



THE UNIVERSITY *of* EDINBURGH

# Annual Report and Accounts for the Year to 31 July 2025

[www.ed.ac.uk](http://www.ed.ac.uk)





# Our vision and purpose

Our graduates, and the knowledge we discover with our partners, make the world a better place.

As a world-leading research-intensive university, we are here to address tomorrow's greatest challenges. Between now and 2030, we will do that with a values-led approach to teaching, research and innovation, and through the strength of our relationships, both locally and globally.

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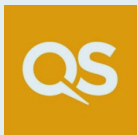
# Headlines of 2025

## University world league table rankings



# 1st

The University of Edinburgh was again ranked first in the world, scoring 100 out of 100 for its contribution to United Nations Sustainable Development Goal 9, "Industry, Innovation and Infrastructure".



# 7th

The University was recognised for its leadership on environmental and social impact placing 7th in the world for Sustainability.

## Student numbers including Online Distance Learning

2025:

# 49,640



➔ **Student numbers increase in the year was 0.3% overall.** There was little variance to prior year at UG, PGT and PGR levels. However, there was an increase in non-EU overseas students across domiciles that more than offset reductions in Scotland, rest of UK and EU students.

**2024:** 49,485. **2023:** 49,740

## Total income

2025:

# £1,477m



➔ **Total income increased by £43m.** Tuition fees contributed the largest rise, growing £29m in the year. Other income and research income also grew while investment income has reduced.

**2024:** £1,434m. **2023:** £1,385m

## Earnings Before Interest, Taxation, Depreciation & Amortisation (EBITDA)<sup>1</sup>

2025:

# £96m



➔ **EBITDA achieved in the year was 6.5% of income,** below budget set for the year. The financial review provides further commentary on income and expenditure in the year and resulting surplus and EBITDA.

**2024:** £84m. **2023:** £148m

## Capital expenditure

2025:

# £207m



➔ **Capital expenditure (including spend on intangibles) exceeded £200m,** increasing by £21m in the year. Spend on land and buildings of £149m accounts for 72% of total spend with fixtures, fittings and equipment spend being £57m in the year.

**2024:** £186m. **2023:** £165m

<sup>1</sup> In calculating EBITDA, adjustments are made for interest costs, capital grants and non-cash items such as depreciation and pension provision movements. A reconciliation of operating surplus to EBITDA is provided in the financial review on page 37.

# Senior Lay Member of Court's foreword

**Janet Legrand OBE KC (Hon)**

Senior Lay Member of Court




**Amid a year of mounting pressures and great shifts across society, geopolitics and higher education, the University of Edinburgh has taken action with purpose and resolve.**

As a member of the University Court, I am part of the governing body that provides strategic guidance and constructive challenge to the institution. We are acutely aware of the financial challenges being faced at Edinburgh, as with others across the sector. And we are clear-sighted about our commitment to steering the institution through these troubling times, ensuring it remains well-positioned to achieve its mission for many years to come.

The financial sustainability of the University is fundamental to our ability to continue delivering trailblazing research that improves people's lives, and to creating graduates who will have a hugely important impact on our world.

To secure the University's long-term future, carefully planned actions such as the introduction of a voluntary severance scheme and the temporary pause of selected capital projects, are essential. At the same time, it is crucial that we continue to invest in innovation to ensure we are able to meet our ambitions for the future.

The conclusion of the Data-Driven Innovation (DDI) initiative – a £661 million investment and innovation programme – marks a significant milestone. The opening of the Edinburgh Futures Institute and the Usher Institute at Edinburgh's BioQuarter reflects the University's commitment to fostering interdisciplinary collaboration and addressing global challenges through research and partnership.

This year also saw the launch of the Learning and Teaching Strategy 2030, centred on three core themes: developing a future-ready curriculum, engaging and empowering learners, and supporting inspiring teaching. This strategy underpins our vision



View of Bristo Square towards Teviot Row House, Reid Concert Hall and McEwan Hall

that every learner will leave the University equipped to make a positive difference in the world.

Accessibility remains central to our mission. We continue to make strong progress in widening participation, meeting the Commission for Widening Access target that 10 per cent of our intake comes from the 20 per cent most deprived areas in Scotland.

**“It is crucial that we continue to invest in innovation to ensure we are able to meet our ambitions for the future. ”**

Every graduation is a moment of pride, and we are particularly pleased to celebrate the achievements of students supported through initiatives such as assistance for

care-experienced and estranged students, and the Access to Creative Education in Scotland programme.

Our commitment to our local community is equally important. The University reaffirmed this by signing the Edinburgh and South East Scotland City Region Community Wealth Building Pledge, demonstrating our dedication to inclusive prosperity through the growth and development of local businesses and community-based organisations.

Globally, our focus on sustainability remains unwavering. The publication of the new Responsible Investment Policy Statement builds on the progress made since 2016 and introduces new priorities – including social investment and decarbonisation – shaped through extensive University-wide consultation.

As we look ahead, the University's values-led approach with our commitment to excellence, integrity and respect, anchors us as we work to ensure this historic institution is fit for the coming 500 years of change, opportunity and challenge.

# Principal's welcome

**Professor Sir Peter Mathieson**  
Principal and Vice-Chancellor

*P. W. Mathieson*



**This year's Annual Report and Accounts reflect a period in which the University continued to deliver impactful teaching and research against a backdrop of financial challenges in the higher education sector.**

We have taken a number of actions to ensure the financial sustainability of the institution and continue to implement longer-term changes to improve our ways of working and reduce costs.

Despite these difficult circumstances, we still have much to be proud of in this financial year, including world-leading research and ambitious partnerships.

This year, we profile the impact of our research in areas as diverse as artificial intelligence (AI), Alzheimer's and dementia, sustainability and the social history of Scotland. Often these themes intertwine, showing the power of collaboration in addressing tomorrow's greatest challenges today.

It was announced in June that the University will be the home of the UK's next national supercomputer, with the UK Government contributing up to £750 million of funding, placing Edinburgh at the heart of computing research and innovation on a world-leading scale for scientists across the whole of the United Kingdom.

The University was once again ranked first in the world for 'Industry, Innovation and Infrastructure' by The Times Higher Education Impact Rankings 2025. We are proud to run a number of sector-leading initiatives through our commercialisation service, Edinburgh Innovations, which enables collaboration between research and industry. This includes the launch of the Innovation Career Pathway – a new route to career development for academics wishing to focus on commercialisation and engagement with industry.

Our Race Review was also published in 2025, an academically-led examination

of the University's historic links to slavery and racism. It was a landmark moment demonstrating our willingness and determination to learn from our past and present to shape our future. The review will inform ongoing dialogue and galvanise sustained, meaningful change, driven by the Race Review Response Group.

We had an inspiring new cohort of on-campus and online students joining the Mastercard Foundation Scholars Program this year, fostering the next generation of Africa's climate leaders by opening opportunities to advanced sustainability studies.

The Education Beyond Borders programme has enabled refugees from countries such as Syria, Sudan and Afghanistan to further their studies in the UK. Our relationship with Taras Shevchenko National University of Kyiv (KNU) in Ukraine also continues with the donation of around 215 computers and other IT equipment for a new computer centre, replacing a facility destroyed in a missile strike in 2022.

**“The University will be the home of the UK's next national supercomputer... placing Edinburgh at the heart of computing research and innovation on a world-leading scale.”**

Reviewing all this important work, it is clear that the University has once again had an immense, positive impact on a global scale. Looking to the future, our distinctive international approach and continuous drive for transformation will serve us well as we navigate the next financial year.



Graduation ceremony at McEwan Hall



# Our approach to reporting

In the production of the 2024/25 Annual Report and Accounts, the University has once again used Integrated Reporting as a reporting framework, bringing together the diverse but interconnected strands of reporting to demonstrate how we create value for our stakeholders.

By following this framework, we report a broader and more meaningful explanation of our performance, offering transparency on our use of, and dependence on, different resources. It also helps us to make better short and long-term decisions on how we create value now and in the future.

Our value model highlights our access to multiple resources, the value we create from these and the resulting positive impact on the University, its stakeholders, our environment and wider society.

The University of Edinburgh's Strategy 2030 sets out our vision to make the world a better place. The value model in this year's Annual Report and Accounts reflects the strategic performance framework of Strategy 2030.

The value of the University is influenced by these different types of resource:

- People
- Knowledge
- Networks and relationships
- Natural resources

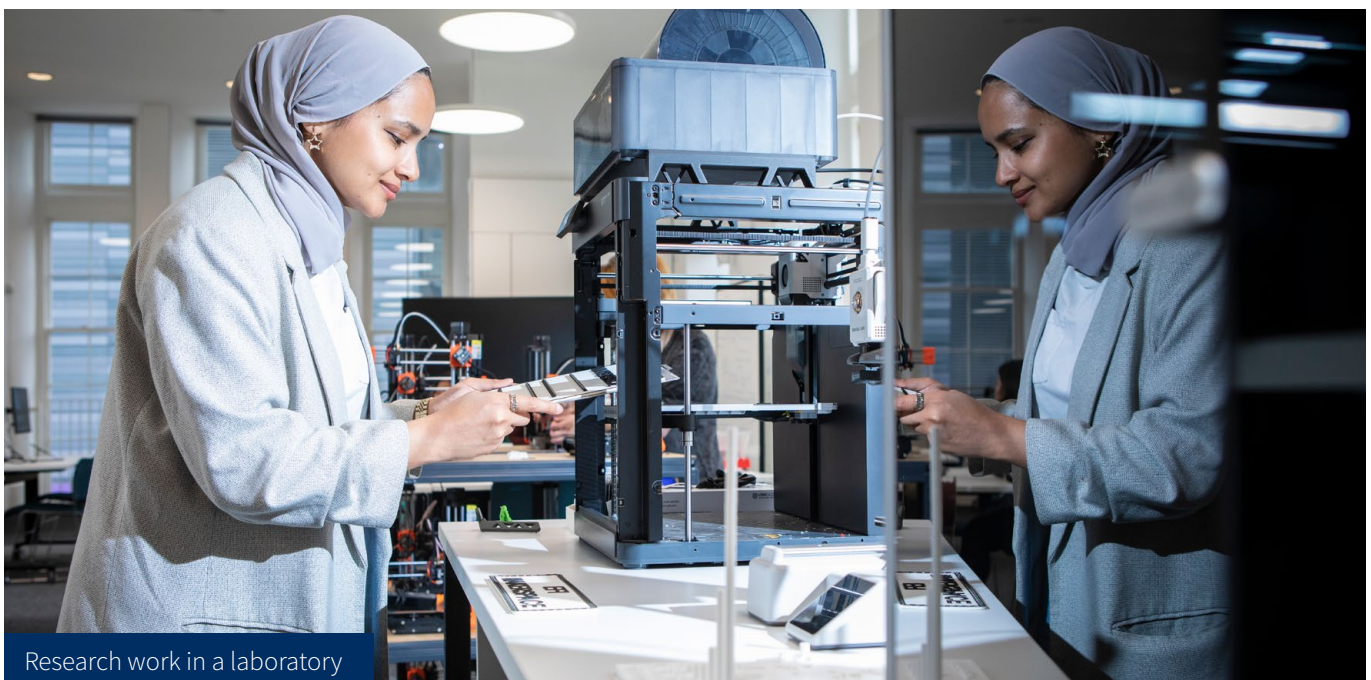
Each resource creating value that is underpinned by:

- Finance
- Physical estate
- Virtual infrastructure

The University's reputation is embedded in all value created by the University.

In our future reporting, we will continue to advance the principles of integrated thinking and reporting as developed by the International Integrated Reporting Council (IIRC).

➔ More information: [Integrated Reporting](#)



Research work in a laboratory

# Material issues

## In assessing what should be included in our integrated report, we applied the principle of materiality.

Material issues have been identified as those that:

- We believe could affect our ability to create value in the short, medium or long-term;
- Are important to key stakeholders;
- Form the basis of strategic discussions and decision-making; and
- Could intensify or lead to lost opportunity if left unchecked.

Insight into how the material issues identified are managed and how they impact the University are signposted here.

### The student experience

The University remains committed to improving student satisfaction as measured through the National Student Survey (NSS) as well as how we score in the Postgraduate Taught Experience (PTES) and Postgraduate Research Experience (PRES) surveys.

Our most recent rating in the NSS of 74.3 per cent (2023/24: 70.4 per cent) is an encouraging improvement, as are improvements in the latest PTES and PRES. While pleased to see annual improvements, we recognise that compared to our peers we still have more to do.

It is understood that survey ratings below the levels we strive for have the potential to damage our reputation, affect future student recruitment and retention and therefore potentially impact unfavourably on the University's financial health. This is particularly the case at this time when, along with the wider sector, we have challenges in attracting new international students.

Student experience is prioritised in line with objectives set out in our Strategy 2030.

This is covered in the Strategic Plan performance framework on page 10, Understanding our Risks on page 15 and from page 30 of the Operational Review.

### Financial and economic environment

The University closely monitors the changing macroeconomic environment and any challenges it presents. This includes inflation, which increased in the last year adding to pressures on the University cost base.

Interest rates have fallen over the same period, with this resulting in reduced investment income on our treasury funds. Future interest rates are uncertain but the direction is expected to be downwards, with an impact on the income the University generates.

Changes to UK National Insurance effective from April 2025 had a financial impact and resulted in a significant increase in our annual staff costs.

We carefully monitor the financial sustainability of the University through scenario modelling for University Court, taking account of macroeconomic and other known impacts.

This is covered in Understanding our Risks from page 13 and in the Financial Review from page 36.

### Political and geopolitical uncertainty

As 2025 nears an end, there remains uncertainty around UK Government direction and policy on matters such as immigration and higher education. More clarity is needed on recent announcements on annual uplifts to tuition fees and a proposed levy on overseas fee income, with uncertainty about what both mean for Scottish Universities.

Recent UK Government budget announcements in November 2025 will lead to an increase in costs from April 2029. The anticipated increase is an outcome of National Insurance costs rising as a result of changes to the relief provided from salary sacrifice arrangements the University has in place.

Additionally, geopolitical tensions remain from the wars in Ukraine and the Middle East along with uncertainty from decisions and direction that the US Government takes. With approximately half of our student population from overseas markets, unfavourable geopolitical developments has the potential to impact negatively on our teaching income. Our cost base is also exposed to decisions and tensions across the globe.

This is covered in Understanding our Risks from page 13 of this document.

## Material issues (continued)

### Climate change

The University has committed to become net zero carbon by 2040 and a strengthened approach to achieving this was approved by University Court in April 2025. Hitting this ambitious target is not without challenges that the University must overcome to meet ever-growing stakeholder expectations.

Current challenges include the size and age of the University estate, and energy-intensive activity such as research and supercomputing where the University plays a world-leading role.

The financial cost of overcoming technical challenges and achieving net zero carbon is significant but the University remains fully committed to tackling the climate crisis.

This is covered in Understanding our Risks on page 16 and in the Operational Review from page 31.

### Staff experience and industrial action

Our all-staff engagement survey ran in February 2025 with an improved score of 62 per cent, compared to 59 per cent when last run in 2023. This followed improvements in staff experience in the last couple of years, resulting from positive impacts of grade scale changes in 2024 and policy developments.

Staff costs are the University's greatest single cost and initiatives to improve our financial sustainability through management of our cost base has resulted in industrial action impacting the University. Additionally, there have also been ballots for national action on pay.

There remains a need to closely monitor developments for potential impact on staff happiness and financial cost to the University.

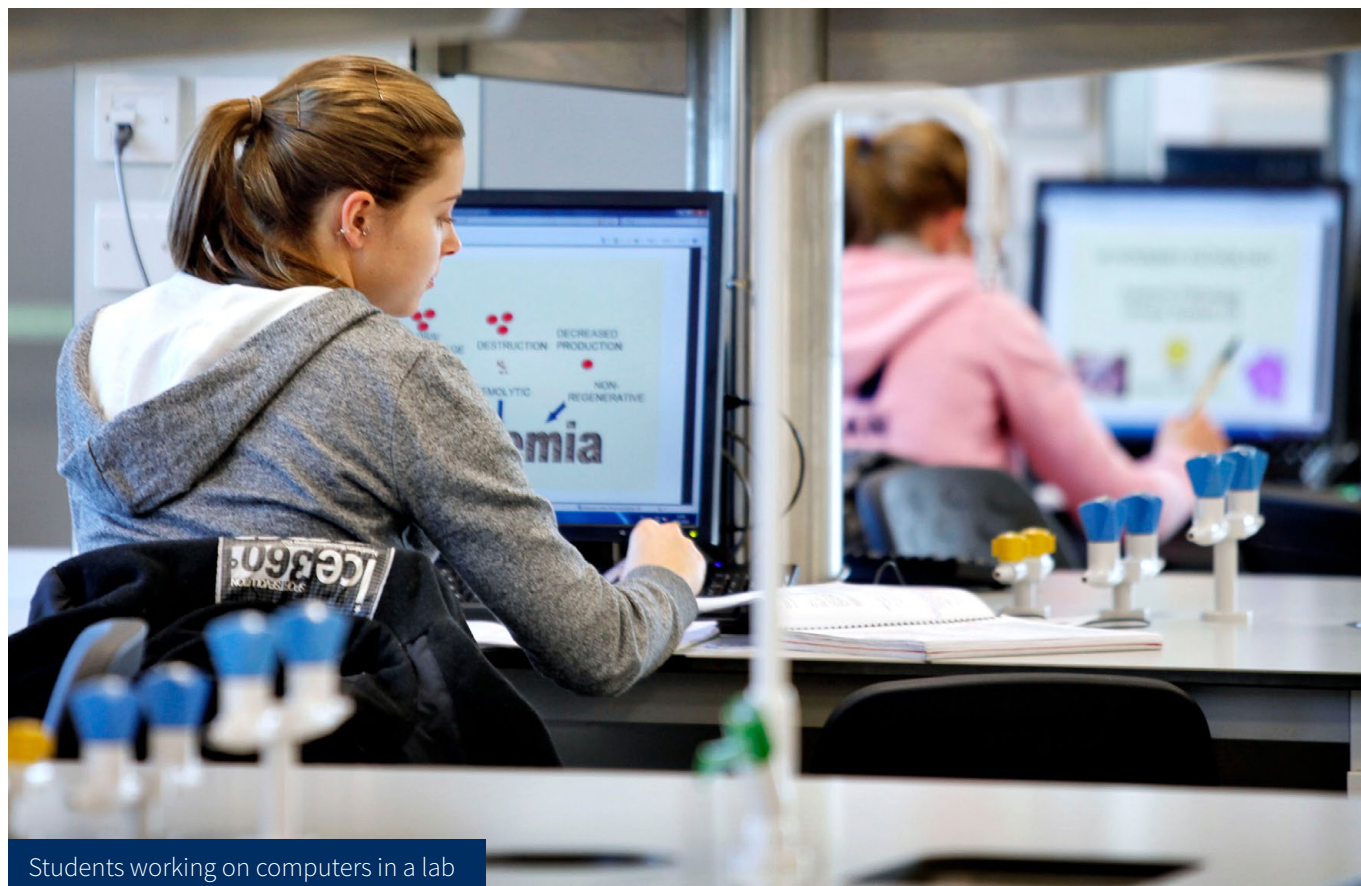
This is covered in Understanding our Risks on page 15 and Financial Review from page 36.

### Digital security

The University is exposed to significant cyber threats, presenting a risk to our data, how we operate and perform our core activities. These threats have potentially significant financial consequences for us and therefore mitigation will remain a key area of focus for the foreseeable future.

A continuing programme of capital investment in core IT infrastructure reduces our IT infrastructure risk in this area.

This is covered in Understanding our Risks on page 17.



Students working on computers in a lab



# Strategy and value model



# Our strategy

Strategy 2030 is led by a distinctive set of guiding principles and goals, and our focus is on making the greatest impact in whatever we do.

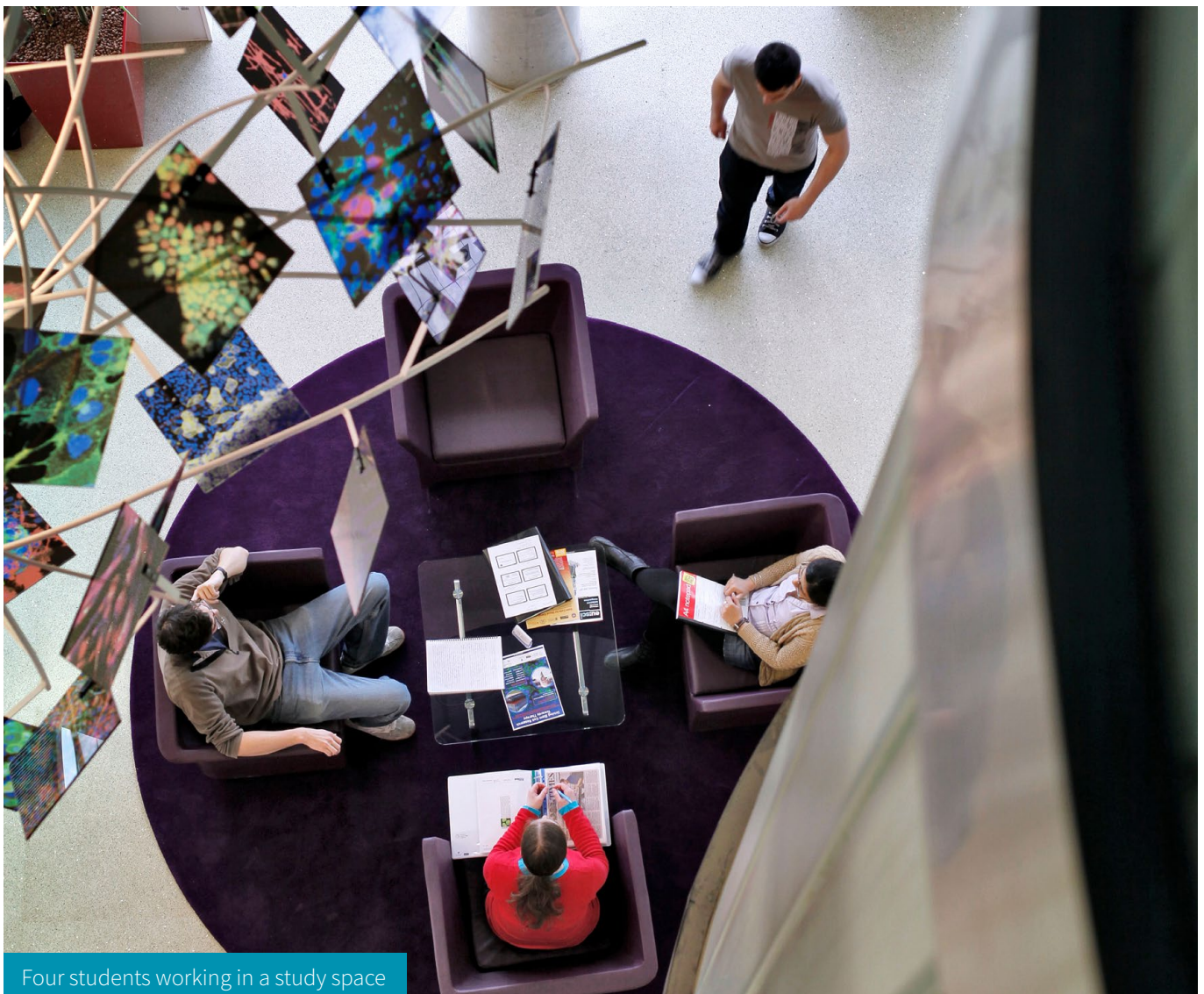
Our strong vision and values, coupled with our four key focus areas (People, Research, Teaching and Learning, and Social and Civic Responsibility), help us in our mission to deliver excellence to 2030 and beyond.

➔ More information: [Strategy 2030](#)

To assess how well we are performing, our Strategic Performance Framework (SPF) sets out how we will achieve our goals over the period of the Strategy. Our SPF takes into account internal and external factors which influence or affect our work.

Aligned to our four focus areas is our commitment to the United Nations Sustainable Development Goals (SDGs). Strategy 2030 recognises that the University has the opportunity to contribute to the SDGs in different ways across our communities and across our different locations.

➔ More information: [Sustainability](#)



Four students working in a study space



## Our strategy (continued)

### Performance framework

In Strategy 2030, we highlight that our vision to continue delivering excellence to 2030 and beyond is rooted in our values, with a focus on our four key areas. We have structured our key performance indicators (KPIs) around these four key areas (People, Research, Teaching and Learning and Social and Civic Responsibility) to reflect the University's ambitions outlined in Strategy 2030 and to demonstrate how well we are performing against them.

The information below shows our performance in each of these focus areas.

Unless indicated otherwise, data shown reflects 2024/25 performance.

#### Strategy 2030 focus area: People

Our students, staff, alumni and friends are our lifeblood.

**1. Widening participation:** Number (and proportion) of undergraduate entrants from an SIMD20 (Scottish Index of Multiple Deprivation - most deprived 20%) area



2023/24: 241 (10.7%)

**2. International student diversity:** Ratio of largest international market to 5th and 10th largest overseas markets

Ratio to 5th: **23:1**

2023/24: 25:1

Ratio to 10th: **42:1**

2023/24: 38:1

**3. Staff equality, diversity and inclusion:** Gender, ethnicity and disability pay gaps (reported biennially)

Average gender pay gap: **13.9%**

2022/23: 15.3%

Average ethnicity pay gap: **13.2%**

2022/23: 10.3%

Average disability pay gap: **5.2%**

2022/23: 8.1%

**5. Staff satisfaction:** 2024/25 staff survey

**Staff engagement:**

2022/23: 54%



*In development: 4. Efficient systems and user-friendly processes<sup>1</sup>*

#### SUSTAINABLE DEVELOPMENT GOALS



#### Strategy 2030 focus area: Research

Our ethos of working without boundaries will deliver a step change in innovation and research.

**6. Research quality/competitiveness:** REF performance, supported by a between-REFs proxy including share of UKRI income (2023/24 data)

**5.64%**

2022/23: 5.57%

**7. Research activity:** Total research income



2023/24: £365m

**8. Research activity with industry:** Total value of industrial and translational research awards



2023/24: £150.8m

**9. Innovation & collaboration:** Research and entrepreneurship related City Region Deal TRADE targets

Research income:

**£187.3m**

2023/24: £158.1m

Entrepreneurship companies: 89  
Interactions: 114

2023/24:  
Entrepreneurship companies: 108  
Interactions: 135

#### SUSTAINABLE DEVELOPMENT GOALS



<sup>1</sup> The key performance indicator for efficient systems identifies eight processes which have been assessed to determine their current maturity levels.

## Our strategy (continued)

### Strategy 2030 focus area: Teaching and Learning

Our teaching will match the excellence of our research. We will improve and sustain student satisfaction and wellbeing.

#### 11. Talent – data skills:

People gaining qualifications via certified data skills courses and MOOCs

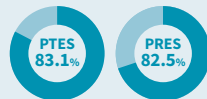
**39,910**

2023/24: **100,092**

#### 12. Student experience:

Student satisfaction as reported in the NSS and other national student surveys

**NSS 2025 position: 65.2%**  
(NSS2024: 60.6%)



PRES collected every second year

2023/24: **PTES 79.1%**  
2022/23: **PRES 77.2%**

#### 13. Graduate outcomes:

Graduates entering graduate level employment or further study

**87.4%**  
(2022/23 graduating cohort)

2021/22: **85.5%**

**10. Curriculum transformation:** we are refocusing our curriculum transformation efforts on a smaller scale to support our financial sustainability activities.

#### SUSTAINABLE DEVELOPMENT GOALS



### Strategy 2030 focus area: Social and Civic responsibility

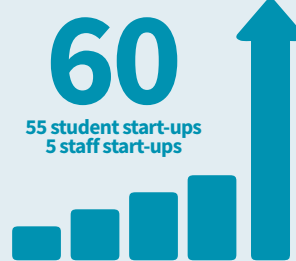
Our vision is to make the world a better place, so we will ensure that our actions and activities deliver positive change locally, regionally and globally.

#### 14. Social impact: Community Grants awarded



2023/24: **£100,673 total grants**

#### 15. Innovation: Number of start-up companies



2023/24: **122:**  
**116 student start-ups**  
**6 staff start-ups**

#### 16. Net zero: Absolute (and relative to £m turnover) carbon emissions (tCO2)

**Absolute carbon emissions (CO2): 81,723 tCO2**

2023/24: **78,720 tCO2**

**Relative carbon emissions: 55.2 tCO2/£m**

2023/24: **54.9 tCO2/£m**

#### SUSTAINABLE DEVELOPMENT GOALS





# Our value model

The University is committed to integrated thinking and has adopted the principles of Integrated Reporting within this annual report.

## Our approach

Our Value Creation Model is a fundamental part of our annual report. The model shows how we use and influence resources to create and sustain value for our many stakeholders.

The case studies throughout this annual report demonstrate how we maximise the potential of our resources to create value for our stakeholders. Our model has at its centre the overall strategic objectives of the University with research-led teaching and learning flowing through all of the outputs.

We are continuing to explore how our model can align and report on the United Nations' Sustainable Development Goals.

## How we create value

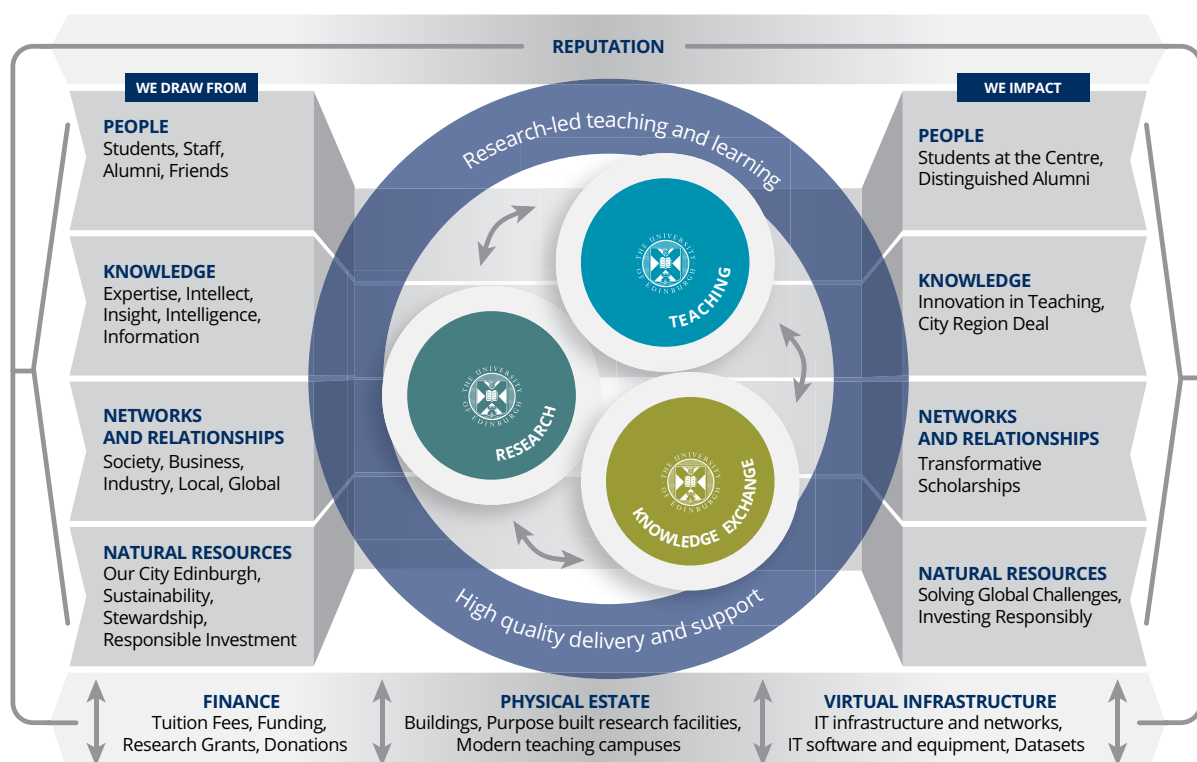
We deliver impact for society. As a truly global university, rooted in Scotland's capital city, we make a significant, sustainable and socially responsible contribution to the world. Our mission to discover, develop and share knowledge is at the heart of everything we do.

We teach students from across the world. We equip our students with the knowledge, skills and experience to become successful graduates who contribute to society.

The research we conduct is of the highest standard across a broad spectrum of disciplines. This brings together world-class researchers who provide world-leading outputs and insight.

We seek to convert our research findings and knowledge capital into successful commercial activities to create wealth and improve society.

## The University of Edinburgh – Delivering Impact for Society



## Our value model (continued)

### The value created

The memorable moments highlighted throughout this integrated Annual Report demonstrate real examples of how we continue to create value and contribute to the global Sustainable Development Goals from our resources, having a positive impact on society. In our operational review, we have directly aligned these stories with the relevant Sustainable Development Goals to illustrate how we support these important benchmarks.

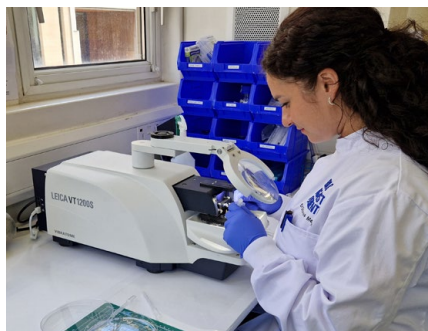
We have also illustrated how our approach to understanding our risks supports these goals.



#### Protecting our planet

Art show sparks cultural climate conversations

An exhibition of historic and contemporary artworks sparked conversation about environment, ecology and the entangled relationship between economic and colonial legacies and the climate crisis.



#### Research

Live brain cell test reveals protein link to Alzheimer's

Scientists using living human brain tissue have shown for the first time how a toxic form of a protein linked to Alzheimer's can stick to and damage the connections between brain cells.



#### Revolutionary partnership

Education Beyond Borders

In September 2024, the University welcomed the first cohort of students through its new Education Beyond Borders (EBB) postgraduate scholarship programme for refugees and displaced people.



#### Supporting our community

Arcadia celebrates 10 years caring for families

Arcadia Nursery at King's Buildings celebrated its 10th anniversary with a fun-filled day for children and families in August 2024.



#### People

Students ace the arts

Access to Creative Education in Scotland (ACES) supports eligible S4 to S6 students in local state secondary schools, who are considering studying art, design or architecture.



