audit Committee
The University is continuing to invest in its capital programme to ensure that its estate meets the demands of its current and future student population, including the newer UCL East campus. The size of the capital programme creates a number of financial statement risks, including: *Inappropriate capitalisation of expenditure (£158m, 2023: £251m)* Recognition may require judgement in determining whether expenditure is capital or revenue in nature, and hence whether it should be recognised as an asset or charged to the Consolidated Statement of Comprehensive Income. Judgement may also be applied in determining the period in which capital expenditure is recorded. *Timing of transfers out of assets under construction and commencement of depreciation (£64m, 2023: £516m)* There is potential for error in the identification and/or recording of when assets under construction are available for use, which impacts upon the point from which depreciation is applied. *Existence of equipment assets (£93m (2023: £97m))* There is potential for error in the identification and/or recording of when equipment assets are disposed of and should be derecognised from the financial statements. The risk has partially changed in scope from the prior year as disposals of property, plant and equipment are immaterial in the current year and our focus is on the existence of equipment assets (completeness of disposals). Impairment of property, plant and equipment has also been removed from the risk as no significant impairment indicators have been identified.	Property, Plant and Equipment are capital in nature and recorded in the correct financial year. *Procedures specifically in relation to timing of transfers out of assets under construction* • Testing a sample of in-year transfers to confirm they were appropriately completed during the current period. • Testing a sample of assets held as assets under construction at the reporting date to evidence that assets were not yet available for use. *Procedures specifically in relation to the existence of equipment assets* • Assessing the completeness of management's exercise to verify the ongoing use of equipment, plant and machinery. • Testing a sample of assets held at 31 July to evidence that they were still in use at the reporting date.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the group to be £20.7 million (2023: £19.6 million), which is 1% (2023: 1%) of total income. We believe that total income provides us with the most appropriate basis for understanding the group's activity and is the primary driver of overall financial performance.

We determined materiality for the Parent Institution to be £20.0 million (2023: £19.3 million), which is 1% (2023: 1%) of total income.

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

During the course of our audit, we reassessed initial materiality which was based upon total income in the prior year to reflect total income for the current year once this was known. Our assessment of materiality as approximately 1% of total income did not change.

We apply a lower materiality of £nil to the disclosure of the remuneration of the President and Provost, as there is an expectation that such amounts will be precisely stated. We do not apply a specific materiality for related party disclosures, but consider any misstatement in the context of both our materiality for the group and parent institution and in the context of what may be material to the related party.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the group’s overall control environment, our judgement was that performance materiality was 50% (2023: 50%) of our planning materiality, namely £10.3m (2023: £9.8m). We have set performance materiality at this percentage due to higher levels of misstatement and internal control weaknesses being identified during the course of the prior year’s audit and our assessment that there was a higher risk of undetected misstatements existing in the current period.

Audit work at component locations for the purpose of obtaining audit coverage over significant financial statement accounts is undertaken based on a percentage of total performance materiality. The performance materiality set for each component is based on the relative scale and risk of the component to the group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £1.0m to £10.0m (2023: £2.1m to £9.3m).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £1.0m (2023: £1.0m), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor’s report thereon. The Council is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of 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 Office for Students

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

- the requirements of the Office for Students’ Accounts Direction for the relevant year’s financial statements have been met;
- funds from whatever source administered by University College London have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students and UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the applicable terms and conditions attached to them.

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 Office for Students require us to report to you whether:

- the institution’s grant and fee income, as disclosed in note 7 to the financial statements, has been materially misstated; and
- the University’s expenditure on access and participation activities for the financial year, as disclosed in note 12 has been materially misstated.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Responsibilities of the Council

As explained more fully in the Council's responsibilities statement set out on page 21, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council 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 Council is responsible for assessing the group and parent 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 the Council either intend to liquidate the group or the parent institution or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the University and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and determined that the most significant are FRS 102 and the Statement of Recommended Practice for Further and Higher Education, the Office for Students' Terms and Conditions of Funding for Higher Education Institutions, the Higher Education and Research Act 2017, the Charities Act 2011 and the Data Protection Act 2018.
- We understood how University College London is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur by meeting with management, those charged with governance and internal audit 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. We also considered the oversight of those charged with governance (i.e., considering the potential for override of controls or other inappropriate influence over the financial reporting process, such as efforts by management to manage financial performance in order to influence the perceptions of stakeholders as to the entity's performance).
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating large or unusual transactions based on our understanding of the business and review of Council minutes to identify any non-compliance with laws and regulations.
- We obtain an understanding of any non-compliance with laws and regulations within components of the group by making enquiries of component auditors, including where there is overlap between the group and component audit teams.
- The University is registered with the Office for Students as an approved higher education provider. We perform enquiries of management and those responsible for legal and compliance procedures and review of Council minutes to identify any non-compliance with the Office for Students' Conditions of Registration.

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

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by the University in July 2015 to audit the financial statements for the year ending 31 July 2016 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments is 9 years, covering the years ending 31 July 2016 to 31 July 2024.

  The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent institution and we remain independent of the group and the parent institution in conducting the audit.

- The audit opinion is consistent with the additional report to the audit committee.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNCIL OF UNIVERSITY COLLEGE LONDON

Use of our report

This report is made solely to the Council, as a body, accordance with the Charters and Statutes of the University College London. Our audit work has been undertaken so that we might state to the Council 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 University College London and the Council as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Ernst & Young LLP
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Jonathan Gill

For and behalf of Ernst & Young LLP, Statutory Auditor

London

9 December 2024

CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME

	Notes	**2024 Group**	**2024 University**	2023 Group	2023 University
		£m	**£m**	£m	£m
Income					
Tuition fees and education contracts	1	**971.2**	**971.2**	929.3	929.3
Funding body grants	2	**228.1**	**228.1**	236.7	236.7
Research grants and contracts	3	**538.8**	**538.8**	526.7	526.7
Other income	4	**272.3**	**219.8**	218.5	182.8
Investment income	5	**39.2**	**36.6**	28.1	26.7
Donations and endowments	6	**25.0**	**34.1**	29.0	31.5
Total income		**2,074.6**	**2,028.6**	1,968.3	1,933.7
Expenditure					
Staff costs	8	**1,090.2**	**1,079.4**	1,037.5	1,028.1
Movement on USS pension provision	23	**(454.0)**	**(452.9)**	(101.8)	(101.9)
Other operating expenses	9	**743.5**	**705.7**	688.8	659.0
Depreciation and amortisation	14,15	**125.7**	**125.6**	118.4	118.3
Interest and other finance costs	10	**12.8**	**12.7**	9.1	9.1
Total expenditure	11	**1,518.2**	**1,470.5**	1,752.0	1,712.6
Surplus before other gains/(losses) and share of operating surplus/(deficit) of other investments		**556.4**	**558.2**	216.3	221.2
(Loss) / Gain on disposal of fixed assets		**(2.7)**	**(2.7)**	14.3	14.3
Gain / (Loss) on investments	17	**44.0**	**23.3**	(2.8)	(3.4)
Share of operating profit in associates	19	**0.2**	**-**	0.6	-
Surplus before tax		**597.9**	**578.8**	228.4	232.1
Taxation	13	**(0.3)**	**-**	(0.2)	-
Surplus for the year		**597.6**	**578.8**	228.2	232.1
Total comprehensive income for the year		**597.6**	**578.8**	228.2	232.1
Represented by:					
Endowment comprehensive income / (expenditure) for the year		**17.9**	**17.9**	(1.9)	(2.0)
Restricted comprehensive income for the year		**1.5**	**1.5**	0.1	0.3
Unrestricted comprehensive income for the year		**118.4**	**100.3**	130.0	133.4
Revaluation reserve comprehensive income / (expenditure) for the year		**5.8**	**6.2**	(1.8)	(1.5)
Pension reserve comprehensive income for the year		**454.0**	**452.9**	101.8	101.9
Attributable to the University		**597.6**	**578.8**	228.2	232.1
Attributable to the non-controlling interest		**-**	**-**	-	-
		597.6	**578.8**	228.2	232.1

CONSOLIDATED AND INSTITUTION STATEMENT OF CHANGES IN RESERVES

Group	**Income and expenditure account**			**Revaluation**	**Pension**	**Non-controlling**	
	Endowment	*Restricted*	*Unrestricted*	**reserve**	**reserve**	**interest**	**Total**
	£m	£m	£m	£m	£m	£m	**£m**
Balance at 1 August 2022	158.7	20.3	1,717.7	53.8	(556.6)	0.1	1,394.0
Surplus/(Deficit) from the income and expenditure statement	4.5	1.7	121.4	(1.2)	101.8	-	228.2
Other comprehensive income	-	-	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	0.6	(0.6)	-	-	-
Transfers between endowment and unrestricted income and expenditure reserve	-	-	-	-	-	-	-
Release of restricted funds spent in year	(6.4)	(1.6)	8.0	-	-	-	-
Total comprehensive income for the year	(1.9)	0.1	130.0	(1.8)	101.8	-	228.2
Balance at 1 August 2023	156.8	20.4	1,847.7	52.0	(454.8)	0.1	1,622.2
Surplus from the income and expenditure statement	24.5	5.3	107.0	6.8	454.0	-	**597.6**
Other comprehensive income	-	-	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	1.0	(1.0)	-	-	-
Transfers between endowment and unrestricted income and expenditure reserve	-	-	-	-	-	-	-
Release of restricted funds spent in year	(6.6)	(3.8)	10.4	-	-	-	-
Total comprehensive income for the year	17.9	1.5	118.4	5.8	454.0	-	**597.6**
Other adjustments	0.1	-	(0.1)	-	(0.1)	(0.1)	**(0.2)**
Balance at 31 July 2024	**174.8**	**21.9**	**1,966.0**	**57.8**	**(0.9)**	**-**	**2,219.6**

Institution	**Income and expenditure account**			**Revaluation**	**Pension**	**Non-controlling**	
	Endowment	*Restricted*	*Unrestricted*	**reserve**	**reserve**	**interest**	**Total**
	£m	£m	£m	£m	£m	£m	**£m**
Balance at 1 August 2022	158.8	19.8	1,700.1	52.4	(555.6)	-	1,375.5
Surplus/(Deficit) from the income and expenditure statement	4.5	1.8	124.8	(0.9)	101.9	-	232.1
Other comprehensive income	-	-	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	0.6	(0.6)	-	-	-
Release of restricted funds spent in year	(6.5)	(1.5)	8.0	-	-	-	-
						-	-
Total comprehensive income for the year	(2.0)	0.3	133.4	(1.5)	101.9	-	232.1
Other movements							
Balance at 1 August 2023	156.8	20.1	1,833.5	50.9	(453.7)	-	1,607.6
Surplus from the income and expenditure statement	24.5	5.3	89.3	6.8	452.9	-	**578.8**
Other comprehensive income	-	-	-	-	-	-	-
Transfers between revaluation and income and expenditure reserve	-	-	0.6	(0.6)	-	-	-
Release of restricted funds spent in year	(6.6)	(3.8)	10.4	-	-	-	-
Total comprehensive income for the year	17.9	1.5	100.3	6.2	452.9	-	**578.8**
Other adjustments	0.1	(0.1)	0.1	-	(0.1)	-	**-**
Balance at 31 July 2024	**174.8**	**21.5**	**1,933.9**	**57.1**	**(0.9)**	**-**	**2,186.4**

CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION

	Notes	2024 Group £m	2024 University £m	2023 Group £m	2023 University £m
Non-current assets					
Intangible assets	14	**85.4**	**85.4**	67.1	67.1
Fixed assets	15	**2,706.6**	**2,706.2**	2,671.9	2,671.4
Investments	17	**298.5**	**294.7**	277.0	272.8
Investment in joint ventures	18	**31.4**	**31.4**	20.0	20.0
Investments in associates	19	**2.8**	**-**	2.6	-
Trade and other receivables: amounts falling due after more than one year	20	**11.1**	**11.1**	11.4	11.2
		3,135.8	**3,128.8**	3,050.0	3,042.5
Current assets					
Stock		**0.3**	**0.3**	0.2	0.2
Trade and other receivables	20	**375.0**	**392.5**	353.8	370.4
Current investments	17	**52.4**	**52.4**	-	-
Cash and cash equivalents		**492.6**	**425.3**	597.8	551.6
		920.3	**870.5**	951.8	922.2
Less: Creditors: amounts falling due within one year	21	**(802.9)**	**(779.6)**	(881.6)	(860.7)
Net current assets		**117.4**	**90.9**	70.2	61.5
Total assets less current liabilities		**3,253.2**	**3,219.7**	3,120.2	3,104.0
Creditors: amounts falling due after more than one year	22	**(1,020.7)**	**(1,020.7)**	(1,030.4)	(1,030.4)
Provisions					
Pension provisions	23	**(0.9)**	**(0.9)**	(454.8)	(453.8)
Other provisions	23	**(12.0)**	**(11.7)**	(12.8)	(12.2)
Total net assets		**2,219.6**	**2,186.4**	1,622.2	1,607.6
Restricted Reserves					
Income and expenditure reserve - endowment reserve	24	**174.8**	**174.8**	156.8	156.8
Income and expenditure reserve - restricted reserve		**21.9**	**21.5**	20.4	20.1
		196.7	**196.3**	177.2	176.9
Unrestricted Reserves					
Income and expenditure reserve - unrestricted before pension reserve		**1,966.0**	**1,933.9**	1,847.7	1,833.5
Revaluation reserve		**57.8**	**57.1**	52.0	50.9
Pension reserve		**(0.9)**	**(0.9)**	(454.8)	(453.7)
		2,022.9	**1,990.1**	1,444.9	1,430.7
		2,219.6	**2,186.4**	1,622.1	1,607.6
Non-controlling interest		**-**	**-**	0.1	-
Total Reserves		**2,219.6**	**2,186.4**	1,622.2	1,607.6

The Financial Statements were approved by Council on 9 December 2024. The accompanying statement of accounting policies and notes form part of these financial statements.

