

“AdvanceHE

+ Annual report and accounts

Year ended 31 July 2025



Contents

Introduction from our Chair and Chief Executive	3
Legal and administrative information	6
About Advance HE	8
Strategic Report	11
Key highlights of 2024-25	11
Review of 2024-25 performance and achievements	14
Financial Review	19
Looking forward	22
Risk Management	22
Directors’ Report	25
Trustees’ responsibilities statement	29
Independent Auditor’s Report	31
Financial Statements	35
Notes to Financial Statements	38

Introduction from our Chair and Chief Executive

Sector Context

The higher education sector continues to navigate a period of profound challenge and transformation. Institutions face mounting financial pressures, with funding reductions, rising operational costs, and constrained income streams placing sustainability under strain. At the same time, universities are adapting to policy reforms aimed at widening participation, enhancing quality, and embedding lifelong learning, while responding to shifts in international student recruitment and tightening immigration rules. These pressures are compounded by growing expectations around digital innovation, AI integration, and environmental commitments, all within a regulatory environment that is increasingly complex.

Against this continuing backdrop, Advance HE plays a vital role in supporting institutions and individuals to rise to these challenges and thrive. Our strength is in collaboration and sharing best practice, where Advance HE helps the sector strengthen resilience and maintain its commitment, supporting institutions to make a societal impact. Given the acute financial pressures facing institutions and understandable scrutiny of all spending, Advance HE must redouble efforts to offer value and impact across its portfolio.

Strategic approach

2024-25 has been a transformative year for Advance HE. Early in the reporting year, we launched our new Strategy 2030, 'Working with you to transform higher education'. This followed extensive consultation with our members around the world. Our Strategy 2030 comprises three core strategic priorities carefully aligned to our members' needs: maximising membership impact and value; supporting leadership, management and governance development for transformational change; and developing educational excellence for the higher education of the future. These priorities are underpinned by three critical cross-cutting themes: sustaining progress in equity, diversity and inclusion; embedding sustainability; and building capability for technology-enabled excellence and efficiency.

Commitment to value and partnership

This new strategy, with its clear direction, is characterised by an unequivocal commitment to work in partnership with members and the wider sector. This is really important in maintaining relevance, value and the agility to work with members in a fast-changing and demanding sector.

Strategy 2030 is a core component of the outstanding legacy of Advance HE's first and now retired CEO, Alison Johns. The Board thanks her for her inspiring leadership and commitment, and for her truly excellent work. Following a highly competitive selection process, we are delighted to welcome Alistair Jarvis CBE, who shares Alison's commitment to value, impact and partnership, as her successor.

Shaped for the future

Delivering the commitments of Strategy 2030, coupled with the recognition that our members and the sector continue to face significant challenges and change, meant that we too had to adapt our structure to focus on these priority areas. Following a voluntary severance programme at the end of the last reporting period, this year, we streamlined our senior leadership team, and, subsequently, went into a period of detailed consultation to review how best to serve members and respond to changes and financial challenges in higher education. With this complete, we believe the organisation is well-structured and financially robust to deliver the Strategy alongside the full portfolio of services and Member Benefits.

In-year delivery and achievements

There were many highlights through 2024-25. In January, we celebrated a 'double success', welcoming our 450th member institution and reaching 200,000 Fellows worldwide.

Increasing engagement with Advance HE's support for Teaching and Learning has contributed to the growth in Fellowship. While the majority of Fellows are based in the UK, there are now more than 19,000 Fellows working in institutions in 116 other countries. We celebrated their commitment to Teaching and Learning through our #FestivalofFellowship, sharing good practice from around the world. Further, in the UK, we recognised fifty-five higher education professionals as new National Teaching Fellows and 17 CATE teams for their outstanding contribution to excellent teaching, disseminating their good practice.

New initiatives, such as the Professional Standards Framework in Arabic – and most recently in Thai – offer even greater access to Fellowship. Our increasing global engagement and impact was evidenced by the 500 delegates at our Teaching and Learning Conference representing 19 nations; nearly 200 educational leaders and innovators gathered at the Advance HE Gulf Fellowship Network Forum 2025, demonstrating our convening power.

Throughout 2025, we celebrated the 20th anniversary of Athena Swan and the 10th anniversary of the Race Equality Charter, including sharing the approaches and impact in our Charters Good Practice Initiatives. Notably, all eight of Wales's universities have achieved the Race Equality Bronze Award (REC Bronze) this year. There are 132 UK members of Athena Swan and 111 members of the REC. The Charters' reach extends outside the UK – including to Ireland, Australia, Canada, and the USA – and an Athena Swan pilot is underway in Cyprus.

In other key areas addressing inequalities, we published the Year-one report on behalf of the Disabled Student Commitment, highlighting encouraging progress and setting out plans to build momentum. We supported the Disabled Student Commitment Advisory Group in launching the new Competence Standards Guidance. Working with the sector, we made significant headway with the Inclusive Institutions Framework, which will launch formally in January 2026, as a structured, modular framework that supports institutions to align their EDI, access and strategic goals, and take a more integrated, efficient and evidence-informed approach to creating change.

Recognising that effective leadership at all levels is key to a sustainable and thriving sector and institutions, we launched a new Framework for Leading in Higher Education, developed in conjunction with the global HE sector. The Framework offers the flexibility to help higher education leaders in the multiplicity of roles and contexts in which they operate to navigate the complexities of rapidly evolving local, national and international landscapes.

Following consultation with members and stakeholders, this membership year both our 'Member Benefit Global Themes' and our Collaborative Development Fund (CDF) focused on four particular areas of challenge: Governing and Leading Transformation; Securing Student Outcomes; Designing Education for the Future; Protecting Inclusion in Times of Change. Guided by these themes, we continued to offer grant funding to members: we awarded Innovative Practice Grants for 20 projects designed to showcase excellence within small, specialist, independent and college-based higher education institutions; and offered 15 awards under our Global Impact Grants programme to support international member institutions in sharing good practice in higher education. We opened our annual Collaborative Development Fund and published the reports of the 2023-24 awardees.

'The Big Conversation: shaping the future of higher education governance' was a new Member Benefit in partnership with CUC, UUK, GuildHE, Independent Higher Education (IHE), and AHUA to support the UK HE governance community to engage with the challenges it faces through insights and practical support. Alongside this, we continued to offer our Governance Effectiveness Reviews and Governor Development Programmes. Our governance-focused reports, 'Current practice, challenges and recommendations for university accountability and performance monitoring,' a sector discussion paper, 'Measuring What Matters – shaping future understanding of institutional performance for value creation and strategic decision-making in 2024', and the biennial Diversity of Governors report all offered insights into enhancing governance during these challenging times.

Providing reports and insights continues to underpin much of our offer to members, so that transformation, enhancements, change and practice are evidence-informed. We published our flagship reports, the Student Academic Experience Survey, published with HEPI, PTES and PRES (the

Postgraduate Taught and Postgraduate Research Experience surveys respectively), along with the Equality in higher education: staff statistical report 2024, all of which help institutions to benchmark the effectiveness of their initiatives across a range of areas. Our 'Knowledge Hub' contains the full suite of our 2024-25 publications, many of which provided the provocation and insights for our extensive portfolio of development programmes, conferences and events.

We have provided more insight into delivery and achievement on pages 11 to 18 in this report.

Conclusion – looking ahead with confidence

As we reflect on this transformative year, it is our view that that Advance HE has not merely weathered change but has embraced it purposefully. The restructuring and strategic repositioning we undertook mirrors the very transformation that many of our members are navigating in their own institutions. Through prudent and timely leadership, we have emerged with robust financial health and enhanced capability to serve the sector's and members evolving needs.

Central to our approach remains our commitment to listening to our members. Their voices shaped Strategy 2030, and their continued trust is reflected in the encouraging renewal rates we have seen, with many members choosing to commit beyond a single year. This confidence in our partnership approach is both appreciated and energising as we look to the year ahead.

We recognise that the challenges facing higher education are far from resolved. Economic pressures, demographic shifts, technological disruption, international conflict and changing societal expectations continue to create a complex operating environment. However, our response will remain consistent with our character: agile, pragmatic, and flexible. We understand that our members operate in diverse contexts, each with unique circumstances and constraints, and our solutions must reflect this reality.

Supporting enhancement, change and transformation will be at the heart of what Advance HE does – embedded across our member benefits, our programmes and our consultancy. To help institutions through these challenging times we will apply our expertise, experience and resources to best support enhancement and service improvement, where it is needed.

Our primary focus is on people. We can play a role to enhance capabilities at all levels to lead and manage transformation and change – academics, professional services, governing bodies.

The year ahead promises continued collaboration as we work alongside our members to navigate these challenging times. Our expanded global reach, evidenced by our growing international Fellowship and strengthened partnerships, positions us well to share insights and solutions across borders and contexts.

We enter 2025-26 not with complacency, but with quiet confidence in our ability to deliver meaningful value and support. The foundations we have laid, the partnerships we have strengthened, and the innovations we have introduced all point towards a future where Advance HE continues to be an essential partner in transforming higher education for the better.

We look forward to the year ahead with optimism and determination, ready to work with our members as we all help to shape and enhance the future of higher education.



A handwritten signature in black ink, reading "Mark E. Smith".

Professor Mark E. Smith, CBE
Chair



A handwritten signature in black ink, reading "Alistair Jarvis".

Alistair Jarvis CBE
Chief Executive

Legal and Administrative Details

Advance HE

Advance HE is a registered charity and company limited by guarantee incorporated in England.

