



Financial Statements 2024-25



University of Essex

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Chair's introduction



It is my privilege to introduce the University of Essex's Financial Statements for the academic year 2024–25. This year has been marked by significant change and challenge, both within our university and across the wider higher education sector.

Universities continue to operate in an increasingly complex and competitive environment. Rising inflation has significantly increased operational costs, while domestic tuition fees have remained capped, limiting income growth.

At the same time, changes in international student mobility, driven by shifting visa policies, geopolitical factors, and global competition, have introduced volatility into this key revenue stream and placed considerable pressure on financial sustainability. Like many institutions, Essex has had to respond swiftly and strategically to these headwinds, ensuring that we remain true to our mission while safeguarding the student experience and the integrity of our academic offer.

In this context, I would like to extend my heartfelt thanks to Professor Maria Fasli, who served as Acting Vice-Chancellor during the 2024–25 academic year. Her exceptional leadership, deep commitment to our community, and steady guidance have been instrumental in navigating this period of transition. I also wish to express my gratitude to Bryn Morris, our Registrar and Secretary, who retired at the end of July. Bryn's leadership and dedication over many years have left a lasting legacy, and we are deeply grateful for his service.

This year also saw the departure of four valued members of Council whose terms came to an end, Dr Adam Wright, Simon Hall, Paul Jackson and Lily-May Cameron. I would like to thank them for their outstanding contributions and commitment to the governance and strategic direction of the University.

As we look ahead, I am delighted to welcome Professor Frances Bowen as our new Vice-Chancellor from 1 August 2025. Professor Bowen brings with her a deep understanding of Essex's proud heritage, our bold and distinctive spirit, and our unwavering commitment to student success. I am confident that under her leadership, the University will continue to innovate and thrive, as a major economic and social hub for the region, even in the face of significant sector-wide challenges.

Despite the pressures facing the sector, Essex remains resilient and forward-looking. We continue to adapt, diversify our academic partnerships, and invest in areas that will shape the future of education and research. Our improving league table performance and growing reputation are testament to the hard work and dedication of our staff and students.

As Chair of Council, I am proud of the way our University community has worked together with creativity, courage, and care during challenging times for higher education. Together, we will continue to build a university that is inclusive, ambitious, and impactful.

Melanie Leech, Chair of Council

Highlights from 2024-25

12th

in the UK in the
Guardian University
Guide 2026

TOP 20

in England for
'overall positivity'*

(Times Higher Education 2025)

14th

in the UK for 'value
added'

(The Guardian University
Guide 2026)

TOP 200

in the world in the
Times Higher
Education Impact
Rankings

130,000+

alumni around the
world

1st

in the UK for
Knowledge Transfer
Partnerships

Research Power

5 subjects in the UK
Top 10

(Research Excellence
Framework, Times Higher
Education)

Research Quality

4 social science
subjects in the
UK Top 10

(Research Excellence
Framework)

15th

for international
outlook

(Times Higher Education
World Rankings 2026)

**"Very High Quality"
Education**

(Silver Rating Overall, Teaching
Excellence Framework 2023)



We remain a key member of the Young Universities for the Future of Europe (YUFE) and the Young European Research Universities Network (YERUN)

*Essex is ranked in the top 20 in England for 'overall positivity' across all questions in National Student Survey 2025. Figure includes all English broad-discipline higher education institutions. (Times Higher Education 2025)

Strategic Report

Objectives and strategy

Our mission is to deliver excellence in education and research, for the benefit of individuals and communities. We are proud to offer a transformational research-led education, welcoming students to the University based on their potential, helping them to fulfil that potential, and transforming the lives of everyone who chooses to study at Essex.

Maintaining financial sustainability remains a core strategic priority. The sector continues to face considerable challenges, particularly in light of an increasingly competitive student recruitment market, a decline in international student numbers driven by changes in government policy affecting global mobility, ongoing inflationary pressures, and continued real-terms reductions in the value of annual home Undergraduate tuition fees.

Financial performance during 2024-25

Financial sustainability remains a challenge across the sector. Following a reduction in student registrations against our financial plans, significant actions were taken to stabilise our financial outlook. Tightened staff recruitment and non-pay expenditure controls were introduced to ensure essential spend only with the target of safeguarding our cash holdings by seeking to deliver in-year financial improvements of £10m.

This approach successfully delivered financial improvements against budget on our core staffing and operational budgets of £10.8m across 2024-25. Furthermore, recognising the cost base of the University had not sufficiently contracted in line with the reduction in our student population (and associated income) a Voluntary Severance Scheme (VSS) was launched in January 2025. Through this process 249 staff departed the University, resulting in a one-off cost in 2024-25 of £10.8m but delivering recurrent annual savings of around £13.3m.

The University is experiencing an ongoing decline in international student recruitment. We have

recorded an overall financial deficit of £22.1m in 2024-25, but with all financial covenants met.

We experienced a net reduction in tuition fees of £22.1m after the release of contingency, alongside a reduction to other commercial revenue streams and incurred expenditure (£10.8m) relating to a Voluntary Severance Scheme launched in January 2025. The University was however able to achieve a small cash surplus through various in-year mitigations, such as the freezing of most staff recruitment, a reduction in scholarship costs and through savings on core operating budgets.

Campus Services includes Accommodation and Sport within the University, and two subsidiaries: University of Essex Campus Services Ltd (UECS); and Wivenhoe House Hotel Ltd (WHH). Campus Services has made a surplus of £0.1m 2024-25 before an accelerated depreciation adjustment of £5.8m in WHH. This performance is similar to 2023-24 where the underlying operating surplus, before an accelerated depreciation adjustment, was £0.3m. Total Campus Services income in 2024-25 was £63.2m, a reduction of £1.4m on the £64.6m reported in 2023-24. The 2024-25 financial outturn was £1.1m below budget, largely due to a fall in student numbers reducing accommodation income. Significant work is ongoing to maximise alternative use of our accommodation including discussions with multiple external organisations.

Knowledge Gateway Ltd, the University's subsidiary company responsible for the development and operation of the Knowledge Gateway, the University's Research and Technology Park located on the Colchester Campus, reported an accounting surplus of £9k and a cash surplus of £249k. Occupancy for the original phases of office units (constructed between 2014-2018) was 87% (2023-24:78%). Occupancy for Clingoe House, the latest phase of construction completed in 2024, was 34%.

The Group was able to secure £4.4m (2023-24: £5.6m) through cash investment and interest returns; this is a decrease on 2023-24, due to falling interest rates and a decrease in cash balances, but a favourable position when compared to budget.

The total student population is close to 13,000 FTE, representing a decrease of around 13% versus 2023-24. From a headcount perspective, the total student population is close to 15,500, representing a decrease of around 12% versus 2023-24. This reduction in student numbers has resulted in a decrease in tuition fee and education contract income of £26m from £180m in 2023-24 to £154m in 2024-25.

Our research grant and contract income reached a new record high of £38.8m, growing by nearly 3% versus 2023-24. The indirect costs recovered from this activity also saw strong growth of 3.3% rising to £8.6m, our highest level in the strategic planning period (2019-25).

	2023-24 £000	2024-25 £000	Year-on-year movement
Research contract income	37,744	38,797	+2.8%
Research contract indirect costs recovered	8,314	8,589	+3.3%

Capital investment

The Capital Investment Plan (CIP) supports the delivery of the University’s Strategy and its commitment to excellence in education and research.

The categories of project identified for potential investment within the capital plan are as follows:

- Reduction of risk/ maintaining regulatory compliance
- Financial sustainability
- Transformation and achievement
- Efficiencies, performance, and innovation
- Environmental sustainability

	2022-23 £'000	2023-24 £'000	2024-25 £'000
Total Investment	£23,016	£27,383	£12,770

Major Projects in 2024-25 included:

Academic Systems Enhancement Programme (ASEP) - This £7.1m project is replacing the academic technology systems that directly support the student journey and enhancements required to better meet future needs. It offers opportunities for making longer term efficiencies and also delivers an opportunity to improve both the staff and student experience of living and working in the University community.

Colchester Campus Dental Simulation Suite – The £1.5m refurbishment of existing space into a new dental simulation suite at the Colchester campus was completed this year. 33 dental heads were installed, with space for future growth. The new dental heads will enable students to develop and improve their dental skills using state of the art facilities aligned with latest industry standards, therefore supporting their student experience and aiding their employability.

£4.7m has been spent on enhancing and improving both the physical and digital infrastructure at all three campuses.

Sustainability – £1.6m has been spent on sustainability related projects in 2024-25. Works undertaken have included the installation of pv solar panels on South Courts accommodation, water usage reduction works, upgrades to building management systems and continued work on decarbonisation.

Research – Expenditure on research equipment in 2024-25 totalled £1.9m. Some of this expenditure was externally funded.

Debt, liabilities and liquidity

Despite the need to secure higher returns to counter the impact of inflation, cash continues to be managed prudently, and good returns continue to be secured through investing for longer maturities where possible. Cash, cash equivalents and short-term investments decreased to £61.4m (2023-24: £75.8m) over the year. The University Council set a requirement for a minimum of 60 days liquidity (including undrawn committed facilities), and we achieved 124 days of general expenditure (excluding depreciation) at 31 July 2025, compared with 141 days in 2023-24. Total long-term debt outstanding at 31 July 2025 was £136.0m (2023-24 £138.4m). The University was fully compliant with its banking covenants for all drawn debt.

2024-25 Performance Updates

Many positive performance outcomes have been achieved across 2024-25.

Guardian University Guide 2026

Essex rose 11 places to rank 12th in the Guardian University Guide 2026, representing our highest ever rank in this table. This represented a 73-place rank improvement over the last five publications. In this, we rose in seven of the nine metrics that make up the ranking.

Complete University Guide 2026

Essex moved up a place to 29th in the Complete University Guide 2026 – ranking 5th nationally for facilities spend and 8th for academic services. We are also 30th for research intensity.

Daily Mail University Guide 2026

Essex moved up three places to 41st in the Daily Mail University Guide 2026 – improving rank position in nine of the twelve metrics that make up this ranking.

Times Good University Guide (TGUG) 2026

Essex moved up two places, to 44th, our highest rank since TGUG 2022 (published in 2021) and representing a twelve-place improvement over two iterations. In this, we rose in six of the nine metrics that make up the ranking. Our sustained improved performance in the National Student Survey (NSS) has led to a rise of 82 places over five releases.

National Student Survey (NSS) 2025

Our performance in the National Student Survey showed continued improvement this year, with the University ranking 20th for Overall Positivity amongst English Broad Discipline institutions (100 institutions), an increase of 10 places, and 1st in the East of England.

Further, rank performance improved in four of the seven sections of the NSS. The University now ranks 10th nationally in the learning resources section and is placed in the top 20 in two further sections.

The University is performing above our benchmark in two more sections, with results relative to seven of the questions sitting above the benchmark, and none sitting below benchmark (all other questions are in line with benchmark).

The TGUG utilised NSS 2025, and this resulted in a rank rise of 16 places on the Student Satisfaction metric, to 23rd. This includes rises of 18 places in the Teaching Quality half of the metric (to 32nd) and +4 for the Student Experience (to 21st) half of the metric.

Graduate Outcomes 2025

This year's Graduate Outcomes survey (surveying 2022-23 graduates) found 85% of our biggest population – undergraduate, UK, full time students – were in some level of employment or further study 15 months after graduation, as were 89% of our postgraduate students.

Knowledge Exchange Framework 2025 (KEF5)

The fifth iteration of the KEF saw Essex rank 17th in the sector overall (previously 11th), and 2nd in Cluster X (2nd last year also), located in the top 50% for six of the seven perspectives.

Essex has achieved 'high' or 'very high' engagement in six of the seven KEF perspectives, meeting or exceeded the Cluster X average in those six also.

Essex once again ranked 4th in the sector for the "working with the public and third sector" perspective.

Times Higher Education – World University Rankings 2026

Essex improved rank, moving up a ranking bracket to 301-350th in the world this year. Internally we can calculate this exact ranking to be 349th, an improvement of 12 places. Further, Essex improved 5 places out of UK institutions, ranking 34th. Within this table, Essex is 14th in the world for 'International Outlook', our joint highest ever ranking in this table. At the subject level, four subjects rank in the top 200 – Law (87th), Social Sciences (93rd), Psychology (138th), and Business & Economics (175th).

Sustainability Performance

We continue to rank well in national and international sustainability and social responsibility tables. Essex ranked in the 101-200 group in the 2025 THE Impact Rankings, out of a total of over 2,300 participating institutions worldwide. We are also currently ranked 49th in the UK People and Planet University League, out of 152. These rankings are published in June and December respectively.

This performance reflects how our efforts to operate in more sustainable and socially responsible ways are helping us to evolve as a university fit for the future. The results also reflect the world-leading contributions that our academic community continues to make through education and research in topics that have the greatest relevance and importance to the future of science, society, and humanity.

We are continually acting and making new investments to ensure that we improve the carbon footprint of our campuses and are developing innovative education and research practices that are sustainable without compromising on excellence. Investing in energy efficiency ensures that we are both reducing our carbon footprint and managing our utilities costs. Since our peak in carbon emissions (scope 1 and 2) in 2011-12, our emissions have fallen by 55% (as of 2024-25). We are generating up to 8% of our electricity annually through on-site solar panels, with our largest installation completed at the South Courts accommodation in early 2025. Further information, including sustainability reports, policies and guidance are on our website

<https://www.essex.ac.uk/sustainability>

Future outlook and prospects

The higher education sector continues to face sustained financial and operational pressures, driven by a challenging economic climate, constrained public funding, and increasing competition both domestically and internationally. These pressures are expected to persist, particularly in relation to income generation, which remains a key concern for institutions across the sector.

In this context, the University remains committed to building long-term resilience and financial sustainability. Under the leadership of our new Vice-Chancellor, Professor Frances Bowen, a new institutional strategy is being developed. This strategy will be rooted in the University's distinctive strengths, its deep regional heritage, bold and inclusive ethos, and unwavering focus on student success. The revised strategy will ensure the University continues to play a vital role as a major economic and social contributor to Essex and the wider region.

The University's charitable objects, enshrined in our Royal Charter, are to advance education, scholarship, knowledge and understanding by teaching and research, for the benefit of individuals and society at large. Achieving these in the context of a new strategy will require a careful rebalancing of the University's cost base, with a focus on aligning resources across both academic departments and professional services to support strategic priorities and ensure financial viability.

To support this process, the University has developed a range of financial and operational scenarios, including those that reflect more adverse conditions. These scenarios are being actively evaluated to inform decision-making and their outcomes progressed to ensure the University remains agile and responsive to emerging opportunities and risks. Both short-term measures and medium-term structural changes, including the size and shape of the institution and its academic delivery models are planned to support future financial sustainability and to protect the University's status as a going concern. One such structural change includes exiting our Southend campus in Summer 2026, which will enhance student experience by adding students to the Colchester campus, increasing vibrancy and optimising facilities, while creating academic synergies across our existing disciplines. More

details concerning the University's assessment of going concern is set out within the Accounting Policies section of the financial statements.

Any actions undertaken will be guided by the need to safeguard the University's mission and ensure it remains a resilient and sustainable institution, well-positioned to respond to both future challenges and opportunities.

Risk

Policy and approach

The University maintains a Risk Management Policy, which forms part of the University's internal control and corporate governance arrangements. The policy explains the University's underlying approach to risk management and documents the roles and responsibilities of the University Council, the University Executive Committee and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures. In addition, it describes the process the University Council follows to evaluate the effectiveness of the institution's internal control procedures.

The following principles underlie the University's approach to risk management and internal control:

- Council has responsibility for overseeing risk management within the institution as a whole.
- The Vice-Chancellor and the University's Executive Committee advise the Council and implements the policies it approves.
- The Audit and Risk Management Committee (ARMC) provides Council with independent assurance about the effectiveness of the University's risk management arrangements.
- External Audit has an overview of the policy, making comments and recommendations of practical benefit.
- Internal Audit provides ARMC and Council with independent assurance about the effectiveness of the University's risk management arrangements.
- The institution makes prudent recognition and disclosure of the financial and non-financial implications of risks.
- Heads of Departments and Heads of Section are responsible for developing awareness of risks within their units, and for identifying risks inherent in new developments.
- Key risk indicators are identified and monitored regularly.

Risk appetite

The University recognises that its risk appetite varies depending on the nature of the activity undertaken and has developed a series of risk appetite statements aligned to each strategic risk. These statements articulate the University's willingness to accept risk in pursuit of its strategic objectives. Our approach is to minimise exposure to risks in areas such as health and safety, regulatory compliance, and our duty of care to staff and students, while actively encouraging the management of risk to support the delivery of strategic priorities.

Risk ownership and management

The Registrar and Secretary, the Risk Management Process Owner for the financial year 2024-25, was responsible to the Vice-Chancellor and University Steering Group (renamed from 2025-26 as Executive Committee) for ensuring the operational effectiveness of the University's risk management procedures. For financial year 2025-26, this responsibility will pass to the Chief Operating Officer following the retirement of the Registrar and Secretary. The Risk Management Group (RMG), chaired by the Chief Financial Officer or nominee, provides guidelines on the assessment of risk in planning and decision-making and monitors compliance. The Chair of RMG ensures that the Strategic Risk Register (SRR) is properly maintained and that the relevant preventive and recovery measures are implemented, and that a sufficiently comprehensive set of risk management plans are maintained.

For control of operational level areas, Faculties, Departments and Professional Services sections maintain local operational risk registers that identify risks and relevant mitigating actions. Local risk management groups conduct operational risk register reviews at least once a year and material changes (the addition of new risks, the removal of risks and significant changes to risk ratings) are reported to RMG on a cyclical basis. This provides a clear route for risk identification and escalation. Risk owners are also required to report on the potential impact of risks on the Strategic Risk Register as well as any associated resource, legal, regulatory or equality implications, which require consideration by the University. Operational risk register updates enable RMG to understand local issues and to

check consistency in scoring across broad risk themes; these, along with the strategic insight of RMG members and their knowledge of changes in the internal and external environment, allow RMG to assess the Strategic Risk Register critically on a termly basis.

