

University of Nottingham

Financial Statements for the year ended 31 July 2025

Contents

Council membership	3
Foreword by the Vice-Chancellor	5
Strategic and operational review	6
Governance	8
Financial review	13
Independent auditor's report	18
Statement of principal accounting policies	22
Financial statements	34
Notes to the financial statements	39

Council membership

1 August 2024 to 31 July 2025

Chair of Council and Pro-Chancellor

Sir Keith O’Nions

Vice-Chair of Council

Nora Senior CBE (until 31 December 2024)

Sonya Leydecker (from 1 January 2025)

Members Ex-Officio

President and Vice-Chancellor

Professor Shearer West CBE (to 31 October 2024)

President and Vice-Chancellor

Professor Jane Norman (Interim from 1 November 2024, appointed from 1 January 2025)

Provost and Deputy Vice-Chancellor

Professor Jane Norman (up to 31 October 2024)

Provost and Deputy Vice-Chancellor

Professor Sam Kingman (Interim from 1 November 2024, appointed from 1 May 2025)

Treasurer

Giles Willits

Members of Staff

Dr Pearl Agyakwa (until 31 July 2025)

Professor Jo Lymn

Dr Stuart Reeves (until 20 November 2024)

Professor Thomas Sotiriou (from 1 December 2024)

Andrew Armstrong (from 1 December 2024)

Professor Cecilia Testa (from 1 August 2025)

External Members appointed by the Council

Vicky Bailey (until 30 June 2025)

Lynette Eastman (until 20 November 2024)

Michelle Haslem

Nora Senior CBE (until 30 June 2025)

Piyali Mitra

Stephen Odell

Rakesh Sharma OBE

Anthony Murphy (from 1 October 2024)

Helen Miles (from 1 June 2025)

Appointed by the Union of Students

Nicola Maina (Union Development Officer) (until 18 June 2025)

Jiale Zhang (Education Officer) (until 31 July 2025)

Favour Samuel (President) (from 14 July 2025)

Alma Gui (Vice President, Education) (from 14 July 2025)

Other senior officers of the University

The Chancellor	Baroness Young of Hornsey OBE
The Registrar	Dr Paul Greatrix (Secretary to Council) (Up to 19 December 2024, role removed from the establishment)
Pro-Vice-Chancellors	Professor Katherine Linehan Professor Tom Rodden Professor David FitzPatrick Professor Jon Garibaldi Professor Mark Bradley (to 31 December 2024)
Faculty Pro-Vice-Chancellors	Professor Jeremy Gregory Professor Zoe Wilson Professor Sube Banerjee Professor Chris Tuck (from 1 November 2024)
Interim Chief Operating Officer	Richard Every (to 31 July 2025)
Chief Operating Officer	Chris Hunt (from 4 August 2025)
Chief Financial Officer	Margaret Monckton (to 31 August 2024)
Director of Finance	Sally Blackmore (from 1 September 2024 to 23 February 2025 and from 1 December 2025, role temporarily on UEB in lieu of Chief Financial Officer)
Interim Chief Financial Officer	Matt Atkinson (from 24 February 2025 to 30 November 2025)
Chief Digital Officer	David Hill (to 18 December 2024, role stood down from UEB)
Interim Director of Human Resources	Helen Dunn (to 31 March 2025)
Interim Director of Human Resources	Helen McNamara (from 1 April 2025 to 30 April 2025)
Chief People Officer	Helen McNamara (from 1 May 2025, role replaced Director of Human Resources)
Chief Governance and Risk Officer	Jason Carter (Secretary to Council) (from 28 April 2025)
Interim Chief Strategy Officer	Kylie Colvin (from 7 May 2025)

Foreword by the Vice-Chancellor

This year, we have continued to navigate a challenging financial landscape, reflective of the wider pressures facing higher education and our society.

I am confident in the strength and potential of our institution, and proud of what we have achieved together. At the same time, I am clear-eyed about the realities we face. We remain competitive and resilient, but we are not immune to external forces. It is essential that we act with purpose and clarity, to safeguard our long-term success.

Future Nottingham is part of our response. This has not been, and will not be, easy – but it is necessary. Developed in collaboration, this programme of organisational change is about shaping a university that is agile, sustainable and fit for the decades ahead. It has included leadership reform at the highest level - streamlining the University Executive Board to enable clearer accountability and faster decision-making. We are also developing a new university strategy – focused on delivering the academic excellence, life-changing research and global impact for which we are renowned.

Amid change and challenge, there is also much to celebrate. We were ranked among the Top 20 in the UK in the QS World University Rankings 2026 and Top 100 in the world. For the fifth consecutive year, more of our graduates entered highly skilled employment than from any other UK institution. These are significant achievements, testament to the dedication of colleagues across every part of our community – spanning teaching, research, professional and technical services.

Our research continues to change lives and tackle global challenges including healthcare, food security and the drive towards a decarbonised future. We remain committed to delivering the United Nations' Sustainable Development Goals, forging partnerships at the global, national and local level to shape a better world. Working with industry, business, civic and cultural partners, we continue to generate economic and social growth, expanding opportunities within our region and beyond.

This year, we also celebrated the University of Nottingham Malaysia's 25th anniversary. The first fully fledged overseas campus of any UK university, it has grown into a powerhouse of transnational education. Along with the University of Nottingham Ningbo China, our tri-campus network reflects our global outlook and mission to be a university without borders.

These successes speak to the talent, creativity and excellence of our community. They also underline why Future Nottingham matters, and why our continued evolution is essential. My commitment to deliver on our shared vision and secure a strong and sustainable future for our university is stronger than ever.



Professor Jane Norman

President and Vice-Chancellor of the University of Nottingham

Strategic and operational review

Context: Responding to the Higher Education Financial Landscape

The UK higher education sector is facing a complex web of challenges, including financial pressures, declining international student numbers and the need to adapt to changing student requirements and technological advancements. These factors are impacting the sector's ability to remain sustainable and ensure a high-quality learning experience. However, the University of Nottingham is resolute in its response.

In April, the University launched proposed plans to safeguard its future as a global leader in education, innovation, student experience and achievement, as well as research. The plans include a phased approach to restructuring and resizing its workforce, enabling the institution to focus on areas of excellence to drive future success.

The proposals come as part of the University's wider Future Nottingham programme, which ensures the institution achieves its full potential as a global leader in education, innovation, student success and research, while navigating the severe financial challenges which are facing the whole of the higher education sector.

Fostering Creativity, Discovery and Experiment

Our staff, students and graduates are known for a willingness to experiment and innovate. We continue to foster an appetite for enterprise and creativity, celebrating new discoveries, tackling societal challenges and equipping our students with the curiosity, entrepreneurialism and emotional intelligence to enable them to be innovators and problem solvers. This is especially present in our Knowledge Exchange activity.

Figures from the Higher Education Statistics Agency (HESA) revealed that an exponential rise in the number of spin-outs and start-up companies from the University underlined its vital role in driving innovation and economic growth. Between 2005 and 2015, eight spin-outs were launched, and in the decade that followed, 2015-25, this figure more than tripled, with 29 companies being added to the portfolio. In addition to its spin-out companies, the University has a current portfolio of 36 staff start-ups, 135 student start-ups and seven social enterprises.

Contributing to Sustainable Development Goals

The University is committed to making an outstanding contribution to supporting the United Nations Sustainable Development Goals (SDGs) through our research and education, our engagement with partners, and our behaviour on campus and in our communities.

Through our Environmental Sustainability Delivery Plan, Nottingham pledges to put sustainability at the heart of everything it does – through our research, teaching, campus activity, investments and work with partners – and this work has been widely recognised.

Embedding Collaboration in all that we do

Universities for Nottingham, as our flagship collaborative initiative regionally, spearheaded a range of collaborative opportunities in 2024/25. Applications were sought for the 2025 Co(l)aboratory Studentship Scheme, inviting people from the local community to apply for paid, full-time PhD research projects, that aim to address challenges faced by communities across Nottingham and Nottinghamshire; and Co(l)aboratory Research Placements.

A programme of Talent and Innovation Grants for local businesses was rolled out by the city's two universities that provide access to a wealth of graduate or student expertise to help drive innovation, productivity and skills in the city. A free workshop for local SMEs on Innovation Challenges in a Changing

World was also held. Prestigious partnerships continued with BBC Concert Orchestra, showcasing the talent and creativity of 150 students during a week-long series of events, and with Science in the Park.

In sport, Notts County FC is adopting a green and gold away kit in 2025/26 – a nod to the University of Nottingham’s iconic sports team colours, showcasing what has been an outstanding first year for the partnership. The University’s state-of-the-art facilities at its David Ross Sports Village is also to play host to Nottingham Forest Netball’s training programme as part of a groundbreaking collaboration between the two organisations. We also announced a new partnership with leading custom cycling apparel manufacturer Kalas, which will be supporting the performance ambitions of the University’s elite cyclists and triathletes.

In industry, our International Centre for Brewing Science partnered with Briggs of Burton to launch a new training academy that will provide theoretical and practical training to its staff and valuable hands-on experience for students. The Faculty of Engineering will also be collaborating with the firm, exploring world-leading research and future innovation together.

Finally, in a year that marked the East Midlands Investment Zone’s first 12 months accelerating technology innovation, Nottingham is among a coalition of 15 Midlands university partners launching an initiative to revolutionise how research and innovation are translated into real-world impact across the region. Forging Ahead – led by Loughborough University and Midlands Innovation – will radically enhance the commercialisation ecosystem, supercharging entrepreneurial activity, scaling innovation, and creating dynamic new pathways for academic ideas to become high-growth ventures.

Supporting Potential

In the midst of financial pressures, the University recruits students and staff with the highest potential and a desire to succeed and remains committed to support them to ensure they achieve their goals.

Our newly updated Access and Participation Plan (APP) 2025/26 to 2028/29 addresses the risks to equality of opportunity that we have identified and prioritised. The plan builds upon the achievements and lessons learnt from our previous APP; it focuses on areas where progress is still to be made while maintaining areas where our performance has been strong. The focus of our APP is on improving access, continuation, and outcomes for specific groups of students.