Company registration number: 04931031

Charity registration numbers

England and Wales: 1101607 Scotland: SC043946

Registered office

Advance HE, Innovation Way, York Science Park, York YO10 5BR

Auditors

AAB Audit & Accountancy Limited, Gresham House, 5-7 St Pauls Street, Leeds LS1 2JG

Bankers

The Royal Bank of Scotland Plc, Waterside Court, Chatham ME4 4RT

AIB Bank, XPO Box 114A, 100/101 Grafton Street, Dublin 2

Solicitors

HGF LLP, Central Court, 25 Southampton Buildings, London WC2A 1AL

Pinsent Masons, 30 Crown Place, Earl Street, London, EC2A 4ES

Executive Team

Alison Johns, Chief Executive (To 10 August 2025)

Alistair Jarvis, Chief Executive (From 11 August 2025)

Jayne Consadine, Interim Director, Operations (From 1 January 2025)

David Bass, Director of Equality, Diversity and Inclusion

Greg Ferrari, Chief Operating and Transformation Officer (To 31 January 2025)

Ciara Murphy, Interim Director of Sales and Marketing (To 31 December 2024)

Hannah Harris, Company Secretary and Head of Corporate Support

Kathryn Harrison-Graves, Executive Director, Membership, Innovation and Development

Nick Skeet, Interim Director, Membership and Business Development (From 1 January 2025)

Sarah Threadgold, Director of Finance

David Townhill, Director, International Development (Exec member from 1 January 2025)

Board of Directors

The directors of the charitable company are its trustees for the purpose of charity law. The directors and officers who served during the year and up to the date of signature of this report were as follows:

Professor Mark E. Smith, Vice-Chancellor, University of Southampton (Chair)

Julie Ashworth, Chair of University of Aberdeen; Chair of the Institute of Directors (IOD) Edinburgh (Appointed 21 November 2024)

Professor Stephen Decent, Principal and Vice-Chancellor, Glasgow Caledonian University (Appointed 19 September 2024)

Professor Elwen Evans, Vice Chancellor, University of Wales Trinity Saint David (Appointed 9 October 2024)

Dr Samuel Grogan, PVC Education and Student Experience, University of Loughborough

Annette Hay, Head of Equality, Diversity and Inclusion, De Montfort University

Helen Langton, Vice Chancellor, University of Suffolk (To 27 August 2024)

Janet Legrand KC (Hon), Lawyer and Senior Lay Member of Court, University of Edinburgh

Professor David Mba, Vice Chancellor, Birmingham City University (Appointed 9 October 2024)

Professor Joanna Newman, Deputy Vice-Chancellor and Provost, SOAS (Appointed 6 August 2024)

Professor Andrea Nolan, Principal and Vice-Chancellor of Edinburgh Napier University (To 31 December 2024)

Professor Karen O'Brien, Vice-Chancellor, Durham University (Appointed 19 September 2024)

Alex Owen, Previously Chief Finance Officer, University of Loughborough (Appointed 18 December 2024)

Professor David Sadler, Deputy Vice-Chancellor, Academic, The University of Notre Dame Australia

Christopher Sayers, Non-Executive Director and previous Chair of Northumbria University (To 2 September 2024)

Professor Randall Whittaker, Principal, Rose Bruford College

Paul Woodgates, Deputy Chair of Governors, De Montfort University and Trustee, British Council

Professor Parveen Yaqoob, Deputy Vice Chancellor, University of Reading

About Advance HE

Advance HE is a not-for-profit higher education development organisation. With a proud history of supporting the development of UK higher education for two decades, we are now equally proud of the global community of more than 450 institutions and partners who work with Advance HE to help make higher education the best it can be.

With almost 200,000 individual Fellows and 180 institutions around the world operating Advance HE accredited development programmes, Advance HE plays an important role in the recognition of teaching and learning success in the maintenance of the Professional Standards Framework for teaching and supporting learning.

Athena Swan, our gender equality charter, has been in operation for 20 years and the Race Equality Charter, 10 years. More than 13,000 women have participated in Aurora, our flagship women's leadership development programme and we have delivered 53 cohorts of our Top Management Programme.

Our consultancy services see us partner with both institutions and governments globally and more than 6,000 individuals take part in our conferences, events and programmes schedule each year.

Our Vision

Our work is fuelled by our belief in the transformative power of higher education for people, places, and society. Our vision is of higher education providers and systems that are inclusive, sustainable and high performing in all they do.

Our Purpose

Our purpose is to help higher education transform lives by realising the potential of its people.

Our Values

Impact

We are here to make a positive difference in all that we do

Inclusivity

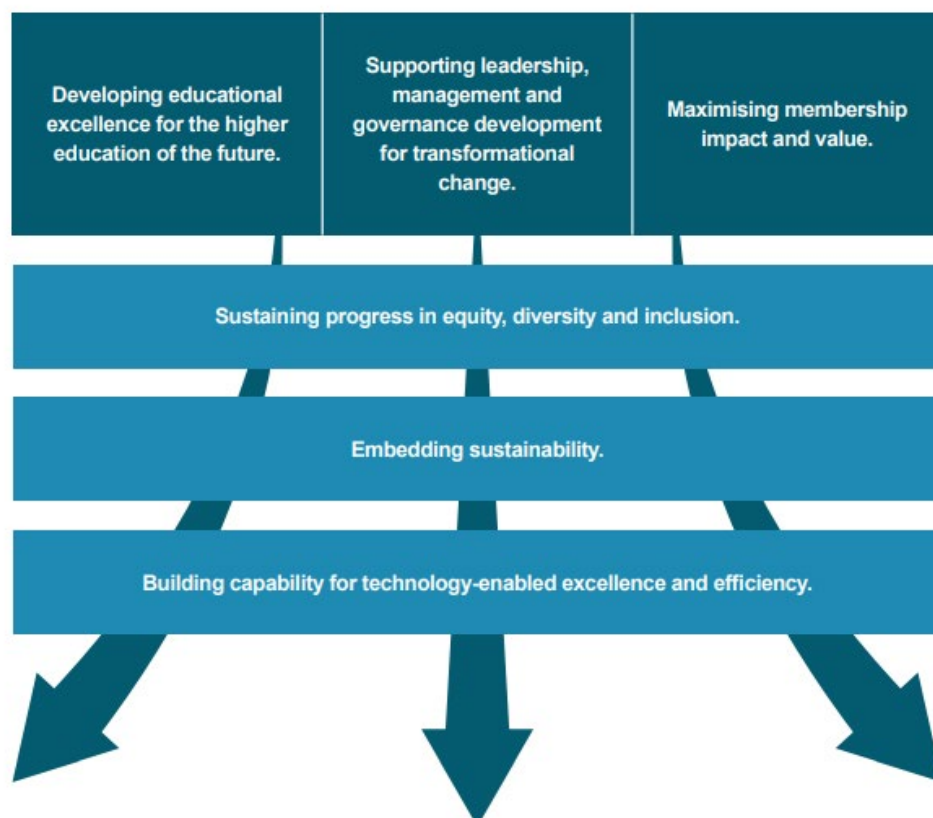
We seek and value diverse perspectives and contributions

Integrity

We act ethically and with professionalism, respect and honesty

Our strategy

In November 2024, we launched our [2030 Strategy](#). We undertook extensive engagement with our members to agree on three core strategic priorities aligned with the needs of the sector and underpinned by three critical cross-cutting themes.



Transforming Higher Education Together

In 2024–25, Advance HE continued to deliver on the ambitions set out in our Strategy 2030, working in partnership with over 450 institutions globally to support inclusive, sustainable, and high-performing higher education systems. Our work remains rooted in our purpose: to help higher education transform lives by realising the potential of its people.

Strategic Priorities in Action

Our activities this year were aligned with our three strategic priorities:

1. Maximising Membership Impact and Value

We refreshed our membership model to better reflect the evolving needs of our diverse global community. Through thought leadership, practical tools, and global convening, we supported members in addressing shared challenges. Our Fellowship schemes, Equality Charters, and Teaching Excellence Awards continued to underpin quality enhancement across institutions, with over 200,000 Fellows now recognised worldwide.

2. Supporting Leadership, Management and Governance for Transformational Change

We expanded our leadership development portfolio, including the Aurora and Top Management Programmes, to build inclusive and future-ready leadership. Our new Leading and Managing Higher Education framework was launched to support ongoing professional development and recognition of leadership success.

3. **Developing Educational Excellence for the Future**

We provided foresight and capability-building to help institutions reimagine teaching and learning. Our work supported the integration of inclusive, technology-enabled models, and we continued to steward the Professional Standards Framework, ensuring it remains relevant in a rapidly evolving educational landscape.

Cross-Cutting Themes

Our strategic priorities were underpinned by three cross-cutting themes:

1. **Equity, Diversity and Inclusion (EDI):** We embedded EDI across all programmes and services, supporting members to sustain progress in increasingly complex environments.
2. **Sustainability:** We integrated economic, social, and environmental sustainability into our operations and member support.
3. **Technology-Enabled Excellence:** We advanced the sector's capability in AI and emerging technologies, ensuring our provision equips members for digital transformation.

Organisational Development and Governance

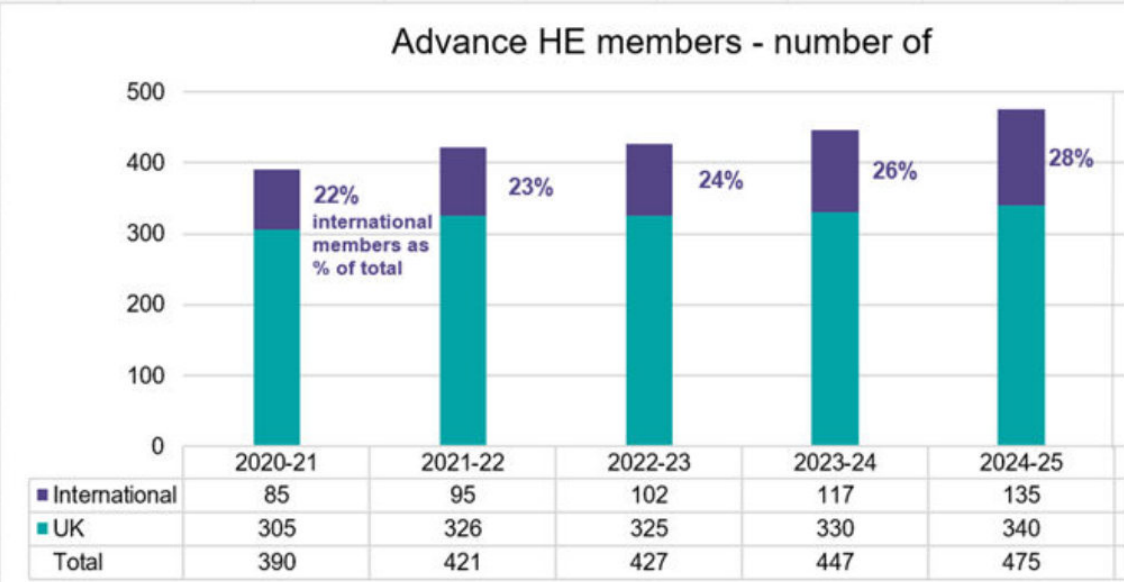
Internally, we streamlined operations to reinvest in member-facing services. We enhanced our governance model, improved transparency in financial strategy, and invested in staff development and wellbeing. Our commitment to our values—Impact, Inclusivity, and Integrity—remained central to all we do.