Major movements in the risk environment and the University's risk profile are then drawn to the attention of the University's Executive Committee and ARMC by way of termly reports. This allows members of the executive team and external committee members to bring to bear their different perspectives, knowledge and experiences when scrutinising and contributing to the development of the Strategic Risk Register, ensuring that key areas of risk are not overlooked.

Executive Committee provides information to Council and to ARMC on a regular basis and will report on major risks and associated ameliorative measures. Council, which is responsible for reviewing the effectiveness of the internal control and risk management framework of the institution, will, on the basis of the information provided in the annual report from the ARMC, form a view on the effectiveness of the risk management framework. It provides guidance to Executive Committee on ways in which procedures may need to be improved. The Risk Management Policy is reviewed annually by ARMC, ensuring that the policy is updated periodically to ensure that it remains fit-for-purpose and in line with best practice.

Key risks

The University continues to face a range of strategic risks, many of which are interconnected and reflective of broader sector-wide challenges. These include demographic shifts, increased competition, and factors affecting international student mobility. Such external pressures have compounded several of the University's strategic risks.

A primary concern remains the failure to meet minimum student recruitment targets, particularly in the undergraduate and international markets. This risk is closely linked to financial sustainability, given the significant impact of student recruitment on tuition fee income and overall financial performance. In response, the University has implemented a series of in-year cost-reduction measures, including a voluntary

severance programme and other targeted initiatives, aimed at delivering planned savings. These measures successfully protected cash reserves and ensured continued compliance with lending covenants. This work continues, following additional pressures experienced at the end of 2024-25 linked directly to the recruitment of international students.

The University has also commenced new strategic partnerships in 2024-25 with the University of Suffolk Doctoral College (UK), the Voice Study Centre (UK), Beaconhouse International College (Pakistan) and the National Institute of Business Management (Sri Lanka) with further partnerships due to commence from 2025-26 onwards. Our existing and new partnerships have contributed positively to diversification of income streams and enhanced institutional resilience.

Another key risk relates to the condition of the University's estate, a substantial portion of which dates back to the 1960s. Ongoing investment is required to maintain and upgrade facilities to meet legal, regulatory, and operational standards. The financial risk associated with insufficient capital to fund these essential works is being mitigated through robust capital planning and prioritisation, ensuring that adequate resources are allocated to critical compliance and infrastructure projects.

A final risk refers to the recruitment of international students. At the end of 2024-25, and with support from UKVI, the University undertook targeted work to improve its approach to visa compliance, with reference to its role as a Student Visa Sponsor. This work has resulted in the University implementing robustly improved systems and successfully recruiting students from across the world; however, due to limitations experienced over a short period during which these improvements were implemented, the University's international student population has declined

Key Performance Indicators

Progress against key performance indicators, set in accordance with the University Strategy 2019-28, is summarised in the table below. Further below is a commentary on those indicators where we are performing well, improving or continuing to work hard on to see the performance to which we aim.

	Completion of 2024-25		Performance at completion of 2024-25		Performance at completion of 2023-24	
	Target	Latest data	Rank	Value	Rank	Value
1 – TGUG Rank ¹	30 th	TGUG 2026	44 th	629	46 th	636
Guardian University Guide	-	GUG 2026	12 th	69.7	23 rd	63.7
Complete University Guide	-	CUG 2026	29 th	713	30 th	741
Daily Mail University Guide	-	DMUG 2026	41 st	731	44 th	726
2 – THE-WUR Rank	250 th	THE-WUR 2026	349 th	51.7	361 st	50.8
3 – TEF	Gold	TEF 2023	Silver	Silver	Silver	Silver
4 – Student Satisfaction	25 th	TGUG 2026	23 rd	85.7	39 th	82.3
5 – Graduate Outcomes	25 th	TGUG 2026	90 th	72.1	91 st	72.1
6 – Student Outcomes (E&D) a. Progression	<10%	2024-25 Entrants	-	35.9% ²	-	33.9%
6 – Student Outcomes (E&D) b. Good Degrees	<10%	2024-25 Leavers	-	23.3% ²	-	29.7%
6 – Student Outcomes (E&D) c. Graduate Outcomes	<10%	2022-23 Leavers	-	11.1%	-	12.1%
7 – Research Degree a. Completion	70%	2024-25	-	95% ²	-	92%
7 – Research Degree b. Awards	0.23-0.25	2023-24	-	0.25	-	0.22
8 – Research Quality	20 th	TGUG 2026	41 st	50.0	41 st	50.0
9 – Citation Rates	40 th	2020-24	80 th	12.2	81 st	11.1
10 – Research Income a. Income/Staff FTE	20 th	2023-24	41 st	£55,012	43 rd	£51,487
10 – Research Income b. Income from Industry	£10.6m	2023-24	13 th	£7.0m	14 th	£5.0m
10 – Research Income c. HE-BCI Income	£34.1m	2023-24	9 th	£41.7m	9 th ⁴	£37.1m
11 – Financial Sustainability a. Cash Surplus/Deficit	2.0%	2024-25	-	0.2%	-	1.7%
11 – Financial Sustainability b. Institutional Liquidity Days	60	2024-25	-	124	-	141
11 – Financial Sustainability c. Institutional Borrowing	>1.5	2024-25	-	0.95	-	1.57

¹ KPI-01: Council approved the change to the KPI-01 target (top 25) to Top 30 by 2028 – approved Spring 2023

² KPI-06a, -06b, -07a: Are subject to change as data finalises through the autumn term

Consistently performing well

KPI-04 – Student Satisfaction. The TGUG utilised NSS 2025, and this resulted in rank rise of 16 places on the Student Satisfaction metric, to 23rd. This includes rises of 18 places in the Teaching Quality half of the metric (to 32nd) and +4 for the Student Experience (to 21st) half of the metric. Our sustained improved performance in many areas of the NSS has led to a rise of 82 places over five releases (from 105th in TGUG 2022).

KPI-07a – Research Degree Completion. This is, and has remained throughout, well above the target set, having remained at over 90% - this year to a highest ever 95% - for four years now.

KPI-10b – Industry Income. This year we once again recorded our highest ever industry income figure showing consistent years of strong growth either side of the pandemic, and an immediate bounce back from the disruption caused by it. This latest income is 204% of the 2019 baseline figure.

KPI-10c – HE-BCI Income. This year we recorded a substantially improved income figure, and once again our highest ever, showing an immediate bounce back from the disruption caused by the pandemic, and far surpassing the target for this KPI (to be above the average of the benchmark group). This latest income is 145% of the 2019 baseline figure.

KPI-06c – Student Outcomes (E&D) Graduate Outcomes. This KPI measures the extent of gaps for students achieving high level employment/further study in five protected characteristics. The proportion of gaps across our departments has dropped slightly, remaining at a very low rate (representing just seven gaps out of 63 instances), with every year since baseline being in single digit number of gaps.

KPI-07b – Research Degree/Staff FTE. This year saw a rise in value, remaining in the target range, to be at the average of the benchmark group. This increase is driven by the number of awards in staff FTE in the reported year.

KPI-11a, -11b, -11c – Financial Sustainability. Due to the challenging financial environment significantly impacting our earnings level in 2024-25, the cash surplus and institutional borrowing have fallen below target for the first time. Institutional liquidity days remain comfortably above the 60-day minimum target.

Steady improvement

KPI-01 – TGUG Rank: this improved by a further 2 rank positions this year, to 44th. This is our highest ranking in four publications and our second consecutive rank rise (for the first time since the 2018 guide). Much of the fall in rank since then can be attributed to successive methodology changes that have accompanied each release, including the removal of the Services/Facilities Spend metric (for which Essex would have ranked 1st in two of the past three iterations), and the continued use of historic datasets including NSS 2022 (instead of NSS 2023) and pre-pandemic entry tariff scores.

Other domestic league tables: We use the TGUG as a way of benchmarking and monitoring our performance, alongside three other domestic league tables (the Guardian University Guide, Complete University Guide, and the new Daily Mail University Guide) that we also monitor and use for marketing purposes. The Guardian University Guide (GUG) saw Essex rise to 12th, a rise of 11 places on last year, a 73-place rise over the past five publications, and our highest ever ranking. In the Complete University Guide (CUG) Essex moved up one place to 29th in this year's iteration. This included Essex ranking 5th nationally for facilities spend and 8th nationally for academic services spend. We are also 30th for research intensity. In the latest iteration of the Daily Mail University Guide (DMUG) Essex ranks 41st, a rise of three places.

KPI-06b – Student Outcomes (E&D) Degree Classifications. This KPI measures the extent of attainment gaps in 5 protected characteristics for 2:1s and 1sts. A red flag equates to a 15% attainment gap between groups within a protected characteristic e.g., Male and Female. Though still requiring improvement to take this gap to below 10%, the proportion of red flags has fallen year on year (from 29.7% to 23.3%), meaning there are fewer attainment gaps amongst characteristic groups of our students across departments.

KPI-08 – Research Quality. As this score is based on the REF 2021 results, the rank will remain static for the next three publications of the TGUG. A conscious decision was made to provide a REF submission that optimised the QR funding potential of the submission; this is not always compatible with improved performance in the TGUG metric. This strategy was successful, with recurrent research grant increasing by £4.5m a

year. Good progress is being made with early substantial preparations for REF 2029.

KPI-09 – Citation Rates. Essex has seen consistent year on year growth in the citations per publication value, with our rank improving one place. This represents the first year that Essex has risen in rank, despite continual value increases – this suggests that we have eventually caught up with the sector and our competitors, having started from a considerable distance. Encouragingly, the size of our growth continues to exceed the growth of the sector. Scopus (the same database from which we obtain the KPI data), introduced a new metric termed 'Field Weighted Citation Index Median', which takes into account outlier publications (publications that sit well above the norm). In this, Essex ranks 41st in the sector – considerably higher than both our KPI, 80th and a similar metric we monitor, 'Field Weight Citation Index', where we are 57th.

KPI-10a – Research Income/staff FTE. Essex saw an increase of £1.05M in Research Income to £38.8M in 2024-25, a third consecutive highest ever value. The Income/FTE figure dropped slightly to £51,731 (-£1,425/FTE) as the staff FTE it uses (that of two years prior, 2022-23) had also continued to rise. Compared against the sector, which refers to the year prior (2023-24), Essex rank 41st, improving one place.

Work in Progress

KPI-02 – THE-WUR Rank. Essex improved rank, moving up a ranking bracket to 301-350th in the world this year. Internally we can calculate this exact ranking to be 349th, an improvement of 12 places. Further, Essex improved 5 places out of UK institutions, ranking 34th. Within this table, Essex is 14th in the world for 'International Outlook', our joint highest ever ranking in this table.

KPI-03 – TEF. Essex was awarded Silver in TEF 2023, as well as Silver awards in both elements: student experience and student outcomes. This will now remain until the TEF 2027 exercise. The TEF process is now under consultation with the Office for Students and as such there are no new updates this year. Looking at the latest data that underpins the next TEF submission in 2027, Essex sits materially above benchmark in two sections, 'Learning Resources' and 'Organisation and Management', with performance in a further six sections above benchmark, albeit not

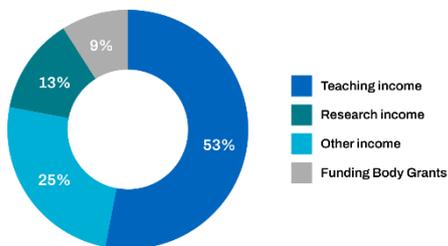
materially so. No overall metrics are regarded materially below benchmark. Therefore, this is – so far – improved performance on our TEF 2023 dataset.

KPI-05 – Graduate Outcomes. Having previously seen recovery following the pandemic period, Essex had fallen further behind the sector last year. This year Essex improved again (+0.7 percentage points to 72.8%). Robust plans are in place for Graduate prospects/outcomes to return to the upwards trajectory in score, with subsequent rank improvements expected.

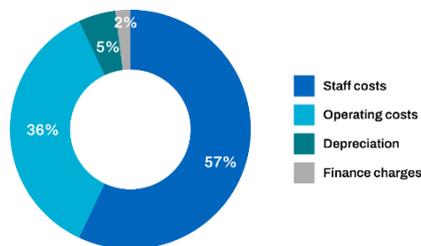
KPI-06a – Student Outcomes (E&D) (Progression). This KPI measures the extent of progression gaps in five protected characteristics for progression from stage 1 to stage 2. A red flag equates to a 10% progression gap between groups within a protected characteristic e.g., Male and Female. Three years ago, we saw an increase in red-classified gaps, but over the past three years this proportion has fallen back, with the most recent year seeing a 2.0 percentage place rise to 35.9% (aiming for fewer than 10% of all flags to be classified red).

Financial Statements 2024-25

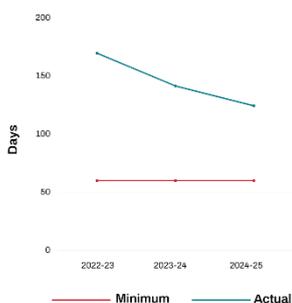
Income 2024 -25



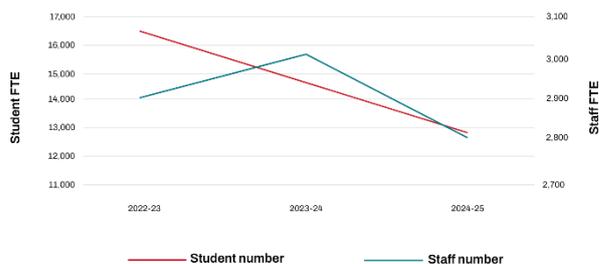
Expenditure 2024 -25



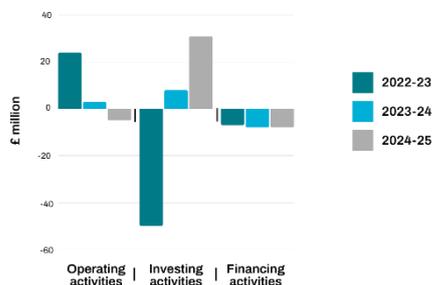
Liquidity days



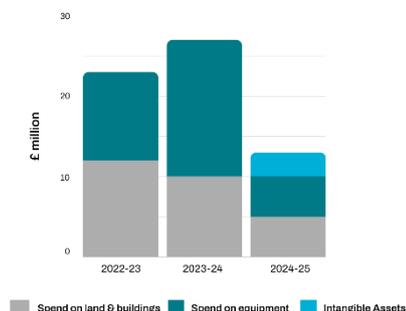
Student and staff numbers



Cash inflows and outflows



Capital investment



Public Benefit

Our charitable aims



Our Royal Charter sets out the objectives which form our charitable purpose “*to advance education, scholarship, knowledge and understanding by teaching and research for the benefit of individuals and society at large*”.

Our **University Strategy 2019-2028** states that:

- Our purpose is to benefit individuals and communities through excellence in education and research.
 - We will put student success at the heart of our mission, supporting students from every background to achieve outstanding outcomes; preparing our students to thrive in their future lives and nurturing our community of educators to support and promote student success.
 - Our research will continue to focus on asking difficult questions, challenging conventional wisdom, tackling with rigour the questions that matter for people and communities and putting ideas into action to improve people’s lives.
- We will be recognised nationally and globally for the quality and impact of a transformative education, and for the international excellence and world-leading quality, scale and impact of our research.
 - We will nurture and celebrate our shared commitment to social action, supporting every person in our university community to realise the potential of their Essex Spirit through their contribution to our shared mission.
 - We will have grown the University to achieve transformational research through our community of researchers and extend our knowledge base by investing in new disciplines that meet the needs of our time and to ensure the financial sustainability of the University.

Beneficiaries of our work

Our research and education contribute to improving people's lives in the UK and internationally.

Our students are the main public beneficiaries of our work in education and research. We provide a transformational educational experience, encompassing both the academic and extra-curricular activities, to fulfil the potential of our students. Our global community of over 140,000 alumni from more than 140 countries are taking their Essex Spirit out into the world and making change.

Other beneficiaries include companies, organisations and charities that employ our graduates, work with our academics on knowledge exchange projects, or access our training programmes.

Wider society benefits from the insights provided by our world-leading research in the social sciences, science and health, and the arts and humanities. As a Civic University, we work in partnership to ensure our work also makes a growing contribution to the local economy, underpinning the success of our region.

Governance

Members of Council are trustees of the University and our decision making pays due regard to the definition of public benefit outlined in the Charities Act 2011 and the Charity Commission's guidelines on charitable purpose and public benefit, in particular, The Advancement of Education for the Public Benefit (Charity Commission, December 2008) and Public Benefit and Fee Charging (Charity Commission, December 2008).

Continuing our work as a civic university

We've committed ourselves to improving the prosperity and wellbeing of communities across North Essex by signing a Civic University Agreement with partners.

The agreement was also signed by representatives from key partners Colchester City Council, Tendring District Council, Essex County Council, and the North East Essex Health and Wellbeing Alliance.

The agreement is inspired by the national Civic University Network which is campaigning to ensure universities maximise their impact within their communities and embed civic aspirations in their work to drive forward positive social change.

The University's work has continued to support shared priorities through the focus of our research and education. In April 2025, our first AI Summit brought our researchers together with partners – including our local councils – to find more ways to unlock the power of AI for the benefit of residents.

The Centre for Healthcare Science celebrated its first anniversary in 2025 and is driving forward awareness of the importance of healthcare science, developing new courses, creating new CPD opportunities and inspiring young people to think about careers in the sector.