#### Learning and teaching

The University of Edinburgh Learning and Teaching Strategy 2030

Showcased for the first time at the Learning and Teaching Conference in June 2025, the strategy focuses on three central themes; developing a future-ready curriculum; engaging and empowering learners; and supporting inspiring teaching.

### Our Strategy and Value Creation Model is assured by effective governance

Read more: Financial Review, page 35  
Corporate Governance Statement, page 42  
Independent Auditors' report to Court, page 51



# Understanding our risks

“Controlled risk-taking enables the University to take advantage of opportunities in the pursuit of research, education, knowledge exchange and innovation. ”

**Risk is the effect of uncertainty on objectives and, when crystallised, can take the form of adverse consequences or unexpected opportunities.**

Research-intensive universities have long been acknowledged as experimental by nature and a dynamic enterprise like the University of Edinburgh must take proportionate risks in pursuit of its evolving objectives.

We have a mature approach to risk management, articulating our objectives and what might prevent or promote their achievement, which we consider together with possible unintended consequences in our planning and decision-making. This approach increases the probability of successful outcomes, while protecting the values, reputation and sustainability of the University.

## Risk management

The University aims to minimise its exposure to reputational, compliance and financial risk, while recognising that controlled risk-taking enables the University to take advantage of opportunities in the pursuit of research, education, knowledge exchange and innovation. This dynamic is detailed in our Risk Appetite Statement.

➔ More information: [Risk Management Policy and Risk Appetite Statement](#)

“This approach increases the probability of successful outcomes while protecting the values, reputation and sustainability of the University. ”

## Process

The University operates a process for the identification, evaluation and management of risks at the Local (School and Departmental), Operational (College, Professional Services Group, and Major Programme) and Strategic (University) levels. These strategic risks are selected based on several considerations including their relationship to our strategic objectives and the United Nations Sustainable Development Goals, rating of likelihood and impact, their proximity to our stated appetite and the extent to which they may be representative of similar risks across the University.

Strategic risks are recorded in the University Risk Register, where they are monitored and reviewed by the Risk Management Committee (RMC) throughout the year. The RMC tracks the implementation of risk management strategies, informs the University Executive and reports the Committee's findings to the University Court's Audit and Risk Committee and, through it, the governing body, the University Court, itself.

External benchmarking and horizon scanning help us consider emerging risks from across higher education, the wider public sector, and globally.

Internal Audit supports this process and undertakes reviews of key risk areas and the risk management process according to a rolling audit plan.

➔ More information: [Audit and Risk Committee](#)

## Our Risks

The higher education sector in the UK is facing well-documented risks – even more pronounced now than in the last

few years with a challenging existing funding environment, exacerbated by falling international postgraduate student demand to study in the UK. In turn, this introduces risk to our capacity to invest in capital and other substantial programmes aligned to the University's mission and intended to support long-term financial sustainability. Our sector, like others, remains a target for international and domestic cyber-crime, something which has to be addressed in the context of our strategic imperative to remain globally networked with key partners and influential on the academic world stage. Our international profile – encompassing education, research, innovation and the pursuit of our social and civic commitments – is at the core of our mission and geopolitical changes introduce volatility to this.

Student experience, including capacity to provide wellbeing support, continues to be a key thematic discussion for the sector. The University of Edinburgh, like its peers, wrestles with these risks among many. It has been gratifying in 2024/25 to see improvements in a number of student survey results, particularly in those areas where we have focused specific efforts. We remain, however, less well placed than many peers and this remains a key priority.

We have made many improvements in staff experience in the last couple of years, including pay and policy developments. Given our initiatives to improve our financial sustainability, however, we have seen industrial action return locally, and recent ballots for action nationally over pay have also complicated the position. University-wide grade scale changes continue to have a positive impact on aspects of our People risks.

## Understanding our risks (continued)

Our digital infrastructure replacement project made major advances in the stability and reliability of our IT systems, lowering risks to our digital estate.

Energy prices and material costs remain high, and the cost of maintaining and developing our large and historic estate place stress on our financial sustainability, which we are addressing through better utilisation and some rationalisation of our assets. The projects in buildings affected by Reinforced Autoclaved Aerated Concrete (RAAC) – something many organisations have yet to grapple with – are now substantially complete.

### Looking ahead

The University is presently facing significant financial pressures, including challenges in attracting new international students in an increasingly competitive global market, rising staff and utility costs, the effects of inflation and supply chain disruptions. Additionally, the persistent underfunding of Scottish-domiciled and other UK students, and challenges to the funding model for much of our excellent research, exacerbates these issues. As the growth in our expenditure continues to outpace growth in our income, we are implementing a programme of change to adapt our operating model and ensure long-term financial sustainability. It is gratifying that UK and Scottish Governments are acknowledging these challenges now more than has been evident in recent years and we intend to ensure that the voice of research-intensive, globally competitive institutions is heard as we move into an

undoubtedly challenging period ahead.

Polarisation of debate on wider social issues continues as an emerging risk, albeit one we believe we are managing effectively as we remain committed to upholding academic freedom and freedom of expression, including the right to engage in lawful protest.

We express this commitment by facilitating an environment where students and staff can discuss and debate challenging topics free from intimidation and undue disruption, challenging as that effort can sometimes be. 2024/25 brought challenges in the form of disrupted graduation ceremonies and other protest and 2025/26 has begun in similar vein, with protest activity related to the conflict in Gaza particularly prominent.

The coming year will see continued focus on maintaining our enviable reputation as a premier world research university as we seek to better define and manage risks to research funding and industrial and international partnerships. We will pursue opportunities in established and emerging fields and through new collaborations, including those which are enshrined in our Regional Innovation Action Plan, developed in conjunction with Scottish Enterprise, City of Edinburgh Council and Innovate UK.

There is no doubt that the higher education landscape faces many risks, but there are also enormous opportunities. We were delighted to be chosen in June 2025 as part of the UK Government's Spending Review, as the host of a new national Supercomputer.

The significant investment represents a huge endorsement of the University and its future as a world-leader in supercomputing and AI, recognising the strength and value of our expertise. The new supercomputer will give UK scientists access to compute power on a world-leading scale, which, in turn, will increase the impact of their research on the world.

Strategic change programmes are critical to our capacity to remain the strong and influential university we have been for the last four centuries. 2025/26 is an important year for us to prosecute our priority projects and we are planning and resourcing this work carefully and with resolve.

We are acutely aware of the challenge posed to an institution with significant education, research, social and civic ambition in a constrained financial environment: we recently approved our Regenerative Sustainability Strategy, which will demand capital and revenue capacity. We are operating in a geopolitical environment characterised by instability and fluidity: a multipolar world with rising nationalism and authoritarianism which influences our global position. There will be risks currently unknown to us and we will work to identify and address these decisively. In monitoring our overall risk environment, we will work hard to ensure that in addressing our financial sustainability challenge, we do not unduly increase other risks we face. Our intent to secure our financial sustainability is more important than it has ever been in order than we can survive – and thrive – into the future.



Edinburgh University Boat Club members in action



## Understanding our risks (continued)

### Strategy 2030 focus areas and core functions:

#### Teaching and Learning

##### Risk description: **Student experience**

Failure to improve student experience.

##### Supports Strategic KPI

12: Student experience



**Risk management:** We recognise the significant improvements required in our student satisfaction evidenced by national survey results, which have the potential to damage our reputation, affect student recruitment and retention and ultimately challenge the University's financial health.

Accordingly, we are prioritising student experience in line with the objectives of Strategy 2030 with our targeted strategic programmes and underpinning improvement work.

Our Student Support Model is now in place and is being overseen and monitored via the Student Lifecycle Management Group (SLMG) and Colleges/Schools from September 2024.

We have continued implementation of Assessment and Feedback Principles

and Priorities set in academic year 2022/23. The criticality of their implementation is highlighted in the recently approved Learning and Teaching Strategy, owned by Senate Education Committee. Its initial focus has been to monitor assessment and feedback turnaround times and the provision of assessment rubrics. Our revised Assessment and Feedback Strategy Group, reporting to Senate Education Committee, now oversees and supports the implementation of the wider Assessment and Feedback Principles and Priorities.

In-year monitoring of progress continues via School Annual Quality Reports and Internal Periodic Reviews.

This improvement work is essential in meeting requirements set by the

Quality Assurance Agency as part of our Quality Enhancement and Standards Review (QESR) action plan responding to concerns in this area of student experience.

We are committed to improving student satisfaction as measured through the National Student, Postgraduate Taught Experience and Postgraduate Research Experience Surveys). We will also monitor the success of our work, initially through student feedback via focus groups and internal surveys and against our key performance indicators. While actions underway have promise, we recognise that positive impacts may take time to embed across our whole community.

#### People

##### Risk description: **People**

People risk linked to failing to achieve strategic commitment to be an employer of choices.

##### Supports Strategic KPI

5: Staff satisfaction



**Risk management:** Sectoral, international and local issues have changed the focus of this risk. Already low staff turnover rates have fallen further except where we have taken specific actions to reduce headcount, such as by voluntary severance.

We remain an attractive destination for high-quality staff, which was reinforced by an Internal Audit review.

More important is retention and motivation of key staff as we work through what is a challenging time for everyone.

Our biennial all-staff engagement survey ran in February 2025 and the overall engagement score increased from 59 per cent to 62 per cent. Our response to survey feedback focuses on implementing change effectively, including consultation with staff and partnership working with our nominated trade unions.

We are committed to creating an environment in which everyone feels safe to participate fully in the life of the University, as demonstrated through our work on Equality, Diversity and Inclusion, and on Academic Freedom.

Benefits and remuneration enhancements in 2024 continue to have a positive impact, with 90 per cent of staff receiving a salary increment at the start of the new financial year. Equalising annual leave for all grades, reducing staff pension contributions, and ongoing improvements to employment policies, have reinforced our position as a leading employer.

We recognise that much remains to do and staff motivation, morale and wellbeing remain at the heart of all discussions about the achievement of our strategic goals.

## Understanding our risks (continued)

### Strategy 2030 focus areas and core functions:

#### Social and Civic Responsibility

##### Risk description: Social responsibility and sustainability

Failure to meet climate change objectives by 2040.

**Supports Strategic KPI**

16: Net Zero



**Risk management:** A strengthened approach to achieving net zero by 2040, with appropriate 5-year carbon budgets covering all three scopes was approved by University Court in April 2025. We remain committed to achieving our 2040 goal and our focus is now on meeting our 2030 and 2035 interim targets.

On those goals, we are currently off-track having for example used 64 per cent of our scope one and two carbon budget from 2018/19 to 2023/24, with only 36 per cent left until 2030/31.

Our emissions consist of three material categories: the things we buy; our travel; and our estate. Our challenges include:

1. A long-term trend of growth on supply chain spend.
2. An increasing post-Covid-19 rebound in international aviation, alongside the increasing importance in international student income (with associated emissions increases).

3. Estate-related revenue and capital requirements, local grid upgrade timescales, and a large and complex estate.

To address these risks, we:

- will launch the “Edinburgh Pathway” supply chain decarbonisation framework, engaging internal buying communities and suppliers while exploring its use as a sector-wide tool to accelerate supply chain decarbonisation.
- have materially strengthened sustainability considerations through procurement systems, processes and culture, and reduced supply chain carbon on individual material procurements and are planning for reduced carbon through a refurbished and consolidated printer fleet.
- have achieved a significant reduction in domestic flights via the sustainable travel policy but

with limited sustained impact on international travel. We are currently exploring further levers to build on the sustainable travel policy to avoid a post-Covid-19 international aviation rebound via a sub-committee of the Travel Oversight Group.

- are exploring a revised energy masterplan to reduce estates-based carbon earlier, whilst working to ensure revenue and capital considerations are appropriately planned in as part of standard financial approval processes.

Despite technical and financial challenges, we are making progress but need a step change if we are to achieve our 2030 and 2035 interim targets.

#### Research

##### Risk description: Quality and competitiveness of research

Exposes the University to potential loss of research excellence standing, adversely impacting reputation and income.

**Supports Strategic KPI**

7: Research activity

8: Research activity

with industry



**Risk management:** International engagement is crucial to the success and impact of our research. However, the changing geopolitical climate also brings challenges we must respond to in order to ensure our research continues work across borders.

Our international funding portfolio naturally exposes us to decisions taken by overseas governments. In 2024/25, decisions taken in the US,

affecting the National Institutes of Health, in particular, had repercussions for our own researchers and critical research programmes.

Colleagues within Edinburgh Research Office and Edinburgh Global are implementing recommendations from the Trusted Research Evaluation Framework via a two-year action plan, overseen by the Dean of Research for the College of Science & Engineering.

Our Due Diligence processes are being reviewed and updated in line with latest guidance. Additionally, the implementation of the Foreign Influence Registration Scheme on 1 July 2025, saw a further tightening of guidance on political interference. We have detailed guidance and support in place for staff and students in order to protect our capacity to engage internationally compliantly and with confidence.

## Understanding our risks (continued)

### Strategy 2030 focus areas and core functions:

#### Research

##### **Risk description: Collaboration with external partners**

Exposes University to security-related loss of reputation, revenue, or to legal liability.

##### **Supports Strategic KPI**

7: Research activity  
8: Research activity with industry



**Risk management:** As a global university, we will see our research having a greater impact as a result of partnership, international reach and investment in emergent disciplines.

Internationalisation, however, can expose the University to risks resulting from competing geopolitical interests. Edinburgh Global and Edinburgh Research Office coordinate the University's response to the changing security and risk landscape across international collaboration. The Trusted Research Evaluation Framework Group (TREFG) coordinates effective

implementation of the National Protective Security Authority's (NPSA) 'Trusted Research Framework' across the University. This is the UK government's national framework for universities with regard to research security. The group is chaired by the Dean for Research, College of Science and Engineering and includes all key stakeholders from relevant professional services and senior academic leads.

The TREFG meets regularly and has raised awareness of responsible global engagement through messaging to key colleagues and by

developing an action plan - shared by colleagues across the University - to implement Trusted Research guidance. Edinburgh Global provides reporting on security risks to the Risk Management Committee, Audit and Risk Committee and to University Court.

Work to decrease this risk exposure will concentrate on improvements to better coordinate the security-related controls and oversight provided by our various offices responsible for international collaboration.

#### Core Functions

##### **Risk description: Core IT infrastructure**

Disruption to basic network services.

##### **Supports Strategic KPI**

4: Efficient systems



**Risk management:** We are pleased to report that Information Services Group has completed a major replacement of core IT infrastructure this year, with the completion of the campus data network replacement programme.

The final remaining action is to decommission fully the old network. On completion of this task, the risk scoring will be reevaluated. Inclusion of core IT infrastructure replacement cycles within the Digital Estate plan will

help ensure ongoing refreshment of critical platforms. Continued work on overall University Business Continuity Planning will provide mitigation to core IT Infrastructure platform failures.

#### Core Functions

##### **Risk description: Information security / data breach**

Compromise of University information.

##### **Supports Strategic KPI**

4: Efficient systems



**Risk management:** Like many organisations inside and outside our sector, the University continues to face a significant level of online risk to our digital services, systems and data that underpin our teaching, research and

operational activities. We are aware of the ever-changing scale and nature of this risk and continue to implement improvements to our technology and day-to-day processes to counter them. We continue to identify risks

to key data-reliant activities, services and processes, working to reduce the potential impact with resilient business continuity plans in case of a data breach. This risk will remain a key area of focus for the foreseeable future.



## Understanding our risks (continued)

### Strategy 2030 focus areas and core functions:

#### Core Functions

##### Risk description: **International student recruitment**

Recruitment of international students diverges from our size and shape planning and fee income forecasting

##### Supports Strategic KPI

2: International student diversity



**Risk management:** The University is recruiting students in the context of increased global competition, a challenging global economy, changes to UK immigration policy, and concentration of demand from specific domiciles outside the UK and Europe, making us vulnerable to market swings and unfavourable geopolitics. This could impact tuition fee revenue, which would undermine the University's financial sustainability. Academic sustainability would be undermined if international recruitment shortfalls were to make some programmes unviable and/or impeded the research

pipeline. Over-reliance on one region/sector could create vulnerability to foreign influence from particular source countries, with potential academic freedom, freedom of expression, security and data integrity risks.

While across higher education the sector is facing greater risk, the University of Edinburgh has taken measures such as making earlier offers and pursuing our strategic enrolment strategy that have mitigated the risk. We are, as a consequence, in a less vulnerable position than many of our peer institutions but have nonetheless set our intake targets and related income

expectations, acknowledging that any growth in year-on-year international intakes is likely to require growth in market share of UK international intakes.

The balance of international student enrolment (measured by the ratio of largest international market to 5th and 10th largest overseas markets), particularly in postgraduate taught, has improved but remains an issue. We continue to work towards an even better integrated, strategic enrolment model, and to deliver international student intakes with acceptable levels of reliance/diversification.

#### Core Functions

##### Risk description: **Finance**

Failure to maintain financial headroom required to pursue strategic priorities and ensure financial sustainability in the face of increasing financial pressures.

Financial Risk Appetite is our EBITDA should be in the range of 7-9 per cent over our five-year plan.



**Risk management:** The University manages its financial risk by not breaching its risk appetite as described in its financial metrics. A key metric is that our Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) should be in the range of 7-9 per cent to remain sustainable.

The University has again achieved an EBITDA marginally below its 7-9 per cent target in the face of significant financial pressure, posed by an

increasingly volatile macroeconomic environment, inflationary pressures and an uncertain outlook on international tuition fee income.

To mitigate these risks, the University regularly produces financial stress testing, cash flow forecasting, and performance monitoring embedded within our financial management framework, which provides early warning of emerging risks and supports timely corrective action.

Furthermore, recognising the imperative to maintain financial sustainability and create capacity for future strategic priorities and achieve innovation potential, the University is implementing a comprehensive cost reduction programme.

Financial sustainability measures will be underpinned by robust governance structures and reporting, ensuring alignment with strategic priorities and risk appetite.

## Understanding our risks (continued)

### Strategy 2030 focus areas and core functions:

#### Core Functions

##### Risk description: **Estate**

The physical estate fails to meet the needs of the University (volume, condition, and accessibility).

Does not directly support a specific Strategic KPI, but is essential in our achievement of many of them, particularly 4, 5, 7, 12, and 16\*



**Risk management:** During 2021/22, the University formulated a new Capital Plan, which was approved by Court in February 2022. This six-year plan covers the period 2021/22 to 2026/27 and:

- is fully aligned with the University's 2030 strategy.
- covers all capital expenditure for the University, including digital and equipment expenditure.
- enables investment in priority projects, including those addressing volume, condition and accessibility requirements.
- is agile and able to respond to unforeseen emerging University capital needs.

In addition, to strengthen the University response to the climate emergency and commitment to 'Zero by 2040', the Director of Estates Net Zero and Carbon Leadership is focusing on the decarbonisation of the physical estate.

The Capital Plan is monitored and reported to the Estates Committee, Policy and Resources Committee and Court through the normal governance cycle.

Given the current financial pressures, there is a risk that without careful management, the combination of limited long-term strategic direction, growth in staff and student numbers in the previous five years, and the

potential deferral of capital projects, could collectively impact the University's ability to sustain a fit-for-purpose estate. If not addressed, these pressures may, over time, lead to building deterioration, increased future costs, and reduced viability of projects critical to supporting the University's ambitions. A revised vision for the Estate is close to finalisation in 2025/26 and an associated refreshed capital plan will follow, taking account of the need to protect the infrastructure we have and to make the most effective use of the asset base.

#### Core Functions

##### Risk description: **Strategic change**

Scope, pace and complexity of change negatively impacts both project success and staff wellbeing.

##### Supports Strategic KPI

4: Efficient Systems, 5: Staff Engagement  
10: Curriculum Transformation  
12: Student Experience



**Risk management:** Implementation of major change initiatives is challenging for any organisation. The University has identified the requirement to manage and better coordinate the delivery of major strategic programmes, particularly in light of the lessons learned during implementation of a major new HR and Finance system called People and Money.

The external review of People and Money, published in December 2023,

made recommendations which are reflected in the evolving approach to planning of Strategic Projects. The University Initiatives Portfolio Board (UIPB) has collective oversight of these projects. With the establishment of the UIPB, oversight of the whole portfolio has been established and prioritisation of initiatives and ongoing assessment forms a core part of that Board's remit. All strategic projects will be monitored going forward.

Particular attention is being focused on organisational capacity and development, resource management, decision-making and increased engagement during the life of a project.

Understanding variations in practice across the University is important, to ensure appropriate support is in place to enable an effective transition to new ways of working. The current portfolio of projects has been prioritised in order to promote financial sustainability.

\*4: Efficient systems. 5: Staff satisfaction. 7: Research activity. 12: Student experience. 16: Net Zero



# Operational review





# Operational review

Discover the stories that make us a world-leading research-intensive University. Our values-led approach to teaching, research and innovation allows us to address tomorrow's greatest challenges, both locally and globally.



The Race Review will inform ongoing dialogue around these difficult issues and be a driver for sustained, meaningful change. To expedite this, the University has established a Race Review Response Group comprising a diverse range of staff, students and external partners.

This group will engage with the University community, embracing diverse perspectives to strengthen involvement. It will also monitor progress, advise on actions and ensure the University fulfils its commitment to enacting meaningful change in light of the Review.

## Widening Participation

The University continues to take a holistic approach to widening participation (WP), actively engaging with individuals from WP backgrounds prior to application, providing information, advice and guidance during the UCAS application process and ongoing support during their studies. This whole-University approach ensures we continue to meet the Commission for Widening Access target of 10 per cent of our intake representing the Scottish Index of Multiple Deprivation 20 (SIMD20) also known as the most deprived 20 per cent of areas in Scotland. This year, 11.3 per cent of entrants came from SIMD20 backgrounds, up from 10.7 per cent in the previous year.

There are also 54 care-experienced first-year students and a cohort of 222 care-experienced students across all years of study at the University of Edinburgh.<sup>1</sup>

...the Race Review is thought to be one of the most ambitious, wide-ranging and sustained consultations of its kind...



Read our  
[Fair Work  
statement](#)

## People

### Race Review

The University published its Race Review in July 2025. An academically-led examination of the University's historic links to slavery and racism, it is thought to be one of the most ambitious, wide-ranging and sustained consultations of its kind, and is the result of more than four years of dedicated research, community engagement and collaboration.

It has brought to light important, confronting and often uncomfortable accounts of our historical ties to slavery and colonialism, the legacy of racist teachings and ideologies, and current challenges we face around race and inclusion.

<sup>1</sup> As of February 2025



## Operational review (continued)

### Corporate Parenting Plan Update

In February 2025, we published our University of Edinburgh Corporate Parenting Plan – Implementation Report 2021-2024, covering the progress we have made since the plan's publication in 2021.

The Children and Young People Act 2014 (Scotland) names universities as corporate parents and legalises our statutory duty for the wellbeing of care-experienced students. The progress that the University of Edinburgh has achieved in celebrating, including, and supporting our care-experienced and estranged students from pre-application, point of application, on programme transition, and onwards to graduation since 2021 has taken a significant collaborative effort from all parts of the institution. Our key collaborators are our care-experienced and estranged students as well as external partners, the Hub for Success (HfS), Who Cares? Scotland and Stand Alone.

Key areas of progress. We have:

- **Increased our care-experienced new entrant intake** from academic year 2021 (34 students) to academic year 2025 (51 students).
- **Targeted and promoted employment and volunteering opportunities** to our care-experienced and estranged students effectively. This has increased the visibility of our care-experienced and estranged students across the institution as well as beyond through partnership with the Hub for Success.
- **Maximised our community building activities** during each academic year by building effective partnerships with local theatres and the Edinburgh Festival.
- **Grown our staff mentor offer to care-experienced and estranged students.** We currently have 50 mentor-mentee pairings.
- **Delivered over 150 hours of staff training** has been delivered across the institution to a variety of staff audiences since 2022.

#### People

### Students ace the arts

Our  
Memorable  
moments



Students head to a graduation ceremony at McEwan Hall

Access to Creative Education in Scotland (ACES) is a national Widening Participation (WP) project, funded by the Scottish Funding Council (SFC) and part of the National Schools Programme (NSP). It supports eligible S4 to S6 students in local state secondary schools, who are considering studying art, design or architecture.

In 2025, eight former ACES Edinburgh students graduated (up on three in 2024) and they all achieved 2.1 or above, with three gaining a First-Class degree.

“Attending ACES massively helped me build my confidence... I got to meet new friends, all artsy people all on the same wavelength...

**“I was encouraged to experiment loads with materials and techniques, and to take inspiration from unexpected places.”**

At ACES I was encouraged to experiment loads with materials and techniques, and to take inspiration from unexpected places. These skills have helped all through college and my degree as well!” said Chiara Watt, a Fourth-Year student at the Edinburgh College of Art.

## Operational review (continued)



A netball match at the Pleasance Sports Complex & Gym

- **Graduation costs:** Since the 2022/23 academic year, we have supported 30 care-experienced and estranged students with graduation costs so that they can celebrate their achievements. 47 care-experienced students graduated in the last three years (10 in 2022, 18 in 2023, and 19 in 2024).
- **Insights programme participation:** In the academic year 2024/25, five care-experienced students took part in the University's Insights Programme delivered by the Careers Service and Development and Alumni. Following a programme of support and activities, students spend a fully funded week meeting and networking with University Alumni working in a range of sectors.

## Revolutionary partnership

### Supercomputer announcement

The University of Edinburgh has been announced as the home of the UK's next national supercomputer.

The significant investment represents a huge endorsement of the University and its future as a world-leader in supercomputing and AI, recognising the strength and value of Edinburgh's expertise.

The UK Government has confirmed funding of up to £750 million for this vital piece of national infrastructure, which will be located at the University's Advanced Computing Facility.

Announced as part of the Chancellor's Spending Review, the new supercomputer will give scientists across the UK access to compute power on a world-leading scale.

It will enable researchers to undertake large-scale complex modelling, test scientific theories and improve products and public services in areas including medicine, climate change and national security.

It places the University, the city of Edinburgh and wider region at the centre of a nationwide effort to drive technological innovations and support industry using computing and AI.

Principal and Vice-Chancellor, Professor Sir Peter Mathieson, said: "This significant investment will have a profoundly positive impact on the UK's global standing, and we welcome the vast opportunities it will create for research and innovation. Building on the University of Edinburgh's expertise and experience over decades, this powerful supercomputer will drive economic growth by supporting advancements in medicine, bolstering emerging industries and public services, and unlocking the full potential of AI."

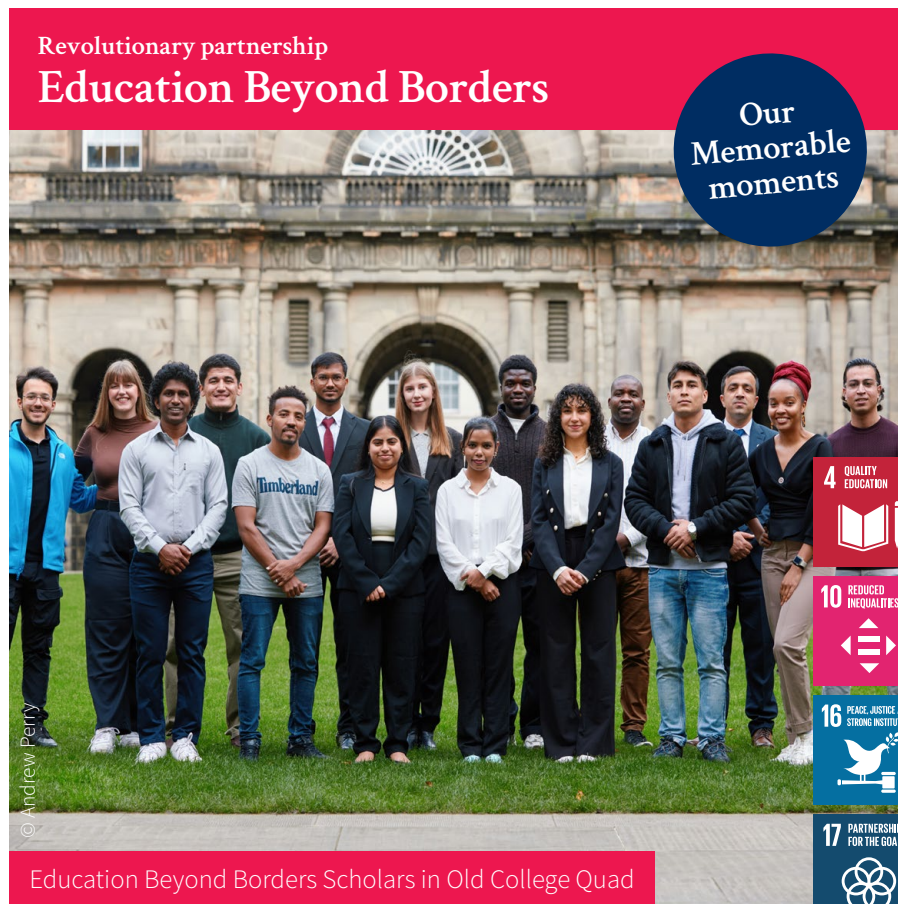
**"The Mastercard Foundation Scholars Program continues to prioritise underrepresented groups, especially women, refugees and people with disabilities."**

### Mastercard Foundation Scholars Program: Phase Two

In September 2024, 46 on-campus Scholars and over 100 online scholars joined the Mastercard Foundation Scholars Program. This partnership



## Operational review (continued)



Revolutionary partnership

## Education Beyond Borders

Our  
Memorable  
moments

© Andrew Perry

Education Beyond Borders Scholars in Old College Quad

In September 2024, the University welcomed the first cohort of students through its new Education Beyond Borders (EBB) postgraduate scholarship programme for refugees and displaced people. The cohort are 21 students studying across all three colleges, from Afghanistan, Yemen, Eritrea, Syria, Palestine, Sudan, Turkey, Sri Lanka and Ukraine.

Launched earlier in 2024, EBB aims to promote continued access to education for displaced scholars by delivering a programme of funding, support, and collaborative and community-led initiatives. EBB is the most generous programme of its kind in the UK, offering a sector-leading support package. This initiative reflects the University's commitment as a University of Sanctuary and its mission to bridge the educational gap faced by displaced individuals.

In addition to the new scholarship, in 2024, EBB expanded its existing fellowship programme to support academic staff who are at risk.

**“This initiative reflects the University’s commitment as a University of Sanctuary and its mission to bridge the educational gap faced by displaced individuals.”**

In May 2025, EBB further extended funding, offering additional opportunities from September 2025. 20 more EBB postgraduate scholarship places will be offered exclusively for online learners to study at the University.

Through collaboration with partners, EBB will offer PhD opportunities for Palestinians and support two students from Levant region to come to UK for Masters study.

is in its second phase (2023-2030) and now focuses exclusively on sustainability-related studies, preparing the next generation of climate leaders. Phase two was designed to incorporate additional projects focused on capacity building. The program continues to prioritise underrepresented groups, especially women, refugees and people with disabilities, reinforcing its commitment to equity, diversity, and inclusion.

The Mastercard Foundation Scholars Program Team was also awarded the Principal’s Medal in November 2024 for its outstanding work, recognising the team’s delivery of an innovative academic, social, and leadership program that addressed the climate crisis.

### Digital Education Practitioner Networks (DEPN)

This initiative aims to enhance digital education in sub-Saharan Africa by building sustainable networks of practitioners to lead inclusive digital transformation in their institutions.

Participants undertake an MSc in Digital Education at the University. They then use their skills and knowledge to form regional and professional networks that promote peer learning and knowledge exchange across African HEIs. DEPN networks have been established in Uganda, Ghana, Liberia, and Sierra Leone.

### The Wits-Edinburgh Sustainable African Futures (WESAF) Doctoral Programme

This is a collaborative initiative between the University of Edinburgh, the University of the Witwatersrand in South Africa, and the Mastercard Foundation which advances interdisciplinary sustainability research and builds research capacity among African academics. In November 2024, the first cohort of 50 WESAF Scholars graduated with more than half of that group progressing to doctoral study, co-supervised by Wits and Edinburgh.



## Operational review (continued)

### IT donation helps rebuild Ukraine partners' computer centre

In September 2024, Taras Shevchenko National University of Kyiv (KNU) celebrated the opening of a newly equipped computer centre, made possible by a donation of IT equipment led by Edinburgh Global.

A second donation in June 2025 means that around 215 computers and more than 530 peripherals were donated by the University and shipped to Ukraine with support from a non-governmental organisation. The computer centre replaces a facility destroyed in a missile strike in October 2022 and will now provide essential resources for students, researchers, and academic staff to continue their work despite the ongoing conflict. The KNU–Edinburgh partnership which launched in 2022, is more than an academic exchange—it's a lifeline for colleagues working under extraordinary circumstances. KNU's Rector and Library Head expressed heartfelt thanks, recognising the partnership as a symbol of solidarity.

## Commercialisation and industrial partnerships

### Edinburgh Innovations

Our commercialisation service, Edinburgh Innovations, leads the University's activities in industry engagement and business development, enterprise support for students and staff and the identification, management and commercialisation of University intellectual property.

By identifying opportunities and building partnerships, Edinburgh Innovations helps turn ideas into successful projects and thriving businesses that benefit the economy and society.

The University of Edinburgh was again ranked first in the world for 'Industry, Innovation and Infrastructure' by The Times Higher Education Impact Rankings 2025, which assess the performance of universities against the United Nations Sustainable

Development Goals (SDGs). The University scored 100 out of 100 for its contribution to SDG9, 'industry, innovation and infrastructure', which includes its research, patents citing University research, research income from industry and a number of University spinouts. This top ranking reflects the University's flourishing culture of innovation and is testament to its ongoing commitment to delivering positive change through research, education and partnerships. Notably, student startup MiAlgae was a finalist in the Earthshot prize for ideas that could repair our planet.

In 2024/25, Edinburgh Innovations helped to launch 64 startup and spinout companies founded by staff and students. One thousand academic staff are now working on innovation activity across the University, and in 2024/25 172 patents were filed and 62 licences were entered into by those involved. A total of £113 million was invested in University-associated companies across the year, including £11.8 million into staff spinouts.



