



University of Chester

Annual Report and Financial Statements

Year ended 31 July 2025

Registered Charity No. 525938



Contents

Year ended 31 July 2025

CONTENTS	PAGES
Introduction from the Vice Chancellor and President of the University Council	3
Financial Highlights	4
Members of the University Council	5
University Senior Staff	6
University Advisors	7
Report of the University Council	8
Corporate Governance Statement	17
Statement of University Council Responsibilities in Respect of the Annual Report and the Financial Statements	22
Independent Auditor's Report to the University Council of the University of Chester	24
Consolidated and University Statement of Comprehensive Income and Expenditure	28
Consolidated and University Statements of Changes in Reserves	30
Consolidated and University Balance Sheets	32
Consolidated Cash Flow Statement	33
Statement of Accounting Policies	34
Notes to the Financial Statements	39



Introduction by the Vice-Chancellor and the President of the University Council

Year ended 31 July 2025

Introduction from our Vice-Chancellor



This year, the University significantly improved its financial performance through a rigorous Savings and Investment Programme. All Faculties and Professional Services conducted thorough reviews of their operations and implemented changes that enhanced efficiency across the institution.

In addition to cost savings, we experienced growth in tuition fee income and expanded our UK and international partnerships. Our continued investment in teaching facilities and student accommodation reflects our commitment to delivering a high-quality educational experience at Chester—an effort recognised by multiple external awards, including the Times Higher Business School of the Year.

We also prioritised upgrades to key systems in Human Resources, Registry, and the Research & Innovation Office, reducing administrative workload and embracing new technologies. Thanks to the dedication and collaboration of staff across the University, we conclude the year well-positioned to navigate future economic challenges and adapt to shifting policy landscapes.

Professor Eunice Simmons DL, BSc, MSc, PGCE, PhD, FRSB, FRSA, PFHEA

Introduction from President of University Council

As the new President of Council, it is good to see the 24/25 out-turn provides a stable foundation on which to build. Cost management programmes have been effective while important investment to support growth and an improved student experience have been protected.

Challenges remain and Council has strengthened its skills and experience in technology, finance, human resources, estates and brand and communications. Council is well placed to meet its evolving governance obligations and support the strong executive team as they take the University forward.





Financial Highlights
Year ended 31 July 2025

Result

During the year to 31 July 2025 (year to 31 July 2024 figures in brackets) the consolidated University and subsidiary companies:

- Generated income of £154.2 million (£147.5 million)
- Generated a surplus before other gains and losses of £12.5 million (£0.1 million surplus)
- Generated a net cash inflow from operating activities of £4.2 million (£7.6 million)
- Decreased expenditure by £5.8 million (£0.9 million)

Financial Strength

At 31 July 2025 the University had:

- Cash and cash equivalents of £37.7 million (£41.8 million)
- Total net assets of £91.0 million (£80.7 million)
- A net defined benefit pension liability of £ zero (£ zero)

Financial Investments

During the year to 31 July 2025 the University invested £2.5 million (£5.2 million) in tangible fixed assets.

Staff and students

During the academic year the University:

- Employed an average of 1,430 members of staff (1,498)
- Taught, directly or through collaborative provision and distance learning, higher education students as follows:

Student Headcounts - based on HESA Student Return Standard Registration Population

		Full-Time	Other	2024/25 Total	2023/24 Total	Increase/ (Decrease)
Home/EU	Undergraduate	5,731	281	6,012	6,234	(4%)
	Postgraduate	450	1,644	2,094	2,650	(21%)
	Nursing and Midwifery	1,425	97	1,522	1,745	(13)%
International	Undergraduate	894	21	915	659	39%
	Postgraduate	2,851	33	2,884	2,917	(1%)
	Nursing and Midwifery	91	-	91	8	1,038%
2024/25 Total		11,442	2,076	13,518	14,213	(5%)
2023/24 Total		11,501	2,712	14,213		
Increase/ (Decrease)		(1)%	(23)%	(5)%		

The 2024/25 figures are for students studying between August 2024 and July 2025. The 2023/24 figures are for students studying between August 2023 and July 2024.



Members of the University Council

Year ended 31 July 2025

The members of the University Council are the University's charity trustees under charity law. The members of the University Council who served as trustees during the year or subsequently are detailed below:

Members of the University Council 2024-25		(1)	(2)
Foundation Members:			
Dr Meredydd David (<i>President</i>)		•	
The Right Reverend the Lord Bishop of Chester, Mark Tanner			
The Very Reverend Dr Tim Stratford			
Professor Eunice Simmons (<i>Vice-Chancellor</i>)		•	
Dr David Briggs		•	
Professor Steven Broomhead	Left 28-05-2025		•
Professor Charles Forsdick			
Mrs Jeannie France-Hayhurst			
Professor John French	Appointed 02-10-2024 Left 24-06-2025		
Professor Helen O'Sullivan		•	
Dr Angela Seeney			•
Mrs Lynette Siemers			•
Mr Peter Wallach			•
Non-Foundation Members:			
Mr Richard Mendez	Appointed 11-02-2025		
Mrs Cathy Bond (<i>Deputy President</i>)		•	
Mr Marcus Clinton			
Councillor Mrs Razia Daniels			
Ms Karen Howell	Left 31-01-2025		
Mrs Sara Popplewell		•	
Mr Stephen Dobson		•	
Professor Angela Simpson			
Jane Tomkinson	Appointed 02-10-2024		•
Mrs Kate Nwosu-Aaron Efe	Left 31-12-2024		
Miss Lillian Watson (<i>Students' Union President</i>)		•	
University Secretary			
Ms Laura Gittins			

During the year the main operational activities of the University Council were carried out through two committees. The current membership of these committees is shown above for each Council member

- (1) Planning & Resources Committee
- (2) Audit & Risk Management Committee

The University is also guided and governed by four further committees, namely, Mission; Nominations & Governance Review; Academic Governance & Student Outcomes and Senior Salaries.



University Senior Staff
Year ended 31 July 2025

University Senior Staff

The senior staff of the University to whom day to day management is delegated are as follows:

Professor Eunice Simmons	Vice-Chancellor
Professor Helen O'Sullivan	Provost and Deputy Vice-Chancellor
Professor Paul Bissell	Pro Vice-Chancellor Research and Innovation
Dr Helen Galbraith	Senior Pro Vice-Chancellor and Chief Operating Officer
Mr Richard Waddington	Chief Financial Officer
Ms Laura Gittins	Director of Legal Services and University Secretary
Mrs Rashmi Patel	Director of Human Resources
Mrs Lucy FitzHugh	Executive Director of Estates & Commercial Operations – started 6 th January 2025
Professor Kurt Allman	Executive Dean/PVC (Faculty of Science, Business & Enterprise)
Professor David McGravie	Executive Dean/PVC (Faculty of Arts, Humanities & Social Sciences)
Professor Angela Simpson	Executive Dean/PVC (Faculty of Health, Medicine & Society)



University Advisors

Year ended 31 July 2025

University Advisors

The University retains a number of professional advisers. The advisers during the year were as follows:

University Advisor	Address
Bankers	NatWest Bank plc 2-8 Church Street 1 st Floor Liverpool L1 3BG
Auditors - External	Grant Thornton No 1 Whitehall Riverside Leeds LS1 4BN
Auditors - Internal	RSM Landmark 1 St Peter's Square Oxford Street Manchester M1 4PB
Insurance Brokers	U M Association Ltd 5 St Helen's Place London EC3A 6AB



Report of the University Council

Year ended 31 July 2025

The Members of the University Council present their Annual Report for the year ended 31 July 2025 under the Charities Act 2011 together with the audited financial statements for the year.

Structure, Governance and Management

Type of organisation: Registered Charity

Nature of Governing Document: Trust Deed

How the Charity is constituted: The University Council set the mission and approve the strategy and policies. Members of the University Council (Governors) are the management trustees and the day-to-day management is with the Senior Management. Chester Diocesan Board of Finance is the custodian trustee of the charity's real estate property, acting as bare trustee of land.

Method of Appointment of Trustees: Trustees are appointed in accordance with the Instrument of Government. The Charity has a Nominations and Governance Review Committee. The Charity is responsible for ensuring that appropriate training is provided. Trustees are appointed for an initial term of office not exceeding three years.

Governors Induction and Training: The University Council have available a range of training opportunities delivered through a variety of formats. The main source of external training is through attendance on various courses organised by Advance HE. In addition, the University Council attends an "Away Day" where contributions on relevant topics are made by external and internal speakers. New members of Council are provided with an induction briefing by the Charity Secretary and an induction meeting with the President of the Council.

Organisation: The Composition of the Council is set out on page 5. It is the Council's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Chief Executive (Vice-Chancellor Professor E.A. Simmons) is appointed by the Council to manage the day to day operations of the Charity and is supported by a Strategic Executive Team.

Scope and period of financial statements

The financial statements have been presented for the year ended 31 July 2025.

Principal activities of the University

The principal activity of the University is the provision of higher education. The University has a series of well-established programmes leading to the award of BA, BSc, BEd, BTh, BPhil, MA, MEd, MSc, MBA and PhD degrees.

The University is committed to the promotion of academic, vocational and personal development and professional training, preparing its students, in collaboration with employers and professional partners in the region and beyond, to make a positive contribution to the social and economic context in which they hope to work.

The University owns a substantial amount of property including a large number of residential properties which are maintained for the sole use of its students.

The Charity has two trading wholly owned subsidiaries, which have ceased trading from 1st August 2025:

- Chester Conferences Limited – provision of conference and short-course facilities
- Thornton Research Properties Limited – rental of office and industrial space at Thornton Science Park



Report of the University Council (continued)

Year ended 31 July 2025

Strategic Report

Over the last two years the University has made significant strides in strengthening its financial position. This progress has been driven by disciplined cost control and strong international student recruitment. These efforts have helped us meet income targets and stabilise our short-term financial outlook.

We recognise that this success is the foundation for the University's sustainable growth. Financial resilience is not only a measure of fiscal health, but also the cornerstone of our long-term strategic plan. It enables us to make confident decisions, invest in our future, and avoid the pitfalls of reactive cost-cutting.

The financial environment for Higher Education remains volatile with many institutions facing deficits. Against this backdrop we are pleased to confirm that our financial results for 2024–25 show an operating surplus - the first since 2018–19. This achievement is a testament to the strategic foresight, collective effort, and financial discipline demonstrated across the University.

Key contributors to this outcome include:

- a comprehensive savings and investment programme that has delivered substantial efficiencies and laid the groundwork for efficient ways of working in the years ahead,
- growth in international enrolments
- Disposal of Thornton Science Park in July 2025 which resulted in the release of £7.2m of deferred capital grants held to be released over the useful life of the site being released in year.
- provision of more enhanced data and management information across Faculties and Directorates to assist with decision making,
- enhanced tuition fee collection systems,
- strategic procurement practices that have optimised non-pay expenditure.