Strategic Report

Key highlights of 2024-25

+ Membership Summary 2024–25

At the end of July 2025 Advance HE had **475** members, with **135** non-UK members located in **36** countries



+ Events

9,820
people registered on
member events



225 member events



126 Programmes, Conferences
and Events held as part of the open
portfolio with **4,493** attendees

+ Grants awarded

£105,000
grants
awarded

34 members awarded grant funding.

39 grants awarded across 3 funding streams Collaborative Development Fund, Global Impact Grants and Innovative Practice Grants.

+ Fellowship



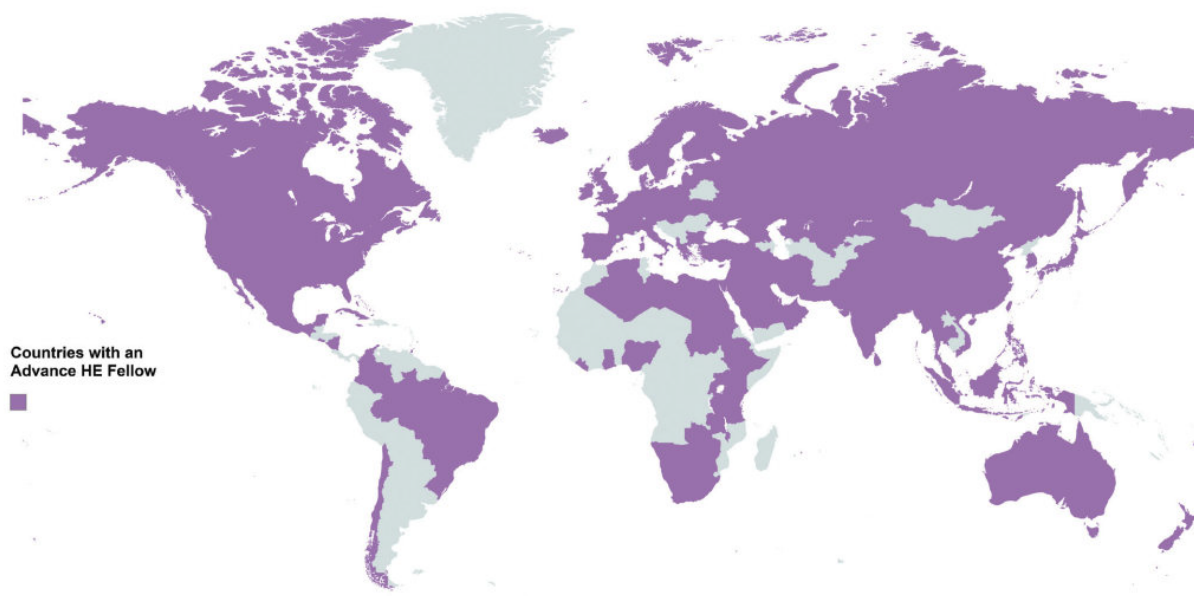
On 31 July 2025, there were **203,457** total Fellowships worldwide.

2,870
new international Fellows



18,340
new UK Fellows

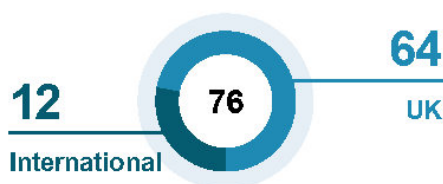
21,210
new Fellowships awarded



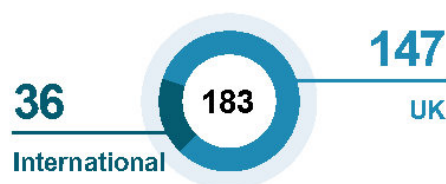
+ Teaching and Learning Accreditation



Member organisations awarded
and re-accredited in last 12 months.



Total member organisations
with Accreditation.



+ Knowledge Hub



179 new member
benefit resources



Users from **312**
member
institutions

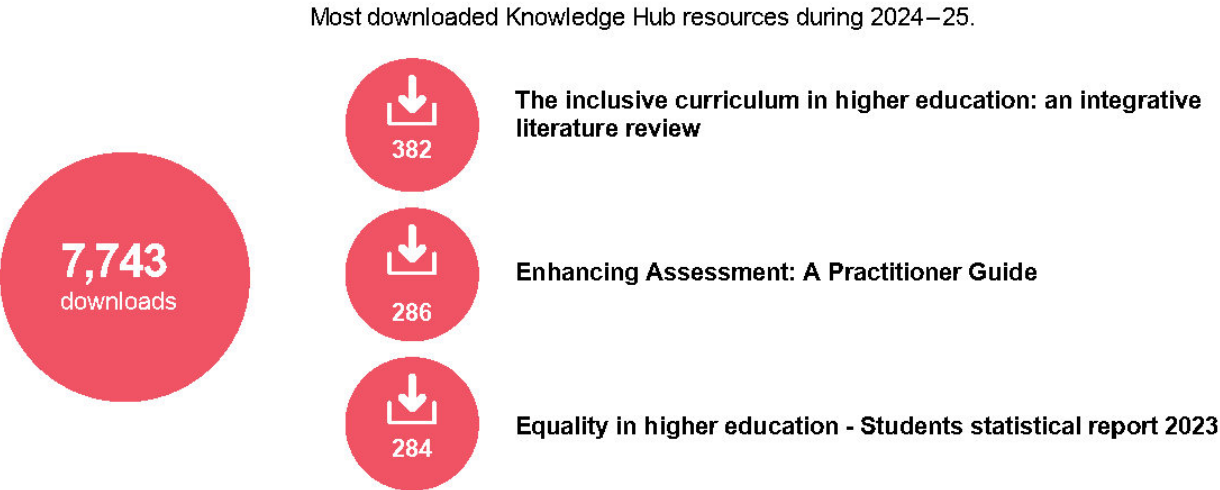


5620 listens to
our new podcasts
from **56** countries

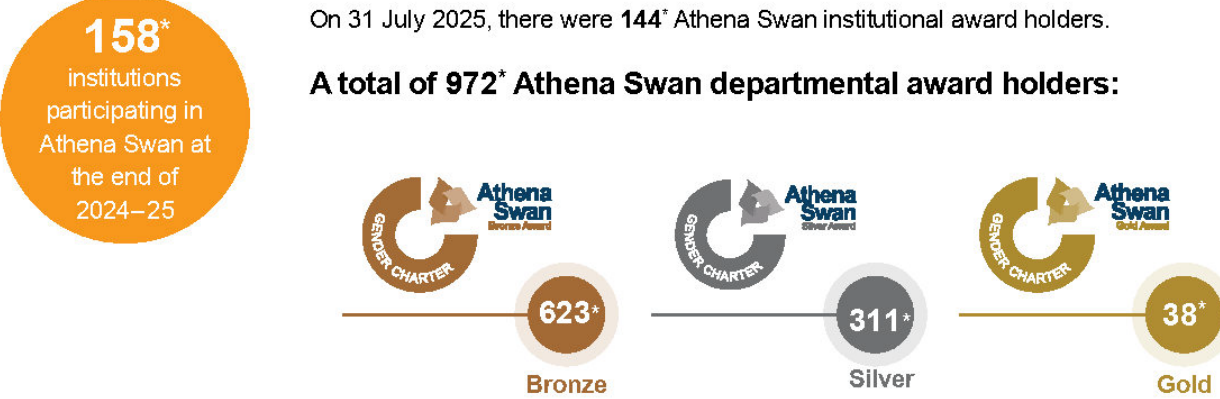


3,200
engaged with our
webinar series
from **71** countries

+ Unique Knowledge Hub users

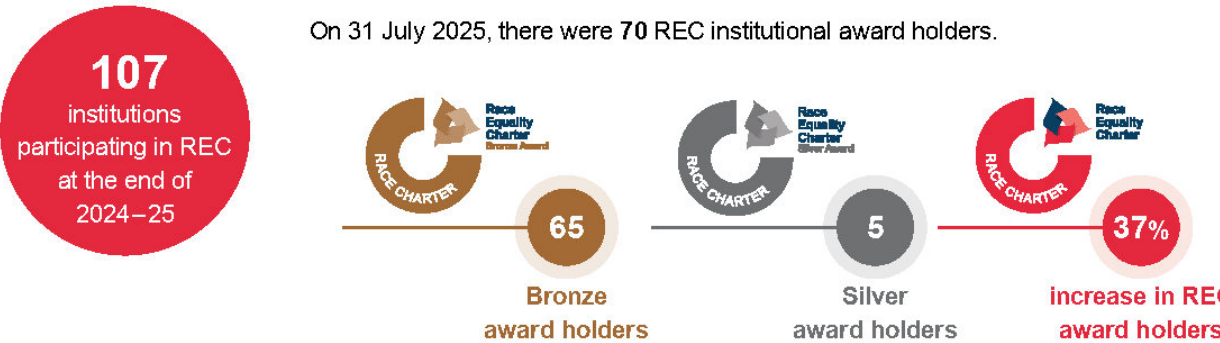


+ Athena Swan



*within the United Kingdom and the Republic of Ireland.

+ Race Equality Charter



+ Surveys



During 2024–25, **122** institutions participated in one or more of Advance HE's Student Surveys.



PTES participants

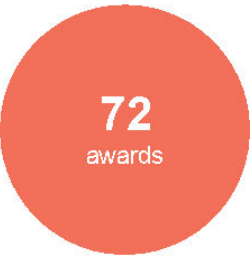


PRES participants



UKES participants

+ Teaching Excellence Awards



NTFS winners **55**



CATE winners **17**

+ Advance HE Connect



449
institutions represented



37
total countries represented



22,486
total users

+ Bespoke Consultancy

Across **25** countries
outside of the UK



Commissioned to undertake **256**
bespoke enhancement projects



Supported **165** organisations





2024-25 – our year in review...

The following pages highlight some of Advance HE's key achievements over the past year, including the launch of a new strategy for the next five years, awarding the 200,000th teaching and learning Fellow around the world, and the much anticipated release of the Framework for Leading in Higher Education.