A member of staff at the Edinburgh Genome Foundry

© Edinburgh Innovations and Maverick Photography

## Operational review (continued)

Edinburgh Innovations supported the launch of the Innovation Career Pathway – a new route to career development for academics wishing to focus on commercialisation and engagement with industry. The pathway elevates innovation alongside traditional research metrics such as research output and teaching contributions, aiming to fulfil a commitment in the Research and Innovation Strategy 2030 to double the number of innovative-active academics. The pathway includes a new UK-first Competency Framework that sets out the skills, knowledge and behaviours required to support advancement.

A further four Innovation Fellows were appointed, bringing the total of innovation-focused, early-career academics to seven. EI also appointed Lizzie Withington to the newly-created position of Director of Venture Creation, to support the generation of more transformational spinouts.

Old College Capital (OCC), the University's in-house venture investment fund, supports the

University's research, staff and students by investing in high-growth, early-stage businesses associated with the University, and follows a co-investment model by partnering with experienced private sector investors. Working closely with founders, investors, and the University representatives, OCC accelerates the journey of startups and spinouts that seek to make a positive impact on people and our planet. When a company exits, as biotechnology spinout Kynos Therapeutics did this year, OCC's returns are reinvested into the University to support our most exciting emerging ideas and technologies.

### University of Edinburgh Sport

We've made significant strides through strategic partnerships that have not only elevated our profile but expanded opportunities for all. From joining forces with the Scottish Action for Mental Health charity to pioneer exercise prescriptions for wellbeing, to deepening elite training pathways

through extended partnerships with Scottish Rugby and Scottish Rowing, collaboration has driven real change. New partnerships with leading bodies Aquatics GB, Scottish Swimming, Basketball Scotland, Scottish FA, Netball Scotland and others underscore our leadership in the national sporting landscape. Commercially, the launch of an industry leading partnership with energy drink brand Grilla has further energised both competitive sport and wellbeing initiatives.

## Research

In the 2024/25 academic year, the University has maintained strong research funding application activity, submitting 2,878 applications with a combined value of £1.72 billion. This is 15 per cent higher than the application value achieved in the previous academic year (£1.5 billion). We recorded £399.7 million in total research awards, which is 18 per cent lower than the awards value achieved in the prior academic year (£486.9 million). This is primarily due

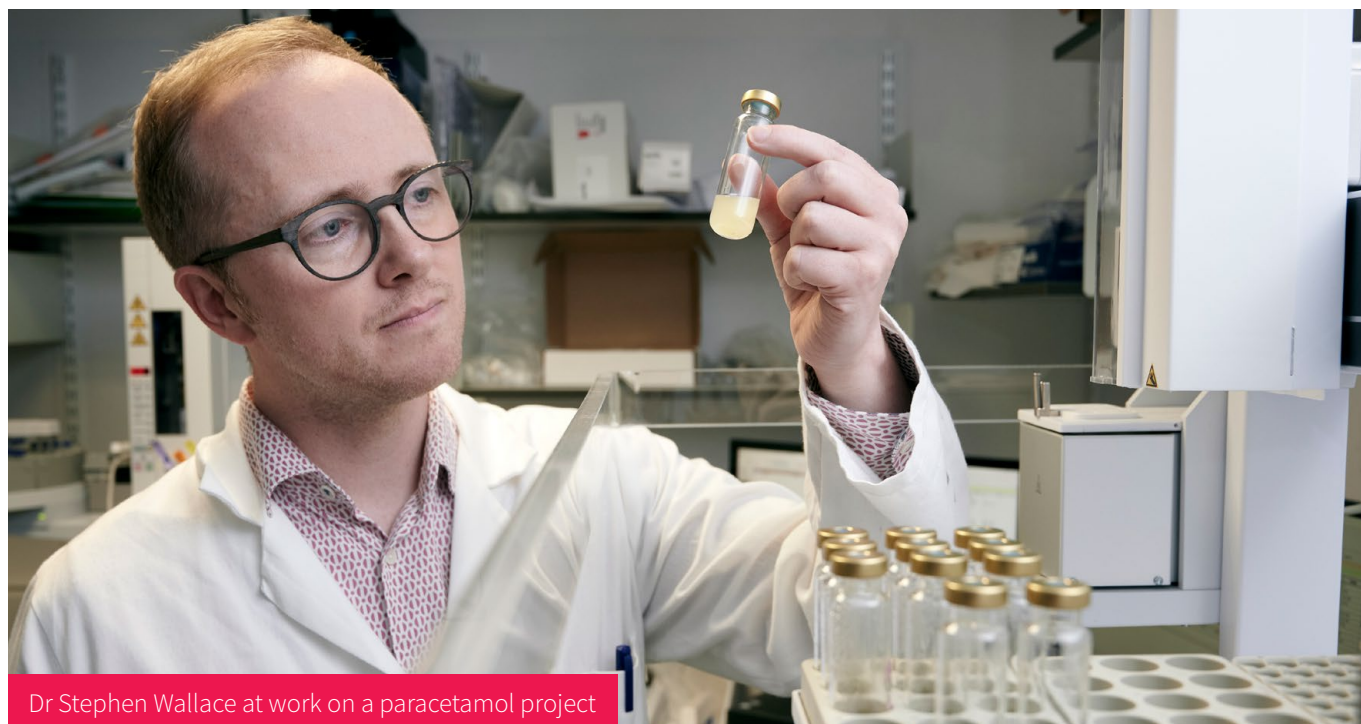


Model of the human eye held by scientist

© Andrew Perry



## Operational review (continued)



Dr Stephen Wallace at work on a paracetamol project

to a change in the methodology for recording awards, which has resulted in last year's award total (reported as £457 million) increasing to £486.9 million and this year's award total decreasing by the same amount. This 6 per cent fluctuation is a one off and accounts for the 2024/25 awards figure being approximately 6 per cent lower than the three-year average figure for total awards of £426.4 million. The underpinning data shows a continuing strong performance in research awards.

This awards figure is driven by some significant successes including: £13.5 million from the Engineering and Physical Sciences Research Council to the College of Science and Engineering for a new hub to boost lung infection treatments; £10.4 million from the Legal and General Group PLC to the College of Medicine and Veterinary Medicine for the Advanced Care Research Centre; £10.2 million from the Arts and Humanities Research Council to College of Science and Engineering for Software Sustainability Institute - Phase 4, as well as a range of other major awards across all three Colleges.

## Research highlights

### AI to use high-street eye tests to spot dementia risk

Routine eye tests may be able to predict a person's risk of dementia thanks to a digital tool developed by data scientists and clinical researchers in partnership with high-street opticians.

The project, NeurEYE, led by the University of Edinburgh with support from Glasgow Caledonian University, has collected almost a million eye scans from opticians across Scotland, forming the world's largest dataset of its kind.

This resource will help develop software, which opticians will be able to use as a predictive or diagnostic tool for conditions such as Alzheimer's. It will also help triage patients and refer them to secondary health services if signs of brain disease are spotted.

It could also potentially be used as a way to monitor cognitive decline, experts say.

Identifying people at risk of dementia could also accelerate the development of new treatments by pinpointing those who are more likely to benefit from

trials and enabling better monitoring of how they respond to treatment.

It could also help individuals and medical professionals modify the risk of developing dementia through lifestyle changes such as physical activity and diet.

Miguel Barbabeu, Professor of Computational Medicine at the University's Usher Institute and NeurEYE co-lead, said, "In order to develop algorithms that are equitable and unbiased, we need to train them on datasets that are representative of the whole population at risk. This dataset, along with decades-long research at the University of Edinburgh into ethical AI, can bring a step change in early detection of dementia for all."

### Microbes transform plastic waste into paracetamol

Paracetamol production could be revolutionised by the discovery that a common bacterium can turn everyday plastic waste into the painkiller, a study reveals.

The new method leaves virtually no carbon emissions and is more sustainable than the current production of the medicine, researchers say.



## Operational review (continued)

## Research

## Live brain cell test reveals protein link to Alzheimer's

Our  
Memorable  
moments



Dr Soraya Meftah preparing tissue in the lab

Scientists using living human brain tissue have shown for the first time how a toxic form of a protein linked to Alzheimer's can stick to and damage the connections between brain cells.

Small pieces of healthy human brain tissue – collected during routine neurosurgery operations – were exposed to the protein, known as amyloid beta.

Unlike when subjected to a normal form of the protein, the brain tissue did not attempt to repair damage caused by the toxic form of amyloid beta, experts say.

The study also found that even small changes in the natural levels of amyloid beta – either increasing or decreasing – were enough to disrupt brain cells. This suggests the brain requires a finely tuned 'sweet spot' of the protein to function properly, experts say.

Researchers at the University of Edinburgh hope the discoveries will allow them to hone in on drugs that have the best chance of preventing the loss of synapses – connections which allow the flow of messages between brain cells and are vital to healthy brain function.

**“This innovative approach offers a rare and powerful opportunity to investigate the early stages of Alzheimer's.”**

Alzheimer's disease attacks synapses and their loss strongly predicts reduced memory and thinking abilities.

Central to the early success of the Dyson RAD Dementia Research Acceleration Project has been the pioneering method that keeps tiny fragments of human brain alive in laboratory dishes for several weeks after collection, with the patient's permission.

This innovative approach offers a rare and powerful opportunity to investigate the early stages of Alzheimer's disease in living human brain cells.

Researchers also discovered that brain slices taken from the temporal lobe, a region known to be affected early in Alzheimer's, released higher levels of another key disease protein,

called tau. This may help explain why this part of the brain is particularly vulnerable in the early stages of the condition, as increased tau release may enable faster spread of toxic forms of this protein between cells.

In addition, a number of the samples were found to contain early indicators of Alzheimer's, such as amyloid plaques and tau tangles, demonstrating the potential of this model to study the disease before symptoms appear.

Experts say this innovative approach will make it easier to test experimental drugs before they enter clinical trials, increasing the chance of finding drugs that work in the human brain.

The study is published in Nature Communications and was supported by a fellowship from Race Against Dementia (RAD) – a charity formed by Sir Jackie Stewart following his wife's dementia diagnosis – and a £1 million donation from the James Dyson Foundation – Sir James Dyson's charity that supports medical research and engineering education. The donation helped employ two scientists, secure time from research nurses, and obtain the cutting-edge laboratory equipment needed for working with living human brain tissue.

## Operational review (continued)

## Learning and Teaching

## The University of Edinburgh Learning and Teaching Strategy 2030

Our Memorable moments

© Sam Ingram-Sillis (Whitedog Photography)

Students in a seminar



A major highlight of this year was the launch of the University of Edinburgh Learning and Teaching Strategy 2030. Showcased for the first time at the Learning and Teaching Conference in June 2025, the strategy focuses on three central themes; developing a future-ready curriculum; engaging and empowering learners; and supporting inspiring teaching. These three purposes of our Learning and Teaching Strategy are shaped by our institutional values set out in Strategy 2030, and underpinned by a set of enablers and partners that support our learning and teaching processes, our students' wellbeing and academic development, and the development of our teaching staff.

The Learning and Teaching Strategy aligns with the Edinburgh Student Vision and the Skills for Success Framework that together set out a roadmap for the qualities, skills

**“This collaborative approach ensures that the Strategy is put into practice across all areas of our University.”**

and capabilities required in the development of our students as learners ready to thrive in a changing world. This strategy will be enacted through an implementation plan, developed and delivered in partnership with Schools, Colleges and other University departments. This collaborative approach ensures that the strategy is put into practice across all areas of our University, fostering a unified commitment to student success.

Paracetamol is traditionally made from dwindling supplies of fossil fuels including crude oil.

Thousands of tons of fossil fuels are used annually to power the factories that produce the painkiller, alongside other medicines and chemicals – making a significant contribution to climate change, experts say.

The breakthrough addresses the urgent need to recycle a widely used plastic known as polyethylene terephthalate (PET), which ultimately ends up in landfill or polluting oceans.

The strong, lightweight plastic is used for water bottles and food packaging, and creates more than 350 million tons of waste annually, causing serious environmental damage worldwide.

PET recycling is possible, but existing processes create products that continue to contribute to plastic pollution worldwide, researchers say.

A team of scientists from the University of Edinburgh's Wallace Lab used genetically reprogrammed E. coli, a harmless bacterium, to transform a molecule derived from PET known as terephthalic acid into the active ingredient of paracetamol.

Researchers used a fermentation process, similar to the one used in brewing beer, to accelerate the conversion from industrial PET waste into paracetamol in less than 24 hours.

The new technique was carried out at room temperature and created virtually no carbon emissions, proving that paracetamol can be produced sustainably.

Further development is needed before it can be produced at commercial levels, the team says.

Some 90 per cent of the product made from reacting terephthalic acid with genetically reprogrammed E. coli was paracetamol.

### Lost score revives sound of music from centuries past

A fragment of 'lost' music found in the pages of Scotland's first full-length printed book is providing clues to what music sounded like five centuries ago.

## Operational review (continued)

Scholars from Edinburgh College of Art and KU Leuven in Belgium have been investigating the origins of the musical score – which contains only 55 notes – to cast new light on music from pre-Reformation Scotland in the early sixteenth century.

Researchers say the tantalising discovery is a rare example of music from Scottish religious institutions 500 years ago, and is the only piece which survives from the northeast of Scotland from this period.

The scholars made the discovery in a copy of The Aberdeen Breviary of 1510, a collection of prayers, hymns, psalms and readings used for daily worship in Scotland, including detailed writings on the lives of Scottish saints. Known as the ‘Glamis copy’ as it was formerly held in Glamis Castle in Angus, it is now in the National Library of Scotland in Edinburgh.

Despite the musical score having no text, title or attribution, researchers have identified it as a unique musical harmonisation of Cultor Dei, a night-time hymn sung during the season of Lent.

The Aberdeen Breviary came from an initiative by King James IV who issued a Royal Patent to print books containing orders of service in accordance with Scottish religious practices, rather

than needing to rely on importing texts from England or Europe.

The researchers say the composition is from the Aberdeenshire region, with probable links to St Mary’s Chapel, Rattray – in Scotland’s far northeastern corner – and to Aberdeen Cathedral.

The discovery was made as researchers examined numerous handwritten annotations in the margins of the Glamis copy.

Of primary interest to the scholars was a fragment of music – spread over two lines, the second of which is approximately half the length of the first – on a blank page in a section of the book dedicated to Matins, an early morning service.

The presence of the music was a puzzle for the team. It was not part of the original printed book, yet it was written on a page bound into structure of the book, not slipped in at a later date, which suggests that the writer wanted to keep the music and the book together.

In the absence of any textual annotations on the page it was not clear whether the music was sacred, secular or even for voices at all, the researchers say.

After investigation they deduced it was polyphonic – when two or more

lines of independent melody are sung or played at the same time. Sources from the time say this technique was common in Scottish religious institutions, however very few examples have survived to the present day.

Looking closer, one of the team members realised that the music was a perfect fit with a Gregorian chant melody, specifically that it was the tenor part from a faburden, a three- or four-voice musical harmonisation, on the hymn Cultor Dei.

## Learning and teaching

Our academic community, students and staff alike, has been dedicated to cultivating an innovative, supportive, and inclusive educational experience.

Results from the National Student Survey (NSS) were released in July 2025, an important measure for us and the sector. Our overall satisfaction score is 74.3 per cent, an improvement from 70.4 per cent last year. Our response rate this year was 69 per cent, compared to 71 per cent last year, and we continue to perform strongly in teaching, learning resources and academic support.

Areas we need to continue to prioritise include assessment and feedback and student voice. In particular, students highlighted the importance of receiving timely feedback which helps them improve their work, as well as clarity on how the feedback they give on their courses is acted on. This is a priority for the entire University and although our scores have improved in the last year, colleagues continue to actively work across every School to make further improvements in feedback responses for our students.

Excellence in learning and teaching is recognised and celebrated at the University. The Edinburgh University Students’ Association Teaching Awards are now in their 16th year, celebrating the very best in teaching and support at the University. Over 1,700 nominations were submitted by students.

Winners included Lynn McNair from the Moray House School of Education and Sport. Lynn won one of three Teacher of the Year awards for an

## Student recruitment and admissions

Entry to academic year	2024/25	2023/24	2022/23
<b>Undergraduate enrolments</b>			
Total applications	<b>68,356</b>	71,968	78,739
Total offers	<b>31,480</b>	28,275	26,548
Total enrolments	<b>6,832</b>	6,571	6,576
Applications to enrolments ratio	<b>10.0</b>	11.0	12.0
Matriculate rate (enrolments / offers)	<b>21.7%</b>	23.2%	24.8%
<b>Postgraduate enrolments</b>			
Total applications	<b>117,015</b>	122,884	100,317
Total offers	<b>36,997</b>	30,377	29,432
Total enrolments	<b>9,717</b>	9,216	9,432
Applications to enrolments ratio	<b>12.0</b>	13.3	10.6
Total applications	<b>185,371</b>	194,852	179,056
Total offers	<b>68,477</b>	58,652	55,980
Total enrolments	<b>16,549</b>	15,787	16,008

These figures include Online Learning students. Visiting and undergraduate non-graduating students are excluded; PGDE programmes are categorised as undergraduate.



## Operational review (continued)

influence that goes far beyond the classroom. Nominators said that from her exceptional, innovative, and thoughtful teaching to her unwavering commitment to mentoring and supporting students beyond their academic studies, she truly goes above and beyond in every way. As an educator, Lynn has fostered growth, built confidence, and nurtured a whole cohort of lifelong learners.

The Sabbatical Officers also awarded Tom Bruce, from the School of Engineering, with a Special Recognition Award. Tom has been described in nominations this year as kind, friendly, and someone who clearly cares about the work of their students. Over 16 years of the Teaching Awards, he has amassed a staggering 173 nominations celebrating his teaching, innovation, course organisation, exceptional feedback and student support.

## Our estate

Over the past year, the University's Estates team has continued to deliver strategic improvements to our built environment while responding to sector-wide financial pressures and ongoing demands for operational efficiency.

A key focus has been aligning resources with our highest priorities. A thorough review of operations revealed opportunities to reduce non-essential maintenance and cleaning services. Together with a recruitment freeze and a voluntary severance scheme, this has allowed us to streamline service delivery without compromising essential support. Although the estate has grown by 10 per cent over the past five years, maintenance staffing levels have remained constant. We are now advancing a priority project to develop tools and gather data that will improve our understanding of current and future estate needs. This initiative aims to optimise space utilisation and continue driving efficiency across estate management.

In parallel, 2024/25 saw significant progress in sustainability. The University's Energy Masterplan neared completion, setting a framework to guide long-term investment in low-

carbon and resilient infrastructure. This work supports our ambitious goal of achieving net zero carbon emissions by 2040. A multi-year programme of energy efficiency projects also advanced, with campus upgrades including improved lighting, insulation, ventilation, heating controls, solar PV, and waste heat recovery.

Major capital developments continue to reshape our estate. The Edinburgh Futures Institute was completed and opened ahead of the 2024 academic year following a complex redevelopment of the old Royal Infirmary. The building now hosts the Edinburgh International Book Festival, establishing a successful cultural partnership. The new Usher Institute, a flagship City Region Deal investment, was also completed and is supporting critical research in Population Health Sciences.

In response to ongoing financial pressures, earlier this year we took the precaution of pausing several fully approved capital projects that had not yet reached contractual close. This allows us to focus on achieving operational financial savings, providing greater confidence to proceed with these projects in the coming year.

In student accommodation, phase one of the Tynecastle development opened

in time for the 2025/26 academic year. Refurbishment of the historic Teviot Row House is also nearing completion, delivering new social and study spaces while conserving a cherished student landmark.

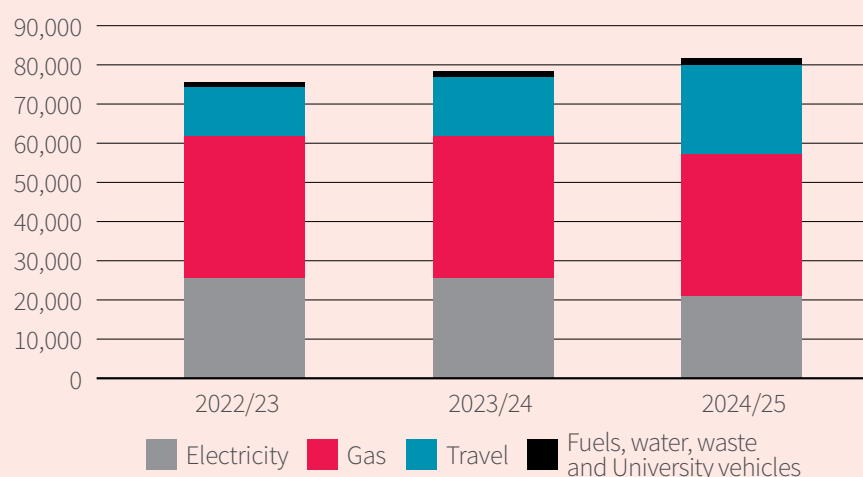
Other developments include the fresh redesign of the old reception changing rooms at the Pleasance gym to new surfaces on Peffermill's hockey and MUGA pitches, we continue to invest in experiences that matter. The Easter Bush Gym has been fully revitalised, while Peffermill welcomed CrossFit 1583, a first in higher education, and upgraded five-a-side pitches. At Strathclyde Park a much-needed boat store now supports our growing water sports community.

Looking ahead, progress continues on several key projects, including the new Engineering building (completion due early 2026), the phased redevelopment of Edinburgh College of Art, and ongoing improvements at the Queen's Medical Research Institute.

## Voluntary Severance Scheme

Due to financial challenges in the higher education sector, the University has been focussed on ensuring its long-term fiscal sustainability. As part

### Absolute carbon emissions



Absolute carbon emissions have increased by approximately four per cent compared to last year, driven by an increase in carbon emissions associated with business travel.

Note: Figures awaiting external verification at time of writing.

Operational review (continued)

of this, a voluntary severance scheme ran in 2025. Circa 345 colleagues were accepted for voluntary severance, leading to £18 million of recurring savings. On behalf of the Senior Leadership Team, we would like to extend our sincere thanks to colleagues who took voluntary severance for their valued contributions to the University.

We continue to review and improve our financial sustainability and have run a subsequent voluntary redundancy scheme in 2025/26.

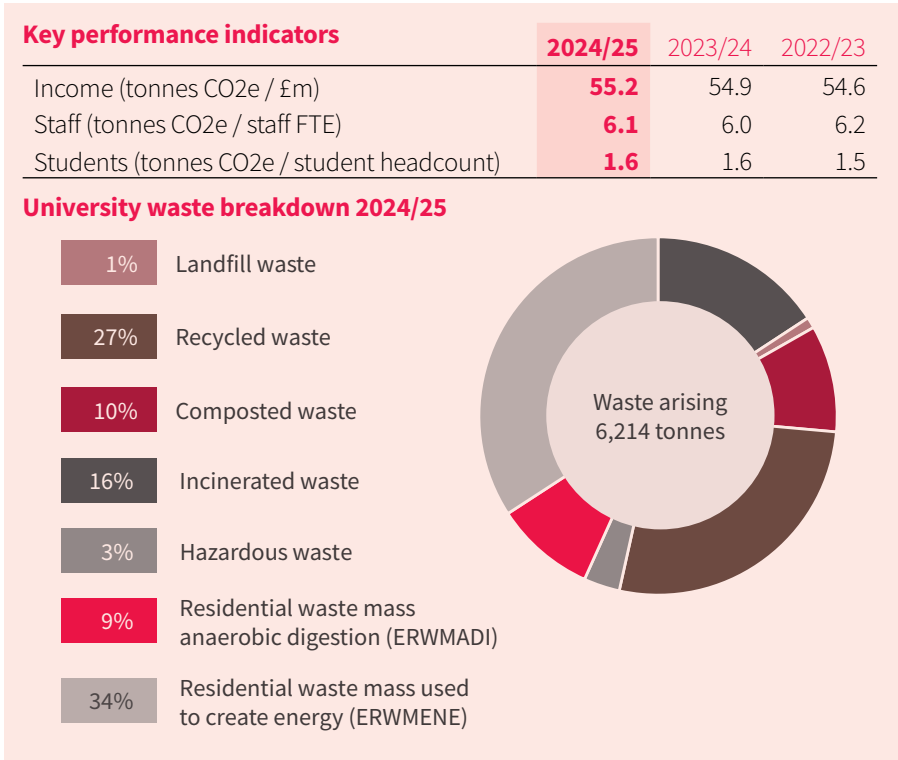
Protecting our planet

The University published a new [Responsible Investment Policy Statement](#). The updated policy recognises the significant progress made since the publication of the previous policy in 2016. It also incorporates several new commitments informed by the University-wide consultation which took place in 2024. This includes a commitment to social investment, recognising the University's [£8 million Social Investment Fund](#); decarbonising investment portfolios to meet the University's net zero by 2040 target, following a 1.5°C pathway against a 2018 baseline; a commitment to exploring nature-positive investment strategies; and improving transparency and reporting processes.

The policy also commits to further addressing specific issues following guidance from the Responsible Investment Advisory Group.

The University committed a further £1 million to Social and Sustainable Capital (SASC) from its £8 million Social Investment Fund. SASC has already contributed significantly to Simon Community Scotland providing housing for 30 people who have experienced homelessness in Edinburgh.

The University's Climate Strategy successor was approved by the University's governing body, the University Court, in April 2025. The strategy, due to be published next academic year, reflects a step-change in ambition, and sets out how the University will seek to minimise negative environmental impacts while actively restoring natural, biophysical systems, to ensure a net



Volume of waste produced is broadly unchanged from prior year. There has been an increase in the percentage of residential waste mass anaerobic digestion, with a reduction in composted and recycled waste.

Note: Figures awaiting external verification at time of writing

positive environmental and social impact, through our learning and teaching; research and innovation; people and culture; and operations.

The Forest & Peatland Programme successfully completed the planting of the first two sites, at Drumbrae and Rullion Green, planting in excess of half a million trees that will sequester in the region of 100,000 tonnes of carbon over the life of the project. Six partnerships have now been agreed, which will provide the majority of the carbon required to meet the objective of one million tonnes of carbon across owned and partnership sites.

The University published its annual review of innovation of activity, which for the first time, included information on climate and sustainability commercialisation. Case studies and the percentage of the University's commercialisation activity focused on the themes of carbon, biodiversity, circular economy, water, and novel entities, where included, a first in the sector.

The University was recognised for its leadership on environmental and social impact, placing seventh in the world in the 2025 QS World University Rankings for Sustainability.

Supporting our community  
Contributing locally

The University became a signatory of the [Edinburgh and South East Scotland City Region Community Wealth Building Pledge](#). The pledge was created by the Edinburgh and South East Scotland City Region Deal in 2022 following work with the Centre for Local Economic Strategies to explore community wealth building within its projects. It asks the region's universities and colleges to support the growth and development of local businesses; support fair employment practises; and engage with community-based organisations and projects to build resilience and long-term security within the region.

## Operational review (continued)

### City Region Deal

The Data-Driven Innovation (DDI) initiative is a 15-year, £661 million investment and innovation programme launched in August 2018. It secured £270 million in capital funding from the UK and Scottish Governments as part of the £1.3 billion Edinburgh and South East Scotland City Region Deal.

The initiative developed a network of six hubs bringing together academic disciplines and external partners to solve some of the world's most pressing issues.

The hubs connect private, academic, and public organisations to foster innovation opportunities around technology and data. For researchers and innovators, this presents an opportunity to benefit from the scale and resources of large organisations through collaboration, while delivering economic and social benefits in the regions where they reside and work.

The hubs are based at the University of Edinburgh and Heriot-Watt University and contribute 55,000 square metres of innovation space to the city region. Critically, they also provide a focus for increased collaboration across HE Institutions in the region, as evidenced by the joint leadership of the National Robotarium, based at Heriot-Watt University, as well as partnership working with FE Colleges, aligned to the Data Skills Pathway.

Over the past year, DDI has concluded its investment phase, with two final Hub headquarters completed. The Edinburgh Futures Institute has been transformed from the Victorian Royal Infirmary building on Lauriston Place into a centre for modern-day contagion of ideas and dialogue around real-world challenges. It is home to a suite of interdisciplinary centres, external partners, new companies, and students. The new Usher Building has also opened. Based in Edinburgh's BioQuarter Health Innovation district, this Institute brings together specialists working at the intersection of data, health, artificial intelligence, social care and public health.

A key goal for this past year was ensuring the six hubs work together

### Protecting our planet

## Art show sparks cultural climate conversations

Our  
Memorable  
moments

Artwork in the exhibition

An exhibition of historic and contemporary artworks sparked conversation about environment, ecology and the entangled relationship between economic and colonial legacies and the climate crisis.

Rooting: Ecology, Extraction & Environmental Emergency in the University's art collection showcases a range of artforms by 30 different artists acquired by the University and which, like the wider collections, are currently used to support and enhance research and learning. It is estimated to receive 20,000 visitors including international visitors attending the Fringe Festival.

"Taking inspiration from the meaning of 'rooting' – to grow, begin, or connect – our exhibition invites visitors to consider the entwined stories of art, history and nature across time and different artforms. We are really excited to have been able to showcase art works from the collection in this unique way and look forward to the conversations we hope it sparks with visitors around some of the most pressing issues facing the world today," said Olivia Laumensch, Exhibition Curator.

Works by a range of world-renowned artists were on display. These

**"Our exhibition invites visitors to consider the entwined stories of art, history and nature across time and different artforms".** ”

**Olivia Laumensch**  
Exhibition Curator

included Ian Hamilton Finlay, Joan Eardley, Hew Locke, and Alberta Whittle, alongside a number of contemporary artists who are graduates of Edinburgh College of Art (ECA), including Katie Paterson, Daisy Lafarge and Ruth Ewan.

The next generation of leading artists are championed through works from recent ECA graduates including Clarissa Gurd, Ffion Williams and Valentina Lobos Muñoz.

The exhibition featured audio and interactive elements which highlight several research, teaching and operational programmes across the University that are contributing to a more sustainable future.

13 CLIMATE ACTION





## Operational review (continued)

## Supporting our community

## Arcadia celebrates 10 years caring for families

Our Memorable moments



Children in an Arcadia nursery being read a story

Arcadia Nursery at King's Buildings celebrated its 10th anniversary with a fun-filled day for children and families in August 2024. Festivities included a barbeque and a petting zoo, ensuring a memorable day for all the family.

All proceeds from the event supported Dads Rock, an Edinburgh-based charity focused on supporting fathers and families across Scotland.

The nursery has long been known for its child-led approach to learning, emphasising the importance of outdoor play, exploration, and the development of each child's unique potential.

Over the past decade, Arcadia Nursery has built a strong reputation for its inclusive and nurturing environment, where children feel valued and supported.

"As we celebrate Arcadia's 10th anniversary, we reflect on a decade of care and nurturing education. This milestone is a testament to our collective partnership approach of

**"We look forward to many more years of creating memorable experiences for families and empowering children to thrive."**

**Ian Macaulay**  
Director Nurseries

staff, parents, and the community that has made Arcadia a leader of early childhood education. We look forward to many more years of creating memorable experiences for families and empowering children to thrive," said Ian Macaulay, Director Nurseries.

The 10th anniversary celebrates the hard work and dedication of the staff, parents and community that have made Arcadia a leading early childhood education centre.

to maximise their impact as a single outward-facing DDI 'platform'. By leveraging this innovation platform, the University has enhanced the capacity of the institution and the city region to drive inclusive economic growth, share experience and knowledge, and avoid competition over external engagement.

DDI's key performance indicators are based on Talent, Research, Adoption, Data, and Entrepreneurship (TRADE). The most recent verified KPIs were signed off by University Court in June 2025.

This marked a successful year for course completions under the talent stream, with DDI surpassing its end-of-programme target by 16 per cent. The programme has now recorded 160,000 completions since 2017.

£187 million in research activity was recorded with a 18 per cent increase compared with 2023/24. The initiative delivered £744 million of activity in total, which represents 81 per cent of DDI's total research target.

In the adoption stream, the programme generated £17 million of income, surpassing its end of programme by 80 per cent. DDI now has only one further end of programme to achieve, having surpassed the other five.

Finally, DDI supported 89 early-stage data-centric companies in 2024/25, surpassing its unique company end target by 51 per cent. The initiative has also exceeded its end target for follow on funding by 714 per cent, with over £168 million being raised by companies within the region.

## Annual Procurement Report

The University's Annual Procurement Report acts as the foundation for annually assessing our delivery against our strategic aims and objectives, our regulatory compliance and the constant pursuit of value for money in all that we do. It details the performance and achievements of the Procurement Department, as well as the strategic and operational activities undertaken over the reporting period.

➔ More information: [Annual Procurement Report](#).



# Financial review



# Finance foreword

The University of Edinburgh has recorded a surplus in the year however financial performance of core activities needs to improve to ensure financial sustainability in the future.

This Annual Report and Accounts covers the University's financial performance for the year to 31 July 2025, with a detailed review of the key areas presented in the financial review section on pages 37 to 41.

## Financial headlines

Our total income increased by 3.0 per cent in 2024/25, however our expenditure grew at a faster rate of 3.4 per cent. The outcome of expenditure growth exceeding income growth is that surplus before other gains and losses reported on our statement of comprehensive income and expenditure fell to £20 million (2024: £25 million).

In addition to reported surplus, we use Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) to measure our underlying financial performance. EBITDA can be used as a proxy for the cash generated from our internal operations – this is the cash we use to service our debt and fund important investment in equipment, our digital infrastructure and our physical estate.

Our EBITDA for 2024/25 was £96 million or 6.5 per cent of total income (2024: £84 million, 5.8 per cent of income). Although EBITDA has grown in the year, this compares to an operating surplus that reduced in the year as noted above.

See the table below for the reconciliation from EBITDA to surplus before other gains and losses.

Surplus and EBITDA achieved in the year have again been significantly supported by non-core activities including interest received on our treasury cash balances, returns from our accommodation, catering and events business, and strong performance across our subsidiaries. Although very helpful that our non-core activities make the contribution they do, future income and surpluses from these activities cannot be relied upon to continue into the future.

## Capital investment

The University maintains a complex and sophisticated physical estate across five distinct campuses. Capital expenditure over the last year totalled £207 million, with £149 million of this towards our physical estate. Supporting our capital investment was receipt of £46 million of capital grant funding from sources including the Scottish Funding Council, our research funders and the UK Government towards the City Region Deal.

Capital investment increases the value of net assets and reserves we report on our statement of financial position, totalling £3.1 billion as at 31 July 2025. The vast

majority of these assets are used by the University to deliver its core activities of teaching and research. Although reduced capital investment and asset sales could improve short-term liquidity, they would not resolve the core issue of expenditure growth outpacing income growth.