We are focussed on achieving a recurrent surpluses, maintaining a staff cost-to-income ratio below 60%, and developing a long-term investment plan, supported by estate rationalisation. We will also continue to comply with bank covenants and maintain a 50% contribution from academic areas where feasible.

We continue to right-size the built estate, improving asset utilisation and reduce running costs. After winning a Salix Public Sector Decarbonisation grant, implementation of this environmental cost-saving project has begun in our Wheeler Building and at Queen's Park. With the arrival of our new Executive Director of Estates the year-round use of the estate is being reviewed and commercial opportunities sought for under-utilised areas.

We are acutely aware of the financial challenges facing many of our students and the hope is that the roll out of a new academic framework, which launches in 2025/26, will enable students to more easily "earn while they learn".

Constraints in the budget have led to innovation in the use of digital tools. A small multidisciplinary team has focused on making more of what we currently have – using existing Microsoft technology to eliminate tens of thousands of emails, hugely improve the student experience and enable tracking of customer service. Enquiries that previously had response rates of weeks can in some cases automatically be resolved in moments.



Report of the University Council (continued)

Year ended 31 July 2025

Whilst cost-saving measures are important, revenue growth is essential to achieving financial health. There cannot be a reliance on reducing expenditure, we must also continue to grow and diversify our income streams. Students now join us from over 120 countries, studying a wide range of subjects and we look forward to developing strong alumni groups in their home countries and regions to strengthen recruitment. Further investment will be expressly focused on courses with high growth potential. We will continue to review and potentially divest from underperforming areas.

From a lower base our performance in the Graduate Outcome Survey is improving with some cohorts outperforming the national benchmarks. Employability and skills development are a shared commitment: from the expertise of academics who embed skills into the curriculum, to work placements and experiential learning, to the encouragement of professional services teams - preparing students to be Citizen Students, ready to launch their careers with purpose. We are very proud to be developing the nurses, social workers and police officers of the future for the communities we serve across the North-West region. The hard work of colleagues was apparent in the improving achievement rates of the university's higher and degree apprenticeships, receiving a 'Good' rating from Ofsted. Volunteering continues to play a part, and students from the School of Law and Social Justice were finalists in the LexisNexis Legal Awards for their 'Reach out to Survivors: Domestic Abuse' project, one of several 'Reach Out' projects led by a student project manager and operated by student volunteers from the undergraduate Law Degree.

The results of the fifth Knowledge Exchange Framework (KEF) confirmed that the University is in the top 20 per cent of its peers for its work with Research Partnerships and Working with Businesses. We were in the top 40 per cent in the categories for Working with the Public and Third Sector, and CPD (Continuing Professional Development) and Graduate Start-Ups, with High Engagement, as compared against its peers. This shows that, for KEF5, the institution is performing at or above average for all seven perspectives and above average in three of the seven perspectives.

We have been awarded University of Sanctuary status for dedicated efforts to foster a welcoming culture of inclusivity and awareness. The application was a team effort, led by the Student Experience team in Student Services with support from academic and professional staff.

Encouraged by its inaugural success, the University's second Festival of Ideas took place in July 2025. Alongside nationally renowned speakers it showcased staff and student achievements, and fruitful partnerships across the city and the region, receiving a Chester Civic Trust Award.

Autumn saw us crowned Business School of the Year at the Times Higher Education Awards and reaching the final for Outstanding Library Team of the Year. A Chester Business School student won the Tourism Management Institute Undergraduate Student Award, while the Faculty of Health, Medicine and Society reached the final of the Nursing Times Workforce Summit and Awards. A Faculty of Arts, Humanities and Social Sciences student was an award finalist in the Global Creative Graduate Showcase, the biggest annual online show of graduate creatives across the globe, shortlisted in the Product, Architecture and Interiors category by industry experts from more than 5,000 entrants.

At the 2025 Whatuni Student Choice Awards (WUSCAs) Chester retained its gold titles for best University in the UK for International and Postgraduate students, and a bronze award for Student Support. Additionally, we topped their regional rankings for best University in the North-West, Facilities, Lecturers and Teaching Quality and Student Support categories, and runner-up for Career Prospects, Students' Union and University Halls. The StudentCrowd University Awards 2025, which are based entirely on student reviews, placed us third in the UK in the category of Personal Tutors and tenth for Job Prospects.



Report of the University Council (continued)

Year ended 31 July 2025

A capital grant from the Office for Students enabled us to improve Chester Medical School teaching resources and refurbish a 1980s building for the start of the 24/25 academic year to accommodate the School of Education. The improved School facilities have attracted not only more student enrolments but also a win with the Cheshire West Design Awards for our in-house design. The Grounds & Gardens team are adapting tree and border planting to become more drought resistant, more diverse and lower maintenance. The student-led community garden has been awarded 'Level 5 – Outstanding' by the RHS Britain in Bloom (North-West) - one of only four in the region to receive the rating, and the only one given to a university garden. This collaborative project was a partnership between the Chaplaincy team, students, staff and regional environmental charity Faiths 4 Change. Collaboration on sustainability is embedded across Academics and Professional Services, with all members of the Senior Leadership Team on track to complete training in Carbon Literacy this year.

In August 2025, the university welcomed a new President and Chair of the University Council, John Mills. John is a former partner at PricewaterhouseCoopers and brings significant expertise from his background in accounting and as a long-standing member and Chair of Council at the University of Nottingham. His belief that everyone, regardless of background or life stage, should have the opportunity to better their lives through education, and that those who can benefit from university should have the opportunity to do so, resonates well with the University's Foundational Values.

The Vice Chancellor would like to thank colleagues, Governors and the student body for their continued commitment and contributions. The progress made this year is evidence of the strength of our community and shared determination to thrive in these challenging times.



Report of the University Council (continued)
Year ended 31 July 2025

Financial Review

	Year ended 31 July 2025	Year ended 31 July 2024
Financial Performance Indicator		
Surplus before other gains and losses for the year	£12.5m	£0.1m
Margin %	(8.1%)	(0.1%)
Surplus for the year	£11.9m	0.4m
Margin %	(7.7%)	(0.3%)
Staff costs as % of income	54.0%	56.3%
Cash inflow from operating activities	£4.2m	£7.6m
Current assets ratio	1.4	1.3
Net liquidity (days)*	90	108

*(Number of days expenditure held as cash, based on total expenditure less depreciation)

Net liquidity reduction was due to £8.8m of loan repayments made in the year from cash

Financial Performance in 2024/25 compared to previous year:

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Income	154,159	147,503
Expenditure	141,651	(147,406)
(Loss)/Gain on disposal of fixed assets	(587)	342
Surplus	11,922	439

- Group income has increased by £6.7m (4.5%).
 - Funding body grants increased by £5.9m (45.7%). This was primarily due to the release of capital grants received for Thornton Science Park of £7.2m, which were released on disposal of the site and some reductions in other specific grants.
 - Investment income decreased by £0.7m (33.3%). This is due to lower cash balances as loans of £8.4m were repaid during the year.
- Expenditure decreased by £5.8m (3.9%).
 - Other Operating Expenses reduced by £3.7m (6.6%). This was due to reductions in bad debt charges and premises running costs.
 - Depreciation decreased by £1.8m (25.7%). The previous financial year (2023-24) included additional depreciation on assets held at University Centre Shrewsbury which was exited during that year.



Report of the University Council (continued)

Year ended 31 July 2025

- The University invested £2.5m in fixed assets, the largest items of capital expenditure included:
 - Renovation of existing building to create a new School of Education building
 - Renovation of student residences at John Milton Hall

Trade Union Facilities Time data for the period 1 April 2024 – 31 March 2025

TABLE 1	Total Number of Union Officials		12
	Full time equivalent employee number		10.79
TABLE 2	Percentage of time Spent on facility time		
		0%	1
		1-50%	11
		51-99%	0
		100%	0
TABLE 3	Percentage of pay bill spent on facility time		
	Total cost of facility time		£101,326.42
	Total Pay Bill		£83,994,475.72
	% of the total pay bill spent on facility time		0.12
TABLE 4	Paid trade union activities		
	% of total paid facility time hours		0.00

Risks and uncertainties

There are several key financial risks associated with income and expenditure that the University is managing to ensure financial sustainability.

The growth in international recruitment has continued, and despite a reduction in postgraduate international students enrolling in September 2024, recruitment in the further intakes (February and May 2025) were strong. International undergraduate student numbers also continue to increase. This means that the number of international students studying at Chester rose 9% versus 2023-24. A key risk in this area is the proposed international student fee levy of 6% and its impact on the cost base of the University and on the UK as an international market for Higher Education. The University also has reliance on several key markets, and geopolitical changes in these countries is a key risk. The recruitment of home undergraduate students remains a challenge, due to changes in recruitment patterns and competitor behaviour, but improved student retention has mitigated some of this risk.

The key risk on expenditure remains the continued upward pressure on staffing costs. In April 2024 there was a significant increase of 5% in employers' contributions under the Teachers' Pension Scheme to 28%, the full year impact included in expenditure in 2024-25. In November 2024, the Chancellor announced an increase in employers' national insurance from April 2024 to further increase payroll costs. To mitigate these cost increases, the University embarked on a savings programme which has reduced staffing levels by 68 fte for the year. The University's ageing estate is another growing risk, particularly with regards to maintenance expenditure and increased running costs.

The increased expenditure on running costs also reduces cash that is able to be retained in order to invest in estates and digital infrastructure. There have been several actions undertaken this year to mitigate this risk. In July 2025, Thornton Science Park was sold, and this will reduce estates running costs significantly. In addition, the University was successful in application to Salix under the Public Sector Decarbonisation Scheme to help decarbonise two sites - the Wheeler Building and Queens Park. In summer 2025, an application for planning permission was submitted to Warrington Borough Council alongside a major housebuilding company which if successful will facilitate the sale of the Padgate site. The proceeds from the sale will help support infrastructure investment.



Report of the University Council (continued)

Year ended 31 July 2025

Compliance with the Office for Students Condition B3 means that there remains a risk of student number controls on those subjects deemed poor quality, however work to improve these metrics is ongoing and performance against thresholds is improved.

The wider economic situation and pressure on public finances also give rise to a broader set of uncertainties including grant funding and interest rates. There have been cuts to the Strategic Priorities Fund grants in 2025-26 and although the standard home undergraduate tuition fee will rise to £9,535 in 2025 and then in line with inflation for at least two years, this has not been enough to offset rising costs.

