



**QUEEN'S
UNIVERSITY
BELFAST**

**ANNUAL
REPORT
2020-21**

**A NEW
BEGINNING**

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MESSAGE FROM THE CHAIR OF SENATE

This new-style Report heralds a new chapter in the story of Queen's University Belfast. It underlines the continued importance of our University — for our students and their future, for the growth of Northern Ireland's society and economy and for the impact we make throughout the world.

The Report also highlights our resilience during a year that was like no other — a year when normal life, as we had enjoyed it, was put on hold indefinitely. I want to offer my thanks and congratulations to our Vice-Chancellor and to all the staff and students for the way they responded and adapted to the circumstances imposed by COVID-19.

I also want to recognise the significant contribution our University is making in helping the community to recover — through public health initiatives, research, clinical trials, the search for new drugs — and in our work with the FE sector, Government and business in helping people whose jobs were affected by the pandemic to seek new skills.

Our vision as a university has been undimmed by COVID-19. Strategy 2030 is our plan for the next ten years — a blueprint for a new beginning, how we will shape a better world through life-changing education and research and through investment in our people.

At home we are accelerating inclusive growth through our leadership in the once-in-a-lifetime opportunities that are presented by the Belfast Region City Deal, driving forward major innovation projects that will include advanced manufacturing and clinical healthcare.

Part of our new beginning is to encourage greater accessibility. Queen's does not stand apart from the community it serves: it is at the heart of it. This Report gives examples of partnerships across the world but it also shows how we are engaging with society at home, not least in the vital area of sustainable development.

Senate, which I chair, carries responsibility for the mission and strategic vision of Queen's and I want to thank my colleagues for their contributions during this difficult year. But as the University embraces the future so must we. Our membership is broadly based. It represents staff and students and includes several external lay members and as we refresh Senate this year we want to ensure that it is appropriately diverse and fully representative of the wider community.

I also want to pay tribute to our Chancellor, Hillary Rodham Clinton. Throughout the past year, her online messages have given great encouragement and it was a pleasure to see her formally take up her role at a ceremony in the Whitla Hall. As we progress with our University's new strategy she will be a committed advocate and an inspirational role model for the Queen's community at home and across the world.

Stephen Kingon
Chair and Pro-Chancellor

MESSAGE FROM THE VICE-CHANCELLOR

This has been a special year for Queen's as we celebrated 175 years since the establishment of the Queen's Colleges in Belfast, Cork and Galway and the beginning of our history as Queen's University Belfast.

As our University has grown over the past 175 years there have been many challenges for us and the society we serve, but none more so than the devastating consequences of the one we face today – the COVID-19 pandemic.

Throughout this academic year, we continued to adapt our activities to cope with the difficult circumstances and I am extremely proud of all we have achieved as a Queen's community. In this year's Report, you will read about many of these achievements and our impact across education, research and society, both locally and internationally.

The COVID-19 pandemic provided the backdrop to many of our activities during the year, including the development of our new inclusive Strategic Plan. Over the past 18 months, we have been working with staff, students and external stakeholders to develop our new Strategy to 2030. Launched in July 2021, *Strategy 2030, Delivering for our Future*, sets out our ambition for the next ten years and emphasises the key role Queen's will play in the social and economic recovery of Northern Ireland, post-pandemic.

Our own Strategy aligns with the Department for the Economy's '10x Economy' Strategy which sets out an ambitious vision for Northern Ireland and underlines the importance of skills, research and innovation. Universities have a key role to play in ensuring the success of the economy and we will continue to work in collaboration and partnership with Government, Industry, Business and Civic Society to deliver the vision.

While this year has given us an opportunity to reflect on our achievements over the past 175 years, our focus is very much on the future. We will continue to achieve our ambitions through transformative education and research and through investment in our people, both students and staff, creating thoughtful, truly global citizens. I have every confidence that they and their university can look ahead to a bright future.

Professor Ian Greer
President and Vice-Chancellor



MOMENTS OF THE YEAR

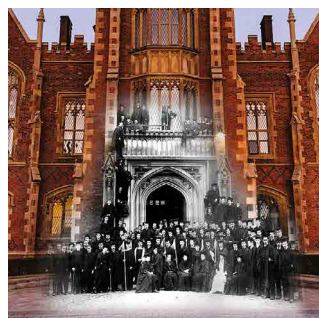


OCTOBER 2020

QUEEN'S WELCOMES ECONOMY MINISTER ANNOUNCEMENT OF FUNDED ONLINE TRAINING

Economy Minister Diane Dodds announced 3,000 free online training places for people whose employment was disrupted by the pandemic.

[Find out more](#)



NOVEMBER 2020

QUEEN'S CELEBRATES 175 YEARS OF ACADEMIC EXCELLENCE AND HONOURS PRESIDENTS OF THE LEARNED SOCIETIES

2020 marked the 175th anniversary of the establishment of the Queen's Colleges in Belfast, Cork and Galway and the beginning of the history of Queen's University Belfast.

[Find out more](#)



NOVEMBER 2020

QUEEN'S WINS PRESTIGIOUS AWARD IN CHINA

A unique consortium of UK and Chinese universities — led by Queen's University Belfast — was named Institutional Partnership of the Year at the British Business Awards held in Shanghai.

[Find out more](#)



MARCH 2021

IGFS HONoured BY UNITED NATIONS-RELATED AGENCY

The Institute for Global Food Security has been recognised for the quality of its science and collaboration in research by an agency within the larger UN family.

[Find out more](#)



MARCH 2021

PM VISITS QUEEN'S TO SEE OUR CONTRIBUTION TO THE FIGHT AGAINST COVID

The University hosted Prime Minister Boris Johnson at the Wellcome-Wolfson Institute for Experimental Medicine. He visited one of the laboratories to see the vital work Queen's is doing in the fight against coronavirus and met a number of researchers.

[Find out more](#)



JUNE 2021

QUEEN'S SHARES SUSTAINABILITY EXPERTISE IN TEDx TALKS

Queen's hosted a digital TEDx event, Engineering our Sustainable Future, focused on inspiring creativity and sharing innovation.

[Find out more](#)



APRIL 2021

GRADUATE SCHOOL WELCOMES NEW COHORT OF CITI-GENS DOCTORAL SCHOLARS

Our Graduate School welcomed 20 international CITI-GENS doctoral scholars. Collaboration in Training and Innovation for Growing, Evolving and Networked Societies (CITI-GENS) is a Marie Skłodowska-Curie training programme that supports interdisciplinary Early Career Researchers, combining ground-breaking research with higher-level skills development.

[Find out more](#)



JUNE 2021

£11.2M PROJECT TO DEVELOP NEXT GENERATION OF HYDROGEN BUSES

World-leading researchers at Queen's are collaborating with industry experts to develop the next generation of single and double deck hydrogen buses, helping in the global fight against climate change.

The researchers, based in the Bamford Technology and Engineering Research Centre and the School of Mechanical and Aerospace Engineering, are members of an international team working on a £11.2m project, partly funded by the Advanced Propulsion Centre.

[Find out more](#)

OUR STAKEHOLDERS

STUDENTS

With over 25,000 students from more than 96 countries, our diverse student body makes a rich and exciting contribution to campus life. Working in partnership with the Students' Union, the University is committed to student participation and engagement. The Student Partnership Framework and the shared programme of representation, ensure meaningful involvement in decision-making. There are many opportunities to contribute — through the Students' Union, Student Representation at Course, Subject, School and Faculty level and through membership of University Committees, including Senate and Academic Council.

COLLEAGUES

We have over 4,300 members of staff from over 98 countries. They are represented in our governance through membership of Senate and engagement with the trade unions. They are also members of many committees and groups, including the Staff Forum.

ALUMNI

They are the Queen's family world-wide. We maintain lifelong relationships with over 206,000 alumni in 137 countries. All graduates are members of Convocation, which gives them a say in the affairs of the University. This year has placed unwanted distance between the University and its global network but we have overcome that through online events and enhanced communication.

During almost 600 instances of volunteering this year, our graduates provided mentoring and placement opportunities, acted as panellists at careers events, and recorded special messages to congratulate the class of 2021 during this year's online graduation ceremonies.

THE LOCAL COMMUNITY

Queen's is committed to the community and we are proud of the contribution our students make, with 11,000 involved in volunteering, clubs and societies.

We have developed partnerships with Belfast City Council, with the Health and Social Care Board, and a range of local community and voluntary groups.

We convene the Neighbourhood Forum, a platform for local residents, politicians and representatives of the University and Students' Union to address important issues.

By leading three Belfast Region City Deal innovation projects, Queen's has demonstrated its commitment to civic leadership and ensuring inclusive benefits for our local communities. We are also community planning partners with Belfast City Council and we hold membership of a number of business representative bodies.



**QUEEN'S IS COMMITTED
TO THE COMMUNITY
AND WE ARE PROUD
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FUNDERS AND REGULATORS

Unlike other parts of the UK, Northern Ireland has no Higher Education funding council. Instead, the Department for the Economy (DfE) undertakes that role. There are formal and informal channels of engagement between the University and the DfE.

Queen's is registered with the Charities Commission for Northern Ireland. In setting and reviewing all our activity Senate, the University's governing body, seeks to comply with the Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education.

In 2020–21, the University received £88.5m of research awards from more than 625 funding organisations. These involved government, the third sector and private sector in the UK, EU and other countries. Many of these organisations have programmes of engagement and assurance. In the past year, UKRI Assurance, representing the UK Research Councils and Innovate UK, awarded Queen's the highest level of 'Substantial Assurance'.

PARTNER ORGANISATIONS

Our partners are a diverse range of organisations locally, nationally and internationally. We work with business, government, community and the Higher and Further Education sectors in Northern Ireland, collaborating in a number of initiatives, including the BRCD. Queen's is a member of Universities UK, the Russell Group and the all-island Universities Ireland. We work with universities in the UK and Europe and have more than 120 partnerships across the globe.



**£88.5M OF RESEARCH
AWARDS FROM MORE
THAN 625 FUNDING
ORGANISATIONS**

OVERVIEW OF THE UNIVERSITY

The ninth oldest University in the UK, the beautiful campus — where long-established meets modern-day — displays the rich history and academic heritage of Queen's as well as its contemporary ethos, extensive investment and state-of-the-art facilities.

The University's enduring focus is on quality teaching, research excellence and a student-centred culture. A member of the Russell Group, it is ranked joint 1st in the UK for research intensity (Complete University Guide 2021), while 10 subject areas are ranked in the top 200 in the world (QS World Rankings by Subject 2021).

Our global reputation is building. The Times Higher Education World University Rankings (2022) placed Queen's 17th in the world for international outlook and according to U-Multirank 2020, positions us in the top 25 universities for international joint publications. Global partnerships continue to grow and we are forging alliances with leading institutions in America, China, India, the Middle East and Asia.

Queen's plays a key role in Northern Ireland's social and economic development. The University is renowned for its strengths in enterprise and innovation, and was ranked 1st in the UK as the most entrepreneurial university in 2019 and 2020 (Octopus Ventures Impact Rankings).

Queen's has grown from a small cohort of students in 1845 to today's thriving multi-cultural University of 4,300 staff and 25,000 students, 3,500 of them from 96 different countries. This has been a uniquely challenging year for the whole Queen's community but the response to the COVID-19 pandemic has demonstrated our resilience, our world-leading research, our willingness and ability to 'rise to the challenge' and our unwavering commitment to our students.

We have a central role in the development of the BRCD. We are accelerating economic growth in Northern Ireland, ensuring a talent pipeline of fully-equipped, future-ready graduates to meet demand.



STRATEGY 2030

Since 1845, Queen's University staff, students and alumni have made a difference to societies locally, nationally and internationally. Today, we are one of the UK and Ireland's leading universities and continue to shape and serve the world around us through our research and teaching.

We are an engine of progress that is central to the socio-economic success of Northern Ireland. Strategy 2030 sets out our ambition for the next ten years to shape a better world through life-changing education and research across our disciplines, investing in our people, both students and staff, to ensure excellence and impact.

Our Strategy has been developed through extensive engagement with staff, students and external stakeholders at a time of unique global crisis the COVID-19 pandemic.

Strategy 2030 defines the response of the University in this crisis as we drive the social and economic recovery of Northern Ireland, a recovery that must be based on inclusion and sustainability.



STRATEGY 2030 SETS OUT
OUR AMBITION FOR THE
NEXT TEN YEARS TO **SHAPE
A BETTER WORLD** THROUGH
LIFE-CHANGING EDUCATION
AND RESEARCH



OUR VISION

Our vision is to be a global research-intensive University, generating internationally leading research coupled with outstanding teaching and learning, focused on the needs of our society, locally and globally. The sustainability goals are embedded and enmeshed in our ambition for 2030:

- 

A GLOBAL UNIVERSITY

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

SCALE NEW HEIGHTS

Climbing the global league tables and ranked in the top 175 in the world.
- 

A TRANSFORMATIVE EDUCATION AND STUDENT EXPERIENCE

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

RESEARCH OF THE HIGHEST QUALITY AND IMPACT

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

A GREAT PLACE TO WORK

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

AN ANCHOR INSTITUTION

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

FINANCIAL SUSTAINABILITY FOR GROWTH AND DEVELOPMENT

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

REALISING OUR VISION

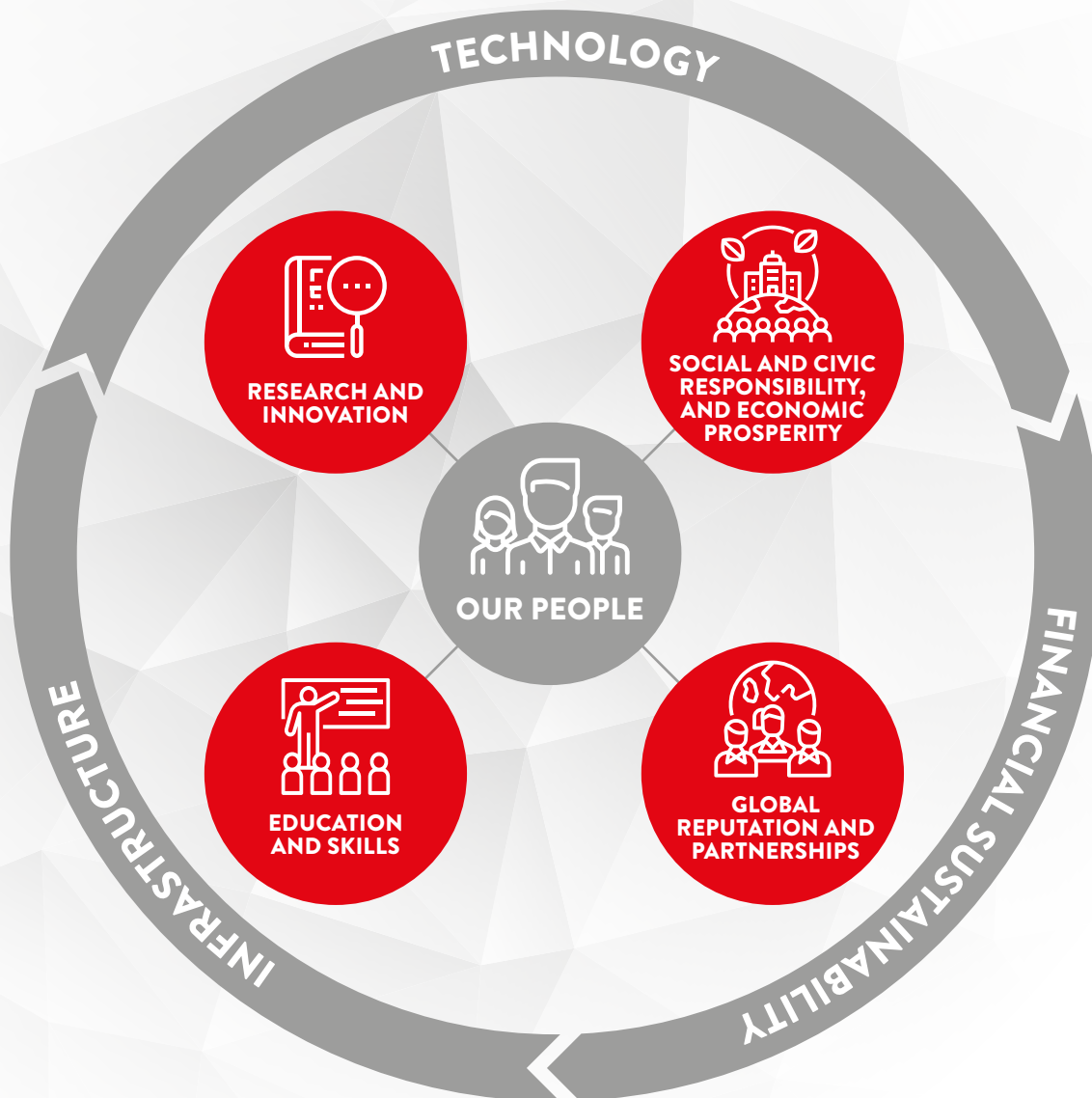
**PEOPLE ARE THE VERY HEART OF
ALL OUR AMBITIONS.**

WE FOCUS ON FOUR PRIORITIES:

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

UNDERPINNED BY FOUR ENABLERS:

- Our People
- Financial Sustainability
- Infrastructure
- Technology



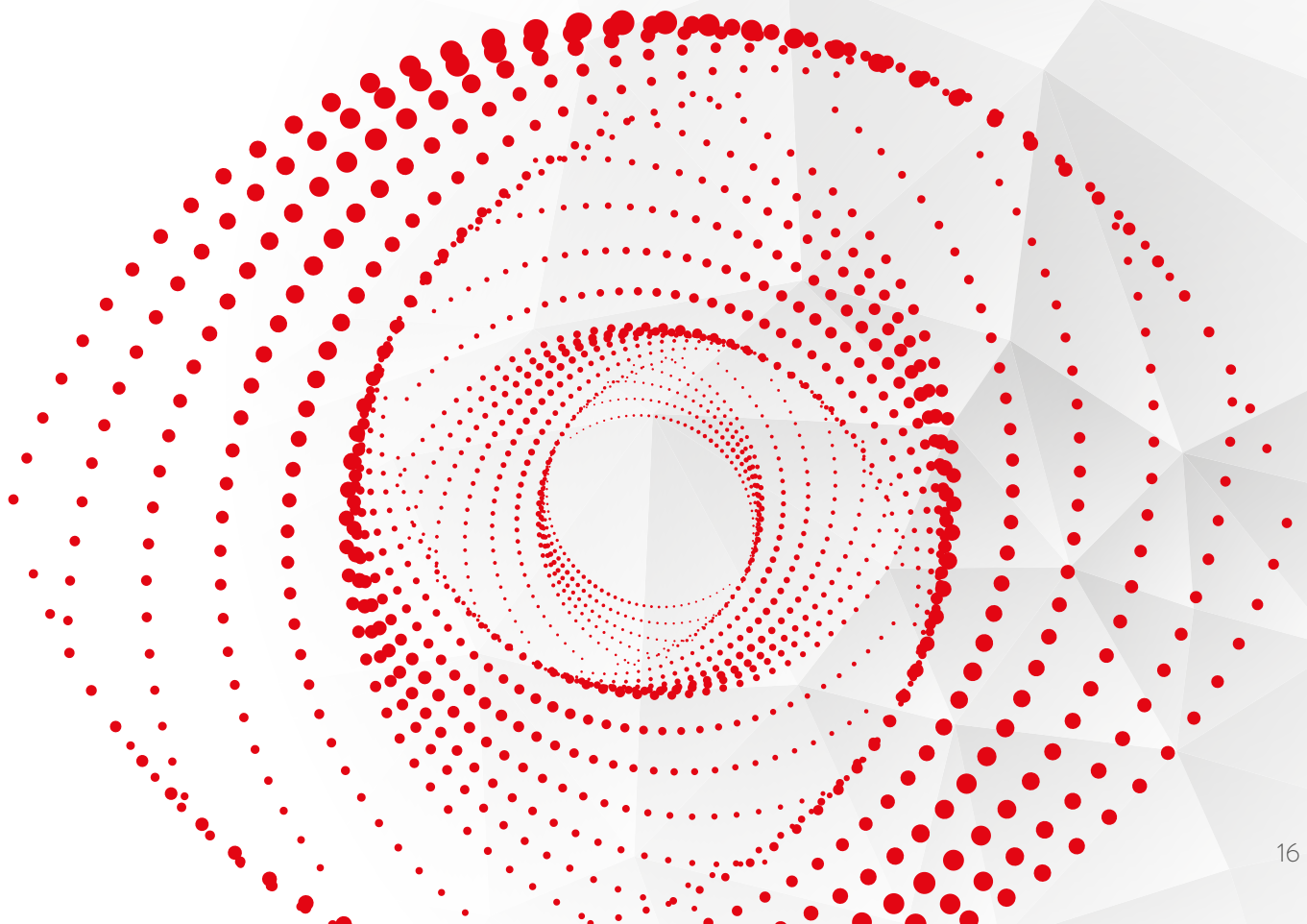
Our Strategic Priorities build on our rich heritage of innovation, both economic and social, and focus on true global challenges aligned to the United Nations Sustainable Development Goals. These resonate with all Ireland and UK agendas and are underscored by the impact of the pandemic.

Their delivery will require an interdisciplinary, cross-institutional, cross-sectoral, and international approach with partnership working. We will develop our people to meet these priorities with a goal-centred culture, creating an environment to nurture achievement and creativity, focused on quality and excellence.

While our ambition reflects a vision with a 10-year horizon, the operational delivery will be on a rolling three-year basis, to allow us to respond to opportunities and risks.



OUR STRATEGIC PRIORITIES BUILD ON OUR RICH HERITAGE OF INNOVATION, BOTH ECONOMIC AND SOCIAL, AND **FOCUS ON TRUE GLOBAL CHALLENGES**



OUR STRATEGIC PRIORITIES

EDUCATION AND SKILLS

During a year in which we faced unprecedented challenges, we continued to develop our students as global citizens, meeting the skills needs of key sectors and supporting the growth of the knowledge-based economy in Northern Ireland.

TRANSFORMATIVE STUDENT EXPERIENCE

The COVID-19 pandemic had a major impact on the sector, including student satisfaction levels. Despite this, Queen's improved its satisfaction ranking in the National Student Survey moving from 15th to 6th in the Russell Group and improving by over 50 places in the Sunday Times student experience measure. This contributed to a rise of 7 places to 24th in the overall Sunday Times Guide.

A key element in our response to COVID-19 was Canvas, our virtual learning environment. Most courses were able to provide learning, teaching and assessment online, with 71% of students rating the quality as 'good' or above (JISC Survey). Canvas supported online examinations and there were approximately 20,000 successful submissions between 4 May and 5 June 2021. The Canvas team also worked with other e-learning and IS colleagues to provide a range of training, activities and resources to support staff.

In partnership with the Students' Union and the Centre for Educational Development, Student Digital Champions were active in building learning communities, peer mentoring, and social media campaigns focused on motivation and digital wellbeing.

This was a year in which the quality of our support services for students shone through. We were quick to provide additional financial support, not only to increase resources but also to alleviate hardship.

We were the first UK university to offer a pause in all student accommodation contracts and we maintained this flexible approach throughout the 2020–21 academic year.



Over 1,200 of our students took up this offer from October 2020 to April 2021, saving them £2.7m of accommodation fees. In addition, over 1,000 of our students took the option of withdrawing from their accommodation contract completely and without penalty during 2020–21, saving them £2.5m in accommodation fees.

For students who remained in Queen's accommodation, we provided quarantine catering, meal deliveries, isolation and care packages. Students in isolation received 5,000 meals and there were 600 Christmas Day dinners.

Other activities included an asymptomatic test facility at Elms BT9, as well as health and wellbeing events and daily drop-in sessions run by the Residential Life team, whose contribution has been invaluable. The work of these exceptional students was recognised nationally when Oluwayomi Olaide-Kolapo was named one of eight outstanding residential assistants at this year's College and University Business Officer Residential Assistant (CUBO RA) Awards.

In addition, Yi Kang Choo, from the School of Law, was named the 2021 Allstate NI Queen's Student of the Year for establishing the Welfare Taskforce for Malaysian Students Abroad, supporting more than 1,200 students and recent graduates during the pandemic.