## Endowment fund

Our endowment fund recorded an increase in valuation at the end of the 2024/25 financial year with the fund now valued at £605 million (2024: £580 million). The endowment fund is invested for the long-term and while contributing to a growing University reserves balance there are restrictions on how this reserve can be used.

## Conclusion

We can consider performance through an EBITDA lens of failure to meet our financial risk key metric that EBITDA is in the 7-9 per cent range or that expenditure continues to grow faster than income and surplus is consequently falling towards break-even. However viewed, the conclusion is that we must improve the financial performance of our core teaching and research activities to remain financially sustainable and achieve our strategic objectives as set out in Strategy 2030.

	2025 £m	2024 £m
<b>EBITDA</b>	<b>96</b>	84
Depreciation, amortisation and impairment	(108)	(91)
Interest and other finance costs	(14)	(22)
Capital grant income	46	54
<b>Surplus before other gains and losses prior to movement in USS provision</b>	<b>20</b>	25
Exceptional: Movement in USS provision	-	352
<b>Surplus before other gains and losses</b>	<b>20</b>	378

In calculating EBITDA, adjustments are made for interest costs, capital grants and non-cash items such as depreciation and pension provision movements.



# Financial review

## The University delivered an EBITDA of 6.5 per cent this year.

The University uses Earnings Before Interest, Taxation, Depreciation and Amortisation (EBITDA) as one of our key financial metrics in measuring financial sustainability. University EBITDA in 2024/25 was £96 million. This is an increase of £12 million on the EBITDA reported last year (2024: £84 million). Further detail on income and expenditure follows in the commentary below. The summary table on this page reconciles EBITDA to numbers presented in the statement of comprehensive income and expenditure.

The University's statement of financial position remains strong with total net assets amounting to £3.1 billion (2024: £3.1 billion).

### Scope of the financial statements

These financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education Institutions 2019 (SORP 2019), the Scottish Funding Council's 2024/25 accounts direction and with Financial Reporting Standard (FRS) 102.

### Financial performance

Commentary on financial performance in 2024/25 and comparisons to the prior year exclude the impact of the non-cash credit to staff costs of £352 million that was reported in 2023/24. This related to movement on the USS pension provision in the year and was a result

of the University previously holding a provision on its balance sheet for our share of the USS Deficit Recovery Plan. The movement year-on-year (either up or down) does not represent cash moving in or out of the organisation as it is an accounting adjustment.

FRS 102 requires that unrealised gains and losses on the University's own pension schemes be reported as part of the statement of comprehensive income and expenditure. These gains and losses, which are not realised cash movements, form part of the total comprehensive income for the year of £74 million (2024: £393 million).

Summary I&E	2024/25 £m	2023/24 £m
Total income	1,477	1,434
Less: Capital grant income	(46)	(54)
<b>Income included in EBITDA<sup>1</sup></b>	<b>1,431</b>	<b>1,380</b>
Staff costs	829	756
Other operating expenses	506	540
<b>Expenditure included in EBITDA<sup>1</sup></b>	<b>1,335</b>	<b>1,296</b>
<b>EBITDA</b>	<b>96</b>	<b>84</b>
Exceptional: Movement in USS provision	-	352
Depreciation, amortisation and impairment	(108)	(91)
Interest and other finance costs	(14)	(22)
Capital grant income	46	54
<b>Surplus before other gains and losses</b>	<b>20</b>	<b>378</b>
Loss on disposal of fixed assets	(3)	-
Gain on investments <sup>2</sup>	28	29
Taxation <sup>3</sup>	(1)	(1)
<b>Surplus for the year</b>	<b>44</b>	<b>406</b>
Actuarial gain/(loss) in respect of pension schemes <sup>4</sup>	30	(13)
<b>Total comprehensive income for the year</b>	<b>74</b>	<b>393</b>

1. Income and Expenditure for EBITDA exclude a number of items that are included in Surplus. These items are outlined in the section below EBITDA. 2. An unrealised gain or loss which is subject to the volatility of investment movements. 3. UK corporation tax charge on subsidiary's profits. 4. This is the non-cash movement based on the difference, year on year, of revisions to the estimated value of the pension scheme assets and liabilities (excluding USS).

## Financial review (continued)

### Income

Total income in 2024/25 was £1,477 million (2024: £1,434 million). This represents an increase of three per cent from last year. The largest increases in the year were on tuition fees and other income contributing an additional £52 million income. Research income also grew but all other funding sources had reductions in the year.

The University has a broad range of income streams and the funding mix remains fairly consistent year-on-year. In total, tuition fees (38 per cent), funding body grants (14 per cent), research income (25 per cent) and other income (18 per cent) account for 95 per cent of the University's total income. The remaining five per cent relates to investment income, donations and endowments. The notable longer-term trend is an increased income proportion from tuition fees and a reduced share from funding body grants.

Although challenges remain in student recruitment, income from tuition fees and education contracts grew by over five per cent in the year to £557 million (2024: £527 million). Our student headcount is slightly up by 0.3 per cent. Non-EU overseas students grew in number, offsetting reductions across all other domiciles. This small mix change has helped contribute to the growth in income in the year.

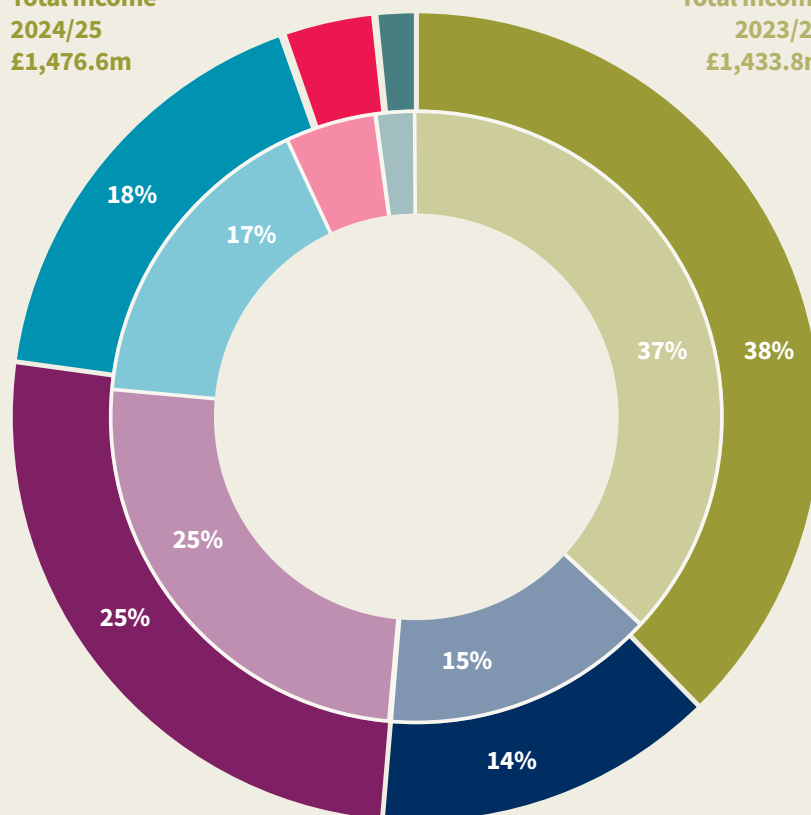
Funding body grants decreased in 2024/25 to £207 million (2024: £209 million). Movements on any specific category of grant funding were small. Recurrent teaching grants dropped by £4 million but this was largely offset by recurrent research grants growing by £3 million. Strategic funding also fell by over £1 million.

Research income grew by three per cent on the previous year to £375 million (2024: £365 million). The mix of income from funding sources changed in the year with research councils and UK sources growing by over £40 million. This contrasts with a reduction in income from EU and overseas funders that fell by over £20 million. Funding received from the Edinburgh and South East Scotland City Region Deal is nearing an end and reduced to £10 million in the year (2024: £15 million).

### Sources of income

**Total income  
2024/25  
£1,476.6m**

**Total income  
2023/24  
£1,433.8m**



		2024/25 £m	2023/24 £m
Tuition fees and education contracts	▲	556.5	527.2
Funding body grants	▼	206.8	208.7
Research income	▲	375.4	365.2
Other income	▲	261.3	238.2
Investment income	▼	54.3	64.4
Donations and endowments	▼	22.3	30.1

Notes to the Financial Statements 3 to 8 provide further detail on sources of income.

The University's non-teaching and research income remains an important element of our funding model. Other income in 2024/25 increased by 10 per cent to £261 million (2024: £238 million). Income from our accommodation and catering business was a large driver of this increase, growing to £115 million (2024: £98 million).

Investment income fell by 16 per cent in 2024/25 to £54 million (2024: £64 million). After several years of growth,

interest received on our treasury and cash funds has decreased due to interest rates dropping and our treasury funds reducing across the year.

Donations and endowments totalled £22 million in 2024/25 (2024: £30 million). This can be a volatile income stream across financial years and the reduction this year follows a large decrease we reported last year. New endowments income did grow versus last year but income from donations was £10 million lower.

## Financial review (continued)

### Expenditure

Total expenditure in 2024/25 was £1,457 million (2024: £1,409 million), a three per cent increase on last year. This increase excludes the impact of £352 million non-cash staff costs credit relating to movement on the USS pension provision reported in 2023/24.

Staff costs for the year were £829 million (2024: £756 million), an increase of 10 per cent. Staff costs remain our largest expenditure item and account for a growing share of total expenditure at 57 per cent (2024: 54 per cent).

Salary costs, excluding employer on-costs, increased by 10 per cent in 2024/25. Cost increases resulting from nationally agreed pay awards and staff progressing through pay grade scales largely contributed to the rise. In addition, average staff FTE in the year increased by 1.5 per cent, which equates to circa 200 FTE. Although average FTE for the year increased from prior year, FTE at 31 July 2025 was circa 280 lower than at the start of the year.

Despite the salary costs increase, pension costs in the year fell to £128 million (2024: £133 million). Driving this was a full year of a lower employer contribution rate on USS and a further saving from a lower contribution rate on Edinburgh University Staff Benefit Scheme (EUSBS) in place since 1 January 2025.

Social security costs increased significantly in the year, rising 20 percent to £73 million (2024: £61 million). Contributing to this increase was the National Insurance rate and threshold changes introduced from April 2025.

There was no notable movement in our mix of staff costs across different activities. Academic and teaching departments account for 57 per cent of cost, research grants and contracts 18 per cent and the remaining 25 per cent covers our professional services and commercial staff that provide library, IT, premises and other administrative support.

In the spring of 2024, the University implemented a revised pay grade scale that adjusted the point at which grades start and end on the national pay spine points. Staff costs in 2024/25 included the impact of a first full year of increased cost resulting from this decision.

After staff costs, our next largest expenditure item is other operating expenses which significantly reduced by £34 million in the year to £506 million this year (2024: £540 million).

Other operating expenses includes the costs of supporting our academic and research mission as well as the costs of supporting our students through scholarships and bursaries and accommodation and library services. The cost of supporting our estate,

including utility and maintenance costs, and general administrative costs are also included in other operating expenses.

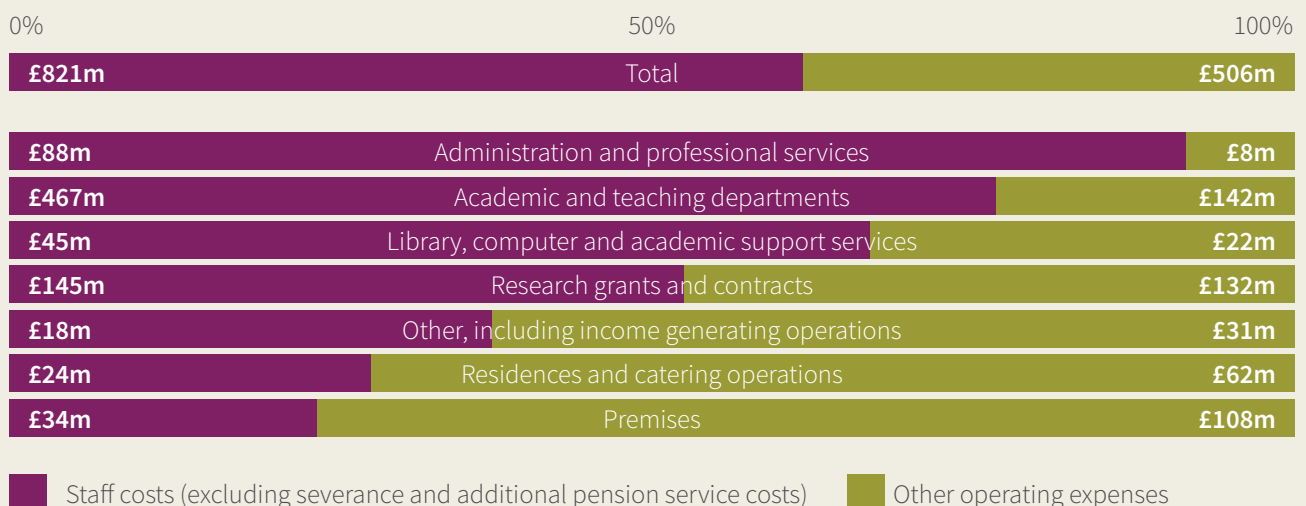
As a result of our staff costs growing but other operating expenses reducing, they now represent 35 per cent of total expenditure for the year (2024: 38 per cent).

The reduced other operating expenditure in the year is a reflection of work already undertaken to successfully deliver cost savings initiatives across many areas of the University.

The University's depreciation, amortisation and impairment charge increased by 18 per cent to £108 million in 2024/25 (2024: £91 million). Our charge in the year includes circa £50 million for both land and buildings, and fixtures, fittings and equipment. Charge on intangible assets was £3 million and there was a £4 million impairment made to fixed assets in the year.

Interest and other finance costs were £14 million in 2024/25 (2024: £22 million). This includes the cost of servicing our long-term borrowing (see note 20 to the financial statements) which is being used to help fund our capital investment plans. The reduction in the year is predominantly due to a £7 million reduction in interest costs on pension schemes as a result of the 2023 USS valuation no longer showing a deficit position.

### How we allocate our resources



The chart shows our staff costs and other operating expenses, and the corresponding proportions, across different types of activity in 2024/25.



## Financial review (continued)

### Net assets

Total net assets are £3.1 billion, having increased by £74 million in the year. The net book value of fixed assets increased by £99 million largely accounting for the increase in total net assets. This is a reflection of the University's investment in its land and buildings and spend of close to £150 million in the year. Additionally, there was £57 million of spend on fixtures, fittings and equipment.

### Endowments

In the year to 31 July 2025, the Endowment and Investment fund unit price grew by 11 per cent. The value of the Endowment and Investment fund grew to £605 million (2024: £580 million).

The Investment Committee regularly reviews the fund managers and asset categories in the unitised fund to diversify risk while optimising returns.

All of the University's fund managers are signatories to the United Nations Principles of Responsible Investment (UNPRI).

➔ More information: [Responsible Investment Policy](#)

### Treasury and cashflow

The University manages its treasury funds through cash and cash equivalents balances and investments in both current and non-current assets. Management and investment of treasury funds allow the University to generate investment income that contributes to surplus achieved in the year.

Cash and cash equivalents reduced by £23 million in the year, however total treasury funds have reduced by a greater amount as amounts invested in non-current assets also reduced by £43 million in the year.

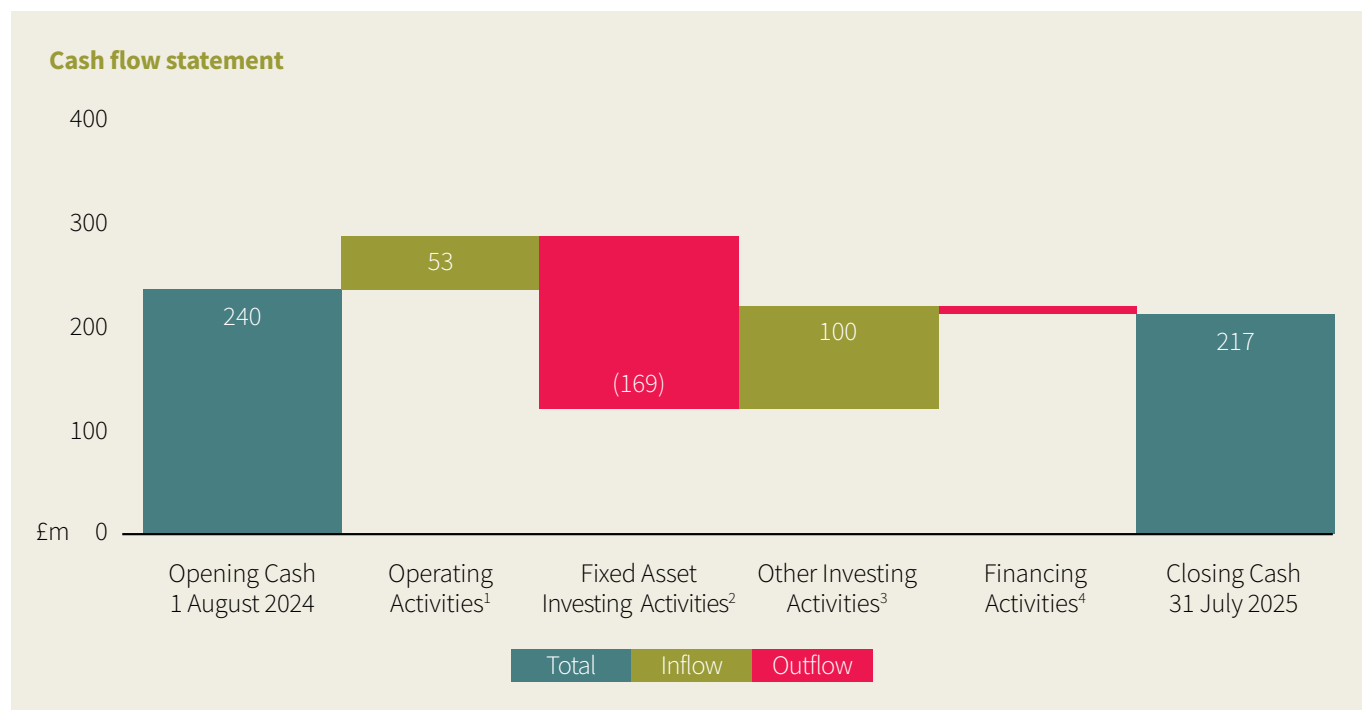
Driving the £66 million reduction in total treasury funds was investment in

capital expenditure of over £200 million, which exceeded £96 million EBITDA generated in the year.

The University cash and cash equivalents balance as at 31 July 2025 was £217 million (2024: £240 million) with movements reported in the statement of cash flows presented in the chart below.

The University is careful to manage its cash balances to ensure it is not in breach of financial covenants with any lenders; and also to ensure adequate resources are available to fund our ongoing obligations and investment plans.

It should be noted that a substantial amount of our cash and cash equivalents is restricted and must be used under the terms in which we received it. For example, research purposes or donations with specific requirements.



1. Inflow on operating activities substantially reflects EBITDA generated and working capital movements in the year excluding new endowment cash received and the interest received on our treasury investments. 2. Fixed asset investing activities is payments made to acquire fixed assets, net of capital grant receipts and disposals. 3. Inflow on other investing activities relates to purchases and sales of non-current investments and the interest received on our treasury investments. 4. Outflow on financing activities relates to the new endowment cash we received and the payments made to service our debt.

## Financial review (continued)

### Update on Pensions

Pension schemes in the UK are required to undertake a formal valuation every three years to establish the scheme's assets and liabilities. The assets represent investments that are made in order to fund pensions (funded by employer and member contributions) and the liabilities relate to the amounts expected to be paid out to pensioners over time.

The Universities Superannuation Scheme (USS) struck its latest valuation as at 31 March 2023. The 2023 valuation resulted in the scheme moving to a surplus position.

Following the conclusion of the valuation, the University is no longer required to make deficit reduction contributions or hold a balance sheet provision for future deficit reduction payments.

The most recent valuation for our in-house Edinburgh University Staff Benefit Scheme (EUSBS) was as at 31 March 2024 and similar to USS, the scheme has moved from a deficit position at its last valuation to a small surplus position.

An outcome from the valuation is a change to employer and employee contribution rates with both the University and members now contributing to the scheme at a lower rate.

The University has recorded an actuarial gain on its funded pension schemes of £30 million in the year (2024: £13 million loss). Actuarial gains and losses are non-cash movements and are an outcome from changes in the estimated value of the assets and liabilities in the University's own defined benefit pension scheme. Any gain or loss is not a measure of the University's operational financial performance.

### Actuarial gain

	£m
University of Edinburgh Staff Benefits Scheme (EUSBS)	26
Lothian Pension Fund	1
Strathclyde Pension Fund	3
<b>Total gain</b>	<b>30</b>

Certain assumptions are used to value the future liabilities and assets belonging to each pension scheme. These estimates reflect changes to the actuary's assumptions as a result of another year's experience. The actuarial gain of £30 million is broken down as per the table above (see note 33 for further details on the individual pension schemes).

### Institutional sustainability

Our financial statements are prepared on a going concern basis, which is an accounting term that means we have the resources to meet our obligations and continue to operate for a period of no less than 12 months from the date of approval of the financial statements. There are many challenges of both a financial and non-financial nature that we and the rest of the higher education sector currently face. Despite these, we remain confident that the University remains a going concern, and work continues to secure ongoing financial sustainability.

Expenditure growth in 2024/25 again outpaced income growth, continuing the trend in recent years. There are many contributing factors, however such a trend is unsustainable over a prolonged period and is why the University is taking action to manage its cost base. We have started on

this journey through a voluntary severance scheme that will result in reduced costs from 2025/26 onwards and in the last year our spend on other operating expenditure was notably reduced.

The University's governing body, the University Court, has comprehensive arrangements in place to monitor, assess and ensure the institution's on-going financial sustainability. We model various impact scenarios on the University's financial position with a focus on existing and emerging risks and opportunities to test the University's financial strength. Through careful management of our cost base and risks faced we are confident we will remain a going concern, meet our short and longer-term commitments and financially support strategic objectives set.

### Outlook

Financial year 2024/25 has been another challenging year for the University and the sector. EBITDA achieved was below our key metric target and surplus before other gains and losses reduced.

Without further management of our cost base, this position is forecast to worsen in 2025/26 as a result of the continuing impact of inflation, annual pay award and changes to pay scale implemented in 2024. It is for this reason that the University is actively and constructively addressing our cost base and has set financial budgets that grow our surplus and an outcome where growth in expenditure no longer exceeds growth in income.

The University faces a significant financial challenge, but through actions already taken and plans for the future, we are well placed to respond to these challenges through the next financial year and beyond.



Collaborative working at the new Edinburgh Futures Institute building



# Governance





# Corporate governance statement

The University is committed to the highest standards of corporate governance relevant to the higher education sector. In the opinion of Court, the University complied with all the principles and provisions of the [Scottish Code of Good Higher Education Governance \(2023\)](#), throughout 2024/25.

## University governance

The University of Edinburgh is constituted by the Universities (Scotland) Acts 1858 to 1966. The Universities (Scotland) Acts make specific provision for three major bodies in the governance of the University: Court, Senate and General Council.

## University Court

From 3 February 2025, the University Court had 23 members.<sup>1</sup> The Rector, who is elected by staff and students of the University, presides over meetings of Court. The Senior Lay Member of Court is responsible for the leadership of the University Court and chairs the business items at Court meetings. The Senior Lay Member was appointed by an open, transparent recruitment process, managed by the Nominations Committee, which included involvement by staff and students, followed by an election with an electorate of all staff, students and Court members. In line with the Scottish Code of Good Higher Education Governance, the Intermediary Member of Court is responsible for leading the appraisal of the Senior Lay Member. The Principal is an ex-officio member and acts as the Chief Executive Officer of the University and its Accountable Officer. The remaining members are: one elected academic staff member; one elected professional services staff member; one academic and one professional services staff member nominated by a trade union; two academic staff members elected by the Senatus Academicus; two student

members; one member nominated by the City of Edinburgh Council who is not to be a member of staff or student of the University; one member nominated by the Chancellor of the University; three members appointed by the University Court who are members of the General Council; and seven to nine members appointed by the University Court.

➔ More information: [Membership of Court](#)

The University participates in the Perrett Laver Governance Apprenticeship Programme to improve the diversity of university governing bodies by placing a candidate from an underrepresented group who demonstrates great potential but has little or no board experience as a board apprentice for a 12-month period. A Governance Apprentice was appointed and attended Court meetings throughout 2024/25.

➔ More information: [Court members' Skills Register](#)

The University has a long-standing commitment to equality, diversity and inclusion and promoting a positive environment, which ensures fairness, challenges prejudice, and celebrates difference. The University's Equality Outcomes 2025-29, approved by Court on 28 April 2025, align with Strategy 2030 and reflect the University's priorities with regard to equality, diversity and inclusion.

➔ More information: [Equality Outcomes 2021-2025](#)

Court has an Equality and Diversity Policy and a plan to improve the diversity of its membership. Court vacancies are widely advertised, including through the Women on Boards and Changing the Chemistry platforms; Court members submit equality monitoring information and a skills and experience self-assessment and this is used to inform the recruitment of new members; and all advertisements for new members include an equality and diversity statement, encouraging a diversity of applications and an offer to meet all reasonable expenses including childcare costs. This is reported in the publicly available Equality Outcomes and Mainstreaming Progress Report 2023:

➔ More information: [Equality Outcomes 2021-2025 and Mainstreaming Progress Report 2023](#)

The University provides a report to the Scottish Government in April every two years in accordance with the requirements of the Gender Representation on Public Boards (Scotland) Act 2018. Training and development opportunities are made available as appropriate for all Court members throughout the year and an informal mentoring scheme for new Court members is also in operation.

Court is committed to ensuring ethical standards in public life. On joining Court, members are required to sign a statement confirming that they will comply with the University's Code of Conduct, which includes the Nine Principles of Public Life in Scotland.

<sup>1</sup> General Council Assessor Douglas Alexander stood down following his appointment as Minister of State at the Department for Business and Trade. There was an open and competitive recruitment process overseen by a joint University Court and General Council Selection Panel to appoint a successor.

## Corporate governance statement (continued)

Court maintains a Register of Interests of its members and senior University officers. The current interests of members of the Court are published on the University's website.

➔ More information: [Register of Interests](#)

Court met on six occasions during 2024/25. In addition to the five regularly scheduled meetings, which were held in-person, a special meeting was conducted via videoconference on the University's approach to responsible investment. Between meetings, any urgent matters which required Court's approval were dealt with by the Exception Committee, which has delegated authority to enable decisions to be taken between Court meetings. Court seminars were held in October 2024 and in February 2025 on:

- Role and Responsibilities of a Court member;
- Strategic Priorities for 2024/25;
- Student Experience; and
- Research and Innovation.

Recognising the financial pressures across the sector, in June 2025 Court approved a 2025/26 and 2026/27 financial budget aligned with delivery of the University's financial sustainability plan and continues to monitor delivery of this.

Members were kept informed, by electronic means, of any significant issues affecting the University between meetings.

At the start of 2025/26, Court considered the 'lessons for the sector' set out in the report into financial oversight and decision-making at the University of Dundee. Based on a detailed review, Court received reassurance that the University's processes and practices were consistent with those recommended in the reports 'lessons for the sector'. This reassurance was also taken in the context of the University's processes for continuous improvement. In the area of governance, these include annual internal reviews and quinquennial externally facilitated reviews.

Court has overall responsibility for the University's strategic development. [Strategy 2030](#) sets out our vision to

**...overall, Court and its committee structure is effective. Court and its committees are discharging their responsibilities effectively and the overall structure is fit-for-purpose...**

deliver excellence in 2030 and Court is actively engaged in monitoring progress of its delivery. At its meeting on 2 December 2024, Court reviewed the 2023/24 year end report on the agreed Strategy 2030 Performance Measures and at its meeting on 28 April 2025, Court considered a mid-year update on the Performance Measures for 2024/25.

Court News is published after each Court meeting on the University website, highlighting key items considered by Court. At each meeting Court receives a report from the Students' Association President outlining activities and matters arising from the student body and also receives a separate report from the President of the Sports Union.

### Performance evaluation

There was an external review of Court's effectiveness in 2023/24 facilitated by Dr Veena O'Halloran, former University Secretary and Compliance Officer at the University of Strathclyde. The report was approved by Court on 17 June 2024 and is published on the University [website](#). The report concluded: "Overall, Court and its committee structure is effective. Court and its committees are discharging their responsibilities effectively and the overall structure is fit-for-purpose."

The report included some recommendations of areas for consideration and Court agreed that Nominations Committee would act as a working group to consider these in more detail. At its meeting on 2 December 2024, Court

approved Nominations Committee's change of name to Governance and Nominations Committee to reflect practice and to formally include in its remit consideration of governance arrangements relating to Court and its committees. At its meeting on 23 June 2025, Court approved reforms to the form and content of Court and committee papers, in response to recommendation from the external review and based on member feedback.

At its 2 December 2024 meeting, Court considered an internal review of Court's effectiveness for the 2022/23 academic year which considered compliance with the Higher Education Governance (Scotland) 2016 Act and the Scottish Code of Good Higher Education Governance 2023). The review also included the outcome of individual discussions which the Senior Lay Member and Vice-Principal and University Secretary had held with Court members over the course of summer 2024.

### Senate's effectiveness

Senate conducted a review of its effectiveness in 2023/24 through a short questionnaire to Senate members and a separate short questionnaire to Senate Standing Committee members. Their responses were collated and feedback, analysis and proposed actions were presented to Senate on 9 October 2024 and subsequently to Court in December 2024.

In response to the Advance HE externally facilitated review of Senate effectiveness, which took place in 2022/23, Senate established the Senate External Review Task and Finish Group at its February 2024 meeting. This group was given responsibility for developing and taking forward actions in response to the recommendations in the Advance HE report. Throughout its period of operation, the Task and Finish Group provided reports to each meeting of Senate with Court receiving progress updates via the routine Senate Report to Court. The Group's final report was presented to the 1 October 2025 meeting of Senate.

## Corporate governance statement (continued)

Committee structure	Standing committees
<p><b>University Court</b> University Court, the University's governing body, is a body corporate, with perpetual succession and a common seal. The present powers of the Court are defined in the Universities (Scotland) Act (1966) and include the amendment of the composition, powers and functions of bodies in the University and the creation of new bodies, the administration and management of the whole revenue and property of the University, internal arrangements of the University, staff appointments and, on the recommendation of Senate, the regulation of degrees, admission and discipline of students. It is responsible for ensuring that the Senate has in place effective arrangements for academic quality assurance and enhancement.</p>	<p><b>Audit and Risk Committee</b> <b>Convener:</b> Douglas Millican, Lay Member of Court The Audit and Risk Committee's purpose is to review the effectiveness of the University's corporate governance arrangements, financial systems, internal control environment and risk management arrangements and provide assurances where appropriate to Court on these areas.</p>
	<p><b>Exception Committee</b> <b>Convener:</b> Janet Legrand OBE KC (Hon), Senior Lay Member The Exception Committee's purpose is, under delegated authority, to make decisions which would otherwise require Court approval between meetings of Court, subject to defined principles and on the understanding that any matter so referred can be referred to the full Court should this be the wish of the Exception Committee.</p>
	<p><b>Nominations Committee/Governance and Nominations Committee</b> <b>Convener:</b> Janet Legrand OBE KC (Hon), Senior Lay Member Governance and Nominations Committee's purpose is to make recommendations to Court on the appointment of co-opted members of Court, the Court's nominations of Curators of Patronage and the filling of vacancies as these arise in the Standing Committees of Court; and to consider governance arrangements relating to Court and its committees, as delegated by Court, and make recommendations to Court as appropriate.</p>
	<p><b>Policy and Resources Committee</b> <b>Convener:</b> Janet Legrand OBE KC (Hon), Senior Lay Member The Policy and Resources Committee's purpose is to provide strategic oversight of the University's financial, investment, estates and people affairs and to advise Court on any other business of particular importance or complexity.</p>
	<p><b>Remuneration Committee</b> <b>Convener:</b> Hugh Mitchell, Lay Member of Court The Remuneration Committee advises Court and oversees the preparation of policies and procedures in respect of salaries, emoluments and conditions of service including severance arrangements for the University's senior management including the Principal and those at professorial or equivalent level and to keep these under review. Details of the operation of the Remuneration Committee and the policy adopted for senior pay, including that of the Principal are set out in the <a href="#">Remuneration Committee Framework</a>.</p>
<p>↓</p> <p><b>Joint Committee of Senate and Court</b></p> <p>↑</p>	<p><b>Knowledge Strategy Committee</b> <b>Convener:</b> Vice-Principal Students Professor Colm Harmon, Senate appointee (interim Convener) The Knowledge Strategy Committee's purpose is to oversee the University's knowledge management activities in the areas of Library, Information Technology, technology enhanced learning, Management Information and e-Administration on behalf of Court; and to give initial consideration to and advise on any other Court business in respect of the University's knowledge management activities. At its meeting on 23 June 2025, Court agreed that Knowledge Strategy Committee be stood down from 1 August 2025 with its business conducted by its existing three sub-committees and escalated to Senate and/or Court as appropriate, to reduce duplication and time demands on those serving on and supporting committees.</p>
	<p><b>Education Committee</b> <b>Convener:</b> Vice-Principal Students Professor Colm Harmon The Education Committee is responsible, on behalf of Senate, for taught and research student matters, particularly strategy and policy concerning learning, teaching and the development of curriculum.</p> <p><b>Academic Policy and Regulations Committee</b> <b>Convener:</b> Professor Patrick Hadoke, Director of Postgraduate Research and Early Career Research Experience (CMVM) The Academic Policy and Regulations Committee is responsible, on behalf of Senate, for the University's framework of academic policy and regulation, apart from those aspects which are primarily parts of the Quality Assurance Framework.</p> <p><b>Quality Assurance Committee</b> <b>Convener:</b> Deputy Vice-Principal Students (Enhancement) Professor Tina Harrison The Quality Assurance Committee is responsible, on behalf of Senate, for the framework which assures standards and enhances the quality of the student learning experience.</p> <p><b>Senate Exception Committee</b> <b>Convener:</b> Professor Sir Peter Mathieson, Principal and Vice-Chancellor The Exception Committee's purpose is, under delegated authority, to make urgent formal business decisions which would otherwise require Senate approval between meetings of Senate subject to defined principles and on the understanding that any matter so referred can be referred to the full Senate should this be the wish of the Exception Committee.</p> <p><b>Senate Business Committee</b> <b>Convener:</b> Professor Kim Graham, Provost The remit of the Senate Business Committee is to provide an effective and transparent agenda setting process for meetings of the Senate; and to scrutinise papers prior to consideration by Senate.</p>



## Corporate governance statement (continued)

Standing Committees	Thematic committees
<b>Audit and Risk Committee</b>	<b>Risk Management Committee</b> <b>Convener:</b> Dr Catherine Martin, Vice-Principal Corporate Services The role of the Risk Management Committee is to support and advise Audit and Risk Committee and through it the Court, on the implementation and monitoring of the risk management policy.
<b>Policy and Resources Committee</b>	<b>Estates Committee</b> <b>Convener:</b> Dr Frank Armstrong, Lay Member of Court The Estates Committee's purpose is to oversee the University's physical and digital estate in order that it can support world-class academic, teaching and research activity.
	<b>Investment Committee</b> <b>Convener:</b> Alastair Laing, External Member The role of the Investment Committee is to consider the corporate governance and other related implications of the University's investments.