Although a surplus position has been recorded in 2024-25 the University is expected to remain at around a break even position in 2025-26, due to rising costs. There is a lot of unpredictability in the higher education sector, and the University is in the process of adopting a new approach to risk for greater transparency and decision making. Additional members of University Council have been appointed to provide a breadth of expertise to governance to help the University address these challenges.

Public benefits and inclusivity

Delivering public benefit is at the heart of what we do as a University and as a provider of higher education. Since 1839 our institutional mission has committed us to provide our students with the education, skills and support to enable them to develop as confident world citizens, and to serve and improve the global communities within which they live and work. As an institution founded by the Church of England, we have always been guided by Christian values and are justifiably proud of the open, inclusive and supportive environment that characterises our institution. We warmly welcome staff, students and visitors of all faiths and none. Our institutional strategy since 2020 has focussed on enhancing this mission-led culture of social mobility and inclusivity – not just for our students as our primary beneficiaries, but also for our staff and communities.

As a local ‘anchor’ institution, we recognise that we have a responsibility to engage proactively and meaningfully in placemaking. Our University doesn’t only serve the communities surrounding Chester; our University Centres in Birkenhead, Warrington and Reaseheath serve wider communities in both rural and urban areas. Our continuing work with regional place makers has highlighted shared commitments to achieving sustainable and inclusive growth that addresses the inequalities facing marginalised and underrepresented communities, without negatively impacting our natural environment. Our Strategic Executive Team provides intentional leadership in support of these priorities, through board membership and key partnership with our local authorities, NHS partners, charities, creative organisations and business representatives.

Further information regarding the University’s social impact on our communities, staff and students is set out in our recent [Levelling Up Impact Report](#)

The University’s [Citizen Student Strategy](#) furthers our commitment to delivering public benefit through three overarching themes:

- Enhancing social capital – opening doors for students whilst studying and beyond;
- A holistic student experience – creating a culture of opportunity and self-development;
- Focussing on lifelong learning – developing an inclusive offer for students of all ages and backgrounds.

The University’s [Access & Participation Plan](#) sets out in more detail our commitment to work with our students to build a strong sense of agency and belonging; to identify and remove barriers so that students from all backgrounds are supported to succeed; and to provide our students with the skills, experience and connections to contribute to a dynamic University community. We deliver against this commitment through a programme of financial support for students from specific underrepresented groups; through partnership working with schools and colleges to raise student aspirations and enable students to progress to higher education; and through an extensive offer of academic and pastoral support to allow students to reach their full potential whilst studying at University and beyond.



Report of the University Council (continued)

Year ended 31 July 2025

The University's [Research & Knowledge Exchange Strategy](#) furthers our aim to play a fundamental role in regional placemaking and to contribute to advances in knowledge that benefit wider society and help to tackle the 'grand challenges' of the 21st century. Our strategy is intended to align with the priorities of our local authorities, NHS partners, business and the third sector. The University has established a number of Research and Knowledge Exchange Institutes (RKEIs) as part of our wider strategy, across core themes strongly aligned to public benefit including health and wellbeing; culture and society; sustainability and environment, and regional economy.

In setting our strategic objectives and planning our activities the University Executive and University Council have given careful consideration to the Charity Commission's general guidance on public benefit. The balance of the benefits against any detriment or harm are considered during the decision-making processes of the University and during the activities performed. With regard to our estate strategy, property purchases and developments always comply with building regulation guidelines and restrictive covenants and there is regard for the wider environmental impacts. Our charitable aim is the provision of higher education, and the infrastructure required for this should be balanced against the environmental impact this can have.

Investment powers and policy

The Charity invests funds on short-term deposit to ensure a safe and reasonable level of interest is earned and assists the Charity in achieving its objectives. The interest earned within the year amounted to £1,354k (2023: £2,050k).

The use of short-term deposits is deemed appropriate as this provides a low-risk investment with an acceptable rate of return. Short-term deposits also provide the required flexibility to access cash quickly as and when it is required.

The University's Treasury Management Policy incorporates the Socially Responsible Investment Policy.

Reserves policy

The Charity's Trust Deed places no specific restrictions on the application of the Charity's funds, provided that they are applied solely towards the objectives of the Charity as set forth in the Deed.

The Charity aims to provide facilities of a high standard, and this is achieved through a programme of substantial capital investment, which is financed from general reserves, the subsidiary covenant payments and from bank borrowings. It is the University Council's policy to keep free reserves at a reasonable level in light of the organisation's requirements.

Reserves are mainly needed to fund growth and asset acquisition and refurbish the existing property stock. In addition, short-term reserves will also be needed to fund the development of new courses as well as other initiatives. The Trustees therefore consider the ideal level of reserves at 31 July 2025 to be at least 150% of short-term creditors before taking into consideration the pension liability. This level of reserves would allow all external short-term creditors at this date to be paid in full and leave sufficient funds to invest.

The actual Consolidated Reserves for year ended 31 July 2025:

Unrestricted: £90,635k (2024: £80,279k)

Endowments: £398k (2024: £421k)

At 31 July 2025 consolidated reserves are therefore 286% of short-term creditors and deemed to be sufficient.

Employee consultation

The average number of lecturing and support staff employed by the University during the year was 1,430 (2024: 1,498). An active policy of information dissemination encourages employee involvement and participation in the University development process. Employee representatives are regularly consulted on a variety of issues affecting their own and the University's interests.



Report of the University Council (continued)

Year ended 31 July 2025

Auditor

The members of the University Council who held office at the date of approval of this report confirm that;

- so far as they are each aware, there is no relevant audit information of which the University's auditor is unaware; and
- each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Going concern

The University recorded a surplus before other gains or losses of £12.5m, and although £7.2m related to the accelerated release of capital grants on the disposal of Thornton Science Park, this was a much-improved financial result compared to the previous financial year (£0.1m surplus before other gains and losses). The opportunity was taken during the year to repay £8.8m of debt, reducing borrowing from £20.5m to £11.7m. This simplified debt administration by moving to a single lender, and reduced risks around covenant compliance. The University reported operating cash inflow of £4.2m for the year ended 31 July 2025 (2024: £7.6m inflow) and in assessing the going concern of the University, detailed cash flow forecasts were prepared covering a period of over 12 months from date of signing. These cash flows were prepared on the basis of severe but plausible downsides impacting the University's operations over that period. These indicate that the University remains a going concern, and the Revolving Credit Facility agreed during the year with Santander giving the University access to an additional £13.3m facility with the lender.

However, the University remains under financial pressure due to cost increases (particularly staff costs), and as such, continues to develop and implement cost reduction plans, including reduction and rationalisation of the estate including the sale of the Padgate site to a major housebuilder.

On this basis, the University Council is satisfied that, despite the current economic and political uncertainty, the University has adequate resources to continue in operational existence for the foreseeable future and for at least 12 months from the date of signature of these financial statements. Further details regarding the basis of preparation are given in the Statement of Accounting Policies.

Conclusion

The University has had a much better year than previously. However, reductions in public funding and upward pressure on costs, means that we continue to operate in a challenging environment. The University Council believe that the University is well placed to manage these challenges due to careful cost management and the strategic refocusing of the University's portfolio across all its faculties and sites which should ensure the University can continue to recruit well in the future.

President of the Council:

Mr John Mills

Deputy President of the Council:

Mrs Cathy Bond

Date: 11/12/2025



Corporate Governance Statement

Year ended 31 July 2025

Corporate Governance Statement

The University is committed to exhibiting best practice in all aspects of governance. This summary describes the manner in which the University complies with Committee of University Chairs (CUC) Higher Education Code of Governance (2020). The purpose of this summary is to help the reader of the financial statements understand how the principles have been applied.

In the opinion of the Members of the University Council, the University has applied the principles of the Higher Education Code of Governance (2020) in so far as they apply to the Higher Education Sector, and it has applied these throughout the year ended 31 July 2025 and up to the date of these accounts.

The University Council

The composition of the University Council is set out on page 5. It is the University Council's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The University Council usually meets four times a year and has several committees, including the Academic Governance and Student Outcomes Committee, Audit and Risk Management Committee, Mission Committee, Nominations and Governance Review Committee, Planning and Resources Committee, and the Senior Salaries (Remuneration) Committee.

The University governance structure facilitates a transparent and effective system of governance, and information on structure and responsibilities of University Council, together with minutes of meetings can be found at <https://www1.chester.ac.uk/about-university/university-council>

Planning and Resources Committee

The Planning and Resources Committee meet six times a year and advises the Council on the University's corporate strategy. The Committee scrutinises proposed major developments, policy initiatives and all strategic academic and non-academic plans, including financial, physical and human resources, risk and value for money. The Committee also considers in detail the annual budget and financial forecasts and monitors performance, together with reviewing the implementation of policies relating to employment and the conduct and performance of staff. It makes recommendations, as appropriate, to the Council.

A University Health and Safety Committee reports to the Planning & Resources Committee. It meets at least three times a year, reviews existing safety policies, considers the need for new safety procedures, reviews the implementation of approved safety procedures, provides advice on health and safety to staff and students, receives notification of all accidents, reviews incidents and related statistics, receives reports from the health and safety manager, and promotes co-operation across the University to secure sound health, and safety. The Health and Safety Committee's annual report is presented to the Planning & Resources Committee.

Nominations and Governance Review Committee

Any new appointments to the University Council are made in accordance with the Instrument of Government. The University Council has a Nominations and Governance Review Committee which considers the skills mix and general requirements for membership of the University Council, having due regard to equality and diversity considerations. The Committee also oversees a full and robust review of the effectiveness of governance at least every three years and monitors the implementation of actions arising from such governance reviews. University Council is responsible for ensuring that appropriate training is provided. Members of the Council are appointed for an initial term of office not exceeding three years and are eligible for re-appointment for one further term of three years.



Corporate Governance Statement (continued)

Year ended 31 July 2025

Senior Salaries Remuneration Committee

The Senior Salaries Committee considers and makes recommendations to the University Council on the remuneration and conditions of service of:

- the Vice-Chancellor
- the Deputy Vice-Chancellor; and (following recommendations from the Vice-Chancellor) on other senior post holders as determined from time to time by the University Council.

The University Council shall take the Senior Salaries Committee's recommendations into account in considering and determining the remuneration and conditions of service of the holders of the senior posts.

The Committee also determines grievances against the Vice-Chancellor and similar matters which relate to remuneration and conditions of service.