Yi Kang Choo, the 2021 Allstate NI Queen's Student of the Year, pictured with Pro-Vice-Chancellor for Education and Students Professor David Jones and Head of Alumni and Supporter Engagement Ian Moore

The University also continued to develop #QUBeWell and, in March 2021, launched a campaign to embed a culture of positive health and wellbeing among students and staff. Other activities included the launch of the Student Mental Health Sports Referral Pilot project, a collaboration between Student Wellbeing and Queen's Sport, funded by The National Lottery Community Fund.

AN EDUCATION FOR SOCIETAL IMPACT

We continue to prepare our students for leadership and citizenship in a global society, to face the future with confidence and a sense of purpose that will advance their careers and bring benefit to the lives of others.

Queen's is ranked 11th in the UK for graduate prospects, in the Guardian league table, with our Career Services awarded an Association of Graduate Careers Advisory Service Membership Quality standard for their support to students and graduates during COVID-19.

The pandemic had a significant impact on opportunities for work-related learning — especially placements — but we created alternatives where possible, including virtual internships. In addition a number of key activities — GradFest 2021, the annual Go Global Fair and Placement Fairs were delivered online.

During 2020–21, Queen's joined the Employ Autism Higher Education Network, a ground-breaking HE programme to unlock the potential of autistic students and graduates. Run by Santander and the charity Ambitious about Autism, the programme is supported by Santander and the Queen's Annual Fund.

Other developments included a pilot scheme of the new Professional Skills Programme to ensure that employability and global citizenship principles are embedded within academic programmes.

Enterprise and volunteering were key areas during the year. Enterprise SU held more

than 120 business start-up one-to-ones for student entrepreneurs as well as providing mentoring and competitions, such as QUB Dragons' Den. Volunteer SU supported almost 2,000 students in a range of activities and launched the Jump IN initiative to encourage them at all stages of their volunteering journey.

BROADEN ACCESS TO HIGHER EDUCATION

We are committed to ensuring that our University is accessible to students from all backgrounds, and that every learner is supported in the development of their full potential. Some 30% of our students come from the most disadvantaged quantiles.

Despite COVID restrictions, our Widening Participation Unit had remarkable success, engaging with more than 1,000 pupils across Northern Ireland.

The Pathway Opportunity Programme (POP) provides a route for talented young people who want to study at Queen's but may need additional support and encouragement to reach their full potential. This year, 250 pupils joined the two-year programme via Canvas, Zoom and Microsoft Teams and took part in a week-long summer school. 105 students from POP were admitted to full-time courses in 2020–21. Support is provided to these students through bursaries with the Bright Future Collective, an initiative with the corporate sector, launched during the year to provide further support.

During the year 46 pupils took part in the Queen's Senior Academy which supports Year 13/Year 14 participants in selected schools and FE Colleges. Nineteen young people are holding offers for Queen's this year. Each Senior Academy participant who enrolls at the University in the coming year will receive a £1,000, NI Centenary Senior Academy Bursary as part of the Centenary Scholarship Scheme for Northern Ireland.

Other activity included school outreach, continued support for Care Experienced Students and Reading Together, a literacy programme for Looked After Children (LAC), which was delivered online.

Developments to support alternative routes to Higher Education included a joint initiative involving Queen's, the six Northern Ireland Further Education Colleges, Ulster University, Stranmillis University College, St Mary's University College, The Open University, and CAFRE.

INNOVATE OUR TEACHING AND LEARNING

At the beginning of the academic year, Queen's launched a new medical curriculum to address the changing needs of Northern Ireland's healthcare system. Known as C25, it has been crafted in response to the Department of Health plan 'Health and Wellbeing 2026 – Delivering Together'. C25 has a greater focus on preventative care and health promotion, giving students wider exposure to general practice and community-based care.

The KN Cheung SK Chin Intersim Centre, a new Clinical Skills Teaching facility funded through philanthropic support, was completed this year. The Centre is one of the few in the UK to truly champion simulation-based education with an interprofessional approach, which allows students to train together in interactive scenarios that closely replicate a wide range of clinical settings.

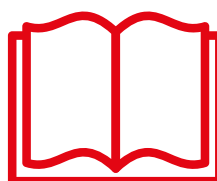
There were significant awards during the year. Queen's was named one of the UK's first Academic Centres of Excellence in Cyber Security Education (ACE-CSE). The National Cyber Security Centre (NCSC) – part of GCHQ – awarded us Silver recognition for first-rate cyber security education on campus and promoting cyber skills in its community. In addition, Queen's Management School was awarded the prestigious EQUIS accreditation for management and business schools, becoming one of only 197 such schools worldwide to achieve this distinction.

During the year, we were also named the Nurse Education Provider of the Year (Pre-registration) at the Student Nursing Times Awards.



RANKED 11TH IN THE UK FOR GRADUATE PROSPECTS

(TIMES AND SUNDAY TIMES GOOD UNIVERSITY GUIDE 2022)



10 SUBJECT AREAS RANKED IN THE TOP 200 IN THE WORLD

(QS WORLD RANKINGS BY SUBJECT 2021)



204 ACTIVE CLUBS AND SOCIETIES WITH OVER 13,800 MEMBERS



STUDENT BODY COMPOSITION RISING TO 32% POSTGRADUATE



DURING A YEAR IN WHICH WE
FACED UNPRECEDENTED
CHALLENGES, WE CONTINUED
TO **DEVELOP OUR STUDENTS AS
GLOBAL CITIZENS**, MEETING THE
SKILLS NEEDS OF KEY SECTORS

OUR STRATEGIC PRIORITIES

RESEARCH AND INNOVATION

Delivering world-class research with benefits for wider society is at the heart of our mission.

STRENGTHEN OUR RESEARCH PORTFOLIO

During the year, our research performance saw a marked improvement with the value of research awards at £88.5m. As well as an increase in the proportion of £1m+ awards, the quality of research awards also improved with a greater proportion coming from UKRI.

In March 2021, the University finalised its submission to REF 2021, which assesses the quality of research in UK Higher Education Institutions. More than 2,200 research outputs were submitted from some 1,100 staff, along with more than 80 impact case studies. These included:

- The essential contribution made by Queen's research into managing the impact on Northern Ireland of the UK's withdrawal from the EU.
- The development of new statistical models to help government officials and healthcare managers set policy and allocate resources in both normal and emergency circumstances.
- The emergence of a research-driven, tech-based ecosystem in Northern Ireland, underpinned by materials physics research at Queen's and the University's collaboration with Seagate Technology.

There were other examples during the year of ground-breaking research and its impact:

- In the battle to combat COVID-19 — clinical trials, vaccine development, studying long-term consequences of COVID, social impact, testing, diagnostics and research to identify new therapeutics.
- A world-first clinical trial led by Queen's showing how a new combination of radiotherapies improved the treatment of very advanced prostate cancer.



- A Queen's-led global collaboration in astrophysics which detected only the second mini-moon ever recorded and has confirmed that many more will be found in the next decade.
- A LucidTalk poll, conducted for a research team at Queen's, revealing that Northern Ireland voters are evenly split over the Protocol on Ireland/Northern Ireland.

*Professor Joe O'Sullivan
prostate cancer treatment
breakthrough — clinical
trial team*

ENHANCE OUR RESEARCH COLLABORATIONS

We continue to expand our research through collaboration, building research partnerships locally, nationally and internationally.

There were significant examples during the year:

The Institute for Global Food Security was designated a 'Collaborating Centre' of the International Atomic Energy Agency (IAEA) — one of only two in the UK and the first in the UK in the area of food and agriculture research.

Three Queen's projects were part of 20 new UK-Ireland research collaborations in the social sciences announced by the Irish Research Council (IRC) and the Economic and Social Research Council (ESRC) — part of UK Research and Innovation.

Other all-island initiatives included a Memorandum of Understanding to reinvigorate and re-prioritise the Ireland–Northern Ireland NCI Cancer Consortium (The All-Ireland Cancer Consortium (AICC)) and the launch of the new All-Ireland MS Research Network (AIMS-RN) with Queen's, the Royal College of Surgeons in Ireland (RCSI) and NUI Galway.

A team from Queen's (led by Professor Mark Price), Loughborough University and the University of York was awarded £7.3m by the Engineering and Physical Sciences Research Council (EPSRC) — part of UK Research and Innovation — for the 'RIED' (Re-Imagining Engineering Design) project which will be supported by Airbus, Glen Dimplex, ITI, Rolls-Royce, Denroy, SAM UK, MTC, Far UK, OxMet, and Spirit Aerosystems.

Other examples include a collaboration led by Queen's, involving Trinity College Dublin and the Astrobiology Center of the National Institutes of Natural Sciences in Tokyo which discovered a new chemical signature in the atmosphere of an extrasolar planet.

ADDRESS REAL WORLD NEED

The importance of university/industry collaboration in addressing societal and economic needs was demonstrated with two successful UKRI Strength in Places Awards. Researchers from Queen's are part of a £33m innovation grant to develop zero emissions ferries. 'Zero-Carbon Sea Travel' with Artemis will see Belfast become a global leader in zero-emissions maritime technology. Queen's also has an integral role in 'Smart Nano NI', a £60m nano technology consortium which is focused on developing innovative technology for medical devices, communication, and data storage in partnership with international firm Seagate Technology.

Queen's is a leading university in translating research innovation into commercial application. Our strengths in entrepreneurship will play a key role in delivering the

Department for the Economy's '10x Economy' Strategy which sets out an economic vision of a decade of innovation. Furthermore, this resonates with the UK Government's Innovation Strategy and ambition to level-up the regions.

For the second year running, we were ranked 1st in the UK as the most entrepreneurial university (Octopus Ventures Impact Rankings).

Through QUBIS, our commercialisation arm, we have created more than 100 technology spin-outs, generating £323m in revenue and creating 3,100 jobs. We have also supported the creation of 1,800 jobs via the cybersecurity business cluster which is based around our Institute of Electronics, Communications and Information Technology (ECIT).

Our long tradition of entrepreneurship and commercialisation has secured £155m in capital investment for Northern Ireland and has seen the creation of many top companies including LSE-listed Kainos Group Plc, valued at over £2bn, Andor Technology, and Fusion Antibodies Plc.

Successes this year included a partnership between Queen's Precision Medicine Centre (PMC) and spin-out company Sonrai Analytics to deliver a transformational tool in cancer diagnostics. This follows a ground-breaking £7m collaboration announced in July 2020 with Sonrai and Roche, the world's largest biotech company.

In other areas of societal impact, Queen's researchers are involved in a new £7m consortium to boost research on urban spaces and tackling health inequalities while throughout 2021 our researchers led on activities and events to mark the centenary of the partition of Ireland.

FOSTER A CREATIVE, INCLUSIVE AND COLLABORATIVE CULTURE

In January 2021, Queen's launched its first Institutional Research Culture Action Plan. This represents our commitment to improving the environment in which research and innovation take place, both at Queen's and in the wider sector.

During the year, a number of our staff were elected to the Learned Societies in recognition of their outstanding academic contribution:

- Professor Danny McAuley, Fellow of the Academy of Medical Sciences (FMedSci);
- Professor Joanne Hughes, Fellow of the Academy of Social Sciences (FAcSS); and
- Professor Janice Carruthers and Professor Richard Schoch, members of the Royal Irish Academy (MRIA).

A key initiative in developing and supporting staff is the University's Fellowship Academy which celebrated its first anniversary during the year. The Academy was established in 2020 to recruit, develop and support outstanding early career researchers across the University.

Queen's is committed to supporting the next generation of research leaders. During the year, we partnered in the UK-wide collaboration — The Future Leaders Fellowships (FLF) Development Network, worth £2.8m and funded by UKRI — which will benefit 210 new Fellows and 40 early career researchers and innovators.

We were also awarded a Leverhulme Doctoral Scholarship grant of £1.35m for the Leverhulme Interdisciplinary Network on Algorithmic Solutions (LINAS) Doctoral Training Programme (DTP). This will develop a cohort of doctoral scholars to address the implications of massive-scale data processing, artificial intelligence (AI) and machine learning (ML).



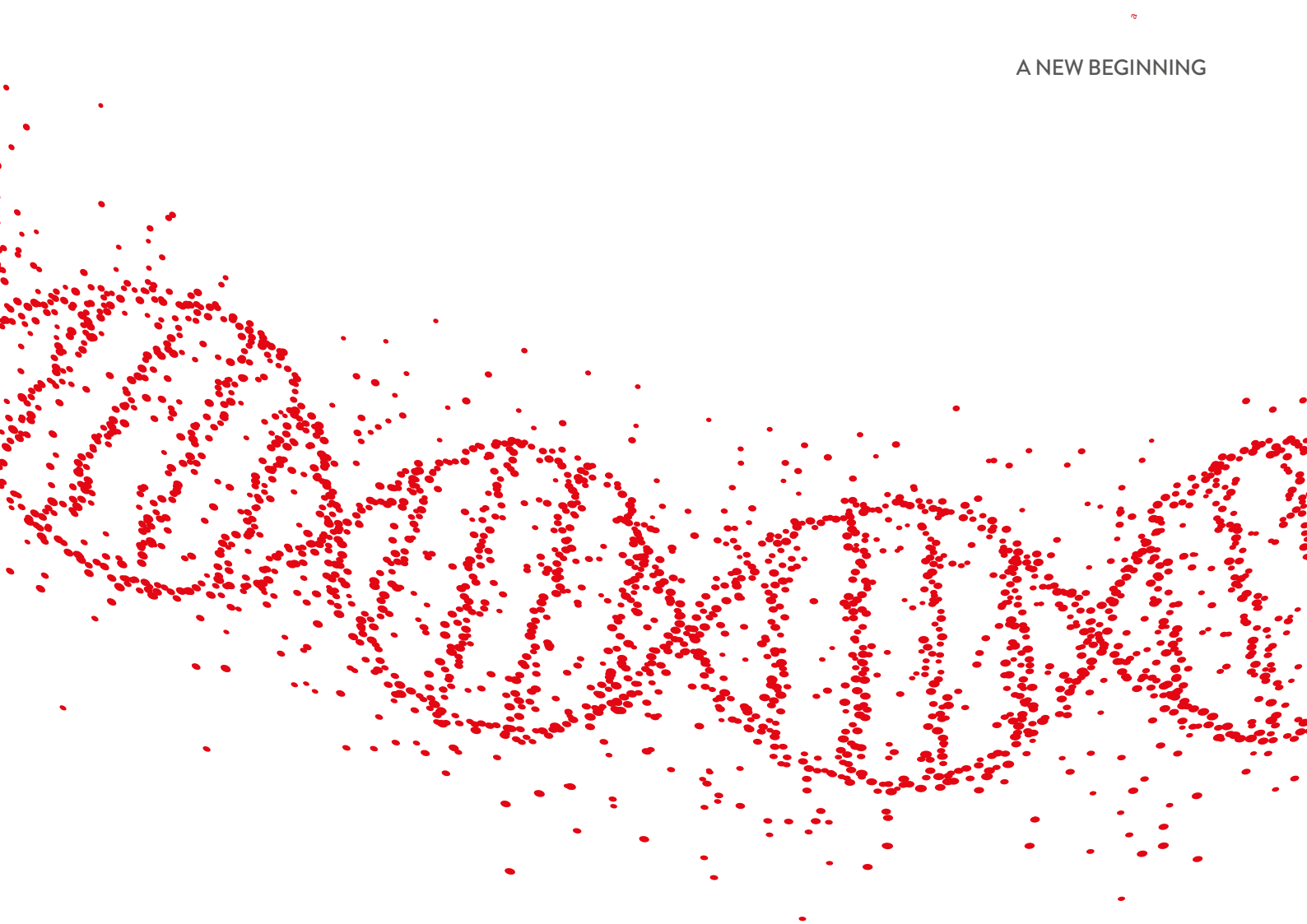
RANKED JOINT 1ST IN THE UK FOR RESEARCH INTENSITY

(COMPLETE UNIVERSITY
GUIDE 2021)



NUMBER ONE IN THE UK FOR ENTREPRENEURIAL IMPACT

(OCTOPUS VENTURES)



DELIVERING **WORLD-CLASS RESEARCH** WITH BENEFITS FOR WIDER SOCIETY IS AT THE HEART OF OUR MISSION. DURING THE YEAR, WE SAW A MARKED IMPROVEMENT WITH THE VALUE OF NEW AWARDS AT **£88.5M**

OUR STRATEGIC PRIORITIES

GLOBAL REPUTATION AND PARTNERSHIPS

Fostering international partnerships and creating a diverse and inclusive campus are core to our mission as a local and global university.

OFFER AN INTERNATIONAL EXPERIENCE

International recruitment continued to grow with more than 3,500 students from 96 countries enrolled at Queen's in the 2020–21 academic year. Reacting to the crisis of COVID, we provided chartered flights from China and introduced initiatives such as managed quarantine, free PCR tests and travel certificates to enable students to return home.

The challenges of the pandemic became a barrier to students hoping to take up international opportunities but new collaborations were developed — with George Washington University (Washington DC, USA) for a bespoke study-abroad semester for their students at Queen's and with world-leading universities in Hong Kong for Queen's students.

The Faculty of Arts, Humanities and Social Sciences Winter School took place in the Spring. *Pandemics: Past, Present & Future* was a week-long online programme that welcomed 70 US students from over 20 institutions.

A similar collaboration was spearheaded by Dr Kurt Taroff (School of Arts, English and Languages) in the delivery of the UNC Chapel Hill — NUI Galway — QUB COIL Module in Drama on *Theatre in Pandemic*. This new module offered students a virtual exchange, providing a pathway to international education whilst study travel was suspended.

ENHANCE OUR INTERNATIONAL NETWORKS AND PARTNERSHIPS

The University has more than 120 global partnerships and their success is growing.

During the year the flagship UK-China Universities Consortium on Engineering Education (E9), led by Queen's, was named Education Institutional Partnership of the Year at the British Business Awards.

Our links with Dubai were celebrated with the delivery of the inaugural Mohammed Bin Rashid University of Medicine and Health Sciences (MBRU) Specialist Practice Nursing Masters programmes which involved practice placement in the Belfast Health and Social Care Trust.

This year the China Medical University-Queen's University of Belfast Joint College (CQC) saw 430 students enrolled on dual-degree programmes in Pharmaceutical Sciences and Pharmaceutical Biotechnology. In addition, 89 students graduated — the largest cohort since the establishment of the partnership. INTO Queen's, the international education partnership, has enabled more than 2,280 students to progress on to degree programmes at the University.

Our US partnerships enjoyed an exciting year, despite the challenges of the pandemic. A series of virtual engagements and conferences attracted high profile scholars and speakers from around the world. Queen's is now a regular contributor and host of the Notre Dame Global Irish Network, facilitated by Keough-Naughton Institute for Irish Studies. Professor Katy Hayward, Dr Joanne Murphy and Professor Richard English were also speakers on the Georgetown University virtual symposium *Bridging the Atlantic* in November 2020, with former President Bill Clinton delivering a keynote address on Atlantic Relations in a New Era.



LEAD AND SHAPE THE AGENDA ON SOCIAL TRANSFORMATION

Queen's has for many years provided a forum for debate on major issues, both local and global. During 2020–21 we continued to fulfil that role.

To mark the centenary of Partition, we organised a series of public talks on *The Partition of Ireland: Causes and Consequences*. The series was produced by the BBC and was supported by the UK Government, the Irish Government, and by the British and the Royal Irish Academies.

Throughout the year, women were front and centre stage.

In March, our new Chancellor, Secretary Hillary Rodham Clinton, was in conversation online with the then US Consul General in Belfast, Elizabeth Kennedy Trudeau. The event, *Beyond Decision 2020*, was organised by Queen's in partnership with the UCL Centre on US Politics and with support from the US Department of State.

The former First Minister, Arlene Foster, Deputy First Minister, Michelle O'Neill, and the interim Head of the NI Civil Service, Jenny Pyper, took part in a virtual discussion on Women in Leadership, hosted by the Chief Executives' Club.

Mary Robinson, former President of Ireland and Trinity College Dublin Adjunct Professor of Climate Justice, delivered the keynote address at the virtual launch of the Centre for Leadership, Ethics and Organisation (CLEO), a new interdisciplinary research centre based at Queen's Management School.

Opportunities for in-person events were limited but one notable visit was from the Prime Minister, Boris Johnson, who came to the Wellcome-Wolfson Institute for Experimental Medicine to discuss our response to the pandemic and to meet students who were interested in studying abroad. Other politicians visiting during the year included Brandon Lewis, Secretary of State for Northern Ireland; Kevin Foster, Minister for Immigration and Future Borders; and Gavin Williamson, the then Secretary of State for Education.

ADVANCE OUR GLOBAL ALUMNI ENGAGEMENT

This year saw our global network of over 206,000 alumni involved in a wide range of digital activities.

These included virtual career events, the Ask the Expert series — *In Conversation: Queen's After COVID-19* — roundtable discussions and the Convocation Annual General Meeting. We also kept up important contact through e-newsletters, publications, social media and the extensive network of associations and alumni chapters around the world.

At home, Marie-Thérèse McGivern, the former Principal and Chief Executive of Belfast Metropolitan College, was named the 2020 AIB (NI) Queen's Graduate of the Year for her lifelong commitment to education, while our Alumni Volunteer of the Year was Andy Wells, who has been a Volunteer Rowing Coach for over 50 years.



**RANKED 17 IN
THE WORLD FOR
INTERNATIONAL
OUTLOOK**

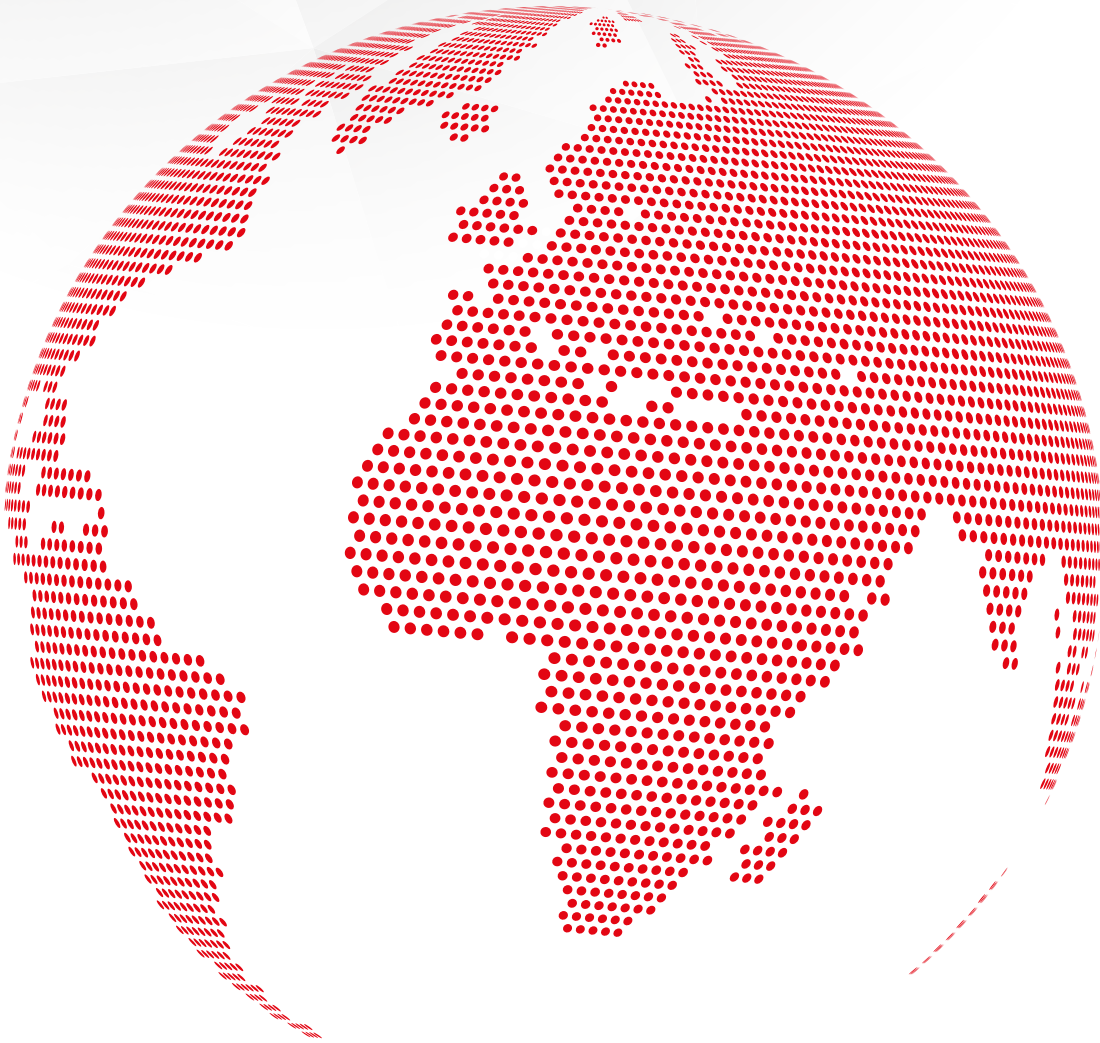
(TIMES HIGHER EDUCATION
WORLD UNIVERSITY
RANKINGS 2022)



**3,500
INTERNATIONAL
STUDENTS FROM
96 COUNTRIES**



**OVER 120 GLOBAL
PARTNERSHIPS**



FOSTERING **INTERNATIONAL PARTNERSHIPS** AND CREATING A DIVERSE AND INCLUSIVE CAMPUS ARE CORE TO OUR MISSION AS A LOCAL AND GLOBAL UNIVERSITY

OUR STRATEGIC PRIORITIES

SOCIAL AND CIVIC RESPONSIBILITY AND ECONOMIC PROSPERITY

During this challenging year our central role in the economic, social and cultural growth of Northern Ireland was emphasised along with our need to support those sectors of the community most impacted by the pandemic.