DocuSigned by:
Roger Blundell
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Roger Blundell
Treasurer

Signed by:
Dr Michael Spence
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Dr. Michael Spence
President and Provost

Signed by:
Charu Gorasia
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Charu Gorasia
Chief Financial Officer

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	**Group 2024 £m**	Group 2023 £m
Cash flow from operating activities			
Surplus for the year		**597.5**	228.2
Adjustment for non-cash items			
Depreciation	15	**118.0**	111.9
Amortisation of intangible assets	14	**7.7**	6.6
(Gain) / loss on investments	17	**(44.0)**	2.8
(Increase) in stock		**(0.1)**	(0.1)
(Increase) / decrease in debtors		**(17.6)**	1.1
(Decrease) in creditors		**(73.5)**	(6.3)
(Decrease) in pension provision	23	**(454.0)**	(101.8)
(Decrease) / increase in other provisions		**(0.5)**	0.2
Impairment of fixed asset investments		**4.0**	-
Share of operating (profit) in associates	19	**(0.2)**	(0.6)
Adjustment for investing or financing activities			
Investment income	5	**(39.2)**	(28.1)
Interest payable	10	**12.8**	9.1
Endowment income	6	**(3.8)**	(3.0)
Loss / (gain) on disposal of fixed and intangible assets		**2.7**	(14.3)
Capital grant income		**(43.7)**	(47.7)
Net cash inflow from operating activities		**66.1**	158.0
Cash flows from investing activities			
Proceeds from sales of fixed and intangible assets		**-**	33.8
Proceeds from sales of non-current asset investments		**22.4**	21.8
Capital grants receipts		**32.4**	124.3
Investment income received		**31.6**	22.1
Endowment income received		**4.1**	3.9
Payments made to acquire fixed assets		**(157.7)**	(265.8)
Payments made to acquire intangible assets		**(23.4)**	(21.9)
New non-current asset investments		**(55.9)**	(3.7)
Additions to joint ventures		**(11.4)**	(20.0)
Repayments from loans to associate companies		**0.1**	-
		(157.8)	(105.5)
Cash flows from financing activities			
Interest paid		**(12.5)**	(8.1)
Endowment cash received		**3.8**	3.0
Repayments of amounts borrowed		**(4.8)**	(4.3)
		(13.5)	(9.4)
Increase/(Decrease) in cash and cash equivalents in the year		**(105.2)**	43.1
Cash and cash equivalents at beginning of the year		**597.8**	554.7
Cash and cash equivalents at end of the year		**492.6**	597.8

STATEMENT OF ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (SORP 2019), Office for Students Regulatory advice 9: Accounts direction, and in accordance with Financial Reporting Standard FRS 102. UCL is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102. The financial statements are prepared in accordance with the historical cost convention, modified by the revaluation of investments. The financial statements are presented in pounds sterling (£) and rounded in millions to the nearest one decimal place.

b) Going Concern

The going concern period is assessed to be at least until 31 July 2026.

At the year-end the Group made an operating margin of £103.6m, had cash and short-term investments of £545.0m and had net current assets of £117.4m. External borrowings of £580.7m comprise a £280.0m facility maturing in 2048 and the sustainability bond of £291.6m (£300m less discount on issue) maturing in 2061. The Group also has a £150m revolving credit facility expiring in January 2027 which has not been utilised.

Council undertakes a going concern assessment by reference to the approved multi-year budget for the period to 31 July 2029, which encompasses the going concern period to 31 July 2026, which was approved by Council in July 2024. The approved budget is designed to support delivery of UCL's strategic priorities as set out in the Strategic Plan 2022-27, to enable investment in people, buildings and technology, and to ensure long-term financial sustainability.

This assessment includes considering both a base case scenario and a downside scenario which includes various stress tests, including:

- under-recruitment across the 2024-25 and 2025-26 academic years;
- delays in completing the committed capital programme;
- under-delivery of planned cost efficiencies included in the approved budget; and
- higher pay increase above the current approved award.

Additionally, the downside scenario includes the impact of the increase in national insurance contributions following the October 2024 budget announcement and does not include any upside from increases to tuition fees as announced by the Government in November 2024. Against these stress tests, the scenario assumes the budgeted contingency is held for both years.

The impact of the different stress tests were assessed against the 'net operating cash flow to debt servicing cost' banking covenants of the Group, maintaining a minimum credit rating, meeting the Office for Students (OfS) minimum liquidity days, and having sufficient liquidity to fund the Group's operations.

Across the different scenarios and stress tests performed, the Group remains compliant with all banking covenants and has sufficient liquidity throughout the going concern assessment period, without having to take any mitigating actions, for example, not releasing any contingency from budgets and keeping the Group's £150m revolving credit facility unutilised.

A reverse stress test has also been undertaken to understand the conditions necessary for a breach of the financial covenant to occur. The reverse stress test shows operating cashflows in the base case would need to reduce by 93% in 2025 or 91% in 2026. Given the significance of these conditions, that 99.6% of debt is fixed interest rate, and no additional borrowings are required under the downside scenario, the reverse stress test is considered remote and outside the most severe downside scenario.

Based on the assessment performed, Council considers that the Group has adequate resources to continue in operational existence for the foreseeable future, being a period up to at least 31 July 2026.

For this reason, the Group and University continue to adopt the going concern basis in the financial statements. No material uncertainties exist.

c) Exemptions under FRS 102

The institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the institution in its separate financial statements and has taken advantage of the exemption within FRS 102 Section 33 to not disclose transactions with wholly-owned subsidiaries.

d) Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries (collectively referred to as 'the Group') 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 income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions.

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

e) Income recognition

- *Sale of goods or services*
  Income from the sale of goods or services is credited to the consolidated statement of income when the goods or services are supplied or the terms of the contract have been satisfied.

STATEMENT OF ACCOUNTING POLICIES

- *Tuition fees*
  Tuition fee income is stated gross of any expenditure which is not a discount or fee waiver and credited to the consolidated statement of income over the period in which students are studying. Bursaries and scholarships are accounted for gross, as expenditure, and are not deducted from income.

- *Investment income*
  Investment income is credited to the consolidated statement of income on a receivable basis.

- *Grant funding*
  Grant funding including funding council block grants, research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met.

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

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

- *Donations and endowments*
  Donations and endowments are a subset of non-exchange transactions that may have restrictions on use and, in the case of donations, may also have performance-related conditions attached. In all cases, income is recognised at the point UCL is entitled to the funds.

  Donations and endowments without performance-related conditions are recognised as income on receipt or, where relevant, at the point at which an agreement to donate or create an endowment is formally entered into.

  Donations with performance-related conditions (such as those intended to fund scholarships and academic Chairs) are recognised as income as the respective performance-related conditions are met.

  Income relating to donations and endowments with donor imposed restrictions is initially retained within the restricted reserve and is released to general reserves, via a reserve transfer, as the funds are expended in line with their restricted purpose.

  Donations with no restrictions are recognised immediately in general reserves, subject to entitlement.

  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 applied to the individual endowment fund.

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

f) Accounting for retirement benefits

The Group contributes to three principal pension schemes on behalf of its employees: the Universities Superannuation Scheme (‘USS’), the Superannuation Arrangements of the University of London (‘SAUL’) and the National Health Service (‘NHS’) Pension Scheme. Contributions were also made to the Principal Civil Service Pension Scheme (‘PCSPS’) and the Medical Research Council Pension Scheme (‘MRCPS’).

The USS, SAUL, NHS, PCSPS and MRCPS pension schemes are multi-employer defined benefit schemes. For these schemes, it is not possible to identify UCL's share of the underlying assets and liabilities due to their mutual nature. These schemes are therefore accounted for as defined contribution schemes.

The UCL (Former Medical Schools) Pension Scheme (‘UFMS’) is a single-employer defined benefit scheme. The scheme is funded, with assets held separately from those of the Group in trustee administered funds. It is accounted for as a defined benefit pension scheme.

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the employer pays fixed contributions into a separate entity and has 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.

STATEMENT OF ACCOUNTING POLICIES

Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, an employer's obligation is to provide the agreed benefits to current and former employees, such that actuarial risk surrounding the cost of benefits, and investment risk surrounding the return on assets set aside to fund those benefits are borne, in substance, by the employer. The Group 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 (also referred to as an 'asset ceiling') to the extent to which UCL is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

g) Short term employment benefits

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

h) Finance leases

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

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

i) Operating leases

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

j) Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into sterling at year end rates, with foreign exchange differences arising on translation recognised in Surplus or Deficit. Where funds are held in foreign currency for onward transmission to a research partner under an agency agreement, both the cash asset and corresponding liability are translated into sterling, such that the exchange differences arising are wholly offset in the Consolidated Statement of Comprehensive Income.

The assets and liabilities of foreign operations are translated to the Group's presentational currency, Sterling, at the rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

Foreign exchange transactions and translations are immaterial to the financial statements.

k) Fixed assets

Fixed assets that are purchased or constructed by the Group are stated at cost less accumulated depreciation and accumulated impairment losses. For fixed assets that are acquired through donation or via the exchange of non-monetary consideration, fair value is used as a proxy for cost.

Items of land that had been revalued to fair value on the date of transition to SORP 2015 are measured on the basis of deemed cost, being the revalued amount at 31 July 2014.

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

Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives of 50 years.

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 University and are depreciated as follows:

- Major refurbishments 20 years
- Minor refurbishments 10 years
- Fixtures and fittings 10 years

Buildings held on long leasehold are depreciated over the life of the lease up to a maximum of 50 years. No depreciation is charged on assets in the course of construction.

STATEMENT OF ACCOUNTING POLICIES

Equipment

Equipment, including computer equipment, costing less than £25,000 is recognised as expenditure in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- Equipment funded by research grants	Term of grant
- Other equipment	5 years

Depreciation methods, useful lives and residual values are reviewed at each year end.

Borrowing costs

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

l) Heritage assets

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

There are no heritage assets capitalised in the balance sheet as the volume of items, the elapsed time since acquisition and the information available on acquisition methods render the cost of identifying the appropriate accounting treatment disproportionate to the benefit to be derived by users of the financial statements. No additions in the year met the capitalisation threshold of £25,000.

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

m) Intangible assets

Intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Purchased software and software development is capitalised where the cost exceeds a de minimis threshold of £25,000 and, in the case of software development, where existing functionality is enhanced. These assets are subject to periodic impairment reviews as appropriate, and are amortised over an estimated economic life of 10 years.

Costs associated with the research phase of an internal software development project and any subsequent training activity are expensed as incurred.

n) Investment Properties

Investment property is land and buildings held primarily for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

o) Investments

Endowment asset investments and fixed asset investments in listed securities are stated at market value. Subsidiary and associate company investments are stated at cost less provision for impairment.

Non-listed, non-current asset investments are held in the Statement of Financial Position at amortised cost less impairment. Current asset investments are held at amortised cost and are subject to annual impairment review.

p) Financial Instruments

UCL has elected to apply the provisions of Section 11 and Section 12 of FRS 102 in full when accounting for financial instruments.