Our expenditure on widening participation and access in 2024/25 is summarised in the table below. The activities supported above are consistent with APP, which can be viewed online:

Access and participation spend in 2025			
£ million			
	Staff Costs	Other Costs	Total
Access investment	1.6	1.3	2.9
Financial support (such as bursaries and scholarships)	0.4	8.3	8.7
Disability support	1.6	0.4	2.0
Research and evaluation related to access and participation	0.2	0.0	0.2
	3.8	10.0	13.8

Governance

Responsibilities of University Council and Structure of Corporate Governance

The University is a corporation formed by Royal Charter and is an educational charity, with exempt status, regulated by the Office for Students (OfS). The Council is the University's governing body, and, among other matters, it is responsible for overseeing the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

The University is committed to best practice in corporate governance. The Council notes the UK Corporate Governance Code and the OfS accounts direction requirements and has due regard to the Charity Commission guidance on public benefit when exercising its powers and duties. In addition, the University works to align its governance approach and processes with the Higher Education Code of Governance (the Code) published by the Committee of University Chairs (CUC). In response to the Code and in accordance with overall good governance the Council periodically reviews its role and effectiveness with the last review having been undertaken in 2024/2025.

This Corporate Governance Statement relates to the financial year ended 31 July 2025 and is current until the date of approval of the audited financial statements.

Statement of the Role and Primary Powers and Responsibilities of University Council

Role

The Council is the governing body of the University. It is responsible for overseeing the University's activities, determining its future direction and developing and sustaining an environment in which its mission is achieved, and learning is fostered. The Council's work is directed towards supporting the success and performance of the University.

The Council is responsible for ensuring compliance with the Charter, Statutes and Ordinances regulating the University and its governance framework. Subject to these it makes all final decisions on matters of fundamental concern to the University.

The Council of the University includes up to 13 external members, depending on vacancies that occur during any given year. Part way through 2024/25, three vacancies arose in the external membership and recruitment was undertaken. Two Council members joined the Council from 1 October 2024 and 1 June 2025. In 2024/25 the remainder of the Council comprised the President and Vice-Chancellor, the Deputy Vice-Chancellor, two student members (one left the Council early due to gaining employment elsewhere and was replaced July 2025) and four persons appointed from the Senate under the University's Statutes.

The role of Chair of Council is separated from the role of the University's Chief Executive, the President and Vice-Chancellor. There has been a change of Vice-Chancellor during the year and the Provost and Deputy Vice Chancellor was appointed in the interim position from 1 November 2024, being confirmed on 1 January and 1 April 2025 respectively. The matters specifically reserved to the Council for decision are set out in the University's Statutes. By custom and under the OfS Regulatory Framework, the Council is responsible for the University's ongoing strategic direction, approval of major developments and receiving regular reports from executive officers on the day-to-day operations of its business and its subsidiaries. The Council met six times during 2024/25.

It has several committees, all of which are formally constituted with terms of reference. The key committees are noted below.

Finance Committee

Finance Committee, which meets five times a year, *inter alia* recommends to the Council the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The Committee also reviews major investment decisions prior to final approval by the Council.

Nominations Committee

The Committee considers nominations for vacancies in the Council membership in accordance with Statute 6.

Audit and Risk Committee

The Committee comprises only external members and advisors and meets at least four times annually. All meetings are attended by the appointed external auditor to discuss audit findings, and the internal auditors to consider internal audit reports and recommendations for the improvement of the University's systems of risk management, internal control and its governance and assurance framework.

Incorporated into the internal audit reports are management's response and implementation plans. The Committee also considers the form of the annual report on corporate governance together with the accounting policies and reviews the implementation of risk management within the University. While senior executives attend meetings of the Audit and Risk Committee as necessary, the President and Vice-Chancellor attended half of the meetings in 2024/25, and the Provost and Deputy Vice-Chancellor attended the majority of meetings in 2024/25, they are not members of the Committee. The Committee meets with the external and internal auditors on their own for independent discussions.

Remuneration Committee

A new composition of the Committee took effect in 2024 moving from the membership comprising all external members of the Council to four external members of the Council plus the Chair (who is not the Chair of Council). The Committee determines the salaries of senior staff of the University. The salary of the President and Vice-Chancellor is determined solely by the external members of the Council on the Committee; the President and Vice-Chancellor is not present during discussions about their salary. The Committee also reviews retention and recruitment policies relating to professorial and other senior staff.

Health and Safety Committee

The Health and Safety Committee comprises the Faculty Pro-Vice-Chancellors, five representatives from central professional service departments, eight representatives from staff unions reflecting the spread of workplace hazards, and two external Council members (with one vacancy). Its terms of reference are to formulate safety and environmental policies to ensure that the University meets all legislative requirements and best practice standards, and to promote and monitor effective implementation of those policies. It reports regularly to the Council.

Senate

Membership of Senate includes senior academics from across the University (in the UK, Malaysia and China), student members and, from 2024/25, has Professional Service staff members too. Meeting once per term, it has the power, subject to the Statutes and Ordinances, to oversee teaching, education and research and is responsible for the academic quality and standards of the University. Recommendations arising from an Effectiveness Review of Senate were approved by Senate in June 2023 and throughout the course of 2024/25 work continued to implement the recommendations.

University Executive Board

Day-to-day management of the University is via the University Executive Board (UEB). The UEB membership was reviewed and revised during 2024/25 and since January 2025 comprises the President and Vice-Chancellor, the Provost and Deputy Vice-Chancellor, the Pro-Vice-Chancellors, the Faculty Pro-Vice-Chancellors, the Chief Financial Officer and the new roles of Chief Operating Officer, Chief Governance and Risk Officer, Chief Strategy Officer and Chief People Officer. The Chief Digital Officer role was stood down as a member of the UEB. The Registrar and Director of Human Resources roles were removed from the establishment. University Executive Board acts as an executive committee and normally meets monthly, to consider the strategic and financial direction of the University. The President and Vice-Chancellor is the principal academic and administrative officer of the University and chairs the Executive Board. The Provost and Deputy Vice-Chancellor and the Pro-Vice-Chancellors have specific responsibilities for major policy areas, whilst responsibility for professional services is largely shared between the Chief Operating Officer, Chief Governance and Risk Officer, Chief People Officer, Chief Financial Officer and the Chief Strategy Officer. Two of the Pro-Vice-Chancellors are appointed to serve as Provosts of the University's campuses in Malaysia and China. Both the Council and Senate are kept informed of the key decisions and discussions of the University Executive Board via formal statements presented at their meetings by the President and Vice-Chancellor.

Statement of internal control

The Council as the governing body of the University has responsibility for ensuring that a sound system of internal control is maintained which supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to the Council in the charter and statutes.

The system of internal control and risk management is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The system of internal control and risk management is designed to manage rather than eliminate risk.

The internal control environment includes system controls, delegations, policies as well as planning and budgetary processes, governance structures and management reporting. A scheme of delegation has been formally approved by the Council and senior management receive financial performance information regularly.

UEB receives an annual Assurance Report about compliance with key regulations, which is informed by self-attestation from Faculties and Professional Services.

The University introduced a new finance and HR system during the year known as UniCore, as part of its approach to improving internal controls. As with any new system in an organisation as complex as the University there have been some challenges, stemming in the main from a lack of familiarity with the system. The University is working to increase familiarity and upskill users to leverage the functionality of the system to its fullest extent. The controls now enforced within the system are a step change for the organisation and replace many manual processes, checks and balances.

The Audit and Risk Committee receives an annual update on the University's arrangements for prevention and detection of corruption, fraud, bribery and other irregularities as well as regular reports from the Director of Internal Audit, together with recommendations for improvement. These reports include the annual internal audit opinion on the adequacy and effectiveness of the institution's systems of risk management, internal control, and governance, which in this year has deemed there to be reasonable assurance. Reports are also received from the external auditors as part of their year-end work.

There is a rolling six-month internal audit plan, which provides a balance of coverage of strategic risks from the University Risk Register together with a sample of core internal control processes.

There was an external review of the Internal Audit function in 2023, which determined that the internal Audit function provides a good service to the University.

This statement of internal control relates to the financial year ended 31 July 2025 and is current until the date of approval of the audited financial statements.

Value for money

It remains critical that in times of financial pressure maximum value is driven from both our people and our financial resources. Value is measured by the return that we are receiving for every pound spent, whether that return be financial or non-financial in pursuit of the University strategy. We constantly strive to prioritise our spend on the things that matter most and to ensure that we are as efficient as we can be. The University has sought to address the most recent challenges through improving financial support and decision-making, driving value through investments, improving procurement and developing further the revenue-generating opportunities offered by our commercial activities.

Delivering value for money in financial year 2024/25

Driving Value through Procurement

The central Procurement function plays a pivotal role in enabling the University to deliver greater value for money, manage risk, and drive institutional priorities. In 2024/25, Procurement influenced £263 million of the University's £317 million impactable spend across a diverse supply base of approximately 15,000 organisations delivering goods, services, and works. This strategic oversight ensures the University's resources are directed effectively and responsibly, supporting both operational efficiency and long-term sustainability.

Over the past six years, the Procurement function has consistently driven improvements through a clear vision: to maximise social, economic, and environmental value for the University, while streamlining processes and enhancing the end-user experience. This long-term commitment to continuous improvement has delivered year-on-year gains, culminating in 3.9% savings on impactable spend in 2024/25, aligning the University with sector-leading performance in the >£600m turnover group.

For 2024/25, an ambitious value target of £9.2 million was set, reflecting both rising expectations and the evolving role of procurement as a value-adding strategic function. Despite a challenging operating environment, the Procurement team secured £7.8 million in total value for the University, which includes approximately £3.5 million in direct cost reductions, £1.9 million through inflationary cost avoidance and additionality, and further benefits achieved through enhanced contract management, process optimisation, and market benchmarking.

The University has maintained rigorous financial oversight, continuing to review all purchases exceeding £20,000 through the Financial Approval Board. This mechanism has yielded measurable savings through demand management and supported wider institutional efforts to align spend with strategic priorities amid ongoing budget constraints.

Procurement's contribution extends well beyond cost savings. It is a strategic enabler of institutional resilience, value creation, and responsible stewardship of public funds, which are critical components in a higher education landscape facing increasing financial pressures and stakeholder scrutiny.