Introducing our 2030 Strategy

Five commitments will be used to guide our work to 2030, ensuring we deliver what matters most.

Celebrating 200,000 Fellows

Hear from the British University in Egypt and read their Fellowship case study.

2024-25 – our year in review...

The Big Conversation

A Member Benefit in partnership with CUC, UUK, GuildHE, Independent Higher Education (IHE), and AHUA to support the UK HE governance community to engage with the challenges it faces through an open and collaborative dialogue.

Framework for Leading in Higher Education

A sector wide response to the challenges facing leaders in higher education.

Equality Charters anniversaries

In 2025 we celebrated two decades of the UK Athena Swan Charter, a decade of the Race Equality Charter, and 10 years of Athena Swan Ireland. Watch our videos from members reflecting on the impact of the charters.

Key engagement stats

- Podcast series - The future of higher education today
- Produced in collaboration with Universities UK
- Over 1000 listens per episode

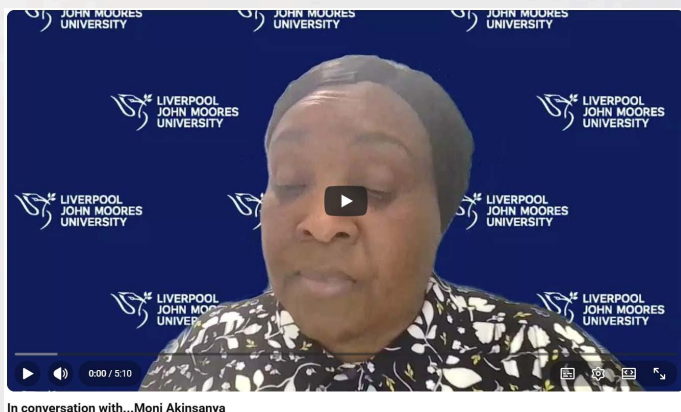


2024-25 – our year in review...



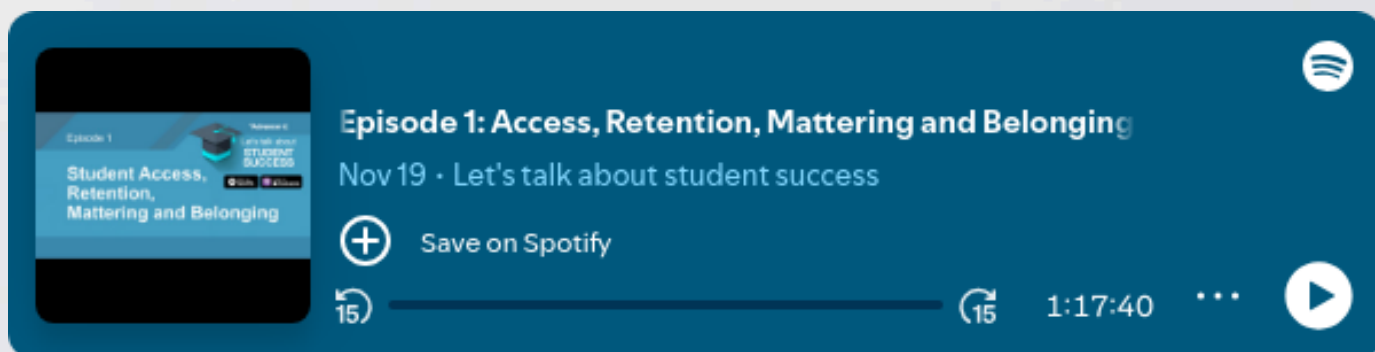
Arabic PSF

The 2023 launch of the Arabic translation of the Professional Standards Framework expands access to this globally recognised teaching standard across the Gulf states and Arabic-speaking world.



Key engagement stats

- Over 3,100 listens in 56 countries of our new podcast - [Let's talk about student success.](#)
- Using the Essential Frameworks for Enhancing Student Success webinar series: Over 3,200 people engaged from 71 countries.



2024-25 – our year in review...



Programmes & Events

2025-26 portfolio launch

- Over 1000 delegates booked on to a programme, event or conference for the new academic year
- Over 650 brochure downloads since launch (18 June 2025)

Embedding reward, recognition and promotion in teaching & learning

This research report explores how higher education institutions (HEIs) reward teaching excellence through promotion and career progression.

e-Learning portfolio

- New e-Learning courses launched, portfolio now has 6 courses with more to be launched soon
- 75 individual sales and 8 institutional sales
- Nearly 300 open or qualified leads in CRM

2024-25 – our year in review...

Diversity of governors in HE

The third iteration of biennial reports by Advance HE, detailing the composition of higher education (HE) governing bodies.

Making learning & teaching strategies a reality.

This resource showcases practical advice from experienced colleagues who have successfully navigated the challenges of educational strategy development in their unique contexts.



In conversation with...Dr Theresa Kwong

Financial review

Overall financial results

In the 2024-25 financial year, Advance HE continued to face significant challenges brought about by the continuing global higher education environment and the external economic pressures, which tangibly impacted more institutions during the year.

These considerable pressures are expected to continue in the medium term and thereby impact our own financial stability and sustainability. Focussed actions were therefore taken during the year to reduce the cost base through further discretionary control measures (as initiated in 2023-24), strategically considered spend reductions, and a review of our organisational design. The result of the organisational design – which built in future flexibility / scalability under a staff: associates ‘whole workforce’ approach – resulted in in-year staff redundancies which in turn will significantly contribute to the future financial stability and ultimate sustainability.

The deficit of £193k was funded by drawing down reserves and cash reserves.

Summary Financial results

Income: Advance HE’s income for the year reduced to £17,614k from £19,194k in 2023-24. This was £2,524k lower than was budgeted and £1,580k lower than the previous year. These decreases directly reflected the impact of the financial and budget constraints experienced by our members and customers globally, and therefore the amount of budget available for our services. In context, 2023-24 saw a year in which income had grown by £1,836k from 2022-23 prior to the deeper impact of the higher sector financial challenges on 2024-25.

Expenditure: Total expenditure for the year totalled £17,813k, which was £2,325k lower than the budgeted £20,138k, and £3,243k lower than the previous year. The year-on-year decrease partly reflects the lower 2024-25 income but also the effective cost control and cost reduction measures which were implemented throughout the year. The Voluntary and Compulsory Redundancy programme undertaken in the year enabled the organisation to reshape and resize its payroll and to adopt a flexible workforce model through lowering its fixed cost base. The cost of this programme was £240k. Also included in the total expenditure was in-year investment for Advance HE’s products, services, and infrastructure. This was £151k against a budget of £261k, being £82k lower than in 2023-24 as part of the cost reduction measures.

Underlying Reported Deficit: The resulting deficit (of the above income and expenditure) of £193k was against a break even budget and was £1,476k lower in comparison to the previous year.

The overall summary of the financial results for the year to 31 July 2025 are summarised below:

	2025 £000	2024 £000
(a) Total Income	£17,614	£19,194
Total Operational Expenditure	£17,325	£20,630
Total In-Year Investment	£151	£233
(b) Total Expenditure	£17,476	£20,863
(c) Surplus / (Deficit)	£138	-£1,669
One-off costs / annual accounting adjustment (costs)*	£337	£193
Statutory USS Pension adjustment (credit)	-	-£11,055
(Gain) on currency investment revaluation**	-£7	-
(d) Underlying Reported (Deficit) / Surplus	-£193	£9,193
(e) Reserves	£4,983	£5,176

*one-off costs being voluntary and compulsory redundancies, and annual adjustments being the doubtful debt provision movement.

**being the year end revaluation of the Euro bank account

Capital Expenditure: Advance HE purchased computer equipment of a nominal value of £3k during the year following the £138k larger investment in 2023-24. This was in line with our IT replacement programme.

Balance sheet, Treasury Management and Liquidity

The Balance Sheet holds unrestricted reserves of £4,983k, the equivalent to 3.4 months' of operational expenditure which is in accordance with the Reserves Policy.

Advance HE holds surplus cash in low-risk, short-term deposit accounts, with the longest maturity being 12 months. This ensures liquidity and the ability to meet financial obligations as they arise. Cash balances decreased £1,201k to £11,326k reflecting the cash consumption from the planned investments made and the in-year redundancies.

Advance HE does not have any borrowings, mortgages or financing arrangements.

Reserves

Advance HE's reserves policy has a target level of total unrestricted reserves of 3 months of operational expenditure, taking into account the future use of reserves in line with its charitable objects. This policy allows Directors to meet their obligations under the Companies Act and to comply with Charity Commission guidance.

Total unrestricted reserves as at 31 July 2025 was 3.4 months. Included within these is £1,507k (2023-24, £1,658k) allocated to a designated reserve fund to be utilised for strategic investment into the development of products and services for our stakeholders, and to ensure our internal capabilities to deliver these. It is expected that this reserve will be utilised over future years.

Going concern

The charity's financial position at 31 July 2025 has been outlined in the Financial Review on pages 19 to 20 of this report.

As disclosed in 2021-22, the USS Pension Liability reported a significant liability, which resulted in the Balance Sheet of Advance HE becoming negative. The annual adjustment in 2023-24 eliminated this liability. Whilst this is a positive adjustment it is important to note that this annual accounting adjustment does not have an impact on the day-to-day financial sustainability and operations of Advance HE, its cash position / cashflow or its operating costs and is an estimation of a long-term position.

The Board has considered the charity's cash position, reserves position, strategic risks, sources of income and planned expenditure, inflation effects, the liquidity of its assets and the charity's ability to withstand a fall in income, along with sensitised scenarios. The Board has also considered the levels of secured income against the 2025-26 budget as a measure of planning certainty. Advance HE aims to secure at least 50% of its following year's income budget at the end of each financial year in order to review costs and take any mitigating actions. At the time of signing of this report, this was above 70%.

Based on this information, the Board has concluded that Advance HE has sufficient planning certainty and resources to meet its obligations as they fall due and continue its charitable activities for at least, but not limited to, the 12 months from the date these statutory accounts are signed. The Board does not believe that there are events that represent a material uncertainty that may cause significant doubt on the company's ability to continue as a going concern. Accordingly, they continue to adopt the going concern basis in the preparation of these accounts. Please refer to page 38 for additional information.

Auditors

AAB Audit & Accountancy Limited were re-appointed as external auditors in the year in accordance with the Companies Act 2006.

Related parties

None of the trustees of the charity receives any remuneration or other benefit from their work with the charity. Related party transactions are reported in notes 5 and 21 to the financial statements.