In discharging its terms of reference, the Senior Salaries Committee will:

1. consider comparative information on the emoluments of employees within its remit when determining salaries, benefits and terms and conditions;
2. ensure that all arrangements are clearly recorded;
3. report on its decisions and operation at least annually to the University Council. Such a report should not normally be withheld from any members of the University Council and will record, inter alia:
 - a) the resulting overall levels of increase in the aggregate salary costs of the Vice-Chancellor, the Deputy Vice-Chancellor and the holders of other posts the remuneration of which is determined by the Committee; and
 - b) the agreed base salary for the Vice-Chancellor
4. The committee will also review for information details of "other senior staff pay" in accordance with the OfS accounts direction.

Basis for the remuneration package of the Vice-Chancellor

In considering the Vice-Chancellor's pay the committee reviews progress in respect of the Vice-Chancellor's objectives reviewing performance in 2023/24 and projecting forward to 2024/25. Progress against objectives had been reviewed with input from all Chairs of Council Committees. The Committee also paid due regard to selected data extracts from the CUC Survey of Remuneration of Vice-Chancellors and Principals 2023 and from the Universities and Colleges Employers Association (UCEA) Survey of Senior Staff Remuneration 2023 in respect of Heads of Institutions.



Corporate Governance Statement (continued)

Year ended 31 July 2025

Mission Committee

The Mission Committee meets at least three times a year and its role is to consider and advise the Council on arrangements at the University relating to the following:

- a) To support the Christian ethos of the University, promote religion and belief understanding and interfaith relationships, and uphold the community values of the University as defined by the University Council and monitoring its impact on University life
- b) To promote compassion and respect
- c) Equality, diversity and inclusion
- d) Wellbeing of staff and students
- e) Ethics and ethical standards
- f) Sustainability
- g) Other elements of corporate social responsibility

The Committee also considers the civic value benefits delivered to wider society, regionally, nationally and globally.

Academic Governance and Student Outcomes Committee

The Academic Governance and Student Outcomes Committee considers and monitors the fitness for purpose of the curriculum, the academic portfolio and University policies and practices for their delivery, including the following:

- a) Learning and teaching
- b) Defining and maintaining academic standards
- c) Programme development and review
- d) Student support
- e) Student experience
- f) Quality management and enhancement
- g) Internationalisation and Global Impact
- h) Apprenticeships
- i) Placements

The Committee also monitors the University's research, innovation and knowledge exchange strategies and performance, including reviewing outcomes of the Research Excellence Framework, Knowledge Excellence Framework or similar national or international assessment and ranking exercises and other key performance indicators relating to research, innovation and knowledge exchange.

Audit and Risk Management Committee

The Audit and Risk Management Committee meet at least four times a year. The Audit and Risk Management Committee considers both internal and external audit reports and recommendations together with management's response and it reviews the annual financial statements. In order to allow sufficient independence, members of the Audit and Risk Management Committee do not sit on Council Committees where staffing or financial matters are decided. For further independence there are external professional members who are not Members of the University Council. The Independent Auditor responsible for Internal Audit attends each meeting of the Audit and Risk Management Committee. The Audit and Risk Management Committee meet annually with the Internal and External Auditors without Officers of the University being present.



Corporate Governance Statement (continued)

Year ended 31 July 2025

The Committee prepares an Annual Report for each financial year, addressed to the University Council and the Vice-Chancellor. The Annual Report includes the Committee's opinion on the extent to which the University Council may rely on the internal control system and the arrangements for the following:

- a) risk management, control and governance (the risk management element includes the accuracy of the statements of internal control included with the annual statement of accounts);
- b) sustainability, economy, efficiency and effectiveness (value for money);
- c) management and quality assurance of data submitted to HESA, the SLC, to Office for Students and other funding and regulatory bodies.

The Annual Report also refers to the work of the Audit & Risk Management Committee undertaken during the year, the work of the Internal Auditors, the work of the External Auditors, and any other audit work undertaken. The Annual Report will also express the Committee's overall opinion on the effectiveness of the University in relation to those areas highlighted in the bullet points above. The Committee continues to adopt the CUC HE Audit Code of Practice 2020

Statement of Internal Control

The University Council is responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

During the course of the year, internal audit work was undertaken by RSM. RSM's annual report for the year 2024/25 concluded a positive overall opinion and confirmed that the University had "an adequate and effective framework for risk management, governance, internal control and economy, efficiency and effectiveness. However, our work has identified further enhancements to the framework for risk management, governance, internal control and economy, efficiency and effectiveness to ensure that it remains adequate and effective".

The University Council has reviewed the key risks to which the University is exposed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The University Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that has been in place for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements, that it is regularly reviewed by the University Council and that it accords with Higher Education Code of Governance.

The Strategic Executive Team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. The Strategic Executive Team also receive regular reports from the internal auditor and from the Health and Safety Committee which include recommendations for improvement. The Audit and Risk Management Committee's role in this area is confined to a high-level review of the arrangements for internal financial control. The Council's agenda includes a regular item for consideration of risk and control and receives reports thereon from the Vice-Chancellor and the Audit and Risk Management Committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its Michaelmas meeting, the Council carried out the annual assessment for the year ended 31 July 2025 by considering documentation from the Vice-Chancellor and the Audit and Risk Management Committee and took account of events since 31 July 2025.



Corporate Governance Statement (continued)

Year ended 31 July 2025

Regularity and propriety in the use of public funding

It is the view of University Council that the internal control environment described above, together with all the corporate governance arrangements ensure regularity and propriety in the use of public funding.

A handwritten signature in black ink, appearing to read "JA Mills", written over a horizontal line.

President of the Council

Mr John Mills

Parkgate Road,
CHESTER,
CH1 4BJ

A handwritten signature in black ink, appearing to read "CB Bond", written over a horizontal line.

Deputy President of the Council

Mrs Cathy Bond

11th December 2025



Statement of University Council Responsibilities in Respect of the Annual Report and the Financial Statements Year ended 31 July 2025

The University Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

It is required to prepare the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice– Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- state whether the group and the university financial statements comply with the trust deed and rules, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

The University Council, the members of which are the Trustees of the University for the purposes of charity law, are required to act in accordance with the trust deed and the rules of the charity, within the framework of trust law.

The University Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University and to enable the University Council to ensure that, where any statements of accounts are prepared by it under section 132(1) of the Charities Act 2011, those statements of accounts comply with the requirements of regulations under that provision. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.



Statement of University Council Responsibilities in Respect of the Annual Report and the Financial Statements (continued)
Year ended 31 July 2025

The University Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Articles of Government and funds provided by the Office for Students, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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



Independent Auditor's Report to the University Council of the University of Chester (continued)

Year ended 31 July 2025

Opinion

We have audited the financial statements of the University of Chester (the 'parent University') and its subsidiaries (the 'group') for the year ended 31 July 2025, which comprise Consolidated and University Statement of Comprehensive Income and Expenditure, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Cash Flow Statement 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 including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent University to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's and the parent University's business model including effects arising from macro-economic uncertainties such as inflation, and pay increases through national minimum wage and employer NIC's increases, as well as sector difficulties such as historic stagnant tuition fee's for home undergraduate students, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's and the parent University's financial resources or ability to continue operations over the going concern period.

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



Independent Auditor's Report to the University Council of the University of Chester (continued)

Year ended 31 July 2025

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. 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.

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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Office for Students ('OfS') Accounts direction (issued October 2019) (the 'OfS Accounts direction')

In our opinion, in all material respects:

- funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2024), the funding agreement with UK Research and Innovation (including Research England) and the Department for Education, and any other terms and conditions attached to them; and
- the requirements of the OfS Accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS Accounts direction requires us to report to you where:

- the parent University's grant and fee income, as disclosed in the note to the accounts, has been materially misstated; or
- the parent University's expenditure on access and participation activities for the financial year has been materially misstated.



Independent Auditor's Report to the University Council of the University of Chester (continued)

Year ended 31 July 2025

Responsibilities of Council

As explained more fully in the Statement of responsibilities of the Council set out on page 22, the Council is 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 Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council are responsible for assessing the group's and the parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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. 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 that are applicable to the University and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices and the Charities Act 2011;
- We understood how the University is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review;
- To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of the university's operations, including its sources of income, expenditure, expected financial statement disclosures and risks that may result in a risk of material misstatement, and obtained an understanding of the university's control environment, including adequacy of procedures for authorising transactions.
- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur. Audit procedures performed include:
 - Evaluating the processes and controls established to address the risks related to fraud and irregularities
 - Testing journal entries posted by senior management personnel, or journals around large or unusual transactions
 - Challenging assumptions and judgements made by management in relation to the calculation of the defined benefit pension liability, and the restriction of the gross asset to nil.
 - Completion of audit procedures to conclude on the compliance of financial statement disclosures with applicable financial reporting requirements.



Independent Auditor's Report to the University Council of the University of Chester (continued)

Year ended 31 July 2025

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- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
 - The engagement leader's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to an indications of fraud or noncompliance with laws and regulations throughout the audit.

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 University's Council, as a body, in accordance with paragraph 11.2 of the University's articles of government. Our audit work has been undertaken so that we might state to the University's Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's Council as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Grant Thornton LLP,
Statutory Auditor, Chartered Accountants
 Leeds

11th December 2025



Consolidated and University Statement of Comprehensive Income and Expenditure
Year ended 31 July 2025

		Year ended 31 July 2025		Year ended 31 July 2024	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	115,699	115,699	115,207	115,207
Funding body grants	2	18,969	18,969	13,020	13,020
Research grants and contracts	4	2,469	2,469	2,204	2,204
Other income	5	15,630	15,415	14,968	14,691
Investment income	6	1,392	1,391	2,085	2,081
Total income before endowments and donations		154,159	153,944	147,484	147,203
Donations and endowments	7	1	1	19	19
Total Income		154,160	153,944	147,503	147,222
Expenditure					
Staff costs	8	83,194	83,194	83,080	83,080
Other operating expenses	11	52,095	51,840	55,764	55,652
Depreciation	12	5,236	5,236	7,049	7,049
Interest and other finance costs	10	1,126	1,126	1,513	1,513
Total Expenditure		141,651	141,396	147,406	147,294
Surplus/(deficit) before other gains or losses		12,509	12,548	97	(72)



Consolidated and University Statement of Comprehensive Income and Expenditure (continued)
Year ended 31 July 2025

		Year ended 31 July 2025		Year ended 31 July 2024	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
(Loss)/gains on disposal of fixed assets	12	(587)	(587)	342	342
Surplus for the year		11,922	11,961	439	270
Actuarial gain in respect of pension schemes	22	56,758	56,758	32,075	32,075
Restriction of Pension Surplus	22	(58,347)	(58,347)	(33,336)	(33,336)
Total comprehensive income for the year		10,333	10,372	(822)	(991)
Represented by					
Endowment comprehensive income for the year		(23)	(23)	(14)	(14)
Unrestricted comprehensive income for the year		10,356	10,385	(808)	(977)
Attributable to the University		10,333	10,372	(822)	(991)
Surplus for the year attributable to:					
University		11,922	11,961	439	270