Financial assets and liabilities are recognised only when UCL becomes party to the contractual provisions of the instrument. Initial measurement is either at the transaction price or, where appropriate, at fair value. Initial measurement also includes transaction costs, except in the initial measurement of financial assets and liabilities that are subsequently measured at fair value through profit or loss.

Financial assets and liabilities that arise as a result of a financing transaction are measured initially at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Subsequent measurement is at amortised cost, except where the instrument is measured at fair value through profit and loss, in which case the instrument is revalued annually using an appropriate revaluation technique.

q) Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

STATEMENT OF ACCOUNTING POLICIES

r) Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

(a) the University has a present obligation (legal or constructive) as a result of a past event;

(b) it is probable that an outflow of economic benefits will be required to settle the obligation; and

(c) a reliable estimate can be made of the amount of the obligation.

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

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

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

s) Accounting for jointly controlled entities and associates

The University accounts for its share of jointly controlled entities and associates at cost and any accumulated impairment losses.

In the consolidated accounts, the Group accounts for its share of jointly controlled entities and associates using the equity method. The Group's share of the results of jointly controlled entities and associates is shown each year in the Statement of Comprehensive Income and the Group's share of gross assets and liabilities is incorporated in a single line in the Statement of Financial Position.

t) Taxation

UCL is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and is therefore potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

u) Reserves

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

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

v) Segmental information

For the purpose of segmental reporting, the chief operating decision maker (CODM) has been identified as the Council. As the ultimate controlling entity, the CODM reviews financial information and Key Financial Indicators in relation to the University as a single operating segment, as presented in the primary statements and the accompanying notes to these financial statements. There are no significant operations outside the UK. Consequently, the University considers there to be one operating segment meaning separate segmental disclosures are not required. The CODM does not review disaggregated financial information on assets and liabilities.

w) Significant judgements

Significant judgements made in the preparation of the financial statements are as follows:

Retirement Benefit Obligations

As further disclosed in accounting policy (f), the University is a participating employer of five multi-employer and state defined benefit schemes. For these multi-employer and state defined benefit schemes, there is insufficient information available to identify the University's share of the underlying assets and liabilities. As a result, they are accounted for as defined contribution schemes in accordance with FRS 102 28.11. Further details are disclosed in accounting policy (f) and Note 33.

STATEMENT OF ACCOUNTING POLICIES

Research Income

Income from research grants and contracts is recognised on entitlement and when the performance-related conditions under each grant funding award have been met. See note 3 for values. The level of revenue recognised is based on management's judgement as to the extent to which those performance-related conditions have been satisfied, whether any contract specific (i.e. milestone) performance-related conditions are in existence and whether there is any indication that a failure to meet future output requirements has given rise to the requirement for previously recognised revenue amounts to be written-back.

Contingent liabilities

Contingent liabilities are disclosed in Note 34. The matter disclosed relates to the Student Group Claim which, following a court judgement handed down on 10 July 2024, an economic outflow of resources is considered to be possible but uncertain. In accordance with FRS 102 21.17, disclosing any estimates of the financial effects of the case would prejudice the case. As a result, no estimates of the financial effects are disclosed. Further details are disclosed in Note 34.

x) Significant estimates

Significant estimates used in the preparation of the financial statements are as follows:

Pension provision for deficit recovery plan

In the case of USS, the University was contractually bound to fund a scheme deficit in line with an agreed recovery plan, and this obligation was recognised as a liability on the balance sheet in the prior financial year. The recognition of the liability in the prior year was based on management’s estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. The 2023 actuarial valuation was published on 20 December 2023 which removed the recovery plan. As a result, the liability was de-recognised during the year. The unwinding of the provision and resulting gain recognised is disclosed in Note 23, with further details relating to the 2023 actuarial valuation disclosed in Note 33, including future contribution rates.

NOTES TO THE FINANCIAL STATEMENTS

1. Tuition fees and education contracts

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Full-time home and EU students	**165.5**	**165.5**	174.1	174.1
Full-time international students	**677.6**	**677.6**	640.1	640.1
Part time students	**30.9**	**30.9**	28.7	28.7
Other fees	**26.9**	**26.9**	28.4	28.4
Research training support grants	**43.6**	**43.6**	37.6	37.6
Short course fees	**26.7**	**26.7**	20.4	20.4
	971.2	**971.2**	929.3	929.3

Other fees in the year includes External teaching contracts of £15.8m (2023: £17.4m).

2. Funding body grants

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Funding body grants				
Recurrent grant				
Office for Students:				
Teaching	**29.8**	**29.8**	29.1	29.1
Other	**0.1**	**0.1**	0.1	0.1
Research England:				
Research	**160.2**	**160.2**	166.6	166.6
Other	**3.8**	**3.8**	5.4	5.4
Specific grants				
Higher Education Innovation Fund	**6.7**	**6.7**	6.7	6.7
Capital grants	**27.5**	**27.5**	28.8	28.8
	228.1	**228.1**	236.7	236.7

Capital grant funding is received in support of both infrastructure projects and major equipment purchases. Capital grants from government bodies are recognised using the accruals model, whereby such funding is initially deferred within creditors and recognised in income on a systematic basis over the expected useful life of the asset to which the grant relates. Capital grants from non-government bodies are recognised using the performance model, whereby such funding is initially deferred within creditors and recognised in income once the performance conditions of the grant are met. Total capital funding received from Research England in the financial year was £19.2m (2023: £23.9m). Total capital funding received from Office for Students in the financial year was £0.5m (2023: £0.1m).

3. Research grants and contracts

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Research councils	**175.9**	**175.9**	176.8	176.8
UK based charities	**154.2**	**154.2**	152.7	152.7
UK central government, local/health authorities, hospitals	**77.1**	**77.1**	68.0	68.0
UK industry, commerce and public corporations	**21.4**	**21.4**	18.7	18.7
EU government bodies	**31.5**	**31.5**	38.0	38.0
EU other	**6.8**	**6.8**	6.3	6.3
Other overseas	**51.9**	**51.9**	49.4	49.4
Other sources	**20.0**	**20.0**	16.8	16.8
	538.8	**538.8**	526.7	526.7

Income from research grants and contracts includes deferred capital grants released in the year of £13.7m (2023: £13.8m). Other overseas represents Research grants and contracts from non-UK and non-EU funders, including overseas governments, overseas universities, and overseas companies.

NOTES TO THE FINANCIAL STATEMENTS

4. Other income

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Residences, catering and conferences	**70.1**	**66.7**	58.0	54.8
Other revenue grants	**11.2**	**11.2**	1.8	1.8
Other capital grants	**2.5**	**2.5**	1.6	1.6
Other services rendered	**108.2**	**74.9**	96.1	70.9
Health authorities	**38.1**	**38.1**	36.6	36.6
Other income	**42.2**	**26.4**	24.4	17.1
	272.3	**219.8**	218.5	182.8

Other services rendered includes income from various sources including, events and conference, income from UCL Consultants Limited, income from Joint Research collaborations and non-Sponsored Research contracts. Other income in the year includes £11.0m (2023: £3.1m) of royalty income received by the subsidiary UCL Business Limited, and other income streams which are individually not material.

5. Investment income

		2024		2023	
		Group	**University**	Group	University
		£m	**£m**	£m	£m
	Note				
Investment income on expendable endowments	24	**3.3**	**3.3**	3.2	3.2
Investment income on permanent endowments	24	**0.9**	**0.9**	0.8	0.8
Other investment income		**35.0**	**32.4**	24.1	22.7
		39.2	**36.6**	28.1	26.7

Other investment income in the year includes £29.5m of interest receivable (2023: £21.1m).

6. Donations and endowments

		2024		2023	
		Group	**University**	Group	University
		£m	**£m**	£m	£m
	Note				
New endowments	24	**3.8**	**3.8**	3.0	3.0
Donations with restrictions		**18.4**	**18.4**	20.9	20.9
Unrestricted donations		**2.8**	**11.9**	5.1	7.6
		25.0	**34.1**	29.0	31.5

7. Grant and fee income

The source of grant and fee income, included in notes 1 to 4 is as follows:

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Grant income from the OfS	**30.4**	**30.4**	29.5	29.5
Grant income from other bodies	**714.8**	**714.8**	701.7	701.7
Fee income for taught awards (exclusive of VAT)	**837.9**	**837.9**	811.9	811.9
Fee income for research awards (exclusive of VAT)	**51.9**	**51.9**	48.4	48.4
Fee income from non-qualifying courses (exclusive of VAT)	**81.4**	**81.4**	69.1	69.1
	1,716.4	**1,716.4**	1,660.6	1,660.6

NOTES TO THE FINANCIAL STATEMENTS

8. Staff costs

		2024		2023	
		Group	**University**	Group	University
	Note	**£m**	**£m**	£m	£m
Salaries and wages		**862.2**	**854.3**	807.1	800.3
Employers National Insurance contributions		**90.3**	**89.2**	82.3	81.3
Pension costs		**137.7**	**135.9**	148.1	146.5
		1,090.2	**1,079.4**	1,037.5	1,028.1
Movement on USS provision	23	**(464.4)**	**(463.3)**	(120.3)	(120.3)
		625.8	**616.1**	917.2	907.8

Emoluments of the President and Provost

Dr. Michael Spence

	2024	2023
	£'000	£'000
Basic salary	**398.5**	380.5
Employer pension contributions	**69.4**	82.2
Taxable benefits in kind	**50.9**	47.2
	518.8	509.8

For the 2024 financial year, the basic salary of the President and Provost includes a total London Allowance of £4,500 (2024: £4,011) and the category of taxable benefits in kind wholly relates to the provision of living accommodation.

As has been the case with previous President and Provosts, UCL will provide living accommodation to Dr. Spence over the course of his term in order to best support the performance of his duties. In line with current tax treatment, this is classified as a taxable benefit and the total £50,944 (2023: £47,166) represents his occupation of a Bloomsbury based residence.

The benefit value attached to the residence is based on a proportion of the original acquisition and fit out costs plus the cost to UCL of maintaining the property within the year. As at 31 July 2024, the gross Market Rent of the property – as prepared in accordance with the requirements of the RICS Valuation - Global Standards 2021 was £34,340 (2023: £40,560).

In relation to all other UCL employees (on a full FTE basis):

- The President and Provost's basic salary is 8.0 times (2023: 8.1 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the basic salaries paid by UCL to its staff.
- The President and Provost's total remuneration is 9.0 times (2023: 9.0 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for total remuneration paid by UCL to its staff.

Setting of the President and Provost's remuneration

The Provost's salary is set and adjusted by the Remuneration Committee: a formal committee of UCL that includes the Chair of Council and excludes the Provost. As part of this process committee members consider external market data, focussing on other large Russell Group institutions. Data is received from a variety of sources including Universities and Colleges Employers Association ('UCEA'), KornFerry and the Committee of University Chairs (CUC) amongst others. Alongside this, to ensure fairness, committee members will also consider the salary metrics for UCL staff. Most notably they consider the median pay award in the respective year and the relationship between the median and lowest earners at UCL and the Provost's salary.

At present external data suggests that the Provost's salary and total remuneration is in line with the upper quartile for the Russell Group. Considering UCL's size, academic ranking, central London location and financial turnover in excess of £2 billion, the upper quartile is viewed as an appropriate benchmark.

Contractually, the Provost does not receive any automatic salary progression. Any agreed performance-related award is determined independently of the national pay award, but has in recent years been influenced by the level of automatic increase applied to other staff salaries. This performance assessment considers a set of leadership objectives, including the overall academic performance of the institution.

NOTES TO THE FINANCIAL STATEMENTS

Remuneration of higher paid staff:

In line with disclosure requirements set out in the Office for Students' Accounts Direction for accounting periods beginning on or after 1 August 2019, the following table shows the basic salaries of higher paid staff, including the President and Provost, on a full-time equivalent basis. Basic salary includes market supplements, but excludes bonus payments, allowances, clinical excellence awards and other such payments.