Looking forward

Advance HE is entering the 2025–26 financial year with a clear strategic direction focused on transformation, member value, and global engagement. Our financial position is stable following a recent organisational restructure and the implementation of cost controls, which have established a cost base that is both sustainable and capable of adapting and scaling in response to changing needs. This foundation enables Advance HE to continue to support the sector in navigating the on-going challenges and to respond to meet changing needs whilst ensuring its own sustainability.

Strategic investment will be made in key areas such as digital innovation, product development and activities that enhance the organisation's reputation. These investments are designed to increase long-term value and impact utilising technologies to focus our people on people. A comprehensive review of Advance HE's portfolio is underway to ensure that products and services remain relevant and high-impact, and better meet the evolving needs of members.

Advance HE's international reach continues to grow, with nearly a third of its members based outside the UK. The organisation will deepen engagement in priority regions including Ireland, Australia, the Gulf, and parts of Europe, aiming to expand its global impact and facilitate the sharing of best practices across borders. This forward-looking approach reflects a commitment to financial sustainability through strategic transformation, member-centric innovation, and global engagement, positioning Advance HE to deliver high value and demonstrable impact in the year ahead.

Risk management

The year saw rise and falls of the risks that Advance HE faced, in particular with the increased financial pressure on the sector and the organisational restructure that took place as a result.

Throughout the year, the Executive monitored and managed the strategic risks closely to reduce the impact of the sector difficulties with scrutiny from the Audit, Finance and Risk Committee as well as oversight by the Board of Directors who tightly reviewed the risks. In addition to this, the operational risk register undertook a mid-year deep dive to adjust the operational risks in line with the strategic risks. This review identified a significant number of operational risks being closed due to being treated and managed. There was also a number of new risks opened that reflected the sector environment and new strategic direction following the launch of the 2030 Strategy that impacted the operational running of the business.

By the end of the reporting period, Advance HE had the following risk levels:

Risk Score	Number of Risks	
	Strategic	Operational
Critical	1	2
High	5	29
Moderate	1	53
Low	0	16
Total	7	100

The following provides a summary of Advance HE's principal strategic risks and their management during 2024-25:

Risk	In year changes	Management strategy
Failure to Achieve International Growth and Income Targets	<p>This risk was closely monitored throughout the academic year, with deep dives at each quarter.</p> <p>By the end of the academic year, this risk had occurred with a reduction of the income target to £115k. This was due to contractual delays which resulted in income being recognised in 2025/26.</p>	<ul style="list-style-type: none"> • International business travel was suspended throughout Q3 / Q4 to reduce costs. • Close management of delivery timelines and new opportunities took place throughout the year to ensure targets were met. • Advance HE recognises the financial implications working within certain regions which will impact the receipt of income. • Further models and processes are being developed to identify high risk regions / customers which will be managed appropriately.
Failure to Generate Pipeline and Orders to meet UK Targets	<p>During the academic year, the pipeline and orders were demonstrating a direct impact from the financial instability of the sector.</p> <p>By the end of the academic year, UK consultancy demonstrated an increase in the year end position, ending the year in a better-than-expected position.</p>	<ul style="list-style-type: none"> • The organisational restructure which supported the change in internal and external resourcing. • Specific pricing model to improve commercial proposals and promote sales was approved for 2025/26. • New Thematic Plans were developed to promote pipeline and orders and will be implemented throughout 2025/26.
Failure to engage members in Membership renewals	<p>Increased and continued engagement with members on priorities, proactive engagement with Strategic Advisory Groups and early risk analysis on members supported the positive number of members renewing their membership with Advance HE.</p>	<ul style="list-style-type: none"> • Enhanced value proposition materials were developed to support members in understanding the value of Advance HE membership. • Increased engagement with the core offer identified risks earlier, providing opportunities for these to be mitigated. • Dynamic risk assessments will take place throughout 2025/26 to mitigate risks to the renewal campaign.
Failure to Recognise Income within 2024/25	<p>Throughout 2024/25, this became a significant risk due to the instability of the financial position within the sector. This identified that the original budget was no longer fit for purpose and would not be sustainable in the new climate.</p> <p>Therefore, an organisational restructure took place and the budget was reforecast across the year. By the year end position, Advance HE were in a better than expected position with a reduced need on the reserves.</p>	<ul style="list-style-type: none"> • The organisational restructure took place to streamline internal resourcing aligned with external needs. • A new workload allocation model is being developed and incorporated into new ways of working for 2025/26. • A financial recovery plan will be developed and implemented throughout 2025/26 to bring Advance HE back to a positive financial position.
Failure to Control Costs to Achieve Breakeven Position	<p>To further improve the end year position, there was a requirement to reduce expenditure to achieve a breakeven position.</p> <p>Advance HE was unable to reach a breakeven position, however it was able to significantly reduce the deficit position.</p>	<ul style="list-style-type: none"> • Advance HE reduced internal resource through an organisational restructure. • Suspended travel and tight monitoring of budget through forecasting meetings controlled any additional expenditure. • New ways of working will introduce more streamlined and efficient work processes to reduce any unnecessary expenditure.
Failure to Create an Engaged and Productive Workforce	<p>Due to the organisational restructure, there was a significant impact on employee morale.</p> <p>During and following the restructure, there has been increased engagement with employees, including a reformed Employee Engagement Forum.</p>	<ul style="list-style-type: none"> • The reformed Employee Engagement Forum was launched to promote employee voice across the organisation. • Overarching organisational objectives have been developed and will be underpinned by Team and individual objectives. • These objectives will create consistency across Teams and build culture.

Risk	In year changes	Management strategy
Reduction of Engagement in Advance HE's Equality, Diversity and Inclusion	<p>During the academic year, the Supreme Court ruling on gender definitions had a direct impact on Advance HE, creating challenges as to how to operationalise EDI effectively.</p> <p>There is also an overall risk to the sector on culture wars from this ruling.</p>	<ul style="list-style-type: none"> • Advance HE has proactively been engaging with the media and members at sector, group and individual level to discuss and respond to these challenges. • Principles and approaches developed will support members to navigate the culture wars. • By year end, there was no evidence to suggest disengagement from institutions. • Advance HE is currently reviewing guidance following the Supreme Court ruling, ensuring this is aligned with EHRC guidance.

During 2024/25, Advance HE was faced with significant challenges, meaning there was an increased number of high risks which required management. Advance HE developed various recovery plans, such as organisational new ways of working, reforecast budgets and a financial recovery plan which were delivered successfully and reduced the impact on the year-end budget position and the sustainability of the business.

Advance HE will be entering into 2025/26 continuing to implement the recovery and improvement plans which will include new streamlined and consistent processes, provide consistent and improved quality and customer services to its customers, and delivering a breakeven financial position at the end of the financial year.

Sustainability

Advance HE is committed to supporting sustainable and ethical practices within its operations and services offered to customers. In line with its 2030 Strategy, Advance HE aims to improve on its contributions to a healthy planet, fostering inclusivity and equitability, and upholding the highest standards of corporate governance.

During 2025/26, Advance HE will be launching an Environmental, Social and Governance (ESG) project to establish its current position and practices relating to these areas and to develop an improvement plan. This will take into account the following areas:

Environment

- Consider Advance HE's current carbon footprint, identifying areas which can further reduce our impact.
- Review Advance HE's supply chain to promote the use of sustainable suppliers.
- Incorporate sustainable procurement practices to support its customers to meet their sustainable objectives and obligations.

Social

- Incorporate equality, diversity and inclusion practices throughout all offerings.
- Integrating inclusion into our organisational development plan.

Governance

- Implement robust compliance practices with the relevant regulations.
- Ensure enhanced Board oversight of Advance HE's ESG practices.

Directors' report

Advance HE is a registered charity incorporated as a company limited by guarantee on 14 October 2003. It is registered as a charity with the Charity Commission and the Office of the Scottish Charity Regulator. Advance HE is governed by its Memorandum and Articles of Association, which were last modified on 26 March 2018. For the purposes of this report, the trustees of the charity are also the directors of the company.

Advance HE's key objectives are to promote higher education for the public benefit, promote equality and diversity within the education sector and to further develop the professionalism and profile of leadership, management and governance.

Public benefit

Advance HE is a registered charity and the Board has due regard to the Charity Commission's guidance on public benefit, ensuring that its activities continue to deliver its charitable aims to advance education. Advance HE operates across the global higher education community and provides benefit to different stakeholders, including institutions, individuals, the HE sector (working with governments, funding bodies, HE mission groups, professional, statutory and regulatory bodies, and other sector agencies and groups) and other stakeholders who access Advance HE products and services, such as research institutes and further education colleges.

Advance HE provides public benefit, through delivering its charitable articles:

- Providing strategic advice and coordination within the higher education sector, government, funding bodies and others on teaching and learning policies and practices that will impact upon and enhance the student experience.
- Supporting and advancing curriculum and pedagogic development across the whole spectrum of higher education activity.
- Facilitating professional development and increasing the professional standing of all staff in higher education.
- Developing the professionalism and profile of leadership, management and governance.
- Improving the supply of development opportunities particularly international and cross-sector.
- Broadening perspectives and improving standards in relation to leadership, management and governance.
- Supporting the higher education sector in identifying and changing any cultural and systemic practices that unfairly exclude, marginalise or disadvantage individuals or groups and promote inclusive approaches.
- Working with higher education institutions in eliminating discrimination on the grounds of age, disability, gender identity, marital or civil partnership status, pregnancy or maternity status, race, religion or belief, sex, sexual orientation or through any combination of these characteristics or other unfair treatment.
- Advancing education and raising awareness in equality and diversity.

All trustees give their time voluntarily and receive no benefits from the charity. Expenses claimed from the charity are included within note 21.

Governance and management

Advance HE has adopted the principles and recommended practice of the Charity Governance Code, supporting the Board's aim to develop high standards of governance and demonstrate best practice in all aspects of governance. Our trustees must also have regard for Nolan's Seven Principles of Public Life, demonstrating the highest ethical conduct when discharging their duties as directors of Advance HE.

Board of Directors

The charity is governed by a Board of Directors (trustees for the purposes of charity law), who are responsible for the strategic governance of the charity and setting Advance HE's overall strategy.

As a company Limited by Guarantee, there are no shareholders and the Board act as trustees of the charity. There are two founding members of the Board, Universities UK and Guild HE.