We've also just celebrated the first anniversary of The Health, Wellbeing and Care Hub also celebrated its first anniversary in 2025 and now offers a programme of services for the public with our students benefitting from the placements at the Hub. All developed in collaboration with our NHS partners.

Awards and rankings

Our excellence in research and education was recognised in 2024-25 by awards and rankings in key national and international assessments.

In 2024-25 Essex was ranked 23rd in the Guardian University Guide, 30th in the Complete University Guide and rose 10 places to 46th in the Times Good University Guide.

In 2025, we were also ranked in the top 200 in the global Times Higher Education (THE) Impact Rankings out of 2,526 universities across 130 countries for our work in support of the United Nations Sustainable Development Goals. Essex was in the top 100 in the world for its performance on six Sustainable Development Goals – one more than last year.

Essex's international community and commitment to building research links around the world led Essex to being ranked 17th for international outlook in the Times Higher Education World University Rankings.

National and international awards for our academics include:

- Professor Reinhard Pekrun from the Department of Psychology received a Lifetime Achievement Award, recognising his pioneering research into human motivation and emotion.
- Dr Carolyn Laubender, from the Department of Psychosocial and Psychoanalytic Studies, won the 2025 Book Prize from the American Psychoanalytic Association.
- Professor Paul Whiteley, from the Department of Government, received the Sir Paul Curran Award from The Conversation for articles on UK and US politics which have informed and inspired millions.
- In robotics and AI, Professor Klaus McDonald-Maier and Dr Vishuu Mohan from the School of Computer Science and Electronic Engineering were recognised at the UKRI AI & Robotics Awards for their work revolutionising agriculture.
- Professor Nick Cooper and Dr Mark Wheeler from the Department of Psychology were highly commended in national NHS awards for their innovative work using fishing to support mental health — a powerful example of research changing lives.
- Social and cultural historian Emeritus Professor Michael Roper from the Department of Sociology and Criminology was awarded this year's Social History Society Book Prize for *Afterlives of War: A Descendants' History*. The book documents the lives of the generations who grew up in Australia, Britain and Germany after the First World War and charts the legacy of the conflict.

Driving economic growth



Taking research out into the community and into business is one of Essex's strengths and in the Government's latest Knowledge Exchange Framework, the University was ranked 11th out of all universities for using its expertise to benefit the economy and society.

As the national Knowledge Transfer Partnership programme celebrated its 50th anniversary Essex was proud to be one of the top universities for the number of KTPs its researchers are leading on with more than 50 active projects with businesses, organisations and charities.

This includes projects with 12 different charities in sectors such as healthcare, social care and the creative arts.

Essex was also shortlisted for two national awards as part of Innovate UK's Knowledge Transfer Partnerships Awards 2025. Building on successes in previous years. The business engagement team was shortlisted for its work connecting companies to our researchers and our partnership with Check4Cancer was recognised in the Changing the World Award category.

Our Knowledge Gateway research and technology park celebrated its 10th anniversary in 2024-25. More than 50 businesses are now based across Parkside and the Innovation Centre and the Knowledge Gateway is now a successful hub for innovative businesses, while also providing a home to our business engagement team and Essex Startups team.

A transformative education



Essex students value their university experience and in the most recent National Student Survey, Essex was first in the East of England for the 'overall positivity' measure and 30th nationally – based on student feedback.

Putting sustainability at the heart of the student learning experience led to Essex being shortlisted in the Green Gown Awards which recognise universities for exceptional efforts to promote sustainability. Essex was shortlisted for the Student Engagement Award thanks to its Stepping Stones project.

The quality of education at Essex, was underlined by a team from the Edge Hotel School being crowned European champions after winning the prestigious EMCup, beating off competition from the best hospitality management schools from across Europe. Judges described the Essex team as “incredible” as they won the coveted title at their first attempt.

We believe that learning extends beyond student's degree programme, so we offer a number of additional learning opportunities to complement our courses. Our award-winning Languages for All programme, gives students the opportunity to learn a language alongside their undergraduate degree at no extra cost. Other extra-curricular courses now include data science, community organising and health and wellbeing.

The University received a silver rating overall in the UK Government's Teaching Excellence Framework (TEF) in recognition of its “very high-quality education”.

We offer work placements, internships and study abroad opportunities to help broaden our students' horizons and help them gain valuable experience and skills.

Our career development initiatives include our career mentoring programme, online careers events and 1-1 support, as well as an internships programme which offers opportunities for developing skills and experience, while providing businesses with the chance to benefit from students' knowledge, skills and expertise.

We believe our graduates benefit society, and the companies and organisations they work for thanks to their research mindset, critical thinking, creativity, intellectual independence, excellent communication skills and leadership ability.

And the University and Students' Union have joined forces to undertake in-depth research into the student experience and expectations, gathering thousands of datapoints to help staff and students to drive forward improvements together.

Supporting the next generation of researchers

Essex is a leader in doctoral training and developing the next generation of researchers. We are part of several doctoral training partnerships offering training and funding:

The **Advanced Research and Innovation in the Environmental Sciences programme**, including EnvEast, programme equips postgraduate research students with the skills to become leaders in the science and sustainable business of the natural environment.

The **Consortium for the Humanities and the Arts Southeast England** offers PhD studentships and research-led training across the arts, humanities and creative practices.

The **South East Network for Social Sciences** offers studentships and advanced research training in a range of disciplines in the social sciences.

In addition, the Leverhulme Doctoral Training Programme 'Sustainable Transitions - Governance, Ecological Management and Society' is aiming to train the next generation of interdisciplinary doctoral scholars ready to make a contribution at local, national and international levels.

Through these initiatives we work with other leading higher education institutions to promote excellence in research, postgraduate research training and knowledge exchange.

We are also a member of the **Eastern Academic Research Consortium** which provides opportunities for collaborative research and studentships in quantitative social science, digital humanities and synthetic biology.

Meeting different study needs

We offer various routes to an Essex degree to meet the needs of different learners.

We have a programme of Higher and Degree apprenticeships, covering Health and Social Care, and Sport, Rehabilitation and Exercise Sciences. Apprenticeships offer an alternative route into higher education, and we are working with employers to increase places offered through Essex.

For those who want to study remotely, we offer undergraduate and postgraduate degrees, in collaboration with Kaplan Open Learning, through University of Essex Online.

Making a difference in our communities

For over 20 years, University of Essex students, supported by the Students' Union, have been making change happen through the VTeam volunteering programme - by giving their time, energy and talents to a host of projects to make a genuine and lasting difference to a wide range of communities.

In 2024-25, 990 students logged over 40,000 hours through VTeam, working across our campuses to support everything from local schools and food banks to environmental projects and major events. During the national Student Volunteering Week alone, 342 students logged 2,145 hours across 25 events.

This remarkable commitment builds on the success of the VTeam, which received the King's Award for Voluntary Service in 2023.

Other initiatives encouraging students to make a positive difference in their communities while building their skills and experience include the Essex Law Clinic which provides free legal aid and advice to members of the public in a range of areas, including family law, homelessness and immigration. Its work was featured on BBC Radio Four's flagship Today programme in December 2024.

Creating an inclusive and supportive community

We admit students on the basis of their merits, abilities and potential, regardless of race, ethnicity, gender identity, disability, age or other irrelevant distinction, and our living and learning environment provides opportunities for everyone.

We ensure all students have equal opportunity to succeed both during their time at university and after they graduate. That's why we provide employability opportunities for everyone and support for under-represented groups in getting the experience they need to secure graduate level jobs.

In 2025, Essex was reaccredited as a University of Sanctuary for its commitment to promoting a culture of welcome, safety and inclusion across our campuses and their wider communities. City of Sanctuary UK said the University of Essex had not only met status expectations but gone "beyond" them in many aspects of its work. Among the many activities we undertake to support this work our Sanctuary Scholarships support students who are refugees or seeking asylum to study for Postgraduate Taught Masters.

We have also signed the Gypsy, Traveller, Roma, Showman and Boater (GTRSB) Higher Education Pledge to help us raise awareness of the history and culture of the GTRSB community and support GTRSB students in the community as well as GTRSB students on our campuses.

We're aiming to create vibrant and supportive communities, which was recognised with Accommodation Essex winning a national award from Property Week for creating accommodation for key communities including athletes, entrepreneurs, volunteers and our LGBTQ+ community.

Student employability and entrepreneurship

The 2024-25 has been another momentous year of innovation and growth for the Essex Startups team. Engagement with students and graduates accessing the team's services has continued to increase with the team delivering over 1,200 one-to-one mentoring sessions and hosting 52 extra-curricular events for 1,029 participants. A total of £45,896 of funding has been awarded to 72 ambitious student and graduate ventures.

The team has strengthened collaborative working across 14 academic departments offering even more opportunities for students to explore entrepreneurship and documented a 114% increase in co-curricular delivery on the previous academic year.

The Essex Startups team supports entrepreneurial learning across the curriculum, empowering individuals with enterprising aspirations from all backgrounds and nurturing innovation.

The team has developed a comprehensive programme to engage students with an entrepreneurial-mindset and support the expansion of their enterprise knowledge and skills, from idea creation to Minimum Viable Product launch and beyond.

Essex Startups places entrepreneurship and enterprise at the heart of the student experience, delivering co-curricular entrepreneurship modules for Essex Business School, Edge Hotel School, the School of Sport, Rehabilitation and Exercise Sciences, and Essex Law School.

Targeted programmes for under-represented groups within the start-up community have also been developed, incorporating interactive workshops with expert external speakers to inspire students and assist in broadening their professional networks.

Sporting success



2024-25 was a record year for sporting success and participation. A total of 2,863 Blades members participated across 62 sports teams. Meanwhile, the Essex Blades Women's Basketball, and Men's and Women's Volleyball won national titles.

The Women's Volleyball team was also shortlisted as one of the national university teams of the year.

Essex teams won 10 league titles across many different sports and placed Essex in the top 30 yet again within the national BUCS competition, delivering the most successful year of sport ever.

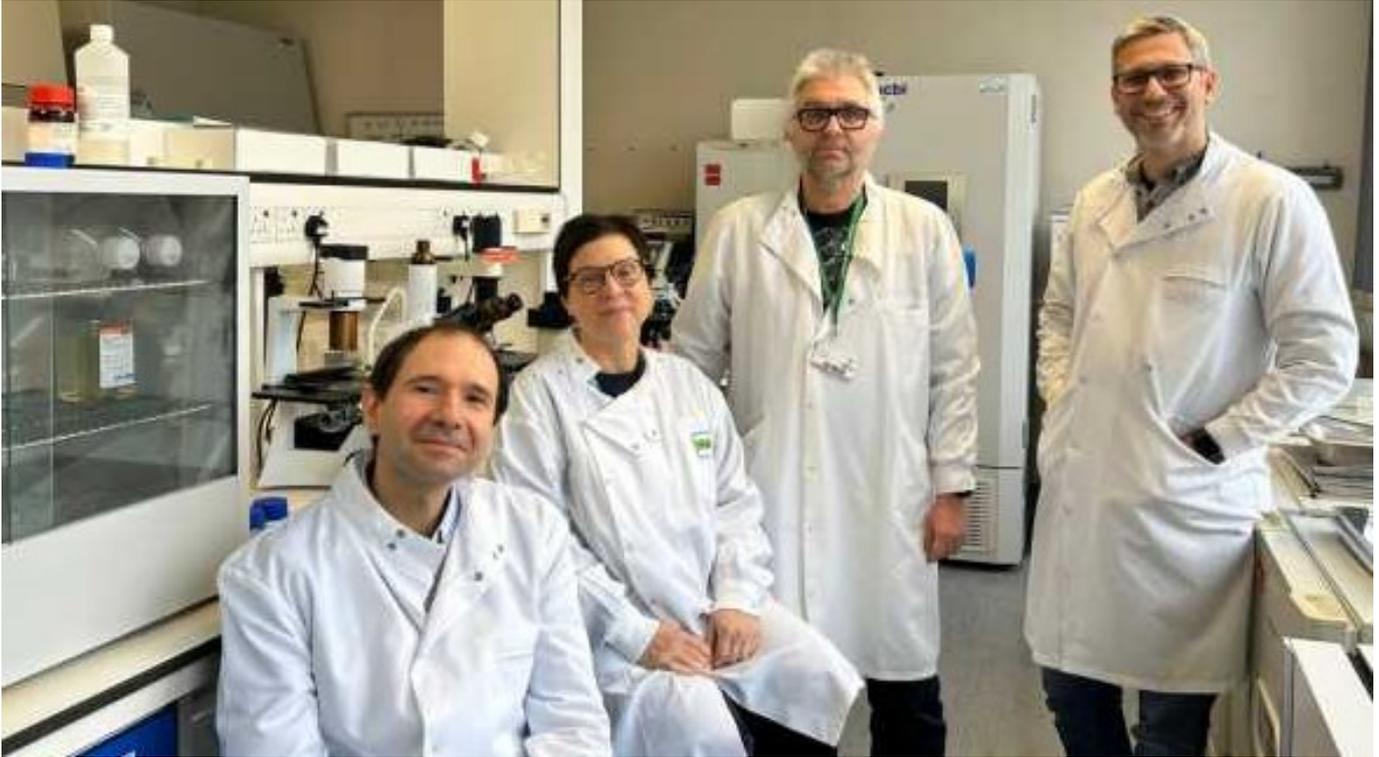
The elite Essex Rebels teams added to this success, bringing thousands of fans to our Essex Sport Arena to enjoy basketball and volleyball with the Essex Rebels men's volleyball team winning our first national volleyball cup.

Essex Rebels promote sporting opportunities to young people within the local area and hosted their first-ever community day in April 2025 offering hundreds of children the chance to take part in taster sessions. In partnership with Essex Police, Essex Rebels has organised Ballin with a Bobby to give young people the chance to play basketball with police officers to building positive relationships through sport. More than 100 youngsters took part in a Ballin with a Bobby tournament at Essex Sport Arena.

The elite sport programme is also growing with an exciting new partnership with Essex Cricket's women's team, who are now using the Colchester Campus as a training base and linking in with the other Rebels teams.

Individual athletes joining the University's Performance Sport programme have access to expert coaching, a variety of world-class sporting facilities, and specialist support designed to encourage and develop their talent and prepare them for national and international success.

Research making a difference



Beneficiaries of our research

Students benefit from our research-led teaching. Government bodies, non-governmental organisations and regional, national and international businesses benefit from our knowledge exchange and partnership opportunities.

Individuals and wider society benefit from our research which engages with current issues to improve the quality of people's lives and inform debates and policy development and implementation.

To promote the research and research-informed education we deliver, in June 2025 we helped launch ResearchPlus a new strategic partnership of 10 leading universities which are committed to driving UK growth and prosperity through research, research-informed education and advanced skills development.

In 2024-25 our research income once again increased to reach record levels at just under £40m, illustrating our success in attracting research grants at a UK and international level.

The 2021 Research Excellence Framework (REF) confirmed Essex as a powerhouse for social sciences research and other key areas. Essex is ranked in the top 10 in the UK for research quality in economics and econometrics, modern languages and linguistics, politics and international studies, and sociology. Additionally, we were ranked in the top 20 for art history, law and philosophy (Grade Point Average, Research Excellence Framework 2021).

Times Higher Education also ranked Essex in the UK top 10 for 'research power' in computer science, economics and econometrics, law, politics and international studies, and sociology.

Research highlights 2024-25

We're proud to use invest in research which looks to improves lives and shape policy.

Our life scientists are developing a new blood test for bowel cancer, designed to improve early detection and make screening more accessible — ultimately saving lives.

Our Institute for Public Health and Wellbeing has secured £2.5 million to work with communities and mental health providers to improve services across Essex, Southend and Thurrock.

Essex scientists and legal experts are working on a £1.2 million project to develop eye-scanning technology that can more accurately measure fatigue.

In cyber security and AI, our researchers are part of a £1 million project to improve the security and efficiency of UK ports and warehouses.

The first footage of a colossal squid in its natural environment was secured by an international expedition to the waters near Antarctica led by Dr Michelle Taylor.

Coastal communities need more support to deal with issues like climate change and Essex social scientists are leading a £2.9 million project to bring together a national network of universities and partners to do just that.

Research at East 15 Acting School helped teenage girls from Southend use poetry to challenge stereotypes about the county. The work they created for an audio exhibition at Clifftown Theatre was so powerful that the project was featured on The One Show on the BBC and continues to generate huge interest.

Our global research agenda

Essex's research agenda looks to tackle local, national and international challenges.

We have a global reputation in human rights, social scientific research and data analytics. Our flagship institutes allow academics to work together across disciplines and deliver research which offers practical insights and impact.

Our world-renowned Human Rights Centre, Institute for Analytics and Data Science and Institute for Social and Economic Research alongside our Institute of Public Health and Wellbeing engage with national and international partners from NGOs and national governments to the European Union and United Nations.

Our research environment

We are committed to the highest ethical and professional standards and have clear procedures and governance to ensure the integrity of our research.

We've developed a Researcher Development Framework which helps ensure our researchers can gain all the skills and training they need and access all the resources available to help them maximise the potential of their work.

100% of our research environment is world-leading or internationally excellent in seven subjects according to the most recent Research Excellence Framework with Essex ranked 1st in the UK for research environment for sociology. Other subjects at Essex that ranked in the UK top 10 for research were environment and economics, politics and international studies, and modern languages and linguistics.

Communicating our research excellence



Film studies researcher Dr Sarah Louise Smyth is one of six academics selected as New Generation Thinkers, as part of a competition run by the BBC and the Arts and Humanities Research Council. She will now be researcher-in-residence on BBC Radio 4's flagship arts programme Front Row.

In Colchester, our postgraduate community once again organised the [Pint of Science Festival](#) across venues in the town centre with researchers giving talks in packed pubs and bars to give the public insights into our research.