All items of income and expenditure relate to continuing activities



Consolidated and University Statement of changes in Reserves
Year ended 31 July 2025

Consolidated	Income and Expenditure Account		Total
	Endowment	Unrestricted	
	£'000	£'000	£'000
Balance at 1 August 2023	435	81,087	81,522
Surplus from the statement of comprehensive income and expenditure	19	420	439
Other comprehensive income		(1,261)	(1,261)
Release of restricted funds spent in year	(33)	33	-
Total comprehensive income for the year	(14)	(808)	(822)
Balance at 31 July 2024	421	80,279	80,700
Surplus from the statement of comprehensive income and expenditure	1	11,921	11,922
Other comprehensive income		(1,589)	(1,589)
Release of restricted funds spent in year	(24)	24	-
Total comprehensive income for the year	(23)	10,356	10,333
Balance at 31 July 2025	398	90,635	91,033



Consolidated and University Statement of changes in Reserves (continued)
Year ended 31 July 2025

University	Income and Expenditure Account		Total
	Endowment	Unrestricted	
	£'000	£'000	£'000
Balance at 1 August 2023	435	80,570	81,005
Surplus from the statement of comprehensive income and expenditure	19	251	270
Other comprehensive income	-	(1,261)	(1,261)
Release of restricted funds spent in year	(33)	33	-
Total comprehensive income for the year	(14)	(977)	(991)
Balance at 1 August 2024	421	79,593	80,014
Surplus from the statement of comprehensive income and expenditure	1	11,960	11,961
Other comprehensive income		(1,589)	(1,589)
Release of restricted funds spent in year	(24)	24	-
Total comprehensive income for the year	(23)	10,935	10,372
Balance at 31 July 2025	398	89,988	90,386



Consolidated and University Balance Sheets
Year ended 31 July 2025

	Notes	As at 31 July 2025		As at 31 July 2024	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Non-Current assets					
Fixed assets	12	106,190	106,190	111,644	111,644
Current assets					
Stock	13	46	46	51	51
Trade and other receivables	14	7,041	7,101	11,741	11,391
Cash and cash equivalents	19	37,695	37,208	41,758	41,238
		44,782	44,355	53,550	52,680
Less: Creditors: amounts falling due within one year	15	(31,820)	(32,040)	(41,746)	(41,562)
Net current assets		12,962	12,315	11,804	11,118
Total assets less current liabilities		119,152	118,505	123,448	122,762
Creditors: amounts falling due after more than one year	16	(27,845)	(27,845)	(42,435)	(42,435)
Provisions					
Provisions for liabilities	17	(274)	(274)	(313)	(313)
Net assets		91,033	90,386	80,700	80,014
Restricted Reserves					
Income and expenditure reserve - endowment reserve	18	398	398	421	421
Unrestricted Reserves					
Income and expenditure reserve – unrestricted		90,635	89,988	80,279	79,593
Total Reserves		91,033	90,386	80,700	80,014

The financial statements were approved by the University Council on 9th December 2025 and were signed on its behalf on 11th December 2025 by:

Eunice Simmons

Professor E.A. Simmons, Vice-Chancellor

JA Mills

Mr J. Mills, President of the Council



Consolidated Cash Flow Statement
Year ended 31 July 2025

	Notes	Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000
Cash flow from operating activities			
Surplus for the year		11,922	439
Adjustment for non-cash items			
Depreciation	12	5,236	7,049
Decrease in stock	13	5	17
Decrease in debtors	14	4,700	858
(Decrease)/Increase in creditors	16	(7,981)	2,756
Decrease in pension provision	22	(1,628)	(1,288)
Adjustment for investing or financing activities			
Investment income	6	(1,354)	(2,054)
Interest payable	10	1,111	1,513
Endowment income	18	(1)	(19)
Loss/(Gain) on sale of fixed assets	12	587	(342)
Capital grant income	2	(8,367)	(1,325)
Net cash inflow from operating activities		<u>4,230</u>	<u>7,604</u>
Cash flows from investing activities			
Proceeds from sale of fixed assets	12	2,130	1,033
Capital grants receipts		643	2,491
Withdrawal of deposits		-	10,000
Investment income	6	1,354	2,054
Payments made to acquire fixed assets	12	(2,499)	(5,218)
		<u>1,628</u>	<u>10,360</u>
Cash flows from financing activities			
Interest paid	10	(1,111)	(1,513)
Endowment cash received	18	1	19
Repayments of amounts borrowed	16	(8,811)	(2,099)
		<u>(9,921)</u>	<u>(3,593)</u>
(Decrease)/Increase in cash and cash equivalents in the year		<u>(4,063)</u>	<u>14,371</u>
Cash and cash equivalents at beginning of the year	19	41,758	27,387
Cash and cash equivalents at end of the year	19	37,695	41,758



Statement of Accounting Policies

Year ended 31 July 2025

The following accounting policies have been applied consistently in the current and preceding years dealing with items which are considered material in relation to the University's financial statements.

Basis of preparation

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

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Going concern

The Group and parent University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which forms part of the Report of the University Council. The Report of the University Council also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

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

The University recorded a surplus before other gains and losses of £12.5m, and together with positive operating cash flow, this helped ensure that cash and cash equivalents at the end of the year were £37.7m, whilst repaying £8.8m of debt from cash. A position around breakeven is forecast in 2025-26, and these forecasts have been sensitised with severe but plausible downsides, and these indicate adequate availability of financial resources to meet liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

During the year, a new Revolving Credit Facility was agreed with Santander. This will give an additional £13.3m facility to support the going concern position and the new facility includes covenants that the University is able to comply with over the going concern assessment period.

Consequently, the Council is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Basis of consolidation

The consolidated financial statements include the University and all of its subsidiaries for the financial year to 31 July 2025. Intra group sales and profits are eliminated on consolidation.

The consolidated financial statements do not include those of the Students' Union because the University does not control these activities.

Cash flow statement

As permitted by Section 7, paragraphs 1.11 and 1.12 of FRS 102 'Statements of Cash Flows', the University's cash flow statement has not been included in these financial statements.



Statement of Accounting Policies (continued)

Year ended 31 July 2025

Recognition of income

Funding council block grants are accounted for in the year to which they relate.

Fee income is stated gross and credited to the Statement of Comprehensive Income and Expenditure account over the period in which the students are studying. Where the amount of the tuition fee is reduced, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and included within operating income.

Recurrent income from government grants, contracts and other services rendered are accounted for on an accruals basis and included to the extent of the completion of the contract or service concerned; any payments received in advance of such performance are recognised on the balance sheet as liabilities.

Recurrent income from non-government grants are accounted for under the performance model, and the grant is recognised as and when performance conditions are met.

Government grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants under the accruals model. The grants are credited to deferred capital grants and an annual transfer made to the Statement of Comprehensive Income and Expenditure account over the useful economic life of the asset at the same rate as the depreciation charge on the asset for which the grant was awarded. In the event of accelerated depreciation or disposal of an asset before the deferred capital grant has been transferred, then the remaining balance of the grant is transferred to the Statement of Comprehensive Income and Expenditure account. During 2024-25, the University disposed of Thornton Science Park and deferred capital grants of £7.2m were transferred in respect of this asset.

Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure account when the goods or services are supplied to the external customers against the order received or the terms of the contract have been satisfied.

Fixed assets and depreciation

A fixed asset is capitalised at cost where the expenditure exceeds £10,000. Assets are depreciated over their useful lives on a straight line basis as follows:

Freehold buildings	-	2% pa on cost
Plant and machinery	-	25% pa on cost
Computer equipment	-	33% pa on cost

Land is capitalised at cost and is not depreciated.

Intangible assets – research and development

Research expenditure is written off as incurred. Development expenditure is also written off, except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised over the period during which the Group is expected to benefit. This period is between three and five years. Provision is made for any impairment.

Maintenance

The University has a five-year planned maintenance programme which is reviewed on an annual basis. Actual expenditure on routine and planned maintenance is charged to the Statement of Comprehensive Income and Expenditure in the year it is incurred.



Statement of Accounting Policies (continued)

Year ended 31 July 2025

Stocks

Stocks are stated at the lower of cost and net realisable value.

Provisions

Provisions are recognised when the University has a legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Pension schemes

The two principal pension schemes for the University's staff are the Cheshire Pension Fund and the Teachers' Pension Scheme. Pension costs are assessed on the latest actuarial valuations of the schemes and are accounted for on the basis of FRS 102 Section 28. The Cheshire Pension Fund has a full valuation every three years (last valued at March 2022) carried out by professionally qualified independent actuaries and the Teachers' Pension Scheme is assessed every five years (last valued at March 2023).

The Cheshire Pension Fund is a funded, defined benefit scheme with the assets of the scheme held separately from those of the Group in separate trustee administered funds. Assets are included in the valuation at fair value, and scheme liabilities are measured on an actuarial basis using the projected unit method; these liabilities are discounted at the current rate of return on AA rated corporate bonds. The post-retirement benefit surplus or deficit is included on the University's balance sheet. Surpluses are included only to the extent that they are recoverable through reduced contributions in the future or through refunds from the schemes. The current service cost and any past service costs are included in the Statement of Comprehensive Income and Expenditure account within operating expenses and the expected return on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within other finance income. Actuarial gains and losses, including differences between the expected and actual return on scheme assets, are recognised in the statement of total recognised gains and losses.

The Teachers' Pension Scheme is an unfunded, defined benefit multi-employer scheme. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and scheme-wide contribution rates are set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. Therefore, as required by FRS 102 Section 28 this scheme is accounted for as if it is a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure account represents the contributions payable to the scheme in respect of the accounting year.

Employment benefits

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

Leases

All leases held by the University are accounted for as 'operating leases' and the rental charges are charged to the Statement of Comprehensive Income and Expenditure on a straight line basis over the life of the lease.



Statement of Accounting Policies (continued)

Year ended 31 July 2025

Cash flows and liquid resources

Cash flows comprise increases or decrease in cash. Cash includes cash in hand, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No investments, however liquid, are included in cash.

Liquid resources represent assets held that are readily disposable. They comprise term deposits held as part of the University's treasury management activities.

Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. Subsidiary companies are liable to corporation tax.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its inputs. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Endowment assets

Endowment assets are carried at market value. Appreciation/depreciation in the market value of endowment assets and any gain or loss on disposal is added to or subtracted from the endowment funds concerned and is not brought into the Statement of Comprehensive Income and Expenditure account but reported through the statement of total recognised gains and losses.