Professor Mark E. Smith, Vice Chancellor at the University of Southampton continued as Chair of the Board.

The Board meets at least four times a year and receives written reports on all aspects of Advance HE's work at each meeting. In order to monitor progress and ensure that Advance HE is delivering its charitable objectives, the Board is provided with regular and timely information on the financial performance of Advance HE, together with other information such as performance against targets and stakeholder feedback.

In the year ending 31 July 2025, the number of directors serving on the Board was 15. Directors are initially appointed for two or three years. Following this initial term, all directors can be reappointed for a further term, up to a maximum of nine years. Recruitment of new directors is overseen by the Governance and Nominations Committee, which undertakes an open recruitment process, recommending new appointments when necessary and ensuring appropriate recruitment and succession plans are in place.

New directors follow a thorough induction process, spending time with senior executive members and fellow directors and generally gaining an understanding of all aspects of our work. Any training needs are identified through annual effectiveness reviews undertaken by the Chair, so that Board directors are able to successfully discharge their duties and have a full understanding of the role's legal obligations.

The Company Secretary maintains a register of financial and personal interests of the Directors (trustees) and Senior Management (Executive Team). The register is available for inspection at the registered office.

The Board conducts its business through a number of committees (detailed on pages 27 and 28): Audit, Finance and Risk; Equality, Diversity and Inclusion; Governance and Nominations; People and Remuneration; and Peer Review Quality Committee. The business of these committees is formally reported to the Board. All Board committees operate in accordance with written terms of reference, which outline their responsibilities in more detail and are reviewed annually and approved by the Board.

At least once a year the external auditors meet the Audit, Finance and Risk committee for independent discussion without the presence of management. The committee is responsible for reviewing the effectiveness and independence of the external auditors and also advises the Board on the appointment of the external auditors and their remuneration for both audit and non-audit work.

Chief Executive

The Board has delegated the day-to-day management of the charity to the Chief Executive who is supported by the Executive Team in delivering the agreed strategic objectives. The Chief Executive is the head of Advance HE and has a general responsibility to the Board for the organisation, direction and management of Advance HE. The Board is responsible for the appointment and removal of the Chief Executive. The Board undertook a competitive recruitment exercise to appoint a new Chief Executive in 2025 following the announcement that Alison Johns would retire in Summer 2025. Alistair Jarvis, CBE was appointed as Chief Executive and commenced in post on 11 August 2025.

Directors' indemnities

As permitted by Advance HE's Articles of Association, the directors have the benefit of an indemnity, which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. Advance HE also purchased and maintained Directors' and Officers' liability insurance in respect of itself and its Directors throughout the financial year.

Remuneration policy

The People and Remuneration Committee meet at least once a year and have delegated authority to review the performance of the Chief Executive and other senior post holders appointed by the Board and to set the remuneration and conditions of service (including any severance arrangements) for all senior post holders, with particular responsibility to represent the public interest.

Governance structure

The Board is supported by several committees, in order to provide assurance and dedicated oversight to the matters for which is it responsible. As well as Board meetings, all directors are expected to contribute to those committees where their individual skills can be of most benefit, in discussion with the Chair and Governance and Nominations Committee. These committees bring together Board directors and co-optees with specific professional experience, who then make recommendations to the Board.

Below outlines the key focus and members of each Board Committee:

Committee	Focus	Members
Audit, Finance and Risk Committee	<ul style="list-style-type: none">• Internal and external audit• Annual Report and Accounts• Annual budget and forecasts• Financial performance• Capital investment• Reserves and cashflow• Key policies and frameworks• Risk management	<ul style="list-style-type: none">• Paul Woodgates (Chair) (From September 2024)• Mark E. Smith• Stephen Decent (From November 2024)• Alex Owen (From March 2025)• Saad Qureshi (Co-optee)• Graham Hillier (Co-optee)
Peer Review Quality Committee	<ul style="list-style-type: none">• Quality assurance of peer review services• Enhancement of peer review services• Peer review policy	<ul style="list-style-type: none">• Samuel Grogan (Chair)• Annette Hay• Joanna Newman (From November 2024)• Elaine Buckley (Co-optee)

Committee	Focus	Members
	<ul style="list-style-type: none"> EPAO performance and compliance (Ofqual) 	<ul style="list-style-type: none"> Jon Scott (Co-optee)
People and Remuneration Committee	<ul style="list-style-type: none"> Pay and reward structures for Chief Executive and the Executive Team Employee benefits structures Internal EDI practice Remuneration policy People strategy development Staff engagement 	<ul style="list-style-type: none"> Elwen Evans (Chair) (From November 2024) Mark E. Smith Christopher Sayers (Stood down September 2024) Paul Woodgates (September 2024) David Mba (November 2024) Julie Ashworth (November 2024) Parveen Yaqoob (Chair) Annette Hay Randall Whittaker (Stood down May 2025) Pradeep Passi (Co-optee) Chantal Davies (Co-optee) Aloma Onyemah (Co-optee) Sara Mole (Co-optee) Osma Khan (Co-optee)
Equality, Diversity and Inclusion Committee	<ul style="list-style-type: none"> EDI strategic development EDI integration EDI risks EDI policy Athena Swan governance assurance Race Equality Charter governance assurance 	
Governance and Nominations Committee	<ul style="list-style-type: none"> Board Member nominations Board Member recruitment Succession planning Board governance Board diversity 	<ul style="list-style-type: none"> Janet Legrand KC Hon (Chair) Mark E. Smith (January 2024) Andrea Nolan (Stood down December 2024) Karen O'Brien Steph Harris UUK Brooke Storer-Church, GuildHE

Strategic Advisory Groups

Our four Strategic Advisory Groups help to ensure our members can contribute to shaping the activity and future direction of Advance HE and that future developments meet member needs in core areas: Teaching and Learning; Leadership and Management; Governance; and Equality, Diversity and Inclusion.

Trustees' responsibilities statement

The trustees (who are also directors of Advance HE for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles set out in the Charities SORP (FRS 102);
- make judgements and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that Advance HE will continue in business.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended) and the provisions of the trust deed.

The trustees are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees confirm that:

- so far as each trustee is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Trustees' Annual Report for the year ended 31 July 2025 has been approved by the Board of Directors of Advance HE on 8 December 2025 and signed on their behalf by:

Mark E. Smith (Chair)
8 December 2025

Company No. 04931031

Independent auditor's report

Opinion

We have audited the financial statements of Advance HE (the 'charitable company') for the year ended 31 July 2025 which comprise the Statement of Financial Activities (incorporating the income and expenditure account), the Balance Sheet, the Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2025 and of its incoming resources and application of resources including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
- have been prepared in accordance with the requirements of the Charities Act 2011, the Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' 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 charitable company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees 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 trustees 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 trustees are responsible for assessing the charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and under the Companies Act 2006 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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.

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:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements.

The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS102) 2019. In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. The laws and regulations we considered in this context were Charities Commission Regulations and requirements from funders.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be:

- Management override of controls through the posting of unusual journals.
- Timing and completeness of income recognition.
- Management judgement applied in calculating provisions, and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the charitable company needs to comply with to avoid a material penalty.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness.
- Designing audit procedures to test the timing and completion of income.
- Reviewing judgements made by management in their calculation of accounting estimates for evidence of management bias.
- Enquiries of management and the trustees about litigation and claims and inspection of relevant correspondence.
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations.
- Analytical procedures to identify any unusual or unexpected trends or relationships.
- Reviewing minutes of meetings of those charged with governance to identify and matters indicating actual or potential fraud; and
- Obtaining confirmation from the trustees that there was no regulatory correspondence with the Charity Commission.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is

also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005, section 144 of the Charities Act 2011 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's trustees 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 charitable company and the charitable company's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Susan Seaman BA FCA CIOT

Audit Partner

for and on behalf of AAB Audit & Accountancy Ltd

Statutory Auditor, Chartered Accountants

Date:

AAB Audit & Accountancy Ltd is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

Financial statements

Statement of financial activities (incorporating the income and expenditure account) for the year ended 31 July 2025

		2025	2024
	Notes	Total £000	£000
Income from:			
Charitable activities	3	17,240	18,639
Investments	4	<u>374</u>	<u>555</u>
Total income		<u>17,614</u>	<u>19,194</u>
Expenditure on:			
Charitable activities			
Staff costs	5, 6	(11,128)	(12,377)
Other operating expenses	7	(6,453)	(8,363)
Depreciation and amortisation	9, 10	(181)	(260)
Interest and other finance costs	8	(52)	(309)
USS Pension annual adjustment relating to staff costs	5	-	11,308
Total expenditure		<u>(17,813)</u>	<u>(10,001)</u>
Net gains / (losses) on investments		7	-
Net income / (expenditure) and net movement in funds		<u>(193)</u>	<u>9,193</u>
Fund balances brought forward		5,176	(4,017)
Fund balances carried forward		<u><u>4,983</u></u>	<u><u>5,176</u></u>

The income and expenditure account is in respect of continuing activities for Advance HE.

There was a net gain on investment associated with the Euro bank balance as at the 31 July 2025, as reported in the income and expenditure account.

The accompanying accounting policies and notes form an integral part of these financial statements.

All activities were unrestricted.

The notes on pages 38 to 52 are an integral part of these financial statements.

Balance sheet as at the 31 July 2025

	Notes	2025 £000	2024 £000
Fixed assets			
Tangible assets	9	127	230
Intangible assets	10	116	190
		243	420
Current assets			
Debtors	11	5,400	5,707
Cash at bank and in hand		11,326	12,527
		16,726	18,234
Creditors: amounts falling due within one year	12	(9,571)	(11,526)
Net current assets		7,155	6,708
Total assets less current liabilities		7,398	7,128
Creditors: amounts falling due over one year	12	(1,950)	(1,547)
Provision for liabilities	13	(465)	(405)
NET ASSETS/(LIABILITIES)		4,983	5,176
Unrestricted Reserves			
General Reserve	22	3,469	3,518
Designated Reserve	22	1,507	1,658
Unrealised Currency Gain		7	-
TOTAL RESERVES		4,983	5,176

The notes on pages 38 to 52 are an integral part of these financial statements. The financial statements were approved and authorised for issue by the Board of Directors on 8 December 2025 and were signed on its behalf by:

Mark E. Smith – Chair

Company number: 04931031

Statement of cash flows for the year to 31 July 2025

	Notes	2025 £000	2024 £000
Cash flows from operating activities	14	(1,520)	(2,393)
Cash flows used in investing activities	15	319	27
		<hr/>	<hr/>
Change in cash and cash equivalents in the reporting period		<u>(1,201)</u>	<u>(2,366)</u>
Cash and cash equivalents at the beginning of the reporting period		<u>12,527</u>	<u>14,893</u>
Cash and cash equivalents at the end of the reporting period		<u>11,326</u>	<u>12,527</u>

The accompanying accounting policies and notes form an integral part of these financial statements.