In June 2025, the University once again supported Essex Book Festival with academics taking [part in multiple events across the county](#) and the University hosting events and workshops.

Essex is also a partner of online news site The Conversation, which publishes news and views written by researchers. In 2025, articles by Essex researchers published by the Conversations reached more than 30 million reads.

Our researchers continue to engage extensively with print, broadcast and online media to inform public debates about everything from air pollution to international relations.

In 2025, highlights included Michael Portillo exploring our state-of-the-art labs for the BBC's Great British Railway Journeys and meeting Professor Tracy Lawson and Dr Vishwanathan Mohan.

Psychologist Dr Wijnand van Tilburg was interviewed about his work on boredom for chart-topping BBC podcasts *What's Up Docs?* and *Curious Cases*.

Essex political experts Professors Natasha Lindstaedt and Gina Yannitell Reinhardt played key roles in media coverage of US President Donald Trump's inauguration in Washington DC featuring on CNN and across the BBC.

Our academics also share their work through publication in internationally recognised journals and via our [University of Essex Research Repository](#).

The University supports the Essex Student Journal, an online multi-disciplinary academic journal, run by and for University of Essex students, which is designed to offer valuable early experience of academic publishing and the peer review process.

Partnerships across the world



We work with partners around the world to extend higher education opportunities. Through our partnerships students can study for an Essex degree with our partners in a growing network of countries.

New partnerships in 2024-25 include a groundbreaking BSc in Computer Science launched in Japan through a collaboration with Tokyo-based Systems Architecture Knowledge (SAK), a link-up with leading education provider Beaconhouse International College in Pakistan to deliver Essex degrees across multiple campuses and a partnership with the National Institute of Business Management in Sri Lanka to offer psychology courses.

The University of Essex continues to be committed to promoting educational and research links with European partners. This includes the Young Universities for the Future of Europe (YUFE) Alliance - one of the dynamic European University Alliances, selected by the European Commission. YUFE enriches and enhances learning opportunities (including extra-curricular training activities) for our students across a network of ten European universities.

Meanwhile, Essex is also part of YERUN - Young European Research Universities Network - which brings together 24 like-minded young universities from across Europe, with the aim to strengthen and develop cooperation in research, academic education and service which benefits society. YERUN celebrated its 10th anniversary in 2024-25.

Inspiring our communities



Schools' outreach

Our broad outreach programme delivers in-school sessions, community events and welcomes schoolchildren to our campuses to explore higher education and enjoy taster sessions.

We are committed to ensuring all students with the potential to succeed, no matter what their background, can understand more about Essex and the benefits of a university education. Our [Access and Participation Plan](#) sets out that commitment.

Thousands of young people from across the county have been helped to follow their education aspirations thanks to the work of the Outreach team. Over the past four years, the Outreach Partnership Project has delivered 320 activities attended by nearly 17,000 students.

Activities organised through the Outreach Partnership Project include HE Taster Campus visits, Human Rights and Leadership projects, GCSE Revision Roadshows, Student Mentoring programmes and Summer Sleepover residencies.



Art and Culture

We have a theatre on each of our three campuses at Colchester, Southend and Loughton offering professional and student-led productions which provide a vibrant drama scene for both our on-campus and local communities.

The Lakeside Theatre at our Colchester Campus supports the development of skills within the performing arts for all Essex students, while also providing a hub of live theatre and entertainment. The Lakeside Theatre's Homegrown programme offers students from all disciplines the opportunity to bring their ideas to the stage and perform in front of a live audience of their peers and visitors from the local area.

The Corbett and Cliffdown Theatres are an integral part of our East 15 Acting School at our Loughton and Southend Campuses and host exciting programmes of groundbreaking theatre. These spaces offer a unique teaching environment for our acting students while also offering the chance for students to create new work often inspired by contemporary issues and the communities in which the theatres are based.

Work created by East 15 Acting School often feature in national and international festivals including the world-famous Edinburgh Fringe Festival.

The Essex Collection of Art from Latin America (ESCALA) comprises over 800 works, and provides teaching and research space for students, staff, and the wider community. We display works from the collection publicly across our Colchester Campus and the whole collection is accessible online.

Art Exchange, our Colchester Campus gallery, has a year-round programme of free events and exhibitions attended by our campus community as well as members of the public. From April to May, MA students from the School of Philosophical, Historical, and Interdisciplinary studies presented an exhibition called 'Call it Love'.

Statement of Corporate Governance and Internal Control

The University is a higher education provider incorporated by Royal Charter. The University's governing body, Council, is committed to achieving high standards of corporate governance in line with accepted best practice.

At Essex, we are committed to upholding exemplary standards of corporate governance. We have adopted the Committee of University Chairs (CUC) Higher Education Code of Governance (September 2020), the CUC Higher Education Senior Staff Remuneration Code (November 2021), and the CUC Higher Education Audit Committees Code of Practice (May 2020). Regular reviews ensure our adherence to these codes and help us maintain robust governance practices.

We are dedicated to elevating continuously our 'very good' standard of governance¹. To this end, we actively monitor the outcomes of the 2019-20 independent review of the effectiveness of Council, the 2021-22 independent review of Council's size and composition, and the 2022-23 Senate effectiveness review, refining our approach as necessary.

In addition, we undertook a focused review of our Council induction programme in 2024-25 to ensure it fully supports all members of the governing body as they transition into their roles. Recommendations from this review will be embedded as appropriate into our induction activities from 2025-26 onwards.

The University Council

Members of Council are the trustees of the University, which is an exempt charity. The University's Council comprises 19 members, the majority of whom (11) are drawn from outside the University. Internal members of Council (8) are appointed on an ex officio basis (3), including the Presidents of the Students' Union, or elected by and from amongst the academic members of the Senate (4) and by and from amongst the professional services staff (1).

The roles of Chancellor and Pro-Chancellor (including the Chair of Council) are separated from the role of the University's Chief Executive, the Vice-Chancellor. The University Treasurer performs the role of Senior Independent Director.

The Council of the University has adopted a Statement of Primary Responsibilities, which is published on the University website. The statement sets out the Council's responsibilities in respect of powers of appointment and employment, financial and legal powers, planning, monitoring, control, and student welfare. The Council held six ordinary meetings during the year, one full away day and one special meeting. A series of additional training, development and engagement opportunities were offered between meetings, as were regular briefings and updates on key issues. The now well-established annual meeting of the Senate and the Council was held in July.

¹(AdvanceHE, 2020:8): [_\(AdvanceHE, 2020:8\): https://www.essex.ac.uk/-/media/documents/about/governance/council-effectiveness-review.pdf](https://www.essex.ac.uk/-/media/documents/about/governance/council-effectiveness-review.pdf)

Responsibilities of the Council

Council is responsible for preparing the Strategic Report, the Public Benefit Statement, the Statement of Corporate Governance, Statement of Internal Control, and the Financial Statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

Council is required to prepare the group and parent university financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102: The Financial Reporting Standard applicable in the UK and Republic of Ireland. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction issued by the Office for Students.

Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent university and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, Council is required to:

- select suitable accounting policies and 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 and parent 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 either intends to liquidate the group or the parent University, to cease operations, or has no realistic alternative but to do so.

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

Council is also responsible for ensuring that:

- 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;
- funds provided by the Office for Students and Research England have been applied in accordance with the terms and conditions attached to them;
- there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- the economical, efficient and effective management of the University's resources and expenditure is secured.

Council is responsible for the maintenance and integrity of the corporate and financial information 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.

Statement of Internal Control

The key elements of the University's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and authority delegated to, heads of academic departments and administrative sections;
- a short- and medium-term planning process, supplemented by detailed annual income, expenditure and capital budgets;
- regular reviews of academic performance and financial results involving variance reporting and updates of financial outturns;
- defined and formalised requirements for the approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to appropriate levels set by Council;
- Financial Regulations, including financial controls and procedures, approved by Council on the recommendation of the Audit and Risk Management Committee;
- A professional Internal Audit team whose annual risk-based programme is approved by the Audit and Risk Management Committee; the Director of Audit, Data Governance and Regulatory Assurance expressed the following opinion for the year ending 31 July 2025: 'The University's arrangements for risk management control and governance, and economy, efficiency and effectiveness are adequate and effective. This does not mean that all aspects are adequate and effective, but there are no indications of a material weakness in them. A material weakness is defined as one that could lead to a significant impact on the business, operations or standing of the University';
- regular reports on internal control, compliance and risk received and

reviewed by the Audit and Risk Management Committee which, in turn, are reported to Council and which cover all controls (financial, business and operational); and

- risk identification and management arrangements which include a Strategic Risk Register containing weightings (of likelihood and impact) linked to the Strategic Plan and which also informs the Internal Audit planning process.

The Committees of Council

The Council delegates some business to several committees:

- Audit and Risk Management Committee
- Policy and Resources Committee
- Nominations Committee
- People Supporting Strategy Committee
- Remuneration Committee

All of these committees are formally constituted with published terms of reference. The disclosures in relation to these committees follow those in respect of Council itself.

The Audit and Risk Management Committee has no executive responsibility and comprises solely external members, at least two of whom (excluding the Chair) are external members of Council, and at least one of whom has recent and relevant experience in finance, accounting, or auditing.

Audit and Risk Management Committee relies on the work of internal and external audit, on information provided by management and on management responses to the questions it raises. The identification and management of risk is an ongoing process specifically linked to the objectives in the University Strategy and is monitored closely by Audit and Risk Management Committee. The Audit and Risk Management Committee reports on the results of risk identification, evaluation, and management to Council, which also receives the Strategic Risk Register for regular review. The Committee met four times in the year.

The responsibilities of the Audit and Risk Management Committee include:

- reporting to Council annually on the effectiveness of the internal control system and the pursuit of value for money, together with an opinion on risk management and data quality;
- advising on the appointment of the Internal Auditor and approval of the internal audit plan;
- receipt of both an annual report from Internal Audit, which includes an opinion on the degree of assurance of the University's system of internal control, and a report on each assignment including recommendations; and
- advising the Council, as necessary, on the appointment of the External Auditors, to receive their reports and review their performance and effectiveness.

Internal Audit is responsible for providing an objective and independent appraisal of all the University's activities. The Internal Audit work programme is risk-based and is updated to take account of changes in the University's risk profile. Progress made on recommendations by the University is reported to the Audit and Risk Management Committee.

In respect of its development, strategic management and financial responsibilities, Council receives recommendations and advice from the Policy and Resources Committee. The Committee met five times during the year. Both Council and Policy and Resources Committee receive reports on business, operational and compliance matters from the University Steering Group.

The Nominations Committee makes recommendations for the appointment or re-appointment of members of Council, its committees, and Court, and oversees the mechanisms for the recruitment and selection of independent non-executive directors of the University's subsidiary companies. The Committee met three times during the year.

The People Supporting Strategy Committee provides oversight of the University's People Supporting Strategy and workforce plan, and makes recommendations to Council regarding

strategic people policies, plans and strategic framework for reward and recognition. The Committee met twice during the year.

The Remuneration Committee determines the annual remuneration of the most senior staff, including the Vice-Chancellor. The Committee met once during the year.

The University Senate

The Senate is the highest academic authority of the University. It is responsible for the promotion of academic work in both teaching and research, for the regulation of educational arrangements and the maintenance of discipline. It receives quality audit reports from both external regulators and in-house departmental reviews. Senate met four times with an additional extraordinary meeting.

The University Court

The University Court is a formal body established under the Charter and Statutes. Its main function is to receive a report from the Vice-Chancellor on the workings and sustainability of the University since the last meeting. The Annual Meeting took place at our Colchester Campus on Thursday, 26 June 2025.

Council Members (Trustees)

The following table outlines membership of the University Council during 2024-25.

	Terms of appointment		
	Term 1	Term 2	Term 3
External members (11)			
Melanie Leech, Pro-Chancellor/Chair from 1/8/24	4/4/19 - 31/7/21	1/8/21 - 31/7/24	1/8/24 – 31/07/27
Paul Jackson, Pro-Chancellor from: 1/8/20	1/1/17 - 31/7/19	1/8/19 - 31/7/22	1/8/22 - 31/7/25
Dr Adam Wright, Pro-Chancellor from 1/8/23	1/8/16 – 31/7/19	1/8/19 – 31/7/22	1/8/22 – 31/7/25
Julie Bentley	1/1/24 – 31/12/26		
Obum Ekeke	1/8/21 - 31/7/24	1/8/24 – 31/7/27	
Simon Hall	1/8/16 - 31/7/19	1/8/19 - 31/7/22	1/8/22 - 31/7/25
Dr Ajit Menon	1/8/23 – 31/7/26		
Alan Newman, Treasurer from 1/8/24	1/8/23 – 31/7/26		
Mickola Wilson	1/8/23 – 31/7/26		
Lesley Smith	1/8/24 – 31/7/27		
Rob Hale	1/8/24 – 31/7/27		
Ex officio members (3)			
Professor Maria Fasli, Acting Vice-Chancellor	1/8/24-31/7/25		
Professor Lorna Fox O'Mahony	1/8/19 – 31/7/22	1/8/22 – 3/8/24	
Professor Neil Kellard, Acting Deputy Vice-Chancellor	4/8/24-31/7/25		
Lily-May Cameron, President of the Students' Union	1/7/24 - 30/6/25		
Alex Sablich, President of the Students' Union	1/7/25 - 30/6/26		
Members elected by Senate (4)			
Dr Laurie James-Hawkins	22/9/23 – 31/7/26		
Professor Shane Martin	22/9/23 – 31/7/26		
Professor Onyeka Osuji	22/9/23 – 31/7/26		
Professor Faten Ghosn	1/8/24 – 31/7/27		
Member elected by the non-academic staff (1)			
Zoe Manning	25/9/23 – 31/7/26		

Independent Auditor's Report to the Members of Council of University of Essex

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2025 and of the Group's and the University's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

We have audited the financial statements of University of Essex ("the University") and its subsidiaries ("the Group") for the year ended 31 July 2025 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement of Cash Flows, Accounting Policies and notes to the financial statements. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council members' 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 and the University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The Members of Council are responsible for the other information. The other information comprises the information included in the Financial Statements other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students (“OfS”) and UK Research and Innovation (including Research England)

In our opinion, in all material respects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Funds provided by the OfS and UK Research and Innovation (including Research England), have been applied in accordance with the relevant terms and conditions
- The requirements of the OfS’s Accounts Direction (OfS 2019.41) have been met.

We have nothing to report in respect of the following matters in relation to which the OfS requires us to report to you if, in our opinion:

- The University’s grant and fee income, as disclosed in note 6 to the accounts, has been materially misstated.
- The University’s expenditure on access and participation activities for the financial year, as has been disclosed in note 11 to the accounts, has been materially misstated.

Responsibilities of the Members of Council

As explained more fully in the Responsibilities of Council, the Members of Council are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Members of Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Members of Council are responsible for assessing the Group and the 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 the Members of Council either intends to liquidate the Group or the University or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group, University and the sector in which it operates;
- Discussion with management and those charged with governance (including the Audit and Risk Committee and internal audit provision);
- Obtaining and understanding of the Group and University's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer

We considered the significant laws and regulations to be The Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011, Corporate and VAT legislation and Employment Taxes.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation and registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation; and
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- Enquiry with management and those charged with governance (including the Audit and Risk Committee and internal audit provision) regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Group's policies and procedures relating to:
 - Detecting and responding to the risks of fraud; and
 - Internal controls established to mitigate risks related to fraud.
- Review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- Considered management's incentives and opportunities for fraudulent manipulation of the financial statements;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the area's most susceptible to fraud to be management override of control through the posting of inappropriate journal entries to manipulate financial results and revenue recognition.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria (including unusual account combinations to revenue), by agreeing to supporting documentation, as well as a sample of non-risky journals;
- Testing a sample of tuition fee income in respect of courses which commenced in January 2025 to ensure income recognised was in line with the period of teaching to the 31 July 2025; and

- Testing a sample of research grant income and expenditure transactions to source documentation, performing cut off testing to ensure income is included in the correct period and reviewing the revenue recognised in the year against the terms of the underlying agreements.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Members of Council, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Members of Council as a body, for our audit work, for this report, or for the opinions we have formed.

David Wildey

For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 5 January 2026

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Accounting Policies

Statement of Accounting Convention

These consolidated and Institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31 July 2019, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

Basis of preparation

The Financial Statements are prepared on the basis of going concern and in accordance with the historical cost convention (modified by the revaluation of certain categories of fixed assets). The Group and parent University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

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

The financial statements are prepared in pounds sterling, which is the presentational and functional currency of the group and rounded to the nearest £'000.

Going Concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Financial Statements. The Strategic Report also

describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

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

The University has prepared a going concern assessment covering the period to 31 July 2027. This assessment is set against our base case forecasts, underpinned by the following key assumptions applied to 2026-27 financial performance:

- Total income, at £266m, is £3m below the total income forecast for 2025-26 as the total student population in 2026-27 is predicted to be lower than 2025-26. Although, compared to actual new student intake in 2025-26 a modest increase in new student intake is predicted in 2026-27, the total student population is expected to be lower due to the cohort effect of graduating students dropping out of the population and lower returning student cohorts from earlier academic year intakes.
- Total expenditure, before one-off restructuring costs, at £276m is £10m lower than the total expenditure forecast in 2025-26. The largest reduction in expenditure is expected through staff cost reductions arising from the staff restructuring scheme commencing in December 2025.

An accompanying monthly cash-flow forecast was also produced for the period to 31 July 2027 based on the base case forecasts. This reports cash levels that remain above 30 liquidity days throughout the period, with no plans to draw-down on our £40m Revolving Credit Facility (RCF) which remains in place until 31 March 2027, with an extension to 31 July 2027 in progress. The base case forecasts also demonstrate compliance with all covenants, including monthly minimum liquidity tests, which are expected to be agreed for the period to 31 July 2027.