FUTURE ECONOMIC GROWTH AND PROSPERITY

We announced a number of new Postgraduate Certificates to up-skill and retrain people whose jobs and livelihood had been impacted by COVID. Funded by the Department for the Economy (DfE), around 600 free places were made available in a range of courses, including leadership and management, applied cyber security and data analytics. This followed the success of a similar scheme last year.

Other initiatives included the DfE-funded Assured Skills Academy in legal services, with local company FinTrU, and the launch of a mentoring programme for artists and creative freelancers by Future Screens NI, the cross-sector partnership involving Queen's, Ulster University and industry partners.

We also announced a £2.5m investment for an interdisciplinary research facility, MediaLab, focusing on virtual production. This will harness creativity, science and technology while offering innovative skills provision and industry-led R&D that will directly benefit the local screen industry.

MediaLab complements the initiatives in the BRCD in which Queen's is a key partner and in which we are leading the development of three major Innovation projects to accelerate economic growth. Business cases for the Advanced Manufacturing Innovation Centre (AMIC), Global Innovation Institute (GII), and the Institute for Research Excellence in Advanced



Clinical Health Care (iREACH) are ready for Government approval in late 2021, with a view to implementation thereafter. The BRCD will mark a huge step forward in partnership working in Northern Ireland — multiple organisations committed to co-ordinated efforts to secure the region's economic future.

The University is also working with five of Belfast's key institutions in a new partnership to accelerate growth in the most exciting knowledge economy clusters, while also helping the city to prepare for a wave of innovation. Innovation City Belfast brings together Belfast City Council, Belfast Harbour, Catalyst, Queen's and Ulster University, with Invest Northern Ireland as an advisory partner. Its long-term plan is to establish Belfast as a globally significant destination for innovation and to maximise the impact of the £1 billion deal.

All this underlines the vital role Queen's will play in delivering innovation-led economic growth and realising the '10x Economy' Strategy's ambition for a tenfold increase in innovation over the next 10 years which has benefits for all the people of Northern Ireland.



Queen's Students' Union President Grian Ní Dhaimhín; Health Minister Robin Swann; and Vice-Chancellor Professor Ian Greer at the COVID testing centre in Queen's Whitla Hall.

TACKLE SOCIETAL CHALLENGES

During the year, we continued to play an important role within local communities.

In November 2020, Queen's became the first site in Northern Ireland to conduct asymptomatic testing on a large scale using lateral flow devices, and the third university in the UK to participate in a programme of New Testing Interventions (NTIs) at a population level. In July 2021, we established an on-campus walk-in vaccination clinic open to all adults who had not yet received a first dose of any vaccine.

The University was also involved in the routine asymptomatic saliva testing of NHS staff in the Belfast Health and Social Care Trust, and weekly testing of pupils and staff in special schools across Northern Ireland. This was the first region in the UK to implement such a programme. At the end of the school year, almost 50,000 tests had been conducted. Support continued over the summer months with testing of staff and pupils attending summer schemes.

We continue to provide academic insight and analysis on key societal challenges. One of the biggest issues facing society in recent years has been Brexit, and what it means for Northern Ireland. Our academics and, in particular, the work of the Post-Brexit Governance NI project, a three-year EPSRC funded project, shine a light on some of the most complex challenges arising from Brexit and the Protocol for this region, and identifies potential means of addressing them.

Further examples of our community impact, including the University's Social Charter projects, are included in the Public Benefit Statement Section.

EMBRACING THE UNITED NATIONS (UN) SUSTAINABLE DEVELOPMENT GOALS

During the year, Queen's signed the UN Accord, demonstrating our commitment to embed the UN Sustainable Development Goals (SDGs) in every aspect of our activity.

This underpins the work we already do in this area, which was recognised in the Times Higher Education University Impact Rankings. We have now moved from 87th to 43rd out of 1,115 participating universities worldwide.

Other achievements included: achieving Platinum status for the third year running in the Northern Ireland Environmental Benchmarking Survey; being recognised for a second consecutive year in the Green Flag Awards; and winning a Green Gown Award for student engagement in addressing climate action.

In other developments, the University has pledged a multi-million pound investment in a new sustainability action plan to help us play our part in tackling the global climate emergency. The action plan will help us reach a net carbon zero target as soon as possible, encourage and enable sustainable research projects, enhance our teaching and course provision in this area, as well as encourage all staff and students to become advocates for change to ensure a sustainable future for all.

Further details on our work to embed the SDGs are available in the Sustainable Development Goals Section.



**RANKED 43 IN THE
WORLD IN THE TIMES
HIGHER EDUCATION
UNIVERSITY IMPACT
RANKINGS 2021**



DURING THIS CHALLENGING YEAR
OUR CENTRAL ROLE IN THE
ECONOMIC, SOCIAL AND CULTURAL
GROWTH OF NORTHERN IRELAND
WAS **EMPHASISED** ALONG WITH
OUR NEED TO SUPPORT THOSE
MOST IMPACTED BY THE PANDEMIC

OUR ENABLERS

Our Strategic Priorities are underpinned by four enablers — Our People, Infrastructure, Technology and Financial Sustainability — to ensure we have the optimum environment, resources and systems needed to deliver our vision.

PEOPLE

Our people are at the heart of everything we do at Queen's. Over the last year, they have displayed resilience, adaptability and continued commitment to the University during a time of unprecedented disruption. It is this spirit and drive that embodies our core values and creates such a vibrant culture and sense of community here at Queen's.

The achievements that are outlined throughout this report are only possible because of our people. It is through their efforts and commitment that we successfully embraced blended learning, continued to deliver world-class research, and ensured that our students enjoyed the best possible experience, particularly those international students, many of whom were unable to return home during this year.

We recognise that our people are best placed to tell us how we can make Queen's a great place to work. It is by listening and responding to our people we can support everyone to thrive at work, delivering our key organisational priorities to a high quality. All of this is achieved while working within an agile environment that values staff wellbeing, development, equality, diversity and inclusion and engagement.

We also know that our people are passionate about addressing local and global societal challenges. Our sustainability commitment demonstrates how we are responding to such interests and passions in order to enrich society both locally and globally.

EMPLOYEE EXPERIENCE

There have been numerous opportunities for our staff to help shape how things are done at Queen's, a reflection of the value we place in listening to our people in order to create the best possible employee experience.

In October 2020, Queen's Gender Initiative (QGI) launched a survey to help understand how the pandemic lockdown affected colleagues. Following this, we launched our first Pulse Survey in January 2021, achieving a 62% response rate. This survey aimed to assess how staff were feeling during the pandemic and to identify how they could be better supported. The feedback drove positive action including:

- Improved wellbeing and mental health support: Our Wellbeing team, has welcomed two additional members of staff who will engage with our people to develop a holistic health and wellbeing strategy.
- More opportunities for flexible working: A 12-month Agile Working pilot will launch in November 2021, creating a more flexible and progressive workplace that builds our reputation as an employer of choice. Alongside this, there is a commitment to go beyond the statutory minimum giving all employees a day 1 right to request flexible working.



- Mitigate the effect of lockdown on academic progression: Mitigations were included in the Academic Progression Scheme and a Pandemic Research Enabling Fund was available to support individuals, in particular females, whose research has been impacted by lockdown.

Alongside our staff survey activity, our Staff Forum continues to meet and plays a vital role in ensuring that all staff have a voice and can get involved in shaping key initiatives that impact all staff.

Throughout the year, the Joint Consultative Committee of management and trade unions met regularly and worked in mutually beneficial way to navigate the challenging work environment.

EQUALITY, DIVERSITY AND INCLUSION (EDI)

Ensuring that Queen's remains an equal, diverse and inclusive employer continues to be a top priority. In addition to exceptional Athena SWAN award successes, we are further strengthening the support available for colleagues through our existing staff networks.

Female colleagues receive support through the QGI, which provides dedicated mentoring schemes and a range of virtual events featuring high-profile guests and networking opportunities. There have also been numerous celebratory events, including Ada Lovelace Day which showcased the achievements of women in Science, Technology, Engineering and Maths; and recognition of our Athena SWAN successes.

We continue to make progress on our Race Equality Charter (REC) work with the appointment of a REC Project Manager. The iRise Staff Network, developed to support our Black, Asian, Minority, Ethnic and International Staff, celebrated a programme of events during Black History Month. iRise members have also contributed to QUB Voices Podcast and arranged several virtual social events.

PRISM (LGBT+) delivered a programme of virtual events to celebrate LGBT+ History Month. These included panel discussions, Netflix watch parties and an LGBT Heritage Project.

LEARNING AND DEVELOPMENT

Our Leadership and Management (L&M) Development programmes and designed and launched a new programme to support new and existing Heads of School. We also focussed on providing development opportunities for participants beyond programme attendance through a range of support including coaching, 360-degree assessment and networking opportunities including our first joint Aurora networking event with Ulster University. An L&M Engagement Group was established to ensure alignment of our leadership programmes with our strategic priorities.

Progress has also continued on the Technicians' Commitment action plan. Throughout the year our technicians have supported our response to the pandemic by helping to produce buffer solutions on campus, which is vital for COVID-19 testing facilities in Northern Ireland.



INFRASTRUCTURE

The landscape of our University continues to change as we develop our campus facilities.

During the year, work continued on the new Student Centre which is due for completion in summer 2022. One Elmwood, as it will be known, will include the Students' Union and will provide integrated student support services.

Construction work on the expansion of the Queen's Management School began in 2021. This will consist predominantly of postgraduate teaching accommodation supported by project rooms, flexible quiet study space/breakout rooms, space for corporate engagement, and a placement/employability suite. As part of the design development, sustainability was a key factor with a number of measures included to make a meaningful addition to the project. We are also delivering the new building to the BREEAM standard of Excellent.

Work is also underway on the MBC Biomedical Library and Ashby Power Laboratory refurbishments which are due for completion in Autumn 2021.

Other projects approved this year included the MediaLab interdisciplinary research facility which will be located in University Square Mews and will focus on virtual production that will help drive research and development for the screen industries and upskill the local sector in NI.

New accommodation on University Road for the Seamus Heaney Centre was approved. Established as a Centre for Excellence in poetry and research, the Centre has from the beginning also been the home of Creative Writing at Queen's, embracing as Seamus did in his writing lifetime, playwriting, prose, translation and song as well as poetry, criticism as well as practice.

Projects completed this year included the Faculty of Medicine, Health and Life Sciences KN Cheung SK Chin Intersim Centre which is the first of its kind within the UK, placing inter-professional education at its core.

TECHNOLOGY

Work has continued throughout the year to enhance our digital infrastructure for the benefit of both students and staff.

There has been a ten-fold increase in digital activities. We leveraged our investment in Cloud and Digital technologies to support remote learning, core business functions and research activities. Ongoing investments in cyber security and digital resilience ensured that we were able to operate successfully during the sector-wide ransomware attack on universities' digital assets in Spring 2021.

During the year, Queen's enhanced Lecture Capture and Streaming facilities in a number of teaching rooms to enable academics and students to trial the next generation of Digital Enhanced Learning Environments. Digital Transformation also continued at pace with innovative solutions being delivered to support contact tracing and testing for COVID-19, international student recruitment and UK Clearing activities.

Library Services remained open for the 2020–21 academic year, while complying with all public health guidance, with many services delivered online to compensate for reduced numbers in the Library. In the National Student Survey, Queen's IT resources and Library Services scored significantly higher than its comparator benchmark.

FINANCIAL SUSTAINABILITY

A detailed analysis of the University's financial performance for 2020–21 is set out in the Consolidated Income Review on pages 51 to 67.

Financial Sustainability must underpin Strategy 2030.



SUSTAINABLE DEVELOPMENT GOALS

Strategy 2030 is centred around four Strategic Priorities – Education and Skills; Research and Innovation; Global Reputation and Partnerships; Social and Civic Responsibility and Economic Prosperity – which build on our rich heritage of innovation, both economic and social, and focus on the global challenges aligned to the **United Nations Sustainable Development Goals**.

Queen's is now a signatory to the UN SDG Accord which recognises that the world's universities have a responsibility to play a central and transformational role in attaining the SDG by 2030. To achieve this, we will align our education, research, leadership, operational and engagement activities with the SDG targets and indicators.

Some of our initiatives are highlighted on the following pages.

IMPACT RANKINGS

In the 2021 THE Impact Rankings, Queen's was ranked 43rd overall, out of 1,115 institutions, and ranked in the top 10% in 6 of the 7 SDG areas submitted for assessment.

Sustainable Development Goal	Queen's Rank	Institutions	Top % Position
Partnership for the Goals	78	1,154	7%
Life below Water	6	379	2%
Life on Land	11	402	3%
Sustainable Cities and Communities	41	656	6%
Decent Work and Economic Growth	53	685	8%
Reduced Inequalities	63	669	9%
Peace, Justice and Strong Institutions	79	653	12%

EDUCATION AND SKILLS

Our educational programmes are increasingly SDG focused. These include our Postgraduate and Undergraduate courses as well as programmes to increase access to Higher Education and connect our teaching and learning with our local community.

A selection of work already underway in this area is highlighted below:

DELIVERING ON ZERO CARBON ENGINEERING

The School of Chemistry and Chemical Engineering marked the successful first completion of its new Postgraduate Certificate in Zero Carbon Engineering.

It was delivered to more than 30 students, in partnership with the DfE.



SHOWING HOW GREEN OUR FUTURE CAN BE

Green Future Media is a student-led online multimedia project, showcasing environment-related media work. Based in the School of Arts, English and Languages, a trans-disciplinary group of students have created a website containing environmentally aware stories in print, audio, video and graphic formats.



LEARNING TO LEAD IN SUSTAINABILITY

The MSc in Leadership for Sustainable Development embraces action-based, experiential learning through lectures, work placements and group projects. More than 80 students participated in this year's programme.



RESEARCH AND INNOVATION

SHAPING COMMUNITY ENGAGEMENT IN ENERGY TRANSITION

Queen's research on Energy Infrastructure has had impacts including: influencing Ireland's Energy White Paper and Renewable Support Scheme; advising international institutions on social engagement around renewables and guiding energy companies' approach to community relations.

A team from Queen's have been collaborating with industrial and public sector experts including leading bus manufacturer Wrightbus, to drive forward the transition to net-zero within the public transport sector.

Our researchers are collaborating with industry experts to develop the next generation of single and double deck hydrogen buses, helping in the global fight against climate change.



PREVENTING A MAJOR CRISIS IN THE WORLD FOOD PROGRAMME

A Queen's research team investigated food-poisoning incidents in Uganda. Following tracing by the Queen's team, non-contaminated cereals were re-distributed, circumventing a humanitarian disaster.



CAMPUS ACTIVITIES

BUILDING FOR A SUSTAINABLE FUTURE

Sustainability is integrated across the design and construction of our University estate. To date 13 buildings have been built to an internationally recognised sustainability standard of BREEAM Excellent and Very Good. The expansion of our Management School, under construction at Riddel Hall, will be primarily heated by a geothermal heating system, sourced from 40 wells across the site.



FOCUSING ON OUR LABORATORIES

To address the environmental impact of our laboratories we have begun a green laboratory accreditation programme called LEAF (Laboratory Efficiency Assessment Framework) which will encourage good sustainability practices.



PEDALLING TO PROGRESS

A new hub on campus will lease bicycles and provide a repair service. Our students had an important role to play in the development of the Turnaround Project and the social enterprise initiative Big Loop Bikes. The decision to establish the enterprise flowed from a Graduate School student development programme with funding support from Belfast City Council and the Department for Infrastructure. We have also increased our cycle parking by 20%.



ENHANCING NEIGHBOURHOOD BIODIVERSITY

Throughout the year staff and students worked to enhance biodiversity on campus. Activities include the Lennoxvale Tree Nursery (a collaboration with San Souci Residents Association and Conservation Volunteers), Alleyway Transformation Project (led by Volunteer SU) and the student-led Green at Queen's Allotment at Elms village. At the UK and Ireland Green Gown Awards 2020, these efforts won the award for Student Engagement.



Lennoxvale Tree Nursery – Queen's community partnership project

SUPPLYING HIGH STANDARDS

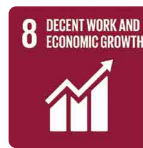
We have developed a Supply Chain Code of Conduct which is applicable to all suppliers and links directly to the United Nations Sustainable Development Goals. The purpose of the Code will create awareness across our suppliers of social, ethical, economic and environmental issues. The Code will help suppliers understand the behaviours and standards that are expected of them and their supply chains when working on University contracts.



OUTREACH AND PARTNERSHIP

LEADING FOR BELFAST

Queen's is a key partner in the Belfast Region City Deal (BRCD) an exciting, once-in-a-generation opportunity to accelerate economic growth for the region in an inclusive and sustainable way, generating up to 20,000 jobs as it is delivered over the next 10–15 years. Queen's is leading 3 projects under the Innovation Strand, which represents an investment of some £225m and will result in 3 Innovation Centres in the areas of advance manufacturing, clinical research and digital technologies.



DEVELOPING NET ZERO CARBON ROAD MAP

Our researchers are contributing to the development of the city-wide climate strategy, working as part of the UK wide Place Climate Action Network (PCAN) and Belfast Climate Commission. In December 2020 they produced a net-zero carbon roadmap for the launch of the Belfast Resilience Strategy.



GREENING ORMEAU

We are part of the Ormeau Parklet project which has converted underused parking space on a busy Belfast road into an accessible and green public space. The project was developed in a partnership involving researchers and students from the University, statutory agencies, and local businesses and residents.



Ormeau Parklet

SHARING SUSTAINABILITY EXPERTISE

A TEDx event 'Engineering our Sustainable Future' — has amassed over 52,000 views since the live event.



OPENING BOTANIC

This is led by a group of academic and professional services staff in partnership with the Department for Infrastructure. Its aim is to find ways to improve the cycling infrastructure in the Botanic area. Modelling and survey work has been carried out as part of MSc and BSc degree sources in the School of Natural and Built Environment.



AWARDS, RECOGNITION AND MEMBERSHIPS

During the year our activities were recognised by a number of external bodies. These awards reflect our success in leading change for sustainable development.



NI Environmental
Benchmarking
Survey 2020
Platinum



The University's work on the UN SDGs is being led by the University Executive Board with support from colleagues across the University. In order to fully demonstrate the University's work in this area a dedicated section of the website has been developed detailing the activities which have been undertaken. Further details can be found here <https://www.qub.ac.uk/about/sustainability/>

PUBLIC BENEFIT STATEMENT

The University is registered with the Charities Commission and as such has a responsibility to act for Northern Ireland. Through Senate, it is aware of its responsibilities as a charity to act for the public benefit across all of its activities.

SOCIAL CHARTER

The importance of our impact on society and the requirement for positive engagement with our community have never been more pronounced. To support this role, Queen's has reaffirmed its commitment to the key principles and themes of the University's Social Charter.

PRINCIPLES

- Commitment to providing leadership locally and globally.
- Commitment to promoting a positive impact on society through our research and education.
- Commitment to equality and social justice.

THEMES

- Research with impact.
- Education with social purpose.
- Breaking boundaries to produce new knowledge.
- Civic culture and intercultural dialogue.
- Equality and excellence.
- Sustainability.
- Recognising and rewarding contributions from students and staff.



THE SOCIAL CHARTER
IS THE FOUNDATION
UPON WHICH THE
UNIVERSITY'S PUBLIC
ENGAGEMENT WORK
IS BUILT

BUILDING AN INCLUSIVE AND INNOVATIVE ECONOMY (BUSINESS ENGAGEMENT)

As one of the largest employers in Northern Ireland, with over 4,300 staff, and a student body of some 24,000, the University makes an important contribution to our local economy.

The Business Engagement team works with business organisations to understand their needs and show them how the University can help their development.

As an International Champion to the Northern Ireland Chamber of Commerce and Industry, along with Grant Thornton and A&L Goodbody, we provide workshops for members. We also help in knowledge transfer to small and medium-sized enterprises. Through the All-Island Innovation Programme, supported by Intertradelreland, we are partnered with three Irish universities, and in March 2021 a virtual, all-island conference took place on Innovation and Industry 4.0.

The team also manages The Chief Executives' Club at Queen's (CEC), with its programme of lectures, masterclass opportunities for discussion. This year's themes included sustainability, the Belfast Region City Deal, equality and diversity and the technology sector growth.

A year of virtual events saw contributions from many high profile local and international figures including Andrew Bailey, Governor of the Bank of England; Siobhan Keegan, now Northern Ireland Chief Justice and Vincent Roche, President and CEO of US-based Analog Devices.

We work with colleagues across the University to arrange the Queen's TEDx conferences which offer a global platform for staff, students and alumni. In the past year, two virtual conferences took place — 'Give Back, Move Forward' in February and 'Engineering our Sustainable Future' in June. This event attracted over 500 advance registrations and 3,000 viewings in the following four weeks, with individual talks viewed almost 52,000 times worldwide. <http://go.qub.ac.uk/TEDxEPSPL>.

ENGAGING WITH SOCIETY (PUBLIC AFFAIRS)

Our aim is to ensure that the work of the University remains high on the political agenda and that Queen's continues to play a leading role in shaping the educational, economic, cultural and social development of Northern Ireland.

Public Affairs provides support to senior management, acting as a point of contact for politicians, public figures and officials seeking to engage with the University and for staff seeking to engage with elected representatives and government officials.

The sharing of information has perhaps never been more crucial than in the past 18 months of the COVID-19 pandemic. The University's expertise, research and testing have made a major contribution to recovering and understanding. Public Affairs has ensured that Queen's role and operational position have been communicated widely.

We have a strong relationship with Belfast City Council with Queen's a key part of the City's community plan, the Belfast Agenda, and its reconfigured Boards. We have been active in lobbying for programmes, designed to bring long term, transformative investment and services. These include a successful bid to the UKRI's Strength in Places Fund, and the Belfast Region City Deal.

We also ensured that Queen's provided an accessible space for public debate. Online events included a partnership with UCL Centre for US Politics — 'Decision 2020' — reviewing the outcome of the US Election. This featured Professor Richard English with the then US Consul General Elizabeth Kennedy Trudeau, Irish Diplomat Rory Montgomery and British Diplomat Jonathan Powell. This was followed in April 2021 by a conversation with Secretary Hillary Rodham Clinton, our new Chancellor.

The centenary of the Government of Ireland Act was marked by an event in December with senior representatives of both the British and Irish Governments, the First and Deputy First Ministers, and included academic debate with historians.

Throughout the year we worked with community groups, in particular with partners in the Greater Shankill area, while with the Migrant and Minority Ethnic Council we launched a webpage showcasing our work on issues related to asylum seekers, refugees and migrants.

ENGAGING OUR LOCAL NEIGHBOURHOOD (COMMUNITY ENGAGEMENT)

The Community Engagement Team is building good relationships with our neighbours and local representative bodies. This has been particularly important during the COVID pandemic.

We continued to work closely the PSNI, NI Policing Board and the Belfast Policing and Community Safety Partnership (PCSP). We also convened the Neighbourhood Forum online, a platform to discuss the role of the University in the local area and to ensure that the views of our neighbours are heard and understood.