Each of these Committees is formally constituted with terms of reference and conducts its business both through regular meetings and by electronic communication when appropriate.

### University Senate

The core function of Senatus Academicus (Senate) is to regulate and superintend the teaching and discipline of the University and to promote research. Senate is chaired by the Principal and Vice-Chancellor and meets at least four times per year. Business is conducted between meetings via meetings of Electronic Senate.

➔ More information: [Senate](#)

### General Council

The General Council consists mainly of graduates of the University of Edinburgh, includes eligible academic staff and a more limited number from other related categories. It has a statutory right to comment on matters which affect the well-being and prosperity of the University and to be consulted on Ordinances and Resolutions. In so doing, it ensures that graduates of the University have a continuing voice in the management of its affairs. There are three General Council Assessors on Court, appointed following an open advertisement and recruitment process overseen by a joint Court-General Council Selection Panel. It is also responsible for election of the Chancellor. An Ordinance to update the membership of the General Council, including widening membership to those graduating with other academic awards and not only degrees and

offering parity of membership between academic and professional services staff was approved by the Privy Council on 5 February 2025 and will be implemented in the next academic year.

➔ More information: [General Council](#)

### University Executive

The University Executive is chaired by the Principal and is the main executive decision-making forum for the University. Membership includes the major budget holders in the University, Vice-Principals, senior professional services staff, the Students' Association President and representation from Heads of Schools from each of the three Colleges. It brings together the academic, financial, human resources and accommodation aspects of planning and it is responsible for managing the University's performance and for assisting the Principal in delivery of the University's strategy. The University Executive also provides advice and views on proposals and reports and ensures a consistent approach to activity across the University.

### The University's system of internal control

The University Court 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.

The internal control environment includes delegated authorities, policies, procedural and system controls, planning and budgetary processes, professional capability in specialist areas, governance structures and management reporting. A Delegated Authority Schedule lists those committees or individuals to whom authority has been delegated by the University Court to commit the University to a contractual or quasi-contractual arrangements within approved budget limits.

The senior management team receives regular reports on the University's performance, including appropriate performance indicators, and considers any control issues brought to its attention by early warning mechanisms which are embedded within the operational units and reinforced by risk awareness training. The senior management team and the Audit and Risk Committee also receive regular reports from Internal Audit which include recommendations for improvement.

The University operates processes for the identification, evaluation and management of significant risks. The University's Risk Management Framework consists of the standards, policies, culture, responsibilities, and governance and reporting structures within which the risk management

## Corporate governance statement (continued)



Four students having a chat

process is applied. The risk management framework established in the University includes a Risk Management Committee which reports to the Audit and Risk Committee. The Audit and Risk Committee is a Standing Committee reporting directly to Court and has oversight of risk management arrangements based on advice and information from the Risk Management Committee. Strategic direction for Risk Management is set by University Court, and is detailed in the University of Edinburgh Risk Management Policy & Appetite Statement. Further information on the University's Risk Management framework, policies, guidance and practical risk management tools can be viewed at:

➔ More information: [Risk management information](#)

By its 1 December 2025 meeting, Court had received the Audit and Risk Committee Report for the year ended 31 July 2025 and information from the Risk Management Committee; it also had

taken account of relevant events since 31 July 2025. During 2024/25, the Audit and Risk Committee was responsible for advising Court on the effectiveness of policies and procedures for risk assessment and risk management arrangements. Court considers, on the recommendation of the Audit and Risk Committee, that a risk management process compliant with the guidance provided by the Scottish Code of Good Higher Education Governance has been in place throughout the year ended 31 July 2025. Specific guidance includes:

- The Court is involved in the development of and monitoring performance against the strategic plan and objectives including approval of an annual plan covering the aspects being implemented in the year in question;
- The Court must ensure the University has appropriate procedures to identify and actively manage risk and determines the nature and extent of risks it is willing

to take. The University should maintain a risk register and make a risk management disclosure in annual financial statements; and

- The Court should also receive reports on the University's risk management arrangements. These may be the responsibility of the Audit Committee or of a separate Risk Committee (or equivalent).

Court's review of the effectiveness of the system of internal control has also been informed by the following:

- The Internal Audit Service's annual report for 2024/25 presented to the Audit and Risk Committee on the adequacy and effectiveness of systems of internal control including governance and risk management, together with recommendations for improvement, along with the Principal's expression of satisfaction with the performance of the Internal Audit service in his capacity as Accountable Officer;

## Corporate governance statement (continued)

- The Risk Management Committee's Annual Report 2024/25 presented to the Audit and Risk Committee regarding its operation;
- The Audit and Risk Committee's annual report to Court providing information on the University's ongoing and annual activities for providing assurance over the system of internal control;
- Comments made by the External Auditors in their Report to the Audit and Risk Committee and other reports; and
- The work of managers within the institution, who have responsibility for the development and maintenance of the internal control framework, and by any relevant comments made by other external agencies (e.g. the Quality Assurance Agency for Higher Education, Scottish Funding Council).

### Charitable status

The University had charitable status (No. SC005336) under the legislative framework operative throughout the 2024/25 financial year. The University's endowments are administered as the University of Edinburgh Endowment Fund, overseen by the Investment Committee. Professional fund managers are employed by that Committee on behalf of the University Court. Investment income is applied for the specific purposes of the relevant endowments, or in the case of other investment funds, for the University's general purposes. All of those purposes are charitable for the purposes of the legislation.

Income derived from philanthropic donations and benefactions arising from the University's Development activities are disbursed by a trust with separate charitable status, The University of

Edinburgh Development Trust. The Board of Trustees includes members of the University Court. All disbursements are applied for the specific purposes of the relevant donations and benefactions, or in the case of general donations and benefactions, for the University's general purposes. All of those purposes are charitable for the purposes of the legislation.

### Going concern

The University's activities and the factors likely to affect its future development, performance and position are set out in the financial review. Its financial performance for the year to 31 July 2025, income and expenditure, assets, liquidity and cash flows are set out in more detail in the Notes to the Financial Statements.

The University has adequate financial resources and its current forecasts and projections show it to be able to manage its activities successfully having taken account of risks and uncertainties highlighted in the Annual Report and Accounts. Court considers that the University has adequate resources to continue in operation and for this reason the going concern basis continues to be adopted when preparing the Accounts. The University also prepared a severe but plausible downside scenario as part of the going concern assessment.

### Responsibilities of Court

On 12 May 2014 Court adopted a Statement of Primary Responsibilities published on the University website. This was in operation throughout 2024/25.

➔ More information: [Responsibilities of Court](#)

### Statement of responsibilities relating to the reports and financial statements

The detailed requirements relating to financial matters are governed by law,

agreements and regulations as decreed by various bodies and are stated as follows:

Court is responsible for keeping proper accounting records, which disclose, with reasonable accuracy, the financial position of the University at any time and enable it to ensure that the financial statements are prepared in accordance with the Universities (Scotland) Acts 1858-1966, the Statement of Recommended Practice: Accounting for Further and Higher Education and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum agreed between the Scottish Funding Council and the Court of the University of Edinburgh, the University Court, through its designated office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year.

In causing the financial statements to be prepared, Court has to ensure that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed; and
- financial statements are prepared on the going concern basis.



**Janet Legrand OBE KC (Hon)**  
Senior Lay Member of Court



## Corporate governance statement (continued)

Membership of the University Court 2024/25		Court meetings attended	Committee memberships 2024/25	Committee memberships 2025/26
Rector	Simon Fanshawe	6/6		
Principal and Vice-Chancellor	Professor Sir Peter Mathieson	6/6	PRC EXC NC	PRC EXC GNC
Senior Lay Member	Janet Legrand OBE KC (Hon)	6/6	PRC EXC NC RC	PRC EXC GNC RC
Chancellor's Assessor				
Nominated by Chancellor	Alastair Dunlop	6/6	ARC	ARC
General Council Assessors				
Three Assessors who are members of the General Council, appointed by a joint Court/General Council selection panel for terms of office of four years	David Ovens (from 3 February 2025)	3/3		PRC
	Jock Millican	4/6	PRC EXC IC	PRC EXC IC
	Sarah Wolffe	5/6	NC	GNC
Senatus Academicus Assessors				
Two Assessors elected by the Senate for terms of office of four years	Dr Shereen Benjamin	6/6	KSC	
	Professor Richard Blythe	6/6	KSC	
Academic Staff Member				
Elected by academic staff for a period of four years	Professor Tobias Kelly	5/6	RC	RC
Professional Services Staff Member				
Elected by professional services staff for a period of four years	Sarah McAllister	5/6	KSC NC	GNC
Trades Union Members				
One academic and one professional services staff member nominated by a trade union for a period of four years	Mark Patrizio	6/6		
	Dr Kathryn Nash	6/6	PRC EXC	PRC EXC
City of Edinburgh Council Assessor				
One Assessor nominated by City of Edinburgh Council	The Rt Hon Robert Aldridge	1/6		
Co-Opted Members				
Seven members appointed by Court for a term of office of four years	Dr Frank Armstrong	4/6	PRC EC RC	
	Douglas Millican	6/6	ARC EXC NC RC	ARC EXC GNC RC
	Hugh Mitchell	4/6	PRC EXC NC RC	ARC EXC GNC RC
	Ruth Girardet	6/6	PRC	PRC IC
	Alistair Smith	4/6	EC	
	Rushad Abadan	5/6	ARC	ARC
	Kavi Thakrar	4/6		
Student Members				
Annually nominated by the Students' Association from among sabbatical officers	Dora Herndon (to 8 June 2025)	5/5	PRC EXC NC RC	PRC EXC GNC RC
	Ruth Elliott (to 8 June 2025)	5/5		
	Ash Scholz (from 9 June 2025)	1/1	PRC EXC NC RC	PRC EXC GNC RC
	Katya Amott (from 9 June 2025)	1/1		

Further information and biographies of Members of the University Court 2025/26 can be found on the [Membership of Court](#).

Audit and Risk Committee

ARC

Estates Committee

EC

Exception Committee

EXC

Governance and Nominations Committee

GNC

Investment Committee

IC

Knowledge Strategy Committee

KSC

Nominations Committee

NC

Policy and Resources Committee

PRC

Remuneration Committee

RC

## Corporate governance statement (continued)

### Attendance at Standing Committees 2024/25

Audit and Risk Committee		Meetings attended
Lay Members of Court	Douglas Millican	4/4
	Rushad Abadan	2/4
	Alastair Dunlop	4/4
External Members		
Appointed through an open advertisement and interview process	Ross Millar	4/4
	Grant Macrae	4/4

Nominations Committee		Meetings attended
The Principal	Professor Sir Peter Mathieson	3/3
Senior Lay Member	Janet Legrand OBE KC (Hon) (Convener)	3/3
University Secretary	Leigh Chalmers	3/3
Staff Member of Court	Sarah McAllister	3/3
General Council Assessor	Sarah Wolffe	2/3
Lay Members of Court	Douglas Millican	3/3
	Hugh Mitchell	3/3
Student Member of Court	Dora Herndon	3/3

Policy and Resources Committee		Meetings attended
Senior Lay Member	Janet Legrand OBE KC (Hon) (Convener)	5/5
The Principal	Professor Sir Peter Mathieson	5/5
University Secretary	Leigh Chalmers	5/5
Staff Member of Court	Kathryn Nash	4/5
Provost	Professor Kim Graham	4/5
General Council Assessor	Jock Millican	4/5
Lay Members of Court	Dr Frank Armstrong	5/5
	Ruth Girardet	5/5
	Hugh Mitchell	5/5
Student Member of Court	Dora Herndon	5/5

Knowledge Strategy Committee		Meetings attended
Chief Information Officer	Gavin McLachlan	4/4
Students' Association Representative	Dylan Walch	2/4
Members of Court	Dr Shereen Benjamin	0/4
	Sarah McAllister	3/4
	Professor Richard Blythe	3/4
	Professor Colm Harmon (interim Convener)	4/4
	Professor Tina Harrison	3/4
	Professor Patrick Hadoke	3/4
	Professor Siân Bayne	0/4
	Melissa Highton	2/4

Remuneration Committee		Meetings attended
Senior Lay Member	Janet Legrand OBE KC (Hon)	3/3
Lay Members of Court	Hugh Mitchell (Convener)	3/3
	Douglas Millican	3/3
	Dr Frank Armstrong	3/3
Students' Association Representative	Dora Herndon	1/3
Staff Member of Court	Professor Tobias Kelly	3/3

Exception Committee		Meets by email circulation
The Principal	Professor Sir Peter Mathieson	
University Secretary	Leigh Chalmers	
Senior Lay Member	Janet Legrand OBE KC (Hon) (Convener)	
Convener of Audit and Risk Committee	Douglas Millican	
Convener of Remuneration Committee	Hugh Mitchell	
General Council Assessor	Jock Millican	
Staff Member of Court	Kathryn Nash	
Student Member of Court	Dora Herndon	

Full details of terms of reference and Committee membership are published on the [Court and its Committees](#).

# Independent auditors' report to the Court of The University of Edinburgh (the “institution”)

## Report on the audit of the financial statements

### Opinion

In our opinion, the University of Edinburgh's group financial statements and institution financial statements (the “financial statements”):

- give a true and fair view of the state of the group's and of the institution's affairs as at 31 July 2025 and of the group's and institution's income and expenditure and recognised gains and losses, and of the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended).

We have audited the financial statements, included within the Annual Report and Accounts (the “Annual Report”), which comprise the Consolidated and Institution statement of financial position as at 31 July 2025; the Consolidated and Institution statement of comprehensive income and expenditure, the Consolidated and Institution statement of changes in reserves, and the Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

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

### Independence

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

### Conclusions relating to going concern

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 institution's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and institution's ability to continue as a going concern.

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



## Independent auditors' report to the Court of The University of Edinburgh (the "institution") (continued)

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Court is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Annual Report*

Under the Charities Accounts (Scotland) Regulations 2006 (as amended) we are required to report to you if, in our opinion, the information given in the Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

#### *Responsibilities of the Court for the financial statements*

As explained more fully in the Statement of responsibilities relating to the reports and financial statement set out on page 48, the Court is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Court is also responsible for such internal control as they 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 Court is responsible for assessing the group's and institution'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 Court either intends to liquidate the group and institution or to cease operations, or has no realistic alternative but to do so.

#### *Auditors' responsibilities for the audit of the financial statements*

We are eligible to act and have been appointed auditors under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Acts and relevant regulations made or having effect thereunder.

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

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

Based on our understanding of the institution/industry, we identified that the principal risks of non-compliance with laws and regulations related to employment laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 14 of the Charities Accounts (Scotland) Regulations 2006 (as amended). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to overstatement of the reported surplus. Audit procedures performed included:

- Understanding management's policies and procedures designed to detect and report fraud;
- Inquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review minutes of key meetings of management and Court;

## Independent auditors' report to the Court of The University of Edinburgh (the "institution") (continued)

- Testing of journal entries with particular focus on unusual account combinations within income that would increase the reported surplus;
- Challenging assumptions and judgements made by management in determining significant accounting estimates; and
- Review of the financial statements to assess compliance with relevant laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the institution's Court as a body in accordance with section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulations made under that Act (regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Opinions on other matters prescribed in the requirements attached to the Scottish Funding Council's Financial Memorandum

In our opinion, in all material respects:

- the requirements of the Scottish Funding Council's accounts direction have been met;
- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and, if relevant, managed in accordance with relevant legislation and any other terms and conditions attached to them; and
- funds provided by the Scottish Funding Council have been applied in accordance with the requirements of the Scottish Funding Council's Financial Memorandum with Higher Education Institutions.

### Charities Accounts (Scotland) Regulations 2006 (as amended) exception reporting

Under the Charities Accounts (Scotland) Regulations 2006 we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept by the institution; or
- the institution financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

*PricewaterhouseCoopers LLP*

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
9 December 2025

# Financial statements





# Consolidated and Institution statement of comprehensive income and expenditure

For the year ended 31 July 2025

		2025		2024	
	Note(s)	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Income</b>					
Tuition fees and education contracts	3	556.5	556.5	527.2	527.2
Funding body grants	4	206.8	206.8	208.7	208.7
Research income	5	375.4	375.4	365.2	365.2
Other income	6	261.3	220.6	238.2	197.0
Investment income	7	54.3	54.5	64.4	62.7
Donations and endowments	8	22.3	23.2	30.1	25.0
<b>Total income</b>		<b>1,476.6</b>	<b>1,437.0</b>	1,433.8	1,385.8
<b>Expenditure</b>					
Staff costs excl. movement on USS pension provision	9	829.4	799.7	755.9	727.3
Exceptional item: movement on USS pension provision <sup>1</sup>	9	-	-	(352.4)	(352.4)
Other operating expenses	10	505.6	505.7	540.2	528.4
Depreciation, amortisation and impairment	13 & 14	107.5	105.8	91.0	88.6
Interest and other finance costs	11	14.0	14.0	21.6	21.6
<b>Total expenditure</b>		<b>1,456.5</b>	<b>1,425.2</b>	1,056.3	1,013.5
<b>Surplus before other gains and losses</b>					
Loss on disposal of fixed assets		(2.7)	(2.6)	-	-
Gain on investments	16	28.0	28.7	29.0	27.8
<b>Surplus before tax</b>		<b>45.4</b>	<b>37.9</b>	406.5	400.1
Taxation	12	(0.7)	-	(0.8)	-
<b>Surplus for the year</b>		<b>44.7</b>	<b>37.9</b>	405.7	400.1
Actuarial gain/(loss) in respect of pension schemes <sup>2</sup>	21	29.6	29.6	(12.9)	(12.9)
<b>Total comprehensive income for the year</b>		<b>74.3</b>	<b>67.5</b>	392.8	387.2
<b>Represented by:</b>					
Unrestricted comprehensive income for the year		60.7	56.0	336.4	332.0
Endowment comprehensive income for the year	22	24.4	24.4	20.6	20.6
Restricted comprehensive (expenditure)/income for the year	23	(10.8)	(12.9)	35.8	34.6
		<b>74.3</b>	<b>67.5</b>	392.8	387.2

## Notes to table

1. The USS pension provision was fully released in the prior year following the conclusion of the 2023 actuarial valuation which determined that no further deficit recovery payments were due. The movement on the USS pension provision is not a measure of the University's operational financial performance or surplus generation.

2. The actuarial gain/(loss) is a non-cash movement that is derived from year-on-year revisions to the estimated value of the pension scheme assets and liabilities of the University's defined benefit pension schemes. It is not a measure of the University's operational financial performance or surplus generation.

# Consolidated and Institution statement of changes in reserves

For the year ended 31 July 2025

## Consolidated

	Income and expenditure account			Revaluation reserve £m	Total £m
	Endowment £m	Restricted £m	Unrestricted £m		
<b>Balance as at 1 August 2023</b>	559.8	63.1	1,827.5	208.4	<b>2,658.8</b>
Surplus from the income and expenditure statement	6.1	35.8	335.6	-	<b>377.5</b>
Other comprehensive income	14.5	-	0.8	-	<b>15.3</b>
<b>Total comprehensive income for the year</b>	20.6	35.8	336.4	-	<b>392.8</b>
<b>Balance as at 1 August 2024</b>	580.4	98.9	2,163.9	208.4	<b>3,051.6</b>
(Deficit)/surplus from the income and expenditure statement	(5.7)	(3.3)	28.4	-	<b>19.4</b>
Other comprehensive income	30.1	-	24.8	-	<b>54.9</b>
Transfers	-	(7.5)	7.5	-	<b>-</b>
<b>Total comprehensive income/(expenditure) for the year</b>	24.4	(10.8)	60.7	-	<b>74.3</b>
<b>Balance as at 31 July 2025</b>	604.8	88.1	2,224.6	208.4	<b>3,125.9</b>

## Institution

	Income and expenditure account			Revaluation reserve £m	Total £m
	Endowment £m	Restricted £m	Unrestricted £m		
<b>Balance as at 1 August 2023</b>	559.8	40.7	1,806.5	208.4	<b>2,615.4</b>
Surplus from the income and expenditure statement	6.1	34.6	331.6	-	<b>372.3</b>
Other comprehensive income	14.5	-	0.4	-	<b>14.9</b>
<b>Total comprehensive income for the year</b>	20.6	34.6	332.0	-	<b>387.2</b>
<b>Balance as at 1 August 2024</b>	580.4	75.3	2,138.5	208.4	<b>3,002.6</b>
(Deficit)/surplus from the income and expenditure statement	(5.7)	(5.4)	22.9	-	<b>11.8</b>
Other comprehensive income	30.1	-	25.6	-	<b>55.7</b>
Transfers	-	(7.5)	7.5	-	<b>-</b>
<b>Total comprehensive income/(expenditure) for the year</b>	24.4	(12.9)	56.0	-	<b>67.5</b>
<b>Balance as at 31 July 2025</b>	604.8	62.4	2,194.5	208.4	<b>3,070.1</b>

# Consolidated and Institution statement of financial position

As at 31 July 2025

	Note(s)	2025		2024 restated*	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Non-current assets</b>					
Intangible assets	13	23.9	23.9	26.4	26.4
Fixed assets	14	2,249.9	2,238.4	2,151.3	2,138.5
Heritage assets	14 & 15	218.1	218.1	217.5	217.5
Investments	16	951.7	952.9	969.5	970.3
Pension asset	21	21.5	21.5	-	-
		3,465.1	3,454.8	3,364.7	3,352.7
<b>Current assets</b>					
Stock		4.3	3.4	4.6	3.7
Trade and other receivables	17	321.1	332.2	330.9	339.4
Investments	18	139.0	139.0	139.0	139.0
Cash and cash equivalents	25	217.0	191.0	240.1	217.7
		681.4	665.6	714.6	699.8
Creditors: amounts falling due within one year	19	(484.3)	(514.0)	(476.8)	(499.0)
<b>Net current assets</b>		197.1	151.6	237.8	200.8
<b>Total assets less current liabilities</b>		3,662.2	3,606.4	3,602.5	3,553.5
Creditors: amounts falling due after more than one year	20	(527.7)	(527.7)	(538.2)	(538.2)
Pension provisions	21	-	-	(12.1)	(12.1)
Other provisions	21	(8.6)	(8.6)	(0.6)	(0.6)
<b>Total net assets</b>		3,125.9	3,070.1	3,051.6	3,002.6
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment reserves	22	604.8	604.8	580.4	580.4
Income and expenditure reserve - restricted reserves	23	88.1	62.4	98.9	75.3
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted reserves		2,224.6	2,194.5	2,163.9	2,138.5
Revaluation reserve	24	208.4	208.4	208.4	208.4
<b>Total reserves</b>		3,125.9	3,070.1	3,051.6	3,002.6

\* The prior year comparatives for trade and other receivables and creditors: amounts falling due within one year have been restated. See notes 17 and 19 for further detail.

The financial statements on pages 55 to 97 were adopted by Court on 8 December 2025 and were signed on its behalf by:



**Professor Sir Peter Mathieson**  
Principal and Vice-Chancellor



**Janet Legrand OBE KC (Hon)**  
Senior Lay Member of Court



# Consolidated statement of cash flows

For the year ended 31 July 2025

	Note(s)	2025 £m	2025 £m	2024 restated* £m
<b>Cash flow from operating activities</b>				
Surplus for the year before tax			45.4	406.5
<b>Adjustments for non-cash items</b>				
Depreciation	14	100.0		87.8
Amortisation of intangibles	13	3.4		3.2
Impairment	14	4.1		-
Gain on investments	16	(28.0)		(29.0)
Increase/(decrease) in pension and other provisions	21	3.9		(359.4)
Decrease in stock		0.2		-
Decrease/(increase) in debtors	17	9.8		(79.8)
Increase in creditors and accruals	19 & 20	6.5		53.9
			99.9	(323.3)
<b>Adjustments for investing or financing activities</b>				
Investment income	7	(54.3)		(64.4)
Interest payable	11	14.0		21.6
New endowments received	22	(8.3)		(5.8)
Loss on the sale of fixed assets		2.7		-
Capital grant income		(46.1)		(53.8)
			(92.0)	(102.4)
<b>Cash inflow/(outflow) from operating activities</b>			53.3	(19.2)
Taxation	12		(0.7)	(0.8)
<b>Net cash inflow/(outflow) from operating activities</b>			52.6	(20.0)
<b>Cash flows from investing activities</b>				
Proceeds from sales of tangible assets		0.5		0.7
Capital grant receipts		46.1		53.8
Non-current investment disposals	16	1,139.6		122.9
Investment income	7	54.3		64.3
Payments made to acquire intangible assets		(0.9)		(1.0)
Payments made to acquire tangible assets		(214.4)		(192.5)
Non-current investment acquisitions	16	(1,093.8)		(386.6)
Decrease in short-term deposits	18	-		150.3
Lump sum pension contribution to EUSBS	21	-		(1.5)
<b>Net cash outflow from investing activities</b>			(68.6)	(189.6)
<b>Cash flows from financing activities</b>				
Interest paid	11	(14.0)		(14.3)
New endowments cash received	8	18.0		6.2
New unsecured loans		-		13.3
Repayments of amounts borrowed	20	(11.0)		(11.2)
Capital element of finance lease payments		(0.1)		-
<b>Net cash outflow from financing activities</b>			(7.1)	(6.0)
<b>Decrease in cash and cash equivalents in the year</b>			(23.1)	(215.6)
Cash and cash equivalents at the beginning of the year	25		240.1	455.7
Cash and cash equivalents at the end of the year	25		217.0	240.1

\* The prior year comparatives for trade and other receivables and creditors: amounts falling due within one year have been restated. See notes 17 and 19 for further detail.

# Notes to the financial statements

## 1. Statement of Principal Accounting Policies

### Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice Accounting for Further and Higher Education 2019 ('the SORP') and in accordance with Financial Reporting Standard (FRS) 102. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable accounting standards. The financial statements are prepared in accordance with the historical cost convention (modified by the revaluation of heritage assets and investments).

The financial statements have been prepared on a going concern basis. Court considers this is appropriate as it has comprehensive arrangements in place to monitor, assess and ensure the institution's sustainability. The University also prepared a severe but plausible downside scenario as part of the going concern assessment.

Judgements made by management in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 2.

### Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2025. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition, or up to the date of disposal. Intragroup transactions are eliminated on consolidation. The Group has taken advantage of the exemption within FRS 102 Section 33.1A and has not disclosed transactions with other Group entities where it holds 100 per cent of the voting rights. The Group has taken the exemption permitted under FRS 102 to not produce a cash flow statement for the Institution.

The consolidated statements do not include the income and expenditure of the Edinburgh University Students'

Association as it is a separate charity over which the University does not exert control or dominant influence over policy decisions.

Associated companies and jointly controlled entities are accounted for using the equity method.

### Income recognition

Income from the sale of goods or services is credited to the consolidated statement of comprehensive income and expenditure when the goods or services are supplied to external customers or the terms of the contract have been satisfied.

Tuition fee income is stated gross of any expenditure which is not a discount and credited to the consolidated statement of comprehensive income and expenditure over the course of an associated academic year following a student's programme registration.

Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

Government grants, including funding council block grant and research grants from government sources, and other grants and donations, from non-government sources including research grants from non-government sources, are recognised within the consolidated statement of comprehensive income and expenditure when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions is deferred on the balance sheet and released to the consolidated statement of comprehensive income and expenditure in line with such conditions being met.

Other grants and donations from non-government sources, including research grants from non-government sources, are recognised within the consolidated

statement of comprehensive income and expenditure when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions being met is deferred on the balance sheet and released to the consolidated statement of comprehensive income and expenditure when such conditions are met.

Donations and endowments are non-exchange transactions without performance-related conditions. Donations and endowments with donor-imposed restrictions are recognised within the consolidated statement of comprehensive income and expenditure when the University is entitled to the income. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

Donations with no restrictions are recorded within the consolidated statement of comprehensive income and expenditure when the University is entitled to the income.

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

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.

## Notes to the financial statements (continued)

### 1. Statement of Principal Accounting Policies (continued)

#### Income recognition (continued)

3. Restricted expendable endowments
  - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and the University can convert the donated sum into income.
4. Restricted permanent endowments
  - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Where capital funding is received or receivable the income recognition is dependent on whether the University entitlement to the funds is subject to any performance-related conditions being met. Funding is recognised within the consolidated statement of comprehensive income and expenditure when any performance-related conditions have been met. Funding received in advance of performance-related conditions is deferred on the balance sheet and released to the consolidated statement of comprehensive income and expenditure in line with such conditions being met. In the absence of performance-related conditions, capital funding is recognised as income in line with other donations with donor-imposed restrictions and recognised within the consolidated statement of comprehensive income and expenditure when the University is entitled to the funding. The income is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point it is released to general reserves through a reserve transfer.

#### Accounting for retirement benefits

The University participates in three active pension schemes, the Universities Superannuation Scheme (USS), the University of Edinburgh Staff Benefits Scheme (EUSBS) and the National Employee Savings Trust (NEST). We also participate in other legacy schemes on behalf of retired and active members, the Medical Research Council (MRCPS), the Lothian Pension Fund (LPF), the Strathclyde Pension

Fund (SPF) and the Scottish Teacher Superannuation Scheme (STSS).

USS, STSS, MRCPS and NEST are multi-employer schemes and, given the mutual nature of the schemes, it is not possible to identify the University's shares of the assets and liabilities for these schemes. Consequently, the University cannot apply defined benefit accounting and, according to Section 28 FRS 102, the schemes are accounted as defined contribution schemes. The EUSBS, SPF and LPF schemes are defined benefit schemes. Each fund is valued every three years by professionally qualified independent actuaries.

USS is a multi-employer scheme. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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. As required by Section 28 of FRS 102, 'Employee benefits', the University therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the consolidated statement of comprehensive income and expenditure represents the contributions payable to the scheme.

The institution entered into an agreement (the Recovery Plan) which required payments until 31 December 2023. However, the deficit recovery plan was no longer required under the 2023 valuation as the scheme was in surplus on a technical provision basis. The University has been no longer required to make deficit recovery payments from 1 January 2024 and accordingly released the outstanding provision held on the balance sheet.

A small number of subsidiary company employees are members of other defined contribution schemes. Contributions are charged in the consolidated statement of comprehensive income and expenditure in the year in which they become payable.

#### Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which the organisation pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the consolidated statement of comprehensive income and expenditure in the periods during which services are rendered by employees and as they become payable in accordance with the rules of the scheme.

#### Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit pension plans and other post-employment benefits are calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Group's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements. The net pension deficit is recognised as a liability in the statement of financial position. A net pension surplus is only recognised in the statement of financial position to the extent that the University is able to recover it either through reduced contributions in the future or through refunds from the scheme actuarial gains and losses (remeasurements) are recognised in other comprehensive income.



## Notes to the financial statements (continued)

### 1. Statement of Principal Accounting Policies (continued)

#### 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, such as holiday entitlements earned but not taken at the balance sheet date, are accrued and measured as the additional amount the University expects to pay as a result of the unused entitlements.

#### Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses.

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

#### Operating leases

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

#### Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of comprehensive income and expenditure. Non-monetary assets and liabilities

that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

#### Intangible assets

Intangible assets represent the costs of significant software acquisitions and their development for use in the long-term. Only costs relating to the development and implementation phases are capitalised. Research phases and training costs involved are written off as incurred. All other intangible assets are capitalised.

Costs are amortised over their useful economic life, being between 4 and 10 years.

#### Land and buildings

Land and buildings are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Land and buildings owned by the University were independently valued by Gerald Eve LLP, an independent firm of chartered surveyors on 1 August 2014. The land and building assets that had been revalued to fair value prior to the date of transition to the current SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Property additions since 1 August 2014 including extensions to buildings and building under construction are shown at cost less any accumulated depreciation.

The cost of renovating, upgrading or converting buildings is capitalised where the subsequent expenditure prolongs the useful life or enhances the economic benefits of the building and is also shown at cost less accumulated depreciation.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives as follows:

Major plant and infrastructure	10 to 15 years
System built properties	15 to 25 years
General buildings	50 to 80 years
Historic and legacy properties	100 years

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years.

No depreciation is charged on assets in the course of construction.

Major repairs and refurbishments are capitalised and depreciated over 10 to 20 years where they substantially add to the total area of the building, prolong its useful life or enhance the economic benefits of the building.

All land and buildings, including those constructed or acquired with the aid of specific grants, are included in the balance sheet with the exception of the New College Divinity complex on the Mound, which is regarded as inalienable, as it is owned by the Church of Scotland but can be used by the University so long as it is occupied by the School of Divinity; and two farms which form part of agricultural tenancies are operating leases.

#### Equipment

Capitalised equipment is stated at cost and depreciated on a straight line basis over a four year period from the year in which the equipment is operational, or the building is commissioned.

Donated equipment is capitalised at depreciated replacement cost at the date of receipt and is depreciated over a four year period.

#### Heritage assets

The University holds, preserves and makes available a number of collections, exhibits, artefacts and other assets of historical, artistic or scientific importance.