The University has identified the main financial risks across the assessment period to 31 July 2027 against the base case to be a reduction against student intake targets, under delivery against planned staff cost restructuring savings and staff pay awards higher than budgeted. Sensitivity analysis has been performed to understand the financial impact of plausible downside scenarios and mitigating actions that are available. Without mitigations, the plausible downside scenarios would present a risk of covenant breach. However available mitigations include removing contingency budgets (which are included to recognise downside risks), reductions in operating expenditure directly linked to reductions in student numbers, reviewing staff reward options, reassessment of capital investment plans and continuing to explore income diversification options including further Transnational Education initiatives. Our going concern assessment has concluded that options have been identified that would mitigate against plausible downside scenarios ensuring sufficient liquidity remains available and all lender covenants remain satisfied for the period to 31 July 2027. In the event of more severe downside outcomes the university may need to re-examine existing organisational structures at a greater pace.

Covenant breaches are anticipated in 2025-26 and waivers in relation to these have been agreed with lenders. These negotiations have resulted in additional covenants being agreed for 2025-26 onwards with a particular focus on minimum liquidity levels. Our going concern assessment reports that all covenants will remain satisfied to 31 July 2027 under the base case forecast and plausible downside scenarios where available mitigation actions are implemented.

At present our £40m Revolving Credit Facility expires on 31 March 2027, before the end date of the going concern assessment period. Throughout our sensitivity and scenario modelling we have reviewed the impact of plausible downside scenarios against cash balances excluding the RCF facility as our lender minimum liquidity covenants are established on this basis.

Alongside economic risks, the sector and the university are exposed to various other external risks such as government policy on sector funding, geopolitical events, industrial relations, pension costs and the economic health of the countries in which our students are domiciled. All

of these various risk factors and the potential financial impacts associated with them are considered in our future strategic planning and specifically during each annual planning round.

The Group and parent University had immediately available cash reserves of £61m as at 31 July 2025 (2023-24: £43m) and access to £40m through a revolving credit facility with a current expiry date of 31 March 2027.

As at 31 July 2025, the Group and parent University had long term debt of £133.5m with £68.5m expiring 2043, £50m expiring in 2037 and £15m expiring in 2047.

Conclusion

Overall, the University group has developed a balanced approach to achieving financial sustainability in the medium term and can demonstrate that its financial projections are prudent, achievable and stand up to sensitivity testing.

The University group is forecast to operate within its available cash reserves (without any draw-down on revolving credit facilities) and to meet its financial covenants throughout the Going Concern period. Consequently, University Council is confident that the University will have sufficient funds to continue to meet its liabilities as they fall due from the date of approval of the financial statements until 31 July 2027. Therefore, the financial statements have been prepared on a Going Concern basis.

Basis of consolidation

The consolidated Financial Statements include the University and all its subsidiaries together with a share of profits from a joint venture for the financial year to 31 July 2025. Intra-group transactions are eliminated on consolidation.

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 Institution 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, the part relating to the Institution's share is eliminated.

The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or dominant influence over policy decisions. Joint ventures are accounted for using the gross equity method.

Income recognition

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

Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income and over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

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

Grant funding

Revenue government grants including funding council block and government research grants are recognised within the Statement of Comprehensive 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 credits due within one year and due after more than one year as appropriate.

Capital grants from government or non-government sources are recognised within the Statement of Comprehensive 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 deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

Other grants and donations from non-government sources, including research grants from non-government sources, are recognised within the Statement of Comprehensive 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 deferred on the Balance Sheet and released to the Statement of Comprehensive Income in line with such conditions being met.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the Statement of Comprehensive Income when the University is entitled to the income. 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.

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

Donations with no restrictions are recorded within the Statement of Comprehensive Income when the University is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

- 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 can convert the donated sum into income.
- 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.

Accounting for retirement benefits

The University participates in three principal pension schemes for employees; these are the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS) and the Superannuation Arrangement for the University of London (SAUL). All three schemes are defined benefit schemes which are externally funded and are contracted out of the State Second Pension (S2P). Each fund is valued every three years by professionally qualified independent actuaries.

The USS and SAUL schemes are multi-employer schemes for which it is not possible to identify the assets and liabilities of the University, due to their mutual nature. Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognises a liability for the contributions payable that arise from the agreement to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS and SAUL schemes.

The LGPS is a funded scheme, and the assets of the scheme are held separately. Pension schemes are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the

current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs. The net interest cost on the net defined benefit liability/ asset is charged to comprehensive income and included within finance costs.

Re-measurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on scheme assets (excluding amounts included in net interest on the net defined benefit liability) are recognised immediately in other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis). The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Defined contribution plan

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

Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The University's obligation is to provide the agreed benefits to current and former employees, bearing actuarial risk (that benefits will cost more than expected) and investment risk (that returns on assets set aside to fund the benefit will be lower than expected). The University should

recognise a liability for its obligations under defined benefit plans net of plan assets. This is achieved by estimating the amount of future 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. When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

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.

Finance leases

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

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

Operating leases

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

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 retranslated to sterling at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the Statement of Comprehensive Income.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation. They are amortised on a straight-line basis over 5 years.

Tangible assets

Land and Buildings

Land and buildings are capitalised at cost on initial recognition. After initial recognition land and buildings are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Certain items of land and buildings that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the University. Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

Equipment

Equipment additions are stated at cost, unless they cost less than £25,000 per individual item or group of related items in which case they are taken to the Consolidated, and University, Statement of Comprehensive Income in the year of acquisition.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. The rates of depreciation are as follows:

- Equipment including motor vehicles and other items of general equipment this will be between five and ten years. For computer equipment and software the expected useful life is five years.
- Equipment acquired for specific research projects is written off in the year of acquisition along with its matching grant.
- Straight line depreciation rates for the student accommodation buildings have been separated out between structure, plant and machinery and fit-out. For structure, depreciation is between 5 and 100 years; for plant and machinery, depreciation is between 5 and 40 years; and for fit-out, depreciation is between 5 and 35 years.
- All other freehold and leasehold buildings are depreciated on a straight line basis over 60 years, except for certain items of minor work which are written off over 25 years.
- Land is not depreciated as it is considered to have an indefinite useful life.
- No depreciation is charged on assets in the course of construction.

Where any asset is depreciated, no charge is made to Statement of Comprehensive Income in the year of acquisition. In the year of disposal, however, a full year's charge is made regardless of the timing of the disposal.

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 the 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 Statement of Comprehensive Income.

Heritage assets

The University holds a collection of paintings, prints and similar artworks acquired through a combination of donations and purchases. It is the University's intention to maintain the collection, the majority of which is on public display in the library. These assets are included in the Balance Sheet at a fixed cost which was adopted on transition to FRS102. The University's external valuer (Lyon & Turnbull) carried out a full valuation of the collection on 18 February 2010. The values were established on the basis of the valuer's assessment of the likely replacement cost at suitable specialist retail outlets, having

given consideration to the quality and condition of the items. These 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 is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions at 31 July each year.

Impairment of tangible fixed assets

The carrying amounts of the University Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the Consolidated, and University, Statement of Comprehensive Income

Investments

Fixed and endowment asset investments are included in the Balance Sheet at market value unless this cannot be readily ascertained and the yields are unquantifiable and of a long-term nature, for example seed-corn funding. In such instance, it is considered prudent to charge the cost of the investment to the revenue account in the year of its acquisition. Increases or decreases in value arising on the revaluation of fixed asset investments are charged to the Statement of Comprehensive Income. Where a permanent diminution in value of an asset occurs, the excess will be charged to the Statement of Comprehensive Income.

The profit or loss on disposal of an asset is accounted for in the year in which the disposal occurs as the difference between the net sales proceeds and the net carrying amount, whether carried at historical cost or valuation.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's Balance Sheet. Current asset investments are held at fair value with movements recognised in the Statement of Comprehensive Income.

Investments in equities and gilts are generally treated as fixed asset investments whilst investments in the form of term deposits with banks and other financial institutions which have less than three months to maturity, are shown as cash and cash equivalents. Current asset investments are included at the lower of cost and net realisable value.

Stock

Stock is held at the lower of cost and net realisable value.

Cash and cash equivalents

Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty.

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that 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:

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

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

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

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

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

Accounting for Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

The University accounts for its share of joint ventures using the gross equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets in the Statement of Comprehensive Income.

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 Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

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

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

Deferred tax is provided in full on timing differences which result in an obligation at the Statement of Financial Position date to pay more tax at a future date, or a right to pay less tax at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. 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.

Financial Instruments

The Institution 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 Institution becomes party to the contractual provision 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 Consolidated and University, Statement of Comprehensive Income.

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 Statement of Comprehensive Income. Where the investment 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.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down.

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.

Derivatives, including forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date the derivative contract is entered into and are subsequently re-measured at their fair value at the reporting date. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or finance income as appropriate.

To the extent that the Institution enters into forward foreign exchange contracts which remain unsettled at the reporting date the fair value of the contracts is reviewed at that date. The initial fair value is measured as the transaction price on the date of inception of the contracts. Subsequent valuations are considered on the basis of the forward rates for those unsettled contracts at the reporting date. The Institution does not apply hedge accounting in respect of forward foreign exchange contracts held to manage cash flow exposures of forecast transactions denominated in foreign currencies.

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

Significant judgements and estimates

The preparation of the University's financial statements requires management to make a number of key estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These 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. Judgement is often required in respect of items

where the choice of specific policy, accounting estimate or assumption to be followed could materially affect the reported results or net asset position of the University.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below.

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 charged 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. The carrying value of intangible assets (shown in note 12) as at 31 July 2025 was £4.5m and tangible assets (shown in Note 13) was £367.8m (2023-24: £376m and the annual depreciation charge for the year was £14.9m (2023-24: £43.4m which included a £24.7m impairment charge).

Recoverability of debtors

The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors which have defaulted historically, coupled with current economic knowledge. The provision is based on the current situation of the customers, the age profile of the debt and the nature of the amount due. At 31st July 2025, the total provision for doubtful debts was £4.6m (31 July 2024: £4.2m). This is an increase of £0.4m from the previous year and reflects the challenges to students of the increased cost of living, inflationary rises and ongoing difficulty in recovering debt from students in countries with political or economic instability, currency restrictions or legal barriers.

Retirement benefit obligations

The cost of defined benefit pension plans and other postemployment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in Note 29. The LGPS (Local Government Pension Scheme) scheme is accounted for as a defined benefit scheme and actuarial valuations are carried out annually, with formal actuarial valuations taking place every 3 years. The University has implemented an asset ceiling of £nil in 2024-25 and therefor £nil provision was reported in the Statement of Financial Position (31 July 2024 £Nil pension asset).

Universities Superannuation Scheme

Management is satisfied that Universities Superannuation 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 approving the financial statements. As the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Regarding the USS, the Institution is contractually bound to make deficit recovery payments to USS where required. A liability is recognised at the year end to the extent that deficit recovery payments have been agreed. Following reassessment at the recent triennial valuation, the liability reduced to £nil in 2023-24 and remains so for 2024-25.

Income recognition

In determining the value and timing of certain income items to be recognised in the financial statements, judgements and assumptions are made. This includes evaluating when performance related conditions have been met, and determining the revenues associated with partially delivered courses and training where the activities have not been fully completed at the reporting date.

Tuition fee income is apportioned across financial years to reflect the way courses are timetabled throughout the calendar year and are not aligned to one fixed termly calendar.

Valuation and impairment of assets

At each reporting date, fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. Management have considered potential indicators of impairment, such as obsolescence (including 'mothballing' of property) and potential declines in the market value of property. Where management has judged there to be an impairment, the recoverable amount of the asset has been estimated and compared with its carrying amount. Where the estimated recoverable amount is lower than the carrying amount, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises. From a group position, consideration is also given to whether there are any indicators of impairment of the University's investment in its subsidiary companies in the context of public benefit entity accounting rules.

Leases

Management make judgement in determining whether a lease should be defined as an operating lease or a finance lease by considering the extent that risks and rewards associated with the ownership of the asset have been transferred to the University.

Consolidated and University Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2025

	Notes	Consolidated		University	
		Year Ended	Year Ended	Year Ended	Year Ended
		31 July 2025	31 July 2024	31 July 2025	31 July 2024
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	154,269	180,036	154,269	180,036
Funding body grants	2	27,510	28,655	27,510	28,655
Research grants and contracts	3	38,797	37,744	38,797	37,744
Other income	4	67,475	64,117	61,716	61,193
Endowment and investment income	5	4,621	5,972	3,782	5,012
Donations and endowments	6	208	254	208	254
Total income		292,880	316,778	286,282	312,894
Less: Share of income from joint ventures	4	(341)	(391)	0	0
Net income		292,539	316,387	286,282	312,894
Expenditure					
Staff costs: (excluding USS)	8	181,089	178,316	164,729	162,125
Staff costs: (reversal / release of USS provision)	8	0	(78,479)	0	(77,358)
Total Staff costs		181,089	99,837	164,729	84,767
Other operating expenses	9	112,801	118,607	125,160	146,888
Depreciation	9	14,990	43,426	18,294	24,350
Interest and other finance costs	9	5,442	3,511	5,382	3,426
Total expenditure	10	314,322	265,381	313,565	259,431
(Loss) / Surplus before other gains and losses and share of operating surplus of joint ventures		(21,783)	51,006	(27,283)	53,463
Share of operating surplus in joint ventures	16	0	0	0	0
(Loss) / Gain on investments		(299)	1,316	(299)	1,316
(Loss) / Surplus for the year		(22,082)	52,322	(27,582)	54,779
Actuarial gain / (loss) in respect of pension schemes		60	(2,430)	212	(2,295)
(Decrease) / Increase in value of joint ventures		(33)	0	0	0
Total comprehensive (loss) / profit for the year		(22,055)	49,892	(27,370)	52,484
Represented by:					
Endowment comprehensive (loss) / income for the year		(804)	926	(804)	926
Restricted comprehensive (loss) / income for the year		(285)	561	(285)	561
Unrestricted comprehensive (expenditure) / income for the year		(20,966)	48,405	(26,281)	50,997
Revaluation reserve comprehensive income for the year		0	0	0	0
		(22,055)	49,892	(27,370)	52,484

All items of income and expenditure arise from continuing operations

The notes on pages 53 to 79 form an integral part of these Financial Statements

Consolidated and University Statement of Changes in Reserves

Year Ended 31 July 2025

Consolidated	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2023	9,089	4,755	188,084	0	201,928
Surplus from the income and expenditure statement	926	561	50,835	0	52,322
Other comprehensive loss	0	0	(2,430)	0	(2,430)
Transfers between revaluation and income and expenditure reserve	0	0	0	0	0
Total comprehensive income for the year	926	561	48,405	0	49,892
Balance at 1 August 2024	10,015	5,316	236,489	0	251,820
Loss from the income and expenditure statement	(804)	(285)	(20,993)	0	(22,082)
Other comprehensive profit	0	0	27	0	27
Total comprehensive loss for the year	(804)	(285)	(20,966)	0	(22,055)
Balance at 31 July 2025	9,211	5,031	215,523	0	229,765

University	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2023	9,089	4,755	204,928	0	218,772
Surplus from the income and expenditure statement	926	561	53,292	0	54,779
Other comprehensive loss	0	0	(2,295)	0	(2,295)
Total comprehensive income for the year	926	561	50,997	0	52,484
Balance at 1 August 2024	10,015	5,316	255,925	0	271,256
Loss from the income and expenditure statement	(804)	(285)	(26,493)	0	(27,582)
Other comprehensive profit	0	0	212	0	212
Total comprehensive loss for the year	(804)	(285)	(26,281)	0	(27,370)
Balance at 31 July 2025	9,211	5,031	229,644	0	243,886

The notes on pages 53 to 79 form an integral part of these Financial Statements

Consolidated and University Statement of Financial Position

as at 31 July 2025

	Notes	Consolidated		University	
		Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Non-current assets					
Intangible assets	12	4,460	0	4,460	0
Tangible assets	13	366,143	374,049	346,696	357,789
Heritage assets	13	798	798	798	798
Investment Properties	13	880	950	880	950
Investments	15	13,028	20,347	51,607	58,926
Investment in joint ventures	16	56	90	0	0
		385,365	396,234	404,441	418,463
Current assets					
Stocks	17	274	305	164	172
Debtors	18	26,553	31,831	26,935	32,668
Investments	19	0	32,347	0	32,347
Cash and cash equivalents		61,421	43,475	60,998	42,154
		88,248	107,958	88,097	107,341
Less: Creditors: amounts falling due within one year	20	(65,544)	(68,977)	(79,288)	(80,321)
		22,704	38,981	8,809	27,020
Net current assets					
		22,704	38,981	8,809	27,020
Total assets less current liabilities					
		408,069	435,215	413,250	445,483
Less creditors: amounts falling due after more than one year	21	(175,191)	(178,663)	(166,251)	(169,495)
Pension provisions	22	0	(209)	0	(209)
Other provisions	22	(3,113)	(4,523)	(3,113)	(4,523)
		229,765	251,820	243,886	271,256
Restricted Reserves					
Income and expenditure reserve - endowment reserve	23	9,211	10,015	9,211	10,015
Income and expenditure reserve - restricted reserve	24	5,031	5,316	5,031	5,316
Unrestricted Reserves					
Unrealised gain on equity investments		178	199	178	199
Income and expenditure reserve - unrestricted		215,345	236,290	229,466	255,726
		229,765	251,820	243,886	271,256

The Financial Statements were approved by the Governing Body on 22 December 2025 and were signed on its behalf by:

PROFESSOR F. BOWEN
Vice-Chancellor

M. LEECH
Chair of Council

A. KEEBLE
Chief Financial Officer

The notes on pages 53 to 79 form an integral part of these Financial Statements

Consolidated Cash Flow Statement

Year Ended 31 July 2025

	Notes	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Cash flow from operating activities			
(Loss) / Surplus for the year		(21,783)	51,006
Adjustment for non-cash items			
Depreciation	13	14,970	43,426
Amortisation of Intangibles	12	20	0
Revaluation of investment property	13	70	20
Revaluation of fixed assets	13	0	(1,485)
Decrease in stocks	17	31	26
Decrease in debtors	18	5,278	3,000
(Decrease) in creditors		(4,519)	(9,460)
(Decrease) in provisions		(1,559)	(83,747)
Gain on disposal of tangible fixed assets		1,227	893
Investment income	5	(4,621)	(5,972)
Interest payable	9	5,436	5,581
Net cash (outflow) / inflow from operating activities		(5,450)	3,288
Cash flows from investing activities			
Disposal of short term investments	19	32,347	28,981
Investment income	5	4,621	5,972
Payments made to acquire intangible fixed assets	12	(2,692)	0
Payments made to acquire tangible fixed assets	13	(10,078)	(27,383)
Non-current investment acquisitions / disposals	15	7,020	15
		31,218	7,585
Cash flows from financing activities			
Interest paid	9	(5,436)	(5,581)
Repayments of amounts borrowed		(2,386)	(2,266)
		(7,822)	(7,847)
Increase in cash for the year		17,947	3,026
Cash and cash equivalents at beginning of the year		43,475	40,449
Cash and cash equivalents at end of the year		61,421	43,475

The notes on pages 53 to 79 form an integral part of these Financial Statements

Notes to the Accounts
for the year ended 31 July 2025

	Consolidated		Univerity	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
	£'000	£'000	£'000	£'000
1 Tuition fees and education contracts				
Full-time home and EU students	66,783	71,757	66,783	71,757
Full-time international students	80,677	102,258	80,677	102,258
Part-time students	1,838	1,673	1,838	1,673
Non-credit-bearing tuition fees	1,351	1,311	1,351	1,311
NHS contracts	3,620	3,037	3,620	3,037
	<u>154,269</u>	<u>180,036</u>	<u>154,269</u>	<u>180,036</u>
2 Funding body grants				
Recurrent grant				
Office for Students Teaching Grant	6,462	7,478	6,462	7,478
Research England Research Grant	13,664	13,645	13,664	13,645
OfS Capital grant	0	50	0	50
Research England Capital grant	1,841	1,652	1,841	1,652
Specific grants				
OfS National Collaborative Outreach Programme	805	1,176	805	1,176
OfS PG Conversion Courses	108	161	108	161
OfS Degree Apprenticeship Wave 1 Funding	(3)	113	(3)	113
OfS Lifelong Learning	53	0	53	0
Research England Higher Education Innovation Fund	4,069	3,797	4,069	3,797
Research England ISPF Institutional Support Grant (ODA)	27	29	27	29
Research England Transitions & Transformation	105	121	105	121
Research England Enhancing Research Culture	250	250	250	250
Research England Participatory Research Funding	53	56	53	56
Research England Policy Support Funding	76	127	76	127
	<u>27,510</u>	<u>28,655</u>	<u>27,510</u>	<u>28,655</u>
3 Research grants and contracts				
Research Councils	26,150	25,858	26,150	25,858
UK-based charities	2,463	2,056	2,463	2,056
UK central government, local authorities and health authorities	6,375	5,646	6,375	5,646
UK industry, commerce and public corporations	1,338	1,397	1,338	1,397
European Union government bodies	837	1,059	837	1,059
Other overseas	1,602	1,683	1,602	1,683
Other sources	32	45	32	45
	<u>38,797</u>	<u>37,744</u>	<u>38,797</u>	<u>37,744</u>
4 Other income				
Other services rendered:				
Income from academic partnerships	6,099	7,505	6,099	7,505
Other sources	1,402	1,003	1,402	1,003
Commercial services income	46,132	43,396	38,592	37,727
Revenue Grants	630	1,156	630	1,156
Rental income	718	701	718	701
Other income	12,153	9,965	14,275	13,101
Income from joint ventures	341	391	0	0
	<u>67,475</u>	<u>64,117</u>	<u>61,716</u>	<u>61,193</u>
5 Endowment and investment income				
Investment income on endowments	123	150	123	150
Investment income on restricted reserves	122	184	122	184
Other investment income	4,376	5,638	3,537	4,678
	<u>4,621</u>	<u>5,972</u>	<u>3,782</u>	<u>5,012</u>
6 Donations and endowments				
New donations with restrictions	208	254	208	254
	<u>208</u>	<u>254</u>	<u>208</u>	<u>254</u>

Notes to the Accounts
for the year ended 31 July 2025

	Consolidated		University	
	Year Ended 31 July 2025	Year Ended 31 July 2024	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000	£'000	£'000
Grant and Fee Income				
The source of of grant and fee income, included in notes 1 to 2 is as follows:				
Grant income from the OfS	7,425	8,978	7,425	8,978
Grant Income from other bodies	20,085	19,677	20,085	19,677
Fee income for taught awards (exclusive of VAT)	144,348	170,916	144,348	170,916
Fee income for research awards (exclusive of VAT)	8,265	7,348	8,265	7,348
Fee income from non-qualifying courses (exclusive of VAT)	1,656	1,772	1,656	1,772
Total Grant and Fee income	181,779	208,691	181,779	208,691

	Consolidated		University	
	Year Ended 31 July 2025	Year Ended 31 July 2024	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000	£'000	£'000
7 (Deficit) / Surplus for the year				
The (deficit) / surplus on continuing operations for the year is made up as follows:				
University's (deficit) / surplus for the year	(28,224)	54,362	(27,582)	54,779
Surplus generated by subsidiary undertakings and transferred to the University under gift aid	642	417	0	0
Surplus / (Deficit) retained by subsidiary undertakings and joint ventures	5,500	(2,457)	0	0
	(22,082)	52,322	(27,582)	54,779

	Consolidated		University	
	Year Ended 31 July 2025	Year Ended 31 July 2024	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000	£'000	£'000
8 Staff costs				
Staff Costs :				
Salaries	140,998	133,532	126,605	119,375
Social security costs	14,823	13,765	13,663	12,724
Costs of defined benefit pension schemes	25,268	31,019	24,461	30,026
	181,089	178,316	164,729	162,125
Reversal / release of USS provision	0	(78,479)	0	(77,358)
Total staff costs	181,089	99,837	164,729	84,767

In January 2025, the University and subsidiary companies opened up a voluntary severance scheme. During the year compensation was paid for the loss of office of £10,505,182 to 249 staff

Compensation for loss of office or termination payment, equivalent to statutory redundancy in respect of the end of a fixed term contract(s) lasting over 2 years paid to a member of staff for 2024-25 was £102k (2023-24: £97k)

Other pension costs include pension contributions made by the University on behalf of employees who have elected to reduce their wages and salaries when the University introduced its Pensions Plus scheme in April 2009.

	Note 8i	Year Ended	Year Ended
		31 July 2025	31 July 2024
		£	£
Remuneration Package of the Vice-Chancellor :			
Basic Salary		250,488	335,201
Medical Insurance		0	5,123
Accommodation		0	5,518
Cleaning		0	3,453
Utilities		0	694
Pension contributions to USS		40,172	62,711
Salary and Associated Benefits		290,660	412,700

Professor Maria Fasli was in post full-time as acting Vice-Chancellor for the whole of the financial year ending 31 July 2025. The property for use by the Vice-Chancellor was last occupied in July 2024 and has not been occupied by Professor Fasli at any time up to the balance sheet date.

Professor Frances Bowen joined the University on 2 June 2025, and was appointed as substantive Vice Chancellor from 1 August 2025.

Notes to the Accounts

for the year ended 31 July 2025

8 Staff costs

	2025	2024
	No.	No.
Remuneration (basic salary) of other higher paid staff, before any salary sacrifice:		
£100,000 to £104,999	10	11
£105,000 to £109,999	11	17
£110,000 to £114,999	11	6
£115,000 to £119,999	4	5
£120,000 to £124,999	8	6
£125,000 to £129,999	4	3
£130,000 to £134,999	0	1
£135,000 to £139,999	4	1
£140,000 to £144,999	3	3
£145,000 to £149,999	2	1
£150,000 to £154,999	1	1
£155,000 to £159,999	3	2
£160,000 to £164,999	3	5
£165,000 to £169,999	1	1
£170,000 to £174,999	1	1
£195,000 to £199,999	1	1
£250,000 to £254,999	1	0
£335,000 to £339,999	0	1
	<u>68</u>	<u>66</u>

	No.	No.
Average staff numbers by major category :		
Academic	1,005	1,043
Research	126	110
Senior Support	750	807
Other Support	615	689
General Support	318	356
	<u>2,814</u>	<u>3,005</u>

Key management personnel

The Institution considers that key management personnel are the members of the University Steering Group (USG) and are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Emoluments:		
Salary	1,420	1,582
Benefits in Kind	0	14
Severance	90	0
Total remuneration before pension contributions	<u>1,510</u>	<u>1,596</u>
Pension contributions to USS	310	270
Total remuneration including pension contributions	<u>1,820</u>	<u>1,866</u>

Trustees

No Trustee has received any remuneration/waived payments from the group during the year. Eight trustees are also employees of the University but received no additional payment for acting as trustees.

The total expenses paid to or on behalf of 19 council members were £5,010 (2023-24: £4,926). This represents travel and accommodation expenses incurred in attending Council, Committee meetings, Graduations and Charity events in their official capacity.

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Access and Participation - Staff Costs		
Access Investment	1,232	1,314
Financial Support	0	0
Disability Support (excluding expenditure included in the two categories above)	280	298
Research and Evaluation	214	217
	<u>1,726</u>	<u>1,829</u>

These figures are the staff costs associated with our Access and Participation Plan.

Our total Access and Participation Plan expenditure, including these staff costs of £1,726k are detailed in Note 11.

Notes to the Accounts

for the year ended 31 July 2025

8i Vice-Chancellor's remuneration package

Details of the Vice-Chancellor's remuneration package and expenses are published on the University's website. For the period 1 August 2024 to 31 July 2025 the University of Essex appointed an Acting Vice-Chancellor. The following notes describe the elements of the associated benefits set out in note 8:

Accommodation: The University owns a property on the Colchester campus known as Lake House. This property was constructed at the same time the University was being established, for the specific purpose of enabling the Vice-Chancellor to be resident on campus. The Vice-Chancellor has a choice whether to reside at Lake House as their primary residence during their period of office or elsewhere, it is not a contractual requirement.

In line with current tax treatment, this is classified as a taxable benefit and the benefit value of the residence detailed above is based on a gross rating value agreed with HMRC. Lake House's location on the Colchester campus means that there is no opportunity for the University to receive a commercial rental income for this property. Notwithstanding the location, a rental valuation of the Vice-Chancellor's residence has been carried out in October 2022 and the notional rental value is identified as £36,000 p.a.

During the financial year 2024-25, the Acting Vice-Chancellor did not reside at the University Lakehouse Property, and therefore, has no tax liability for this period.

The Acting Vice-Chancellor could make use of this house to host events for University staff and students and for external stakeholders with an interest in, or supporting, the work of the University. During 2024-25 there were no events held.

Cleaning: The University has borne the costs of maintenance and upkeep of the property, during the time the accommodation was unoccupied. All major works need to be approved by the Chief Operating Officer.

Utilities: The University has borne the cost of electricity and gas supplied to the property during 2024-25, whilst the accommodation was unoccupied.

Pension contributions: The Acting Vice-Chancellor is eligible for membership of the Universities Superannuation Scheme (USS), the scheme available to the majority of employees of the University. The Acting Vice-Chancellor was an active member of USS throughout the reporting year.

Pay and reward in the University is overseen by the Remuneration Committee of Council. The composition of the Committee is at <https://www.essex.ac.uk/-/media/documents/about/governance/committees-council.pdf> and includes an independent advisor who is external to the University and is not a Council member. The Acting Vice-Chancellor is not a member of Remuneration Committee.

The University of Essex participates in the national process of collective bargaining with the trade unions undertaken on behalf of employers. Through this process, an agreed level of percentage increase is applied to all points of the nationally agreed pay spine, to reflect the impact of increases in the cost of living on pay. The University's policy is to apply that percentage increase to the pay of all members of staff. In addition, all members of staff have an opportunity to apply for additional pay through the University's annual review process in recognition of exceptional performance. The University only considers cases for additional pay for those who submit an application.

Notes to the Accounts

for the year ended 31 July 2025

8i Vice-Chancellor's remuneration package - continued

The Remuneration Committee reviews the pay and performance of the Acting Vice-Chancellor each year. For this annual review cycle the Acting Vice-Chancellor did not make an application for additional pay through the annual review process.

In relation to performance, following consultation with others, through the Appraisal and Personal Development Scheme (APDR), the Chair of Council reviewed the Acting Vice-Chancellor's performance and set objectives for the following year. These personal objectives are set for the Acting Vice-Chancellor, and these are shared with the Remuneration Committee and the whole of Council for comment and are published on the University website.

The Remuneration Committee considers a range of benchmarking information in considering pay levels. In relation to the Acting Vice-Chancellor, their salary is benchmarked annually using the benchmarking framework agreed with Council. There are four benchmarking comparator groups used, based on:

- Universities ranked in the top 30 in The Times and The Sunday Times Good University Guide,
- Institutions ranked amongst the top 25 in both the REF and TEF,
- Institutions that comprise Cluster X in the Knowledge Exchange Framework (KEF) and
- Universities that form part of the University's UCAS comparator group.

Benchmarking data for the Vice-Chancellor is provided to the Committee for information, whether or not an application is made for additional pay through the annual review process. Remuneration Committee reviews the benchmarking framework annually to ensure comparators continue to be appropriate and relevant. The Acting Vice-Chancellor's salary was comparable to the lower quartile of these comparators.

The Committee assesses the Acting Vice-Chancellor's performance, drawing upon evidence from the University's overall performance against the KPIs contained in the Strategic Plan, the Strategic Priority Actions set for the VC at the beginning of the preceding academic year and the outcomes of the APDR performance review discussion with the Chair of Council.

The relationship between the Vice-Chancellor's contractual remuneration and that for all other employees is reviewed annually:

The acting head of the provider's basic salary is 6.38 times (2023-24 head of provider - 9.04) the median pay of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The acting head of the provider's total remuneration (including other benefits) is 5.95 times (2023-24 head of provider - 8.94) the median total remuneration of all staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

Following implementation of the latest OfS requirements on the basis for calculating the above pay ratios, the University has put in place measures to capture information on the pay of agency and similar staff and has included these in the information on pay ratios set out above.

Notes to the Accounts
for the year ended 31 July 2025

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
	£'000	£'000	£'000	£'000
9 Other operating expenses				
Books and periodicals	5,129	5,491	5,128	5,491
Equipment and consumables	2,802	5,217	2,375	3,131
Food, drink and hospitality	1,800	3,525	61	87
Gas, water and electricity	7,479	4,522	7,397	4,450
Cleaning	916	1,148	59	319
Grants to Students' Union	3,329	3,332	3,329	3,332
Insurance	580	842	587	842
Long-term maintenance programme and minor works	1,191	1,650	1,101	1,612
Other expenses	14,300	11,212	27,121	27,925
Postage, telephones, printing & stationery	392	734	303	592
Professional and consultancy fees	6,216	6,470	8,351	9,493
Rates and rental of premises	21,890	20,805	21,933	20,933
Repairs and routine maintenance of estates	2,095	3,470	1,946	5,877
Sub-contracted services	12,976	11,837	12,978	11,837
Scholarships (fee waivers and bursaries)	16,798	18,341	16,798	18,341
Travel, subsistence and accommodation	920	2,451	1,820	2,340
IT / AV Equipment	6,215	7,052	6,080	6,900
Fire safety and security	325	413	253	620
Adverts and marketing	2,277	2,667	2,071	2,458
Agents commission	5,101	7,408	5,399	7,676
Loss on revaluation of investment property	70	20	70	12,632
	112,801	118,607	125,160	146,888

Included within professional, auditor and consultancy fees above are the following amounts receivable by the external auditor:

Statutory audit fee University and Consolidation Work: £153,000 (2023-24: £121,200)

Audit-related assurance services: £7,760 (2023-24: £7,390)

Non-audit services: £109,459 (2023-24: £NIL)

Statutory audit fee for Subsidiaries*: £64,250 (2023-24: £58,300)

*Subsidiary audit carried out by separate external auditors for 2024-25

Depreciation, impairment and amortisation

Depreciation charge on tangible fixed assets		14,990	43,426
		14,990	43,426

Finance charges

Bank Interest payable		5,436	5,581
Net charge on pension scheme		6	(2,070)
		5,442	3,511

10 Analysis of total expenditure by activity

	Staff costs	Other operating expenses	Depreciation and Amortisation	Interest paid	2024-25 Total	2023-24 Total
	£'000	£'000	£'000	£'000	£'000	£'000
Academic departments and centres	89,486	8,593	14	0	98,093	56,786
Academic services	23,370	15,283	0	0	38,653	21,680
Research grants and contracts	14,838	15,061	308	0	30,207	29,431
Residences and catering	16,360	31,327	2,361	1,379	51,427	56,138
Premises	3,990	7,089	12,170	0	23,249	31,585
Administration and Central Services	32,708	33,288	137	52	66,185	61,254
Other expenses	337	2,160	0	4,011	6,508	8,507
	181,089	112,801	14,990	5,442	314,322	265,381

The reduction in expenditure for 2023-24 was largely as a result of the release of the USS pension provision

Notes to the Accounts

for the year ended 31 July 2025

11 Access and Participation

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
	£'000	£'000	£'000	£'000
Access Investment	1,871	2,236	1,871	2,236
Financial Support	1,284	1,587	1,284	1,587
Disability Support	308	331	308	331
Research and Evaluation	214	217	214	217
	3,677	4,371	3,677	4,371

£1,726k (2023-24: £1,829k) of these costs are already included in the overall staff costs figures included in the financial statements, see note 8.