Driving Value through Organisational Development

People are at the centre of the University, and for the last two years our University's human resources (HR) function has been undergoing a period of transformation, as set out in the 2023 People and Culture Strategy to provide greater support to our people and add value to the organisation. Many elements of the transformation are complete, and our focus has now moved to operationalising the programme into business-as-usual delivery.

During 2024/25, HR has been operating its new model and carrying out the related operational delivery plan, with an ethos of driving value through our people:

- Specialist HR services such as Data and Management Information, Project Management (PMO), and Strategic Change are in operation, providing skilled in-house resource, and Occupational Health is adding value and driving support through a new Occupational Health contract.
- Development of our pay and reward strategy to devise a pay and reward framework that is inclusive, fair, trusted, clear, consistent and competitive, enabling the University to attract, retain and recognise high performance and talent to deliver our strategic ambitions.
- Strategic development and promotion of new ways of working, including the Wellbeing strategy, and the Agile working framework.
- Embedding Equality, Diversity and Inclusion through self-assessment, staff development, providing strategic expertise, supporting the creation of inclusive processes, and engaging with staff networks to understand diverse employee experiences.

Risk and Risk Management

Risk Management Approach

The University manages risk through its Risk Management Framework (RMF) which outlines the process for identifying, assessing and reporting risks. It also includes guidance documents, tools, templates, governance structure and a Risk Management Policy to ensure standardisation of risk management practice. The Risk Management Policy is reviewed annually and was last updated in January 2025. Focus is placed upon embedding risk management practice within existing management and governance structures and business planning cycles to inform decision-making, protect against threats, and contribute towards the delivery of University Strategy.

Risk Management Framework

The University's RMF dovetails with broader governance activities, including reporting, information flow and escalation of risk to inform decision-making and enable effective management control across all levels of the organisation. It is reviewed by the UEB three times per year and is used to inform decision-making against agreed risk appetite. It will continue to evolve in line with best practice and emerging risk management principles.

Under the leadership of the President and Vice-Chancellor, UEB is accountable for the identification, management and oversight of strategic level risks in the Strategic Risk Register to ensure it is reflective of key concerns and that mitigations are in place to evidence that risks are well managed and under control.

The Assurance Committee seeks assurance that the RMF is fit for purpose and that risk management practices are well embedded across the Institution.

Principal Risks and Uncertainties

Risks are categorised by strategic risk themes to align with the University's Strategic Delivery Plans. The following risks were the key high-scoring strategic risks identified on the University Risk Register in the June 2025 review. Risk mitigations are in place and action plans have been agreed to reduce risk further.

Strategic Risk Theme	Principal Risks
Education and Student Experience	<ul style="list-style-type: none">Low and declining student satisfaction (Teaching & Learning) impacting student recruitment in an increasingly competitive market, University reputation and financial sustainability
Financial Sustainability	<ul style="list-style-type: none">Challenging international student recruitment environmentFinancial efficiency and affordability
People and Culture	<ul style="list-style-type: none">Impacts of a deterioration in staff morale and wellbeing during significant organisation change and pace of changeImpacts of an inability to consult effectively due to a breakdown in employee relations
Infrastructure and Systems to Deliver	<ul style="list-style-type: none">Increased costs and complexity in maintaining the condition of the estateRisks of short-term major infrastructure failure in Medical School Building and challenges surrounding the longer-term solutionBio-Support Unit – increased costs and complexity in maintaining and providing research facilities and complying with the necessary legislation
External Environment	<ul style="list-style-type: none">Geopolitical risks including changes in the global political environment and international partnerships could impact operations across home and international campuses, University reputation and international student recruitment
Institutional and Compliance	<ul style="list-style-type: none">Increased complexity in maintaining compliance with UK Visa and Immigration Regulations (UKVI)Information Security – continued threats from cyber-attacks despite affirmative progress against mitigation of the risk

2024/25 Financial Review

Introduction

The 2024/25 financial year continues to see unprecedented levels of uncertainty driven by an increasingly challenging financial picture that has resulted in an adjusted financial deficit of £85.3m (2024: deficit of £17.0m), as presented in the table below, including one off restructuring costs of £11.3m (2024: £13.8m).

The University is responding to challenges in a proactive way, including through our Future Nottingham change programme, with a focus on financial sustainability and academic excellence.

Despite the challenging external environment, we were pleased to have maintained our Standard and Poors credit rating at an A+ with stable outlook. And while debt levels remain low which gives us the opportunity and flexibility to support the future strategic direction of the University, we are monitoring the cash position very closely.

In year we successfully launched our new Finance and HR system (UniCore) that once fully embedded will improve the visibility of our organisational data.

Preparation of Financial Statements

These financial statements have been prepared on a going concern basis and include the consolidation of the financial results of the University and its subsidiary companies. The campuses in both Ningbo (China) and Seminyeh (Malaysia) as associated undertakings are included within investments based on percentage ownership.

The Council has reviewed the financial forecasts and the key planning parameters that support the University's financial plan. These have been tested against various scenarios which demonstrate that the University has access to adequate resources to continue to meet its obligations for the foreseeable future. Further detail is set out in the Statement of Accounting Policies starting on page 19 of the Financial Statements.

As a public benefit entity, these financial statements are prepared in accordance with the University's Charter and Statutes. These financial statements have been prepared in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice on Accounting for Further and Higher Education 2019 (HEFE SORP) and they conform to the Accounts Direction issued by the Office for Students.

Consolidated key highlights

	Note	2025 £ million	2024 £ million	2023 £ million	2022 £ million	2021 £ million
Total income		862.1	849.4	822.8	801.8	696.1
Expenditure before operational investments and pension adjustments		911.9	819.3	775.1	704.3	645.1
Operational Investment	1	35.5	47.1	44.7	37.4	21.3
Total expenditure		947.4	866.4	819.8	741.7	666.4
Adjusted (deficit) / surplus		(85.3)	(17.0)	3.0	60.1	29.7
Valuations and other (losses) or gains	2	8.5	(0.9)	7.2	50.5	14.5
Operating (deficit) / surplus		(76.8)	(17.9)	10.2	110.6	44.2
USS pension adjustment		0.0	243.6	53.3	(181.7)	(14.4)
Pension interest costs		0.0	(5.0)	(9.8)	(2.2)	(2.9)
(Deficit) / surplus for the year		(76.8)	220.7	53.7	(73.3)	26.9
Actuarial movement on CPAS pension		1.9	(10.8)	15.6	62.5	60.1
Total comprehensive (loss) / income for the year		(74.9)	209.9	69.3	(10.8)	87.0

Other Key highlights

	Note	2025 £ million	2024 £ million	2023 £ million	2022 £ million	2021 £ million
Staff costs before USS adjustment		498.0	494.1	445.5	402.2	378.5
Total net assets		761.0	835.9	625.9	556.5	567.2
Cash generated from operations		27.6	4.8	27.2	108.9	77.5
Capital investment	3	69.4	78.3	59.2	89.3	36.9
Total invested back into UoN	4	104.9	125.4	103.9	126.7	58.2

Notes

1. Operational investment includes investments in initiatives and projects that are typically one-off in nature, over and above the normal day-to-day running costs of the University and drive future benefits.
2. Other (losses)/gains including disposal of assets, investments and private placement valuations, % share of associate results.
3. Capital investment includes investment in new buildings, IT systems and other assets providing future benefit to the University.
4. Total invested in UoN includes the total operational investment (1) and capital investment (3) spent during the year.

(Deficit) / Surplus for the year

The 2024/25 financial statements are reporting a deficit of £76.8m (2024: surplus of £220.7m). This includes one off restructuring costs of £11.3m (2024: £13.8m), and impairments of £74.8m (2024: £nil).

The adjusted deficit for the year is £85.3m (2024: deficit of £17.0m). Adjusted deficit is a mechanism to present information excluding large volatile USS movements. Although there are no USS adjustments in the current year, the term will remain to enable easy comparison to 2024 information.

Adjusted deficit was arrived at by deducting total expenditure of £947.4m (2024: £866.4m) excluding the effects of any USS pension liability movement and pension interest costs, from the income of £862.1m (2024: £849.4m).

This position is a worsening in the adjusted deficit from the prior year and reflects a £12.7m increase in income and an increase of £76.0m in costs (£81.0m increase in costs when excluding pension interest costs for 2024). This increase in costs is driven by a £74.8m impairment of fixed assets, further details of which are noted below.

Income

Total income has increased by 1.5% to £862.1m. This is driven by increases in tuition fee income of £15.6m and other income of £2.8m, offset by reductions in external research related income of £1.2m and funding body grants of £2.6m.

	2025	2024	2023	2022	2021
	£ million	£ million	£ million	£ million	£ million
Tuition fees and education contracts	453.1	437.5	435.4	433.7	387.7
Funding body grants	118.1	120.7	118.7	108.5	102.0
Research grants and contracts	140.4	141.6	129.5	131.4	114.9
Other operating income	145.0	142.2	133.2	122.8	87.6
Investment income	3.6	3.2	3.2	1.2	2.1
Donations and endowments	1.9	4.2	2.9	4.3	1.8
Total income	862.1	849.4	822.9	801.9	696.1

Tuition fee income grew by £15.6m (3.6%) to £453.1m (2024: £437.5m), driven by an increase in home undergraduate student numbers and an increase in fees to international students.

Research income has fallen by £1.2m (0.8%) in the year to £140.4m (2024: £141.6m). Although applications and awards remain strong, the mix of awards won has shifted, resulting in the recognition of income more slowly and over a longer period. In addition, the launch of the new finance and HR system in November 2024 has also resulted in some delays to spending, as colleagues have needed to familiarise themselves with the new processes.