Notes to the financial statements

For the year ended 31 July 2025.

1. Principal accounting policies

The principal accounting policies adopted in the preparation of the financial statements are summarised below and have been consistently applied throughout the year and to the preceding period.

1.1. Basis of preparation

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to Advance HE's financial statements.

The financial statements have been prepared under the historical cost convention and in accordance with the Charities Statement of Recommended Practice (SORP) and FRS102.

Advance HE meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The accounts are presented in £ Sterling.

1.2. Going Concern

As in prior years, the particular emphasis during the year continued to be associated with the wider financial and economic challenges within the UK and global higher education sector, the direct effect on the activities of Advance HE, and on any carrying amounts within the assets and liabilities in the Balance Sheet into 2025-26. In light of this, the operating financial budget for 2025-26 has been prepared following a number of scenario models and stress tests, particularly regarding cost increases and inflationary pressures, each with associated trigger and escalation actions. During 2024-25 a number of cost control measures were retained from their implementation in 2023-24 along with a further number of reductions in the headcount (and payroll).

Advance HE's planning cycle for its rolling Three-Year Financial Planning will routinely commence in the spring of 2026 and will continue to reflect the changing environment that Advance HE is responding to, alongside global communities.

Advance HE does not have any loans or any other borrowings.

After considering these factors, the Board has also approved the medium range three-year financial growth plans, business plan, financial forecasts covering the period to 31 July 2028 and the planned reserve levels and is satisfied that Advance HE will operate in a financially sustainable manner. The Board will monitor the direct and indirect impacts of cost increases, inflation levels and changes the government may implement, during 2025-26. The Board considers that Advance HE has sufficient resources to continue in operational existence for at least but not limited to the 12 months from the date these statutory accounts are signed and continues to adopt the 'going concern' basis in preparing the statutory accounts. The Board does not believe that there are events that represent a material uncertainty that may cause significant doubt on the company's ability to continue as a going concern.

Cash flow forecasts have been prepared to the end of May 2027, which consider our cash position and cash requirements, derived from our three-year financial growth plans. These forecasts include any additional costs

and savings arising from our scenario modelling and have also considered sensitivities surrounding our income related pipeline.

1.3. Income

Income from specific commissioned monies, contracts and other services is accounted for on an accruals basis and recognised in the accounts when the conditions for their receipt have been complied with and there is reasonable assurance that the grant or contribution will be received. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs.

The following specific policies apply to certain categories of income:

- Institutional Memberships are recognised over the period to which they relate.
- Investment income from short-term deposits is credited to the income and expenditure account in the period in which it is earned.

1.4. Expenditure

Expenditure has been charged to the statement of financial activities on an accrual basis. Costs are shown inclusive of any related value added tax.

1.5. Tangible fixed assets

Tangible assets are capitalised where they are capable of being used for a period that exceeds one year.

Laptops, desk top computers and servers are capitalised, irrespective of cost. All other equipment (excluding computer software and licences), furniture and fittings are capitalised at cost where the aggregated or individual cost is £1,000 or more.

1.6. Intangible assets and depreciation

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years. Intangible assets are capitalised where they are capable of being used for a period that exceeds one year. Intangible assets under construction relate to a new finance software system.

1.7. Depreciation

All tangible fixed assets are depreciated on a straight line basis over their useful economic life as follows:

Leasehold improvements	-	over the period of the lease
Equipment	-	three years
Computer equipment	-	three years
Office equipment	-	three years
Furniture and fittings	-	five years

Amortisation

Advance HE website	-	four years
Advance HE CRM	-	four years

1.8. Leased assets

Costs in respect of operating leases are charged to expenditure on a straight-line basis over the lease term.

1.9. Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10. Creditors and provisions

Short-term trade creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method. Provisions are recognised when Advance HE has a present financial obligation as a result of a past event and it is probable that a transfer of economic benefit will be required to settle the obligation, and a reliable estimate can be made of its value.

1.11. Contingent liabilities

Contingent liabilities are disclosed by way of a note, when the definition of a provision is not met and includes three scenarios: a possible rather than a present obligation; a possible rather than a probable outflow of economic benefits; an inability to measure the economic outflow.

1.12. Liquid resources

Liquid resources include sums on short-term deposits with recognised banks, building societies and government securities. Advance HE has no significant exposure to cash flow interest rate risk as it does not have any loans or interest charging facilities in place.

1.13. Post Balance Sheet events

Post Balance Sheet events are categorised into adjusting and non-adjusting that occur between the end of the reporting period and the date when the financial statements are approved. Post Balance Sheet adjusting events are those where there is evidence of a condition(s) that exist at the end of the reporting period and are disclosed within the accounts. These can be favourable and/or unfavourable. Post Balance Sheet non-adjusting events are those where there are indicative conditions that have arisen after the end of the reporting period and are disclosed by way of a note. These can be favourable and/or unfavourable.

1.14. Taxation

Advance HE is a charity within the meaning of schedule 3 of the Charities Act 2011 and as such is a charity within the meaning of section 467 Corporation Tax Act 2010 (CTA 2010). Accordingly, Advance HE is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11 of 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. Advance HE receives no similar exemption in respect of Value Added Tax.

1.15. Foreign currency

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange prevailing at the

balance sheet date. Exchange differences are included in the consolidated statement of financial activities for the period in which they are incurred.

1.16. Employee benefits

Short-term employee benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred. Redundancy costs are recognised as an expense in the period in which the charity becomes irrevocably committed to incurring the costs and the main features of the plans have been announced to affected employees.

1.17. Fundraising

Advance HE's income is generated from membership subscriptions and fees, programmes and events fees, consultancy fees, accreditation and charters fees, awards fees, sponsorship, commissioned work from national Funding Bodies (Office for Students, Medr, Higher Education Authority (Ireland)). Advance HE does not use professional fundraisers or commercial participators, nor does it operate any voluntary standards and schemes for fundraising.

1.18. Pension schemes

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

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit.

Advance HE recognises a liability for the contributions payable that arise from such and the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the income statement. Further disclosures relating to a deficit recovery liability would be found within the notes to the accounts.

1.19. Financial instruments

The organisation only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year typically trade payables or receivables, are measured, initially and subsequently, at

the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activities.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

A review of the Balance Sheet as at 31 July 2025 has been undertaken regarding any impairment risks. The Board considers that there are no significant risks.

2. Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered relevant. The items in the financial statements where these judgements, estimates and assumptions have been made include:

Judgements and estimates

Pension Scheme

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as (the UK) Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102.

No deficit recovery plan was required from the latest 2023 valuation because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date Advance HE was no longer required to make deficit recovery contributions. The remaining liability of the £11,055k was released to the income and expenditure account in 2023-24

Judgements

Provision for doubtful debts

All debts over 90 days were reviewed and a judgement made as to the level of provision required on a case by case basis. Additionally there were some invoices issued to institutions without a purchase order (as required by some institutions) relating to attendance at Advance HE events which remained unpaid (amounting to £4k), which were less than 90 days overdue. An extra provision was also made relating to an outstanding amount (less than 90 days) where the customer had been subject to a cyber theft creating uncertainty of receipt. This provision amounted to a total of £108k (2023-24 £11k).

3. Charitable Activities

	2025 £000	2024 £000
Memberships	8,030	7,782
Consultancy	2,137	3,643
Programmes	4,259	4,797
Accreditation	2,267	1,793
Other Income	547	624
	17,240	18,639

4. Investment

	2025 £000	2024 £000
Interest receivable	374	555
	374	555

5. Staff

	2025 £000	2024 £000
Staff costs		
Wages and salaries	8,955	9,776
Social security costs	1,017	1,054
Pension costs	1,156	1,547
Movement on USS provision	-	(11,308)
	11,128	1,069

None of the trustees of the charity receives any remuneration or other benefit from their work with the charity.

No trustee expenses have been incurred in the current or prior year.

The significant movement in 2024 in the USS provision is the result of the 2023 valuation which completely reversed the total UK USS Pension Liability in 2023-24. No further movements are required as the fund is not in a deficit position.

Voluntary severance payments made included in the above are £240k (2023-24: £233k).

Emoluments of the Chief Executive:	2025 £000	2024 £000
Total emoluments	148	161

Emoluments include salary and exclude employers' national insurance contributions and pension costs.

The number of higher paid post-holders with a basic salary of over £60,000 per annum (excluding employers' national insurance and pension contributions and voluntary severance) are below:

	2025 £000	2024 £000
£60,000 to £64,999	6	21
£65,000 to £69,999	22	15
£70,000 to £74,999	8	9
£75,000 to £79,999	4	1
£80,000 to £84,999	2	5
£85,000 to £89,999	4	-
£105,000 to £109,999	-	3
£115,000 to £119,999	-	1
£120,000 to £124,999	1	-
£145,000 to £149,999	1	-
£160,000 to £164,999	-	1
	48	56

The above bandings reflect salaries only and do not include any employer costs of employment.

The average number of persons employed by Advance HE during the year, by major category was:

	2025 No.	2024 No.
Operations	138	158
Marketing	14	16
Overheads	30	32
	182	206

6. Key management personnel

The key management personnel of the organisation comprises those persons having authority and responsibility for planning, directing and controlling the activities of Advance HE and comprises all members of the Executive Team of Advance HE outlined on page 6. The total amount of employee benefits paid to members of the Executive Team in respect of their services to Advance HE (including remuneration, employer's pension contributions, employer's National Insurance and other benefits) was £1,110k (2023-24 £1,251k).

