### What does the University of Hull spend its money on?

# Other operating expenses Staff Interest and finance costs 58.0% Depreciation Buildings

**TOTAL EXPENDITURE 2015-16** 

#### **EQUAL INVESTMENT IN STAFF**

14-15 Comparator quoted before FRS102 restatement



£101.9 m £101.7 m 2014-15 2015-16

### 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

Manage

financial

risk

Manage

cash flow



financial health to



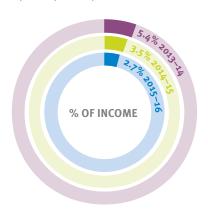
Invest in curriculum development



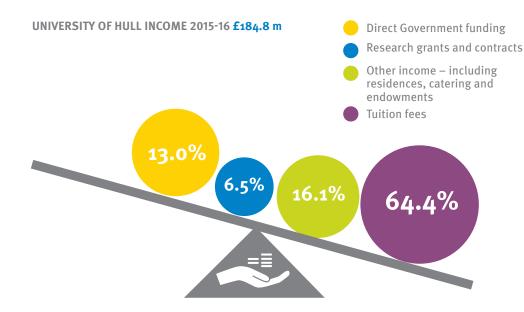
Maintain campus facilities for staff and students

### **UNIVERSITY OF HULL OPERATING SURPLUSES:**

14-15 Comparator quoted before FRS102 restatement



### Where does our money come from?



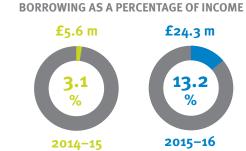
#### MONEY MAINTAINS STABILITY

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**)



## University of Hull Finances: Borrowing vs. Capital Spend



**CAPITAL SPEND** £42.3 m 2 3 £13.9m 4 5 2015-16

The top 5 Capital Programs The Courtyard (Residences) Middleton Hall Health Hub **High Performance Computing** Infrastructure Student Information System