Our published access and participation plan can be found at

<https://www.essex.ac.uk/about/governance/access-and-participation-plan>

12 Intangible assets

Consolidated and University	Software £'000	Assets in the Course of Construction £'000	Total
			£'000
Cost			
At 1 August 2024	0	0	0
Transfer from Tangible Assets	98	1,729	1,827
Additions	0	2,692	2,692
At 31 July 2025	98	4,421	4,519
Amortisation			
At 1 August 2024	0	0	0
Adjustments	39	0	39
Charge for the year	20	0	20
At 31 July 2025	59	0	59
Net Book Value			
At 31 July 2025	39	4,421	4,460
At 31 July 2024	0	0	0

Notes to the Accounts
for the year ended 31 July 2025

13 Tangible assets

	Freehold Land and Buildings £'000	Leasehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Heritage Assets £'000	Investment Properties £'000	Total £'000
Consolidated							
Cost							
At 1 August 2024	448,813	13,110	98,032	10,192	798	950	571,895
Adjustments including transfer to Intangible assets and freehold buildings*	1,996	(1,991)	(103)	(1,729)	0	0	(1,827)
Additions	4,731	0	3,793	1,554	0	0	10,078
Transfers	7,371	0	1,667	(9,038)	0	0	0
Disposals	(3,690)	0	(214)	0	0	0	(3,904)
Revaluations	0	0	0	0	0	(70)	(70)
At 31 July 2025	459,221	11,119	103,176	979	798	880	576,173
Depreciation							
At 1 August 2024	134,187	1,948	59,963	0	0	0	196,098
Adjustments **	(3,244)	(625)	(39)	0	0	0	(3,908)
Charge for the year	8,926	47	9,835	0	0	0	18,808
Disposals	(2,477)	0	(200)	0	0	0	(2,677)
Impairment	0	0	0	31	0	0	31
At 31 July 2025	137,392	1,370	69,559	31	0	0	208,352
Net Book Value							
At 31 July 2025	321,829	9,749	33,617	948	798	880	367,821
At 31 July 2024	314,626	11,162	38,069	10,192	798	950	375,797
University							
Cost							
At 1 August 2024	404,301	11,119	95,337	10,161	798	950	522,666
Adjustments	7	0	(105)	(1,729)	0	0	(1,827)
Additions	4,932	0	3,696	1,554	0	0	10,182
Transfers	7,371	0	1,667	(9,038)	0	0	0
Disposals	(3,681)	0	(125)	0	0	0	(3,806)
Impairment	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	(70)	(70)
At 31 July 2025	412,930	11,119	100,470	948	798	880	527,145
Depreciation							
At 1 August 2024	103,713	1,323	58,093	0	0	0	163,129
Adjustments	0	0	(39)	0	0	0	(39)
Charge for the year	8,529	47	9,698	0	0	0	18,274
Transfers	0	0	0	0	0	0	0
Disposals	(2,468)	0	(125)	0	0	0	(2,593)
Impairment	0	0	0	0	0	0	0
At 31 July 2025	109,774	1,370	67,627	0	0	0	178,771
Net Book Value							
At 31 July 2025	303,156	9,749	32,843	948	798	880	348,374
At 31 July 2024	300,588	9,796	37,244	10,161	798	950	359,537

University Land and Buildings include £48.5m (2023-24: £48.8m) in respect of freehold land which is not depreciated. Included in the cost of fixed assets is aggregated interest capitalised of £2.8m (2023-24: £2.8m)

*£1.827m transfer relates to software development incorrectly classified as tangible fixed assets in the prior year accounts. £1.9m is a transfer from leasehold property to freehold property.

** In the previous financial year, freehold land held by subsidiary companies was impaired by £3.7m. As this land was originally purchased from the University, neither the price paid, nor the impairment charge should be reflected in the Group financial statements. However, the Group accounts incorrectly included this impairment charge in the 2024 financial statements. This error has been corrected as a current year adjustment. £0.625m relates to a transfer of buildings from leasehold to freehold.

Notes to the Accounts

for the year ended 31 July 2025

14 Heritage assets

The University Equipment includes assets valued at £798k for works of art deemed to be heritage assets which were capitalised in 2009-10. The University's external valuer (Lyon & Turnbull) carried out a full valuation of the collection at 18 February 2010, and this was the fixed cost on transition. The values were established on the basis of the valuer's assessment of the likely replacement cost at suitable specialist retail outlets, having given consideration to quality and condition for a similar item.

We are currently looking into a tender process to have our Heritagae Assets revalued.

15 Investments

	Consolidated		University	
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
At 1 August	20,347	19,046	58,926	70,237
(Disposals) / Additions	(7,020)	1,301	(7,020)	1,301
Impairment of subsidiary investment	0	0	0	(12,612)
Fair Value Adjustment	(299)	0	(299)	0
At 31 July	13,028	20,347	51,607	58,926
Comprising:				
Managed Investment Portfolio				
Equities	10,602	11,163	11,554	11,163
Alternative Investments	1,372	1,585	419	1,585
Cash Holdings	844	369	845	369
Subsidiary companies:				
University of Essex Knowledge Gateway Holdings Ltd	0	0	21,851	21,851
Universal Accommodation Group Ltd	0	0	2,893	2,893
University of Essex Campus Services Ltd	0	0	2,734	2,734
Wivenhoe House Hotel Ltd	0	0	11,101	11,101
Other investments	210	7,230	210	7,230
	13,028	20,347	51,607	58,926

16 Investment in Joint Ventures

Southend-on-Sea Forum Management Limited

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	£'000	£'000	£'000	£'000
Income and expenditure account				
Income		341		391
Expenditure		(341)		(391)
Profit before tax		0		0
Balance sheet				
Fixed assets	0		0	
Current assets	348	348	344	344
Creditors: amounts due within one year	(291)		(254)	
Creditors: amounts due after more than one year	0	(291)	0	(254)
Share of net assets in Southend-on-Sea Forum Management Ltd		57		90

Southend-on-Sea Forum Management Ltd (SoSFML) is a joint venture between University of Essex, Southend-on-Sea City Council and South Essex College of Further and Higher Education. The joint venture was established in order to oversee the property management of the Forum building in Southend which is the UK's first integrated academic and public library and combines the modern teaching facilities of South Essex College, the research and learning environment of the University of Essex and the municipal library of Southend-on-Sea Borough Council. For the year ending 31 July 2025 it recorded a surplus of £nil (2023-24: £nil).

During the year, SoSFML Ltd purchased goods and services to the value of £1.6k from the University (2023-24: 3k) of which £Nil was outstanding at 31 July 2025 (2023-24: £Nil). SoSFML Ltd provided services to the University to the value of £341k (2023-24: £444k) with £Nil outstanding at 31 July 2025 (2023-24: £Nil).

Southend-on-Sea Forum Management Ltd has been accounted for as a joint venture in accordance with FRS 102 Section 15. The level of profit included within the consolidated financial statements is as shown above and in the summary of joint ventures note.

Notes to the Accounts
for the year ended 31 July 2025

16 Investment in joint venture (continued)

Total investment in Joint Ventures:

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Total income from joint ventures recognised in the Income Statement		
Income from SoSFML	341	391
Total Income from joint ventures	<u>341</u>	<u>391</u>

Total profit / (loss) from joint ventures recognised in the Income Statement

Profit from SoSFML	0	0
Total profit / (loss) from joint ventures	<u>0</u>	<u>0</u>

Share of gross assets and liabilities in joint ventures:

Share of net assets in SoSFML	57	90
Total share of gross assets in joint ventures	<u>57</u>	<u>90</u>

17 Stock

	Consolidated		University	
	Year Ended 31 July 2025	Year Ended 31 July 2024	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000	£'000	£'000
Stock	<u>274</u>	<u>305</u>	<u>164</u>	<u>172</u>

18 Debtors

	Consolidated		University	
	Year Ended 31 July 2025	Year Ended 31 July 2024	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade debtors	937	775	711	449
Student fees	7,003	10,569	7,003	10,569
Research debtors	5,218	5,457	5,218	5,457
Prepayments and accrued income	13,343	14,958	12,178	14,001
Other debtors	52	72	30	30
Amounts due from subsidiary companies	0	0	1,795	2,162
	<u>26,553</u>	<u>31,831</u>	<u>26,935</u>	<u>32,668</u>

Notes to the Accounts
for the year ended 31 July 2025

19 Investments

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
	£'000	£'000	£'000	£'000
Short term deposits of one year or less	0	32,347	0	32,347
	<u>0</u>	<u>32,347</u>	<u>0</u>	<u>32,347</u>

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Conduct Authority with more than 24 hours maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2025 there were no short term deposits. At 31 July 2024 weighted average interest rate of these fixed rate deposits was 3.97% per annum and the remaining weighted average period for which the interest rate was fixed on these deposits is 55 days. The fair value of these deposits was not materially different from the book value.

20 Creditors : amounts falling due within one year

	Consolidated		University	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 July 2025	31 July 2024	31 July 2025	31 July 2024
	£'000	£'000	£'000	£'000
Secured loans	2,503	2,386	2,503	2,386
Payments received in advance	24,480	28,529	24,339	28,388
Research grants received on account	17,846	14,131	17,846	14,131
Trade creditors	3,420	3,661	3,111	3,378
Social security and other taxation payable	6,410	5,491	6,109	5,247
Accruals and deferred income	10,885	14,779	8,698	11,668
Amounts due to subsidiary companies	0	0	16,682	15,123
	<u>65,544</u>	<u>68,977</u>	<u>79,288</u>	<u>80,321</u>

Amounts payable to subsidiary companies fall due in line with the normal trading terms of the University. They are unsecured and interest free.

Notes to the Accounts

for the year ended 31 July 2025

21 Creditors : amounts falling due after more than one year

	Consolidated		University	
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Analysis of secured and unsecured loans:				
Due within one year or on demand	2,503	2,386	2,503	2,386
Due between one and two years	2,503	2,386	2,503	2,386
Due between two and five years	8,782	5,971	8,782	5,971
Due in five years or more	57,234	62,665	57,234	62,665
	71,022	73,408	71,022	73,408
Due within one year or on demand	(2,503)	(2,386)	(2,503)	(2,386)
Due after more than one year	68,519	71,022	68,519	71,022
Other creditors:				
Due between one and two years	5,785	5,920	741	741
Due between two and five years	2,222	2,963	2,222	2,963
Due in five years or more	98,665	98,758	94,769	94,769
	106,672	107,641	97,732	98,473
Total	175,191	178,663	166,251	169,495

As at 31 July 2025, the University had secured loans with Lloyds totalling £71.0m (2023-24: £73.4m), at a fixed rate of interest of 4.79% and repayable by 2043. The loan is secured on the Southend Student Accommodation land and building which has a netbook value at 31 July 2025 of £23.0m (2023-24: £23.3m).

On 14 July 2017 the University contracted with Sunlife to issue £50m of 2.87% unsecured bonds due 2037 and £15m of 3.11% unsecured bonds due 2047. The bonds were issued at 100% of their principal amount on 29 September 2017 and the proceeds of issue amounted to £65m. Interest is payable on the 29 March and 29 September each year commencing 29 March 2018. Unless previously redeemed, the bonds will be redeemed at their principal amount on 29 September 2037 and 29 September 2047 respectively.

The University also has in place a currently undrawn Revolving Credit Facility of £40m with Santander, which is due to expire 31 March 2027.

The remaining £41.7m of other creditors due after one year represents deferred income.

22 Provisions for liabilities

Consolidated

	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Defined Benefit Obligations LGPS pension £'000	Total Pensions Provisions £'000	Total Other £'000
At 1 August 2024	0	0	209	209	4,523
Utilised in year	0	0	(209)	(209)	(1,410)
At 31 July 2025	0	0	0	(209)	3,113

University

	Obligation to fund deficit on USS pension £'000	Obligation to fund deficit on SAUL pension £'000	Defined Benefit Obligations LGPS pension £'000	Total Pensions Provisions £'000	Total Other £'000
At 1 August 2024	0	0	209	209	4,523
Utilised in year	0	0	(209)	(209)	(1,410)
31 July 2025	0	0	0	0	3,113

The University of Essex has implemented an asset ceiling of £nil in 2024-25.

USS and SAUL deficit

The obligation to fund the past deficits on the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London ("SAUL") arises from the contractual obligation with the pension schemes for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision now not in deficit. Further details in relation to the University's pension schemes can be found at note 29.

Notes to the Accounts

for the year ended 31 July 2025

23 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Expendable endowments	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
Balances at 1 August				
Capital	143	9,737	9,880	8,975
Accumulated income	25	110	135	114
	168	9,847	10,015	9,089
New endowments	0	0	0	0
Transfer to Expendable Endowments	0	0	0	1,735
Transfer from Permanent Endowments	0	0	0	(1,735)
Investment income	3	120	123	150
Expenditure	0	(723)	(723)	(129)
	3	(603)	(600)	21
(Decrease) / Increase in market value of investments	(3)	(201)	(204)	905
At 31 July	168	9,043	9,211	10,015
Represented by:				
Capital	140	9,043	9,183	9,880
Accumulated income	28	0	28	135
	168	9,043	9,211	10,015
Analysis by type of purpose:				
Scholarships and bursaries	20	1,914	1,934	1,943
Prize funds	51	95	146	147
General	97	7,034	7,131	7,925
	168	9,043	9,211	10,015
Analysis by asset				
Current and non-current asset investments			8,754	9,019
Cash & cash equivalents			457	996
			9,211	10,015

Notes to the Accounts

for the year ended 31 July 2025

24 Restricted Reserves

Reserves with restrictions are as follows:

	Donations	
	2025 Total £'000	2024 Total £'000
Balances at 1 August	5,316	4,755
New donations	208	254
Investment income	122	184
(Decrease) / Increase in market value of investments	(95)	411
Expenditure	(520)	(288)
	<u>(493)</u>	<u>307</u>
At 31 July	<u>5,031</u>	<u>5,316</u>
Analysis of other restricted funds /donations by type of purpose:		
Scholarships and bursaries	1,424	1,443
Prize funds	398	399
General	3,209	3,474
	<u>5,031</u>	<u>5,316</u>
Analysis by asset		
Current and non-current asset investments	4,064	4,098
Cash & cash equivalents	967	1,218
	<u>5,031</u>	<u>5,316</u>

Notes to the Accounts
for the year ended 31 July 2025

25 Consolidated reconciliation of net debt

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Net debt 1 August	(62,586)	(38,898)
Movement in cash and cash equivalents	(12,015)	(23,688)
Net debt 31 July	<u>(74,601)</u>	<u>(62,586)</u>
Change in net debt	<u>(12,015)</u>	<u>(23,688)</u>

	Consolidated	
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Analysis of net debt:		
Cash and cash equivalents	61,421	75,822
Borrowings: amounts falling due within one year		
Secured loans	<u>(2,503)</u>	<u>(2,386)</u>
	58,918	73,436
Borrowings: amounts falling due after more than one year		
Secured loans	(68,519)	(71,022)
Unsecured Bond	(65,000)	(65,000)
	<u>(133,519)</u>	<u>(136,022)</u>
Net Debt	<u>(74,601)</u>	<u>(62,586)</u>

26 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2025:

	Consolidated		University	
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Commitments contracted for	4,278	7,544	3,997	7,333
Authorised but not contracted for	0	1,315	0	1,315
	<u>4,278</u>	<u>8,859</u>	<u>3,997</u>	<u>8,648</u>

Notes to the Accounts

for the year ended 31 July 2025

27 Lease obligations	31 July 2025 Consolidated			Year Ended 31 July 2024
	Land and Buildings £'000	Plant and Machinery £'000	Total £'000	
Total rentals payable under operating leases:				£'000
Payable during the year	250	186	436	276
Future minimum lease payments due:				
Not later than one year	382	158	540	361
Later than 1 year and not later than 5 years	1,232	190	1,422	1,464
Later than 5 years	4,713	0	4,713	5,926
Total lease payments due	6,327	348	6,675	7,751

28 Disclosure of related party transactions

The related parties of the University are the wholly and partially owned subsidiary undertakings (listed in note 30) of these Financial Statements, the University of Essex Students' Union, the University Executive Committee and the members of the Council.

In the preparation of these Financial Statements, the University has taken advantage of the exemptions contained within Section 33.1A of FRS 102 relating to transactions and balances eliminated on consolidation.

All transactions and balances with the subsidiary undertakings have been eliminated on consolidation and therefore no disclosure is given.

Due to the nature of the relationship between the entities, the University of Essex Students' Union, which has a presence at Colchester, Southend and Loughton Campuses, is considered to be a related party. In the year to 31 July 2025 the University paid the Union a revenue grant of £3.28m (2023-24: £3.29m). This payment was made through four grants: the first being a core grant of £2.26m as unrestricted funds to be used in support of the Union's charitable aims in supporting the educational and social aspects of student life at the University of Essex; the second being a rental grant of £515k; the third being a grant of £260k in support of sports clubs within the Union; and the fourth being a contribution of £241k to the Student Union Voluntary Severance Scheme.

The Union's income and expenditure account shows the following:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Income	2,920	3,150
Expenditure	(2,997)	(2,951)
Operating (deficit) / surplus before and after transfers from reserves	(77)	199

Lily-May Cameron was a Council member during 2024-25 who also sat on Essex Students' Union Board.

All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and normal procurement procedures. Given that the University Council includes members drawn from public and private sector organisations, some transactions take place with organisations in which a member of Council may have an interest. However, these transactions occur at the operational level where they are instigated by members of staff and approved by senior management under delegated authority. There is no direct benefit to members of Council.

Members of Council, its sub-committees and key management personnel are required to declare all outside interests. When an item arises in which a member has an interest, it must be declared and the member concerned may not take part in that debate or any related decisions.