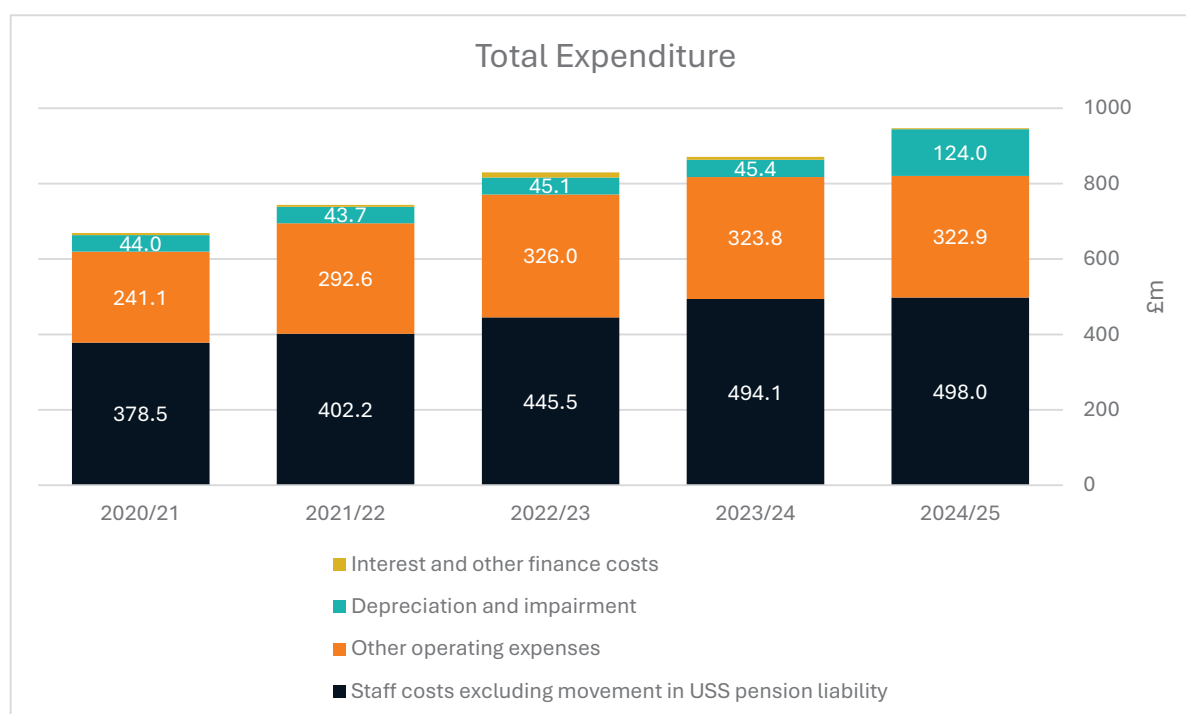
Commercial and other operating income has increased by £2.8m (2.0%) to £145.0m (2024: £142.2m). Improved occupancy of halls of residences and the requisite catering income has driven this increase.

Expenditure

Prior to the USS pension adjustment and finance costs related to pension adjustments, spend in year has increased to £947.4m (2024: £871.4m). Of this, £35.5m related to operational investment for strategic activity (2024: £47.1m).

Total expenditure has increased by 9.3% year on year (2024: increase of 5.7%) driven by the impairment of fixed assets, excluding impairment, total expenditure has remained stable year on year. Increases in staff costs have been offset by targeted and planned reductions in other operating expenses. In the year additional cost control measures have been introduced that include a vacancy freeze and additional oversight of all spend greater than £20,000 to ensure it is of appropriate priority.

Staff costs have increased to £498.0m (2024: £494.1m), forming 53% (2024: 57%) of total expenditure. This increase includes pay inflation, the voluntary living wage and part year increases in employer national insurance contributions.



Other operating expenses are £322.9m (2024: £323.8m). There has been a coordinated effort to manage the cost base of the organisation through a greater focus on ensuring we are operating in a more efficient and effective way. To enable the launch of UniCore in November the organisations' ability to spend was restricted in late 2024.

Impairments

In the year work has progressed on the development of our estates master plan. As part of this work, it has been recognised that we need to reduce the size of our estate, whilst improving the quality of some of our facilities to further enhance our teaching and research excellence. In preparation for reducing the University's footprint, a number of building valuations have been carried out that show that the net book value of some of our buildings is overstated. The value of these buildings, including Castle Meadow Campus and King's Meadow Campus have been impaired and written down in these financial statements. The total impairment reported is £74.8m (2024: £nil) and has been included in the Statement of Comprehensive Income in impairment and write off of tangible fixed assets.

Net Assets

Total net assets of the Group have fallen to £761.0m (2024: £835.9m) as a result of the impairments of Castle Meadow Campus and King's Meadow Campus mentioned above.

Total assets of the University have increased to £1,370.2m (2024: £1,353.3m) as a result of an increase in trade receivables balances, partly offset by the aforementioned impairments.

Cash and Liquidity

The cash and cash equivalents balance as at 31 July 2025 stood at £59.2m (2024: £69.9m). The cash position has been, and continues to be, monitored and managed closely.

The University had £80m of revolving credit facility available in the year, which remains undrawn at year end.

The introduction of the private placement during 2019 with a US-based investor has resulted in the need to value the facility at fair value. Details are described in the accounting policies. The fair value adjustment totals a gain of £7.7m (2024: loss of £1.9m) and is a non-cash adjustment, therefore the total private placement is recorded as debt of £54.7m (2024: £62.4m) on the Statement of Financial Position. The movement is recorded in the Statement Of Comprehensive Income within gain / (loss) on fair valuation of private placement.

The contractual cash payments arising from the £100m private placement remain unchanged.

Independent auditor's report to the Council of the University of Nottingham

Opinion on the financial statements

In our opinion, the financial statements:

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

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

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS"), UK Research and Innovation (including Research England), the Education and Skills Funding Agency (now part of the Department for Education) and the Department for Education

In our opinion, in all material respects:

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

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

- The University's grant and fee income, as disclosed in note 4 to the accounts, has been materially misstated.
- The University's expenditure on access and participation activities for the financial year, as has been disclosed in note 12 to the accounts, has been materially misstated.

Responsibilities of the University Council

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Group and the sector in which it operates;
- Discussion with management and those charged with governance;
- Obtaining an understanding of the Group's policies and procedures regarding compliance with laws and regulations; and
- Direct representation from the Accountable Officer

we considered the significant laws and regulations to be the Financial Reporting Standard 102, the Statement of Recommended Practice: Accounting for Further Education and Higher Education (FEHE SORP 2019), the OfS' Accounts Direction (OfS 2019.41) and UK tax legislation.

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be the health and safety legislation, the Bribery Act 2010, data protection and registration with the Office for Students and their ongoing conditions of registration.

Our procedures in respect of the above included:

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

Fraud

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

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

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered revenue recognition an area to be susceptible to fraud, particularly in relation to the posting of manual journals to material revenue streams, the recognition of tuition fee revenue in line with course dates and the recognition of research grant income in line with performance conditions. Furthermore, due to the failure to perform bank reconciliations for several months following the migration to a new finance system, we considered the absence of bank reconciliations to represent an increased fraud risk.

Our procedures in respect of the above included:

- Testing all journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- Assessing significant estimates made by management for bias;
- In addressing the risk of fraud through improper income recognition, we tested the appropriateness of certain journals to material revenue streams, tested a sample of research grant contracts to the performance conditions noted in their agreements and re-performed the deferred income calculation for a sample of courses for tuition fees revenue.
- In addressing the risk of fraud due to the absence of bank reconciliations, we tested a sample of payments during the migration period to supporting evidence, tested a sample of reconciling items at the year end to supporting evidence, reviewed pre-migration bank reconciliations for any unreconciled items, reviewed post-year-end bank reconciling items to ensure there were no new unreconciled items and traced bank account sweeps between group bank accounts; and
- Reviewed unadjusted audit differences for indications of bias or deliberate misstatement.

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

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

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

Use of our report

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

DocuSigned by:

Samantha Lifford

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Samantha Lifford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK
Date: 27 January 2026

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

Statement of Principal Accounting Policies

1. Accounting convention

The consolidated and institution financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice on Accounting for Further and Higher Education 2019 (HEFE SORP) and they conform to the Accounts Direction issued by the Office for Students.

The University is a public benefit entity and therefore has applied the public benefit entity requirements of the applicable UK laws and accounting standards. The functional currency of the University is pound sterling, as the United Kingdom is the primary economic environment in which the University operates.

These policies have been reviewed by the Audit and Risk Committee on behalf of the Council and are considered appropriate to the University's activities. They have been applied consistently in the current and prior year.

The consolidated and institution financial statements have been prepared under the historical cost convention (modified by the revaluation of certain financial assets and liabilities at fair value).

As permitted under FRS 102, the University has taken advantage of the disclosure exemptions available to it in respect of a University only cashflow statement.

2. Going concern

The University has prepared financial models and cash flow forecasts, including potential downside scenarios for the next two financial years. In updating the financial plan, the following aspects were particularly considered, balanced against the University's available funds and need to meet borrowing covenants:

- Student size and shape;
- Right sized cost base (including Future Nottingham savings in year);
- Research performance and research awards;
- Increased commercial income targets; and
- Levels of strategic investment.

Key risks and uncertainties considered include student recruitment and retention, potential changes in government policy regarding immigration and funding higher education and research, inflation and condition of the estate. The University has carried out scenario analysis to model the impact of these risks on the lending covenants and the 30 days minimum cash balance required by Office for Students guidance.

Having made appropriate enquiries, the Council considers that the University and Group have adequate financial resources to continue in operational existence for the foreseeable future, being not less than 12 months from the date of signing the financial statements. Accordingly, it continues to adopt the going concern basis of accounting in preparing the financial statements. In doing so, the University has regard to the elements of current assets and current liabilities, the availability of cash via the University's banking arrangements and the expectation that grants will continue to be received into the foreseeable future.

Statement of Principal Accounting Policies (continued)

3. Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiary undertakings, together with the share of the results of joint ventures and associates, for the financial year ended 31 July 2025.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation. Balances between the institution and its associates and joint ventures are not eliminated.

Associated companies and joint ventures are accounted for using the equity method.

The consolidated financial statements do not include those of the University of Nottingham Students' Union as it is a separate body in which the University has no control or significant influence over policy decisions.

4. Recognition of income

Transactions with commercial substance are credited to income at the fair value of consideration receivable net of any discounts. Where the provision of services – relating to research or other ad-hoc services supplied by the University – is incomplete at the financial year end the percentage completed will be determined in a way appropriate to each contract and any funds received in advance held as deferred income.

Tuition fee income is credited to income over the period in which students are studying.

Other key income streams of this type are consultancy, accommodation, catering and conference, sales of goods and services, royalties and research income from commercial sources. Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract, including any staged payments due at contract milestones, have been satisfied.