	Group 2024 No.	Group 2023 No.
£100,000 - £104,999	92	171
£105,000 - £109,999	150	156
£110,000 - £114,999	112	123
£115,000 - £119,999	106	74
£120,000 - £124,999	126	182
£125,000 - £129,999	194	29
£130,000 - £134,999	46	32
£135,000 - £139,999	38	43
£140,000 - £144,999	40	27
£145,000 - £149,999	30	23
£150,000 - £154,999	16	9
£155,000 - £159,999	10	24
£160,000 - £164,999	15	7
£165,000 - £169,999	19	12
£170,000 - £174,999	5	8
£175,000 - £179,999	10	7
£180,000 - £184,999	9	10
£185,000 - £189,999	7	3
£190,000 - £194,999	6	6
£195,000 - £199,999	4	5
£200,000 - £204,999	4	2
£205,000 - £209,999	1	7
£210,000 - £214,999	4	4
£215,000 - £219,999	5	1
£220,000 - £224,999	8	1
£225,000 - £229,999	3	3
£230,000 - £234,999	1	1
£235,000 - £239,999	2	2
£240,000 - £244,999	1	2
£245,000 - £249,999	3	1
£255,000 - £259,999	2	1
£260,000 - £264,999	1	1
£265,000 - £279,999	1	-
£280,000 - £284,999	2	1
£285,000 - £289,999	-	1
£300,000 - £304,999	1	-
£380,000 - £384,999	-	1
£395,000 - £399,999	1	-
£400,000 - £404,999	-	1
	1,075	981

Included within the table above are 253 members of staff (2023: 228) who were employed by UCL on a part time basis and for whom basic salaries have been factored up to reflect full time equivalents. The average number of individuals paid through the payroll during the year was 17,798 (2023: 17,291). Compensation for loss of office totalled £3.3m in respect of 292 employees (2023: £16.4m in respect of 796 employees).

Key management personnel

Total key management personnel compensation was £5.0m (2023: £3.7m). The total number of personnel was 28 (2023: 23). The year-on-year increase is mainly due to the definition of ‘key management personal’ capturing additional individuals compared to the prior year. For transparency, we have included the full-year compensation where additional individuals were captured by the definition part way through the year, which contributes to the overall increase in total compensation.

NOTES TO THE FINANCIAL STATEMENTS

Key management personnel for the UCL Group are defined as follows:

- Members of UCL Council: The ultimate governing body that oversees the management and administration of UCL and is responsible for the approval of UCL's mission and strategic vision as well as its long term academic and business plans.
- The President and Provost: The principal academic and administrative officer of UCL, responsible for providing the leadership necessary to ensure that UCL operates in line with a clear strategic direction and that its activities are properly resourced.
- Members of the President and Provost's senior management team, responsible for leading development and delivery of both strategy and operations in their respective areas of authority.
- Directors of consolidated Group entities: Directors of the subsidiary undertakings set out in note 32.

Council members

The University's Council members are the trustees for charitable law purposes. No Council member has received any remuneration for their role as a trustee from the group during the year (2023 - £nil). Seven trustees are also UCL employees but received no additional payment for acting as trustees. Total expenses paid to or on behalf of one trustee was £176 (2023 - £53 to two trustees). This represents travel, accommodation and office expenses incurred in the capacity of Council member. Total expenses relating to indemnity insurance was £88,270 (2023: £83,330).

9. Other operating expenses

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Residences and catering	**56.4**	**53.9**	47.3	41.5
Furniture, computer and other equipment costs	**76.0**	**75.1**	68.0	67.1
Academic consumables and laboratory expenditure	**64.2**	**63.5**	55.4	54.8
Books, publications and periodicals	**17.8**	**17.8**	18.0	18.0
Scholarships and prizes	**106.4**	**106.4**	98.1	98.1
General educational expenditure	**13.8**	**13.8**	12.6	12.6
Rents, rates and insurance	**30.8**	**30.4**	33.2	33.1
Heat, light, water and power	**49.1**	**49.1**	50.4	50.4
Service charges	**14.5**	**14.5**	12.9	12.8
Repairs and general maintenance	**24.9**	**24.8**	21.7	21.7
Long term maintenance	**6.9**	**6.9**	7.9	7.9
Telephone	**2.3**	**2.3**	3.2	3.2
Advertising and recruitment	**8.6**	**8.4**	8.2	8.0
Printing, postage, stationery and other office costs	**4.5**	**4.4**	4.4	4.3
Conference, travel and training	**46.9**	**46.0**	42.9	42.5
Professional fees	**74.5**	**53.0**	64.0	49.7
Audit fees	**1.2**	**0.9**	0.8	0.5
Other fees paid to auditors	**0.1**	**0.1**	-	-
Grants to Students Union and other student bodies	**6.0**	**6.0**	4.6	4.6
Payments to non contract staff and agencies	**37.1**	**36.7**	40.2	39.7
Other costs	**101.5**	**91.7**	95.0	88.5
	743.5	**705.7**	688.8	659.0

Included in other costs is £43.6m (2023: £40.2m) relating to other building related operating costs not already include in repairs and general maintenance, and £26.0m (2023: £27.0m) of other sub-contractor related costs. The remaining items relate to other miscellaneous expenses and fees.

10. Interest and other finance costs

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Loan interest	**12.6**	**12.6**	9.0	9.0
Exchange differences	**0.2**	**0.1**	0.1	0.1
	12.8	**12.7**	9.1	9.1
Unwinding of pension deficit funding	**10.4**	**10.4**	18.5	18.5
	23.2	**23.1**	27.6	27.6

In 2024, EIB loan interest of £6.4m was expensed because the construction of UCL East completed in 2023 (in 2023, £2.4m was expensed, and £4.0m was capitalised as part of Leasehold Land and Buildings in Note 15).

NOTES TO THE FINANCIAL STATEMENTS

11. Analysis of total expenditure by activity

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Academic departments	**666.4**	**666.6**	641.2	641.3
Academic services	**39.0**	**39.0**	39.8	39.8
Research grants and contracts	**440.5**	**440.5**	435.5	435.5
Residences and catering	**69.1**	**66.6**	60.3	54.6
Premises	**267.7**	**267.7**	248.6	248.6
Administration and central services	**398.0**	**398.4**	356.3	357.8
Other expenses	**91.5**	**44.6**	72.1	36.9
Movement on USS pension provision	**(454.0)**	**(452.9)**	(101.8)	(101.9)
	1,518.2	**1,470.5**	1,752.0	1,712.6

12. Access and participation

	Group	Group
	2024	2023
	£m	£m
Access Investment	**3.3**	3.1
Financial Support	**9.0**	9.5
Disability Support	**3.6**	2.4
Research and Evaluation	**0.5**	0.4
	16.4	15.4

In accordance with the Office for Students Regulatory advice 9: Accounts Direction, the University has disclosed an analysis of expenditure related to activities to increase access and participation. The most recent access and participation plan for 2025/26 – 2028/29 can be found at: https://www.ucl.ac.uk/widening-participation/about-us/ucl-access-and-participation-plan.

Included within the above spend are staff costs amounting to £5.2m (2023: £3.5m) which are included within Note 8, and other operating expenses amounting to £11.2m (2023: £11.9m) which are included within Note 9.

13. Taxation

Taxation charges and (credits) are in respect of corporation tax in the following subsidiary companies:

	2024		2023	
	Group	**University**	**Group**	**University**
	£m	**£m**	£m	£m
UCL Consultants Limited	**0.2**	**-**	0.2	-
UCLB Investments Limited	**0.1**	**-**	-	-
	0.3	**-**	0.2	-

NOTES TO THE FINANCIAL STATEMENTS

14. Intangible assets

	Group and University		
	Software	In development	Total
Software	**£m**	**£m**	**£m**
Cost			
At 1 August 2023	59.5	28.5	88.0
Reclassification from fixed assets	-	3.9	3.9
Additions at cost	-	23.4	23.4
Transfers	35.1	(35.1)	-
Disposals	(1.9)	-	(1.9)
At 31 July 2024	**92.7**	**20.7**	**113.4**
Amortisation			
At 1 August 2023	20.9	-	20.9
Charge for the year	7.7	-	7.7
Disposals	(0.6)	-	(0.6)
At 31 July 2024	**28.0**	**-**	**28.0**
Net Book Value			
At 31 July 2024	**64.7**	**20.7**	**85.4**
At 1 August 2023	38.6	28.5	67.1

Intangible assets relate to the purchase of software and software development costs. The amortisation period of intangible assets is 10 years.

NOTES TO THE FINANCIAL STATEMENTS

15. Fixed assets

Group	Freehold land and buildings £m	Leasehold land and buildings £m	Equipment, plant and machinery £m	Assets under construction £m	Total £m
Cost					
At 1 August 2023	1,974.6	1,155.4	324.3	275.0	3,729.3
Reclassification to intangible assets	-	-	-	(3.9)	(3.9)
Additions at cost	11.0	28.0	37.9	81.2	158.1
Transfers	6.9	56.6	-	(63.5)	-
Disposals	(0.6)	-	(14.0)	-	(14.6)
At 31 July 2024	**1,991.9**	**1,240.0**	**348.2**	**288.8**	**3,868.9**
Depreciation					
At 1 August 2023	533.8	296.0	227.6	-	1,057.4
Charge for year	44.2	32.8	41.0	-	118.0
Disposals	-	-	(13.1)	-	(13.1)
At 31 July 2024	**578.0**	**328.8**	**255.5**	**-**	**1,162.3**
Net book value					
At July 2024	**1,413.9**	**911.2**	**92.7**	**288.8**	**2,706.6**
At 31 July 2023	1,440.8	859.4	96.7	275.0	2,671.9
University					
Cost					
At 1 August 2023	1,974.6	1,154.2	322.9	275.0	3,726.7
Reclassifications to intangible assets	-	-	-	(3.9)	(3.9)
Additions at cost	11.0	28.0	37.8	81.2	158.0
Transfers	6.9	56.6	-	(63.5)	-
Disposals	(0.6)	-	(13.9)	-	(14.5)
At 31 July 2024	**1,991.9**	**1,238.8**	**346.8**	**288.8**	**3,866.3**
Depreciation					
At 1 August 2023	533.8	295.2	226.3	-	1,055.3
Charge for year	44.2	32.8	40.9	-	117.9
Disposals	-	-	(13.1)	-	(13.1)
At 31 July 2024	**578.0**	**328.0**	**254.1**	**-**	**1,160.1**
Net book value					
At 31 July 2024	**1,413.9**	**910.8**	**92.7**	**288.8**	**2,706.2**
At 31 July 2023	1,440.8	859.0	96.6	275.0	2,671.4

The declared value of buildings for insurance purposes (day one basis) as at 31 July 2024 was £4.3bn (2023: £4.0bn). At 31 July 2024 freehold land and buildings included £686.0m (2023: £686.0m) in respect of freehold land that is not depreciated, and £54.0m (2023: £54.0m) in respect of leasehold land held on a 295 year lease. Included in the cost of fixed assets is aggregated interest capitalised of £26.4m (2023: £26.4m). No assets held under finance leases (2023: nil).

16. Heritage assets

Since its foundation in 1826, UCL has acquired and established a number of significant collections of heritage assets representative of its interests in the arts, humanities, sciences and medicine. Many of the items contained therein are of international as well as national importance.

UCL's collections have made, and continue to make, a significant contribution to the furtherance of scholarship, promotion of innovation and the dissemination of knowledge for the public benefit.

The principal collections, acquired through a combination of donation, bequest, purchase and direct collection, are as follows:

- Petrie Museum of Egyptian Archaeology: One of the greatest collections of Egyptian and Sudanese archaeology in the world, housing in excess of 80,000 artefacts that illustrate life in Nile Valley from prehistory onwards.
- UCL Art Museum: A collection housing over 10,000 prints, drawings, sculptures, paintings and media works dating from the 1490s to the present day.
- Grant Museum of Zoology: Founded in 1828 and now the only remaining university zoological museum in London, the collection houses around 68,000 specimens from across the animal kingdom including both endangered and extinct species.

Museums are open to the public, and special arrangements can be made to accommodate school visits as well as individual researchers.

UCL recognises that its status as a first-class international university requires the adoption of internationally recognised standards of conduct in the acquisition, preservation, management and disposal of heritage assets, as well as meeting the requirements of United Kingdom legislation. Policies to ensure appropriate standards are maintained are set out in the Cultural Property Policy. UCL's Museums, Heritage and Cultural Property Committee is responsible for the oversight of all of UCL's activities in relation to heritage assets and for advising Council thereon.

There are no heritage assets capitalised in the balance sheet for the year ended 31 July 2024 as the volume of items, the elapsed time since acquisition and the information available on acquisition methods render the cost of identifying the appropriate accounting treatment disproportionate to the benefit to be derived by users of the financial statements. No additions in the year under review met the capitalisation threshold of £25,000.