Heritage assets acquired before 1 August 1999 without reliable estimates of cost or value on a cost-benefit basis have not been capitalised. Acquisitions since 1 August 1999 have been capitalised at cost. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

The University receives a large number of donated assets in addition to heritage assets bought by the University's Centre

## Notes to the financial statements (continued)

### 1. Statement of Principal Accounting Policies (continued)

#### Heritage assets (continued)

for Research Collections. Donated assets are not assessed for fair value unless they are of special interest or expected to be of a material value. The cost of valuing items received in such high volumes would exceed the relative benefit to readers of the Annual Report and Accounts. Where it's determined to be of benefit, donated assets are recorded at fair value through the consolidated statement of comprehensive income and expenditure.

#### Impairments

At each reporting date a review of fixed assets is carried out if events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable. Impairment losses are recognised immediately in the consolidated statement of comprehensive income and expenditure.

#### Investments

Assets held in the University of Edinburgh Investment and Endowment Fund continue to be administered by external fund managers.

Non-current investments are held on the balance sheet at cost and then subsequently at fair value. Investments in subsidiary companies are shown at cost less any impairment.

Investment in associates, if material, is shown in the consolidated balance sheet at the share of net assets.

Current asset investments include temporary and money market deposits and are included at cost and subsequently at fair value.

#### Stock

Stocks for resale and other stocks are included at the lower of cost and net realisable value. Where necessary, provision is made for obsolete, slow-moving and defective stocks.

#### Cash and cash equivalents

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

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### Creditor payment policy

The University makes its payments to creditors, provided they are not in dispute, in accordance with terms of the contract.

Information for suppliers: [ed.ac.uk/procurement/informationforsuppliers](https://www.ed.ac.uk/procurement/informationforsuppliers).

#### Trade and other receivables

Trade and other receivables are measured at amortised cost, using the effective interest method, less any bad or doubtful debt impairment. An allowance for impairment of trade and other receivables is established if the collection of a receivable becomes doubtful.

Such receivables become doubtful when there is objective evidence that the University will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor and delinquency in payments are considered indicators that the receivable is impaired. An impairment loss is recognised in the consolidated statement of comprehensive income and expenditure, as are subsequent recoveries of previous impairments.

#### Investment properties

Investment properties are initially included in the balance sheet at the balance sheet date at their fair value on the basis of an annual independent valuation. Mixed-use investment properties are separated between investment properties and property, plant and equipment. Changes in the fair value of investment properties are recognised immediately within the consolidated statement of comprehensive income and expenditure.

#### Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

#### Financial instruments

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

classified according to the substance of the contractual arrangements entered into. The University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102 Section 11.8. FRS 102 paragraph 11.13 requires financial instruments, i.e. the unsecured bank loans, to be recognised at the present value of the future payments discounted at a market rate of interest.

#### Public benefit concessionary loans

Where loans are received at below the prevailing market rate of interest, not repayable on demand and made for the purpose of furthering the objectives of the University, they are classified as concessionary loans.

Concessionary loans are initially measured at the amount received and recognised in the consolidated statement of financial position and adjusted at the period end to reflect any accrued interest payable. Where a loan is interest free, no interest is charged in subsequent years.

#### Taxation status

The University is an exempt charity within the meaning of the Trustee Investment and Charities (Scotland) Act 2005 and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988.

The University is recognised as a charity by HM Revenue & Customs and is recorded on the index of charities maintained by the Office of Scottish Charity Regulator.

It is therefore a charity within the meaning of paragraph 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from UK Corporation Tax in respect of income or capital gains received within categories covered by Section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. The University receives no similar exemption in respect of Value Added Tax (VAT).

The University's subsidiary companies, except those with charitable status, are

## Notes to the financial statements (continued)

### 1. Statement of Principal Accounting Policies (continued)

#### Taxation status (continued)

not exempt from taxation. The charge for taxation is based on the profit or loss for the year after charging the cost of any Gift Aid payment payable to the University. The charge for taxation also takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Charitable subsidiaries are exempt from taxation under the same legislation as the University.

#### Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

1. The University has a present obligation (legal or constructive) as a result of a past event;
2. It is probable that an outflow of economic benefits will be required to settle the obligation; and
3. A reliable estimate can be made of the amount of the obligation.

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

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

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

Contingent assets and liabilities are not recognised in the balance sheet

but are disclosed in the notes.

#### Exceptional items

Material items derive from events or transactions that fall within the ordinary activities of the University and which individually or, if of a similar type, in aggregate, need to be disclosed by virtue of their size or incidence.

### 2. Estimates and Judgements

The University prepares its consolidated financial statements in accordance with FRS 102 and the application of which often requires certain estimates and judgements to be made by management when formulating the financial position, financial performance and cash flows.

In determining and applying accounting policies, judgement is often required where the choice of specific policy, accounting estimates or assumptions could materially affect the reported results or net asset position.

Management considers that certain accounting estimates and assumptions relating to revenue, debtors, fixed assets and provisions are its critical accounting estimates.

#### (i) Critical accounting judgements

FRS 102 requires that accounting judgements that are considered to be critical by those charged with governance are explained in more detail as to why the judgement has been applied.

#### Revenue recognition

Certain grants, donations and research revenue are recognised in the consolidated statement of income and expenditure as performance conditions are satisfied.

Research revenue grants are based on budgeted awards which specify performance levels. These grants therefore have performance-related conditions attached. Revenue is recognised when the performance-related condition has been met.

Capital grants are funds used for acquisition or building of items that are capital in nature. Restrictions on the grants have been identified as funds are allocated for specific capital items. Income is recognised

on entitlement upon award of the grant. Management apply judgement in deferring income received for conditions not yet satisfied and accruing for income not yet received.

#### Impairment

Judgement is applied when assessing the potential impairment of University assets. For Property, Plant and Equipment the University considers the potential for demolition or disposal, the impact major refurbishments would have on the overall carrying value of existing assets and the likelihood of capital projects proceeding beyond feasibility stage. For Software the University considers the potential for obsolescence, disposal or changes in operations that would impact on the overall carrying value of assets.

#### Classification of financial liabilities

All of the University's financial liabilities have been classified as basic financial instruments. In respect of the private placement debt, judgement has been applied in determining the classification. As part of the agreement, the holders of the debt, who are based in the US, have entered into cross currency swaps to ensure that they are not adversely impacted by foreign exchange rate movements between USD and GBP, should the University repay the debt early. We consider any resultant financial impact for the University to represent reasonable compensation for early repayment and as such have classified the debt as basic. As a result, the financial liability is reflected in the financial statements at amortised cost.

#### Multi-employer pension schemes

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions



## Notes to the financial statements (continued)

### 2. Estimates and Judgements

(continued)

#### Multi-employer pension schemes (continued)

payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in the consolidated statement of comprehensive income and expenditure in accordance with FRS 102 Section 28.

The University has judged that the schemes provided by Universities Superannuation Scheme (USS), Medical Research Council (MRCPS) and the Scottish Teacher Superannuation Scheme (STSS) meet the definition of a multi-employer scheme. The University has recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

#### (ii) Key account estimates and assumptions

The University makes estimates and assumptions concerning its assets and liabilities. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and

liabilities within the next financial year are addressed below.

#### Pension provisions – key actuarial assumptions

The key actuarial assumptions used in the valuation of the USS, EUSBS, SPF and LPF pension schemes including discount rates, salary and pension increases, and mortality rates are reported in note 33.

The cost of the USS deficit recovery plan has been estimated based on a model devised by USS and the British Universities Finance Directors Group (BUFDG), however based on the USS 2023 valuation, the scheme is in surplus and therefore no deficit recovery payment is required. The 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions.

#### Heritage assets

Where it's determined to be of benefit to users of the financial statements, donated heritage assets are capitalised

at fair value based on assumptions made by independent external valuers, or the University's Centre for Research Collections. Asset valuations are determined by the valuer's opinion on the physical condition of items and their assessment of market conditions.

The revaluation reserve relates to the historic revaluations of the Fine Art Collection and Special Collections that occurred prior to the adoption of historic cost accounting.

Heritage assets are accounted for on a deemed cost basis and are not subject to revaluation.

#### Depreciation and amortisation

Group depreciation and amortisation charges are calculated on a straight line basis over the estimated useful economic lives of the related assets. The remaining useful economic lives of assets are periodically reviewed based on actual experience and expected future utilisation. Where management identifies a change in the life of an asset, it is treated as a change in accounting estimate and the accelerated depreciation is accounted for in the period of change and future periods.

## Notes to the financial statements (continued)

### 3. Tuition fees and education contracts

	Consolidated and Institution	
	2025 £m	2024 £m
Home domicile fees	26.3	27.0
Rest of UK domicile fees	83.9	81.9
EU domicile fees	25.7	25.4
Non-EU fees	388.5	363.3
Research training support grants	25.1	23.3
Short course and other fees and support grants (non-credit bearing)	7.0	6.3
	556.5	527.2

#### Tuition fees and education contracts

Student numbers increased by 0.2 per cent in the year to 49,640, but fee income growth was greater at 5.6 per cent due to an increase in the number of non-EU students. The most significant income growth was observed in short courses (11.1 per cent), research training support grants (7.8 per cent) and non-EU fees (6.9 per cent). The only decrease in tuition fee revenue was noted in home domicile fees which fell by 2.6 per cent.

### 4. Funding body grants

	Consolidated and Institution	
	2025 £m	2024 £m
Recurrent grants		
Teaching	72.7	76.2
Research and knowledge exchange	105.4	102.4
Specific grants		
Strategic funding: including UK Research Partnership Investment Fund (UKRPIF)	11.3	12.6
Capital grants received in the year	16.9	17.2
Capital maintenance grants	0.5	0.3
	206.8	208.7

#### Funding body grants

Overall, funding from both, recurrent and specific grants, were broadly similar to last year.

Teaching grants decreased by £3.5 million, which was partially offset by a £3.0 million increase in research funding. Funding on specific grants also decreased, primarily driven by a Strategic funding drop of £1.3 million.

### 5. Research income

	Consolidated and Institution			2024 Total £m
	Capital £m	Revenue £m	2025 Total £m	
<b>Research grants and contracts</b>				
Research councils	7.4	172.5	179.9	153.0
UK based charities	3.9	80.6	84.5	70.2
UK central government bodies, local and health authorities	10.1	34.2	44.3	50.7
UK industry, commerce and public corporations	0.1	15.6	15.7	10.1
EU government bodies	0.2	6.9	7.1	20.6
EU other	0.1	9.5	9.6	9.8
Other overseas	0.7	35.3	36.0	46.1
Other sources	1.0	(2.7)	(1.7)	4.7
	23.5	351.9	375.4	365.2

#### Research income

Included within our research income is £224.2 million (2024: £203.7 million) of income from UK Government sources. Within the income from UK Government sources is £10.1 million of research capital funding relating to the City Region Deal (2024: £14.5 million).

The figures for research income include the University's share of the research activity of the Scottish Universities Environmental Research Centre (SUERC) of £2.6 million. SUERC is administered by the University Court of the University of Glasgow and trades as SUERC which is an independent research organisation. SUERC is jointly owned by the Universities of Glasgow and Edinburgh, under a Memorandum of Understanding.

## Notes to the financial statements (continued)

### 6. Other income

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Residences and catering	114.8	94.0	98.3	79.3
Other revenue grants	11.1	6.5	12.7	14.0
Other services	59.3	44.0	66.0	42.5
Health authorities	16.8	16.8	12.8	12.8
Other income	59.3	59.3	48.4	48.4
	261.3	220.6	238.2	197.0

#### Other income

Residences and catering income is mainly from student accommodation rentals. The increase from the previous year is largely due to higher student accommodation revenue driven by an 8 per cent inflationary price adjustment, along with growth in food sales and hotel and summer accommodation operations.

Other income includes trading, gas and electricity recharges, conferences and rental income from the Edinburgh Festival. The increase in other income for 2024/25 from previous year was driven by increases in externally funded salaries (excl. health authority contributions), tuition fee deposit income, Gift Aid receipts and utility recharges.

### 7. Investment income

	Note	2025		2024	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Investment income on endowments	22	13.8	13.8	20.5	20.5
Investment income on restricted reserves		2.4	2.4	1.3	1.3
Other interest receivable		38.1	38.3	42.6	40.9
		54.3	54.5	64.4	62.7

#### Investment income

Income from the Endowment and Investment Fund (EIF) was £13.8 million. Note 16 provides further comment on EIF performance in the year.

Other interest received decreased to £38.1 million, driven by lower interest rates and a smaller portfolio of treasury investments.

### 8. Donations and endowments

	Note	2025		2024	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
New endowments	22	8.3	8.3	5.8	5.8
Donations with restrictions		13.0	13.0	17.5	17.5
Unrestricted donations		1.0	1.9	6.8	1.7
		22.3	23.2	30.1	25.0

#### Donations and endowments

Most donations are restricted and are mainly for philanthropic funded research, other projects and scholarships.

The reduction in income in the current year is due to fewer external donations of both a restricted and unrestricted nature.



## Notes to the financial statements (continued)

### 9. Staff costs

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Salaries	615.3	590.1	561.1	536.4
Social security costs	73.4	71.6	61.3	59.8
Pension costs (note 33)	128.4	125.7	133.3	130.9
Other unfunded pension costs	0.3	0.3	(0.2)	(0.2)
Severance costs	12.0	12.0	0.4	0.4
<b>Staff costs excl. movement on USS pension provision</b>	<b>829.4</b>	<b>799.7</b>	755.9	727.3
Exceptional item: movement on USS pension provision	-	-	(352.4)	(352.4)
	<b>829.4</b>	<b>799.7</b>	403.5	374.9
<b>Analysis of the above costs by activity:</b>				
Academic / teaching departments	467.0	467.0	434.6	434.6
Research grants and contracts	145.3	145.3	137.3	137.3
Library, computer and other academic support services	44.5	44.5	42.2	42.2
Administration and central services	88.4	88.4	77.9	77.9
Premises	33.5	33.5	30.5	30.5
Other including income-generating operations	17.6	-	17.6	-
Residences and catering operations	24.3	12.2	22.2	11.2
Unfunded pensions	0.3	0.3	(0.2)	(0.2)
Severance costs	12.0	12.0	0.4	0.4
Pension service costs in excess of scheme contributions payable and USS provision movement (note 33)	(3.5)	(3.5)	(359.0)	(359.0)
	<b>829.4</b>	<b>799.7</b>	403.5	374.9

### Staff costs

Salary costs, excluding pension and National Insurance (NI) on-costs, grew by 9.7 per cent mainly made up of a volume increase of 1.5 per cent during the year, and an average price and mix of staff increase of 8.2 per cent.

Pension costs fell by 3.7 per cent. Normally pension costs increase in line with salary costs, however this year, as with the previous year, pension costs fell due to the 1 January 2024 USS pension employers rate change (from 21.6 to 14.5 per cent). 2024/25 was the first full year with the lower rate.

Social security costs increased by 19.7 per cent. Normally social security costs increase in line with salary costs. The increase in salary costs was caused by the nationwide employer NI rate increase from 13.8 per cent to 15 per cent, and the lowering of the NI threshold from £9,100 to £5,000, both in place from April 2025.

Severance costs increased this year by £11.6 million, mainly due to the voluntary severance package offered to staff in 2024/25.

**Staff numbers (expressed as average full-time equivalents during the year) were as follows:**

	2025		2024	
	Consolidated Number	Institution Number	Consolidated Number	Institution Number
Academic / teaching departments	6,803	6,803	6,726	6,726
Research grants and contracts	2,368	2,368	2,242	2,242
Library, computer and other academic support services	689	689	685	685
Administration and central services	1,670	1,670	1,673	1,673
Premises	804	804	809	809
Other including income-generating operations	325	-	343	-
Residences and catering operations	644	644	624	624
	<b>13,303</b>	<b>12,978</b>	13,102	12,759
Staff on open-ended contracts	10,049	9,741	9,803	9,490
Staff on fixed-term contracts	2,839	2,823	2,880	2,850
Staff on guaranteed hours contracts	415	414	419	419
	<b>13,303</b>	<b>12,978</b>	13,102	12,759

### Staff numbers

Average staff numbers increased by 201 full-time equivalents (FTE) in 2024/25. This has contributed to the increase in our staff costs.

Increased staff numbers were mainly seen in research with an increase of 126 FTE, and in academic/ teaching departments with an increase of 77 FTE to support our core teaching and research mission.

Staff numbers (FTE) were calculated using annual averages. If staff numbers (FTE) were instead expressed as snapshot at the year-end (31 July 2025) they would have shown 12,753 (2024: 13,041).

## Notes to the financial statements (continued)

### 9. Staff costs (continued)

Staff numbers (expressed as an average employee count) were as follows:

	2025		2024	
	Consolidated Number	Institution Number	Consolidated Number	Institution Number
Staff on open-ended contracts	11,735	11,405	11,495	11,162
Staff on fixed-term contracts	3,313	3,292	3,386	3,351
Staff on guaranteed hours contracts	4,090	4,089	4,043	4,042
	19,138	18,786	18,924	18,555
Percentage of staff on fixed-term contracts	17.3%	17.5%	17.9%	18.1%

#### Emoluments of the Principal - Professor Mathieson

	2025 £'000	2024 £'000
Remuneration	375	362
Payment in lieu of employer's pension contribution	43	40
Sub-total excluding life cover and benefits in kind	418	402
Employer's life cover	-	10
Benefits in kind	8	10
	426	422

#### Median pay

	2025 £	2024 £
Principal's remuneration	425,894	421,667
Median total remuneration	42,882	41,732
Ratio	9.93	10.10

#### Emoluments of the Principal

The Principal occupies a house that is provided to him by the University on a representative basis, that is, as part of his role as University Principal and is reported as a benefit in kind. As well as being used as a family home, a number of rooms within the Principal's residence are regularly used to host University events involving staff, students, alumni, and supporters.

Professor Mathieson opted out of the Pension scheme in March 2018. Additional payments equivalent to the pension contributions foregone are included within emoluments.

The Principal's taxable benefits in kind consisted of provision of living accommodation and personal costs connected with the provision of living accommodation.

#### Median pay

The median remuneration of the University's staff against the full remuneration of the Principal.

## Notes to the financial statements (continued)

### 9. Staff costs (continued)

#### Key management personnel

	2025 £m	2024 £m
Key management personnel compensation	2.5	2.4
	2025 Number	2024 Number
Number of posts (expressed as full-time equivalents during the year) included in key management personnel	11.0	11.0

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution.

Key management personnel compensation includes remuneration and all employee benefits including employer pension contributions.

Positions held by members of the key management personnel:

- Vice-Principal and Chief Information Officer and Librarian
- Vice-Principal of Corporate Services
- Director of Finance (to 3 November 2024)
- Interim Director of Finance (from 4 November 2024)
- Principal and Vice-Chancellor
- Vice-Principal Students
- Vice-Principal and University Secretary
- Vice-Principal and Head of College of Arts, Humanities and Social Sciences
- Vice-Principal and Head of College of Medicine and Veterinary Medicine
- Vice-Principal and Head of College of Science and Engineering
- Vice-Principal Research & Enterprise
- Provost

The key management personnel comprise the members of the Senior Leadership Team; details of which are available at: [Senior Leadership Team](#)

#### Senior post holders

Remuneration of higher paid staff includes NHS merit awards, but excludes employer pension contributions and termination payments.

Staff are included in the range that reflects their actual remuneration for that year.

40 per cent (2024: 41 per cent) of senior post holders are clinical academics.

#### Senior post holders

	2025			2024
	Clinical number	Non-clinical number	Total number	Total number
£100,000–£109,999	21	74	95	85
£110,000–£119,999	11	58	69	50
£120,000–£129,999	9	35	44	45
£130,000–£139,999	10	20	30	26
£140,000–£149,999	11	16	27	42
£150,000–£159,999	14	14	28	21
£160,000–£169,999	12	8	20	19
£170,000–£179,999	11	6	17	20
£180,000–£189,999	10	10	20	22
£190,000–£199,999	16	7	23	20
£200,000–£209,999	8	5	13	12
£210,000–£219,999	14	-	14	5
£220,000–£229,999	5	-	5	6
£230,000–£239,999	3	1	4	1
£240,000–£249,999	6	-	6	2
£250,000–£259,999	3	-	3	2
£260,000–£269,999	3	-	3	3
£270,000–£279,999	-	-	-	1
£280,000–£289,999	3	-	3	-
£290,000–£299,999	1	-	1	-
£300,000–£309,999	-	-	-	-
£310,000–£319,999	-	-	-	-
£320,000–£329,999	-	-	-	1
£330,000–£339,999	1	-	1	1
£340,000–£349,999	-	-	-	-
£350,000–£359,999	-	-	-	-
£360,000–£369,999	-	-	-	-
£370,000–£379,999	-	-	-	-
£380,000–£389,999	-	-	-	-
£390,000–£399,999	-	-	-	-
£400,000–£409,999	-	-	-	1
£410,000–£419,999	-	1	1	-
	172	255	427	385



## Notes to the financial statements (continued)

### 9. Staff costs (continued)

#### Compensation for loss of office

	2025 £'000	2024 £'000
Compensation payable to senior post holders	568	-
Other compensation paid in excess of £100,000	110	128
	678	128

#### Compensation for loss of office

Compensation includes the cost of enhancing pension benefits on early retirement.

There was £568,000 compensation paid to 8 senior post holders during the year (2024: £nil). Other compensation paid in excess of £100,000 related to payment to one individual.

Severance arrangements for senior post holders are overseen by the University's Remuneration Committee and all compensation is paid in line with the severance guidance approved by the University Court.

There was no compensation paid to key management personnel for the year (2024: £nil).

### 10. Other operating expenses

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Academic and related expenditure	91.3	91.3	102.9	102.9
Scholarships and stipends	51.1	51.1	50.2	50.2
Research grants and contracts	131.9	131.9	120.3	120.3
Library, computer and other academic support services	22.0	22.0	22.3	22.3
Administration and central services **	8.3	18.2	27.2	35.1
Refurbishment and maintenance	35.1	35.1	33.4	33.4
Utilities costs **	55.4	62.5	42.5	48.3
Other premises costs	17.6	17.6	17.6	17.6
Other including income generating operations	30.5	31.3	58.9	50.4
Residences and catering operations	62.4	44.7	64.9	47.9
	505.6	505.7	540.2	528.4
<b>Other operating expenses include:</b>				
Agency staff costs	21.8	21.3	20.7	20.0
Operating lease rentals:				
Land and buildings	31.4	33.4	30.4	32.4
Fees charged by external auditors:				
In respect of audit services *	0.5	0.4	0.4	0.3

#### Other operating expenses

Cost reductions were made in 2024/25 compared to the previous year, across different areas and activities within the University.

Despite being affected by several macroeconomic factors, such as rising utility prices and inflation, cost reductions have been achieved across many expense categories.

\* The consolidated audit fees for 2024/25 are £597,000 (2023/24: £798,000) and the non-audit service fees are £nil (2023/24: £10,000) which is in line with our non-audit services policy.

\*\* The consolidated expenses are stated net of intercompany charges, such as management fees or utilities cost paid to the subsidiaries.

## Notes to the financial statements (continued)

### 11. Interest and other finance costs

	Note	2025		2024	
		Consolidated £m	Institution £m	Consolidated £m	Institution £m
Loan interest		13.8	13.8	14.3	14.3
Net charge on pension scheme	33	0.2	0.2	7.3	7.3
		14.0	14.0	21.6	21.6

#### Interest and other finance costs

Interest costs have decreased due to capital repayments of existing loans. Capital repayments reduced the outstanding loan balances, leading to lower interest cost.

Net charge on pension scheme has decreased from £7.3 million in 2023/24 to £0.2 million in 2024/25 as there was no obligation in the current year to fund a past deficit on the Universities Superannuation Scheme (USS) as the scheme is now in a surplus position based on the 2023 valuation

### 12. Taxation

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Recognised in the consolidated statement of comprehensive income and expenditure</b>				
<b>Current tax:</b>				
UK Corporation tax charge on subsidiaries' profits	(0.7)	-	(0.8)	-
	(0.7)	-	(0.8)	-

#### Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

UK Corporation tax is 19 per cent for profits under £50,000 and 25 per cent for profits over £250,000, with marginal relief between those sums.

### 13. Intangible assets

Software	Consolidated £m	Institution £m
<b>Cost or valuation</b>		
As at 1 August 2024	37.0	37.0
Additions in the year	0.9	0.9
Disposals in year	(0.5)	(0.5)
As at 31 July 2025	37.4	37.4
<b>Accumulated amortisation</b>		
As at 1 August 2024	10.6	10.6
Charge for the year	3.4	3.4
Disposals in year	(0.5)	(0.5)
As at 31 July 2025	13.5	13.5
<b>Net book value</b>		
As at 31 July 2025	23.9	23.9
As at 31 July 2024	26.4	26.4

#### Intangible assets

Consolidated

At 31 July 2025, there were no intangible assets under construction (2024: £1.6 million).

## Notes to the financial statements (continued)

### 14. Fixed assets Consolidated

	Land and buildings £m	Fixtures, fittings and equipment £m	Total £m	Heritage assets £m	Total including heritage assets £m
<b>Cost or valuation</b>					
As at 1 August 2024	2,397.8	389.1	<b>2,786.9</b>	217.5	<b>3,004.4</b>
Additions	148.6	57.2	<b>205.8</b>	0.6	<b>206.4</b>
Impairment	(4.1)	-	<b>(4.1)</b>	-	<b>(4.1)</b>
Disposals	(3.1)	(66.3)	<b>(69.4)</b>	-	<b>(69.4)</b>
As at 31 July 2025	2,539.2	380.0	<b>2,919.2</b>	218.1	<b>3,137.3</b>
<b>Accumulated depreciation</b>					
As at 1 August 2024	350.0	285.6	<b>635.6</b>	-	<b>635.6</b>
Charge for the year	49.3	50.7	<b>100.0</b>	-	<b>100.0</b>
Disposals	(1.4)	(64.9)	<b>(66.3)</b>	-	<b>(66.3)</b>
As at 31 July 2025	397.9	271.4	<b>669.3</b>	-	<b>669.3</b>
<b>Net book value</b>					
As at 31 July 2025	2,141.3	108.6	<b>2,249.9</b>	218.1	<b>2,468.0</b>
As at 31 July 2024	2,047.8	103.5	<b>2,151.3</b>	217.5	<b>2,368.8</b>

### Tangible assets

#### Consolidated

At 31 July 2025, freehold land and buildings included £111.6 million (2024: £111.9 million) in respect of freehold land and is not depreciated.

All land and buildings are held on a freehold basis with the exception of the New Medical School at the Royal Infirmary of Edinburgh. This is constructed on land held under a long leasehold of 130 years.

Loss on disposal of fixed assets totalled £2.7 million (2024: £26,000 loss). This represents a loss of £1.5 million on the disposal of property (2024: £89,000 gain) and a loss of £1.2 million on the disposal of equipment (2024: £115,000 loss).

Certain land and buildings have been partly financed from Exchequer funds. Funding body grants of £17.4 million (2024: £17.5 million) recognised as income in the year relate to additional exchequer funding of land and buildings. Should any of these assets be sold the University may be liable, under the terms of the Financial Memorandum with the Scottish Funding Council, to surrender part of the proceeds.

### Institution

	Land and buildings £m	Fixtures, fittings and equipment £m	Total £m	Heritage assets £m	Total including heritage assets £m
<b>Cost or valuation</b>					
As at 1 August 2024	2,389.0	363.7	<b>2,752.7</b>	217.5	<b>2,970.2</b>
Additions	148.6	56.8	<b>205.4</b>	0.6	<b>206.0</b>
Impairment	(4.1)	-	<b>(4.1)</b>	-	<b>(4.1)</b>
Disposals	(3.1)	(55.1)	<b>(58.2)</b>	-	<b>(58.2)</b>
As at 31 July 2025	2,530.4	365.4	<b>2,895.8</b>	218.1	<b>3,113.9</b>
<b>Accumulated depreciation</b>					
As at 1 August 2024	344.2	270.0	<b>614.2</b>	-	<b>614.2</b>
Charge for the year	48.2	50.1	<b>98.3</b>	-	<b>98.3</b>
Disposals	(1.4)	(53.7)	<b>(55.1)</b>	-	<b>(55.1)</b>
As at 31 July 2025	391.0	266.4	<b>657.4</b>	-	<b>657.4</b>
<b>Net book value</b>					
As at 31 July 2025	2,139.4	99.0	<b>2,238.4</b>	218.1	<b>2,456.5</b>
As at 31 July 2024	2,044.8	93.7	<b>2,138.5</b>	217.5	<b>2,356.0</b>

### Tangible assets

#### Institution

At 31 July 2025, freehold land and buildings included £111.4 million (2024: £111.7 million) in respect of freehold land and is not depreciated.

At 31 July 2025, land and buildings included £220.9 million (2024: £280.8 million) in respect of buildings under construction. Assets under construction are not being depreciated.

The net book value of tangible fixed assets includes an amount of £2.2 million (2024: £2.4 million) of buildings, fixtures and equipment held under finance leases. The depreciation charge on these assets for the year was £162,000 (2024: £176,000).



## Notes to the financial statements (continued)

### 15. Heritage assets

#### Additions and disposals

Acquisitions for the current and previous four years were as follows:

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Acquisitions purchased with specific donations	-	-	-	0.5	0.4
Acquisitions purchased with University funds	0.6	0.7	1.0	-	-
Total acquisitions capitalised	0.6	0.7	1.0	0.5	0.4

#### Main collections

The University holds and conserves collections of heritage assets which are capitalised. Heritage assets are individual objects, collections, exhibits or artefacts with historic, artistic or scientific qualities that are held and maintained principally for their contribution to knowledge and culture. Details of the collections held can be found at: [Heritage Collections](#)

#### University policy on acquisitions, preservation, management and disposal

The University of Edinburgh Collections Management Policy is available at: [Collection Policies](#)

#### Heritage assets capitalised

Heritage assets acquired before 1 August 1999 without reliable estimates of cost or value on a cost-benefit basis have not been capitalised. Acquisitions since 1 August 1999 have been capitalised at cost, or, in the case of capitalised donated assets, at fair value on receipt.

#### Additions and disposals

The University receives a number of donated assets in addition to heritage assets bought by the University's Centre for Research Collections. Donated assets are not valued unless they are of special interest as the cost of doing so is not commensurate with the benefits to readers of the Annual Report and Accounts. Donated assets that are capitalised are reported in the consolidated statement of comprehensive income and expenditure at valuation.

No heritage assets were disposed or impaired in year (2024:nil).

## Notes to the financial statements (continued)

### 16. Non-current investments

#### Consolidated

	University of Edinburgh Endowment and Investment Fund £m	Other non-current investments £m	Total £m
<b>As at 1 August 2024</b>	519.4	450.1	<b>969.5</b>
Additions	62.8	1,031.0*	<b>1,093.8</b>
Disposals	(34.7)	(1,104.9)*	<b>(1,139.6)</b>
Fair value gain/(loss)	30.1	(2.1)	<b>28.0</b>
<b>As at 31 July 2025</b>	577.6	374.1	<b>951.7</b>
<b>Non-current investments consist of:</b>			
The University of Edinburgh Endowment and Investment Fund	577.6	-	<b>577.6</b>
Other	-	360.6	<b>360.6</b>
Unlisted investments	-	13.5	<b>13.5</b>
	577.6	374.1	<b>951.7</b>

#### Institution

	Subsidiary companies £m	University of Edinburgh Endowment and Investment Fund £m	Other non-current investments £m	Total £m
<b>As at 1 August 2024</b>	14.1	519.4	436.8	<b>970.3</b>
Additions*	0.6	62.8	1,030.1	<b>1,093.5</b>
Disposals*	-	(34.7)	(1,104.9)	<b>(1,139.6)</b>
Fair value gain/(loss)	-	30.1	(1.4)	<b>28.7</b>
<b>As at 31 July 2025</b>	14.7	577.6	360.6	<b>952.9</b>

\* Effective August 2024, a process was implemented where funds are swept daily from the University's bank accounts and invested in short-term money market investments. This strategy allows for a better utilisation of overnight cash but has led to a significantly higher volume of subscriptions and redemptions in the year on other non-current investments.

#### Non-current investments

Consolidated and Institution

Funds are invested in the University of Edinburgh Endowment and Investment Fund.

The Investment Committee is responsible for the oversight and strategic direction of investments. Its members are appointed by the University of Edinburgh Court, and are drawn from both Court members and external investment professionals.

Each year an Endowment Fund Report is published. This gives, amongst other matters, details of the Investment Committee and its remit, the fund managers and statistics relating to the investments and endowment funds.

The Endowment and Investment Fund investment is 100 per cent endowment funds.

As well as diversifying risk by investing in different types of assets, there are ten fund managers.

The unit price has increased by 11 per cent from £49.33 to £54.94 giving a fair value gain of £30.1 million.

The loans to subsidiary companies, treated as investments due to their long-term nature, are interest bearing with the exception of the loans to provide venture capital funding to Old College Capital LLP and Old College Capital Strategic Investments.

Interest is charged at 4.82 per cent on the Loan to UoE Estates Services Company Ltd.

Unlisted investments are initially recorded at cost and, where the University believes that an independent fair value can be determined by reviewing the price of a recent transaction for an identical asset, then such investments are recorded in the balance sheet at fair value. Otherwise, such investments are held in the balance sheet at cost less any impairment.