University-funded bursaries and scholarships are accounted for gross as both income and operating expenses where the transaction does not represent a discount.

Education contracts are recognised when the entity is entitled to the income, which is the period in which students are studying, or where relevant, when performance conditions have been met.

Donations and endowments

Donations and endowment transactions are assessed to determine whether performance related conditions, restrictions on expenditure, both or neither applies. The income is recognised in the Statement of Comprehensive Income as follows:

- Where performance related conditions exist, income is recognised in line with the performance criteria being met.
- Where restrictions exist, income is recognised when it is receivable and taken to a restricted reserve, expenditure is then recognised as restricted expenditure and charged to the restricted reserve over time to reduce it to nil as the fund is fully used. Endowments where the donor has specified that the capital sum can be spent are treated in this way.
- Where there are neither performance related conditions nor restrictions income is recognised when it is receivable.
- Endowments are recognised as income on entitlement and then held in the permanently restricted reserve where the donor has specified that the capital sum cannot be spent.
- Endowment and investment income is credited to the income and expenditure account on a receivable basis. Gains or losses on investment are recorded in the capital element of the fund to which it relates and recognised in income as gain or loss on investments.

Statement of Principal Accounting Policies (continued)

Grant funding

Government grants – including funding body grants and research grants - are recognised based on the accrual model, over the period for which the University recognises the related costs. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the Institution is entitled to the funds subject to any performance related conditions being met.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

5. Total return investment accounting

As authorised by the Council, the University adopted a total return basis for investment of its endowment funds. The carrying value was taken as the fair value of these funds on 1 August 2021 including the original gift value and any subsequent additions.

The University's investment managers invest these funds without regard to capital or income distinction and with the discretion to apply the accumulated total return as income to be spent. Until exercising this option, total return is accumulated in the 'unapplied total return' component of the endowment to be retained for further investment or released to income.

The Council determined that a 4% application rate to investment return was appropriate for sustainable investment and expected investment returns.

6. Retirement benefits

The three principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Nottingham Contributory Pension and Assurance Scheme (CPAS) and the University of Nottingham Contributory Retirement Savings Plan (CRSP). A small number of staff remain in other pension schemes. USS and CPAS are defined benefit schemes which are externally funded and formerly contracted out of the State Second Pension.

The USS and CPAS funds are valued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes. Pension costs are assessed in accordance with the advice of the actuaries, based on the latest actuarial valuations of the schemes.

Universities Superannuation Scheme

The institution participates in the USS. The assets of the scheme are held in a separate trustee-administered fund. Given 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 defined contribution scheme. As a result, the amount charged to the profit and loss account 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) with related expenses being recognised through the income and expenditure account.

Statement of Principal Accounting Policies (continued)

University of Nottingham Contributory Pension and Assurance Scheme

CPAS is a defined benefit scheme. For a defined benefit scheme, the amounts charged to staff costs are the current service costs and gains and losses on settlements and curtailments. The interest cost and the expected return on assets are shown within interest and other finance costs. Actuarial gains and losses are recognised immediately in the Statement of Comprehensive Income. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent currency and term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Statement of Financial Position.

University of Nottingham Contributory Retirement Savings Plan

CRSP is a defined contribution scheme, and the amount charged to staff costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the Statement of Financial Position.

7. Employee 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 institution. Any unused benefits are accrued and measured as the additional amount the Institution expects to pay as a result of the unused entitlement.

8. Foreign currencies

Transactions denominated in foreign currencies are translated into the functional currency of pound sterling at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. Non-monetary items held at historical cost are translated into sterling using the exchange rate of the date of the transaction. Non-monetary items held at fair value are translated into sterling at the exchange rates on the date the fair value was determined. The resulting exchange differences are dealt with in the Statement of Comprehensive Income for the financial year.

9. Leases

A lease is treated as a finance lease if it transfers substantially the risks and rewards of ownership of the leased asset. Fixed assets held under finance leases and the related lease obligations are recorded in the Statement of Financial Position at the lower of the fair value of the leased assets at the inception of the lease or the present value of the minimum lease payments. The excess of lease payments over recorded lease obligations are treated as finance charges which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligations. Assets held under finance leases are depreciated over their useful economic lives in the same way as other property, plant and equipment. Where there is no certainty that ownership of the asset will pass to the University at the end of the lease the asset will be fully depreciated by the end of the lease term.

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases. Lease incentives are similarly spread on a straight-line basis over the lease term.

Statement of Principal Accounting Policies (continued)

10. Intangible assets and goodwill

Intangible assets

The costs of significant software and its development for use in the long term are capitalised as intangible assets, less any reduction for impairment. Costs are amortised on a straight-line basis over their useful economic life (not exceeding ten years) and are subject to annual impairment reviews.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Relevant costs are attributed to each major phase of the configuration and implementation project. Costs relating to the development and implementation phases have been capitalised, costs relating to the research and training phases are expensed as incurred. Where software is provided on a subscription basis, the annual subscription costs are expensed as incurred.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired is capitalised and written-off on a straight-line basis over its useful economic life. Useful economic life is assessed separately for each business acquired, depending on the nature of that business. Where a reliable estimate of the useful life of goodwill cannot be made, the life shall not exceed five years. Provision is made for any impairment.

11. Property, plant and equipment

Land and buildings

Land is stated at deemed cost using the valuation on 31 July 2014. The valuation of land was undertaken during the 2012/13 year by Fisher Hargreaves Proctor Ltd, Property Consultants. Commercially held land is valued by suitably qualified chartered surveyors, the last valuation was at 31 July 2021 and the basis of valuation being open market value on an existing use basis. Land, with the exception of the Arts Centre and DH Lawrence Pavilion land, which are held on a long lease, is held freehold and is not depreciated as it is considered to have an indefinite useful life.

Buildings are stated at cost, other than those held as investments. Buildings are depreciated over their expected useful lives, which are between 40 and 50 years, with certain specific buildings depreciated over a longer period where appropriate. Each major component of land and buildings is reviewed separately and where major components have a significantly different useful economic life they are depreciated separately.

Major refurbishments are depreciated over their estimated life, normally 15 years. Leasehold land is depreciated over the life of the lease.

Assets in the course of construction are recognised at cost less impairment and are not depreciated.

Plant and equipment

Plant and equipment, including computers and software, costing less than £30,000 per individual item or group of related items is written-off in the year of acquisition (unless specified by a grant condition). All other equipment is capitalised. Where expenditure on maintenance and refurbishments is expected to provide incremental future benefits to the University, it is capitalised and added to the carrying value of the building or equipment.

Statement of Principal Accounting Policies (continued)

Capitalised equipment is stated at cost and depreciated over its expected useful life, as follows:

- IT equipment – three to five years
- IT software – three years
- Configured IT systems – useful economic life up to a maximum of 10 years
- Motor vehicles and other general equipment – three to 10 years
- Equipment acquired for specific research projects – project life (generally three years)

Each major component of capitalised plant and equipment is reviewed separately. Where major components have a significantly different useful economic life they are depreciated separately.

Impairment

At each reporting date all property, plant and equipment is reviewed for indications of impairment. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, an assessment is completed and any impairment charge arising is recognised against the asset and in the Statement of Comprehensive Income.

Borrowing costs

Borrowing costs are recognised as an expense within the Statement of Comprehensive Income and are not separately identified and capitalised.

12. Heritage assets

Heritage assets are recorded at cost or value of the asset where a revealed price is available. Heritage assets are reviewed for indicators of impairment annually and are not depreciated. They are subsequently recorded at cost less accumulated impairment. The University does not recognise heritage assets where the cost or value is not available and cannot be obtained at a reasonable expense. The nature of such assets is disclosed. The University's policy is to preserve the heritage assets in its care, to encourage access to its collections for teaching and research, and to enable public engagement with the collections.

13. Investment properties

Investment properties are initially measured at cost then subsequently at fair value at the reporting date, based on a professional valuation performed every 3-5 years, unless there is an indication each year that an interim valuation is needed, with changes in fair value recognised in the Statement of Comprehensive Income. Considering the balance between the cost of valuation and the materiality of the investment properties held management has assessed that to be sufficient.

Mixed use investment property is separated between investment properties and property, plant and equipment. If the fair value of the investment property portion cannot be reliably measured the entire property will be included within property, plant and equipment. Investment property owned by one Group company which is leased to another Group company is treated as an investment property in the owner's individual financial statements.

Investment property is reviewed yearly to confirm whether it still meets the definition of an investment property. Where the asset is held in service of the University's charitable purpose, it is transferred to property, plant and equipment at its deemed cost.

The most recent valuation of investment property was completed on 30 July 2021, whereby management engaged external property consultants to provide an estimated existing use valuation.

Statement of Principal Accounting Policies (continued)

14. Investments and endowments

Where there is a ready market for investments, they are shown at fair value with changes in value being taken to the Statement of Comprehensive Income. For investments in non-listed companies a fair value is determined by reference to a percentage of the company's estimated net book value.

Should there not be a ready market, investments are shown at historical cost less impairment.

Endowment asset investments are included in the Statement of Financial Position at fair value, with changes taken to the Statement of Comprehensive Income. Cash held as part of the endowment portfolio is treated as an investment, as it is held as part of the portfolio in accordance with the University's strategy and is therefore not considered as free cash.

Investments in subsidiaries and associates in the University's separate financial statements are recorded at cost less impairment.

15. Financial instruments

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

(a) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

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

Debt instruments which meet the conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method. Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. With the exception of some hedging instruments, other debt instruments, held for trading, are measured at fair value through the Statement of Comprehensive Income.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be £nil) less impairment. Financial assets are derecognised when:

- (1) the contractual rights to the cash flows from the financial asset expire or are settled;
- (2) the University transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- (3) the University, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Statement of Principal Accounting Policies (continued)

(b) Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares (where shares are publicly traded, or their fair value is reliably measurable) are measured at fair value through the Statement of Comprehensive Income. Where fair value cannot be measured reliably, investments are measured at cost less impairment. In the University's Statement of Financial Position, investments in subsidiaries are measured at cost less impairment.

(c) Derivative financial instruments

The University uses derivative financial instruments to reduce exposure to interest rate and cash flow movements. The University does not hold or issue derivative financial instruments for speculative purposes. Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in the Statement of Comprehensive Income immediately unless the derivative is designated and effective as a hedging instrument.