The Science Shop has been running at Queen's for over 30 years with academic staff and students taking on small-scale research projects to respond to community needs. This year they worked with 47 groups including Bryson Recycling, Cancer Focus NI, Causeway Coast and Glens Heritage Trust and the North Belfast Senior Citizens Forum. More than 50 academics and 270 students across 11 schools were involved.

EDUCATION AND SKILLS

Queen's has a longstanding commitment to equality of opportunity with the aim of ensuring that 'those with the ability to benefit from higher education have an opportunity to do so'.

The details of our widening participation initiatives and expenditure (£3.7m per annum) are set out in our Widening Access and Participation Plan (WAPP).

The COVID-19 pandemic has highlighted the disadvantage faced by young people with limited access to technology. In response, we introduced a new laptop scheme for widening participation students, with 200 devices available for the start of term.

New skills need a new approach. This year saw the development of **Higher Level Apprenticeships** in collaboration with major companies including PwC, Norbrook, Almac, McLaughlin and Harvey and Felix O'Hare. The University also offered places, funded by the Department of the Economy, in postgraduate courses in Digital, Leadership and Management, Green Technologies, Advanced Manufacturing Engineering and Health.

An **Employability Bolt-on Package** was offered in the DfE-funded PG Cert programmes – Software Development, Data Analytics, Applied Cyber Security, Advanced Chemical Analysis, Biostatistics and Bioinformatics. The Graduate School also offered 75 places on the CMI level 7 certificate in Strategic Leadership and Management.

The Graduate School and Widening Participation funded participants in the **Brilliant Club** Scholar and Tutor programme which works across the UK supporting less advantaged students. Twenty-three students taught six lessons in local primary and secondary schools. Others completed assessment linked to university grading and attended a graduation ceremony.

RESEARCH AND INNOVATION

Queen's research continues to help shape a better world by addressing societal and economic challenges and delivering impact at a local, national, and global level.

MODELLING FOR EMERGENCY PLANNING IN THE COVID-19 PANDEMIC

Queen's University's Professor Adele Marshall has worked directly with Chief Medical Officer of Northern Ireland to provide modelling capabilities which have impacted Government Policy and Healthcare Management during the pandemic.

The research has led to the development of models which have informed local and national coronavirus alert level setting, as well as measurably improving the management of hospital and healthcare resources in Northern Ireland and the rest of the UK. These models have provided government officials and healthcare managers the tools they needed to set policy and allocate resources in both normal and emergency circumstances.

SUPPORTING THE UNITED NATIONS WORLD FOOD PROGRAMME IN UGANDA

For over 20 years, researchers at Queen's have investigated the chemical contamination of foodstuffs for the benefit and safety of consumers around the world. The team from Queen's Institute for Global Food Security were called upon to identify the cause of a major contamination crisis in the UN World Food Programme in Uganda.

Through world-leading food testing and rapid screening technologies, Queen's researchers provided independent scientific support to the World Food Programme, which enabled the safe resumption of food distribution to the world's most needy areas, and in doing so helped to prevent a major humanitarian crisis.

HELPING TO DELIVER A TRANSFORMATIVE AND SUSTAINABLE ECONOMY

As poverty, exclusion and segregation become a more significant feature of the urban age, Queen's researchers explored the social and solidarity economy (SSE) as a viable solution to re-balancing economic, social, and environmental objectives.

Their work improved the supply of social finance, supported the growth of community businesses, and helped to develop new policies and investment programmes. This has in turn, strengthened area-based strategies, sectors, practice, and infrastructure to sustain more inclusive forms of urban regeneration and local development.

SHARING THE UNTOLD EXPERIENCES OF WAR THROUGH GEOSPATIAL TECHNOLOGIES

Historical geographers at Queen's have successfully created rich and extensive accounts of the untold and contested heritage of World War 1 using geovisualisation and digital methodologies, providing an enhanced and inclusive cross-community understanding of the 1914–18 period. The 'Living Legacies' project has helped to uncover new knowledge and deepen understanding of our shared past and has informed institutional and policy strategies on the inclusive commemoration of World War 1.

CHALLENGING PERCEPTIONS AND OFFERING FRESH PERSPECTIVES ON OUR SHARED HISTORY

Researchers at Queen's have challenged the traditional perceptions of Belfast as divided, sectarian region, through an exploration of the social history of the city in the nineteenth and early twentieth-century, providing the first detailed examination of issues such as poverty, welfare, power and agency generally overlooked in historical accounts of the region. The work has engaged local and international audiences in an alternative, more nuanced, social history of a remarkable city at the height of its industrial might, and of the shared experience of those who lived and worked in it.

The research informed the interpretation of Belfast's history by major cultural and heritage institutions. It has also reached millions of people in Northern Ireland, Great Britain and globally through television, museum exhibitions, internationally-acclaimed visitor experiences and a community engagement project.

AN ACTIVE TRAVEL AND HEALTHY STREET STRATEGY

Researchers in Queen's are helping to boost the active travel infrastructure in Belfast and reduce car dependency in the city's streets. The 'Open Botanic' project has laid the groundwork towards developing a sustainable approach for maximising the potential of the busy Botanic Avenue area of Belfast. The research has provided recommendations including the implementation of a cycle lane that would contribute towards a better, healthier, more liveable accessible and inclusive infrastructure for the Botanic area of the future.

VOLUNTEER SU HANDY HELPERS

This initiative has been a major success in helping lesser-known resident or community groups have success with projects which otherwise would not have been possible.

A total of 1,967 students were involved in 25 activities, including 13 community regeneration projects and 7 one-off instances of volunteering. The work included wildflower planting sessions in the Holylands and Sans Souci Park, painting and planting workshops with residents on Rugby Road, acorn foraging and planting days for the One Million Trees for Belfast Initiative, and supporting Cash 4 Kids with their annual Cool FM toy appeal.

There was success in the Belfast Healthy Cities Awards and the initiative contributed to Queen's achieving Platinum status in the Business in the Community Environmental Benchmark Survey.

SU SOCIAL JUSTICE INITIATIVES

There were also SU initiatives in the area of 'Social Justice' which included:

- LGBT+ History Month activities in partnership with the LGBT+ Society, staff PRISM network and the LGBT+ and Trans Students' Officers.
- Black History Month activities in partnership with QUB African Caribbean Society and QUB iRise.
- Seachtain na Gaeilge activities in partnership with An Cumann Gaelach Society.
- The first QUBSU Ulster-Scots Leid Week supported by the Ulster-Scots Agency.
- The student-led Project Choice campaign advocating for improved abortion access in NI.



QUEEN'S SPORT

Queen's Sport recognises the importance of promoting a healthy lifestyle and is committed to improving health and wellbeing.

These videos reflect how we have developed an active campus during this year:

<https://www.qub.ac.uk/sites/Students/development-weeks/ConnectWithYourself/>

To cope with COVID restrictions we expanded our online content through additional free YouTube sessions which had over 5,000 views.

There was good funding news. Rowing at Queen's received £25,000 for equipment, coaching and bursaries, thanks to former rowers, alumni and supporters, and the National Lottery Community Fund awarded almost £10,000 to pilot a Mental Health sport referral project which is supporting 20 students referred from Student Wellbeing.

The Executive Office (T:BUC) programme supported by the Education Authority, provided funding for this year's summer programmes for almost 1,000 children at Queen's Sport. Sixty young people aged 15-17 took part in the Together: Building a United Community (T:BUC) Junior Leadership programme. The Senior Academy Programme run by the Widening Participation Unit ran a series of workshops with our sports academy staff.





QUEEN'S FOUNDATION

The Queen's Foundation is an independent charity which generates philanthropic support from individuals, companies, trusts and foundations.

In 2020–21, the University received over £4.2m from the Foundation to support agreed priorities as well as urgent needs arising from the COVID-19 pandemic.

The Queen's Annual Fund enhances the student experience and addresses areas of need. With support from Santander, Digital Inclusion Grants and a Short-term Laptop Loan Scheme, helped to ensure that students from a Widening Participation background had resources they were lacking.

Donors continue to provide generous scholarships with over £610,000 received this year. These included:

- A gift from a Queen's alumnus and Honorary Graduate to establish the Dato' Lim Si Boon Hardship Fund to support Malaysian students experiencing financial hardship because of the pandemic.
- A generous gift from Mark Pigott KBE, matched by the University, created the £0.4m Michael Longley Endowed Scholarship Fund.
- Two further projects from a 2019–20 gift from alumnus Alexander Leckey – Professor Ultan Power's pioneering research to identify drugs that could impact on the progression of COVID-19 in the early stages of infection and the provision of high specification clinical

equipment to enhance healthcare professional training in the KN Cheung SK Chin InterSim Centre.

Professor Chris Elliott in the School of Biological Sciences and founder of the Institute for Global Food Security, received a prestigious Agilent Thought Leader Award to support the detection of complex food fraud.

Almost £1.32m was received for medicine and health projects, including establishment of the Belfast Association for the Blind Lecturer in Ophthalmic Data Science. Other support came from the Lynsey Courtney Foundation, which raises funds to support research into cervical cancer and from an individual donor who has funded a Postdoctoral Research Fellowship in Cardiac Arrhythmia.

Thanks to a legacy gift from alumna Menda Lambrinudi, the School of Social Sciences, Education and Social Work is creating an immersive space to research and treat mental health problems, which will benefit students and local communities alike.

Donors continue to support Widening Participation through the Pathway Programme (POP), helping to ensure that every student joining Queen's from the programme receives a £1,000 bursary to help with the costs of accommodation, books and equipment. £100,000 has been received from Kilwaughter Minerals, part of a £500,000 pledge over five years, along with a further £50,000 from other donors.



QUEEN'S AND COVID-19

COVID-19 has had a devastating impact on lives and livelihoods throughout the world. All of us have had to summon up reserves of resilience like never before.

At Queen's, our staff and students responded to the challenges of the pandemic with commitment, imagination and high levels of social responsibility, all the time sustaining our core mission of world-class education and research. There were outstanding examples:

- We were quick to adapt to new methods of teaching with remote lectures delivered through Canvas, a new virtual learning environment.
- We became integrated partners with the Department of Health, the Public health Agency and the Health and Social Care Trusts.
- We are leading projects to advance the world's knowledge of COVID — important clinical trials and the search for new diagnostic tests and anti-viral drugs.
- Through accelerated graduation, our nursing, midwifery and medical students were able to join the front line in healthcare and provide critical support.

All across the University, students and staff have played their part:

- In business, helping companies navigate and adjust to new ways of working;
- Our psychology teams have supported mental health and well-being initiatives;
- And our engineers were involved in the manufacture of face masks when they were in short supply.

OUR STAFF AND
STUDENTS RESPONDED
TO THE CHALLENGES
OF THE PANDEMIC
WITH **COMMITMENT,**
IMAGINATION AND
HIGH LEVELS OF
SOCIAL RESPONSIBILITY

CONSOLIDATED INCOME REVIEW

The consolidated financial statements reflect the results of the Group as a whole and include the University's subsidiaries QUBIS Limited, Queen's Overseas Recruitment Limited, NIACE Limited and Queen's Composites Limited and its share of its joint ventures INTO Queen's LLP and NI Composites O&M LLP. Further details are included at notes 17 and 33 of the financial statements.

	2020–21 £m	2019–20 £m
Income	397.5	377.0
Expenditure	(373.2)	(372.1)
Surplus before other gains and losses and movement in USS provision	24.3	4.9

The outturn position for 2020–21 was positive for the University, with an operational surplus of £24.3m. We focus on this measure to indicate financial sustainability, as it is less susceptible to movements in the actuarial valuations of pension schemes and market conditions prevailing at the financial year end than the total Statement of Comprehensive Income (SOCl).

The SOCl position includes a number of accounting adjustments as set out below.

As at 31 July 2021, the 2020 actuarial valuation of the Universities Superannuation Scheme (USS) and associated recovery plan had not been approved. As a consequence, the balance sheet provision in respect of USS continued to be based on the 2018 USS valuation. It has increased slightly from £60.6m to £60.9m as at 31 July 2021 and the resulting accounting adjustments include an in-year movement of £0.1m (further detail on the 'post balance sheet event' associated with the USS 2020 valuation is provided in the sections on Pension Schemes and note 32).

During 2020–21, a total gain of £0.3m was realised on the disposal of fixed assets and investments. This total includes the Group's disposal of shareholdings in ProAxis, Titan IC and Xenobics.

An unrealised, fair value gain on our investments and investment properties of

£103.1m was generated. Of this total, some £79.0m relates to an increase in the market value of the Group's remaining shareholding in Kainos Group plc. The balance of the gain relates to an increase in the market value of the investments held within the University's General and Investment Funds.

The funding position for the Retirement Benefits Plan (RBP), has reduced from a deficit of £85.9m at 31 July 2020 to a deficit of £74.0m at 31 July 2021. The SOCl position reflects the resulting actuarial gain of £15.4m.

The overall SOCl for the year is a surplus of £143.2m and this compares to a surplus position of £102.2m for 2019–20.

The Group's net assets position remained strong at £772.8m, an increase of £143.1m from the position in 2019–20. This increase is primarily due to the significant increases in the market value of our investments and the reduction in the RBP liability. Our financial performance and strength provides a sound platform for future strategic investment.

Financial sustainability underpins our Strategy 2030. Effective governance and strong financial performance is critical to the future success of Queen's and we are well positioned to meet the challenges facing the sector and continue to achieve our ambitions.

A summary of the key financial highlights for 2020–21 is set out in the next page.

FINANCIAL HIGHLIGHTS

2020–21



Operational surplus is 6%

Surplus as a percentage of income increased from 1.3% in 2019–20 to 6% (Note 1)



Growth in income from Non-Government Sources

Income from non-government sources has increased year on year by 3% (Note 2)



Income from Research Grants and Contracts

Income from research grants and contracts was broadly in line with the 2019–20 position (£88.7m)



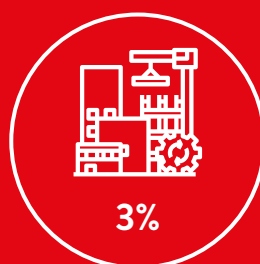
Increase in International Student Income

International student fee income (full and part-time) increased by £5.8m (13%) during 2020–21



Staff Costs 59% of Income

Staff costs represent 59% of income which compares to 61% for 2019–20 (Note 3)



Expenditure on Core Estate

Expenditure on core estate represents 3% of the insurable replacement value. This compares to 2.3% in 2019–20

NOTES

1. Surplus is prior to the gain on disposal of fixed assets and investments; the movement in the USS provision, the fair value gain on investments and the actuarial adjustment in respect of the Retirement Benefits Plan (RBP) and the Universities Superannuation Scheme (USS).

2. Non-Government income sources exclude recurrent funding from the Department for the Economy (DfE) in respect of teaching, research and specific grants including the Postgraduate Award Scheme.

3. Staff Costs exclude the movement associated with the USS Pension Scheme.

INCOME

Total income for the year was £397.5m, representing an increase of £20.5m (5.4%). The main components of this income are shown in **Chart 1**.

Government grant income increased year on year by £10.6m and included a number of significant non-recurrent funding allocations from the NI Executive/DfE as a consequence of the implications of COVID-19.

These non-recurrent allocations included additional QR funding to support our capability to stimulate economic recovery and mitigate the loss of business funding for research: a contribution to the additional cost of providing a safer learning and research environment and a contribution to the 'loss' of student accommodation income, in recognition of the University pausing a number of contracts during 2020–21.



**TOTAL INCOME
FOR THE YEAR
WAS £397.5M**

Income from tuition fees and education contracts increased by £16.8m (13.3%). Of this total, international tuition fee income increased by £5.8m or 13.3%.

As set out in **Chart 2**, research income, which includes UKRI COVID-19 Grant Extension Allocation (COA) funding of £2.5m remained broadly in line with the position for 2019–20 at £88.6m.

During the year the University was awarded new research grants and contracts of £88.5m which compares to £74.1m in 2019–20. As set out in **Chart 4**, of this total £65.6m or 74.1% of research awards was from the UK Central Government, the EU and the UKRI.

EXPENDITURE

Total expenditure for the year, excluding the adjustments in respect of the USS pension deficit, was £373.2m, representing an increase of £1.1m (0.3%). The main components of expenditure are shown in **Chart 3**.

Staff costs, excluding the impact of the USS pension provision, increased by £2.2m (0.9%) mainly as a result of a reduction in the level of vacant posts and reflects academic promotions and incremental progression.

Queen's staff costs of £232.8m, excluding the costs associated with USS pension deficit, represented 59% of income in 2020–21, compared to the average for 2019–20 of 61% and the average number of staff increased to 4,359.

As a consequence of the ongoing COVID-19 restrictions and off-campus working, other operating expenditure which includes utilities, repairs and maintenance, consumables, equipment, equipment maintenance and travel, remained relatively static with a marginal increase of £0.7m or 0.6%.

In total for 2020–21, almost 70% of the University's expenditure is in support of our core activities in Academic Departments, Academic Services and Research Grants and Contracts.

Depreciation costs were broadly in line with the previous year.

CHART 1: INCOME ANALYSIS

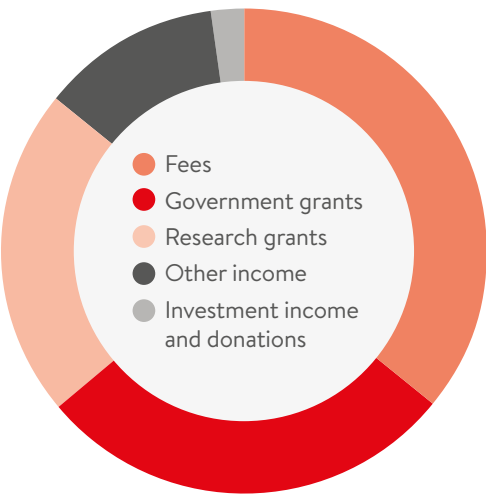


CHART 3: EXPENDITURE ANALYSIS

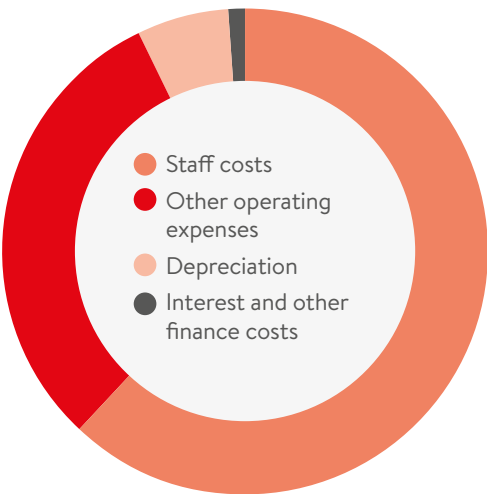


CHART 2: INCOME FROM RESEARCH GRANTS AND CONTRACTS

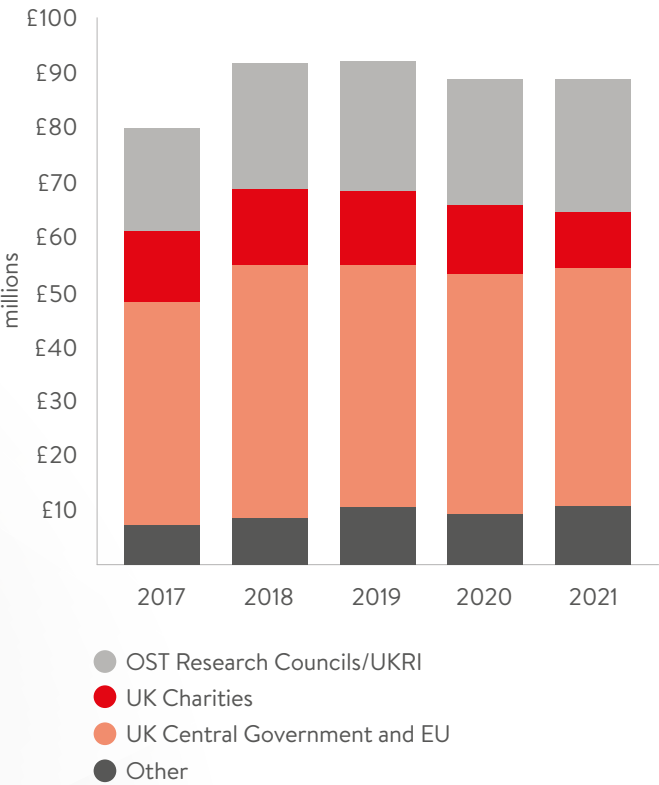
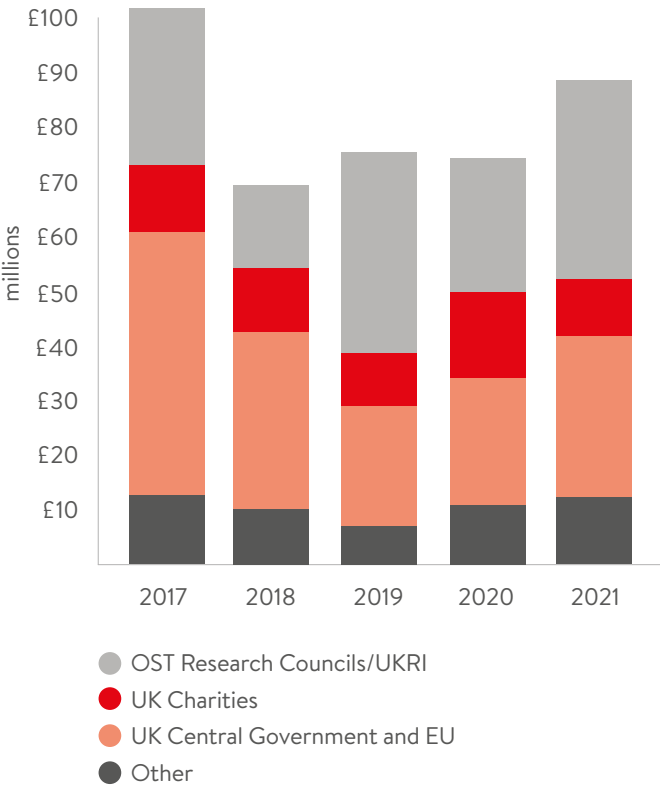


CHART 4: VALUE OF RESEARCH GRANTS AND CONTRACTS AWARDED





GAIN ON DISPOSAL OF FIXED ASSETS AND INVESTMENTS

In 2020–21, a total gain of £0.3m was realised. This total relates mainly to the Group's disposal of shareholdings in ProAxis, Titan IC and Xenobics.

The comparable figure for 2019–20 was a gain of £8.5m which was realised as a consequence of the disposal of elements of the remaining shareholding in Kainos Group plc, the sale proceeds of Titan IC, a Qubis company, to Mellanox Technologies Ltd.

FAIR VALUE GAIN ON INVESTMENTS AND INVESTMENT PROPERTY

The fair value gain on the Group's assets, investments and investment property at 31 July 2021 resulted in an unrealised benefit of £103.1m within the SOCI.

Of this total, £79.0m related to the increase in the market value of the Group's holding in Kainos Group plc. The balance of the increase was primarily due to an increase in the market value of the investments held in the University's General and Investment Funds.

ACTUARIAL ADJUSTMENT IN RESPECT OF PENSION SCHEMES

The funding position of the Retirement Benefits Plan (RBP) Pension Scheme, as measured in line with accounting requirements, has reduced from a deficit of £85.9m at 31 July 2020, to a deficit of £74.0m at 31 July 2021.

Under FRS 102, the SOCI includes the resulting actuarial adjustment of £15.4m for the year.

UNIVERSITIES SUPERANNUATION SCHEME (USS)

The 2020 USS actuarial valuation was not yet finalised as at 31 July 2021. Therefore the University's provision for future commitments to a USS recovery plan continued to be based on the March 2018 USS valuation, which identified a funding deficit of £3.6bn.

Under FRS102 the SOCI reflects the movement in the University's provision for the estimated liability under the USS recovery plans which includes £0.1m for the year relating to staff costs. The 2020 valuation was signed in October 2021 and it is anticipated the charge to staff costs will increase significantly in the 2021–22 financial statements in line with this valuation and the agreement of an associated recovery plan (see note 32).

BALANCE SHEET

The Group had total consolidated net assets of £772.8m as at 31 July 2021 — an increase of £143.1m from the position at 31 July 2020.

The balance sheet has been strengthened further, mainly as a result of the reduced deficit in RBP and significant increases in the market value of our investments.

The balance sheet reflects the significant investment in the capital programme over the last decade; the investment portfolio; the strong liquidity position of the University, and its effective working capital management processes, in particular, the robust control of debtors.