7. Other operating expenditure

	2025 £000	2024 £000
Operational costs	3,790	5,175
Indirect staff costs	56	203
Rent and rates	464	486
Heat, light and power	10	9
Travel and subsistence	326	604
Postage, printing, stationery and telephone	135	151
Professional fees	118	204
Office equipment and computer maintenance	964	875
General expenses	216	89
Public relations and marketing	323	343
Recruitment costs	51	213
Loss on disposal of assets	-	11
	6,453	8,363

	2025 £000	2024 £000
Other operating expenditure includes:		
Auditor's remuneration		
- External auditor's remuneration in respect of audit services	46	47
Hire of buildings – operating leases	367	386

8. Interest and other finance costs

	2025 £000	2024 £000
Bank charges	52	56
Finance cost of USS Pension	-	253
	52	309

9. Tangible fixed assets

	2025				
	Leasehold Improvements	Computer Equipment	Office Equipment	Fixtures Fittings	Total
	£000	£000	£000	£000	£000
Cost					
Opening balance	139	387	45	55	626
Additions	-	3	-	-	3
Disposals	-	-	-	-	-
At 31 July 2025	139	390	45	55	629
Depreciation					
Opening balance	71	226	45	54	397
Charge for the year	14	92	-	-	106
Disposals	-	-	-	-	-
At 31 July 2025	85	318	45	54	503
Net book value					
At 31 July 2025	54	72	-	1	127
At 31 July 2024	68	161	-	1	230

10. Intangible assets

	2025		
	Under Construction	Computer System	Total
	£000	£000	£000
Cost			
Opening balance	25	623	648
Additions			
Transfers	-	-	-
At 31 July 2025	25	623	648
Amortisation			
Opening balance	-	458	458
Charge for the year	-	75	75
At 31 July 2025	-	533	533
Net Book Value			
At 31 July 2025	25	90	116
At 31 July 2024	25	165	190

11. Debtors

	2025 £000	2024 £000
Amounts falling due within one year:		
Trade debtors	4,501	4,771
Other debtors	161	175
Prepayments	354	561
Accrued income	384	200
	<u>5,400</u>	<u>5,707</u>

12. Creditors: amounts falling due within one year

	2025 £000	2024 £000
Trade creditors	274	525
Other tax and social security	130	666
Accruals and Deferred Income	9,167	10,334
	<u>9,571</u>	<u>11,526</u>

The amount of Deferred Income in 2025 was £7,632k (2024 £9,184k) relating to amounts invoiced up front where delivery of services is within the next year.

Creditors: amounts falling due over one year

	2025 £000	2024 £000
Rent deposit	415	397
Deferred Income	1,535	1,150
	<u>1,950</u>	<u>1,547</u>

The rent deposit relates to monies held in a separate bank account for the sub tenants of the York office. Interest of £18k was earned in 2025. Deferred income relates to amounts invoiced up front where delivery of services is in future accounting periods over one year.

13. Provisions for liabilities

	Office dilapidations £000	Total £000
As at 1 August 2024	405	405
Charged in the year	60	60
At 31 July 2025	<u>465</u>	<u>465</u>

The office dilapidations provision is expected to be utilised with the expiry of the longest lease (March 2029).

14. Reconciliation of net income / (expenditure) to net cash flow from operating activities

	2025 £000	2024 £000
(Deficit)/Surplus for the year	(193)	9,193
Depreciation and Amortisation (note 9 & 10)	181	260
(Increase)/decrease in debtors (note 11)	308	(1,426)
Increase/(decrease) in creditors (note 12)	(1,494)	(10,185)
Interest receivable (note 4)	(374)	(555)
Interest payable and similar charges (note 8)	52	309
Loss on disposal of Assets	-	11
Net cash provided by / (used in) operating activities	(1,520)	(2,393)

15. Cash flows from investing activities

	2025 £000	2024 £000
Interest receivable	374	555
Interest payable and similar charges	(52)	(309)
Purchase of fixed assets	(3)	(219)
Net cash provided / (used in) investing activities	319	27

16. Analysis of changes in net debt

This balance represents cash as Advance HE does not have any borrowings.

	At 1 August 2024 £000	Cash flow £000	Foreign exchange movements £000	At 31 July 2025 £000
Cash	12,525	(1,206)	7	11,326
Total	12,525	(1,206)	7	11,326

17. Pensions and similar obligations

Due to the USS Pension Scheme not being in a deficit position, there was no movement during 2024-25. The total amount which was credited to the Income and Expenditure account in 2023-24 was £11,055k, resulting in a total provision of £Nil which remains in place until the next valuation in 2026.

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

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

The 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:

Price inflation – Consumer Prices Index (CPI)	3% 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
Pension increases (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
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

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% p.a. for males and 1.6% p.a. for females.

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 (years)	23.7	24.0
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26.0
Females currently aged 45 (years)	27.2	27.4

Increases or decreases in the USS Pension contribution rates for employees and employers are accounted for as these change.

18. Capital commitments

No contracted capital commitments were in place as at 31 July 2025 (2024: nil).

19. Financial commitments

At 31 July 2025 Advance HE had total commitments under non-cancellable operating leases as follows:

	2025 £000	2024 £000
Future minimum lease payments due:		
Not later than 1 year	541	535
Later than 1 year and not later than 5 years	865	1,385
Later than 5 years	-	-
	<u>1,406</u>	<u>1,920</u>

There is one property with one and a half years of a 25-year lease remaining and one property with three years and seven months of a 10-year term remaining, which mitigates any risk of longer term liability.

At 31 July 2025 Advance HE had total future minimum lease receipts under non-cancellable operating leases which net against the above total as follows:

	2025 £000	2024 £000
Future minimum receipts due:		
Not later than 1 year	311	311
Later than 1 year and not later than 5 years	164	475
Later than 5 years	-	-
	<u>475</u>	<u>786</u>

20. Contingent liabilities

There are no contingent liabilities at 31 July 2025 (2024: £Nil).

21. Related party transactions

Due to the nature of Advance HE's operations and the composition of the Board (being drawn from the higher education sector), it is inevitable that transactions will take place with organisations in which a Director of the Board or a Member of Advance HE may have an interest. All transactions involving organisations in which a Director of the Board or a Member of Advance HE may have an interest are conducted at arms' length and in accordance with Advance HE's financial regulations and normal procurement procedures.

During the period there were no transactions (neither income nor expenditure) with organisations with which any director of the Board or Member of Advance HE may have an interest.

The following transactions were identified for disclosure under FRS 102: Related Party Disclosures:

Director/Trustee:	Related Party:	Sales to Related Party: £000	Owed from Related Party: £000	Purchases from Related Party: £000
Julie Ashworth	University of Aberdeen	48	47	-
Professor Elwin Evans	University of Wales Trinity Saint David	47	39	-
Professor Stephen Decent	Glasgow Caledonian University	99	63	-
Dr Samuel Grogan, Alex Owen	University of Loughborough	73	67	-
Annette Hay, Paul Woodgates	De Montfort University	100	-	19
Janet Legrand KC	University of Edinburgh	167	8	-
Professor David Mba	Birmingham City University	146	4	-
Professor Joanna Newman	SOAS	33	23	-
Professor Joanna Newman	University of London	19	15	-
Professor Andrea Nolan	Edinburgh Napier University	1	-	-
Professor Karen O'Brien	Durham University	111	76	-
Professor Mark E Smith	University of Southampton	24	-	-
Professor Mark E Smith	University of Warwick	157	17	-
Professor Parveen Yaqoob	University of Reading	84	53	-
Professor Parveen Yaqoob	Royal Berkshire NHS Foundation Trust	4	-	-
Professor Randall Whittaker	Rose Bruford College	14	3	-

The Owed to (Owed from) represents invoices due to (due from) at 31 July 2025.

The Receipts from and Payments to represents invoices within the period of the Board Member's appointment.

22. Unrestricted reserves

	Designated reserve £000	General reserve £000	Total unrestricted reserve £000
As at 31 July 2024	1,658	3,518	5,176
(Deficit)/Surplus for the period	(151)	(49)	(199)
Unrealised Currency Gain	-	7	7
At 31 July 2025	1,507	3,476	4,983

Advance HE, as a company Limited by Guarantee, does not have shareholders or share capital. Its reserves are the result of cumulative prior year activities and are used to support the charity in delivering its objects.

The unrestricted reserves at 31 July 2025 remained within the target reserves level of 3 months of operational expenditure.

The designated (specific) reserve fund is required for the strategic investment into the development of products and services to our stakeholders, in the appropriate resourcing of and the internal supporting infrastructure to deliver this.

23. Financial instruments

	Year ended 31 July 2025 £000	Year ended 31 July 2024 £000
Financial assets that are debt instruments measured at amortised cost:		
Trade and other debtors	4,662	4,945
Cash	11,326	12,527
Accrued income	384	201
	<u>16,372</u>	<u>17,673</u>
Financial liabilities measured at amortised cost:		
Trade and other creditors	<u>1,757</u>	<u>2,120</u>

Contact us

All enquiries

Email: enquiries@advance-he.ac.uk

Advance HE helps HE institutions be the best they can be, by unlocking the potential of their people.

We are a member-led, sector-owned charity that works with institutions and higher education across the world to improve higher education for staff, students and society. We are experts in higher education with a particular focus on enhancing teaching and learning, effective governance, leadership development and tackling inequalities through our equality, diversity and inclusion (EDI) work.

Our strategic goals to enhance confidence and trust in HE, address inequalities, promote inclusion and advance education to meet the evolving needs of students and society, support the work of our members and the HE sector.

We deliver our support through professional development programmes and events, Fellowships, awards, student surveys and research, providing strategic change and consultancy services and through membership (including accreditation of teaching and learning, equality charters, knowledge and resources).

Advance HE is a company limited by guarantee registered in England and Wales no. 04931031. Company limited by guarantee registered in Ireland no. 703150. Registered as a charity in England and Wales no. 1101607. Registered as a charity in Scotland no. SC043946. Registered Office: Advance HE, Innovation Way, York Science Park, Heslington, York, YO10 5BR, United Kingdom.

© 2025 Advance HE. All rights reserved.

The views expressed in this publication are those of the author and not necessarily those of Advance HE. No part of this publication may be reproduced or transmitted in any form or by any means, electronic or mechanical, including photocopying, recording, or any storage and retrieval system without the written permission of the copyright owner. Such permission will normally be granted for non-commercial, educational purposes provided that due acknowledgement is given. The Advance HE logo should not be used without our permission.

To request copies of this report in large print or in a different format, please contact Advance HE: enquiries@advance-he.ac.uk

advance-he.ac.uk

in **X** **f** **@AdvanceHE**