(d) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

16. Stocks

The inventories are stores held centrally for some academic schools, food and catering supplies, and farm livestock, produce and consumables. They are valued at the lower of cost and selling price less costs to sell.

17. 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 includes GBP and foreign currency balances.

Cash equivalents are short term (maturity being less than three months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

18. Taxation status

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 reporting date.

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. 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). Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

Statement of Principal Accounting Policies (continued)

The University's subsidiary companies are subject to Corporation Tax and VAT in the same way as any commercial organisation.

19. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the Institution a probable 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 Institution 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 Statement of Financial Position but are disclosed in the notes.

20. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund which the Institution must hold in perpetuity.

Other restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

21. Changes in accounting policies

There have been no changes to accounting policies during the year.

22. Critical accounting estimates and significant judgements

In the application of the University's accounting policies, judgements, estimates, and assumptions are required, which affect the application of accounting policies and the reported values of assets, liabilities, income and expenses. Judgements, estimates and assumptions are based on historical experience and other factors such as reasonable expectations of future events. They are reviewed regularly and applied consistently to the current and prior year. Estimates based on assumptions and judgements are likely to differ from the actual results.

Critical accounting estimates

Listed below are areas where estimation uncertainty at the reporting date could cause a material adjustment to the carrying amount of assets or liabilities within the next financial year.

Statement of Principal Accounting Policies (continued)

(a) Provision for doubtful debts

The Group holds a provision for doubtful debts of £11.2m (2024: £6.4m). Of this provision, £3.7m (2024: £4.4m), being 33% (2024: 69%) relates to outstanding student debt. The £3.1m tuition fee aspect of the provision represents 84% (2024: 75%) of outstanding student related debt at the year-end.

In the year we have provided in full for the University of Nottingham in Malaysia campus historic overdue management fees of £5.1m (2024: £nil) in recognition of their more challenging financial position.

Assumptions on recoverability are substantially unchanged from the prior year, taking into account several measures including the registration and course status of students, ageing, post year end recovery and experience in-year of the recovery of prior year debts. Various scenarios were reviewed based on the year end debt balance and these were tested against post year-end recovery and credits raised. The University continues to actively recover debt in line with the University debt collection policy.

(b) Provision for USS pension recovery plan

The most recent valuation of the USS pension scheme was completed in 2023. At this valuation it was determined that the USS pension scheme was in surplus. Following the change in contribution rates effective 1 January 2024 the University is no longer required to fund deficit contributions, nor make provision for our share of the overall pension deficit. As such, no adjustments or judgements are required for the year ended 31 July 2025.

(c) CPAS pension actuarial measurement

To determine the appropriate values for the CPAS pension recovery plan the scheme's independent trustees carry out a formal actuarial valuation on a yearly basis using reasonable actuarial assumptions which are disclosed in note 28. During the year the Scheme has moved from a marginal deficit to a surplus of £2.3m (2024: £0.2m deficit). The movement was caused by a decrease in the defined benefit obligation due to a rise in corporate bonds yields, which drive the discount rate, a fall in the assumed inflation and pension increases, partially offset by an increase in the assumed life expectancy of members.

Management mitigates the level of estimation using an independent third party for the actuarial valuation.

(d) Liability for staff annual leave not taken at the reporting date

Following a change in HR system in the year it is now possible for management to calculate more accurately an appropriate accrual for holiday pay contractually earned but not yet taken. Data has been sourced for all employees detailing their annual leave allowance remaining at the year end. Using salary data on an individual basis it was possible to calculate the financial value of the holiday accrued, but not yet taken as at 31 July 2025. The data driven calculation covers the majority of employees with a small proportion still being estimated. This estimation utilises data from a sample taken in 2021 from holiday records using data within an internally developed recording system. This data was then used to generate a percentage value of staff costs which was then extrapolated to cover all staff to estimate the value of holiday which had been accrued at the year end but not yet taken.

In the current year the combined methodologies estimate the liability to be £20.9m at 31 July 2025. The previous estimated value was £24.4m in 2024. The in-year impact is therefore a release to the Statement of Comprehensive Income of £3.5m.

Statement of Principal Accounting Policies (continued)

(e) Fair valuation of the private placement

In November 2019, the University issued a 30-year private placement loan note for £100m. The note contains an embedded prepayment option with related currency swaps. As such it is treated as a complex financial instrument as per FRS 102 sections 11 and 12 and is restated to fair value at the Statement of Financial Position date. To limit the level of management's estimation, an external third party undertakes the fair valuation.

The valuation is split principally into two phases. Firstly, a discounted cashflow based on the contractual payments. Secondly, this is weighted by probability of the prepayment option being exercised. The resulting valuation is highly sensitive to changes in the discount rate applied and is reliant on management's assumptions.

In arriving at the valuation of the integral option, management has made assumptions that are judged to be commercially reasonable and reflective of the position at the Statement of Financial Position date: that the option to prepay will be reassessed every five years or more and would only be exercised should it result in a substantial net benefit to the University.

The cash flows have been discounted using a forward Gilt curve adjusted for University of Nottingham specific credit risk. The most sensitive input to the estimate therefore is the discount rate applied to the future cash flow. This was an implied rate of 6.06% (2024: 5.22%). The risk-free rate component of the discount rate used is based on the bootstrapped US Treasury curve. Management considers this to be a reasonable credit risk estimate.

Contractual payments relating to the £100m private placement remain unchanged.

(f) Valuation of Tangible Fixed Assets

An initial external valuation report on the Castle Meadow Campus has been received, which highlights that the disposal proceeds would not recover the University's investment in the campus.

This report indicates a range of valuations depending on occupancy and successful letting of space of £14.4m to £18.0m. The current book value for the whole site including initial purchase and subsequent building works is £78.9m. As a result, an impairment provision of £64.5m (we have prudently taken the lowest valuation of £14.4m) has been recognised in the Statement of Comprehensive Income.

We are in the process of selling our Kings Meadow Campus and have recognised an impairment in line with the latest estimated sales value of the site.

Significant judgements

(a) Fair value of investments in non-listed companies

The University recognises its investment in collaboration and spin out companies which are at an early stage of their development. For non-listed companies it has been judged that a percentage of net assets reveals a fair value of the investment. Where net assets are negative the investment is valued at £nil. Alternative judgements could be made to recognise a fair value, for example by discounting expected future cashflows. However, due to the significant uncertainty attached to these investments, management considers a percentage of net assets to be the most reliable and prudent valuation method.

Statement of Principal Accounting Policies (continued)

(b) Treatment of USS Pension Scheme

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as the 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) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. Management is satisfied that the USS meets the definition of a multi-employer scheme, however as noted above in section 22 (b) as the USS Pension scheme is no longer in a deficit position there is no contractual contributions under the recovery plan in existence at the date of approving these financial statements. Accordingly, no provision has been made for the same.

The University of Nottingham

Consolidated and University Statement of Comprehensive Income

For the Year Ended 31 July 2025

		Consolidated		University	
	Note	2025 £m	2024 £m	2025 £m	2024 £m
Income					
Tuition fees and education contracts	1	453.1	437.5	453.1	437.5
Funding body grants	2	118.1	120.7	118.1	120.7
Research grants and contracts	3	140.4	141.6	140.3	141.6
Other operating income	5	145.0	142.2	128.2	127.2
Investment income	6	3.6	3.2	3.4	3.5
Donations and endowments	7	1.9	4.2	1.9	4.2
Total income		862.1	849.4	845.0	834.7
Expenditure					
Staff costs excluding movement in USS pension liability	8	498.0	494.1	491.2	488.1
Movement in USS pension liability	8	-	(243.6)	-	(243.6)
Total staff costs		498.0	250.5	491.2	244.5
Other operating expenses	9	322.9	323.8	307.1	317.9
Depreciation and amortisation	13, 14	49.2	45.4	48.6	44.8
Impairment and write off of tangible fixed assets	13	74.8	-	74.8	-
Interest and other finance costs	10	2.5	8.1	2.5	8.1
Total expenditure	11	947.4	627.8	924.2	615.3
(Deficit) / Surplus before other gains and share of operating surplus in associates		(85.3)	221.6	(79.2)	219.4
Gain / (Loss) on disposal of fixed assets and investments		2.1	(2.3)	2.1	(2.3)
Gain / (Loss) on valuation of investments		0.4	4.0	(2.1)	4.9
Gain / (Loss) on fair valuation of private placement	29	7.7	(1.9)	7.7	(1.9)
Share of (loss)/profit in associated companies	17	(1.7)	(0.7)	-	-
(Deficit) / Surplus for the year		(76.8)	220.7	(71.5)	220.1
Actuarial gain / (loss) in respect of pension scheme	28b	1.9	(10.8)	1.9	(10.8)
Total comprehensive (loss) / income for the year		(74.9)	209.9	(69.6)	209.3
Represented by:					
Endowment comprehensive income for the year	22	4.4	5.6	4.4	5.6
Restricted comprehensive (loss) / income for the year	23	(0.4)	1.3	(0.4)	1.3
Revaluation reserves comprehensive income for the year		-	-	-	-
Unrestricted comprehensive (loss) / income for the year		(78.9)	203.0	(73.6)	202.4
		(74.9)	209.9	(69.6)	209.3

The consolidated income is attributable to the University and its subsidiaries, there is no non controlling interest. All income and expenditure of the University and its subsidiaries relate to continuing operations.