Of the total accumulated unrestricted reserves balance of £701.2m, £458.1m is unrealised. Significant elements of the balance of £243.1m is ringfenced to support the Capital Development Programme including our commitment to the Belfast Region City Deal and Faculties and Professional Services in executing their priorities and plans in support of Strategy 2030.

CAPITAL AND LONG-TERM MAINTENANCE

Queen's vibrant campus continues to be transformed, creating an environment that stimulates, enables and supports world-class education and research.

Capital expenditure has continued across the entire University in terms of new build and major refurbishment of the existing estate. The total projected cost of authorised building projects is currently in the region of £161.1m.

These projects will maintain the momentum of the capital development programme, investing in world-class infrastructure for students and staff.

During 2020–21, progress was made on a number of projects including the completion of the KN Cheung SK Chin InterSim Centre, the Student Centre and the expansion of Riddel Hall.

The InterSim Centre, is the first of its kind within the UK, placing interprofessional education at its core, and providing cutting-edge training facilities for Medical, Pharmacy, Dentistry and Nursing and Midwifery students.

The Student Centre, which is to be completed by 2022, will represent an investment of £41.8m. The Centre will be a world-class facility, to meet the needs of a changing student population and employment market, enabling a holistic approach to core service provision and transforming the student experience.

The expansion of the Management School at Riddel Hall which is also to be completed by 2022 will represent an investment of £26.1m. This will provide a high quality education environment and student experience in world class and sustainable facilities which will deliver additional space requirement for both staff and student growth.

CASH AND TREASURY MANAGEMENT

Cash balances, including short-term deposits were £308.6m at the year end, this represents an increase of £56.1m from the prior year. This increase is due, in the main, to the positive operational outturn position for the year, the receipt of significant non-recurrent funding from DfE and UKRI, and strong working capital management.

The University has a comprehensive Treasury Policy in place. The policy is regularly reviewed by the Investment Committee to ensure that risk is minimised and, during the banking and financial sector uncertainty of recent years, this has proved to be robust.



**THE GROUP HAD
TOTAL NET ASSETS
OF £772.8M AS AT
31 JULY 2021**







HIGHER EDUCATION FUNDING

During 2020–21, DfE allocated Queen's an additional 192 student places to aid flexibility as a result of COVID-19. This funded uplift will be maintained for three years, ending in academic year 2022–23 and there were also 30 additional funded medical places as a result of the 2020 A-Level regrading.

Furthermore, during the course of 2020–21, institutions in NI, and HE students themselves benefitted from a number of significant non-recurrent funding allocations from the NI Executive/DfE due to COVID-19.

In total, Queen's was allocated £19.6m on a non-recurrent basis as set out below:

- £15.0m through the allocation of additional QR to support the capability to simulate economic recovery and mitigate the loss of business funding for research. These funds have, in the main, been earmarked for specific purposes and interventions.
- £3.1m contribution to the additional costs of providing a safer learning and research environment as a consequence of COVID-19.
- £1.5m as a contribution to the 'loss' of student accommodation income in recognition of the University pausing a number of contracts during 2020–21.

In addition, our students benefitted from additional financial support through an increased allocation from DfE to the Student Support Funds, enabling more awards to students who were facing financial hardship whilst studying; the payment of additional bursaries to students from low income households and care-leavers; and the funding of extensions for PhD students whose research was impacted by the pandemic, in addition, to a 6 month fee free period made available by the University.

Allocations were also received from DfE to address digital poverty and to support mental health and wellbeing initiatives in the Students' Union.

During 2020–21, Queen's worked in partnership with DfE, to facilitate the payment of a £500 COVID Disruption payment to over 17,000 eligible students which was funded by the NI Executive.

The additional non-recurrent funding made available to support Queen's and our students was very much welcomed, in what was a very challenging period. This funding will be utilised to support initiatives to replace lost research income, protect research jobs and help us focus more effort on the high priority research needed both to fight the COVID-19 outbreak and support the economy and society as they recover post pandemic.

The underlying funding position for teaching in NI remains, however, a matter of concern for the University.

As highlighted in DfE's Strategy *Skills for a 10x Economy*, the current policy as related to university tuition fees, leaves universities in NI at a disadvantage, when compared with institutions across the UK.

Queen's remains fully committed to working with our partners in government to deliver better outcomes for all our citizens and will work with the NI Executive to ensure that Higher Education is sustainably funded given the key role the sector has in supporting the social and economic recovery of NI.

REPORT ON INVESTMENT PERFORMANCE AND COMMITMENT TO RESPONSIBLE INVESTMENT

INVESTMENT PERFORMANCE

The notes to the accounts set out full details of the two Investment Funds – the University Investment Fund and General Investment Fund, both of which are managed, on behalf of the University Investment Committee, by BlackRock Investment Management (BlackRock).

The University Investment Fund is administered, under the terms set out in the Queen's University (Trust Scheme) Order (Northern Ireland) 1982, and includes endowment funds donated and bequeathed to the University for specific purposes. The fund is actively managed by BlackRock and at 31 July 2021 was valued at £62.6m. Investment by endowment fund holders in the fund is by share purchase, and with 6,752,332 shares issued, the value of a share was £9.27. This represented an increase of 11% on the valuation of the previous year. The income distributed by the Investment Fund to the endowments was held at 30p per share and in total amounted to £2.1m.

The General Investment Fund is for the longer-term investment of University funds. At 31 July 2021, the fund was valued at £100.8m, an increase of £14.8m, or 17%, on the previous year's valuation of £86.0m.

The strong performance of the University's Investment and General investment funds in the past year has been driven by a rebound in financial markets following the considerable negative shock in early 2020, prompted by the coronavirus pandemic. As economic activity returned across the globe in late 2020, unprecedentedly strong government monetary and fiscal action continued to support a powerful economic recovery. In 2021, both portfolios have risen steadily, despite market concerns around rising inflation, and the path of the 'delta' coronavirus variant. In particular, after a weak first half of 2020, the rebound in the UK equity market, over the past year, has been a large determinant of the University's positive investment position at the year end.

RESPONSIBLE INVESTMENT

The University's Investment Committee meet with BlackRock on a regular basis to review the investments and their performance.

BlackRock has a clear understanding of the University's commitment to exclude indirect investment in companies involved in the extraction and production of fossil fuels, by 2025, in line with the Responsible Investment Policy. They include Environmental, Social and Governance (ESG) metrics in their regular reports and presentations, including advice on ways to evolve the investment portfolios, not only to meet the divestment commitment, but also to improve the broad approach taken to ESG concerns. The Investment Committee is aware that the sustainable investing landscape is constantly evolving, and expect that the sustainability and carbon intensity of the University's investment portfolios can be improved over time, whilst maintaining investment return.

As an investment manager, BlackRock continues to make sustainability integral to the way that it manages risk, constructs portfolios, designs products and engages with companies. In particular across 2020, BlackRock committed to integrate E, S and G investment characteristics across its entire active investment platform; and in January 2021, by stating its clear commitment to achieving 'Net Zero' carbon emissions by 2050, outlined a series of actions that it believes will help clients prepare their portfolios for a net zero world. The full announcement may be read by following the [link here](https://www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter) (www.blackrock.com/corporate/investor-relations/larry-fink-ceo-letter).

BlackRock has been a signatory to the United Nations Principles for Responsible Investment (UN PRI) since 2008, was an original member of the 32-member industry-led 'Task Force on Climate Related Financial Disclosure' (TCFD), and last year joined the Climate



Investments are made in accordance with the University's Responsible Investment Policy.

Action 100+, an investor-led initiative aiming to ensure the world's largest corporate greenhouse gas emitters take necessary action on climate change.

BlackRock has both a Sustainable Investing team, bringing together its investment and product teams to build innovative sustainable fund solutions, and a dedicated Investment Stewardship Team, which constantly monitors and engages with companies to encourage business practices consistent with sustainable long-term value creation. The Investment Committee recognises that alongside a divestment policy, engagement via its investment manager with the companies in which it invests, is an important tool in encouraging more sustainable behaviours and ultimately influencing the way in which companies are managed.

BlackRock produces regular materials on its website which summarise its activities, engagement, voting and progress against identified sustainability goals. These can be viewed on its Investment Stewardship **website here** (www.blackrock.com/corporate/about-us/investment-stewardship). From July 2020 to June 2021, BlackRock voted on more than 13,000 companies, and 165,000 management and shareholder proposals across 71 voting markets. In line with its conviction that climate risk is investment risk, it held over 2,300 engagements on climate, voted against 319 companies for climate risk related concerns, and supported 64% of

the environmental shareholder proposals voted. Over the past year, BlackRock has continued to expand its range of 'voting bulletins' to offer rationale behind important company votes, which are **available here**. (www.blackrock.com/corporate/about-us/investment-stewardship#engagement-and-voting-history).

As the University continues to evolve its Responsible Investing policy, the Investment Committee feels confident that BlackRock is well positioned to offer solutions to meet the University's responsible investment needs. As a market-leader in developing innovative ESG-aligned investment solutions and with a broad global investment platform, BlackRock will be able to support the transition to a greener more sustainable portfolio. The focus of the Investment Committee's work with BlackRock over the coming year will be on accelerating the reduction of the already low exposure to fossil fuels in the University's investment portfolio as we look forward to 2025.

These activities demonstrate the Investment Committee's commitment to Responsible Investment and its incorporation into the long-term management and investment arrangements for the University's Investment Funds.



PENSION SCHEMES

The University is a participating employer in two separate defined benefit pension schemes, the Retirement Benefits Plan (RBP), which is available to staff in posts graded 1–5, and the Universities Superannuation Scheme (USS), which is available to staff at grade 6 and above.

RETIREMENT BENEFITS PLAN (RBP)

The RBP funding position is calculated annually for accounting purposes, in accordance with FRS 102.

As set out in note 23 of the Financial Statements, the RBP funding position under FRS 102 shows a deficit of £74.0m at 31 July 2021 (£85.9m at 31 July 2020). The reduction in the deficit position reflects several factors including, updated financial and demographic assumptions which underpin the calculation; movements in the discount rate applied, and a gain on investments.

An Actuarial Valuation of the RBP as at 31 March 2020 has been completed and submitted to the Pensions Regulator. The 2020 Valuation identified a funding shortfall of £4.7m and a funding level of 98.1%. A new Recovery Plan has been agreed to address the funding deficit.

UNIVERSITIES SUPERANNUATION SCHEME (USS)

USS is the principal pension scheme provided in the Higher Education Sector and, with 198,000 active members, 360 participating employers, and assets of some £82bn, is one of the largest pension schemes in the UK. FRS 102 requires each institution to recognise a liability for its share of the USS funding deficit, based on its commitment to the recovery plan agreed as part of the outworking of the most recent Actuarial Valuation.

The 31 March 2018 Valuation (and the associated Recovery Plan and Schedule of Contributions) was signed off on 16 September 2019 and is the basis for calculating the USS liability in these Financial Statements, for both the current and prior year. The movement in Queen's liability in respect of future commitments to the deficit recovery plan has increased marginally by £0.3m to £60.9m (£60.6m at 31 July 2020). This is set out in note 24 of the financial statements.

The 31 March 2018 Valuation identified a funding deficit of £3.6bn (£7.5bn at 31 March 2017). The Scheme Actuary subsequently determined that

the contribution rate would increase from 1 October 2019, to 21.1% of salary for employers and 9.6% for members.

As part of the 31 March 2020 Valuation, the USS Trustee identified a range of scenarios alongside a level of covenant support for each, all of which required significant contribution increases. In response, Universities UK (UUK) proposed an alternative solution which was accepted by all relevant parties.

The 31 March 2020 Valuation was signed and filed with the Pensions Regulator with an effective date of 1 October 2021 and indicates a deficit of circa £15bn. The 2020 Valuation was signed off on the basis that the proposed package of benefit and contribution rate changes, as recommended by the JNC, would be implemented. These changes, which are currently subject to a member consultation, would result in a significant increase of circa £124m in the pension liability within the 2021–22 statements.

If the JNC's recommended changes are not agreed by 28 February 2022, a default position, which includes more significant increases in contribution rates, will become applicable. This default position would result in an increase in the USS pension liability of circa £230m in the 2021–22 financial statements.

Further information regarding the 2020 Valuation can be found at: <https://www.uss.co.uk/about-us/valuation-and-funding/2020-valuation>.

Pensions continue to be one of the most significant risks currently facing the HE sector.

RISK AND UNCERTAINTY

The University acknowledges the risks inherent in its activities and adopts an open, proactive and receptive approach to identifying and managing them. A comprehensive Risk Management Framework defined in the University Risk Management Policy assists the identification of the key risks that pose a significant threat to the achievement of the University's strategic priorities.

Risks are inherent in all activities and constantly evolve with changes in the external and internal environment. The risk management process within the University is structured to continually identify, evaluate and monitor such risks proactively and respond quickly to issues as they arise. It is embedded across the organisation as part of normal management arrangements, and includes the regular review of emerging risks by the University's Executive and Operating Boards. The Risk Management Committee provides the strategic leadership and considers in detail updates to the Corporate Risk Register with input from the University's Internal Auditors.

The Risk Management Committee reports to the Audit Committee which provides the necessary assurances on the adequacy and effectiveness of the Risk Management Framework to Senate.

The University's Risk Management Policy sets out a process to assess the impact and likelihood of identified risks occurring. Risk criteria, based on a materiality threshold, have been established. In considering whether a risk remains or is removed from the Risk Register, the Risk Management Committee assesses its risk appetite for that activity. The University takes appropriate levels of risk to achieve a step change across its core areas of activity: education, skills and the student experience, research and innovation, and business engagement, but adopts a more cautious attitude in matters of legislative and regulatory compliance to reduce risk to the University's reputation, our people and other resources and assets.



THE UNIVERSITY
TAKES **APPROPRIATE
LEVELS OF RISK** TO
ACHIEVE A STEP
CHANGE ACROSS
ITS CORE AREAS
OF ACTIVITY



In the current and constantly changing, complex operating environment, the cumulative risk being experienced by the Sector and the University, is at an unprecedented level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including the Governing Body, is vital at this challenging time.

In addition to the USS pension scheme, the key risks facing Queen's are as set out overleaf.

Risk Area	Risk Management
<p>Financial sustainability Absence of a sustainable financial position in support and delivery of Strategy 2030.</p>	<p>The University faces significant financial challenges which have been further compounded by the COVID-19 pandemic. Strategy 2030 will be underpinned by a sustainable financial position, be responsive to the opportunities and challenges presented, and include a transformational change programme. The ongoing political and government funding uncertainty in NI continues to be of concern and the University continues to engage with government on a sustainable level of funding for HE in NI.</p>
<p>International student recruitment Failure to recruit high quality international undergraduate and post graduate students.</p>	<p>The University has developed a Global Student Recruitment Strategy which is underpinned by an Integrated Action Plan. Measures include the strengthening of specialised in-market teams, an India Market Development Plan, a specific US Strategy, a progressive Digital Marketing Strategy and the development of an institutional approach to English language support for international students. Furthermore, plans have been implemented to mitigate the impact of travel restrictions as a consequence of COVID-19, which has the potential to negatively impact on the recruitment of new, and the return of, international students.</p>
<p>Research quality/strategy Failure to secure competitive, high-quality research funding streams from prestigious national and international sources in order to deliver on strategic priorities and failure to meet research contribution targets.</p>	<p>The University has developed a new Research and Innovation Strategy which includes agreed KPIs and targets and which seek to maximise our impact and performance built around three interconnected pillars-People, Research Quality and Partnerships and Place.</p> <p>In recognition of the increasingly complex and competitive research funding environment, the University has put in place a number of interventions aimed at sustaining research income and mitigating the negative impacts of the changed external landscape as a consequence of the COVID-19 pandemic. These measures include School level research grant funding pipelines which allow us to optimise the bid preparation process and maximise success targeted support for the researcher; PGR contract extensions; pump priming of new research endeavours; launch of a C-19 Pandemic Research Enabling Fund; and an increased focus on collaborative working with colleagues in the RoI and UK.</p>
<p>Cyber Security Failure to prevent, communicate and deal with the risks arising from cyber security attacks including 'hacking' and attacks aimed at theft of IP.</p>	<p>The University takes a holistic approach to protecting itself from cyber security attacks and has a cyber-security plan in place. This approach includes robust policies and procedures, mandatory training for staff, ongoing monitoring and vulnerability testing, multifactor authentication, a maintenance programme and a default deny approach to network access. The University continues to invest to improve security, access controls and infrastructure enhancement whilst providing appropriate remote access to support operational delivery.</p>

CONCLUSION

The University achieved a very positive financial performance in 2020–21. Whilst significant elements of the operational surplus position were as a consequence of non-recurrent funding allocations, our student recruitment, in particular, international was strong and furthermore, there was a significant improvement in the number and value of new research awards.

In the current, and constantly changing, complex operating environment, the cumulative risk being experienced by the sector and the University is at an unprecedented level. The proactive and embedded approach to risk management and its visibility at all levels within the organisation, including the Governing Body, is vital at this challenging time.

Financial sustainability will underpin the delivery of our Strategy 2030, Delivering for our Future. Effective governance and strong financial performance is critical to the success of Queen's and we are well positioned to meet the challenges facing the sector which include social and economic recovery post-pandemic, the need for investment in HE to ensure we deliver and optimise impact and contribution to the *Skills for a 10x Economy* and the material nature of pension deficits.



EFFECTIVE GOVERNANCE
AND **STRONG FINANCIAL
PERFORMANCE** IS CRITICAL
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THE CHALLENGES FACING
THE SECTOR





A NEW BEGINNING

CORPORATE GOVERNANCE

The University is committed to promoting best practice in all aspects of corporate governance. The following statement aims to provide readers of the Financial Statements with an understanding of the governance arrangements applied by Senate, the governing body of the University.

INCORPORATION AND GOVERNANCE FRAMEWORK

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

Senate sets and reviews all University activity, both strategic and operational, and also complies with the Charity Commission's guidance on the reporting of public benefit and the supplementary public benefit guidance on the advancement of education. The University is formally registered with the Charity Commission for Northern Ireland and all Senate members are thus required to register as Trustees of the charity and observe the relevant legislation with a shared duty of care for the charity.

The Committee of University Chairs (CUC) published the latest version of their Higher Education Code of Governance in September 2020. The revision updates and extends the previous version of the Code (June 2018) placing inclusivity at the heart of governance. The Code has been developed to support Governing Bodies to deliver the highest standards of governance across their institutions. In addition to meeting all mandatory requirements the University seeks to embrace best practice and thus Senate is responsible for ensuring the application of the Code.

RESPONSIBILITIES OF SENATE

Senate meets formally at least four times each year but can have additional informal sessions, where necessary and appropriate, to inform its decision making and effective governance. It is responsible for the ongoing strategic direction of the University, the stewardship of its revenue and property and the general conduct of its affairs. Senate works with the Executive Officers to set the institutional mission and strategy, and the Executive Officers ensure that steps are taken to deliver the institutional goals, supported by effective systems of control and risk management.

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

MEMBERSHIP OF SENATE

Senate members are appointed under the Statutes of the University - a copy of which can be found at (<https://www.qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/>).

Senate comprises the Vice-Chancellor; three Pro-Chancellors; the Honorary Treasurer; the Students' Union President; ten external lay members (non-executive); two Academic Council representatives; four staff representatives (two academic and two professional services); one representative from Convocation (graduate body); and one from the Students' Union Council.

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

Academic Council and staff representatives are elected by their relevant constituencies, serve for an initial term of four years, and, if re-elected, have the opportunity to serve for one further term of four years. The Students' Union President holds office from 1 July to 30 June, and the Student Council representative from 1 October to 30 September each year.

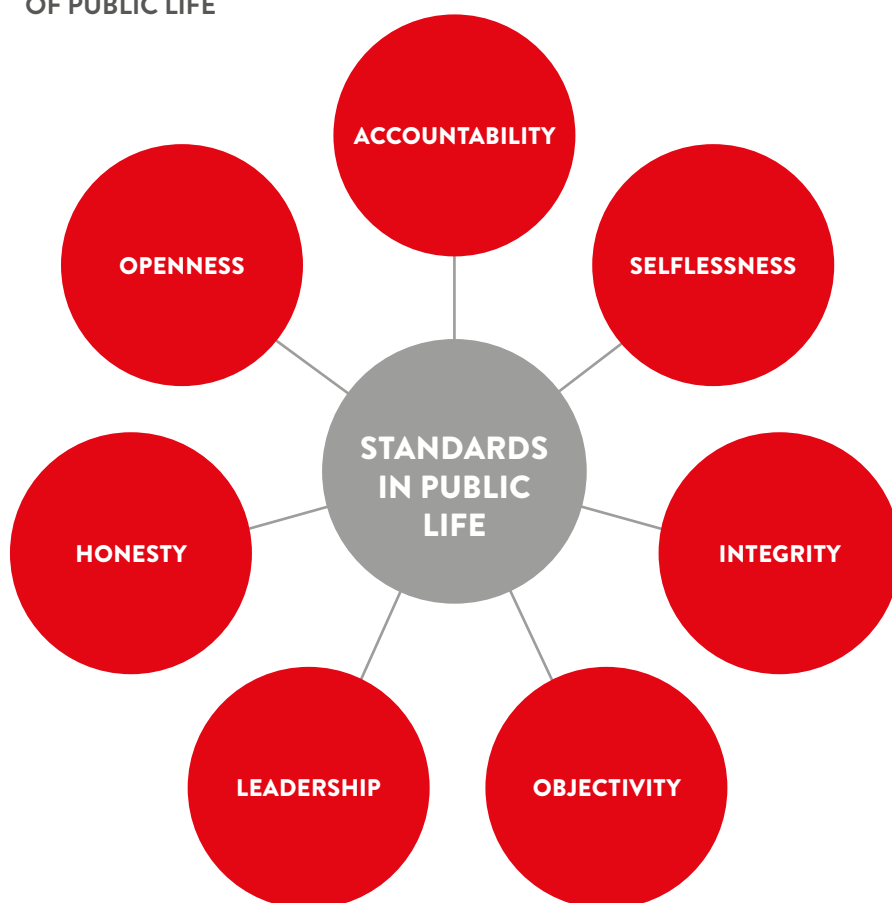
There is a clear distinction between the role of the Chair of Senate and that of the Vice-Chancellor. The Chair is a Pro-Chancellor supported by up to two additional Pro-Chancellors and an Honorary Treasurer. Senate has also appointed a Senior Independent Governor, in September 2020, from amongst its external membership, to further strengthen its governance arrangements. The Senior Independent Governor role is to provide enhanced support to the Chair of Senate in the leadership of Senate and in the development and improvement of governance practices.

Senate members are required to conduct all business in accordance with the seven principles identified by the Committee on Standards in Public Life (please see diagram) and in line with the guidance set out within the CUC Guide for Members of Higher Education Governing Bodies in the UK. All Senate members are required to sign up to a Code of Conduct.

No member of Senate receives remuneration for work they do in respect of their position on the governing body, and all interests are reported through the Register of Interests, which is managed by the Secretary to Senate.

In accordance with its Charter and Statutes, the Registrar and Chief Operating Officer serves as Secretary to Senate and its core Committees, providing advice on matters of governance to Senate members.

THE SEVEN PRINCIPLES OF PUBLIC LIFE



SENATE DEVELOPMENT OPPORTUNITIES


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

In the prior year Senate considered the University's Strategic Planning process and the role of the University in contributing to the economic and societal recovery of Northern Ireland in a post COVID environment. In 2021, Senate used the allocated time to focus on Strategy 2030.

Members also regularly attend briefing events, tours of key facilities and training/development sessions, all of which are aimed at keeping members up to date on activities happening across the campus and the wider Higher Education sector. Moving forward, Faculties will also feed into this process.

In line with best practice, Senate also keeps its effectiveness under regular review. Every four years, it undertakes a formal and rigorous evaluation of its own effectiveness and that of its Committees. To ensure independence in this process, the evaluation is undertaken by the University's Internal Auditors. All members contribute to this process and the outworkings, including recommendations on how the existing arrangements could be enhanced, are reported to Senate through the Standing Committee. The latest Senate Effectiveness Review was undertaken during 2021.

Members of Senate are required to meet with the Chair of Senate, on a one to one basis, every two years. The purpose of these meetings, or Senate Appraisals, is to enable the Chair and members to reflect on their contribution to the work of Senate and to identify ways in which it could be enhanced or supported going forward. Findings from the appraisal process are shared with Senate with areas for potential development flagged. A monitoring system against key performance indicators will be in place to ensure continuous improvement.



