What does the University of Hull spend its money on?

**TOTAL EXPENDITURE 2015–16**

- Other operating expenses
- Interest and finance costs
- Depreciation

**EQUAL INVESTMENT IN STAFF**

14-15 Comparator quoted before FRS102 restatement

- Staff: £101.9 m
- £101.7 m

2014–15 2015–16

58.0% 29.3% 7.2% 4.0%

**Where does our money come from?**

**UNIVERSITY OF HULL INCOME 2015-16 £184.8 m**

- Direct Government funding 13.0%
- Research grants and contracts 6.5%
- Other income – including residences, catering and endowments 16.1%
- Tuition fees 64.4%

Why do HE institutions need a ‘surplus’?

“Universities need to generate cash as working capital to finance their ordinary operations.” From Review of Higher Education Finance and Pay Data (2008), published jointly by UCEA and the five HE trade unions.

**SURPLUSES ARE REQUIRED TO:**

- Invest in new facilities and equipment for staff and students
- Demonstrate financial health to lenders
- Manage financial risk
- Manage cash flow
- Maintain campus facilities for staff and students

**UNIVERSITY OF HULL OPERATING SURPLUSES:**

14-15 Comparator quoted before FRS102 restatement

**MONEY MAINTAINS STABILITY**

HE institutions must have liquidity (i.e. readily available cash balances) – an essential element to financial health. Limited liquidity could mean that staff bills, suppliers and debts may not get paid.

**AVERAGE NET LIQUIDITY (AS NUMBER OF DAYS’ EXPENDITURE) 2015–16**

62.4 days

University of Hull Finances: Borrowing vs. Capital Spend

**BORROWING AS A PERCENTAGE OF INCOME**

- 2014–15
  - £5.6 m: 3.1%
- 2015–16
  - £24.3 m: 13.2%

**CAPITAL SPEND**

- 2014–15
  - £13.9 m
- 2015–16
  - £42.3 m

The top 5 Capital Programs:

- The Courtyard (Residences)
- Middleton Hall
- Health Hub
- High Performance Computing Infrastructure
- Student Information System