The University of Nottingham

Consolidated Statement of Changes in Reserves

For the Year Ended 31 July 2025

Consolidated

	Note	Income and expenditure account			Revaluation reserve	Total
		Endowment £m	Restricted £m	Unrestricted £m	Unrestricted £m	£m
Balance at 1 August 2023		72.5	7.9	544.3	1.3	626.0
Actuarial gain / (loss)		-	-	(10.8)	-	(10.8)
Unrestricted surplus from the income and expenditure statement	22/23	5.6	1.3	213.8	-	220.7
Total comprehensive income for the year		5.6	1.3	203.0	-	209.9
Balance at 31 July 2024		78.1	9.2	747.3	1.3	835.9
Actuarial gain / (loss)		-	-	1.9	-	1.9
Unrestricted surplus / (deficit) from the income and expenditure statement	22/23	4.4	(0.4)	(80.8)	-	(76.8)
Total comprehensive income / (loss) for the year		4.4	(0.4)	(78.9)	-	(74.9)
Balance at 31 July 2025		82.5	8.8	668.4	1.3	761.0

The University of Nottingham

University Statement of Changes in Reserves

For the Year Ended 31 July 2025

University	Note	Income and expenditure account			Revaluation reserve	Total
		<i>Endowment</i> £m	<i>Restricted</i> £m	<i>Unrestricted</i> £m	<i>Unrestricted</i> £m	£m
Balance at 1 August 2023		72.5	7.9	492.5	1.3	574.2
Actuarial gain / (loss)		-	-	(10.8)	-	(10.8)
Unrestricted surplus from the income and expenditure statement	22/23	5.6	1.3	213.2	-	220.1
Total comprehensive income for the year		5.6	1.3	202.4	-	209.3
Balance at 31 July 2024		78.1	9.2	694.9	1.3	783.5
Actuarial gain / (loss)		-	-	1.9	-	1.9
Unrestricted surplus / (deficit) from the income and expenditure statement	22/23	4.4	(0.4)	(75.5)	-	(71.5)
Total comprehensive income / (loss) for the year		4.4	(0.4)	(73.6)	-	(69.6)
Balance at 31 July 2025		82.5	8.8	621.3	1.3	713.9

The University of Nottingham

Consolidated and University Statement of Financial Position

As at 31 July 2025

		Consolidated		University	
	Note	2025 £m	2024 £m	2025 £m	2024 £m
FIXED ASSETS					
Fixed assets	13	953.2	1,010.6	943.5	1,003.0
Intangible Fixed Assets	14	6.4	5.4	6.4	5.4
Heritage assets	15	1.1	1.1	1.1	1.1
Investments	16	85.0	82.2	85.4	82.6
Investments in associates	17	60.2	62.9	11.1	11.1
		1,105.9	1,162.2	1,047.5	1,103.2
CURRENT ASSETS					
Stock		1.6	1.5	1.5	1.5
Trade and other receivables	18	201.1	119.6	213.4	126.7
Short term investments	29	0.1	0.1	0.1	0.1
Cash and cash equivalents	27	59.2	69.9	54.1	64.2
		262.0	191.1	269.1	192.5
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	19	(333.2)	(242.3)	(329.0)	(237.1)
		(71.2)	(51.2)	(59.9)	(44.6)
NET CURRENT (LIABILITIES)					
		1,034.7	1,111.0	987.6	1,058.6
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR					
	20	(276.0)	(274.9)	(276.0)	(274.9)
Provisions	21	-	(0.2)	-	(0.2)
Surplus of UoN CPAS pension scheme	28b	2.3	-	2.3	-
		761.0	835.9	713.9	783.5
TOTAL NET ASSETS					
RESTRICTED RESERVES					
Income and expenditure reserve - endowment reserve	22	82.5	78.1	82.5	78.1
Income and expenditure reserve - restricted reserve	23	8.8	9.2	8.8	9.2
		91.3	87.3	91.3	87.3
UNRESTRICTED RESERVES					
Income and expenditure reserve - unrestricted		668.4	747.3	621.3	694.9
Revaluation reserve		1.3	1.3	1.3	1.3
		669.7	748.6	622.6	696.2
		761.0	835.9	713.9	783.5
TOTAL RESERVES					

The accompanying accounting policies on pages 22 to 33 and notes on pages 39 to 62 form part of these financial statements. The financial statements were approved by the Council on 27 January 2026 and signed on its behalf on 27 January 2026 by:



PROFESSOR JANE NORMAN
Vice Chancellor



GILES WILLITS
Treasurer and Chairman of Finance Committee

The University of Nottingham

Consolidated Cashflow Statement

For the Year Ended 31 July 2025

	Notes	2025 £m	2024 £m
Cash flow from operating activities			
(Deficit) / Surplus for the year		(76.8)	220.7
Adjustment for non-cash items			
Loss on impairment of fixed assets	13	74.8	-
Depreciation	13	48.2	45.1
Amortisation of intangibles	14	1.0	0.3
(Gain) on endowments and investments		(1.8)	(3.9)
(Gain) / loss on private placement		(7.7)	1.9
(Increase) / Decrease in stock		(0.1)	0.5
(Increase) / Decrease in debtors		(81.5)	11.1
Increase / (Decrease) in creditors		86.4	(9.1)
Increase in pension provision		(0.5)	(253.9)
Share of operating deficit in associates	17	1.7	0.7
Adjustment for investing or financing activities			
Investment income	6	(1.7)	(2.1)
Investment income on endowments	6	(1.9)	(1.1)
Interest payable	10	2.5	8.1
Endowment additions		(0.4)	-
(Loss) / Gain on the sale of fixed assets and investments		(2.1)	2.3
Capital grant (income)		(12.5)	(15.8)
Net cash inflow from operating activities		27.6	4.8
Cash flows from investing activities			
Proceeds from sales of fixed assets		3.4	1.5
Capital grants receipts		26.3	19.0
Disposal of non-current asset investments	16	0.1	-
Payments to acquire non-current asset investments		(0.4)	(0.6)
Investment income	6	1.7	2.1
Proceeds on sale of endowment investments		1.0	1.0
Payments to acquire endowment investments		(0.8)	(2.8)
New deposits of endowment investments		0.4	0.7
Investment income on endowments	6	1.9	1.1
Payments made to acquire fixed assets		(69.4)	(78.3)
Cash flows used in investing activities		(35.8)	(56.3)
Cash flows from financing activities			
Interest paid	10	(2.5)	(3.0)
Cash flows used in financing activities		(2.5)	(3.0)
Effect of retranslation of foreign currency cash balances		-	-
Decrease in cash and cash equivalents in the year		(10.7)	(54.6)
Cash and cash equivalents at beginning of the year	27	69.9	124.5
Cash and cash equivalents at end of the year	27	59.2	69.9

As permitted under FRS 102, the University has taken advantage of the disclosure exemption available to it in respect of a University-only cashflow statement.

The University of Nottingham
Notes to the Financial Statements
For the Year Ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
1. Tuition fees and education contracts				
Full-time credit bearing courses - home fees	230.7	224.1	230.7	224.1
Full-time credit bearing courses - international fees	191.1	181.8	191.1	181.8
Part-time credit bearing courses	3.6	3.5	3.6	3.5
Other teaching contracts	4.3	3.8	4.3	3.8
Non credit bearing courses and other fees	23.4	24.3	23.4	24.3
	453.1	437.5	453.1	437.5

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
2. Funding body grants				
Recurrent Grants				
Office for Students (OfS)	50.1	49.4	50.1	49.4
OfS Capital Grant	6.4	6.9	6.4	6.9
Research England	61.6	64.4	61.6	64.4
	118.1	120.7	118.1	120.7

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
3. Research grants and contracts				
Research councils	69.6	64.4	69.5	64.4
UK based charities	12.7	13.0	12.7	13.0
UK central or local government and health authorities	33.4	35.6	33.4	35.6
UK industry, commerce and public corporations	9.9	10.2	9.9	10.2
EU government and other sources	7.1	8.8	7.1	8.8
Other grants and contracts	7.7	9.6	7.7	9.6
	140.4	141.6	140.3	141.6

The University of Nottingham
Notes to the Financial Statements
For the Year Ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
4. Sources of grant and fee income				
Grant income from the OfS	56.5	56.2	56.5	56.2
Grant income from other bodies	202.0	206.1	202.0	206.1
Fee income for taught awards	403.7	388.4	403.7	388.4
Fee income for research awards	44.2	43.5	44.2	43.5
Fee income from non-qualifying courses	5.2	5.7	5.2	5.7
Total grants and fee income	711.6	699.9	711.6	699.9

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
5. Other operating income				
Residences, catering and conferences	56.6	52.4	42.0	39.0
Other services rendered	31.9	32.2	30.6	30.9
Health authorities	11.3	11.5	11.3	11.5
Released from deferred capital grants	1.1	3.6	1.1	3.6
Other income	44.1	42.5	43.2	42.2
	145.0	142.2	128.2	127.2

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
6. Investment Income				
Investment income on endowments (note 22)	1.9	1.1	1.9	1.1
Other interest receivable	1.7	2.1	1.5	2.4
	3.6	3.2	3.4	3.5

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
7. Donations and endowments				
New endowments (note 22)	0.3	0.7	0.3	0.7
Donations with performance conditions	0.1	1.0	0.1	1.0
Donations with restrictions (note 23)	1.5	2.5	1.5	2.5
Unrestricted donations	-	-	-	-
	1.9	4.2	1.9	4.2

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
8. Staff				
Staff costs:				
Gross pay	396.7	387.8	390.0	382.3
Social security costs	43.2	39.9	43.1	39.6
Voluntary severance scheme	9.6	12.1	9.6	12.1
Other pension costs (note 28)	48.5	54.3	48.5	54.1
Movement on USS pension provision (note 21, 28)	-	(243.6)	-	(243.6)
	498.0	250.5	491.2	244.5

During the year voluntary severance schemes operating as Mutually Agreed Resignation Scheme and Future Nottingham were offered to all employees which resulted in £9.6m costs during the year (2024: £12.1m)

	2025	2025	2024
	Current	Former	Former
	£	£	£
8a. Emoluments of Vice-Chancellor			
Contractual salary	207,620	80,925	323,400
Emoluments Non Pensionable	13,141	150	-
Basic salary	220,761	81,075	323,400
In lieu of pension contributions	-	8,075	36,118
Remuneration	220,761	89,150	359,518
Employers pension contributions	30,590	5,918	8,683
Total cost	251,351	95,068	368,201

Salaries for the Vice-Chancellor and senior staff are set by the Remuneration Committee – part of the University’s Council, its governing body – which comprises independent external members of Council, who possess commercial and public sector pay knowledge and expertise. Objectives for the Vice-Chancellor are set annually by the Chair of Council and performance and progress against them reported to and assessed by the Remuneration Committee.

The Vice-Chancellor is not a member of the Remuneration Committee and has no role in determining remuneration for herself or those under her line management. She does attend meetings of the Remuneration Committee, however, will not be present at any time when the Vice Chancellor's own performance and annual remuneration review recommendations are discussed and confirmed. Details of the membership and terms of reference of the Remuneration Committee can be found [here](#).