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

SENATE COMMITTEES

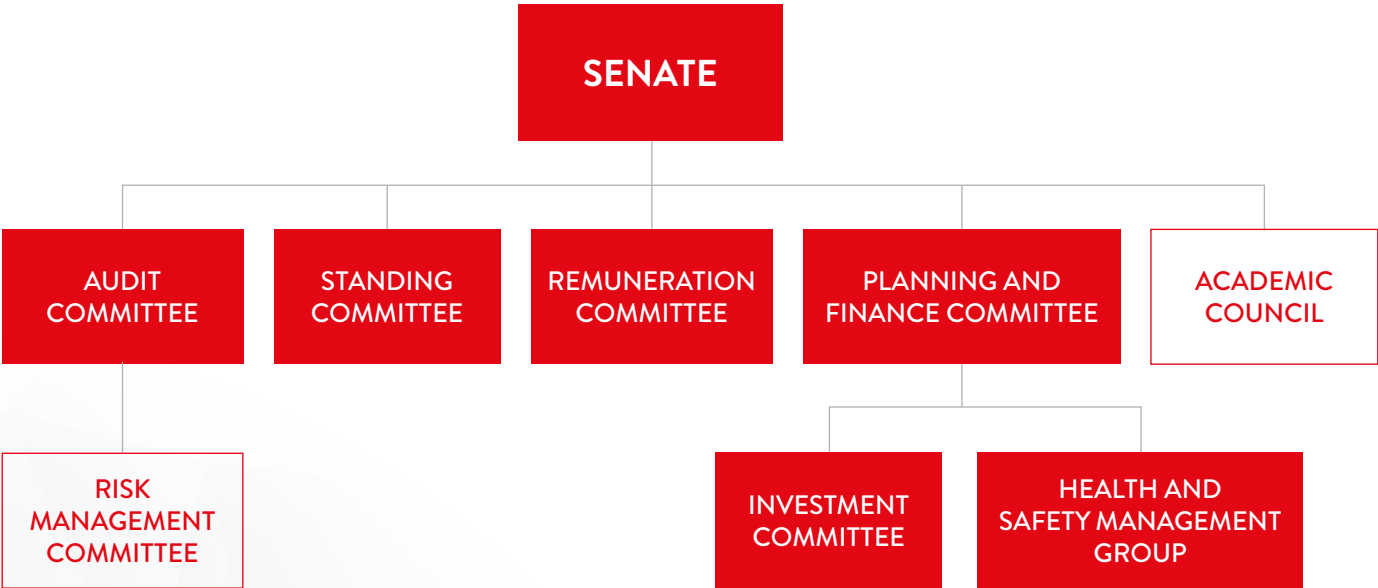
Under its Approval Framework/Scheme of Delegation, Senate delegates some of its powers and responsibilities to its core Committees. A Review of the Scheme of Delegation is underway which will encompass best practice from across the Russell Group Universities to ensure that there is an effective and efficient governance and decision making structure.

Each Committee is provided with a clear remit and written Terms of Reference stating the extent and limits of its responsibilities and authority. Each Committee is required,

at the start of each academic year, to review its Terms of Reference and to update these in line with best practice. All Committees are also required to submit a comprehensive report, on business transacted, to the next available meeting of the Governing Body.

The key governance Committees are the Audit Committee, the Planning and Finance Committee, the Standing Committee, and the Remuneration Committee, as illustrated below. The Committees shaded in red include Senate representation:

COMMITTEE GOVERNANCE STRUCTURE



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

Constituency	Meeting	Senate		Audit Committee		Planning and Finance Committee		Standing Committee		Remuneration Committee	
	Senate Members	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance	Members	Attendance
Pro-Chancellor	Mr S Prenter (Chair of Senate to end December 2020)	Chair	2 of 2					Chair (to end Dec 2020)	3 of 3	✓	1 of 1
Pro-Chancellor	Dr S Kington (Chair of Senate from January 2021)	Chair	4 of 4			Chair (to end Dec 2020)	2 of 2	Chair (to end Mar 2020)	2 of 2	Chair (to end Dec 2020)	2 of 2
Pro-Chancellor	Dr L O'Hagan (from January 2020)	✓	4 of 4			Chair (from Jan 2021)	4 of 4			Chair (from Jan 2021)	1 of 1
President and Vice-Chancellor	Professor I Greer	✓	4 of 4			✓	4 of 4	✓	5 of 5		
Honorary Treasurer	Ms O Corr	✓	4 of 4			✓	4 of 4			✓	2 of 2
President, Students Union	Ms G Ní Dháimhin	✓	4 of 4			✓	4 of 4				
Students Union Council Representative	Mr A Murphy	✓	4 of 4								
Academic Council Representative	Professor D Fitzsimons	✓	3 of 4								
Academic Council Representative	Professor P McKeown	✓	4 of 4								
Academic Staff Representative	Dr V Altglas	✓	4 of 4					✓	5 of 5		
Academic Staff Representative	Dr L Hannan	✓	4 of 4								
Support Staff Representative	Mr K Flanagan	✓	4 of 4								
Support Staff Representative	Ms D Hyland (from February 2021)	✓	2 of 2					✓	1 of 1		
Convocation	Mr E McMullan	✓	4 of 4	✓	4 of 4						
Senior Independent Governor	Ms E Graham (Senior Independent Governor role from September 2020)	✓	4 of 4			✓	4 of 4	✓	4 of 5		
Lay Members	Ms B Arthurs	✓	4 of 4			✓	4 of 4				
	Mr R Baillie	✓	4 of 4			✓	4 of 4				
	Mr A Doran	✓	4 of 4			✓	4 of 4				
	Mr K Jess	✓	4 of 4	Chair	4 of 4						
	Ms M Matchett	✓	4 of 4					Chair (from June 2021)	5 of 5		
	Ms A McGregor	✓	4 of 4	✓	3 of 4						
	Ms M Regan	✓	4 of 4							✓	2 of 2
	Mr A Shannon	✓	4 of 4			✓	4 of 4				
	Ms P Slevin	✓	4 of 4					✓	4 of 5		

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

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

AUDIT COMMITTEE

The Audit Committee is responsible for reviewing the audit aspects of the University's financial statements and for making recommendations to Senate for their approval or otherwise, in accordance with the Department for the Economy's Accounts Direction. These obligations are set out in the Financial Memorandum (FM) last updated with effect from 1 April 2014. The Committee is also responsible for exercising oversight and reporting to Senate on the adequacy and effectiveness of:

- Risk management, control and governance (the risk management element includes the accuracy of the statement of internal control included with the annual statement of accounts).
- Economy, efficiency and effectiveness (value for money).
- Approval and oversight of the implementation of the Institution's policy on Fraud and Whistleblowing.
- The management and quality assurance of data provided to HESA (Higher Education Statistics Agency), Student Loans Company, and other funding bodies.

The Audit Committee meets four times annually. Members of the Committee do not have executive authority. The Chair of the Committee is not a member of any other core Committees of Senate. The Committee reviews the annual External Audit Plan and the final Internal Audit report. It considers the appropriateness of the Internal Auditor's risk assessment and audit plans and reviews reports from them on their investigations, together with monitoring the implementation of all agreed audit-based recommendations.

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

An annual training event is held as part of the Audit Committee Schedule of Business. The event is facilitated by representatives from the Internal and External Auditors and enables members to be kept apprised of the key issues facing the HE sector at that time.

Throughout 2020–21, the Committee's focus has been primarily on the Internal Audit Plan, the External Audit planning process and the steps being taken by the University to manage both emerging and corporate risks – examples included COVID-19; Pensions; and Cyber Security. The Committee also considers reports, at each of its meetings, from the Risk Management Committee and receives assurances on the processes in place to embed a holistic risk management approach at both a Corporate and at a Faculty/Professional Services level.

A copy of the Committee's full Membership and Terms of Reference is **available here** (<https://www.qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/Directory-of-Committees/AuditCommittee/>).

PLANNING AND FINANCE COMMITTEE

The Planning and Finance Committee advises and, where appropriate, makes recommendations to Academic Council and Senate, on the University's academic, financial, physical and human resource objectives and priorities. It has delegated authority to approve subsidiary strategies and operational plans required to achieve the University's strategic objectives. The Planning and Finance Committee also supervises all matters relating to the financial management of the University, the investment of its funds, the receipt of its income and the expenditure thereof, together with the management of Trust Funds. The Committee reports to each meeting of Senate.

Throughout the year, the Committee's main focus has been on the financial impact of COVID-19; Belfast Region City Deal initiative; and the financial position of the University during 2020–21.

The Committee also welcomed updates on the development of the new Strategic Plan and related consultation processes.

A copy of the Committee's full Membership and Terms of Reference is **available here** (<https://www.qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/Directories-of-Committees/PlanningandFinanceCommittee/>).

STANDING COMMITTEE

Standing Committee meets at least four times a year and considers, approves, monitors and evaluates the University's strategy in relation to its people, culture and values, to include staff engagement and its impact on organisational performance. In addition, the Committee is responsible for the initial consideration and approval of policy to ensure the promotion of all aspects of Equality and Diversity across the University, including work being undertaken to address gender and race equality in line with Section 75 of the Northern Ireland Act 1998.

During the year the Committee was advised of, and approved, the plans for a Governance Apprenticeship Programme to instil some further diversity at Board or Senate level; a challenge across the HE sector. They were also advised of, and acknowledged, the efforts to support staff through the ongoing pandemic period.

A copy of the Committee's full Membership and Terms of Reference is **available here** (<https://home.qol.qub.ac.uk/webresources/Registrars%20Office/Staff/Core%20Committees%20and%20Sub-Committees/Standing%20Committee.pdf>).

REMUNERATION COMMITTEE

The Remuneration Committee ensures that the remuneration arrangements for all senior post holders support the University's strategic aims and objectives and enable the recruitment, motivation and retention of the most senior staff whilst also complying with the requirements of regulation and best practice. It annually

determines and reviews, on behalf of Senate, the performance, salaries and employment terms and conditions of the Senior Management Group and Senior Academic Managers.

The Committee also oversees the implementation of the Senior Salaries Scheme. The scheme, informed by best practice from within both the public and private sectors, incorporates a number of key features, these include defined ranges; a clear policy on salary progression and performance pay; and integrated mechanisms to measure and reward such performance. The annual salary review of the Senior Management Group is based on two components – corporate and individual performance.

The Remuneration Committee recognises it must strike the right balance between recruiting, rewarding and retaining the best senior staff possible in order to deliver the best outcomes for the students and the University whilst, at the same time, demonstrating effective use of limited resources and achieving value for money.

The Remuneration Committee is committed to complying with all the elements of the CUC guidelines on best practice, as set out in its Higher Education Senior Staff Remuneration Code, published in June 2018 and demonstrating leadership and stewardship in relation to remuneration. The Code sets out a framework through which Higher Education institutions can demonstrate that they are being managed in the best interests of their key stakeholders, including staff and students. In this context, Senate has implemented a number of updates to its practices in response to evolving best practice within the Code and across the sector.

The Committee has also adopted the production and publication for Senate, of an annual report setting out its key priorities and activities during the course of the academic year – a copy of the report of the Remuneration Committee can be found **here** (<https://www.qub.ac.uk/about/Leadership-and-structure/Registrars-Office/FileStore/Fileupload,937383,en.pdf>).

The focus of the Committee during 2020–21 was the Senior Salaries Scheme and the associated approach to pay and reward for this population during this challenging time.

A copy of the Committee's full Membership and Terms of Reference is **available here** (<https://www.qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/Directory-of-Committees/RemunerationCommittee/>).

NOMINATIONS COMMITTEE

The Nominations Committee seeks out and recommends new lay members for membership to Senate at the beginning of each term and remains in place throughout the four-year term of Senate. Senate is due to be reconstituted with effect from 1 January 2022, the aim being to shape the membership to deal with future challenges, as well as ambitions, of the University. A separate Membership Committee subsequently meets to determine the allocation of Senate members to core Committees, ensuring an appropriate balance in terms of skills and characteristics.

A copy of the Committee's full Membership and Terms of Reference is **available here** (<https://www.qub.ac.uk/about/Leadership-and-structure/Registrars-Office/University-Governance/Directory-of-Committees/NominationsCommittee/>).

EXECUTIVE TEAM

Senate delegates operational management control of the University to the University Executive Board (UEB), chaired by the Vice-Chancellor, and to the University Operating Board (UOB), chaired by the Registrar and Chief Operating Officer.

The University's Charter and Statutes place responsibility for the University's operations with the Vice-Chancellor who, as the Accountable Officer, supported by the Executive Officers, implements the Board's policies and develops and manages the University's business. Senate works with the

Executive Officers to set the institutional mission and strategy, and the Executive Officers ensure that steps are taken to deliver the institutional goals and that there are effective systems of control and risk management in place. Senate approves all major developments and receives regular highlight reports on the activities of the University and its subsidiary companies.

STATEMENT ON INTERNAL CONTROL

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

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

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2021 and up to the date of approval of these financial statements, and accords in full with DfE guidance.

As part of the University's co-ordinated response to the COVID-19 pandemic and the related changes in working practices, key processes and procedures were proactively reviewed, and adapted as necessary, to ensure that the University's comprehensive control framework remained robust.

During the period, up to the signing of these Financial Statements there were two (greater than £5k) actual or suspected frauds identified. These related to a cyber-security breach in February 2021 and an attempted fraudulent withdrawal from the University's bank account in August 2021. Both incidents have been fully reported and investigated in line with the University's Anti-Fraud Policy and the Financial Memorandum. In this respect a range of remedial actions and developments have also been agreed and an implementation programme is underway.

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

- a. Senate meets at regular intervals (at least four times a year) to consider the strategies and plans of the University.
- b. Senate receives regular reports from the Chair of the Audit Committee concerning internal control, and also requires regular reports from managers on the steps they are taking to manage risk in their areas of responsibility, including progress reports on key projects. Senate, and the Vice-Chancellor, receive an annual report from the Audit Committee covering the business of the Committee over the previous academic year.
- c. Senate has established a Risk Management Committee to oversee risk management.
- d. The Audit Committee receives regular reports from the Internal Auditors which include their independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement.
- e. Programmes of facilitated workshops have been held in Faculties and Professional Services to identify new and emerging risks and to ensure the adequacy of counter measures. Faculties and Professional Services are responsible for identifying, evaluating and managing

their significant risks.

- f. A programme of risk awareness training is ongoing and risk management is integrated within the University's business planning process.
- g. A system of key performance and risk indicators has been developed.
- h. A robust risk prioritisation methodology, based on risk ranking and cost-benefit analysis has been established.
- i. A Corporate Risk Register is maintained and regularly reviewed and updated, with responsibility for the management of each risk embedded within the management structure of the University.
- j. An Emerging Risk Register has been developed and is reviewed at each meeting of the University Operating Board and the University Executive Board.
- k. All information used for both operational and financial reporting purposes is captured and processed accurately, and to an appropriate quality standard, particularly where it is used by third parties or relied on by other parts of government.
- l. Reports are received, as appropriate, from budget holders, department heads and project managers on internal control activities.

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

Senate's review of the effectiveness of the system of internal control is also informed by the work of the senior officers within the University, who have responsibility for the development and maintenance of the internal control framework and by comments made by the External Auditors in their Annual Report and other reports to the Audit Committee.

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

IT IS SENATE'S VIEW
THAT THE UNIVERSITY
HAS **AN EFFECTIVE**
RISK MANAGEMENT
PROCESS IN PLACE





RESPONSIBILITIES OF SENATE IN RESPECT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

Senate is also responsible for ensuring that:

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

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

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

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

OPINION

We have audited the financial statements of Queen's University Belfast ('the University') for the year ended 31 July 2021 set out on pages 95 to 126, which comprise the Consolidated and University Statements of Comprehensive Income, the Consolidated and University Statements of Changes in Reserves, the Consolidated and University Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including the summary of significant accounting policies set out on pages 85 to 92.

The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including *FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- meet the requirements of the Department for the Economy (DfE) Accounts Direction to Higher Education Institutions for 2020–21 financial statements.

BASIS FOR OPINION

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

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

CONCLUSIONS RELATING TO GOING CONCERN

Senate has prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the University or to cease their operations, and as they have concluded that the Group's and the University's financial position means that this is realistic.

They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ('the going concern period').

In our evaluation of Senate's conclusions, we considered the inherent risks to the Group's and University's business model and analysed how those risks might affect the Group's and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

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

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

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

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

DETECTING IRREGULARITIES INCLUDING FRAUD

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

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

The University is subject to laws and regulations that directly affect the financial statements including companies and financial reporting legislation. We assessed the extent of compliance with these laws

and regulations as part of our procedures on the related financial statement items, including assessing the financial statement disclosures and agreeing them to supporting documentation when necessary.

The University, is not subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements.

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

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

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

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

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

OTHER INFORMATION

Senate is responsible for the other information presented in the Annual Report together with the financial statements.

The other information comprises the information included in the Message from the Chair of Senate, the Message from the Vice-Chancellor, Moments of the Year, Our Stakeholders, Overview of the University, Strategy 2030, Our Vision, Realising our Vision, Our Strategic Priorities, Our Enablers, Sustainable Development Goals, Public Benefit Statement, Financial Review and Corporate Governance Statement. The financial statements and our auditor's report thereon do not comprise part of the other information.

Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Senate for the financial statements

As explained more fully in the Responsibilities of Senate Statement set out on page 80, Senate is responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as it determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the former Department for Employment and Learning (now DfE) Audit Code of Practice issued under the Further and Higher Education Act 1992. In our opinion, in all material respects: funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and funds provided by the DfE have been applied in accordance with the Financial Memorandum and any other terms and conditions attached to them.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

Our report is made solely to Senate, in accordance with the Charter and Statutes of the institution. Our audit work has been undertaken so that we might state to Senate those matters we are required to state to it in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Senate, for our audit work, for this report, or for the opinions we have formed.

Sean O'Keefe

(Senior Statutory Auditor)

For and on behalf of KPMG, Statutory Auditor
The Soloist Building
1 Lanyon Place, Belfast
24 November 2021



STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP):

Accounting for Further and Higher Education 2019, UK Accounting Standards including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Accounts Direction issued by the Department for the Economy.

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

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

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

BASIS OF PREPARATION

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

The financial statements have been prepared on a going concern basis which Senate consider to be appropriate for the following reasons.

Senate has prepared cash flows for a period of 12 months from the date of approval of these financial statements. After reviewing these cashflows Senate is of the opinion that, the Group and the University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements. Senate has also noted the Group and University's current limited borrowing and loan portfolio.

Therefore, Senate has prepared the financial statements on a going concern basis.

BASIS OF CONSOLIDATION

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

Joint ventures are accounted for using the equity method.

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

INCOME RECOGNITION

SALE OF GOODS AND SERVICES

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

TUITION FEE INCOME

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

GOVERNMENT REVENUE GRANTS

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

NON-GOVERNMENT GRANTS

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

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

DONATIONS AND ENDOWMENTS

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

INVESTMENT INCOME

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

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

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

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

CAPITAL GRANTS

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

ACCOUNTING FOR RETIREMENT BENEFITS

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Retirement Benefits Plan of Queen's University Belfast (RBP). The schemes are defined benefit schemes which are externally funded and contracted out of the State Second Pension (S2P). Each fund is valued at least every three years by professionally qualified independent actuaries. Further detail on the specific pension schemes is provided in note 36 to the accounts.

The USS is a multi-employer scheme. It is not possible to identify the assets and liabilities relating to University members due to the mutual nature of the scheme; therefore, this scheme is accounted for as

a defined contribution retirement benefit scheme. As a result obligations for contributions to the USS scheme are recognised as an expense in the income statement in the periods during which services are rendered by employees. A liability is recorded within provisions for any contractual commitment to a recovery plan to fund past deficits within the USS scheme.

Under the RBP scheme, as a defined benefit scheme, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The University and Group recognise a liability in the balance sheet for its obligations under the RBP plan net of the fair value of the plan's assets; this liability is included in pension obligations (note 23). This net liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method.

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

The fair value of the scheme's assets is measured in accordance with FRS 102. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the RBP, recognised in expenditure as staff costs, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit

changes, curtailments, and settlements. The net interest cost is calculated by applying the opening discount rate to the net liability. This cost is recognised in expenditure as a finance cost. Details of the RBP scheme are provided in note 36.

EMPLOYMENT BENEFITS

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

FOREIGN CURRENCY

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

INTEREST PAYABLE

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

FIXED ASSETS

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

LAND AND BUILDINGS

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

All land and buildings, completed or purchased, since the date of transition to the 2015 SORP are capitalised at cost. Costs incurred in

relation to land and buildings after initial purchase or construction, and/or valuation, are capitalised to the extent that they increase the expected future benefits to the University.

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

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

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

EQUIPMENT

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

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

Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

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

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

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

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

IMPAIRMENT

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

HERITAGE ASSETS

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

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

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

INVESTMENT PROPERTIES

Investment property comprises land and buildings, or part of a building, held for rental income, or capital appreciation, rather than for use in delivering services. Investment properties are measured initially at cost, or deemed cost on acquisition, at the date of transition to the 2015 SORP,

and subsequently at fair value at the end of each reporting period with movements in fair value recognised immediately in the SOCI. Investment properties are not depreciated and are held at fair value.

INVESTMENTS

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

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

Investments in associates are held at fair value. Changes in fair value are recognised through other comprehensive income in the relevant subsidiary accounts. In the consolidated financial statements, changes in fair value are recognised in the SOCI.

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

STOCK

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

CASH AND CASH EQUIVALENTS

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. Cash equivalents are highly liquid investments, with a term of up to 3 months, which are readily convertible to known amounts of cash with insignificant risk of change in value.

PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

- the Group or University has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

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

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

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

CONCESSIONARY LOANS

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

FINANCIAL INSTRUMENTS

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

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

FINANCIAL ASSETS

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

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

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

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

FINANCIAL LIABILITIES

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing

transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

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

TAXATION

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Para 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is exempt from taxation in respect of income or capital gains received within categories covered by Section 478–488 of the Corporation Tax Act 2010 or capital gains received within categories covered by section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University's non-charitable subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

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

Where appropriate, deferred tax is provided in full on timing differences that exist at the reporting date and which result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is

measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

RESERVES

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

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Group and University's financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Details are outlined in note 37.



FINANCIAL STATEMENTS

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31 JULY 2021

	Notes	2021		2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Government grants	1	109,945	109,945	99,318	99,318
Tuition fees, support grants and education contracts	2	143,443	143,443	126,651	126,651
Research grants and contracts	3	88,583	88,583	88,682	88,682
Other income	4	49,519	47,817	54,335	77,395
Investment income	5	2,726	2,719	3,577	3,546
Total income before endowments and donations		394,216	392,507	372,563	395,592
Donations and endowments	6	3,253	3,253	4,434	4,434
Total income		397,469	395,760	376,997	400,026
Expenditure					
Staff costs	7	232,799	232,799	230,634	230,634
Other operating expenses	9	116,058	116,517	115,330	116,056
Depreciation	13	22,570	22,450	23,113	22,993
Interest and other finance costs	10	1,733	1,733	3,041	3,041
Total expenditure excluding USS provision	11	373,160	373,499	372,118	372,724
Surplus before USS provision and other gains/(losses)		24,309	22,261	4,879	27,302
Staff costs — movement in USS provision	8	125	125	49,959	49,959
Surplus before other gains/(losses)		24,434	22,386	54,838	77,261
Gain on disposal of fixed assets		47	47	85	85
Gain on disposal of investments		213	—	8,459	886
Surplus before tax and fair value gain on investments		24,694	22,433	63,382	78,232
Fair value gain/(loss) on investments and investment property	16	103,070	21,998	58,939	(9,426)
Taxation	12	—	—	—	—
Surplus for the year		127,764	44,431	122,321	68,806
Actuarial adjustment in respect of pension schemes	36	15,386	15,386	(20,123)	(20,123)
Total comprehensive income for the year		143,150	59,817	102,198	48,683
Represented by:					
• Endowment comprehensive income for the year		7,332	7,332	(3,267)	(3,267)
• Restricted comprehensive income for the year		273	273	26	26
• Unrestricted comprehensive income for the year		135,552	52,212	105,450	51,924
Attributable to the University		143,157	59,817	102,209	48,683
Attributable to the non-controlling interest		(7)	—	(11)	—
		143,150	59,817	102,198	48,683

Included within the surplus for the year is a loss of (£7k) (2020:(£11k)) relating to the non-controlling interest.