The Chief Financial Officer received £19.1k (2023-24: £19.5k) during the course of the year from U.M.Association Ltd (UMAL), a company which provides insurance cover for the University, for serving as a Director of that company.

Payment to UMAL for 2024-25 totalled £467k (2023-24: £446k)

Notes to the Accounts

for the year ended 31 July 2025

29 Pension Schemes

The University has three principal pension schemes for employees. These are the Universities Superannuation Scheme (USS), the Local Government Pension Scheme (LGPS) and Superannuation Arrangements of the University of London (SAUL). The assets of the schemes are held in separate trustee-administered funds. All three schemes are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme.

On 1 September 2014 the University of Essex Pension Scheme (UEPS) merged into the Superannuation Arrangements of the University of London (SAUL). This effectively means the Scheme ceased on 1 September 2014, as all assets and liabilities were transferred to SAUL.

USS and SAUL are mutual schemes and the assets are not hypothecated to individual institutions and it is therefore not possible to identify the University's share of the underlying assets and liabilities.

LGPS became a closed scheme from August 1997 and subsequently all non-academic and related staff who were not members of a pension scheme could join the UEPS. When UEPS became a closed scheme from March 2004, all new staff were eligible to join USS.

Since June 2014 all staff between the grades of 1 to 6 are eligible to join SAUL while staff graded 7 to 11 are eligible to join USS.

Two of the University's subsidiary companies, Wivenhoe House Hotel Limited and University of Essex Campus Services Limited pay into personal pension schemes and a scheme called NEST for some employees. These are all defined contribution schemes.

The total pension cost for the University and its subsidiary undertakings was:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Contribution to USS	19,840	25,076
Contribution to LGPS	154	168
Contribution to SAUL	4,778	5,457
Contribution to NEST	501	493
Contribution to personal pensions	0	15
LGPS additional University costs to fund past service deficiency	(2)	(174)
Reversal / Release of USS provision	0	(78,479)
SAUL additional University costs to fund past service deficiency	0	0
LGPS actuarial adjustment to pension costs	(3)	(16)
Total pension cost	<u>25,268</u>	<u>(47,460)</u>

The total FRS 102 pension liability for the University and its subsidiary undertakings was:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
LGPS pension liability	0	(209)
USS pension liability	0	0
SAUL pension liability	0	0
Total pension liability	<u>0</u>	<u>(209)</u>

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (the scheme) which 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.

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

Notes to the Accounts

for the year ended 31 July 2025

29 Universities Superannuation Scheme USS (continued)

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

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

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

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-funding-principles).

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

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

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

The current life expectancies on retirement at age 65 are:

	2025	2024
Males currently aged 65	23.8 years	23.7 years
Females currently aged 65	25.5 years	25.6 years
Males currently aged 45	25.7 years	25.4 years
Females currently aged 45	27.2 years	27.2 years

Notes to the Accounts

for the year ended 31 July 2025

29 Local Government Pension Scheme (LGPS)

The Essex County Council LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The employer contribution rate for 2024-25 was 23.9% (2023-4: 23.9%).

From 01 April 2014, all members of the scheme transferred to a Career Average Revalued Earnings (CARE) benefit structure.

The value of the employer's liability is assessed every three years in accordance with the advice of a qualified actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Last actuarial valuation	31-Mar-22
Actuarial method	Projected Unit
Pension increases	2.7% per annum
Salary scale increases	3.7% per annum
Market value of assets at date of last valuation (whole fund)	£9,650 million

Actuarial Assumptions

The major assumptions used by the actuary for University of Essex were:

	At 31 July 2025	At 31 July 2024
<u>Financial assumptions</u>	%	%
Rate of increase in salaries	3.70	3.85
Rate of increase in pension payments	2.70	2.85
Expected return on assets	9.48	10.20
Discount rate for liabilities	5.55	4.95
CPI assumptions	2.70	2.85

The major assumptions used by the actuary for University of Essex Campus Services were:

	At 31 July 2025	At 31 July 2024
<u>Financial assumptions</u>	%	%
Rate of increase in salaries	3.75	3.85
Rate of increase in pension payments	2.75	2.85
Expected return on assets	9.48	10.20
Discount rate for liabilities	5.60	5.00
CPI assumptions	2.75	2.85

The return on the Fund (on a bid value to bid value basis) for the year to 31 July 2025 is estimated to be 9.48% (2023-24: 10.2%). The actual return on Fund assets over the year may be different from the estimated return. Management have relied on the fund administrators to return on Fund investments :

The split of assets between investment categories was the same for both University of Essex and University of Essex Commercial Services:

	At 31 July 2025	At 31 July 2024
<u>Split of assets between investment categories</u>	%	%
Equities	56.00	56.00
Government Bonds	1.00	2.00
Other Bonds	0.00	0.00
Property	8.00	7.00
Cash	2.00	2.00
Alternative assets	15.00	15.00
Other managed funds	18.00	18.00
TOTAL	<u>100.00</u>	<u>100.00</u>

Notes to the Accounts

for the year ended 31 July 2025

29 Local Government Pension Scheme (LGPS) - continued

Expected rate of return on assets in the scheme

	Consolidated 31 July 2025 £'000	University 31 July 2025 £'000	Consolidated 31 July 2024 £'000	University 31 July 2024 £'000
Estimated asset share	93,482	86,376	88,167	81,487
Present value of scheme liabilities	(38,703)	(35,460)	(40,900)	(37,495)
Changes in effect of asset ceiling	(54,779)	(50,916)	(47,476)	(44,201)
Surplus / (Deficit) in the scheme	0	0	(209)	(209)
	242%	244%	216%	217%

The expected rate of return on assets is based upon market expectations, at the beginning of the period, for investment returns over the entire life of the related obligation.

Demographic/Statistical assumptions

The actuary has adopted a set of demographic assumptions that are consistent with those that will be used for the 2025 Fund valuation currently underway. The post retirement mortality tables adopted are the S4PA tables (2024: S3PA tables) with a multiplier of 100% for males (2024: 110%) and 100% for females (2024: 110%). These base tables are then projected using the CMI 2024 Model (2024: CMI 2023 Model), allowing for a long-term rate of improvement of 1.50% pa. (2024: 1.25% pa.), smoothing parameter of 7 (2024: 7) and an initial addition parameter of 0.0% pa (2024: 0.0% pa) and a 2023 weighting of nil%, (2024: 15%), a 2022 weighting of 0% (2024: 15%), 2021 weight parameter of 0% (2024: 0%) and 2020 weight parameter of 0% (2024: 0%) .

	At 31 July 2025 CMI 2023	At 31 July 2024 CMI 2023
Life expectancy:		
Male current pensioner aged 65	21.8 years	20.7 years
Female current pensioner aged 65	24.1 years	23.3 years
Male future pensioner aged 65	23.4 years	22.0 years
Female future pensioner aged 65	25.8 years	24.7 years

	Consolidated At 31 July 2025 £'000	Consolidated At 31 July 2024 £'000	University At 31 July 2025 £'000	University At 31 July 2024 £'000
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Amounts recognised in the profit and loss statement are:

Service cost	152	160	144	147
Net interest on the defined liability	(158)	(2,222)	6	(2,070)
Administration expenses	52	55	48	51
Total operating charge	46	(2,007)	198	(1,872)

Re-measurements in other comprehensive income

Return on Fund assets in excess of interest	3,928	4,033	3,633	3,725
Change in financial assumptions	3,273	(1,483)	2,984	(1,380)
Change in demographic assumptions	(1,675)	102	(1,561)	96
Experience (loss) /gain on defined benefit obligation	(351)	174	(317)	157
Changes in effect of asset ceiling	(5,115)	(47,476)	(4,527)	(4,893)
Asset ceiling implemented b/f	0	42,220	0	0
Remeasurement of the defined liability	60	(2,430)	212	(2,295)

Movements in deficit during the year

Deficit in scheme at 1 August	(209)	0	(209)	0
Movements in the year:				
Current service charge	(152)	(160)	(144)	(147)
Contributions by employer including unfunded	195	214	195	214
Net interest on the defined liability	2,346	2,222	2,182	2,070
Return on assets less interest	3,928	4,033	3,633	3,725
Actuarial loss / (gain)	1,247	(1,207)	1,106	(1,127)
Administration expenses	(52)	(55)	(48)	(51)
Changes in effect of asset ceiling	(7,303)	(5,256)	(6,715)	(4,893)
Deficit in scheme at 31 July	0	(209)	0	(209)

Reconciliation of change in impact of asset ceiling

Opening impact of asset ceiling	47,476	42,220	44,201	39,308
Interest on impact of asset ceiling	2,188	0	2,188	0
Actuarial losses / (gains)	4,576	5,256	4,001	4,893
Additional asset ceiling to derecognise pension asset	539	0	526	0
Closing impact of asset ceiling	54,779	47,476	50,916	44,201

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions

Notes to the Accounts
for the year ended 31 July 2025

29 Local Government Pension Scheme (LGPS) - continued

	Consolidated		University	
	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Change in benefit obligation during the period to 31 July				
At beginning of year	40,900	40,591	37,495	37,227
Current service cost	152	160	144	147
Interest cost on pension liabilities	1,951	2,048	1,786	1,879
Change in financial assumptions	(3,273)	1,483	(2,984)	1,380
Change in demographic assumptions	1,675	(102)	1,561	(96)
Experience loss / (gain) on defined benefit obligation	351	(174)	317	(157)
Estimated benefits paid net of transfers in	(3,058)	(3,115)	(2,862)	(2,891)
Contributions by Scheme participants	43	50	41	47
Unfunded pension payments	(38)	(41)	(38)	(41)
Changes in effect of asset ceiling	0	0	0	0
At end of year	38,703	40,900	35,460	37,495
Analysis of movement in the market value of the scheme assets				
At beginning of year	88,167	82,811	81,487	76,535
Interest on assets	4,297	4,270	3,968	3,949
Return on assets less interest	3,928	4,033	3,633	3,725
Other actuarial losses	0	0	0	0
Administration expenses	(52)	(55)	(48)	(51)
Contributions by employer including unfunded	195	214	195	214
Contributions by Fund participants	43	50	41	47
Estimated benefits paid plus unfunded net of transfers in	(3,096)	(3,156)	(2,900)	(2,932)
At end of year	93,482	88,167	86,376	81,487

The University is aware of the 2023 ruling in the Virgin Media vs NTL Pension Trustee case and subsequent Court of Appeal ruling published in July 2024. These ruled that certain amendments made to the NTL Pension Plan were invalid because they were not accompanied by the correct actuarial confirmation. The University is currently working with the respective Trustees and their legal advisers to carry out an assessment of the possible implications for the University, which remains in progress as at the end of the current accounting period. There are no fundamental doubts at this stage, especially following the DWP announcement in June 2025 regarding retrospective actuarial confirmation for any impacted benefit changes, as such there is insufficient evidence that any adjustment would need to be recognised within the year end liabilities at this stage and therefore no allowance has been made.

Notes to the Accounts

for the year ended 31 July 2025

29 Superannuation Arrangements of the University of London (SAUL)

General description of the pension scheme

The University of Essex participates in the Superannuation Arrangements of the University of London ("SAUL"), which is a centralised defined benefit scheme within the United Kingdom and is contracted-out of the Second State Pension (prior to April 2016).

SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education.

Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ("CARE") basis.

University of Essex is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency event of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer, may be spread across the remaining participating employers and reflected in the next actuarial valuation.

Funding Policy

SAUL's statutory funding objective is to have sufficient and appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the "Technical Provisions"). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2024 and are due to be reviewed at SAUL's next formal valuation in 2026.

At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions basis. As SAUL was in surplus on its Technical Provisions basis at that date, no deficit contributions were required. The Trustee and the Employers have agreed that the ongoing Employers' contributions will fall from a rate of 21% of CARE salaries to 19% of CARE salaries from 1 September 2024.

Accounting Policy

The University of Essex is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole, the market value of SAUL's assets at 31 March 2023 was £3,096 million representing 105% of the liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. University of Essex accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (i.e. cash amounts) in accordance with paragraphs 28.11 of FRS 102.

As there was a Technical Provision surplus at 31 March 2023, no deficit contributions were required following the 2023 valuation and there is no defined benefit liability (i.e. the present value of any deficit contributions due to SAUL) to be recognised by the University of Essex.

Notes to the Accounts

for the year ended 31 July 2025

30 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	At 31 July 2025 £1 Shares unless otherwise stated	At 31 July 2024 £1 Shares unless otherwise stated
University of Essex Enterprises Ltd	Acquisition, protection and licensing of intellectual property from the University	2	2
Wivenhoe House Hotel Ltd	Development and operation of a hotel school	11,100,620	11,100,620
University of Essex Campus Services Ltd	Management of commercial activities at the University	2,734,000	2,734,000
University of Essex Knowledge Gateway Holdings Ltd	Holding land on behalf of the University for development as a Research Park	37,025,955	37,025,955
University of Essex Knowledge Gateway Ltd	Development and marketing of a Research Park	28,885,277	28,885,277
East 15 Acting School Ltd	Dormant throughout the year	2	2
Universal Accommodation Group Ltd	Holding land on which student accommodation is located	1	1
Eastern HE Cost Sharing Ltd	Provision of internal audit services	51	51
SEA Essex Sdn. Bhd. (Registered in Malaysia)	The company recruits students for the University from Malaysia	1 share in Malaysian ringgit	1 share in Malaysian ringgit
Versatile Robotx Ltd	Dormant throughout the year	10,000 x 0.0001 shares	10,000 x 0.0001 shares

Trading results of wholly owned subsidiaries:

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
University of Essex Enterprises Ltd*	17	27
Wivenhoe House Hotel Ltd*	(393)	(242)
University of Essex Campus Services Ltd*	1,967	1,619
University of Essex Knowledge Gateway Holdings Ltd *	2,951	(12,612)
Universal Accommodation Group Ltd*	364	417
University of Essex Knowledge Gateway Ltd *	172	(13,839)
Eastern HE Cost Sharing Ltd	0	0
SEA Essex Sdn. Bhd. (Registered in Malaysia)	7	6
	5,085	(24,624)

* Trading results before tax, gift aid payments and impairments

These results have been included in the consolidated financial statements. All subsidiaries have a year end date of 31 July.

Notes to the Accounts

for the year ended 31 July 2025

31 Agency Arrangements

	University	
	2024-25	2023-24
	£'000	£'000
<u>OfS Teaching Grant</u>		
Payments received from OfS	0	61
Payments made to partner institutions	0	(61)
Balance unspent at 31 July	<u>0</u>	<u>0</u>
<u>Research England Research Grant</u>		
Payments received from Research England	784	1,503
Payments made to partner institutions	(784)	(1,503)
Balance unspent at 31 July	<u>0</u>	<u>0</u>

These funds are received by the University in respect of its partner institutions. The income and the related payments are therefore excluded from the Income & Expenditure Account.

The University has partnership arrangements for the delivery of Higher Education programmes with the Tavistock and Portman NHS Foundation Trust.

32 Post Balance Sheet Event

Post year end, a decision was made by university Council to exit our Southend Campus which will enhance student experience by adding students to the Colchester campus, increasing vibrancy and optimising facilities, while creating academic synergies across our existing disciplines. This is expected to lead to an impairment of our tangible fixed assets in the region of £48m based on a change of use valuation. Other net costs associated with the exit of the Southend Campus across the next two financial years are estimated to be £6.7m which includes an investment of £6m in facilities on the Colchester Campus.

Notes to the Accounts
for the year ended 31 July 2025

33 Supplementary Schedule for the United States Department of Education

In satisfaction of its obligation to facilitate student's access to US federal aid, the University of Essex is required, by the Department of Education, to present the following Supplemental Schedule in a prescribed format.

The amounts presented within the schedules have been:

- prepared under the historical cost conversion, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom Generally Accepted Accounting Practice, in accordance with Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in thousands pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements.

As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of Accounting Principles Generally Accepted in the United States of America.

Notes			Year ended	Year ended
			31 July 2025	31 July 2024
			£'000	£'000
Expendable Net Assets				
B/S	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	215,523	236,489
23 & 24	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	14,242	15,331
	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable		
	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		
12 & 13	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	367,821	375,797
FS Note line 8A	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	300,146	310,505
	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase		
FS Note line 8D	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	66,727	55,100
FS Note line 8C	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	948	10,192
	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net		
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation		
12	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	4,460	
22	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	(209)	209
21	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	71,022	73,408
21	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	71,022	73,408
	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 post-implementation		
	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	Line of Credit for Construction in process		

Notes			Year ended	Year ended
			31 July 2025	31 July 2024
			£'000	£'000
	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability		
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		
	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases		
	Statement of Financial Position - Annuities	Annuities with donor restrictions		
	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		
	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions		
21	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	14,242	15,331

Notes			Year ended	Year ended
			31 July 2025	31 July 2024
			£'000	£'000
Total Expenses and Losses				
10	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	314,322	265,381
5 & CSCI	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, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)	(4,349)	(4,858)
5 & CSCI	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment losses	(4,322)	(7,288)
	Statement of Activities - Pension related changes other than net periodic pension	Pension-related changes other than net periodic costs		
Modified Net Assets				
B/S	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	215,523	236,489
23 & 24	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	14,242	15,331
12	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	4,460	
	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable		
	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		
Modified Assets				
B/S	Statement of Financial Position - Total Assets	Total Assets	473,613	504,192
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation		
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases		
	Statement of Financial Position - Goodwill (and other intangibles)	Intangible assets	4,460	
	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable		
	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		
Net Income Ratio				
B/S	Statement of Activities - Change in Net Assets Without Donor Restrictions	Change in Net Assets Without Donor Restrictions	(20,966)	48,405
5 & CSCI	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	287,918	310,415