17. Investments

Group	Subsidiary companies £m	Monies held on long term deposit £m	Other investments £m	Total £m
At 1 August 2023	-	-	277.0	**277.0**
Additions	-	52.4	3.4	**55.8**
Revaluations	-	-	23.5	**23.5**
Impairments	-	-	(4.0)	**(4.0)**
Disposals/Repayments	-	-	(1.4)	**(1.4)**
Reclassification to current assets	-	(52.4)	-	**(52.4)**
At 31 July 2024	**-**	**-**	**298.5**	**298.5**
University				
At 1 August 2023	8.4	-	264.4	**272.8**
Additions	-	52.4	2.1	**54.5**
Revaluations	-	-	23.8	**23.8**
Impairments	-	-	(4.0)	**(4.0)**
Reclassification to current assets	-	(52.4)	-	**(52.4)**
At 31 July 2024	**8.4**	**-**	**286.3**	**294.7**

In addition to the above amounts, £52.4m (2023: nil) of investments are classified as current assets. These relate to gilt investments that had a term of less than twelve months.

NOTES TO THE FINANCIAL STATEMENTS

	2024		2023	
Other investments are categorised as follows:	**Group £m**	**University £m**	**Group** £m	University £m
Portfolio of fixed interest securities, equities and cash	**256.4**	**256.4**	230.4	230.4
Investment properties	**0.6**	**-**	1.0	-
Shares in The Francis Crick Institute Ltd	**29.6**	**29.6**	33.6	33.6
Credit facility fee	**-**	**-**	0.1	0.1
Shares in other limited companies and partnerships	**11.9**	**0.3**	11.9	0.3
	298.5	**286.3**	277.0	264.4
Gains and losses have been recognised in the SoCI as follows:				
Realised gains on disposal of investments	**21.0**	**-**	1.4	-
Gains on acquisitions and disposals of associates	**-**	**-**	-	-
Revaluation (losses)/gains	**23.0**	**23.3**	(4.2)	(3.4)
	44.0	**23.3**	(2.8)	(3.4)
Revaluation (losses)/ gains have been accounted for as follows:				
Statement of Comprehensive Income and Expenditure	**23.0**	**23.3**	(4.2)	(3.4)
Creditors	**0.5**	**0.5**	(0.1)	(0.1)
Provisions	**-**	**-**	(0.3)	-
	23.5	**23.8**	(4.6)	(3.5)

UCL's investment in the Francis Crick Institute has been reduced in year to reflect UCL's share of Francis Crick's net asset attributable to UCL as an estimate for the recoverable amount. This resulted in a reduction in UCL's investment of £4.0m. Revaluation gains included in creditors are in respect of investments held on behalf of third parties. Revaluation gains and losses included in provisions are in respect of potential liabilities arising from revenue sharing arrangements with third parties.

18. Joint ventures

The University has interests in Oriel Estates Services LLP, which is a joint venture partnership with Moorfields Eye Hospital NHS Foundation Trust. The share of net assets is £31.4m (2023: £20.0m) and share of operating profit was nil (2023: nil). The increase in the year was due to additional contributions made. The Limited Liability Partnership was set up in 2023 to develop and construct a healthcare, research and education facility know as Project Oriel. The company prepares accounts to 31 March, and accounts to 31 March 2024 plus management accounts to 31 July 2024 are included.

19. Associates

The investment in associates recognised in the Group Financial Statements was: share of net assets of £2.8m (2023: £2.6m); share of operating profit of £0.2m (2023: £0.6m). Further details are provided in Note 32.

NOTES TO THE FINANCIAL STATEMENTS

20. Trade and other receivables

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Amounts falling due within one year:				
Invoiced debtors	**19.4**	**8.4**	19.5	11.2
Research grants and contracts	**214.0**	**214.0**	209.2	209.2
Local health authorities/hospitals	**9.0**	**9.0**	11.3	11.3
Halls of residence debtors	**2.4**	**2.4**	1.8	1.8
Advances to members of staff	**6.3**	**6.3**	6.2	6.2
Intercompany debtors	**-**	**42.2**	-	33.9
Other debtors and prepayments	**123.9**	**110.2**	105.8	96.8
	375.0	**392.5**	353.8	370.4
Amounts falling due after more than one year:				
Other debtors and prepayments	**11.1**	**11.1**	11.2	11.2
Loans to associate companies	**-**	**-**	0.2	-
	11.1	**11.1**	11.4	11.2
	386.1	**403.6**	365.2	381.6

21. Creditors: amounts falling due within one year

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Bank and other loans	**1.7**	**1.7**	1.7	1.7
Cruciform Private Development Loan	**-**	**-**	3.1	3.1
Research grants received on account	**357.2**	**357.4**	431.4	431.3
Purchase ledger creditors	**40.1**	**39.8**	49.1	48.7
Other creditors including taxation and social security	**100.8**	**97.4**	101.9	97.2
Accruals and deferred income	**303.1**	**280.3**	294.4	277.8
Inter-company creditors	**-**	**3.0**	-	0.9
	802.9	**779.6**	881.6	860.7

Included within accruals and deferred income are the following items of income which have been deferred until specific performance-related conditions have been met:

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Donations	**15.8**	**15.8**	14.4	14.4
Capital grants	**76.1**	**76.1**	73.0	73.0
Tuition fees in advance	**16.9**	**16.9**	10.2	10.2
	108.8	**108.8**	97.6	97.6

Tuition fees in advance were previously disclosed within accruals and deferred income.

22. Creditors: amounts falling due after more than one year

	Note	**2024** Group £m	**2024** University £m	2023 Group £m	2023 University £m
Deferred income		**441.7**	**441.7**	450.1	450.1
£300m Sustainability Bond 2061		**291.6**	**291.6**	291.3	291.3
Long term bank loans		**286.9**	**286.9**	288.5	288.5
Salix Revolving Green Fund		**0.5**	**0.5**	0.5	0.5
		1,020.7	**1,020.7**	1,030.4	1,030.4
Analysis of loan and bond repayments:					
In less than one year:	21	**1.7**	**1.7**	4.8	4.8
In more than one year but no more than two years		**7.8**	**7.8**	1.7	1.7
In more than two years but no more than five years		**38.4**	**38.4**	33.5	33.5
In more than five years		**532.8**	**532.8**	545.2	545.2
		580.7	**580.7**	585.2	585.2
In less than one year		**(1.7)**	**(1.7)**	(4.8)	(4.8)
In more than one year		**579.0**	**579.0**	580.4	580.4

On 4 June 2021, UCL issued its debut public bond: a 40 year, £300m Sustainability bond, coupon at 1.625% and listed on the London Stock Exchange. The £291.6m liability (2023: £291.3m) represents the £300m payable on maturity in 2061 less the issue discount of £8.4m (2023: £8.7m), which will unwind over the life of the instrument.

Key terms of each facility are as follows:

Lender	**Total £m**	**Note 21 £m**	**Term**	**Rate**	**Terms**
Royal Bank of Scotland	3.2	1.3	2026	1.1%	Fixed
Barclays Bank	1.6	0.1	2036		Compounded SONIA plus 0.33% margin
Barclays Bank	1.5	0.1	2036	5.3%	Fixed
Barclays Bank	1.3	0.1	2037	5.9%	Fixed
Barclays Bank	1.0	0.1	2037		Compounded SONIA plus 0.32% margin
European Investment Bank	280.0	-	2048	2.3%	Fixed
	288.6	**1.7**			

In addition to the above, the Group also has a £150.0m revolving credit facility with NatWest that expires on 7 January 2027. No amounts have been drawn against the facility. If any amounts are drawn, interest is charged at SONIA + margins between 0.53% and 0.96% depending on the term.

NOTES TO THE FINANCIAL STATEMENTS

23. Provisions

Group	**USS Pension recovery plan £m**	**Pension buy-out £m**	**Total pension provisions**	**Dilapidations £m**	**Other provisions £m**	**Total other provisions £m**
At 1 August 2023	454.0	0.8	**454.8**	11.6	1.2	**12.8**
			-			**-**
Utilised in year	(14.7)	-	**(14.7)**	(0.5)	(0.3)	**(0.8)**
Additions	10.4	0.1	**10.5**	-	-	**-**
Releases	(449.7)	-	**(449.7)**	-	-	**-**
At 31 July 2024	**-**	**0.9**	**0.9**	**11.1**	**0.9**	**12.0**

University	**USS Pension recovery plan £m**	**Pension buy-out £m**	**Total pension provisions**	**Dilapidations £m**	**Other provisions £m**	**Total other provisions £m**
At 1 August 2023	452.9	0.9	**453.8**	11.6	0.6	**12.2**
			-			**-**
Utilised in year	(14.7)	-	**(14.7)**	(0.5)	-	**(0.5)**
Additions	10.4	-	**10.4**	-	-	**-**
Releases	(448.6)	-	**(448.6)**	-	-	**-**
At 31 July 2024	**-**	**0.9**	**0.9**	**11.1**	**0.6**	**11.7**

The previous triennial actuarial valuation of the Universities Superannuation Scheme (USS) showed a deficit on the whole fund. As a result, a deficit recovery plan was in place whereby the University was required to pay additional contributions to fund its share of the deficit. The most recent triennial actuarial valuation shows that the USS is now in surplus, meaning the deficit recovery plan is no longer in place and the remaining provision was released in the year resulting in a one-off gain. Further details are provided in Note 33.

NOTES TO THE FINANCIAL STATEMENTS

24. Endowment reserves

Restricted net assets relating to endowments are as follows (Group and University):

	Restricted permanent endowments £m	**Unrestricted permanent endowments £m**	**Expendable endowments £m**	**2024 Total £m**	2023 Total £m
Balances at 1 August					
Capital	27.6	1.7	118.3	**147.6**	150.9
Accumulated income	2.6	0.3	6.4	**9.3**	7.9
	30.2	2.0	124.7	**156.9**	158.8
New endowments	-	-	3.8	**3.8**	3.0
Investment income	0.8	0.1	3.3	**4.2**	3.8
Expenditure	(0.3)	-	(6.3)	**(6.6)**	(6.4)
(Decrease) / increase in market value of investments	3.1	0.2	13.2	**16.5**	(2.4)
Total endowment comprehensive income for the year	3.6	0.3	14.0	**17.9**	(2.0)
At 31 July 2024	**33.8**	**2.3**	**138.7**	**174.8**	156.8
Represented by:					
Capital	30.7	2.0	131.2	**163.9**	147.5
Accumulated income	3.1	0.3	7.5	**10.9**	9.3
	33.8	**2.3**	**138.7**	**174.8**	156.8
Analysis by type of purpose:					
Lectureships	0.1	-	38.2	**38.3**	34.6
Scholarships and bursaries	12.4	-	50.8	**63.2**	56.1
Research support	18.6	-	20.5	**39.1**	35.7
Prize funds	1.7	-	7.6	**9.3**	8.4
General	1.0	2.3	21.6	**24.9**	22.0
	33.8	**2.3**	**138.7**	**174.8**	156.8
Analysis by asset:					
Fixed Income				18.4	22.8
UK equities				18.8	13.2
Global Equities				110.6	102.3
Alternative Investments				23.2	16.5
Cash				-	1.1
Debtors				3.8	0.9
				174.8	156.8

25. Consolidated reconciliation of net debt

Analysis of net debt:	31 July 2023 £m	**Cash movements**	**Non-cash movements**	**31 July 2024 £m**
Cash and cash equivalents	597.8	(105.2)	-	492.6
Borrowings	(585.1)	4.8	(0.4)	(580.7)
Net debt	12.7	(100.4)	(0.4)	**(88.1)**

NOTES TO THE FINANCIAL STATEMENTS

26. Financial instruments

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income				
Listed investments	**256.8**	**256.2**	232.0	230.3
Other debtors	**1.7**	**1.7**	1.9	1.9
Financial assets that are equity instruments measured at cost less impairment				
Other investments	**41.0**	**30.0**	43.9	34.0
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	**492.6**	**425.3**	597.8	551.6
Other investments	**52.5**	**52.5**	0.1	0.1
Other debtors	**292.8**	**319.2**	272.7	305.4
Financial liabilities				
Financial liabilities measured at amortised cost				
Loans	**580.6**	**580.6**	585.2	585.2
Trade creditors	**40.1**	**39.8**	49.1	48.7
Other creditors	**458.1**	**457.8**	533.2	529.4

The values of the investments held at fair value through Statement of Comprehensive Income at the balance sheet date are determined using quoted prices relevant to the markets on which the stocks are listed. The values of other debtors held at fair value through Statement of Comprehensive Income at the balance sheet date are determined using open market value of the properties to which the loans relate.