Financial instruments

Financial assets and financial liabilities are recognised when the University becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the University after deducting all of its liabilities.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the University intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Statement of Accounting Policies (continued)****Year ended 31 July 2025**

Significant estimates and judgements

Preparation of financial statements require significant estimates and judgements for which management relies of appropriate professional advice. The estimates and judgements that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

a. Pension liabilities

The University participates in the Cheshire Pension Fund which is a defined benefit scheme. The present value of the University obligations depends on a number of factors including life expectancy, salary increases, asset valuations, liability periods and discount rates on corporate bonds. A qualified actuary estimates these values so management can determine net pension obligations in the balance sheet.

Asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. During each annual reporting period between triennial valuations asset returns are estimated using 11 months of market experience and one month of extrapolation being assumed. However, for the year ended 31 July 2025 the pension valuation was calculated using asset returns as at that date.

Details of the assumptions used, and associated sensitivities, are included in note 22.



Notes to the Financial Statements
Year ended 31 July 2025

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
1 Tuition Fees and Education Contracts				
Full-time home and EU students	65,849	65,849	68,898	68,898
Full-time international students	44,575	44,575	40,645	40,645
Part-time students	3,299	3,299	3,110	3,110
Education Contracts	581	581	616	616
Other Fees and Support Grants	1,395	1,395	1,938	1,938
	115,699	115,699	115,207	115,207
2 Funding Body Grants				
Recurrent Grant				
Office for Students	5,369	5,369	5,395	5,395
UKRI	3,438	3,438	3,459	3,459
DfE	74	74	124	124
Capital grant	8,367	8,367	1,325	1,325
Specific Grants				
OfS	65	65	703	703
Higher Education Innovation Fund	1,581	1,581	1,603	1,603
Research Innovation Fund	-	-	147	147
Uni Connect (formerly NCOP/Higher Horizons)	25	25	185	185
Other	50	50	79	79
	18,969	18,969	13,020	13,020
3 Details of Grant and Fee Income				
Grant income from Office for Students	5,433	5,433	6,098	6,098
Grant income from other bodies	13,535	13,535	6,922	6,922
Fee income for taught awards	112,645	112,645	111,528	111,528
Fee income for research awards	1,660	1,660	1,741	1,741
Fee income for non-qualifying courses	1,395	1,395	1,938	1,938
Total grant and fee income	134,668	134,668	128,227	128,227



Notes to the Financial Statements (continued)

Year ended 31 July 2025

	Notes	Year Ended 31 July 2025		Year Ended 31 July 2024	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
4 Research Grants and Contracts					
Research Councils		642	642	219	219
Research Charities		570	570	311	311
Government (UK and overseas)		774	774	722	722
Industry and Commerce		-	-	24	24
Other		483	483	928	928
		2,469	2,469	2,204	2,204
5 Other income					
Residences, Catering and Conferences		7,419	7,420	7,332	7,260
Other income		8,211	7,995	7,636	7,431
		15,630	15,415	14,968	14,691
Other income relates to European grants, rental income and other income (e.g. nursery, fitness centre).					
6 Investment income					
Investment income on endowments	18	4	4	4	4
Other investment income		1,350	1,349	2,050	2,046
Net income on pension scheme		38	38	31	31
		1,392	1,391	2,085	2,081
7 Donations and endowments					
New endowments	18	1	1	19	19



Notes to the Financial Statements (continued)

Year ended 31 July 2025

	Notes	Year Ended 31 July 2025		Year Ended 31 July 2024	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
8 Staff costs					
Salaries		63,015	63,015	64,219	64,219
Social security costs		7,254	7,254	6,727	6,727
Other pension costs		12,925	12,925	12,134	12,134
Total		83,194	83,194	83,080	83,080

Emoluments of the Head of Institution

	2025	2024
	£'000	£'000
Professor E.A. Simmons 1 August 2024 to 31 July 2025:		
Salary	277	270
Taxable Benefits - Car	8	3
Other Remuneration – Pension & Expenses	79	68
Other Remuneration - Expenses	3	6
	367	347

	2025	2024
	£'000	£'000
Professor E.A. Simmons 1 August 2024 to 31 July 2025:		
Basic Salary Ratio	7.1	7.5
Median Total Remuneration all staff	9.3	8.1

The justification for the Head of Institution pay can be found on page 18.



Notes to the Financial Statements (continued)
Year ended 31 July 2025

8 Staff Costs (continued)

Remuneration of other higher paid staff, excluding employer's pension contributions:

	2025	2024
£100,000 to £104,999	1	-
£105,000 to £109,999	-	-
£110,000 to £114,999	1	1
£115,000 to £119,999	-	-
£120,000 to £124,999	3	2
£125,000 to £129,999	-	-
£130,000 to £134,999	-	-
£135,000 to £139,999	1	2
£140,000 to £144,999	1	2
£145,000 to £149,999	2	1
£150,000 to £154,999	-	-
£155,000 to £159,999	1	1
£160,000 to £164,999	-	1
£165,000 to £170,000	1	-
Over £170,000	1	1
	12	11
Total compensation paid to key management personnel	2,310	2,075

Key management personnel consist of 12 individuals that made up the Strategic Executive Team. Compensation consists of salary, bonus, employer's national insurance and employer's pension contribution.

	2025	2024
Average staff numbers by major category:		
Academic Departments	787	830
Academic Services	132	131
Administration/Central Services	341	368
Premises	12	118
Catering and Residence	45	51
	1,430	1,498

Compensation for loss of office

54 payments were made in respect of compensation for loss of office during the year totalling £815k (2024: £1,021k)

Council Members

Reimbursements to members of University Council for expenditure incurred in attending Council and meetings of its committees amounted to £3,910 (2024: £1,718). Council members did not receive any remuneration from the University.



Notes to the Financial Statements (continued)
Year ended 31 July 2025

	Notes	Year Ended 31 July 2025		Year Ended 31 July 2024	
		Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
9 Access & Participation					
Access Investment		597	597	618	618
Financial Support	1	1,377	1,377	1,826	1,826
Disability Support		719	719	792	792
Research and evaluation		877	877	623	623
		3,571	3,571	3,859	3,859

£1,891k of these costs are already included in the overall staff costs figures included in the financial statements, see note 8

The University of Chester's Access and Participation plan can be found here:
[University of Chester Access and Participation Plan 2024-25 to 2027-28](#)

10 Interest and other finance costs

Loan interest		1,111	1,111	1,513	1,513
Net charge on pension scheme	22	15	15	-	-
		1,126	1,126	1,513	1,513

11 Analysis of other operating expenses by activity

Academic and related expenditure		12,679	12,679	12,951	12,954
Administration and central services		17,943	17,943	16,727	16,736
Premises (including service concession cost)		18,624	18,426	22,172	22,063
Residences, catering and conferences		1,747	1,747	2,351	2,287
Research grants and contracts		793	793	989	989
Other expenses		309	252	574	623
		52,095	51,840	55,764	55,652
Other operating expenses include:					
External auditor's remuneration in respect of audit services		113	101	116	96
External auditor's remuneration in respect of non-audit services		32	32	56	56
Operating lease rentals:					
Vehicles		165	165	185	185



Notes to the Financial Statements (continued)
Year ended 31 July 2025

12 Fixed Assets

	Freehold Land and Buildings	Plant and Machinery	Computer Equipment	Total
Consolidated and University	£'000	£'000	£'000	£'000
Cost				
At 1 August 2024	153,041	33,748	13,175	199,964
Additions	1,753	409	336	2,499
Disposals	(7,681)	(57)	-	(7,738)
At 31 July 2025	147,114	34,101	13,511	194,725
Depreciation				
At 1 August 2024	45,091	31,090	12,139	88,320
Charge for year	2,777	1,757	703	5,236
Disposals	(4,985)	(36)	-	(5,021)
At 31 July 2025	42,883	32,811	12,842	88,536
Net book value				
At 31 July 2025	104,230	1,290	669	106,190
At 31 July 2024	107,950	2,658	1,036	111,644

At 31 July 2025, freehold land and buildings included £7.8m (2024 - £7.8m) in respect of freehold land and is not depreciated.

13 Stock

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
General consumables	46	46	51	51

14 Trade and other receivables

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Trade receivables	2,401	2,388	7,342	6,811
Prepayments and accrued income	4,640	4,637	4,399	4,393
Amounts due from subsidiary companies	-	76	-	187
	7,041	7,101	11,741	11,391



Notes to the Financial Statements (continued)
Year ended 31 July 2025

15 Creditors: amounts falling due within one year

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Secured loans	-	-	1,485	1,485
Unsecured loans	-	-	200	200
Trade payables	4,907	4,784	9,001	9,321
Social security and other taxation payable	2,275	2,262	2,151	1,987
Accruals and deferred income	24,638	24,638	28,909	28,556
Amounts due to subsidiary companies	-	356	-	13
	31,820	32,040	41,746	41,562

16 Creditors: amounts falling due after more than one year

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Deferred income	16,145	16,145	23,609	23,609
Secured loans	-	-	1,976	1,976
Unsecured loans	11,700	11,700	16,850	16,850
	27,845	27,845	42,435	42,435

Analysis of unsecured loans:

Due within one year or on demand (Note 15)	-	-	1,685	1,685
Due between one and two years	11,700	11,700	7,126	7,126
Due between two and five years	-	-	11,700	11,700
Due in five years or more	-	-	-	-
Due after more than one year	11,700	11,700	18,826	18,826
Total secured and unsecured loans	11,700	11,700	20,511	20,511
Secured loans repayable by 2026	-	-	3,461	3,461
Unsecured loans repayable by 2027	11,700	11,700	17,050	17,050
	11,700	11,700	20,511	20,511



Notes to the Financial Statements (continued)
Year ended 31 July 2025

16 Creditors: amounts falling due after more than one year (continued)

Included in loans are the following:

Lender	Amount	Term	Interest rate	Borrower
	£'000		%	
Santander	11,700	2027	6.74	University
TOTAL	11,700			

17 Provisions for Liabilities

Consolidated	Pension enhancement on termination	Pension scheme provision under FRS 102 (Note 23)	Total Provisions
	£'000	£'000	£'000
At 1 August 2024	313	-	313
Utilised in year	(39)	-	(39)
Additions in year	-	-	-
At 31 July 2025	274	-	274

University	Pension enhancement on termination	Pension scheme provision under FRS 102 (Note 24)	Total Provisions
	£'000	£'000	£'000
At 1 August 2024	313	-	313
Utilised in year	(39)	-	(39)
Additions in year	-	-	-
At 31 July 2025	274	-	274

The Pension enhancement on termination provision relates to enhancements given to staff taking early retirement under a reorganisation programme. It is expected that this provision will be fully utilised over the next 10-20 years.