## Notes to the financial statements (continued)

### 16. Non-current investments (continued)

Institution	Subsidiary companies £m	University of Edinburgh Endowment and Investment Fund £m	Other non-current investments £m	Total £m
<b>Non-current investments consist of:</b>				
<b>The University of Edinburgh Endowment and Investment Fund</b>				
Equities	-	259.3	-	<b>259.3</b>
Fixed interest stocks	-	16.0	-	<b>16.0</b>
Property	-	88.4	-	<b>88.4</b>
Multi asset type	-	157.3	-	<b>157.3</b>
Venture capital	-	26.7	-	<b>26.7</b>
Bank deposits held at fund managers	-	4.6	-	<b>4.6</b>
Bank deposits held by the Institution	-	25.3	-	<b>25.3</b>
<b>Other investments</b>				
<b>Treasury investments</b>				
Aegon Asset Management	-	-	103.5	<b>103.5</b>
MI TwentyFour Asset Management	-	-	45.9	<b>45.9</b>
Liability Aware Credit Nominal	-	-	27.0	<b>27.0</b>
Aberdeen Standard Liquidity Fund	-	-	1.0	<b>1.0</b>
JP Morgan MMF	-	-	1.0	<b>1.0</b>
Kingswood Wealth	-	-	62.3	<b>62.3</b>
HSBC MMF	-	-	1.0	<b>1.0</b>
Royal London Asset Management General	-	-	44.7	<b>44.7</b>
Northern Trust LNAV	-	-	30.0	<b>30.0</b>
JP Morgan ETF	-	-	20.1	<b>20.1</b>
Royal London LNAV	-	-	1.0	<b>1.0</b>
<b>Social investments</b>				
Big Issue	-	-	0.7	<b>0.7</b>
Prosper Social Investment	-	-	0.1	<b>0.1</b>
Social Investment Scotland	-	-	1.0	<b>1.0</b>
Social and Sustainable Housing LP	-	-	1.4	<b>1.4</b>
Giant Ventures	-	-	0.4	<b>0.4</b>
ADA Ventures	-	-	0.5	<b>0.5</b>
Lloyds Green Deposit Sustainability	-	-	2.6	<b>2.6</b>
Growth Impact LP	-	-	0.1	<b>0.1</b>
Fair by Design Ventures LLP	-	-	0.2	<b>0.2</b>
Mercer LGIM	-	-	1.9	<b>1.9</b>
<b>Spinout companies</b>				
pure LiFi	-	-	0.9	<b>0.9</b>
Sofant Technologies	-	-	0.8	<b>0.8</b>
Biocaptiva Ltd	-	-	1.2	<b>1.2</b>
Resolution Therapeutics Ltd	-	-	0.6	<b>0.6</b>
Wobble Company Ltd	-	-	1.4	<b>1.4</b>
Rhizocore	-	-	0.6	<b>0.6</b>
Roslin Technologies Ltd	-	-	3.1	<b>3.1</b>
Trogenix	-	-	1.0	<b>1.0</b>
Concinnity Genetics	-	-	0.8	<b>0.8</b>
Exergy3	-	-	0.6	<b>0.6</b>
Other investments	-	-	3.2	<b>3.2</b>
<b>Investment in subsidiary companies</b>				
Edinburgh University Press Ltd	0.3	-	-	<b>0.3</b>
<b>Loans to subsidiary companies</b>				
UoE Estates Services Company Limited	10.4	-	-	<b>10.4</b>
Old College Capital LLP	4.0	-	-	<b>4.0</b>
	<b>14.7</b>	<b>577.6</b>	<b>360.6</b>	<b>952.9</b>



## Notes to the financial statements (continued)

### 17. Trade and other receivables

	2025		2024 restated	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Amounts falling due within one year:</b>				
Research grants receivables	136.3	136.3	175.2	175.2
Other trade receivables	101.4	65.3	76.4	32.2
Prepayments and accrued income	77.7	73.3	77.3	72.5
Estates capital grant debtor	3.7	3.7	-	-
Amounts due from subsidiary companies	-	32.9	-	29.1
	319.1	311.5	328.9	309.0
<b>Amounts falling due after one year:</b>				
Other trade receivables	2.0	2.0	2.0	2.0
Endowments receivable	-	18.7	-	28.4
	2.0	20.7	2.0	30.4
	321.1	332.2	330.9	339.4

#### Trade and other receivables

Research grants receivables are shown net of allowance for doubtful debts of £16.4 million (2024: £15.6 million).

Other trade receivables are shown net of allowance for doubtful debts of £4.2 million (2024: £4.6 million).

The prior year comparatives for prepayments and accrued income have been restated, from the previously reported amount of £49.3 million to £77.3 million and £44.5 million to £72.5 million respectively. This was as a result of an error in the prior year where debit and credit balances were incorrectly off-set against one another and presented on a net basis within prepayments and accrued income.

Majority of the amounts due from subsidiary companies balance as at 31 July 2025 relates to Development Trust (£29.7 million).

### 18. Current investments

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Short-term deposits	139.0	139.0	139.0	139.0

#### Current investments

The University's Treasury Management policy grants the Chief Financial Officer and the designated staff delegated authority to deposit or invest funds with approved organisations to approved limits. As at 31 July 2025 the short-term deposits had interest rates ranging from 4.25 per cent to 4.92 per cent and are fixed for between 1 and 12 months. All short-term deposits have a maturity date less than 12 months from 31 July 2025.

## Notes to the financial statements (continued)

### 19. Creditors: amounts falling due within one year

	2025		2024 restated	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Unsecured loans	7.9	7.9	8.8	8.8
Obligations under finance leases	0.1	0.1	0.1	0.1
Trade payables	50.3	41.9	42.8	33.0
Social security and other taxation payable	22.6	21.7	17.1	15.9
Other creditors	7.5	8.5	9.0	9.0
Concessionary loans	2.2	2.2	2.2	2.2
Accruals and deferred income (see below)	393.7	381.0	396.8	383.9
Amounts due to subsidiary companies	-	50.7	-	46.1
	484.3	514.0	476.8	499.0

#### Trade payables

The ratio of trade payables to operational expenses is 9.9 per cent (2024: 8.1 per cent)

### Accruals and deferred income

	2025		2024 restated	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Accruals	89.0	89.0	85.2	85.2
Donations and other restricted income deferred	86.2	86.2	75.6	75.6
Research grants received on account	192.2	192.2	207.4	207.4
Estates capital grants deferred	-	-	1.5	1.5
Other income deferred	26.3	13.6	27.1	14.2
	393.7	381.0	396.8	383.9

#### Accruals and deferred income

In addition to accruals of expenditure, research and other restricted income has been deferred until specific performance-related conditions have been met.

The prior year comparatives for donations and other restricted income deferred have been restated, from the previously reported amount of £47.6 million to £75.6. This was as a result of an error in the prior year where debit and credit balances were incorrectly off-set against one another and presented on a net basis within prepayments and accrued income.

### 20. Creditors: amounts falling due after more than one year

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Obligations under finance leases	0.1	0.1	0.2	0.2
Unsecured loans	513.1	513.1	521.2	521.2
Concessionary loans	14.5	14.5	16.8	16.8
	527.7	527.7	538.2	538.2

#### Unsecured loans

Outstanding unsecured loans have decreased to £521.0 million as at 31 July 2025. The decrease can be attributed to the ongoing capital repayment of loans held with the European Investment Bank. The Royal Bank of Scotland loan was paid off in 2024/25 as per the loan repayment schedule.

No new unsecured loans have been agreed during the financial year.

## Notes to the financial statements (continued)

### 20. Creditors: amounts falling due after more than one year (continued)

#### Borrowings

Note	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Obligations under finance leases are due as follows:</b>				
Due within one year	19	0.1	0.1	0.1
Due between two and five years		0.1	0.2	0.2
		0.2	0.3	0.3

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Unsecured bank loans are repayable as follows:</b>				
Due within one year	19	7.9	8.8	8.8
Due between two and five years		32.6	32.6	32.6
Due in five years or more		480.5	488.6	488.6
		521.0	530.0	530.0

#### Public benefit concessionary loans

The University holds six concessionary loans from the Scottish Funding Council (SFC).

Four of the loans were received as part of the University Financial Transactions Programme (UFTP) in the financial year 2023/24. The UFTP aims to advance the sustainability of university estates and net zero plans. The loans were received for the following projects and amounts: Easter Bush Campus – District Heat, Power & Cooling Network Expansion (£8.2 million), Accelerated Lighting Efficiency Improvement Programme (£3.4 million), Energy Efficiency Improvement Works – Teviot Row (£1.0 million) and Solar PV Programme (£0.7 million). All the loans are payable at the rate of 1 per cent per annum with a repayment period of 25 years, except for the Solar PV Programme loan which has a repayment period of 12 years.

#### Unsecured bank loans outstanding as at 31 July 2025 were as follows:

	Interest rate %	Repayable	Borrower	Amount £m
C.M. Life Insurance Company	3.38	2041	University	2.0
C.M. Life Insurance Company	3.46	2046	University	0.2
European Investment Bank	2.11	2021-2046	University	55.0
European Investment Bank	2.19	2022-2047	University	57.7
European Investment Bank	2.27	2023-2048	University	59.5
Great-West Life & Annuity Insurance Company	3.38	2041	University	1.0
Great-West Life & Annuity Insurance Company	3.46	2046	University	0.1
Massachusetts Mutual Life Insurance Company	3.38	2041	University	22.0
Massachusetts Mutual Life Insurance Company	3.46	2046	University	9.7
The Northwestern Mutual Life Insurance Company	3.20	2036	University	40.0
The Northwestern Mutual Life Insurance Company	3.38	2041	University	15.0
The Northwestern Mutual Life Insurance Company	3.46	2046	University	10.0
The Northwestern Mutual Life Insurance Company	2.62	2038	University	110.0
The Northwestern Mutual Life Insurance Company	2.68	2043	University	75.0
The Northwestern Mutual Life Insurance Company	2.69	2048	University	65.0
FRS 102 amortisation adjustment				(1.2)
				521.0

#### Loans outstanding

The University has £521.0 million of unsecured loans as at 31 July 2025. As per the unsecured bank loans outstanding table, these loans have been provided by a variety of financial institutions, with repayment terms of between 20 and 30 years and interest rates between 2.11 per cent and 3.46 per cent.



## Notes to the financial statements (continued)

### 21. Provisions for liabilities Consolidated and Institution

	Pension enhancement on termination £m	Unfunded pension provision £m	Funded pension scheme provision £m	Total £m
<b>As at 1 August 2024</b>	3.2	0.6	8.3	<b>12.1</b>
Utilised in year	(0.5)	(0.1)	1.4	<b>0.8</b>
Releases in year			(5.0)	<b>(5.0)</b>
Interest in year	0.1	-	0.1	<b>0.2</b>
Actuarial gain in respect of pension schemes	-	-	(29.6)	<b>(29.6)</b>
<b>As at 31 July 2025</b>	2.8	0.5	(24.8)	<b>(21.5)</b>

Other provisions	Heat and power provision £m	Decommissioning provision £m	Total £m
<b>As at 1 August 2024</b>	-	0.6	<b>0.6</b>
Additions in year	8.0	-	<b>8.0</b>
<b>As at 31 July 2025</b>	8.0	0.6	<b>8.6</b>
<b>Total provisions</b>			<b>(12.9)</b>

#### Decommissioning provision

The provision is held under the Radioactive Substances Act 1993 and the HASS (Scotland) Directions 2005 to provide for the safe management of hazardous material when they become disused.

#### Heat and Power provision

During the year, an £8 million Heat and Power provision was recognised in relation to additional VAT due on fuel and power supplied to the University of Edinburgh from one of its subsidiaries.

#### Pension and other provisions

In compliance with FRS 102, Section 21: Provisions and contingencies, the provisions relate only to contractual and legal obligations of the University. Provisions relating to retirement benefits and details including assumptions used are included in note 33.

#### Pension enhancement and unfunded pensions

The University has a liability for the enhancement of pensions payable to some former members of staff who have taken early retirement and for the supplementation of Federated Superannuation Scheme for Universities (FSSU) and state pensions granted to certain former members of the University staff. These liabilities are unfunded but are assessed on the same basis as the liabilities within each defined benefit pension scheme.

#### Funded pension schemes

The provision represents the net asset/(liability) in respect of the surplus/deficit on the Staff Benefit Scheme, Strathclyde Pension Fund and Lothian Pension fund assessed under FRS 102. Note 33 provides further details.

## Notes to the financial statements (continued)

### 22. Endowment reserves

#### Consolidated and Institution

	Permanent unrestricted endowments £m	Permanent restricted endowments £m	Expendable restricted endowments £m	2025 Total £m	2024 Total £m
Capital	7.4	141.6	359.6	<b>508.6</b>	490.1
Accumulated income	0.5	19.3	52.0	<b>71.8</b>	69.7
<b>As at 1 August</b>	<b>7.9</b>	<b>160.9</b>	<b>411.6</b>	<b>580.4</b>	559.8
New endowments	-	0.1	8.2	<b>8.3</b>	5.8
Investment income	0.2	3.8	9.8	<b>13.8</b>	20.5
Expenditure	-	(3.9)	(23.9)	<b>(27.8)</b>	(20.2)
Increase in market value of investments	0.4	8.2	21.5	<b>30.1</b>	14.5
	0.6	8.2	15.6	<b>24.4</b>	20.6
Transfers	-	0.7	(0.7)	-	-
<b>As at 31 July</b>	<b>8.5</b>	<b>169.8</b>	<b>426.5</b>	<b>604.8</b>	580.4
<b>Represented by:</b>					
Capital	7.8	149.5	384.9	<b>542.2</b>	508.6
Accumulated income	0.7	20.3	41.6	<b>62.6</b>	71.8
	8.5	169.8	426.5	<b>604.8</b>	580.4
<b>Analysis by type of purpose:</b>					
Chairs and lectureships	-	8.3	26.2	<b>34.5</b>	56.4
Prizes and scholarships	-	61.9	97.0	<b>158.8</b>	136.8
Other	8.5	99.6	303.3	<b>411.4</b>	387.2
	8.5	169.8	426.5	<b>604.8</b>	580.4
<b>Non-current asset investments:</b>					
Equities	3.5	76.7	179.1	<b>259.3</b>	232.5
Fixed interest stocks	0.2	4.7	11.1	<b>16.0</b>	20.4
Property	1.2	26.1	61.1	<b>88.4</b>	85.6
Multi asset	2.1	46.5	108.7	<b>157.3</b>	150.9
Venture capital	0.4	7.9	18.4	<b>26.7</b>	26.9
Bank deposits held at fund managers	0.1	1.4	3.1	<b>4.6</b>	1.6
Bank deposits held by the Institution	0.3	7.5	17.5	<b>25.3</b>	1.5
Non-current asset investments	7.8	170.8	399.0	<b>577.6</b>	519.4
Fixed-term deposit	-	-	25.8	<b>25.8</b>	30.8
Capital debtor	-	-	18.7	<b>18.7</b>	28.4
Revenue cash	0.7	(0.4)	(37.1)	<b>(36.8)</b>	5.4
Current asset - working capital	-	(0.6)	20.1	<b>19.5</b>	(3.6)
Total endowment assets	8.5	169.8	426.5	<b>604.8</b>	580.4

#### Endowment reserves

Consolidated and Institution.

The University's Endowment Fund is invested in the University of Edinburgh Endowment and Investment Fund (see note 16) which is invested with a number of fund managers and in different asset types to diversify risk.

#### Current endowment assets

Current endowment assets include fixed-term cash deposits, capital debtors, revenue cash and working capital held by the University's endowments.

Total endowment assets have increased from £580.4 million to £604.8 million in 2024/25. A presentational change in the accounting process between revenue cash and working capital during the year has resulted in significant balance variances within the endowment assets.

## Notes to the financial statements (continued)

### 23. Restricted reserves

#### Consolidated

	Capital grants £m	Donations and revenue grants £m	2025 Total £m	2024 Total £m
<b>Balance as at 1 August</b>	-	98.9	<b>98.9</b>	63.1
New donations and grants receivable	18.2	87.3	<b>105.5</b>	145.4
Capital grants utilised	(18.2)	-	<b>(18.2)</b>	(28.6)
Expenditure	-	(90.6)	<b>(90.6)</b>	(81.0)
<b>Total restricted comprehensive (expenditure)/income for the year</b>	-	(3.3)	<b>(3.3)</b>	35.8
Transfers	-	(7.5)	<b>(7.5)</b>	-
<b>Balance as at 31 July</b>	-	88.1	<b>88.1</b>	98.9
<b>Closing reserves comprise the following funds:</b>				
Donations			<b>52.6</b>	49.5
Capital grants			-	-
Other grants			<b>9.8</b>	25.8
Funds held at Institution of Edinburgh Development Trust			<b>25.7</b>	23.6
			<b>88.1</b>	98.9

#### Institution

	Capital grants £m	Donations and revenue grants £m	2025 Total £m	2024 Total £m
<b>Balance as at 1 August</b>	-	75.3	<b>75.3</b>	40.7
New donations and grants receivable	18.2	63.3	<b>81.5</b>	99.5
Capital grants utilised	(18.2)	-	<b>(18.2)</b>	(20.7)
Expenditure	-	(68.7)	<b>(68.7)</b>	(44.2)
<b>Total restricted comprehensive (expenditure)/income for the year</b>	-	(5.4)	<b>(5.4)</b>	34.6
Transfers	-	(7.5)	<b>(7.5)</b>	-
<b>Balance as at 31 July</b>	-	62.4	<b>62.4</b>	75.3



## Notes to the financial statements (continued)

### 24. Revaluation reserve

Consolidated and Institution	Heritage assets £m	2025 Total £m	2024 Total £m
<b>Balance as at 1 August and 31 July</b>	208.4	<b>208.4</b>	208.4

### 25. Cash and cash equivalents

Consolidated	2025 £m	2024 £m
<b>Balance as at 1 August</b>	<b>240.1</b>	455.7
Net change in cash and cash equivalent balances	<b>(23.1)</b>	(215.6)
<b>Balance as at 31 July</b>	<b>217.0</b>	240.1

Institution	2025 £m	2024 £m
<b>Balance as at 1 August</b>	<b>217.7</b>	434.9
Net change in cash and cash equivalent balances	<b>(26.7)</b>	(217.2)
<b>Balance as at 31 July</b>	<b>191.0</b>	217.7

## Notes to the financial statements (continued)

### 26. Consolidated reconciliation of net debt

	Net debt 1 August 2024 £m	Cash flows £m	Repayment of loans £m	Other non-cash changes £m	Net debt 31 July 2025 £m
Cash and cash equivalents	240.1	(23.1)	-	-	<b>217.0</b>
Unsecured loans falling due within one year	(6.4)	-	8.8	(10.3)	<b>(7.9)</b>
Unsecured loans falling due after more than one year	(521.2)	-	-	8.1	<b>(513.1)</b>
Concessionary loans falling due within one year	(2.2)	-	2.2	(2.2)	<b>(2.2)</b>
Concessionary loans falling due after more than one year	(16.8)	-	-	2.3	<b>(14.5)</b>
Finance lease obligations due within one year	(0.1)	-	0.1	(0.1)	<b>(0.1)</b>
Finance lease obligations due after more than one year	(0.2)	-	-	0.1	<b>(0.1)</b>
	(546.9)	-	11.1	(2.1)	<b>(537.9)</b>
<b>Total net debt</b>	<b>(306.8)</b>	<b>(23.1)</b>	<b>11.1</b>	<b>(2.1)</b>	<b>(320.9)</b>

### Consolidated reconciliation of net debt

No new loans were taken out during the financial year 2024/25 (2024: £13.3 million).

### 27. Capital and other commitments

	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
Commitments contracted for as at 31 July	<b>60.1</b>	<b>60.1</b>	133.5	133.5

## Notes to the financial statements (continued)

### 28. Contingent liabilities

#### Pension schemes

In June 2023, the UK High Court judged that amendments made to the Virgin Media pension scheme were invalid because the scheme's actuary did not provide the associated Section 37 certificate. The High Court's decision has wide ranging implications, affecting other schemes that were contracted-out on a salary-related basis and made amendments between April 1997 and April 2016. The University of Edinburgh Staff Benefits Scheme, Lothian Pension Fund scheme and Strathclyde Pension Fund schemes were contracted out during this period and amendments were made during the relevant period. As such the ruling could have implications for the University. The Department for Work and Pensions' (DWP) statement, published on 5 June 2025, indicates that legislation will allow affected schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the standards required.

EUSBS Trustees carried out an initial scoping review to confirm what historical documentation is immediately available. They remain comfortable that they can take a 'wait and see' approach, and will advise further on whether they may wish to obtain retrospective actuarial confirmations to cover any document gaps.

The University confirms that the amount of any potential impact on the defined benefit obligations for these schemes cannot be confirmed and/or measured with sufficient reliability. We are therefore disclosing this issue as a contingent liability as at 31 July 2025 and will review again in 2026.

#### Subsidiary companies

The University has given written undertakings to support its subsidiary companies for at least twelve months from the date of approval of their financial statements.

### 29. Lease obligations

Total rentals payable under operating leases:

	2025			2024
	Land and buildings £m	Other leases £m	Total £m	Total £m
<b>Payable during the year</b>	33.4	0.1	<b>33.5</b>	32.4
<b>Future minimum lease payments due:</b>				
Due within one year	17.1	-	<b>17.1</b>	21.7
Due between two and five years	65.2	-	<b>65.2</b>	64.1
Due in five years or more	97.2	-	<b>97.2</b>	113.7
<b>Total lease payments due</b>	179.5	-	<b>179.5</b>	199.5

### 30. Events after the reporting period

In the interval between the end of the financial year and the date of this report, there were no items, transactions or events of a material and unusual nature likely, in the opinion of University Court, to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in subsequent financial years.



## Notes to the financial statements (continued)

### 31. Subsidiary undertakings

Subsidiary undertakings comprise companies, charities and partnerships registered in Scotland as follows:

Subsidiary	% holding	Principal activities and other organisational information
Edinburgh Innovations Limited	100%	Commercialisation of the world-class research and academic expertise at the University of Edinburgh to potential funders, collaborators, licensees or investors.
Old College Capital Holdings Limited (previously known as: Edinburgh Technology Fund Limited)	100%	Management of investment funds providing seed corn venture capital for early-stage high technology developments and the management of its portfolio of investments made using its funds.
UoE Accommodation Limited	100%	Non-student lettings and the provision of nursery childcare services for the University of Edinburgh.
UoE HPCX Limited	100%	Provision of high-performance computing services.
UoE Estates Services Company Limited	100%	Provision of utility services to the University.
Old College Capital LP, SI and GP	100%	Old College Capital GP Limited acts as a general partner in two Scottish Limited Partnerships. The first is Old College Capital LP which makes early and mid-stage investments into selected companies that emerge from the University and the second is Old College Capital SI LP, which invests in Epidarex, a venture capital fund. In addition, for both these Limited Partnerships, the University is the limited partner.
Research into Results Limited	100%	The company is currently dormant. Some of the company's cash reserves are being used to fund research projects within the University.
Edinburgh University Press Limited	100%	A charity registered in Scotland, registered charity number SC035813, incorporated as a limited company. The principal activity of Edinburgh University Press Limited is the publication of educational books and journals.
EUSBS Trustees Limited	100%	EUSBS Trustees Limited was incorporated to act as a single corporate trustee for the University of Edinburgh Staff Benefits Scheme and replace the individual trustee structure in place at the time. The entity is dormant.
Fintech Scotland Limited	100%	A company limited by guarantee, currently dormant. As a strategic enabler, the company establishes collaboration within the Fintech ecosystem. The company has been dormant since incorporation.
The University of Edinburgh Development Trust	100%	A charity registered in Scotland, registered charity number SC004307. The trust is classed as a "quasi-subsidiary" of the University under the guidelines of FRS 102: Section 2 Concepts and Pervasive Principles. The primary purpose of the Trust is to act as a fund raiser of funds for the benefit of the University.
The Andrew Grant Bequest	n/a	A charity registered in Scotland, Registered Charity No SC001097. The trust is classed as a "quasi-subsidiary" of the University under the guidelines of FRS 102: Section 2 Concepts and Pervasive Principles. The primary purpose of the charity is to manage the monies in The Andrew Grant Bequest in accordance with the terms of the original benefaction from Andrew Grant.
Smart Data Foundry	100%	Provision of data-driven insights for the research purposes, data-driven solutions for the public sector and supply of synthetic data

Other subsidiary undertakings are as follows:

Subsidiary	% holding	Principal activities and other organisational information
University of Edinburgh Deaconess Limited	100%	A company registered in England. The main activities are that of investing in and operating student accommodation property, and in particular, Deaconess House.
Hong Kong Centre for Carbon Innovation Limited	100%	A company registered in Hong Kong. The company was set up to establish itself as a hub for education, research and development, and application of world-class low carbon solutions with strong partnerships among the UK, Hong Kong and China. The company was dissolved in January 2024.
The Hong Kong Foundation for The University of Edinburgh Limited	100%	The Hong Kong Charitable Foundation was established to facilitate donations being made to the University from Hong Kong residents.

## Notes to the financial statements (continued)

### 31. Subsidiary undertakings (continued)

#### Overseas offices

The University operates overseas offices of which several are incorporated including the North American Office - University of Edinburgh incorporated, registered in the United States which supports the University's activity in North America.

Associated undertakings include the following:

Associated undertaking	Principal activities and other organisational information
Research Data Scotland	Research Data Scotland is a joint venture between the Scottish Government, Public Health Scotland and the University of Edinburgh and is a registered Scottish charity. The charity is a company limited by guarantee. The company's mission is to improve the economic, social and environmental wellbeing in Scotland by enabling access to and linkage of data about people, places and businesses for research in the public good.
Edinburgh International Investments Limited	The Shenzhen initiative is a partnership between the University and the China-based Good Fellow Healthcare Holdings Limited. The collaboration will develop medical and scientific knowledge over the next three years.
The Alan Turing Institute	The Alan Turing Institute was created as the national institute for data science in 2015. In 2017, as a result of a government recommendation, artificial intelligence was added to the remit. The University was one of the five founding universities in 2015. An additional eight new universities joined the Institute in 2018.
Rosalind Franklin Institute	The University is a member of the Rosalind Franklin Institute along with nine other UK universities, Diamond Light Source and the research council UKRI-STFC. The national institute, funded by the UK government through UK Research and Innovation, is dedicated to bringing about transformative changes in life science through interdisciplinary research and technology development.
Roslin Technologies Limited	Roslin Technologies Limited is a joint venture between the University of Edinburgh and two investment and business development partners. The Company's principal activity is to commercialise the intellectual property, capabilities and knowhow of The Roslin Institute and The Royal (Dick) School of Veterinary Studies.
Scottish Universities Environmental Research Centre (SUERC)	SUERC is an independent research organisation jointly owned by the Universities of Glasgow and Edinburgh. SUERC is administered by the University Court of the University of Glasgow and was established to provide the Universities of the Scottish Consortium collaborative access to expensive equipment and specialist expertise. The main areas of strength are in geochemistry, radiochemistry and isotope bio geosciences.
EBQ3 Limited	EBQ3 Limited is a dormant company, jointly controlled with The City of Edinburgh Council and NHS Lothian. EBQ3 Limited was established to translate ground breaking research and discoveries into new treatment and cures, as well as delivering significant social, cultural and economic benefits to Edinburgh, Scotland and the UK, and life-enhancing health advances to the world. The company was dissolved in August 2025.
Universitas 21 Limited	The University of Edinburgh is an active member of Universitas 21. All U21 member institutions work together to foster global citizenship and innovation through research-inspired teaching, student mobility, networking and advocacy for internationalisation. The network's purpose is to facilitate collaboration and cooperation between the member universities and to create opportunities for them on a scale that none of them would be able to achieve operating independently or through traditional bilateral alliances.

In addition to the above associated undertakings, the Group and University nominate members of other companies limited by guarantee. The University has also acquired equity positions in the issued capital of several start-up / spinout companies limited by shares, largely acquired as part of intellectual property licence agreements. These shareholdings have been valued in accordance with FRS 102 and the International Private Equity and Venture Capital Valuation Guidelines using the last round price where possible as a starting point for estimating fair value. The value of the University investment in these companies can be found in note 16. Any investment with a value greater than £500,000 is listed separately.

## Notes to the financial statements (continued)

### 32. Connected charitable institutions

#### Consolidated

	Total net assets opening balance £m	Income £m	Expenditure £m	Change in market value £m	Total net assets closing balance £m
University of Edinburgh Development Trust (Scottish Charity No. SC004307)	24.5	24.7	(23.7)	-	<b>25.5</b>
Edinburgh University Press Limited (Scottish Charity No. SC035813)	2.6	2.0	(2.0)	-	<b>2.6</b>
The Andrew Grant Bequest (Scottish Charity No. SC001097)	6.2	0.2	(0.2)	0.3	<b>6.5</b>
	<b>33.3</b>	<b>26.9</b>	<b>(25.9)</b>	<b>0.3</b>	<b>34.6</b>

#### Not consolidated

	Total net assets opening balance £m	Income £m	Expenditure £m	Change in market value £m	Total net assets closing balance £m
Edinburgh University Students' Association* (Scottish Charity No. SC015800)	(0.6)	10.9	(10.7)	-	<b>(0.4)</b>
Edinburgh University Sports Union (Scottish Charity No. SC009248)	0.2	1.2	(1.1)	-	<b>0.3</b>
	<b>(0.4)</b>	<b>12.1</b>	<b>(11.8)</b>	<b>-</b>	<b>(0.1)</b>

#### Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. Three of the connected institutions are included as a subsidiary undertaking in these consolidated financial statements; the others are not included in the consolidation since the University does not have control over their activities.

The University Court is also the sole Corporate Trustee of Andrew Grant Bequest which is included in the Group accounts of the University.

\*Note the Edinburgh University Students' Association figures are at 31 March 2025, which is in line with their reporting year end.

## Notes to the financial statements (continued)

### 33. Pension schemes

#### University pension schemes

The University participates in three active pension schemes; the Universities Superannuation Scheme (USS), the University of Edinburgh Staff Benefits Scheme (EUSBS) and the National Employee Savings Trust (NEST), and operates salary sacrifice for active staff members of these schemes. The University also participates in other legacy pension schemes on behalf of both retired and active members. These legacy schemes are closed to new University employees but some former employees of Moray House Institute of Education, Edinburgh College of Art and the Medical Research Council Human Genetics Unit remain members of the Scottish Teachers Superannuation Scheme (STSS), the Strathclyde Pension Fund (SPF), the Lothian Pension Fund (LPF) and the Medical Research Council Pension Scheme (MRCPS). The University also participates in a Scottish Widows Group Personal Pension (GPP) for staff in certain sections of Edinburgh Innovations (EI) that were transferred to the University. The Federated Superannuation Scheme for Universities (FSSU) covers a small number of academic staff that did not transfer to USS when it was introduced in 1975.

USS, STSS, MRCPS and NHSSS are multi-employer schemes and, given the mutual nature of the schemes, it is not possible to identify the University's share of the assets and liabilities for these schemes. Consequently, the University cannot apply defined benefit accounting and, according to Section 28 FRS 102, the schemes are accounted for as defined contribution schemes. Costs charged to the consolidated statement of comprehensive income and expenditure (the Consolidated Statement) shown below reflect the contributions in year. No share of any deficit or surplus in the STSS, MRCPS and NHSSS schemes are included in these financial statements. A liability for the future contributions payable to USS that relate to a deficit recovery plan agreement is recognised and the resulting expense is included in the Consolidated Statement.

The EUSBS, SPF and LPF schemes are accounted for under FRS 102, Section 28 and the funded pension costs charged to the Consolidated Statement shown below reflect the service cost calculated under FRS 102. The FRS 102 disclosures of the University pension assets, liabilities and costs are included at the end of this note.

#### Overall scheme participation and pension costs

	Employer contribution rate as at 31 July 2025	Employee contribution rate as at 31 July 2025	Active members as at 31 July 2025 Number	Pension costs year to 31 July 2025 £'000	Active members as at 31 July 2024 Number	Pension costs year to 31 July 2024 £'000
<b>Defined contribution plan</b>						
USS	14.5%	6%	10,927	108,715	10,772	115,557
STSS	26%	7.35% to 12.14%	34	619	44	515
MRCPS	17%	5.25% to 6.5%	21	228	25	244
NEST	3%	5%	2,041	3,627	2,193	3,426
GPP	14%	5%	2	43	3	55
Other: NHS and subsidiaries	23%	5.7% to 13.7%	368	5,059	114	4,015
Sub-total: members and costs			13,393	118,291	13,151	123,812
<b>Defined benefit plan</b>						
EUSBS	15.6%	6.1%	1,711	9,900	1,638	9,300
SPF	6.5%	5.5% to 11.2%	12	117	14	62
LPF	23.4%	5.5% to 11.2%	5	126	12	126
Sub-total: members and service cost per FRS 102 disclosures below			1,728	10,143	1,664	9,488
Total: members and cost			15,121	128,434	14,815	133,300



## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

#### Key actuarial assumptions

Key actuarial assumptions				Current pensioners mortality rate <sup>1</sup>		Non-pensioners mortality rate	
	Discount rate	Salary increase rate	Pensions increase rate	Males	Females	Males	Females
Valuations under FRS 102 as at 31 July 2025							
EUSBS	5.75%	3.55% <sup>2</sup>	2.55% <sup>3</sup>	20.1	23.7	21.6	25.5
LPF	5.75%	3.50%	2.80%	20.7	23.6	20.8	25.0
SPF	5.75%	3.50%	2.80%	20.6	23.6	21.4	24.8

1. Mortality rates are based on assumed life expectancy at the retirement age.
2. Salary increases are assumed to be 3.55 per cent based on CPI plus 1 per cent.
3. Benefits after 31 December 2016.

#### The Universities Superannuation Scheme (USS)

The institution participates in the USS. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution 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. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised. Since the scheme is in surplus, the University is no longer required to make deficit recovery contributions from 1 January 2024.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control, typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the USS. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit). The resulting expense is recorded in the Consolidated Statement in accordance with section 28 of FRS 102. Court is satisfied that the scheme provided by the USS meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

The total current service cost charged to the Consolidated Statement is £108.7 million (2024: £115.6 million) as shown in the overall scheme participation and pension costs table.

The latest available completed actuarial valuation of the Retirement Income Builder section of the Scheme is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method. Since the institution cannot identify its share of USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole. The 2023 valuation was the seventh valuation for USS under the scheme specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions.

At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111 per cent.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the [Statement of Funding Principles](#).

## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

Pension increases (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% per annum to 2030, reducing linearly by 0.1% per annum from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps. Benefits subject to a “soft cap” of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps.
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5 % per annum Post-retirement: 0.9 % per annum

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

#### 2023 valuation

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

The current life expectancies on retirement at age 65 are:

	2025	2024
Males currently aged 65 (years)	<b>23.8</b>	23.7
Females currently aged 65 (years)	<b>25.5</b>	25.6
Males currently aged 45 (years)	<b>25.7</b>	25.4
Females currently aged 45 (years)	<b>27.2</b>	27.2

Under the 2023 valuation the scheme was in surplus on a technical provisions basis, the University was no longer required to make deficit recovery contributions from 1 January 2024.

## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

#### Scottish Teachers Superannuation Scheme (STSS)

The STSS provides final salary benefits to former members of the Moray House School of Education and is a multi-employer defined benefits scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for a defined contribution scheme. The last four-yearly valuation was carried out as at 31 March 2020 and a shortfall of £2.9 billion was identified in the notional fund.