27. Capital commitments

	2024		2023	
	Group	**University**	Group	University
	£m	**£m**	£m	£m
Commitments contracted	**150.4**	**150.4**	289.8	289.8
	150.4	**150.4**	289.8	289.8

These commitments relate to capital works relating to our estate. The decrease relates to monies spent in the year, predominately relating to the construction project of the new facility at Grays Inn Road, the Institute of Neurology and the UK Dementia Research Institute.

28. Lease obligations

Total rentals payable by UCL under non-cancellable operating leases are as set out below:

	2024			2023		
	Land & buildings	**Other**	**Total**	Land & buildings	Other	Total
	£m	**£m**	**£m**	£m	£m	£m
Payable during the year	**25.0**	**0.3**	**25.3**	26.3	1.7	28.0
Future minimum lease payments due						
Not later than 1 year	**25.0**	**0.1**	**25.1**	26.7	0.2	26.9
Later than 1 year and not later than 5 years	**86.7**	**0.1**	**86.8**	91.4	0.0	91.4
Later than 5 years	**67.1**	**-**	**67.1**	81.4	0.0	81.4
Total lease payments due	**178.8**	**0.2**	**179.0**	199.5	0.2	199.7

The Group lets retail and office units at the Caledonian Road to third party tenants under operating lease agreements. Rental income recognised in the Statement of Comprehensive Income in the year amounted to £0.3m (2023: £0.3m)

NOTES TO THE FINANCIAL STATEMENTS

29. Agency arrangements

Training consortia:	LAHP		DfE Mandarin		SEEL	
	2024	2023	**2024**	2023	**2024**	2023
	£m	£m	**£m**	£m	**£m**	£m
Balance unspent at 1 August	**-**	-	**0.2**	0.5	**1.8**	1.8
Funding received for consortium partners	**2.5**	2.9	-	-	**3.3**	3.3
Disbursements to partners	**(2.5)**	(2.9)	**(0.1)**	(0.3)	**(3.3)**	(3.3)
Balance unspent at 31 July	**-**	-	**0.1**	0.2	**1.8**	1.8

The University acts as the lead partner in a number of training consortia, and as such receives funds for trainee fees and bursaries for onward transmission to consortium partners. The funding and related disbursements are excluded from the Statement of Comprehensive Income. The following consortiums were in operation during the financial year:

- LAHP: London Arts and Humanities Partnership, a Doctoral Training Partnership funded by the Arts and Humanities Research Council
- DfE Mandarin - Mandarin Excellence Programme to expand the provision of Mandarin teaching in schools, funded by the Department for Education
- SEEL: South East, East and London consortium for initial training for educational psychologists, funded by the Department for Education

30. Contingent assets

There are no contingent assets at the balance sheet date.

31. Related party transactions

The financial statements include transactions with a number of organisations that fall within the definition of related parties under FRS 102 Section 33 ‘Related Party Disclosures’. Further, using UCL’s conflict of interest register, additional relationships are also disclosed for transparency where relationships exist with senior individuals. Due to the nature of UCL’s operations and the composition of Council (being drawn from local public and private sector organisations), it is inevitable that transactions in the normal course of business will take place with entities in which members of Council, or indeed other key management personnel, may have an interest. All such transactions, including those identified below, are conducted at arm’s length and in accordance with UCL’s Financial Regulations and usual procurement procedures.

UCL has taken advantage of the exemption within FRS 102 Section 33 and not disclosed transactions with wholly-owned subsidiaries. UCL is the ultimate controlling party of the Group. Included in the financial statements are the following transactions between the University and related parties. Where the transaction are below £50k (rounded to £0.1m), the amounts are included in the supporting narrative and excluded from the following table.

	2024			2023		
	Income	**Expenditure**	**Balance due to/(from) UCL**	Income	Expenditure	Balance due to/(from) UCL
	£m	**£m**	**£m**	£m	£m	£m
Academy of Medical Sciences	0.7	-	(0.1)	0.5	-	-
Africa Health Research Institute	-	-	-	-	(8.6)	(0.3)
Airbus Group	0.1	-	-	0.1	-	0.1
Alan Turing Institute	0.9	-	0.1	1.0	-	-
British Heart Foundation	7.4	-	1.1	4.4	-	2.3
Compass Group Holdings Plc	0.1	(0.1)	-	-	(0.3)	-
Francis Crick Institute	1.7	(4.4)	(0.7)	1.7	(4.6)	0.4
Royal Free London NHS Foundation Trust	8.5	(5.7)	1.9	7.0	(6.2)	1.6
SAUL Trustee Company	-	(0.7)	-	-	-	-
Science and Technology Facilities Council	7.7	(0.3)	0.3	10.1	(0.4)	(0.2)
UCL Hospitals NHS Foundation Trust [2]	-	-	-	62.7	(8.3)	2.7
University of London	0.6	(0.8)	0.1	0.3	(1.7)	-
Universities UK	-	(0.2)	(0.1)	-	-	-
UCL Union	0.1	-	-	0.1	-	-
Subsidiaries, associates and joint ventures[1]	3.2	(19.8)	(4.9)	1.4	(20.1)	0.2

[1] Subsidiaries that are not wholly owned. Related undertakings and the percentage interest (control) are disclosed in Note 32.

[2] UCL Hospitals NHS Foundation Trust (UCLH) was a related party in the 2023 due to the substance of the relationship of having UCL senior staff also serve as senior staff for UCLH. These specific relationships were no longer relevant for 2024 meaning no related party transactions or balances are disclosed for the current year.

NOTES TO THE FINANCIAL STATEMENTS

The nature of the relationships with related parties are explained as follows:

Kathleen Armour, Vice-Provost (Education and Student Experience), previously served on the Board of Governors of the University of Lincoln. Kathleen is also Chair of Governors at UCL Academy, Due to these roles, the University of Lincoln (in the prior year only) and the UCL Academy are classified as related parties. Transactions between UCL and the University of Lincoln in 2023 amounted to £23k in respect of project work between the two Universities. Transactions between UCL and UCL Academy related to expenditure amounting to £8k (2023: £34k).

Jonathan Butterworth, Council member and Professor of Physics, is also a Council member of Science and Technology Facilities Council. Transactions and balances outstanding are disclosed in the above table.

Dominic Blakemore, external member of UCL Council, is the Chief Executive Officer of food services provider Compass Group Plc, and serves as a non-executive director of the London Stock Exchange Group Plc. During the year, two Compass Group subsidiaries (Compass Group UK & Ireland Ltd and Compass Contract Services UK Ltd) supplied UCL with catering services and accommodation. This was chiefly in respect of graduation ceremonies, but spend was also incurred on various events, conferences, and retreats. Sales transactions have also occurred between UCL and Compass Group Holdings plc. Nothing was owing to either company as at the year-end date. Subscription purchases were made from the London Stock Exchange Group Plc in the year which amounts to less than £1k.

Donna Dalrymple, Chief People Officer, sits on the Board of the SAUL pension scheme and is also a member of the negotiating committee. During the year there had been transactions that have occurred between UCL and SAUL Trustee Company.

Victor Chu, Chair of UCL Council, sits on the board of multinational aerospace company Airbus. During the financial year, UCL made £62k (2023: £60k) of sales to Airbus Operations Ltd, and Airbus Defence and Space Ltd with nil balances owed (2023: £60k). Expenditure of £18k (2023: £13k) have also been made from Airbus Defence and Space Ltd. Mr. Chu is also a director of financial services company Nomura Holdings Inc and UCL made a sale of £1k (2023: £1k) to Nomura International Plc in the year, and owed nil balances (2023: £2k).

Charu Gorasia, UCL's Chief Financial Officer and non-executive director of UCL Business Ltd, was previously a trustee of the Whitehall and Industry Group (WIG), a charity which encourages understanding and co-operation between the business, government and not-for-profit sectors. In the year, UCL paid the £8k (2023: £8k) of WIG membership fees.

Richard Harrison, UCL Associate Professor, was a director and trustee of UCL subsidiary company Somers Town Community Sports Centre Ltd until August 2022. For transparency and completeness, transactions have therefore continued to be disclosed relating to other relationships. Richard serves as a director of the Knowledge Quarter: a consortium of local establishments dedicated to the furtherance and dissemination of knowledge. UCL is a partner organisation, paying the Knowledge Quarter £24k (2023: £24k) in membership fees for the year. Richard is also Chair of Governors of the Brecknock and Torriano Primary Schools Federation where UCL have paid £2k (2023: £1k) for hosting school visits. Richard is also a member of the Camden STEAM Board where Camden Learning have contributed to a STEAM Leadership programme. Camden Learning has had no direct transactions with UCL in the current or prior year.

David Lomas, Vice-Provost (Health) until the end of August 2023, was a non-executive director of UCL Hospitals NHS Foundation Trust, a trustee of the British Heart Foundation, a board member of the Francis Crick Institute and a member of Council at the Academy of Medical Sciences. Professor Lomas also sits on the board of the Africa Health Research Institute, was a non-executive director of the Royal Free London NHS Foundation Trust and was a director of organisation MedCity. Details of the University's transactions and balances with these entities are provided in the table above.

Anthony Smith, Vice-Provost (Faculties), previously served as a governor of the Capital City College Group (CCCG) which included three large London-based further education colleges: City and Islington College, Westminster Kingsway College and The College of Haringey, Enfield & NE London (CONEL). Transactions that have occurred in 2024 amount to £6k of expenditure (2023: £1k income, £1k expenditure).

Michael Spence, UCL President and Provost, sits on the board of The Russell Group of Universities and on the Rectors' Assembly of the League of European Research Universities (LERU) of which UCL is a member of both organisations. No transactions or balances are owed during the year with LERU or The Russell Group. Doctor Spence is also a member of Universities UK, to which the annual subscription and conference fees were paid. Doctor Spence serves as a trustee of the University of London, the transactional details for which are tabulated above. In addition, Doctor Spence was a trustee and board member of online journal The Conversation in the prior year, to which UCL offers pro bono office space in the Engineering department; in return the University pays no membership fees to The Conversation. Dr Spence serves as a Patron of the Bloomsbury festival, which UCL has made contribution of £35k during the year (2023: £35k). Doctor Spence is a Board member of Office for Students, and UCL received grants of £29.9m (2023: £29.2m).

Clare Goudy, UCL Chief of Staff, is a Trustee of the University Schools Trust where no transactions have occurred with UCL during the year. They are also a member of the UCL Academy Trust which UCL has made purchases of £8k (2023: £34k).

Geraint Rees, Vice-Provost (Research, Innovation and Global Engagement), serves as a NED of The Francis Crick Institute and The Alan Turing Institute. Details of the University's transactions and balances with these entities are provided in the table above.

Angharad Milenkovic, UCL Vice-President (Advancement) is a Trustee of Mercy Ships UK. No transactions have occurred during the year with the party and UCL.

Alan Thompson, UCL Pro-VP and Faculty Dean, is a trustee of the National Brain Appeal. No transactions have arisen during the year.

Mary McHarg, served in the UCL Council, was a Trustee in the UCL Union. UCL has incurred sales and purchase transactions during the year and a balance owing to UCL.

Aimie Chapple, Vice-President (Operations), is an NED of LTG and Owners of Chapple by Design. No transactions have been made during the year.

The Francis Crick Institute (FCI): UCL is a founding member of the Francis Crick Institute, a biomedical research centre established by six distinguished partners from scientific and academic fields. The University's investment in the FCI is disclosed in Note 17, and transactions with the Institute in the year are tabulated above. Included within expenditure are contributions to the Institute towards building lifecycle costs and overheads, in fulfilment of UCL's obligations as a founder.