The pension scheme provision relates to the Cheshire Pension Fund, a funded defined benefit scheme with the assets of the scheme held separately from those of the Group in separate trustee administered funds. The provision is the deficit on the post-retirement benefits in excess of those assets.

Pension enhancement

The assumptions for calculating the provision for Pension enhancements on termination under FRS 102 are as follows:

	Consolidated	
	2025	2024
Discount rate	5.5%	4.8%
Inflation	2.7%	2.8%



Notes to the Financial Statements (continued)
Year ended 31 July 2025

18 Endowment Reserves

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Expendable endowment s	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
Balances at 1 August 2024				
Capital	130	297	427	408
Accumulated income	-	(6)	(6)	27
	<u>130</u>	<u>291</u>	<u>421</u>	<u>435</u>
New Endowments	-	1	1	19
Investment Income	-	4	4	4
Expenditure	-	(28)	(28)	(37)
(Decrease) / increase in market value of investments	-	-	-	-
Total endowment Comprehensive income for the year	<u>-</u>	<u>(23)</u>	<u>(23)</u>	<u>(14)</u>
At 31 July 2025	<u><u>130</u></u>	<u><u>268</u></u>	<u><u>398</u></u>	<u><u>421</u></u>
Represented by:				
Capital	130	298	428	427
Accumulated income	-	(30)	(30)	(6)
	<u>130</u>	<u>268</u>	<u>398</u>	<u>421</u>
Analysis by type of purpose:				
Prize funds			79	79
General			319	342
	<u>-</u>	<u>-</u>	<u>398</u>	<u>421</u>
Analysis by asset				
Cash & cash equivalents			398	421



Notes to the Financial Statements (continued)
Year ended 31 July 2025

19 Cash and Cash Equivalents

	Notes	At 1 August 2024 £'000	Cash Flows £'000	At 31 July 2025 £'000
Consolidated				
Cash and cash equivalents		<u>41,758</u>	<u>(4,063)</u>	<u>37,695</u>

20 Lease Obligations

Total rentals payable under operating leases:

	31 July 2025 Total £'000	31 July 2024 Total £'000
Payable during the year		
Future minimum lease payments due:		
Not later than 1 year	77	74
Later than 1 year and not later than 5 years	<u>115</u>	<u>127</u>
Total lease payments due	<u>192</u>	<u>201</u>

Lease obligations relate to vehicle leases.

21 Subsidiary Undertakings

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

Company	Principal Activity	Status
Chester Conferences Ltd	Management of conference and related commercial facilities	100% owned
Thornton Research Properties	Management of Thornton Science Park	100% owned

The registered office for the University and its subsidiary companies is:

C/O Vice-Chancellor
University of Chester
Parkgate Road
Chester
CH1 4BJ



Notes to the Financial Statements (continued)

Year ended 31 July 2025

22 Pension Schemes

Contributions to the schemes are charged to the Income and Expenditure account so as to spread the cost of the pensions over the employees' working lives with the University of Chester. The pension charge for the year was £12,925,018 (2024: £12,133,960) which includes £45,027 (2024: £18,023) in respect of enhanced pension entitlements of staff taking early retirement under the reorganisation programme. The calculation of the cost of early retirement provisions charged to the Statement of Comprehensive Income and Expenditure account in the year of retirement is based on the total capital cost of providing enhanced pensions with allowance for future investment returns at 4% in excess of price inflation.

An amount of £274,436 (2024: £312,540) is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the University of enhanced pension entitlements over the estimated life expectancy of each relevant employee. Were the institution to close and there be no successor established, the Secretary of State would become the compensating authority.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments in England and Wales that are maintained by local authorities, and in academies. In addition, teachers in many independent schools, and teachers and lecturers in some establishments of further and higher education may be eligible for membership.

Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The total contribution for the year ended 31 July 2024 was £12,477,379 (2024: £11,509,635) of which the employers' contributions totalled £9,323,651 (2024: £8,306,562) and the employees' contributions totalled £3,153,729 (2024: £3,203,073).

Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in the abovementioned regulations, made under the Superannuation Act (1972) and Public Service Pensions Act (2013), and are paid by public funds provided by Parliament. The TPS is an unfunded scheme, and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account - the Teachers' Pension Budgeting and Valuation Account - to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of Teachers' Pension Scheme

As a result of the latest scheme valuation, employer contributions were increased in April 2024 from a rate of 23.6% to 28.6%. Employers also pay a charge equivalent to 0.08% of pensionable salary costs to cover administration expenses.

A copy of the latest valuation report can be found by following this link [valuation-result](http://www.teacherspensions.co.uk) (www.teacherspensions.co.uk). The next valuation is expected to take effect in 2027.

Scheme Changes

In line with the requirements of the Public Service Pensions and Judicial Offices Act 2022, the Department for Education laid regulations which came into force on 1 April 2022, closing the legacy scheme to any further accrual which prevented any further discrimination.

The regulatory changes, along with the ongoing Transitional Protection remedy, are being implemented in response to the McCloud-Sargeant discrimination ruling. The retrospective remedy offers members in scope a deferred choice of benefits, legacy or reformed, in respect of pensionable service during the remedy period (1 April 2015 to 31 March 2022).



Notes to the Financial Statements (continued)
Year ended 31 July 2025

22 Pension Schemes (continued)

Cheshire Pension Fund

The University participates in the Cheshire Pension Fund, which is a funded defined benefit pension scheme where contributions payable are held in a trust separately from the University. The total contribution made for the 12 months ended 31 July 2025 was £6,402,012 (2024: £6,272,000) of which the employers' contributions totalled £5,102,026 (2024: £4,989,000) and employees contributions totalled £1,299,987 (2024: £1,283,172). The agreed contribution rates for future years are 24.7% for employers and in bandings 5.5%-12.5% for employees depending on the level of their salary.

Valuation date	31 March 2022
Valuation Method	Projected Unit Method
Value of notional needs	£6,146 Million
Funding level of accrued benefits	113%
Investment return per annum	3.70%
Salary scale increases per annum	3.40%

The following information is based upon a full actuarial valuation of the fund as at 31 March 2022 updated to July 2024 by a qualified independent actuary.

	31 July 2025	31 July 2024	31 July 2023
	%	%	%
Rate of increases in salaries	3.45	3.45	3.70
Rate of increase in pensions	2.75	2.75	3.00
Discount rate for liabilities	5.80	5.00	5.05

Life expectancy is based on the Fund's Vita Curves with improvements in line with the CMI 2024 model, with core parameterisation, initial adjustment of 0.25% and a long-term rate of improvement of 1.5% p.a. for both males and females. Based on these assumptions, the average future life expectancies at age 65 for the Employer are summarised below:

	31 July 2025	31 July 2024
Retiring today		
Males	21.2	21.0
Females	24.0	23.9
Retiring in 20 years		
Males	21.9	21.7
Females	25.4	25.3

The life expectancies quoted above are based on lives aged between 45 and 65 at the latest fund valuation.



Notes to the Financial Statements (continued)

Year ended 31 July 2025

22 Pension Schemes (continued)

LGPS assets do not include any of the University's own financial instruments or any property occupied by the University. The asset values are reported using estimated asset allocations prepared by the scheme Actuary. This asset value is calculated at each triennial valuation. Thereafter it is rolled forward to accounting dates using investment returns, contributions received, and benefits paid out.

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the year. The University's share of assets in the scheme were:

	31 July 2025	31 July 2025 £'000	31 July 2024 £'000
Equities	49%	84,078	79,699
Bonds	38%	65,203	57,384
Property	12%	20,591	19,128
Cash	1%	1,716	3,188
Total market value of assets		<u>171,588</u>	<u>159,399</u>

The above asset values as at 31 July 2025 are at bid value as required under FRS 102 Section 28:

	2025 £'000	2024 £'000
University's estimated asset share	171,588	159,399
Present value of scheme liabilities	(113,241)	(126,063)
Asset ceiling adjustment	(58,347)	(33,336)
Deficit in the scheme	<u>-</u>	<u>-</u>

The University has applied asset ceiling to restrict the surplus at nil. The ceiling has been calculated by the pension scheme actuaries Hymans Robertsons LLP applying the IAS 19 / IFRIC 14 approach as it is considered there to be no economic value through a reduction in future contributions. The asset ceiling calculation is as follows:

The prevailing view held by LGPS practitioners at the time of writing this report is that a minimum funding requirement for future service exists in the LGPS.

The asset ceiling step by step is:

A - The present value of (employer) future service costs over the future period
less

B – The present value (employer) future contributions (in relation to future service) over the future period

A – Annuity (in perpetuity) x 2025/26 future service cost
less

B – Annuity (in perpetuity) x 2024/25 projected employer cash contributions (future service element) – annuity (overfunding time horizon) x future service element adjustment

A – 44 x £2,561,000 = £112,684,000
less

B – 44 x £5,498,000 – 11 x £578,000 = £235,554,000
equals

-£122,870,000

As B is greater than A, the economic benefit available as a reduction in future contributions is floored at £0



Notes to the Financial Statements (continued)
Year ended 31 July 2025

22 Pension Schemes (continued)

Analysis of amount (charged)/credited to the Statement of Comprehensive Income and Expenditure account

The University's pension charge for the year in accordance with FRS 102 Section 28 is made up of the following:

	2025	2024
	£'000	£'000
Current Service cost	3,366	3,581
Past Service Cost (including curtailments)	45	178
	3,411	3,759

Analysis of net return on pension scheme

	2025	2024
	£'000	£'000
Expected return on pension scheme assets	8,052	7,368
Impact on pension scheme liabilities	(6,348)	(6,114)
Interest on the effect of the asset ceiling	(1,666)	(1,223)
Net charge	38	31

Amounts recognised in Other Comprehensive Income

	2025	2024
	£'000	£'000
Changes in financial assumptions	20,569	5,657
Changes in demographic assumptions	(508)	253
Other experience	1,104	(3,645)
Return on assets excluding amounts included in net interest	591	4,367
Changes in the effect of the asset ceiling	(23,345)	(7,893)
Actuarial Gain	(1,589)	(1,261)



Notes to the Financial Statements (continued)
Year ended 31 July 2025

22 Pension Schemes (continued)

Reconciliation of opening and closing balances of (Deficit)/Surplus

	2025	2024
	£'000	£'000
Deficit in scheme at beginning of year	-	-
Movement in year:		
Current service charge	(3,411)	(3,759)
Employer contributions	4,962	4,989
Net interest on assets	38	31
Actuarial gain	56,758	32,075
Asset ceiling adjustment	(58,347)	(33,336)
Net deficit	-	-

Reconciliation of opening and closing balances of the present value of the defined benefit obligation

	2025	2024
	£'000	£'000
Liabilities at start of year	126,063	119,945
Service cost	3,411	3,759
Interest cost	6,348	6,114
Employee contributions	1,299	1,283
Actuarial gain – Changes in financial assumptions	(20,569)	(5,657)
Actuarial (loss)/gain – Changes in demographic assumptions	508	(253)
Actuarial gain/(loss) – Other experience	(1,104)	3,645
Benefits paid	(2,715)	(2,773)
Liabilities at end of year	113,241	126,063



Notes to the Financial Statements (continued)
Year ended 31 July 2025

22 Pension Schemes (continued)

Reconciliation of opening and closing balances of the fair value of the defined benefit assets

	2025	2024
	£'000	£'000
Assets at start of year	159,399	144,165
Interest income on plan assets	8,052	7,368
Return on assets excluding amounts included in net interest	591	4,367
Employer contributions	4,962	4,989
Employee contributions	1,299	1,283
Benefits paid	(2,715)	(2,773)
Assets at end of year	171,588	159,399

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The University is monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the Cheshire Pension Fund. As a result, the University does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.