All items of income and expenditure relate to continuing activities.

The Statement of Principal Accounting Policies on page 85 to 92 and the notes to the accounts on pages 100 to 126 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY BALANCE SHEETS AS AT 31 JULY 2021

	Notes	2021		2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Fixed assets	13	667,838	661,564	662,492	656,098
Heritage assets	14	118	118	118	118
Investment property	15	6,145	6,145	4,543	4,543
Investments	16	387,571	165,582	286,655	145,563
Investment in associates	18	3,142	—	2,525	—
		1,064,814	833,409	956,333	806,322
Current assets					
Stock		697	696	694	694
Debtors	19	22,473	22,858	19,938	35,459
Investments	20	187,999	187,999	98,000	98,000
Cash and cash equivalents	27	120,551	110,602	154,474	130,674
		331,720	322,155	273,106	264,827
Less: Creditors: amounts falling due within one year	21	(117,962)	(118,213)	(90,406)	(90,630)
Net current assets		213,758	203,942	182,700	174,197
Total assets less current liabilities		1,278,572	1,037,351	1,139,033	980,519
Creditors: amounts falling due after more than one year	22	(369,010)	(365,258)	(360,426)	(356,580)
Provisions					
Pension obligations	23	(74,103)	(74,103)	(85,964)	(85,964)
Other provisions	24	(62,615)	(61,562)	(62,949)	(61,364)
Total net assets		772,844	536,428	629,694	476,611
Restricted reserves					
Income and expenditure reserve – endowment reserve	25	69,665	69,665	63,833	63,833
Income and expenditure reserve – restricted reserve	26	1,216	1,216	943	943
Unrestricted reserves					
Income and expenditure reserve – unrestricted		701,229	465,547	564,177	411,835
		772,110	536,428	628,953	476,611
Non-controlling interest		734	—	741	—
Total reserves		772,844	536,428	629,694	476,611

The Statement of Principal Accounting Policies on pages 85 to 92 and the notes to the accounts on pages 100 to 126 form part of these financial statements. The financial statements were approved by Senate on 23 November 2021 and were signed on its behalf on that date by:

Ms O. Corr,
Honorary Treasurer

Professor I. Greer,
President and Vice-Chancellor

Mrs W. Galbraith,
Director of Finance

CONSOLIDATED STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2021

Consolidated	2021			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000			
Balance at 1 August 2019	67,100	917	458,727	526,744	752	527,496
(Deficit)/surplus from the statement of comprehensive income	(3,267)	1,966	123,633	122,332	(11)	122,321
Other comprehensive expense	—	—	(20,123)	(20,123)	—	(20,123)
Release of restricted funds spent in year	—	(1,940)	1,940	—	—	—
Total comprehensive (expenditure)/ income for the year	(3,267)	26	105,450	102,209	(11)	102,198
Balance at 1 August 2020	63,833	943	564,177	628,953	741	629,694
Surplus/(deficit) from the statement of comprehensive income	7,332	1,436	119,003	127,771	(7)	127,764
Transfer between reserves	(1,500)	—	1,500	—	—	—
Other comprehensive income	—	—	15,386	15,386	—	15,386
Release of restricted funds spent in year	—	(1,163)	1,163	—	—	—
Total comprehensive income/ (expenditure) for the year	5,832	273	137,052	143,157	(7)	143,150
Balance at 31 July 2021	69,665	1,216	701,229	772,110	734	772,844

The Statement of Principal Accounting Policies on pages 85 to 92 and the notes to the accounts on pages 100 to 126 form part of these financial statements.

UNIVERSITY STATEMENT OF CHANGES IN RESERVES YEAR ENDED 31 JULY 2021

University	2021			Total excluding non controlling interest	Non controlling interest	Total
	Endowment	Restricted	Unrestricted			
	£'000	£'000	£'000			
Balance at 1 August 2019	67,100	917	359,911	427,928	—	427,928
(Deficit)/surplus from the statement of comprehensive income	(3,267)	1,966	70,107	68,806	—	68,806
Other comprehensive expense	—	—	(20,123)	(20,123)	—	(20,123)
Release of restricted funds spent in year	—	(1,940)	1,940	—	—	—
Total comprehensive (expenditure)/ income for the year	(3,267)	26	51,924	48,683	—	48,683
Balance at 1 August 2020	63,833	943	411,835	476,611	—	476,611
Surplus from the statement of comprehensive income	7,332	1,436	35,663	44,431	—	44,431
Transfer between reserves	(1,500)	—	1,500	—	—	—
Other comprehensive income	—	—	15,386	15,386	—	15,386
Release of restricted funds spent in year	—	(1,163)	1,163	—	—	—
Total comprehensive income for the year	5,832	273	53,712	59,817	—	59,817
Balance at 31 July 2021	69,665	1,216	465,547	536,428	—	536,428

The Statement of Principal Accounting Policies on pages 85 to 92 and the notes to the accounts on pages 100 to 126 form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

YEAR ENDED 31 JULY 2021

	Notes	2021 £'000	2020 £'000
Cash flow from operating activities			
Surplus for the year		127,764	122,321
Adjustment for non-cash items			
Depreciation	13	22,570	23,113
Release of deferred capital grants		(15,597)	(16,245)
Gain on disposal of fixed assets		(47)	(85)
Gain on disposal of investments		(213)	(8,459)
Fair value gain on investments and investment property		(103,070)	(58,939)
(Increase) in stock		(3)	(42)
(Increase)/decrease in debtors	19	(2,535)	8,707
Increase/(decrease) in creditors	21	28,181	(3,175)
(Decrease)/increase in pension provision	23	(11,861)	23,654
Actuarial adjustment to pension provision		15,386	(20,123)
(Decrease) in other provisions	24	(334)	(49,158)
Adjustment for investing or financing activities			
Investment income	5	(2,726)	(3,577)
Interest payable	10	—	—
Endowment income	6	(497)	(477)
Net cash inflow from operating activities		57,018	17,515
Cash flows from investing activities			
Proceeds from sales of fixed assets		152	85
Capital grants receipts		24,829	20,556
Disposal of non-current asset investments		18,591	195,436
Investment income		2,726	3,577
Payments made to acquire fixed assets	13	(28,577)	(20,932)
New investment property	15	—	(274)
New non-current asset investments	16	(17,523)	(171,316)
(Investments in)/release of deposits > 3 months		(89,999)	61,100
New associate investments		(362)	(270)
		(90,163)	87,962
Cash flows from financing activities			
Endowment cash received		497	477
Repayments of amounts borrowed		(1,275)	(1,275)
		(778)	(798)
Decrease in cash and cash equivalents in the year		(33,923)	104,679
Cash and cash equivalents at beginning of the year	27	154,474	49,795
Cash and cash equivalents at end of the year	27	120,551	154,474
The Statement of Principal Accounting Policies on pages 85 to 92 and the notes to the accounts on pages 100 to 126 form part of these financial statements.			

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
1. Government grants				
Recurrent grant:				
Teaching	53,837	53,837	50,443	50,443
Research	32,359	32,359	32,523	32,523
Other specific grants	9,961	9,961	3,607	3,607
Deferred capital grants released in year	13,788	13,788	12,745	12,745
	109,945	109,945	99,318	99,318
<p>The University received £98.4m (2020: £97.4m) of recurrent grant funding in the year, of which some £12.2m (2020: £14.4m) has been deferred as detailed in note 22.</p> <p>The University also received £15.0m (2020:£nil) of additional funding in relation to COVID-19 related issues in the year of which £0.8m (2020:£nil) has been recognised as income in the year with the remaining £14.2m (2020:£nil) being deferred as detailed in note 21.</p>				

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
2. Tuition fees, support grants and education contracts				
Full-time students (NI, GB and EU)	66,560	66,560	59,257	59,257
International students	49,677	49,677	43,841	43,841
Part-time fees	6,254	6,254	5,253	5,253
Short courses	1,040	1,040	1,137	1,137
Department of Health nursing contract	16,222	16,222	14,641	14,641
Research training, other support grants and other fees	3,690	3,690	2,522	2,522
	143,443	143,443	126,651	126,651

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
3. Research grants and contracts				
Research councils /UKRI	24,056	24,056	22,986	22,986
Research charities	10,116	10,116	12,516	12,516
UK government and EU	43,650	43,650	43,813	43,813
Other sources	10,761	10,761	9,367	9,367
	88,583	88,583	88,682	88,682
Income from research grants and contracts includes deferred capital grants released in year totalling £1,294k (2020: £2,985k).				

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
4. Other income				
Residences, catering and conferences	11,331	11,331	15,147	15,147
Other services rendered	19,316	19,316	15,413	15,413
Other income	13,003	11,301	17,522	40,582
Contribution to joint appointment salaries (note 7)	5,869	5,869	6,253	6,253
	49,519	47,817	54,335	77,395

Other income and other services rendered include deferred capital grants released in year totalling £443k (2020: £443k).
Other income in respect of the University includes gift aid income of £184k (2020: £24,817k) from its subsidiaries.

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
5. Investment income				
Investment income from endowments (note 25)	2,079	2,079	1,830	1,830
Other investment income	647	640	1,747	1,716
	2,726	2,719	3,577	3,546

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
6. Donations and endowments				
New endowments (note 25)	497	497	477	477
Donations with restrictions (note 26)	792	792	1,631	1,631
Unrestricted donations	1,964	1,964	2,326	2,326
	3,253	3,253	4,434	4,434

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
7. Staff costs				
Salaries	175,631	175,631	174,977	174,977
Social security costs	16,237	16,237	15,783	15,783
Other pension costs	26,229	26,229	24,755	24,755
Current service cost – RBP pension scheme	8,833	8,833	8,866	8,866
	226,930	226,930	224,381	224,381
Joint appointment salaries (note 4)	5,869	5,869	6,253	6,253
	232,799	232,799	230,634	230,634
Included within staff costs is £4,435k (2020: £4,669k) relating to amounts paid to teaching assistants, temporary lecturers and other temporary staff, who were not employed under contract by the University, and are therefore not included in staff numbers.				

Consolidated and University	2021	2020
	£'000	£'000
Emoluments of the Vice-Chancellor:		
Salary	306	306
Pension contributions to USS	6	6
	312	312

In respect of the Vice-Chancellor no additional amounts (2020: £nil) were paid in respect of an employer's pension scheme contribution. The University requires the Vice-Chancellor to occupy accommodation on the University Campus which comprises of private living accommodation and space for business use. Until 1 April 2021, this was treated as a non-taxable benefit valued at an estimated market rental of £15k for a similar property (prorated to reflect only personal use). Following a change in HMRC guidelines, this will now be treated as a taxable benefit from that date. A review is currently ongoing to quantify the benefit in line with HMRC guidelines. The Vice-Chancellor received no further additional taxable benefits (2020: £nil).

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

In determining the package, the Remuneration Committee consider relevant benchmark data for the Vice-Chancellors' pay in universities of similar size and complexity. Accordingly, Professor Greer's salary was agreed at £306,382 for 2020–21. The package reflects the complexity, demands of the role, and is comparable with the lower-range packages within the Russell Group.

The Vice-Chancellor's basic salary is 8.1 times the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries provided by the University to its staff.

The Vice-Chancellor's basic salary is 6.8 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration provided by the University to its staff.

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

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

Consolidated and University	2021	2020
	Number	Number
7. Staff costs (continued)		
Remuneration of higher paid staff, excluding employer's pension contributions and the NHS funded element of joint appointments:		
£100,000 to £104,999	7	6
£105,000 to £109,999	6	6
£110,000 to £114,999	3	5
£115,000 to £119,999	6	6
£120,000 to £124,999	5	3
£125,000 to £129,999	3	1
£130,000 to £134,999	2	2
£135,000 to £139,999	4	4
£140,000 to £144,999	—	—
£145,000 to £149,999	1	1
£170,000 to £174,999	1	1
£305,000 to £309,999	1	1

Consolidated and University	2021	2020
	£'000	£'000
Staff numbers		
Academic	1,250	1,256
Research	696	694
Academic related	907	901
Technical and clerical	997	1,025
Other	509	499
	4,359	4,375

Severance payments

During the year the University made total payments in respect of compensation for loss of office of £626,206 (2020: £406,534) relating to 133 (2020: 109) staff. These payments were mainly in respect of staff on fixed terms contracts.

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

Consolidated and University	2021	2020
	£'000	£'000
Key management personnel		
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs, outlined above, include compensation consisting of salary, benefits, employer's pension contribution and employer's social security contribution paid to key management personnel. The full-time equivalent (FTE) included as Key Management Personnel is 11 (2020:11 FTE).		
Key management personnel compensation	2,306	2,354

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

Consolidated and University	2021	2020
	£'000	£'000
8. Movement in USS provision		
Following the completion of the 2018 USS actuarial valuation in 2019–20 a deficit recovery plan was agreed. This plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. The adoption of this USS deficit recovery plan in the prior year gave rise to a significant decrease in the deficit provision. This resulted in a prior year item of expenditure within staff costs which, due to its exceptional size, was disclosed separately in the Statements of Comprehensive Income. The 2020 USS actuarial valuation was underway at the year end and was finalised in October 2021. It is anticipated that the subsequent changes to the University's commitment to the USS deficit recovery plan will result in a significant item of expenditure in 2021–22 as outlined in note 32.		
Further details relating to the USS pension scheme and the related USS provision are laid out in notes 24 and 36.		
Movement in USS provision	(125)	(49,959)

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
9. Other operating expenses				
Consumables and laboratory expenditure	12,309	12,309	10,043	10,043
Books and periodicals	5,328	5,328	5,197	5,197
Studentships and bursaries	15,622	15,622	14,302	14,302
Heat, light, water and power	5,799	5,799	4,730	4,730
Repairs and general maintenance	3,700	3,700	5,098	5,098
External auditor's remuneration — audit services	65	54	65	54
External auditor's remuneration — non-audit services	57	46	85	69
Rates, insurance and telecommunication expenses	6,183	6,183	5,998	5,998
Hospitality and accommodation services	5,421	5,421	4,878	4,878
Equipment and equipment maintenance	10,124	10,124	9,805	9,805
Postage, photocopying and printing	1,063	1,063	1,877	1,877
Patent fees	472	472	484	484
Collaborative research payments	8,963	8,963	10,463	10,463
Other	40,952	41,433	42,305	43,058
	116,058	116,517	115,330	116,056
External auditor's fees for non audit services include:				
Audit related services	32	32	53	53
Other non-audit services	4	—	2	—
Taxation compliance services	21	14	30	16
	57	46	85	69

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
10. Interest and other finance costs				
Unwinding of discount — USS pension deficit plan provision (note 24)	442	442	1,720	1,720
Net charge on RBP pension scheme (note 36)	1,291	1,291	1,321	1,321
	1,733	1,733	3,041	3,041

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

Consolidated	Staff costs	Depreciation	Other operating expenses	Interest payable	Total
	£'000	£'000	£'000	£'000	£'000
11. Analysis of total expenditure by activity					
Academic departments	130,303	2,590	13,456	—	146,349
Academic services	17,088	1,166	14,346	—	32,600
Research grants and contracts	34,449	2,063	32,235	—	68,747
Hospitality and accommodation services	3,807	—	5,421	—	9,228
Premises	6,685	16,684	18,594	—	41,963
Administration	26,638	43	20,867	—	47,548
Other expenses	13,829	24	11,139	1,733	26,725
	232,799	22,570	116,058	1,733	373,160

12. Taxation

There is no taxation charge arising from the operating activities of the Group (2020 £nil).

Consolidated	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets							
Cost or valuation							
At 1 August 2020	643,261	80,008	44,096	19,007	786,372	118	786,490
Additions	—	—	5,323	23,254	28,577	—	28,577
Transfers	19,001	75	—	(19,634)	(558)	—	(558)
Disposals	(12)	(120)	(2,880)	—	(3,012)	—	(3,012)
At 31 July 2021	662,250	79,963	46,539	22,627	811,379	118	811,497
Depreciation							
At 1 August 2020	79,633	8,116	36,131	—	123,880	—	123,880
Charge for the year	14,660	2,024	5,886	—	22,570	—	22,570
Disposals	—	(29)	(2,880)	—	(2,909)	—	(2,909)
At 31 July 2021	94,293	10,111	39,137	—	143,541	—	143,541
Net book value							
At 31 July 2021	567,957	69,852	7,402	22,627	667,838	118	667,956
At 31 July 2020	563,628	71,892	7,965	19,007	662,492	118	662,610

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

University	Freehold land and buildings	Leasehold land and buildings	Equipment	Assets in the course of construction	Total (excluding heritage assets)	Heritage assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
13. Fixed assets (cont'd)							
Cost and valuation							
At 1 August 2020	643,261	72,894	44,096	19,007	779,258	118	779,376
Additions	—	—	5,323	23,254	28,577	—	28,577
Transfers	19,001	75	—	(19,634)	(558)	—	(558)
Disposals	(12)	(120)	(2,880)	—	(3,012)	—	(3,012)
At 31 July 2021	662,250	72,849	46,539	22,627	804,265	118	804,383
Depreciation							
At 1 August 2020	79,633	7,396	36,131	—	123,160	—	123,160
Charge for the year	14,660	1,904	5,886	—	22,450	—	22,450
Disposals	—	(29)	(2,880)	—	(2,909)	—	(2,909)
At 31 July 2021	94,293	9,271	39,137	—	142,701	—	142,701
Net book value							
At 31 July 2021	567,957	63,578	7,402	22,627	661,564	118	661,682
At 31 July 2020	563,628	65,498	7,965	19,007	656,098	118	656,216

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

14. Heritage assets

Heritage Assets with an initial cost or value over £25,000 and acquired after 1 August 2007 are capitalised. In the last five years the University has acquired heritage assets of £118k relating to pieces of sculpture.

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

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

Consolidated and University	2021	2020
	£'000	£'000
15. Investment property		
Balance at 1 August	4,543	4,880
Transfers from fixed assets (note 13)	558	—
Additions	—	274
Net gain/(loss) from fair value adjustments	1,044	(611)
Balance at 31 July	6,145	4,543

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

The University received property rental income of £460k (2020: £411k) in respect of these proprieties for the year ended 31 July 2021.

	Subsidiary companies	Other fixed assets investments	Total
	£'000	£'000	£'000
16. Non-current investments			
Consolidated			
At 1 August 2020	—	286,655	286,655
Additions	—	17,523	17,523
Transfer (to)/from investment in associates	—	(209)	(209)
Disposals	—	(18,254)	(18,254)
Appreciation and gains on disposals	—	101,856	101,856
At 31 July 2021	—	387,571	387,571
University			
At 1 August 2020	2,255	143,308	145,563
Additions	—	17,316	17,316
Disposals	—	(18,251)	(18,251)
Appreciation and gains on disposals	—	20,954	20,954
At 31 July 2021	2,255	163,327	165,582

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
16. Non-current investments (cont'd)				
Other fixed asset investments consist of:				
General investment fund	100,773	100,773	85,994	85,994
University Investment Fund:				
UK gilts and fixed asset stocks	10,324	10,324	12,351	12,351
UK equities (listed)	18,525	18,525	15,492	15,492
Overseas investments (listed)	20,245	20,245	16,762	16,762
Other investments	13,460	13,460	12,709	12,709
	62,554	62,554	57,314	57,314
Other	6,501	—	4,705	—
Listed investments	217,743	—	138,642	—
	387,571	163,327	286,655	143,308

General investment fund

The general investment fund consists of UK equities and investment trusts (listed) valued at market value. The equivalent cost as at 31 July 2021 was £46,748k (2020: £46,748k).

University Investment Fund

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

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

Listed investments

The Group's listed investments, which are listed on the London Stock Exchange, are stated at market value. The listed investments include the Group's shareholding in Kainos Limited valued at £216,807k (2020: £137,916k).

Other investments

The Group's other investments relate to a subsidiary's investments in 21 other UK unlisted companies.

Fair Value Gain on investments and investment property

The consolidated fair value gain on investments and investment property of £103,070k (2020: £58,939k) as shown in the SOCI, relates to appreciation/(loss) on investment property of £1,044k (2020: (£611k)), non-current investments of £101,856k (2020: £59,349k) and a fair value gain on investments in associates of £170k (2020: £201k).

The University's fair value gain/(loss) on investments and investment property of £21,998k (2020: (£9,426k)) as shown in the SOCI, relates to appreciation/(loss) of investment property of £1,044k (2020: (£611k)) and non-current investments of £20,954k (2020: (£8,815k)).

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17. Investment in joint ventures

The University has interests in the following joint ventures:

INTO Queen's LLP

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

NI Composites O&M LLP

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

	2021	2020
	£'000	£'000
Interest in joint ventures:		
Statement of comprehensive income and expenditure:		
Revenue	3,693	5,604
Share of (deficit)/profit before tax	(163)	153
Balance Sheet:		
Fixed assets	355	299
Current assets	1,385	2,370
Creditors: amounts due within one year	(3,572)	(4,550)
Creditors: amounts due after one year	(300)	(250)
Share of net liabilities	(2,132)	(2,131)
A provision of £1,053k (2020: £1,585k) has been recognised in relation to the Group's liability in respect of joint ventures.		

Consolidated and University	2021	2020
	£'000	£'000
The University had the following balances with its joint ventures at the year end:		
Amounts owed to the University:		
INTO Queen's LLP	1,768	2,297
NI Composites O&M LLP	145	175
	1,913	2,472
Amounts owed by the University:		
INTO Queen's LLP	254	198
NI Composites O&M LLP	—	—
	254	198
The balances all relate to ongoing trading activity.		

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YEAR ENDED 31 JULY 2021

18. Investment in associates

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

Consolidated	% of equity held	Aggregate of capital and reserves	Profit / (loss) for the period	Financial Period ended	Principle Activity
		£'000	£'000		
Acksen Limited	24%	164	a	31 Dec 20	Supply of instruments for monitoring electromagnetic radiation.
Marenco Limited	28%	85	a	31 Dec 20	Marine and environmental consultancy services.
Biocolor Limited	20%	1,960	a	31 Jul 20	Supply and development of assay kits for tissue laboratories.
Examenlab Limited	22%	391	a	30 Nov 20	Provision of infertility testing services.
Green Lizard Technologies Limited*	22%	195	a	31 Aug 20	Technological solutions.
Phion Therapeutics Limited **	<20%	—	—	31 May 20	Anionic drug delivery.
Continga Limited	33%	c	c	28 Feb 20	Human health activities.
MOF Technologies Limited	20%	436	a	31 Dec 20	Novel techniques for the synthesis of MOFs.
Analytics Engines Limited	20%	237	a	31 Mar 21	Bespoke data analysis solutions.
Porous Liquids Technologies Limited	23%	51	a	31 Dec 20	Production and development of porous liquids.
Sonrai Analytics Limited	28%	361	a	28 Feb 21	Knowledge platform to conduct analytics.
VascVersa Limited	23%	(17)	a	31 Dec 20	Human vascular stem cell generation.
Bia Analytical Limited **	<20%	316	a	31 Mar 21	Provision of food testing services (previously Cibus Analytical).
Fjordstrong Limited	29%	c	c	31 Jul 20	Biodiversity survey solutions.
GenoMe Diagnostics Limited	36%	b	b	—	Development of molecular diagnostic tests.
Aramune Technologies Limited	34%	b	b	—	Development of natural immunomodulating agents.
AntennaWare Limited	22%	b	b	—	High-performance wearable antenna technology.

* Green Lizard Technologies Ltd has been reclassified from unlisted investments to investments in associates during the year as the Group now holds greater than 20% of the issued share capital of this entity.

** Phion Therapeutics Limited and Bia Analytical Limited have been reclassified from investments in associates to unlisted investments during the year as the Group now holds less than 20% of the issued share capital of these entities.

Note:

- The associated company has filed financial statements in accordance with the provisions applicable to companies subject to the small companies' regime and the option not to file the profit and loss account has been taken.
- These three associated companies are recently incorporated and accounts are not yet available.
- Dormant company.

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

In addition to these associate interests the Group has shareholdings of less than 20% in 21 unlisted companies all of which are incorporated in the United Kingdom, and which are included at fair value of £6,501k at 31 July 2021 (2020: £4,705k).