NOTES TO THE FINANCIAL STATEMENTS

32. Related undertakings

The full list of related undertakings with 20% interest or greater are shown in the following table:

Undertaking	Number	Control	Principal activity	Key				
Subsidiaries								
UCL Business Limited	02776963	100%	Exploitation of intellectual property	1	A	^	@	X
UCL Consultants Limited	03332258	100%	Exploitation of intellectual property	2	A	^	@	X
UCL Properties Limited	02522769	100%	Property development and investment	1	A	^	@	X
UCL Residences Limited	03034078	100%	Commercial lettings of accommodation	1	A	^	@	X
UCL Trading Limited	02387544	100%	Contracting and consultancy	1	A	^	@	X
UCL Research Limited	643104	100%	Research activities	3	A	^	#	X
UCLB Investments Limited	09918278	100%	Exploitation of intellectual property	2	B	^	@	X
Somers Town Community Sports Centre Limited	03157703	55.55%	Operation of sports centre	4	A	^	@	X
Joint ventures								
Oriel Estate Services LLP	OC444176	50%	Development and construction activities	6	A	~	@	X
Associates								
E-Lucid Solutions Limited	14485439	49.95%	Licensing services	2	B	^	@	X
EuroTempest Limited	06045376	45%	Research activities	2	A	^	@	Y
Trimtots C.I.C.	09422984	44.17%	Community programmes	7	B	^	@	X
Sylus Pharmaceuticals Limited	04389197	41.87%	Exploitation of intellectual property	5	A	^	@	X
Neuroresponse CIC	09842536	40%	Research activities	8	B	^	@	X
Glialign Limited	10180388	34.84%	Research activities	2	B	^	@	X
LRG1 Limited	11815299	34.67%	Research activities	2	B	^	@	Q
Domainex Limited	04336899	29.44%	Exploitation of intellectual property	9	A	^	@	Q
Bloomsbury Genetic Therapies Limited	13593877	27.45%	Research activities	10	B	^	@	Y
Helicon Health Limited	08070188	25.99%	Software and management services	2	AB	^	@	X
Movement Metrics Community Interest Company	09494518	25%	Research activities	11	B	^	@	W
Optical Investments Limited	02960039	24.14%	Exploitation of intellectual property	2	B	^	@	X
UCL Partners Limited	06878225	20%	Research activities	15	A	^	@	X
Blue Sky Imaging Limited	03625133	20%	Exploitation of intellectual property	12	A	^	@	Z
Dormant								
Thiologics Limited	07659324	100%	Dormant	2	B	^	@	
Institute of Ophthalmology Limited	00481354	100%	Dormant	1	A	^	@	
UCL Developments (No1) Limited	03332215	100%	Dormant	1	A	^	@	
UCL Enterprises Limited	03034092	100%	Dormant	1	A	^	@	
UCL Investments Limited	02861370	100%	Dormant	1	A	^	@	
Bloomsbury Bioseed Fund Limited	04065120	75%	Dormant	13	A	^	@	
Avatar Therapy Limited	12463345	49%	Dormant	2	B	^	@	
Amalyst Limited	08268981	36.77%	Dormant	14	B	^	@	

Key

Registered office
1. Gower Street, London, WC1E
2. 90 Tottenham Court Road, London, W1T 4TJ
3. 70 Sir John Rogerson's Quay, Dublin, D02 R296
4. 25 Gordon Street, London, WC1H 0AY
5. 2a Dunmore Court, Abingdon, OX13 6BH
6. 162 City Road, London, EC1V 2PD
7. 3 Ash Close, Abbots Langley, WD5 0DN
8. 20 Wenlock Road, London, N1 7GU
9. Chesterford Research Park, Saffron Walden, CB10 1XL
10. Building 1000, Cambridge Research Park, CB25 9PD
11. Brockley Hill, Stanmore, HA7 4LP
12. Holmbury House, Three Mile Road, DorkingRH5 6NT
13. Prospect House, Rouen Road, Norwich, NR1 1RE
14. Town Wall House, Balkerne Hill, Colchester, CO3 3AD
15. 170, Tottenham Court Road, London, W1T 7HA

Legal status
^: Limited Company
~: Limited Liability Partnership

Shareholder / member entity
A: University College London
B: UCL Business Limited

Country of registration
@: England & Wales
#: Ireland

Reporting date for consolidation
X: 31 July 2024
Y: 30 June 2024
Z: 31 October 2024
Q: 31 December 2023
W: 31 March 2023

NOTES TO THE FINANCIAL STATEMENTS

33. Pension schemes

Multi-employer and state defined benefit plans

The Group contributes to three principal defined benefit multi-employer plans on behalf of its employees: the Universities Superannuation Scheme (USS), the Superannuation Arrangements of the University of London (SAUL) and the National Health Service (NHS) Pension Scheme. A number of staff, who transferred to UCL via historic business combinations, also belong on the Principal Civil Service Pension Scheme (PCSPS) and the Medical Research Council Pension Scheme (MRCPS). The schemes were externally funded and contracted out of the State Second Pension (S2P) and are valued every three or four years by professionally qualified independent actuaries using the projected unit method. Assets of each scheme are held in separate trustee administered funds.

It is not possible to identify UCL's share of the underlying assets and liabilities of these five schemes and they are therefore accounted for as if they were defined contribution schemes in accordance with FRS 102 28.11, with contributions recognised in the Consolidated Statement of Comprehensive Income and Expenditure.

Amounts recognised in the profit and loss with respect to defined contribution schemes was £137.7m (2023: £148.1m).

The Universities Superannuation Scheme

UCL is a participating employer of Universities Superannuation Scheme (USS). It is the main pension scheme for academic and academic-related staff across the sector. It is a hybrid scheme – providing defined benefits (for all members) as well as defined contribution benefits – and it operates on a mutual basis such that assets are not attributed to individual institutions and a scheme-wide contribution rate is set. As a participating employer, UCL 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 and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

USS is a "last man standing" scheme, so that in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme and the 2023 valuation can be found at https://www.uss.co.uk/about-us/valuation-and-funding/our-valuations.

The latest actuarial valuation of the scheme was at 31 March 2023 (the 2023 valuation). It was carried out using the projected unit method, and the financial assumptions that had the most significant effect on the result were as follows:

Discount rate (forward rates):
- Active members: Gilts + 2.5% pa.
- Retired members: Gilts + 0.9% pa.

Price inflation:
- CPI: 3.0% pa.
- RPI: 3.4% pa.
- The CPI assumption is a flat rate based on a long-term average expected level of CPI, broadly consistent with long term market expectations. The RPI assumption allows for an assumed gap between RPI and CPI of 1.0% pa.

Mortality:
- The mortality assumption has been updated to use more recent future projections prepared by the Continuous Mortality Investigation (CMI) 2021 future projection tables and makes some allowance for heavier mortality to persist given the ramifications of the coronavirus pandemic.

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

As part of the 2023 valuation, and in light of the surplus, the deficit recovery plan has been removed. The impact of removing the recovery plan is further disclosed in Note 23.

From 1 January 2024, the agreed contribution rates are 14.5% of salary for employers and 6.1% of salary for members. The future service contribution rate was 16.2% to 31 March 2024 and 20.6% from 1 April 2024.

The Superannuation Arrangements of the University of London

UCL is a participating employer of the Superannuation Arrangements of the University of London (SAUL). SAUL is a defined benefit pension scheme primarily for non-academic staff in the higher education sector. It operates on a mutual basis, meaning that assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. As a participating employer, UCL is 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 and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

SAUL is a "last man standing" scheme, meaning that in the event of the insolvency of any of the participating employers, any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme and the 2023 valuation can be found at https://www.saul.org.uk/#/page/the-actuarial-valuation.

The latest completed actuarial valuation of the scheme was as at 31 March 2023 using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Discount rate (forward rates):
- Active members: Gilts +2.45% pa.
- Deferred members: Gilts +1.0% pa.
- Retired members: Gilts +0.50% pa.

Price inflation:
- CPI: Full curve derived as the RPI curve less 1% pa. before 2030 and no deduction thereafter.
- RPI: Full unadjusted market-implied RPI curve: 3.37%.
- Pre 2016 pension increase uses the above assumptions. Post 2016 pension increase uses CPI max 2.5% pa. pension increases derived using the Jarrow-Yildirim model.

Mortality:
- The mortality assumptions use the CMI 2022 future projection tables, with long-term trend rate of 1.75% pa.

At the valuation date, the value of the assets of the scheme was £3.096bn and the value of the scheme's liabilities was £2.962bn, indicating a surplus of £134m and a funding ratio of 105%. From 1 January 2023, the agreed contribution rates are 21% of salary for employers and 6% of salary for members. The future service contribution rate is 19.3% of salaries. From 1 September 2024, employer contributions will reduce to 19%, with no change to the member contribution rate of 6%.

National Health Service Pension Scheme

UCL is a participating employer of the NHS Pension Scheme (NHSPS). The NHSPS is a defined benefit, unfunded public service pension scheme primarily for NHS staff. As an unfunded scheme, benefits are paid from current contributions and government funding rather than from an investment fund. Although UCL participates in the scheme for certain clinical and research staff, the scheme's liabilities are not attributed to individual employers. As a result, UCL is unable to identify its share of the underlying liabilities of the scheme on a consistent and reasonable basis and is therefore accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

The NHSPS does not operate on a "last man standing" basis, as it is a government-backed unfunded scheme. Details of the scheme can be found at https://www.nhsbsa.nhs.uk/nhs-pension-scheme-accounts-and-valuation-reports.

The latest actuarial valuation of the scheme was at 31 March 2020 and was prepared using the projected unit method. The financial assumptions are directed from HM Treasury. Those that had the most significant effect on the result of the valuation were as follows:

Discount rate (forward rates):
- CPI +2.4% pa. up to 31 March 2023
- CPI +1.7% pa. from 1 April 2023

Price inflation:
- Pension increases: Treasury CPI assumptions, fluctuate from 0.5% at 31 March 2021, stabilising to 2.0% from 31 March 2029
- Salary increases: fluctuates from 7.6% at 31 March 2021, stabilising to 3.8% at 31 March 2029
- CARE revaluation: fluctuates from 2.0% at 31 March 2021, stabilising to 3.5% at 31 March 2029

Mortality:
- The mortality assumptions use the S3 series tables based on the CMI projection model, with future improvements alongside the ONS 2020-based projections. Allowance for heavier mortality ramifications of the coronavirus pandemic will be factored into the 2024 valuation.

At the valuation date, the value of the notional assets of the scheme was £339.2bn and the value of the scheme's liabilities was £380.1bn, indicating a deficit of £40.9bn and a funding ratio of 89%. As a result of this valuation, the trustees determined that the employer contribution rate payable from 1 April 2024 to 31 March 2027 would be 23.7%.

Medical Research Council Pension Scheme

UCL is a participating employer of the Universities Section of the Medical Research Council Pension Scheme (MRCPS). The MRCPS is a defined benefit pension scheme that operates for certain research staff across several institutions. The scheme is divided into sections, with the Universities Section primarily covering non-clinical research staff. MRCPS is a funded scheme, and UCL, as a participating employer, contributes towards the ongoing benefits under the scheme.

The scheme operates on a mutual basis, meaning that assets are not attributed to individual institutions, and a scheme-wide contribution rate is set. As a result, UCL is exposed to actuarial risks related to other employers' members and is unable to identify its share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore, UCL accounts for MRCPS as a defined contribution scheme in accordance with FRS 102 28.11.

The MRC Pension Scheme (Universities Section) is a 'last man standing' scheme, meaning that in the event of the insolvency of any of the participating employers, any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation of the scheme. Details of the scheme can be found at https://www.mrcps.co.uk/index.php.

The latest actuarial valuation of the University section of the scheme was at 31 December 2022 using the projected unit method. The financial assumptions that had the most significant effect on the result of the valuation were as follows:

Discount rate (forward rates):
- Active members: Full gilt yield curve plus 0.6% pa.
- Deferred and retired members: Full gilt yield curve plus 0.25% pa.

Price inflation:
- RPI: Full unadjusted market-implied RPI curve based on the difference between the fixed-interest gilt yield curve and the index-linked gilt yield curve
- CPI: Derived as RPI inflation less 1.0% pa. until 2030, and 0.1% pa. thereafter

NOTES TO THE FINANCIAL STATEMENTS

- Salary increase: CPI inflation plus 1.5% pa. + promotional scale

Mortality:
- Mortality assumptions use the CMI 2021 future projection tables, with a long-term improvement rate of 1.50% pa.

At the valuation date, the value of the scheme's assets was £126.9m and the value of the scheme's liabilities was £102.4m indicating a surplus of £24.4m and a funding ratio of 124%. From 1 January 2023, the agreed contribution rates are 16.9% of salary for employers and 6.5% of salary for members. The total future service contribution rate is 30.2% of salaries.

Principal Civil Service Pension Scheme

UCL is a participating employer of the Civil Service Pension Scheme (CSPS), a defined benefit public service pension scheme. The CSPS provides pension benefits for civil servants and employees of participating employers. As a public service scheme, it is unfunded, meaning there is no investment fund, and benefits are paid directly from employer and employee contributions along with general taxation.