Notes to the Financial Statements (continued)

Year ended 31 July 2025

23 Related Party Transactions

Members of the Council are required to declare any outside interests. When an item arises in which a member has a pecuniary, business, family or other personal interest, it must be declared, and the member concerned may not take part in the consideration of the matter nor vote on it. The Council has considered the financial effect of all transactions involving organisations in which a member of the Council may have an interest. It is confirmed that these are conducted at arm's length and in accordance with the University's Financial Regulations.

The Vice-Chancellor Professor E.A. Simmons and Mr M. Clinton were on the Governing Body of Reaseheath College. The University receives fee income from Reaseheath students and subsequently passes 100% of this income to Reaseheath College. For the 24/25 year this was a total of £210,168 (23/24 £219,620). The University also received £141 of income from the College (23/24 £700).

Professor Simmons was also a member, director or trustee of the following organisations:

- Cheshire and Warrington Local Enterprise Partnership (LEP) – income received £0 (23/24 £1,480).
- North West Business Leadership Team (NWBLT) – payments were made of £17,083 (23/24 £10,417).
- The Alliance for Sustainability Leadership in Education (EAUC) – payments were made of £461 (23/24 £3,094).
- National Trust – payments were made of £0 (23/24 £79).
- Royal Society of Biology – payments were made of £3,333 (23/24 £5,000).
- The Colleges and Universities of the Anglican Communion (CUAC) – payments were made of £2,095 (23/24 £180).

The Vice-Chancellor and Steven Broomhead were members of Warrington Chamber of Commerce & Industry – payments were made of £792 (23/24 £792).

Deputy Vice-Chancellor Professor Helen O'Sullivan was the chair of the board of trustees for the Association for Learning Technology (ALT) – payments were made of £621 (23/24 £1,507).

Pro Vice-Chancellor Dr Helen Galbraith was an executive member of Association of Heads of University Administration (AHUA) – payments were made of £1,830 (23/24 £3,706).

Professor Angela Simpson was a Governor at Countess of Cheshire NHS Trust – payments were made of £117,988 (23/24 £71,299) and income received £18,360 (23/24 £800).

Lillian Watson was employed by Chester Students' Union – payments were made of £568,101 (23/24 £488,608). Income received £21,367 (23/24 £26,540).

Dr D. Briggs was Trustee or member of the following organisations:

- Warrington Youth Zone – payments were made of £0 (23/24 £216).
- Cheshire Agricultural Society – payments were made of £300 (23/24 £1,487).
- Chester Cathedral – payments were made of £69,545 (23/24 £96,091).
- Platform for Life – income received £3,000 (23/24 £0).
- Citizens Advice Cheshire West – income received £1,069 (23/24 £1,023).

Councillor Razia Daniels was employed by Cheshire West & Chester Council – payments (excluding rates) were made of £61,792 (23/24 £40,643) and income received £356,675 (23/24 £271,266).

Councillor Razia Daniels was also a Director at the Queen's School – income was received of £1,300 (23/24 £1,670).

Steven Broomhead was the Chief Executive Officer of Warrington Borough Council – payments (excluding rates) were made of £17,220 (23/24 £1,000) and £24,187 income received (23/24 £37,377).



Notes to the Financial Statements (continued)

Year ended 31 July 2025

23 Related Party Transactions (continued)

Steven Broomhead was also a director or member of the following organisations:

- Warrington Wolves – income received £560 (23/24 £2,723).
- Marketing Cheshire – income received £8,171 (23/24 £9,656). Payments were made of £2,220 (23/24 £2,550).
- Wire Regeneration – payments were made of £40,257 (23/24 £40,144).
- NHS Cheshire and Merseyside ICB – income received £69,912 (23/24 £361,923).

Steven Broomhead's Spouse works at the University of Central Lancashire (UCLan) – payments were made of £32,733 (23/24 £0).

The Right Reverend The Lord Bishop of Chester, Mark Tanner and The Very Reverend Dr Tim Stratford were both members of Diocese of Chester – income received £4,238 (23/24 £7,121).

The Very Reverend Dr Tim Stratford and Dr D. Briggs were Directors of Chester Cathedral Enterprises – income received £351 (23/24 £133). Payments were made of £245 (23/24 £0).

Karen Howell was the Chief Executive Officer of Greater Manchester NHS Mental Health Foundation Trust – income received £3,178 (23/24 £1,584).

Professor Charles Forsdick was employed by the University of Cambridge – payments were made of £3,473 (23/24 £0).

Professor Charles Forsdick was Chair of the Advisory Council at University of London – payments were made of £3,024 (23/24 £45).

Professor Charles Forsdick was Honorary Professor at University of Liverpool – payments were made of £83 (23/24 £22,254).

Kate Nwosu Aaron-Efe was a governor at St Werburgh's & St Columba's Catholic Primary School – payments were made of £750 (23/24 £200).

Professor David McGravie was a Director at AA2A Access to Arts Schools – payments were made of £1,860 (23/24 £1,720).

Professor David McGravie was a Trustee for Council for Higher Education in Art and Design (CHEAD) – payments were made of £1,546 (23/24 £1,546).

Stephen Dobson was a member of the Institute of Chemical Engineers (IChemE) – payments were made of £4,100 (23/24 £4,800).

Cathy Bond was a member of North-West Cancer Research – income received £0 (23/24 £38,357).

Richard Waddington was a member of the Audit & Governance Committee for Cheshire West & Chester – payments (excluding rates) were made of £61,792 (23/24 £40,643) and income received £356,675 (23/24 £271,266).

Rashmi Patel was a consultant at the University of Lancaster – payments were made of £32,733 (23/24 £0).

Jane Tomkinson was CEO at the Countess of Chester, Cheshire West NHS Trust – payments were made of £117,988 (23/24 £71,299) and income received £18,360 (23/24 £800).

Peter Wallach was employed by Wirral Council – payments (excluding rates) were made of £500 (23/24 £0).

Professor John French was self-employed and a Director/Shareholder at Orka Consulting Ltd – no payments were made (23/24 £78,000).



Notes to the Financial Statements (continued)
Year ended 31 July 2025

23 Related Party Transactions (continued)

Professor John French was also a Fellow or member of the following organisations:

- University of Cambridge, Institute of Sustainability Leadership – payments were made of £3,473 (23/24 £0).
- University of East Anglia, Norwich – income received £31,500 (23/24 £2,438).
- University of Durham – income received £14,129 (23/24 £65,231).



Notes to the Financial Statements (continued)

Year ended 31 July 2025

24 US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America

Note Ref:		Primary Reserve Ratio: <u>Expendable net assets:</u>	2025		2024	
			£'000	£'000	£'000	£'000
Line 13	Balance Sheet	Net assets without donor restrictions		90,635		80,279
Note 18		Net Assets with Donor restrictions		398		421
Note 23		Secured and unsecured related party receivable	97		73	
Note 23		unsecured related party receivable		97		73
Note 12		Property plant and Equipment post implementation	106,190		111,644	
Note 12		Property plant and Equipment pre-implementation		(113,108)		(113,108)
Note 12		Property plant and Equipment post implementation WITH debt				
Note 12		Property plant and Equipment post implementation WITHOUT debt		6,918		1,464
Note 12		Construction in progress				
N/A		Lease Right of use assets, net				
N/A		Lease Right of use assets, pre-implementation		-		-
N/A		Lease Right of use assets, post implementation		-		-
N/A		Goodwill /Intangible assets				
Note 17		Post-employment and pension liabilities		274		313
Note 16		Long term debt for long term purposes	11,700		20,511	
Note 16		Long term debt for long term purposes Pre-implementation		32,784		32,784
Note 16		Long term debt for long term purposes Post implementation		(21,084)		(12,273)
Note 16		Line of credit Construction in progress				-
N/A		Lease Right of use assets - Liabilities	-		-	
N/A		Lease right of use assets - liabilities Pre-implementation		-		-
N/A		Lease right of use assets - liabilities Post implementation		-		-



Notes to the Financial Statements (continued)
Year ended 31 July 2025

24		US Department of Education Financial Responsibility Supplemental Schedule (continued)			
N/A	Annuities with Donor restrictions	-	-		
N/A	Term endowments with Donor restrictions				-
N/A	Life income funds with Donor restrictions				-
Note 18	Net Assets with Donor restrictions in Perpetuity		130		130
Total Expenses and Losses:					
		2025		2024	
		£'000	£'000	£'000	£'000
Note 8, 10, 11, 18, 22	Total operating expenses without Donor restrictions		137,938		141,550
Note 6,12,10	Non-operating and net investment		3,882		4,995
Note 12	net investment losses		-		-
Note 24, Cash Flow Line 7	Pension related changes		-		-
Equity Ratio:					
Modified net assets:					
Line 13 Balance Sheet	Net assets without donor restrictions		90,635		80,279
Note 18	Net Assets with Donor restrictions		398		421
N/A	Goodwill - Intangible assets				
Note 23	Secured and unsecured related party receivable	97		73	
Note 23	unsecured related party receivable		97		73
Modified assets:					
Balance Sheet Lines 1, 2 & 7	Total assets		150,972		165,194
N/A	Lease right of use asset pre implementation				
N/A	pre implementation right of use leases				
N/A	Goodwill - Intangible assets				
Note 23	Secured and unsecured related party receivable	97		73	
Note 23	unsecured related party receivable		97		73
Net income Ratio:					
Line 13 Balance Sheet Notes 1,2,4,5	Change in net assets without Donor restrictions		(10,356)		808
	Total Revenues and Gains		153,572		147,826