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
19. Debtors				
Amounts falling due within one year:				
Research grant debtors	4,114	4,114	2,508	2,508
Other debtors	7,755	7,458	8,517	8,232
Prepayments and accrued income	10,604	10,593	8,913	8,897
Amounts due from subsidiary companies:				
QUBIS Limited	—	90	—	15,228
Queen's Overseas Recruitment Limited	—	440	—	439
Queen's Composites Limited	—	12	—	4
NIACE Limited	—	151	—	151
	22,473	22,858	19,938	35,459

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20. Current investments

Current investments relate to deposits held with banks and building societies operating in the UK market, and licensed by the Financial Services Authority. The interest rates for these deposits are fixed for the duration of the deposit at time of placement. These short term deposits do not meet the definition of cash equivalents.

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
21. Creditors: amounts falling due within one year				
Research grants received in advance	30,472	30,472	31,563	31,563
Other unsecured loans	1,275	1,275	1,275	1,275
Trade creditors	28,002	28,002	17,531	17,529
Social security and other taxation payable	5,318	5,318	5,800	5,800
Accruals and deferred income	37,298	37,267	17,992	17,955
Deferred capital grant income	15,597	15,525	16,245	16,173
Due to subsidiary, QUBIS Limited	—	354	—	335
	117,962	118,213	90,406	90,630

Included within accruals and deferred income is deferred income of £19,183k (2020: £774k) relating to other income. This income has been deferred until the performance related conditions have been met.

The deferred income includes £14.2m (2020: £nil) in respect of COVID-19 related funding which has been deferred (see note 1).

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
22. Creditors: amounts falling due after more than one year				
Deferred capital grant income	343,470	339,770	333,589	329,817
Other unsecured loans	25,060	25,060	26,335	26,335
Other	480	428	502	428
	369,010	365,258	360,426	356,580
The other unsecured loans are repayable as follows:				
Due between one and two years	1,275	1,275	1,275	1,275
Due between two and five years	3,825	3,825	3,825	3,825
Due in five years or more	19,960	19,960	21,235	21,235
	25,060	25,060	26,335	26,335
Other unsecured loans repayable by 2040	10,840	10,840	11,100	11,100
Other unsecured loans repayable by 2042	7,500	7,500	7,875	7,875
Other unsecured loans repayable by 2043	6,720	6,720	7,360	7,360
	25,060	25,060	26,335	26,335

The other unsecured loans are concessionary loans. They bear no interest and are repayable by annual instalments of £1,275k per annum. The deferred capital grant income includes £12.2m (2020: £14.4m) of recurrent government grant which has been deferred.

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YEAR ENDED 31 JULY 2021

Consolidated and University	Defined benefit obligations RBP pension	Other pension provision	Total
	£'000	£'000	£'000
23. Pension obligations			
At 1 August 2020	85,903	61	85,964
Movement (note 36)	(11,861)	—	(11,861)
At 31 July 2021	74,042	61	74,103
Details of the RBP deficit are included at note 36.			

	Obligation re USS pension deficit recovery plan	Provision for joint venture losses	Provision for restructuring	Total
	£'000	£'000	£'000	£'000
24. Other provisions				
Consolidated				
At 1 August 2020	60,592	1,585	772	62,949
Utilised in year	(2,690)	—	(119)	(2,809)
Additions/(reductions)	2,565	(532)	—	2,033
Unwinding of discount (note 10)	442	—	—	442
At 31 July 2021	60,909	1,053	653	62,615
University				
At 1 August 2020	60,592	—	772	61,364
Utilised in year	(2,690)	—	(119)	(2,809)
Additions	2,565	—	—	2,565
Unwinding of discount (note 10)	442	—	—	442
At 31 July 2021	60,909	—	653	61,562

The restructuring provision relates to a number of ongoing restructuring reviews.

The provision for joint venture losses relates to the Group's share of the net liabilities of its joint ventures as detailed in note 16.

USS deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation. Key assumptions are set out below.

Following the completion of the 2018 actuarial valuation in the prior year, a revised deficit recovery plan was agreed of which more detail is given in note 36. This plan requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028.

	2021	2020
The major assumptions used to calculate the obligation are:		
Discount rate	0.87%	0.73%
Salary growth (over 16 year period)	2.5–3.0%	1–3%
As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:		
Change in assumptions at 31 July 21	Approximate impact	
0.5% decrease in the discount rate	£1.24m increase	
0.5% pa increase in salary inflation over duration	£1.21m increase	
0.5% increase in salary inflation year 1 only	£0.30m increase	
0.5% increase in staff changes over duration	£1.22m increase	
0.5% increase in staff changes year 1 only	£0.30m increase	
1% increase in deficit contributions	£10.30m increase	

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YEAR ENDED 31 JULY 2021

Consolidated and University	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Undistributed investment fund income	2021	2020
	£'000	£'000	£'000	£'000	Total £'000	Total £'000
25. Endowment reserves						
Balances at 1 August 2020						
Capital	41,177	2,569	15,179	—	58,925	62,234
Accumulated income	2,540	—	2,236	132	4,908	4,866
	43,717	2,569	17,415	132	63,833	67,100
New endowments (note 6)	114	—	383	—	497	477
Investment income (note 5)	1,465	66	523	25	2,079	1,830
Expenditure	(939)	(116)	(364)	—	(1,419)	(1,675)
Transfer to unrestricted reserve	—	—	(1,500)	—	(1,500)	—
Increase/(decrease) in market value of investments	4,460	201	1,514	—	6,175	(3,899)
Total endowment comprehensive income/(expense) for the year	5,100	151	556	25	5,832	(3,267)
At 31 July 2021	48,817	2,720	17,971	157	69,665	63,833
Represented by:						
Capital	45,830	2,720	15,407	—	63,957	58,925
Accumulated income	2,987	—	2,564	157	5,708	4,908
	48,817	2,720	17,971	157	69,665	63,833

	2021	2020
	£'000	£'000
Analysis by type of purpose:		
Chairs and lectureships	8,248	7,433
Scholarships, studentships, medal and prize funds	18,030	15,871
Research, directorate, school or faculty use	32,129	30,237
Public lectures	2,261	2,027
Travel	288	257
Student amenities and associated objects	2,144	1,946
Student assistance	1,673	1,508
Other restricted funds	2,015	1,853
General funds	2,720	2,569
Total endowments	69,508	63,701
Undistributed investment fund income	157	132
	69,665	63,833
Analysis by asset type held in Investment Fund:		
Investment property	210	210
Non-current asset investments (note 16)	62,554	57,314
Current asset investments	6,837	6,247
Cash and cash equivalents	64	62
	69,665	63,833
There are no endowments with a material deficit balance.		

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YEAR ENDED 31 JULY 2021

Consolidated and University	2021	2020
	£'000	£'000
26. Restricted reserves		
Balance at 1 August 2020	943	917
New restricted income:		
Donations (note 6)	792	1,631
Other	533	155
Other services rendered	111	180
	1,436	1,966
Expenditure	(1,163)	(1,940)
Total restricted comprehensive income for the year	273	26
Balance at 31 July 2021	1,216	943
Analysis of other restricted funds/donations by type of purpose:		
Research support	313	36
Capital	80	40
General	823	867
	1,216	943

Consolidated	At 1 August 2020	Cash flows	At 31 July 2021
	£'000	£'000	£'000
27. Cash and cash equivalents			
Cash and cash equivalents	154,474	(33,923)	120,551
	154,474	(33,923)	120,551

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

Consolidated	2021
	£'000
28. Reconciliation of net debt	
Net cash 1 August 2020	126,436
Movement in cash and cash equivalents	(33,923)
Other non-cash changes	1,275
Net cash 31 July 2021	93,788
Change in net debt	(32,648)

Consolidated	2021	2020
	£'000	£'000
Analysis of net debt:		
Cash and cash equivalents	120,551	154,474
Borrowings: amounts falling due within one year:		
Unsecured loans	(1,275)	(1,275)
Borrowings: amounts falling due after more than one year:		
Unsecured loans	(25,488)	(26,763)
Net cash/(debt)	93,788	126,436

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
29. Financial instruments				
Financial assets				
Financial assets at fair value through Statement of Comprehensive Income:				
Listed investments	357,286	139,543	256,890	118,248
Financial assets that are equity instruments measured at cost less impairment:				
Other investments	30,285	26,039	29,765	27,315
Financial assets that are debt instruments measured at amortised cost:				
Cash and cash equivalents	120,551	110,602	154,474	130,674
Other investments	187,999	187,999	98,000	98,000
Other debtors	22,473	22,858	19,938	35,459
Financial liabilities				
Financial liabilities measured at amortised cost:				
Loans	26,763	26,763	28,038	28,038
Trade creditors	28,002	28,002	17,531	17,529
Other creditors	432,207	428,706	405,263	401,643
Financial assets held at fair value are mainly valued at quoted market price as at 31 July 2021.				

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YEAR ENDED 31 JULY 2021

29. Financial instruments (cont'd)

Risk management

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

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

Credit/counterparty risk

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

The University's credit risk arises from deposits held with banks and building societies, investments and debtors. Management of credit risk is a prime objective of the treasury management policy and the credit control policy. At 31 July 2021, the maximum exposure is represented by the carrying value of each financial asset in the Balance Sheet.

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

The fixed asset investments, as outlined in note 16, consist of investment funds and listed investments. The risk is limited as the investment funds are externally managed by a professional fund manager, on both an active and passive basis, and performance is monitored regularly by the Investment Committee.

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

Liquidity risk

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

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

Details of the University's long term loans are outlined in note 22 and consist of concessionary loans which have a carrying value of £26,335k (2020: £27,610k) at the year end.

Foreign currency risk

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

Interest rate risk

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

Due to the low interest rate environment, most of the University cash deposits at the 31 July 2021 are on relatively short term deposits as these offer competitive rates of return, whilst also offering maximum liquidity. Such deposits have limited re-investment risk.

Market risk

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

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

Concentration risk

Concentration risk refers to the risk of a material loss in value of non-current asset investments due to a large investment in a single party or sector. The Investment Committee monitors the Group's non-current asset portfolio on a regular basis to ensure a satisfactory level of diversification.

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Consolidated and University	2021	2020
	£'000	£'000
30. Capital and other commitments		
Commitments contracted at 31 July	56,642	15,666
Authorised but not contracted at 31 July	104,472	160,482
	161,114	176,148
The capital commitments include capital projects with anticipated spend in excess of £25m within: Health Sciences, Queen's Management School, the new Student Centre and IS infrastructure.		

31. Contingent liabilities

The University has entered into a limited partnership agreement with Crescent Capital III LLP. The terms of this agreement have resulted in the University having a financial commitment to provide future finance of up to £1m in the Crescent Capital III Fund. As at 31 July 2021 £790k (2020: £740k) had been provided to Crescent Capital III LLP. In the prior year the University had also entered into a limited partnership agreement with Crescent Capital IV LLP. However, this fund is no longer being progressed.

32. Events after the reporting period

The USS 2020 actuarial valuation was signed and filed with the Pensions Regulator with an effective date of 1 October 2021. This valuation, which indicates a deficit of at least £15bn, comes into effect with a proposed package of benefit and contribution rate changes, as recommended by the Joint Negotiation Committee (JNC). These changes, which are currently subject to member consultation, would result in a significant charge to staff costs, in the region of £123.7m, in the 2021–22 financial statements in respect of the University's provision for its commitments to the revised USS recovery plan.

In the event that the JNC's recommended changes are not agreed by 28 February 2022, a default position, which includes more significant increases in contribution rates, will become applicable. This default position would result in a charge to staff costs, in the 2021–22 financial statements, in the region of £230.1m in respect of the University's provision for its commitments to the USS recovery plan.

33. Subsidiary undertakings

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

QUBIS Limited

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

Queen's Overseas Recruitment Limited

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

Queen's Composites Limited

Promotion of collaborative research in advanced composites.

NIACE Limited

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

34. Connected charitable institutions

The Queen's University of Belfast Foundation Limited (the Foundation) is a charitable institution, the principal activity of which is to advance the strategic goals and direction of the University under the direction of the Foundation Board. The Foundation is registered separately with the Charities Commission and is a separate and independent organisation from the University and, therefore, its financial results are not consolidated within the University Group. The movement in the year on the total funds of the Foundation, as reported in its financial statements, is as follows:

	2021	2020
	£'000	£'000
Opening fund	4,354	4,775
Income generated	3,887	4,518
Disbursements in year	(4,215)	(4,931)
Other expenditure	(6)	(8)
Closing fund	4,020	4,354

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Consolidated and University	2021	2020
	£'000	£'000
35. Student support funds		
Department for the Economy	3,051	1,618
Interest received	—	1
University contribution	76	280
	3,127	1,899
Disbursed to students	(2,974)	(1,849)
Underspend in the year	153	50
Opening balance as at 1 August	309	259
Closing balance as at 31 July	462	309

36. Pension schemes

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

(i) The Universities Superannuation Scheme (USS)

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

The total cost charged to the SOCI is £26,229k (2020: £24,755k) as shown in note 7. This includes £3,590k (2020: £3,562k) of outstanding contributions at the Balance Sheet date. Deficit recovery contributions due within one year are £7,400k (2020: £2,716k).

Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, with related expenses being recognised through the profit and loss account. Details of the provision to recognise this liability in respect of the USS recovery plan are outlined in note 24.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. As at the year end the valuation as at 31 March 2020 was underway but not yet completed. This 2020 valuation was subsequently signed in October 2021, further details are outlined in note 32.

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

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

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36. Pension schemes (cont'd)

The key financial assumptions used in the 2018 valuation are described below:

Discount rate (forward rates)

Years 1–10: CPI + 0.14% reducing linearly to CPI – 0.73%

Years 11–20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21

Years 21 +: CPI + 1.55%

Pension Increase (CPI)

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2018 valuation
Mortality base table	Pre-retirement: 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females Post-retirement: 97.6% of SAPS S1NMA 'light' for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females

	2018 valuation
The current life expectancies on retirement at age 65 are:	
Males currently aged 65 (years)	24.4
Females currently aged 65 (years)	25.9
Males currently aged 45 (years)	26.3
Females currently aged 45 (years)	27.7

	2021	2020
A revised deficit recovery plan was put in place during the prior year as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%. The 2021 and 2020 pension liability provisions reflect this plan (note 24). The provision figures have been produced using the following assumptions:		
Discount rate	0.87%	0.73%
Salary growth (per annum over 16 year period)	2.5–3.0%	1–3%

The in-year movement in the provision relating to the USS deficit recovery provision is £(125)k. In the prior year the reduction in the term of the deficit recovery plan gave rise to a substantial reduction in the deficit provision which decreased from £108.8m to £60.6m with £47.7m of this decrease is attributable to the change in the deficit contributions contractual commitment. Further information on the provision is set out in note 24 and also note 8 in respect of significant one-off pension gains.

A further full valuation as at 31 March 2020 was underway as at the year end, with work ongoing at this time in agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant were also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. While the valuation did not meet its statutory deadline of 30 June 2021, it was signed with an effective date of 1 October 2021. It is anticipated that there will be an increase in the deficit provision and impact on cash flow going forward as a consequence of the associated new schedule of contributions and further details are set out in note 32.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

36. Pension schemes (cont'd)

ii) Retirement Benefits Plan (RBP)

The latest actuarial valuation of the RBP, for which final results were available as at 31 July 2021, was carried out at 31 March 2020 by a qualified independent actuary. The valuation has been projected forward as at 31 July 2021 using the projected unit method.

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

	2021	2020
Future salary increase:		
Under 40	2.95%	2.60%
Over 40	3.20%	2.85%
Pension increases in payment:		
CPI subject to a maximum of 5.00% p.a.	2.65%	2.35%
CPI subject to a maximum of 3.00% p.a	2.25%	2.05%
Pension increase rate in deferment	2.70%	2.35%
Discount rate	1.70%	1.50%
Inflation assumption:		
Retail prices index	3.20%	2.85%
Consumer prices index	2.70%	2.35%
GMP equalisation - % of DBO	0.60%	0.60%
Average pension increase in payment	2.41%	2.14%

	2021	2020
The average life expectancies at age 65 used to determine benefit obligations are:		
Member age 65 Male	21.8	21.8
Female	23.6	23.6
Member age 40 Male	23.5	23.5
Female	25.5	25.4

	2021	2020	2019
	£'000	£'000	£'000
The split of assets in the scheme were:			
Equities	60,054	55,035	92,275
Bonds and gilts	37,792	37,240	137,489
Matching assets (LDI)	108,976	98,630	—
Overseas fixed interest	39,802	47,101	—
Cash and other	24,684	12,621	807
	271,308	250,627	230,571

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

36. Pension schemes (cont'd)

The tables below outline the disclosures for the RBP scheme as recognised in these financial statements:

	2021	2020
	£'000	£'000
Analysis of the amount shown in the Balance Sheet for the RBP scheme:		
Scheme assets	271,308	250,627
Scheme liabilities	(345,350)	(336,530)
Deficit in the scheme – net pension liability recorded within pension provision (note 23)	(74,042)	(85,903)
Analysis of the amounts shown in the Statement of Comprehensive Income:		
Current and past service cost	8,833	8,866
Total operating charge (note 7)	8,833	8,866
Analysis of the amount charged to interest payable:		
Interest on liabilities	5,057	6,167
Expected return on assets	(3,766)	(4,846)
Net charge to interest and other finance costs (note 10)	1,291	1,321
Analysis of other comprehensive income:		
Gain on assets	17,846	15,565
Loss on liabilities	(2,460)	(35,688)
Total adjustment to other comprehensive income before deduction for tax	15,386	(20,123)

	2021	2020
	£'000	£'000
Movement in deficit during the year		
Deficit in scheme at 1 August	(85,903)	(62,249)
Movement in the year:		
Current service cost	(8,833)	(8,866)
Contributions	6,599	6,656
Other finance costs	(1,291)	(1,321)
Actuarial adjustment	15,386	(20,123)
Deficit in scheme at 31 July	(74,042)	(85,903)
The valuation at 31 July 2021 showed a decrease in the FRS 102 accounting deficit from £85.9m to £74.0m.		

	2021	2020
	£'000	£'000
Analysis of the movement in the present value of liabilities		
Present value of liabilities at 1 August	336,530	292,820
Current and past service cost	8,833	8,866
Interest cost	5,057	6,167
Actuarial adjustment	2,460	35,688
Benefits paid	(7,530)	(7,011)
Present value of liabilities at 31 July	345,350	336,530

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

	2021	2020
	£'000	£'000
Analysis of the movement in the fair value of scheme assets		
Value of assets at 1 August	250,627	230,571
Expected return on plan assets	3,766	4,846
Actuarial adjustment on plan assets	17,846	15,565
Employer contributions	6,599	6,656
Benefits paid from plan	(7,530)	(7,011)
Value of assets at 31 July	271,308	250,627

	2021	2020
	£'000	£'000
Return on scheme assets		
Expected return on scheme assets	3,766	4,846
Asset gain	17,846	15,565
	21,612	20,411

	2021	2020	2019	2018	2017
	£'000	£'000	£'000	£'000	£'000
History of experience; gains and losses					
Difference between expected and actual return on scheme assets	17,846	15,565	20,863	10,317	11,660
Percentage of scheme assets	7%	6%	9%	5%	6%
Experienced gains and losses on scheme liabilities	4,159	8,584	-257	9,379	—
Percentage of present values of plan liabilities	1%	3%	0%	0%	0%
Actuarial adjustment	15,386	(20,123)	(9,252)	48,351	4,259

University contributions

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

- 25.2% of pensionable earnings in respect of pensions + active members
- 16.2% of pensionable earnings in respect of other active members; and
- deficit contributions of 2.8% p.a. of total pensionable earnings between 31 March 2020 and 31 July 2021 and 4.8% p.a. of pensionable earnings between 1 August 2021 and 31 March 2030.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

37. Accounting estimates and judgements

The preparation of financial statements in conformity with FRS 102 require management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Useful lives of property, plant and equipment

Property, plant and equipment represent a significant proportion of the University's total assets. Therefore, the estimated useful lives can have a significant impact on the depreciation charges and the University's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events. Details of the carrying value of the property, plant and equipment are shown in note 13.

Pension obligation — RBP pension

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

Sensitivity analysis RBP pension scheme

Discount rate (+ / - 0.5%)	£(32,400)k/£37,000k
Inflation (+ / - 0.5%)	£34,900k/£(30,900)k
Life expectancy (1 year older / younger)	£13,000k/£(13,000)k

USS deficit recovery plan liability

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

The obligation to fund the past deficit on the USS arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. In calculating this provision, the University has used the discount rate commissioned by the British Universities Finance Directors' Group (BUFDG) and University estimates for increases in staff numbers and salary growth percentage over the period of the contracted obligation.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

38. Disclosure of related party transactions

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

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

	Debtor	Creditor	Income	Expenditure
	£'000	£'000	£'000	£'000
Anderson Spratt Holdings Limited	—	6	—	239
Belfast City Council	—	—	75	64
Belfast Metropolitan College	—	—	6	96
British Council	7	—	1,794	35
Catalyst	—	—	—	15
CDS Limited	—	—	—	88
Chartered Accountants Ireland	—	—	6	—
Chinese Welfare Society	—	—	—	12
Confederation of British Industry (CBI)	—	—	—	10
Crescent Capital III Advisory Board	—	—	—	50
Dale Farm Limited	—	—	5	—
Ernst and Young (EY)	17	—	17	507
Friends of the Cancer Centre	75	—	340	—
INTO	1,768	254	808	553
Irish Football Association	3	—	18	—
Loud Mouth Media	—	2	—	146
Mohammed Bin Rashid University (MBRU)	173	—	1,661	—
Medical Research Council	—	—	3,362	1
NIAVAC	—	—	—	50
NICOM LLP	145	—	25	50
Northern Ireland Chamber of Commerce and Industry	—	—	—	31
Northern Ireland Chest Heart and Stroke Association	25	—	204	—
Northern Ireland Electricity Limited	—	—	—	5
Northern Ireland Water	—	—	4	1,016
Queen's Graduate Association	7	—	—	—
Russell Group	—	—	—	80
Stranmillis College Belfast	—	—	18	—
Waterfront and Ulster Hall	—	—	—	6

As at 31 July 2021, the University also had £11m in short-term deposits in Barclays Bank Plc.

The University received disbursements of £4,215k from the Queen's University of Belfast Foundation Limited in respect of capital and revenue items. The Queen's University of Belfast Foundation Limited is a linked charity to the University and further information is included in note 34.

NOTES TO THE ACCOUNTS

YEAR ENDED 31 JULY 2021

39. Jointly controlled operations

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

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

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

40. US Department of Education Supplementary Schedule

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

Lines	Expendable Net Assets		Consolidated	
			2021	2021
			£'000	£'000
Balance Sheet	Net assets without donor restrictions	Net assets without donor restrictions		701,229
Balance Sheet	Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		71,615
Note 13 and Note 15	Statement of Financial Position – Property, plant and equipment, net (includes Construction in progress)	Property, plant and equipment, net (includes Construction in progress)	674,101	
Note 13 (balancing figure)	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – pre-implementation	Property, plant and equipment – pre-implementation		645,524
Note 13	Note of the Financial Statements – Statement of Financial Position – Property, plant and equipment – post-implementation without outstanding debt for original purchase	Property, plant and equipment – post-implementation without outstanding debt for original purchase		5,323
Note 13	Note of the Financial Statements – Statement of Financial Position – Construction in progress	Construction in progress		23,254
Note 23	Statement of Financial Position – Post-employment and pension liabilities	Post-employment and pension liabilities		74,103
Note 22	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes	26,335	
Note 22	Statement of Financial Position – Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt – for long-term purposes pre-implementation		26,335
Note 25 restricted permanent +unrestricted permanent endowments	Statement of Financial Position – Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		51,537
	Total Expenses and Losses			
Statements of Comprehensive Income (SOI)	Statement of Activities – Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions		373,160
SOI: Investment income, actuarial movement, fair valued gains/(loss)	Statement of Activities – Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Other gains (loss) – (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		(121,182)
SOI: Investment income	Statement of Activities – (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses		(2,726)
	Modified Net Assets			
Balance Sheet	Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		701,229
Balance sheet	Statement of Financial Position – Total Net assets with donor restrictions	Net assets with donor restrictions		71,615
	Modified Assets			
	Statement of Financial Position – Total Assets			1,396,534
	Net Income Ratio			
Balance Sheet	Statement of Activities – Change in Net Assets Without Donor Restrictions	Change in Net Assets without donor restrictions		137,052
SOI	Statement of Activities – (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		395,003

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