UCL contributes to the scheme for its staff, but the scheme's liabilities are not attributed to individual employers, and UCL cannot identify its share of the underlying assets or liabilities. Therefore, the CSPS is accounted for as a defined contribution scheme in accordance with FRS 102 28.11.

The CSPS does not operate on a 'last man standing' basis, as it is a government-backed unfunded scheme. Details of the scheme can be found at https://www.civilservicepensionscheme.org.uk.

The latest actuarial valuation of the scheme was carried out as of 31 March 2020. The financial assumptions that had the most significant effect on the valuation were:

Discount rate (forward rates):
- CPI +2.4% pa. up to 31 March 2023, CPI +1.7% pa. from 1 April 2023"

Price inflation:
- Pension increases: Treasury CPI assumptions, fluctuate from 0.5% at 31 March 2021,stabilising to 2.0% from 31 March 2029
- Salary increases: fluctuates from 7.6% at 31 March 2021, stabilising to 3.8% at 31 March 2029
- CARE revaluation: fluctuates from 2.0% at 31 March 2021, stabilising to 3.5% at 31 March 2029

Mortality:
- The mortality assumptions use the S3 series tables based on the CMI projection model, with future improvements alongside the ONS 2020-based projections. Allowance for heavier mortality ramifications of the coronavirus pandemic will be factored into the 2024 valuation.

At the valuation date, the scheme's notional assets were £159.6bn, and its liabilities were £172.3bn, indicating a deficit of £12.7bn. The funding ratio was approximately 93%. As a result of the 2020 valuation, the agreed employer contribution rate payable from 1 April 2024 to 31 March 2027 is 28.7% of pensionable pay.

Sponsoring employer defined benefit plans

UCL (Former Medical Schools) Pension Scheme

UCL is the sponsoring employer of a funded defined benefit pension scheme, the UCL Former Medical Schools Pension Scheme (UFMS). The scheme was acquired under the merger with the Middlesex Hospital Medical School in August 1987. The scheme was closed to new entrants at the point of merger, and with effect from 30 June 2012 all active members consented to a transfer of their benefits to SAUL. Deferred and pensioner liabilities remained with the UFMS scheme.

UFMS which provides retirement benefits based on members' pensionable salary and service when leaving employment. The assets of the scheme are held in a separately administered fund and the plan is administered by a trustee body (independent of UCL) who are responsible for ensuring that the scheme is sufficiently funded to meet current and future obligations. The liabilities set out in this note have been calculated based on the results of the full Scheme Funding Assessment, as at 31 March 2022, updated to 31 July 2024, allowing for any benefits paid. The present value of the defined benefit obligation was measured using the projected unit credit method.

Although the actuarial valuation results in a surplus, as further disclosed in note 1, an asset ceiling has been applied meaning the surplus is restricted to nil. The impact of the asset ceiling is shown in the disclosures below.

It is the intention of both UCL and the Trustees to wind-up the scheme, and arrangements are being made with various insurance providers to take on the remaining liabilities. As the scheme employer, UCL will be liable to those insurers for the projected deficit against the fund's assets and, as at 31 July 2024, the value of this 'buy-out' payment has been estimated by an independent actuary as £0.85m (2023: £0.85m). The amount is included within the provisions for liabilities balance in note 23.

The disclosures set out below are based on calculations carried out as at 31 July 2024 by an independent qualified actuary.

The principal assumptions used are shown in the following table:

	Group and University 2024	Group and University 2023
Discount rate	**4.55%**	5.05%
Retail Prices Index (RPI) Inflation	**3.45%**	3.25%
Consumer Prices Index (CPI) Inflation	**2.95%**	2.70%
Future increases in deferred pensions	**2.95%**	2.70%
Rate of increases to pensions in payment:		
Increase to pre-1997 pension in excess of GMP for pre-1983 leavers	**2.95%**	2.70%

NOTES TO THE FINANCIAL STATEMENTS

	Group and University 2024	Group and University 2023
Increase to pre-1997 pension in excess of GMP for post-1983 leavers	**0.00%**	0.00%
Increase to post-1997 pension for pre-2006 leavers	**2.90%**	2.65%
Increase to post-1997 pension for post-2006 leavers	**3.35%**	3.15%

Mortality
100% of S3PxA base tables with CMI 2022 core projections and a long-term rate of 1.25% pa.

Net defined benefit asset (liability) reconciliation

	Group and University 2024 £m	Group and University 2023 £m
Fair value of scheme assets	**4.3**	4.1
Present value of defined benefit obligation	**(3.9)**	(3.7)
Funded status	**0.4**	0.4
Paragraph 28.22 surplus restriction	**(0.4)**	(0.4)
Defined benefit asset/(liability) recognised in balance sheet	**-**	-
Reconciliation of surplus restriction		
Opening balance	**(0.4)**	(0.8)
Change in surplus restriction (remeasurement)	**-**	0.4
Closing balance	**(0.4)**	(0.4)
Total expense recognised in profit and loss account		
Administration expenses	**-**	0.1
Recognised in arriving at operating profit	**-**	0.1
Interest on the net defined benefit liability	**-**	-
Total recognised in the Profit and Loss account	**-**	0.1
Total amounts taken to Other Comprehensive Income		
Actual return on scheme assets – gains and (losses)	**0.3**	(0.5)
less: interest income on scheme assets	**(0.2)**	(0.2)
Remeasurement gains and (losses) - Return on scheme assets excluding interest income	**0.1**	(0.7)
Remeasurement gains and (losses) - actuarial gains and (losses)	**(0.2)**	0.3
Paragraph 28.25(c) surplus restriction	**-**	0.4
Remeasurement gain/(loss) recognised in Other Comprehensive Income	**(0.1)**	(0.0)
Changes in the present value of the defined benefit obligation		
Present value of defined benefit obligation at beginning of period	**3.7**	4.1
Benefits paid including expenses	**(0.3)**	(0.3)
Administration costs	**-**	0.1
Interest cost	**0.2**	0.1
Remeasurement (gains) and losses - actuarial (gains) and losses	**0.3**	(0.3)
Present value of defined benefit obligation at end of period	**3.9**	3.7
Asset class breakdown		
The categories of the scheme assets are as follows:		
Bonds	1.1	2.6
Annuity contracts	1.3	1.3
Cash	1.9	0.3
Total	**4.3**	4.2

NOTES TO THE FINANCIAL STATEMENTS

Changes in the fair value of assets

	Group 2024 £m	University 2023 £m
Fair value of scheme assets at beginning of period	**4.1**	4.8
Interest income	**0.2**	0.2
Remeasurement gains and (losses) - Return on scheme assets excluding interest income	**0.2**	(0.7)
Contributions by employer	**0.1**	0.1
Employee contributions	**-**	-
Benefits paid including expenses	**(0.3)**	(0.3)
Fair value of scheme assets at end of period	**4.3**	4.1

34. Contingent liabilities

In January 2023 UCL received a High Court claim from current and former students. The claim is for breach of contract due to cancelled and/or teaching moved online and restricted access to physical facilities resulting from periods of industrial action and/or the COVID-19 global pandemic during the academic years 2017-18, 2019-20, 2020-21 and 2021-22. The Claimants are yet to properly particularise their claims (including the financial value of the claims) for UCL and the court.

The Claimants sought a Group Litigation Order, which was refused by the High Court in June 2024. At present the Court has not determined the substantive claims and a trial of ‘test cases’ has been listed to take place across a 4-week window in February to March 2026.

During the COVID-19 pandemic UCL prioritised the health and safety of our whole community and followed UK Government guidance. Its lecturers and support staff worked tirelessly to make its campus and all UCL premises as safe as possible and ensured that a high-quality academic experience was provided to students. UCL minimised the impact of industrial action, to ensure students were not academically disadvantaged and were able to complete their studies and graduate on time. The Claimants have not alleged that UCL failed to take steps to enable them to complete their studies on time or to achieve their academic outcomes.

UCL is defending the claim and has disclosed this as a contingent liability given the claim is ongoing and still to be determined. It is too early to assess if there could be any financial impact and this will depend on the outcome of the trial of ‘test cases’ in early 2026.

35. Events after the end of the reporting period

On 20 September 2024, the main construction partner (ISG) for our new facility at Grays Inn Road (Institute of Neurology and the UK Dementia Research Institute) went into administration. As this occurred after the balance sheet date, this is a non-adjusting post balance sheet event. Any impairment will be recognised in the next financial year. At the time of signing these financial statements, the financial implications of the administration are still being considered and it is not possible to estimate the financial effect of any future impairment.

NOTES TO THE FINANCIAL STATEMENTS

36. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, UCL is required by the US Department of Education to present the following Supplemental Schedule in a prescribed format. The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of investments.
- prepared using United Kingdom Generally Accepted Accounting Practice, in accordance with the Statement of Recommended Practice:
- Accounting for Further and Higher Education 2020 (SORP 2019) and with Financial Reporting Standard FRS 102.
- presented in Sterling: the functional currency of the entity.

All figures are presented for the Group. The following acronyms are used in the following tables:

- Statement of Financial Position: SoFP
- Property, plant and equipment: PPE
- Statement of Comprehensive Income: SoCI
- Statement of Changes in Reserves: SoCiR

Primary Reserve Ratio

Expendable Net Assets

Related Disclosure	Page	Required Line Item	2024 £m	2023 £m
SoFP: Unrestricted reserves	33	Net assets without donor restrictions	2,022.9	1,444.9
SoFP: Restricted reserves	33	Net assets with donor restrictions	196.7	177.2
Note 24: Restricted permanent endowments	54	Net assets with donor restrictions: perpetuity	(33.8)	(30.2)
SoFP: Fixed & intangible assets	33	PPE, net	(2,792.0)	(2,739.0)
Notes 21 & 22: Debt and finance leases	51/52	Debt obligations, net	579.0	583.5
Notes 21 & 22: Deferred income	51/52	Deferred revenue & capital grants	550.5	537.4
Note 21: Short term bank and other loans	51	Loans	1.7	1.7
Note 23: Total provisions	53	Post-employment, pension liability, other provisions	12.9	467.8
		Expendable Net Assets	**537.9**	443.3

Total Expenses and Losses

Related Disclosure	Page	Required Line Item	2024 £m	2023 £m
SoCI: Expenditure less pension provision	31	Total operating expenses	1,972.2	1,853.9
		Total Expenses and Losses	**1,972.2**	1,853.9

Equity Ratio

Modified Net Assets

Related Disclosure	Page	Required Line Item	2024 £m	2023 £m
SoFP: Unrestricted reserves	33	Net assets without donor restrictions	2,022.9	1,444.9
SoFP: Restricted reserves	33	Net assets with donor restrictions	196.7	177.2
		Modified Net Assets	**2,219.6**	1,622.1

Modified Assets

Related Disclosure	Page	Required Line Item	2024 £m	2023 £m
SoFP: Non-current plus current assets	33	Total assets	4,056.1	4,001.8
		Modified Assets	**4,056.1**	4,001.8

NOTES TO THE FINANCIAL STATEMENTS

Net Income Ratio

Change in Net Assets without Donor Restrictions

Related Disclosure	Page	Required Line Item	2024 £m	2023 £m
SoCiR: Excl. endowment & restricted I&E	32	Changes in net assets, unrestricted	**578.2**	230.0
		Change in Net Assets without Donor Restrictions	**578.2**	230.0

Total Revenues and Gains without Donor Restrictions

Related Disclosure	Page	Required Line Item	2024 £m	2023 £m
SoCI: Total income	31	Total operating revenues and support, unrestricted	2,074.6	1,968.3
SoCI: Investment income	31	Investment income, unrestricted	(39.2)	(28.1)
		Total Revenues and Gains without Donor Restrictions	**2,035.4**	1,940.2

Net Property, Plant and Equipment

	2024 £m	2023 £m
Pre-implementation property, plant and equipment	1,465.7	1,518.4
Post-implementation property, plant and equipment purchased by obtaining debt	-	-
Construction in progress	309.6	303.4
Post-implementation property, plant and equipment with no outstanding debt	1,016.7	917.2
Net Property, Plant and Equipment	**2,792.0**	2,739.0

Long-term debt for long-term purposes

	2024 £m	2023 £m
Pre-implementation long-term debt	**287.4**	289.0
Allowable post-implementation long-term debt to purchase property, plant and equipment	**-**	-
Construction in progress - debt	**-**	-
Long-term debt not for the purchase of property, plant and equipment	**291.6**	291.3
Net Long-Term Debt for Long-Term Purposes	**579.0**	580.3