As the scheme is unfunded, no surplus or shortfall can be identified. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contribution is set with reference to a funding valuation undertaken by the scheme actuary.

#### Medical Research Council Pension Scheme (MRCPS)

As a result of the merger with the Human Genetics Unit, the University obtained membership of the MRCPS with effect from 1 October 2011. The MRCPS is a final salary, defined benefit pension scheme. Under the terms of the merger the MRCPS is responsible for past service liabilities prior to the merger and the University is responsible for the future service from the merger date.

The required MRCPS contribution rate is assessed every three years in accordance with advice of the Government Actuary. Triennial valuations are conducted under the Pensions Act 2004 on a scheme specific funding basis using the project unit method. The latest actuarial assessment of the MRCPS was at 31 December 2022. At the valuation date, the value of the assets of the MRCPS was £1.92 billion (2019: £1.76 billion) and the value of the scheme's technical provisions was £1.31 billion indicating a surplus of £607 million. The assets were therefore sufficient to cover 146 per cent of the benefits that accrued to members after allowing for expected future increases in earnings. As a result of the 2022 valuation, the trustees determined it would be appropriate to continue making employer contributions at a rate of 16.9 per cent of pensionable salary.

#### National Employee Savings Trust (NEST)

The University joined the NEST scheme in March 2013 to provide a low-cost alternative pension to EUSBS scheme membership. NEST is administered by a Trustee and was established as a result of the 2008 Pensions Act, which introduced the requirement to automatically enrol workers into a workplace pension scheme if they:

- are aged between 22 and State Pension Age;
- earn more than £10,000 a year; and
- work in the UK.

NEST is a defined contribution scheme. Pension contribution rates will be set by the scheme's actuary at a level to meet the cost of pensions as they accrue.

#### Group Personal Pension (GPP)

As a result of the pre-award research project administration and legal teams of Edinburgh Innovations (EI) being transferred to the University, the University gained a number of staff in a Scottish Widows GPP. This is a defined contribution pension scheme.

#### National Health Service Superannuation Scheme (NHSSS)

As a result of the merger with the Human Genetics Unit, the University gained a number of staff in the NHSSS pension scheme. Under the definitions set out in FRS 102, the NHSSS is a multi-employer scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted as if it were a defined contribution scheme. An actuarial assessment was carried out as at 31 March 2020. At that date the scheme had total liabilities of £43.6 billion and notional assets of £39.7 billion giving a notional past service deficit of £3.9 billion.

#### The Federated Superannuation Scheme for Universities (FSSU)

FSSU was a defined benefit scheme and covered a very small number of academic staff who did not transfer to USS when it was introduced in 1975. Pension provision was by means of assurance policies, selected by the member from a panel and held in trust by the Trustees. Persons who retired under the scheme are entitled to additional benefits that may arise under the FSSU supplementation scheme. These additional benefits are unfunded and are paid direct to retired members by Court. Full provision has been made in the year for the actuarial valuation of the liabilities of this scheme.

There are no active members but the University has one retired member in receipt of FSSU supplementation retirement benefits.

#### Unfunded pensions

The University has a number of unfunded pensions which relate to the mergers with the Edinburgh College of Art and the Moray House School of Education and ex-gratia payments from the University. The value of these liabilities is £3.3 million (2024: £3.7 million). This comprises:

- Moray House School of Education and Edinburgh College of Art: £2.8 million (2024: £3.2 million).
- The University of Edinburgh: £0.5 million (2024: £0.5 million).

## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

#### Edinburgh University Staff Benefits Scheme (EUSBS)

The assets and liabilities of the EUSBS scheme were:

	Value at 31 July 2025 £m	Value at 31 July 2024 £m	Value at 31 July 2023 £m
Market value of assets:			
Equities	88.8	94.6	96.1
Debt securities - corporate	13.0	12.5	-
Property	42.9	38.4	40.2
Liability driven investments	131.3	133.5	136.1
Private equity and diversified growth funds	114.3	122.8	120.9
Cash	5.0	8.5	2.0
Total market value of assets	395.3	410.3	395.3
Present value of scheme liabilities	(399.1)	(442.4)	(415.6)
Deficit in the scheme - net pension liability	(3.8)	(32.1)	(20.3)

#### Edinburgh University Staff Benefits Scheme (EUSBS)

The EUSBS is an externally-funded defined benefit scheme. The assets of EUSBS are held in a separate trustee-administered fund. The latest formal triennial actuarial valuation was carried out as at 31 March 2024 and has been rolled forward as the basis for the following valuation under FRS 102. As at 31 July 2025, the value of the assets in the scheme was £395.3 million (2024: £410.3 million) and the present value of the funded and unfunded benefits accrued was £399.1 million (2024: £442.4 million), leaving a shortfall of £3.8 million (2024: £32.1 million) included in the University pension liability. Deficit funding of £1.5 million was paid in April 2024. As the scheme is now in a surplus position based on the latest valuation, deficit funding contributions ceased during the financial year.

Further information is available at:

[Staff Benefits Scheme details](#)

#### Lothian Pension Fund (LPF)

The University's share of assets in the LPF scheme were:

	Value at 31 July 2025 £m	Value at 31 July 2024 £m	Value at 31 July 2023 £m
Market value of assets:			
Equities	7.0	7.7	8.1
Bonds	12.2	12.4	12.1
Property	0.8	0.9	0.9
Cash	0.6	1.1	1.3
Total market value of assets	20.6	22.1	22.4
Present value of scheme liabilities			
Funded	(16.4)	(18.1)	(17.6)
Unfunded	(0.1)	(0.1)	(0.1)
Surplus in the scheme - net pension asset	4.1	3.9	4.7
Effect of asset cap on surplus <sup>1</sup>	-	(0.5)	(4.7)
Surplus in the scheme - net pension asset	4.1	3.4	-

1. An asset cap is applied to the scheme surplus to reduce the accounting surplus to the cessation valuation.

#### Lothian Pension Fund (LPF)

Former members of the Edinburgh College of Art are members of the LPF scheme, which is an externally-funded, multi-employer, defined benefits scheme from which pensions and other related benefits are paid. LPF is a pool into which employees' and employers' contributions and income from investments are paid, and from which previous and other related benefits are paid out, in accordance with the provisions of the Local Government Pension Scheme. The last full valuation was carried out as at 31 March 2023 and the results have been rolled forward as the basis for the following valuation under FRS 102. As at 31 July 2025, the value of the University's assets in the LPF scheme was £20.6 million (2024: £22.1 million) and the present value of the funded and unfunded benefits accrued was £16.5 million (2024: £18.2 million), leaving a surplus of £4.1 million (2024: £3.9 million). A cessation valuation for the scheme was £4.2 million as at 31 July 2025. As the accounting surplus of £4.1 million was lower than the cessation valuation of £4.2 million, it has been deemed appropriate to recognise the accounting surplus as at 31 July 2025. No asset cap was therefore applied to the scheme surplus as at 31 July 2025. Further information on the scheme is available at: [lpf.org.uk](http://lpf.org.uk)



## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

#### Strathclyde Pension Fund (SPF)

The University's share of assets in the SPF scheme were:

	Value at 31 July 2025 £m	Value at 31 July 2024 £m	Value at 31 July 2023 £m
Market value of assets:			
Equities	28.7	27.9	25.7
Bonds	10.4	11.2	11.4
Property	4.2	4.0	4.2
Cash	3.8	1.9	0.8
Total market value of assets	47.1	45.0	42.1
Present value of scheme liabilities:			
Funded	(20.0)	(22)	(21.8)
Unfunded	(0.2)	(0.2)	(0.2)
Surplus in the scheme - net pension asset	26.9	22.8	20.1
Effect of asset cap on surplus <sup>1</sup>	(2.5)	(2.4)	(4.1)
Surplus in the scheme - net pension asset	24.4	20.4	16.0

1. An asset cap is applied to the scheme surplus to reduce the accounting surplus to the cessation valuation.

#### Strathclyde Pension Fund (SPF)

Former members of the Moray House School of Education are members of the SPF scheme, which is an externally-funded, multi-employer, defined benefits scheme from which pensions and other related benefits are paid. SPF was, under the State Pension rules up to 5 April 2016, contracted out of the State Second Pension (S2P) scheme. From 6 April 2016, employees are no longer able to contract out of the S2P. SPF is a pool into which employees' and employers' contributions and income from investments are paid, and from which previous and other related benefits are paid out, in accordance with the provisions of the Local Government Pension Scheme. The last full valuation was carried out as at 31 March 2023 and the results have been rolled forward as the basis for the following valuation under FRS 102.

As at 31 July 2025, the value of the University's assets in the SPF scheme was £47.1 million (2024: £45.0 million) and the value of the funded and unfunded benefits accrued was £20.2 million (2024: £22.2 million), leaving a surplus of £26.9 million (2024: £22.8 million surplus). A cessation valuation for the scheme was £24.7 million as at 31 July 2025. Including unfunded obligations, we have determined that an asset cap of £2.5 million is appropriate for SPF and the variance between accounting surplus presented and cessation valuation.

Further information on the scheme is available at:

[spfo.org.uk](https://spfo.org.uk)

## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

#### FRS 102 disclosures

The following amounts were measured in accordance with the requirements of FRS 102 in respect of EUSBS, SPF and LPF and have been recognised in these financial statements.

The unfunded liability associated with ex-gratia pensions is included for clarity.

	2025 £m	2024 £m
<b>Analysis of the amount shown in the balance sheet for EUSBS, LPF and SPF pensions:</b>		
Scheme assets (gross)	463.0	477.4
Surplus restriction	(2.5)	(2.9)
Scheme assets	460.5	474.5
Scheme liabilities	435.7	482.8
(Surplus)/deficit in the schemes – net pension liability recorded within pension provisions (note 21)	(24.8)	8.3
Unfunded <i>ex gratia</i> pension liability	3.3	3.8
<b>Total provision for net (asset)/liability</b>	<b>(21.5)</b>	12.1
Current service costs	8.6	8.0
Administration costs	1.4	1.4
Past service cost	0.1	0.0
<b>Total operating charge</b>	<b>10.1</b>	9.4
<b>Analysis of the amount charged to interest payable</b>		
Interest costs	23.2	22.7
Expected return on assets	(23.3)	(23.4)
<b>Net charge to other interest and other finance costs</b>	<b>(0.1)</b>	(0.7)
<b>Analysis of other comprehensive income:</b>		
Loss/(gain) on assets	24.8	(1.7)
Actuarial remeasurement gain due to experience	(0.6)	(1.8)
Actuarial remeasurement (gain)/loss due to changes in assumptions	(53.8)	16.2
<b>Total (gain)/loss to other comprehensive income before deduction for tax</b>	<b>(29.6)</b>	12.7

Analysis of movement in (surplus)/deficit	2025 £m	2024 £m
<b>Deficit at the beginning of the year</b>	<b>8.3</b>	4.2
Contributions or benefits paid by the Institution	(13.5)	(15.8)
Additional contributions paid by the Institution	-	(1.5)
Current service costs	8.6	8.0
Past service cost	0.1	-
Other finance costs	(0.1)	(0.7)
Administration costs	1.4	1.4
(Gain)/loss recognised in other comprehensive income	(29.4)	12.7
<b>(Surplus)/deficit at the end of the year</b>	<b>(24.8)</b>	8.3

## Notes to the financial statements (continued)

### 33. Pension schemes (continued)

#### Analysis of movement in the present value of liabilities

	2025 £m	2024 £m
<b>Present value of liabilities at the start of the year</b>	<b>482.8</b>	439.4
SPF surplus recognition transfer to asset	-	16.0
Current service costs	<b>8.6</b>	8.0
Administration costs	<b>1.4</b>	1.4
Interest costs	<b>23.2</b>	22.7
Past service cost recorded within other comprehensive income	<b>0.1</b>	-
Actual member contributions	<b>0.2</b>	0.2
Actuarial (gain)/loss on liabilities	<b>(54.4)</b>	18.6
Actual benefit payments	<b>(26.2)</b>	(23.5)
<b>Present value of liabilities at the end of the year</b>	<b>435.7</b>	482.8

#### Analysis of movement in the fair value of scheme assets

	2025 £m	2024 £m
<b>Fair value of assets at the start of the year</b>	<b>474.5</b>	435.2
SPF surplus recognition transfer to asset	-	16.0
Expected return on assets	<b>23.3</b>	23.4
Actuarial (loss)/gain on assets	<b>(24.8)</b>	5.9
Actual scheme contributions paid by the Institution*	<b>13.5</b>	15.8
Additional contributions paid by the Institution**	-	1.5
Actual member contributions	<b>0.2</b>	0.2
Actual benefit payments	<b>(26.2)</b>	(23.5)
<b>Fair value of scheme assets at the end of the year</b>	<b>460.5</b>	474.5

\*Actual contributions in the financial year are £13.5 million (2024: £15.8 million) based on the same member take up in the Salary Sacrifice arrangement.

\*\*A £1.5 million contribution was made to the EUSBS in 2023/24 as part of a deficit recovery plan while the scheme was still in deficit. As the scheme is now in a surplus position based on the latest valuation, deficit funding contributions ceased during the financial year.

#### Actual return on scheme assets

	2025 £m	2024 £m
Expected return on assets	<b>23.3</b>	23.4
Actuarial (loss)/gain on assets	<b>(24.8)</b>	5.9
	<b>(1.5)</b>	29.3

	2025	2024	2023	2022	2021
<b>Difference between actual and expected gain/(loss) on scheme assets:</b>					
Amount (£m)	<b>24.8</b>	5.9	(110.5)	(86.2)	75.9
% of assets at the end of the year	<b>5.4%</b>	1.2%	(25.4%)	(16.2%)	12.4%
<b>Experience gains/(loss) on scheme liabilities:</b>					
Amount (£m)	<b>54.4</b>	(18.6)	140.8	222.2	(54.2)
% of liabilities at the end of the year	<b>12.5%</b>	(3.9%)	(32.0%)	39.0%	(7.0%)

## Notes to the financial statements (continued)

### 34. Financial instruments

Note(s)	2025		2024	
	Consolidated £m	Institution £m	Consolidated £m	Institution £m
<b>Financial assets</b>				
Cash and cash equivalents	<b>217.0</b>	<b>191.0</b>	240.1	217.7
<i>Measured at fair value through profit and loss</i>				
Non-current investments	<b>951.7</b>	<b>938.2</b>	955.4	956.2
<i>Measured at amortised cost</i>				
Non-current investments	<b>14.7</b>	<b>14.7</b>	14.1	14.1
Trade and other receivables	<b>288.1</b>	<b>270.7</b>	312.0	291.4
Investments in short-term deposits	<b>139.0</b>	<b>139.0</b>	139.0	139.0
Amounts due from subsidiary companies	-	<b>32.9</b>	-	29.1
	<b>1,610.5</b>	<b>1,586.5</b>	1,660.6	1,647.5
<b>Financial liabilities</b>				
<i>Measured at amortised cost</i>				
Unsecured and concessionary loans	<b>537.7</b>	<b>537.7</b>	549.0	549.0
Trade payables	<b>50.3</b>	<b>41.9</b>	42.8	33.0
Accruals	<b>89.0</b>	<b>89.0</b>	85.2	85.2
Other creditors	<b>7.5</b>	<b>8.5</b>	9.0	9.0
Finance lease liabilities	<b>0.2</b>	<b>0.2</b>	0.3	0.3
Amounts due to subsidiary companies	-	<b>50.7</b>	-	46.1
	<b>684.7</b>	<b>728.0</b>	686.3	722.6

### Financial instruments

The financial statements have been prepared on the historical cost convention (modified by the revaluation of heritage assets and investments), except for certain financial assets and liabilities which are carried at fair value or amortised cost as appropriate. Fair value measurements are, to the extent possible, based on quoted prices in active markets for identical assets or liabilities that the entity can access. Where quoted prices are not available, the University to the extent possible, uses observable market data for the asset or liability, either directly or indirectly. All other fair value measurements are based on unobservable inputs for the asset or liability. Further details are provided in the accounting policies.

### 35. Student support payments

	HE childcare £'000	HE discretionary £'000	HE other £'000	2025 Total £'000	2024 Total £'000
<b>Balance as at 1 August</b>	-	-	-	-	7.0
Allocation received in year	173.1	720.0	19.4	<b>912.5</b>	825.0
Funds returned	-	(0.6)	(18.4)	<b>(19.0)</b>	(7.0)
Expenditure	(186.1)	(707.6)	(1.0)	<b>(894.7)</b>	(826.0)
Interest received	-	1.2	-	<b>1.2</b>	1.0
Virements	13.0	(13.0)	-	-	-
<b>Balance as at 31 July</b>	-	-	-	-	-

### Student support payments

#### Funds returned

Unspent funds from prior year returned as per Student Awards Agency Scotland guidance.



## Notes to the financial statements (continued)

### 36. Related party transactions

	Income £'000	Expenditure £'000	2025 Total £'000	Balance due at 31 July 2025 £'000
ABRDN PLC <sup>1</sup>	856.0	-	<b>856.0</b>	28,000
Advance He	-	(175.0)	<b>(175.0)</b>	(2.0)
AtkinsRéalis UK Ltd	5.0	-	<b>5.0</b>	-
Biocaptiva Limited	63.0	-	<b>63.0</b>	17.0
Eco Animal Health Ltd	3.0	-	<b>3.0</b>	-
Edinburgh International Conference Centre Ltd	-	(410.0)	<b>(410.0)</b>	-
Edinburgh University Students Association	723.0	(4,911.0)	<b>(4,188.0)</b>	(323.0)
Equity Gap Ltd	6.0	-	<b>6.0</b>	-
EUSACO LTD	-	(7.0)	<b>(7.0)</b>	-
Newbattle Abbey College	-	(12.0)	<b>(12.0)</b>	-
Roslin Cell Therapies Limited	495.0	-	<b>495.0</b>	10.0
Royal College Of Physicians Of Edinburgh	78.0	(408.0)	<b>(330.0)</b>	(5.0)
Scottish Athletics Limited	24.0	-	<b>24.0</b>	3.0
Scottish Financial Enterprise	-	(2.0)	<b>(2.0)</b>	-
Scottish Funding Council	206,795.5	-	<b>206,795.5</b>	-
Scottish Government	6,171.0	(570.0)	<b>5,601.0</b>	(22.0)
Sunamp Limited	47.0	-	<b>47.0</b>	-
The Carnegie Trust for the Universities of Scotland	340.0	-	<b>340.0</b>	212.0
The Russell Group	-	(96.0)	<b>(96.0)</b>	-
Universitas 21	7.4	(39.0)	<b>(32.0)</b>	-
	215,63.9	(6,630.0)	<b>(208,983.9)</b>	27,890.0

1. Rushad Abadan serves as a Court member and is Group General Counsel for Aberdeen Group plc. The balance represents non-current investment of £1.0 million (2024: £25.0 million) in an Aberdeen Money Market Fund and £27.0 million (2024: £23.2 million) in an Aberdeen buyout ready portfolio (for further information see note 16 Non-current investments).

#### Court members

The Court members are the trustees for charitable law purposes. Due to the nature of the University's operations and the compositions of Court, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Court may have an interest. All transactions involving organisations in which a member of Court may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures.

The University has taken advantage of the exemption allowed by FRS 102 not to disclose transactions between wholly owned Group companies. Related party transactions with University spinout companies have not been disclosed as they are not material.

No Court member has received any remuneration for their position from the Group during the year (2024: nil). As per the Higher Education Governance (Scotland) Act 2016, the Senior Lay Member is entitled to request remuneration at a level considered by the Court to be reasonable (agreed as £15,000 per annum). The Senior Lay Member has waived any remuneration and requested that the sum be instead used for in support of the Access Edinburgh Scholarship programme.

The total expenses paid to or on behalf of nine Court members was £7,073 (2024: £24,287), consisting of travel, childcare and accommodation expenses incurred in fulfilling official duties. This has decreased from the previous year as more Court meetings took place as in-person meetings.

# Five-year summary (unaudited)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR TO 31 JULY

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>Income</b>					
<b>Tuition fees and education contracts</b>					
Home and EU higher education students	135.8	134.3	133.0	131.8	135.1
Non-EU fees	388.5	363.3	353.4	335.5	272.5
Education grants	32.1	29.6	27.3	29.7	27.4
<b>Total tuition fees</b>	<b>556.4</b>	527.2	513.7	497.0	435.0
<b>Funding body grants</b>					
Recurrent teaching grant	72.7	76.2	74.5	72.2	68.5
Recurrent research grant	105.4	102.4	104.9	90.9	89.7
Specific grants	28.7	30.1	31.5	35.2	78.1
<b>Total funding body grants</b>	<b>206.8</b>	208.7	210.9	198.3	236.3
<b>Research grants and contracts</b>					
Research councils	179.9	153.0	139.1	132.8	124.4
UK based charities	84.5	70.2	65.2	74.6	66.1
UK central government bodies, local and health authorities	44.3	50.7	61.3	46.9	64.4
UK industry, commerce and public corporations	15.7	10.1	6.0	9.0	7.6
EU government bodies	7.1	20.6	21.1	28.4	31.3
EU other	9.6	9.8	6.0	4.5	3.9
Other overseas	36.0	46.1	25.1	31.9	23.7
Other sources	(1.7)	4.7	15.7	3.5	2.6
<b>Total research grants and contracts (excluding RDEC)</b>	<b>375.4</b>	365.2	339.5	331.6	324.0
<b>Other income</b>					
Residences, catering and conferences	114.9	98.3	93.3	73.8	44.7
Specific grants, donations and other designated income	87.2	91.5	85.8	102.5	86.7
General income	59.3	48.4	43.1	45.7	31.7
<b>Total other income</b>	<b>261.4</b>	238.2	222.2	222.0	163.1
<b>Investment income</b>					
Endowments and other investment income	16.2	21.8	16.5	12.2	9.8
Other interest receivable	38.1	42.6	26.8	7.7	3.4
<b>Total investment income</b>	<b>54.3</b>	64.4	43.3	19.9	13.2
<b>Total income before endowments and donations</b>	<b>1,454.3</b>	1,403.7	1,329.6	1,268.8	1,171.6
<b>Donations and endowments</b>					
New endowments	8.3	5.8	45.8	15.3	1.5
Donations with restrictions	13.0	17.5	8.4	12.3	12.7
Unrestricted donations	1.0	6.8	0.9	1.1	1.6
<b>Total donations and endowments</b>	<b>22.3</b>	30.1	55.1	28.7	15.8
<b>Total income</b>	<b>1,476.6</b>	1,433.8	1,384.7	1,297.5	1,187.4

# Five-year summary (unaudited) (continued)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR TO 31 JULY

	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
<b>Expenditure</b>					
<b>Staff costs</b>					
Salaries	615.3	561.1	498.9	455.4	451.0
Social security costs	73.4	61.3	53.8	50.3	46.4
Pension costs	128.4	133.3	144.9	140.2	133.6
Movement on USS provision	-	(352.4)	(52.8)	234.2	(14.5)
Other unfunded pension costs	0.3	(0.2)	(0.1)	(0.1)	0.1
Severance costs	12.0	0.4	8.3	1.6	0.7
<b>Total staff costs</b>	<b>829.4</b>	403.5	653.0	881.6	617.3
<b>Other operating expenses</b>					
Academic and related expenditure	91.3	102.9	94.4	79.1	61.0
Scholarships and stipends	51.1	50.2	48.2	45.4	44.2
Research grants and contracts	131.9	120.3	102.8	108.1	94.8
Library, computer and other academic support services	22.0	22.3	22.6	19.4	14.7
Administration and central services	8.3	27.2	33.4	29.5	20.1
Refurbishment and maintenance	35.1	33.4	31.2	28.4	21.5
Utilities costs	55.4	42.5	31.5	22.7	17.2
Other premises costs	17.6	17.6	20.0	14.2	21.3
Other including income generating operations	30.5	58.9	23.6	24.3	22.6
Residences and catering operations	62.4	64.9	54.0	45.0	38.7
<b>Total other operating expenses</b>	<b>505.6</b>	540.2	461.7	416.1	356.1
Depreciation and amortisation	103.4	91.0	85.4	61.2	63.0
Impairment of fixed assets	4.1	-	-	8.4	4.2
Interest and other finance costs	14.0	21.6	27.4	21.7	19.4
<b>Total expenditure</b>	<b>1,456.5</b>	1,056.3	1,227.5	1,389.0	1,060.0
Surplus/(deficit) before other gains and losses	20.1	377.5	157.2	(91.5)	127.4
Taxation	(0.7)	(0.8)	-	-	(0.5)
(Loss)/gain on disposal of fixed assets	(2.7)	-	0.1	-	7.0
Gain/(loss) on investments	28.0	29.0	(5.8)	(8.6)	80.6
<b>Surplus/(deficit) for the year</b>	<b>44.7</b>	405.7	151.5	(100.1)	214.5
Unrealised surplus on revaluation of heritage assets	-	-	-	-	0.2
Actuarial gain/(loss) in respect of pension schemes	29.6	(12.9)	30.2	136.6	21.6
<b>Total comprehensive income for the year</b>	<b>74.3</b>	392.8	181.7	36.5	236.3

# Five-year summary (unaudited) (continued)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 JULY	2025 £m	2024 £m	2023 £m	2022 £m	2021 £m
Fixed assets	<b>2,273.8</b>	2,177.7	2,083.7	2,005.8	1,920.8
Heritage assets	<b>218.1</b>	217.5	216.8	215.8	215.3
Investments	<b>951.7</b>	969.5	676.8	728.5	716.2
Pension asset	<b>21.5</b>	-	-	-	-
<b>Total non-current assets</b>	<b>3,465.1</b>	3,364.7	2,977.3	2,950.1	2,852.3
Current assets	<b>681.4</b>	714.6	1,001.0	900.3	892.6
<b>Total assets</b>	<b>4,146.5</b>	4,079.3	3,978.3	3,850.4	3,744.9
Less creditors falling due within one year	<b>(484.3)</b>	(476.8)	(430.1)	(398.3)	(392.3)
<b>Total assets less current liabilities</b>	<b>3,662.2</b>	3,602.5	3,548.2	3,452.1	3,352.6
Non-current liabilities	<b>(527.7)</b>	(538.2)	(536.0)	(546.9)	(589.4)
Pension provisions	-	(12.1)	(352.8)	(427.5)	(321.8)
Other provisions	<b>(8.6)</b>	(0.6)	(0.6)	(0.6)	(0.8)
<b>Total net assets</b>	<b>3,125.9</b>	3,051.6	2,658.8	2,477.1	2,440.6
<b>Represented by:</b>					
Restricted reserves	<b>692.9</b>	679.3	622.9	608.5	615.3
Unrestricted reserves	<b>2,433.0</b>	2,372.3	2,035.9	1,868.6	1,825.3
<b>Total reserves</b>	<b>3,125.9</b>	3,051.6	2,658.8	2,477.1	2,440.6



## Five-year summary (unaudited) (continued)

		2025	2024	2023	2022	2021
<b>Liquidity measures</b>						
Liquidity ratio ([current assets - stock] / current liabilities)	x	<b>1.4</b>	1.5	2.3	2.2	2.3
<i>Extent to which current liabilities can be met from cash and liquid investments</i>						
Days ratio of cash to total expenditure (investments + cash at bank - overdraft) / (total expenditure - depreciation)*365	Days	<b>96</b>	143	238	182	269
<i>The number of days expenditure that could be sustained from available funds</i>						
<b>Solvency measures</b>						
Interest cover (earnings before interest and tax / interest payable) <sup>1</sup>	x	<b>2.4</b>	18.5	6.7	(3.2)	7.8
<i>Measures the ability to pay interest on outstanding debt</i>						
Interest cover (operating cash flow / interest payable)	x	<b>3.8</b>	(0.9)	2.3	6.2	8.2
<i>Measures how easily the University can pay outstanding debt in cash terms</i>						
Gearing (creditors>1 year / [endowment + general reserves including pension reserve])	%	<b>19%</b>	20%	22%	25%	27%
<i>Measures the extent to which the University is funded by long-term debt</i>						
<b>Operating performance</b>						
Surplus before other gains and losses <sup>1</sup>	%	<b>1.4%</b>	26.3%	11.4%	(7.1%)	10.7%
<i>Measures the ability to deliver surpluses</i>						
ROCE (EBITDA/[total assets - pension provisions])	%	<b>3.1%</b>	2.7%	4.9%	5.8%	3.7%
<i>Measures the return that is being earned on capital invested</i>						
EBITDA for HE (FRS 102 surplus/(deficit) before other gains/losses + interest payable + depreciation + change to pension provisions within staff costs - capital grants received - new permanent endowments)	£m	<b>96</b>	84	148	168	102
<i>Measures operating performance before local decisions on accounting and finance policies are taken into account</i>						

1. Includes impact of exceptional staff costs (non-cash) relating to movement on USS pension provision in each year.

# Five-year summary (unaudited) (continued)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR TO 31 JULY

	2025 % total	2024 % total	2023 % total	2022 % total	2021 % total
<b>Income</b>					
<b>Tuition fees and education contracts</b>					
Home and EU higher education students	9.2%	9.4%	9.6%	10.2%	11.4%
Non-EU fees	26.3%	25.3%	25.5%	25.8%	22.9%
Education grants	2.2%	2.1%	2.0%	2.3%	2.3%
<b>Tuition fees as % of total income</b>	<b>37.6%</b>	36.8%	37.1%	38.3%	36.6%
<b>Funding body grants</b>					
Recurrent teaching grant	4.9%	5.3%	5.4%	5.6%	5.8%
Recurrent research grant	7.1%	7.1%	7.5%	7.0%	7.6%
Specific grants	1.9%	2.1%	2.3%	2.7%	6.6%
<b>Funding body grants as % of total income</b>	<b>14.0%</b>	14.5%	15.2%	15.3%	19.9%
<b>Research grants and contracts</b>					
Research councils	12.2%	10.7%	10.1%	10.2%	10.5%
UK based charities	5.7%	4.9%	4.8%	5.7%	5.6%
UK central government bodies, local and health authorities	3.0%	3.5%	4.4%	3.6%	5.4%
UK industry, commerce and public corporations	1.1%	0.7%	0.4%	0.7%	0.6%
EU government bodies	0.5%	1.4%	1.5%	2.2%	2.6%
EU other	0.7%	0.7%	0.4%	0.3%	0.3%
Other overseas	2.4%	3.2%	1.8%	2.4%	2.0%
Other sources	(0.1%)	0.3%	1.1%	0.3%	0.2%
<b>Research grants and contracts as % of total income</b>	<b>25.4%</b>	25.4%	24.5%	25.6%	27.3%
<b>Other income</b>					
Residences, catering and conferences	7.8%	6.9%	6.7%	5.7%	3.8%
Specific grants, donations and other designated income	5.9%	6.4%	6.2%	7.9%	7.3%
General income	4.0%	3.4%	3.1%	3.5%	2.7%
<b>Other income as % of total income</b>	<b>17.7%</b>	16.7%	16.0%	17.1%	13.7%
<b>Investment income</b>					
Endowments and other investment income	1.1%	1.5%	1.2%	0.9%	0.8%
Other interest receivable	2.7%	3.0%	1.9%	0.6%	0.3%
<b>Total investment income as % of total income</b>	<b>3.8%</b>	4.5%	3.1%	1.5%	1.1%
<b>Total income before endowments and donations as % of total income</b>	<b>98.5%</b>	97.9%	96.0%	97.8%	98.7%
<b>Donations and endowments</b>					
New endowments	0.6%	0.4%	3.3%	1.2%	0.1%
Donations with restrictions	0.9%	1.2%	0.6%	0.9%	1.1%
Unrestricted donations	0.1%	0.5%	0.1%	0.1%	0.1%
<b>Total donations and endowments as % of total income</b>	<b>1.5%</b>	2.1%	4.0%	2.2%	1.3%
<b>Total income £m</b>	<b>1,476.6</b>	1,433.8	1,384.7	1,297.5	1,187.4

# Five-year summary (unaudited) (continued)

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR TO 31 JULY

	2025 % total	2024 % total	2023 % total	2022 % total	2021 % total
<b>Expenditure<sup>1</sup></b>					
<b>Staff costs</b>					
Salaries	42.2%	53.2%	40.6%	32.8%	42.6%
Social security costs	5.0%	5.8%	4.4%	3.6%	4.4%
Pension costs	8.8%	12.6%	11.8%	10.1%	12.6%
Movement on USS provision	-	(33.4%)	(4.3%)	16.9%	(1.4%)
Severance costs	0.8%	-	0.7%	0.1%	0.1%
<b>Staff costs as % of total expenditure</b>	<b>56.8%</b>	38.2%	53.2%	63.5%	58.2%
<b>Other operating expenses</b>					
Academic and related expenditure	6.3%	9.7%	7.7%	5.7%	5.7%
Scholarships and stipends	3.5%	4.8%	3.9%	3.3%	4.2%
Research grants and contracts	9.1%	11.4%	8.5%	7.8%	8.9%
Library, computer and other academic support services	1.5%	2.1%	1.8%	1.4%	1.4%
Administration and central services	0.6%	2.6%	2.7%	2.1%	1.9%
Refurbishment and maintenance	2.4%	3.2%	2.5%	2.0%	2.0%
Utilities costs	3.8%	4.0%	2.6%	1.6%	1.6%
Other premises costs	1.2%	1.7%	1.6%	1.0%	2.0%
Other including income generating operations	2.1%	5.6%	1.9%	1.8%	2.1%
Residences and catering operations	4.3%	6.1%	4.4%	3.3%	3.7%
<b>Other operating expenses as % of total expenditure</b>	<b>34.7%</b>	51.2%	37.6%	30.0%	33.6%
Depreciation as % of total expenditure	7.1%	8.6%	7.0%	4.4%	6.0%
Impairment of fixed assets as % of total expenditure	0.3%	-	-	0.6%	0.4%
Interest payable as % of total expenditure	1.0%	2.0%	2.2%	1.6%	1.8%
<b>Total expenditure £m</b>	<b>1,456.5</b>	1,056.3	1,227.5	1,389.0	1,060.0
<b>Expenditure as % of total income</b>	<b>98.6%</b>	73.7%	88.6%	107.1%	89.3%

1. Includes impact of exceptional staff costs (non-cash) relating to movement on USS pension provision in each year.

# Notes



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