The Vice-Chancellor is eligible to be a member of the Universities Superannuation Scheme pension and has received employer pension contributions at the same rate as for other members of the scheme. Where a payment is made in lieu of employer pension contribution, this is calculated on the same basis as the employer contribution rate to ensure it is cost-neutral to the University.

The Vice-Chancellor’s salary has been determined according to a number of factors including, but not limited to:

- the depth of the Vice-Chancellor’s leadership, management and academic experience within the higher education sector;
- the breadth of leadership responsibilities for one of the UK’s largest universities consisting of more than 46,000 students and over 8,000 staff based in campuses across the UK, China and Malaysia, as well as a global community of 340,000 alumni in more than 200 countries;
- the financial responsibilities for an institution with an annual turnover of circa £800 million, and which contributes more than £1 billion to the national economy, £677 million to the regional economy, and supports 18,000 jobs; and
- the accountability for sustaining an excellent educational experience for our students, and a world-leading research portfolio worth £600 million devoted to solving some of the most pressing global challenges, to the benefit of society in the UK and around the world.

The above figures look at the financial year ending 31 July 2025. Details of the current salary, as approved by the Remuneration Committee, are available on the University's website.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

8a. Emoluments of Vice-Chancellor continued

Professor Shearer West

Professor Shearer West was employed for part of the financial year to 31 October 2024. During 2024/25, the Vice-Chancellor Professor Shearer West received a cost of living increase of £900. This is the same financial increase as the nationally negotiated 2024/25 JNCHES pay award for levels 4 to 6 staff, which the University also applies to its senior staff. Professor Shearer West did not receive any further cost of living increase or consolidated increase in pay.

Her basic salary was 8.2 times the median basic pay of staff (2024: 7.7), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff excluding agency staff.

Her total remuneration was 8.0 times (2024: 8.0 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff. In both cases the median is calculated gross, i.e. prior to any voluntary waiver of salary.

Professor Jane Norman

Professor Jane Norman was appointed as Interim Vice Chancellor on 1 November 2024 and confirmed in the post on a permanent basis on 1 January 2025. She received a 30.25% increase in pay upon appointment to the VC role. On 1 March 2025 the Vice Chancellor received a 2.18% cost of living increase.

Her basic salary was 7.5 times the median basic pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff excluding agency staff.

Her total remuneration was 8.8 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

	2025 £m	2024 £m
8b. Compensation for loss of office		
Compensation for loss of office paid (or payable) to employees of the University	11.3	13.8
Number of employees of the University where compensation has been paid (or is payable)	581	408
	2025 £m	2024 £m
Compensation for loss of office paid (or payable) to employees of subsidiaries of the University	-	-
Number of employees of subsidiaries of the University where compensation has been paid (or is payable)	1	-
	2025 FTE	2024 FTE
8c. Average Staff Numbers (Consolidated)		
Average staff numbers by major category:		
Teaching and Research	3,426	3,476
Technical	534	560
Administrative, Professional and Managerial	3,237	3,292
Other, including manual	993	987
	8,190	8,315

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

8d. Higher paid staff

This lists the number of staff (full time equivalent) with a basic salary, i.e. excluding employer's pensions contributions, of over £100,000 per annum, broken down into bands of £5,000. It does not include staff who left part way through a year but who would have received salary in these bands for a full year. Where a proportion of the salary is reimbursed by the NHS or Research Council for example, only the portion paid by the institution is disclosed.

In each band, the number of University Executive Board members is indicated as a subset of the total in that band. The membership of the Executive Board can be seen here: <https://www.nottingham.ac.uk/about/structure/university-executive-board/university-executive-board.aspx>

	Number (FTE) of staff 2025	Of which, University Executive Board members (FTE)	Number (FTE) of staff 2024	Of which, University Executive Board members (FTE)
Basic salary per annum				
£100,000 - £104,999	85.10		67.20	
£105,000 - £109,999	39.63		23.37	
£110,000 - £114,999	28.64		25.08	
£115,000 - £119,999	6.56		3.10	
£120,000 - £124,999	7.60		14.19	1.00
£125,000 - £129,999	23.61		13.85	1.00
£130,000 - £134,999	12.40	1.00	6.05	
£135,000 - £139,999	53.23		30.03	1.00
£140,000 - £144,999	5.20		4.80	1.00
£145,000 - £149,999	7.70	2.00	4.50	
£150,000 - £154,999	4.00	2.00	3.00	1.00
£155,000 - £159,999	5.00	2.00	1.00	1.00
£160,000 - £164,999			2.00	2.00
£165,000 - £169,999	2.00	2.00	2.40	1.00
£170,000 - £174,999	2.65	1.00	0.25	
£190,000 - £194,999	2.00		3.00	2.00
£195,000 - £199,999	4.00	1.00	1.20	1.00
£200,000 - £204,999	1.20			
£225,000 - £229,999	1.00	1.00	1.00	1.00
£230,000 - £234,999	1.00	1.00		
£290,000 - £294,999	1.00	1.00		
£320,000 - £324,999			1.00	1.00
Grand Total	293.52	14.00	207.02	14.00

8e. Key management personnel

Key management personnel have authority and responsibility for planning, directing and controlling the activities of the University. The University's Executive Board are determined as having the appropriate level of authority to meet this definition. Staff costs includes compensation paid to key management personnel. Compensation consists of salary and benefits excluding employer's pension contribution. The Vice-Chancellor sits as part of the Executive Board. Her remuneration is disclosed separately above and is thus excluded here.

At 31 July 2025 there were 12 members (2024: 15 members).

	2025 £m	2024 £m
Compensation paid to key management personnel	2.3	2.5

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
9. Other Operating Expenses				
Purchase, hire and repair of equipment	47.4	45.7	46.7	45.1
Consumables and laboratory expenditure	25.7	20.8	25.6	20.4
Published materials	7.9	10.5	7.9	10.5
Travel and subsistence	13.2	11.8	13.3	11.7
Professional and other fees	74.6	85.9	72.5	83.7
Fellowships, scholarships and prizes	49.3	49.3	49.3	49.3
Catering supplies	7.7	7.9	6.2	6.6
Repairs and general maintenance	23.6	28.7	21.4	25.9
Heat, light, water and power	28.7	37.4	27.6	36.7
Rent, rates and insurance	11.0	9.4	10.6	9.4
Grants to University of Nottingham Students' Union	2.5	2.4	2.5	2.4
Auditor's remuneration	0.8	0.8	0.6	0.7
Training	0.8	2.9	0.8	2.8
Advertising	3.1	1.8	3.0	1.6
Other expenses	26.6	8.5	19.1	11.1
	322.9	323.8	307.1	317.9

Auditor's remuneration includes:

	Consolidated		University	
	2025	2024	2025	2024
	£000	£000	£000	£000
Prior year costs, excluding VAT	53.0	80.0	26.0	40.0
In respect of audit services, excluding VAT	485.0	421.7	378.0	342.5
Other assurance services, excluding VAT	126.3	171.7	126.3	171.7
	664.3	673.4	530.3	554.2

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
10. Interest and Other Finance Costs				
Bank interest on loans	2.5	3.0	2.5	3.0
Finance credit for CPAS pension scheme (note 28)	-	(0.4)	-	(0.4)
Finance costs for USS pension scheme provision (notes 21 and 28)	-	5.5	-	5.5
	2.5	8.1	2.5	8.1

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Staff Costs £m	Dep'n £m	Other Operating Expenses £m	Interest Payable £m	Consolidated	
					2025	2024
					Total £m	Total £m
11. Analysis of Expenditure by Activity						
Academic departments	271.1	3.2	71.1	-	345.4	331.1
Research grants and contracts	61.0	5.2	46.0	-	112.2	107.1
Total teaching and research	332.1	8.4	117.1	-	457.6	438.2
Academic services	36.3	4.9	42.3	-	83.5	92.6
Administration	58.2	0.1	33.5	-	91.8	143.2
Premises	17.4	105.4	52.3	-	175.1	102.9
Residences, catering and conferences	14.5	5.1	17.0	-	36.6	49.3
Other expenses	39.5	0.1	60.7	2.5	102.8	(198.4)
Total per income and expenditure account	498.0	124.0	322.9	2.5	947.4	627.8

	Staff Costs £m	Dep'n £m	Other Operating Expenses £m	Interest Payable £m	University	
					2025	2024
					Total £m	Total £m
Academic departments	271.1	3.2	74.7	-	349.0	331.3
Research grants and contracts	61.0	5.2	46.0	-	112.2	107.1
Total teaching and research	332.1	8.4	120.7		461.2	438.4
Academic services	36.3	4.9	42.4	-	83.6	92.7
Administration	58.0	0.1	33.2	-	91.3	143.3
Premises	17.4	104.8	52.0	-	174.2	104.8
Residences, catering and conferences	8.5	5.1	10.5	-	24.1	37.9
Other expenses	38.9	0.1	48.3	2.5	89.8	(201.8)
Total per income and expenditure account	491.2	123.4	307.1	2.5	924.2	615.3

Depreciation includes impairment of tangible fixed assets.

	Consolidated and University			
	2025 Staff Costs £m	2025 Other Costs £m	2025 Total £m	2024 Total £m
12. Access and Participation				
Access investment	1.6	1.3	2.9	2.9
Financial support	0.4	8.3	8.7	9.5
Disability support	1.6	0.4	2.0	2.1
Research and evaluation	0.2	0.0	0.2	0.3
	3.8	10.0	13.8	14.8

The staff costs are included within the totals at note 8. The staff costs also disclosed in this note are intrinsic to the delivery of Access and Participation activities.

The University's OfS Access and Participation Plan is published online (<https://www.nottingham.ac.uk/externalrelations/documents/theuniversityofnottingham-app-2020-21-v1-10007154.pdf>). It sets out how the University will improve equality of opportunity for under-represented groups in higher education. The plan must be approved by the OfS to allow an institution to charge higher UK undergraduate tuition fees.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated					
	Land and buildings					
	Freehold	Long leasehold	Investment properties	Equipment	Assets in course of construction	Total
	£m	£m	£m	£m	£m	£m
13. Tangible fixed assets						
Cost / deemed cost						
At 1 August 2024	1,072.6	32.2	1.3	323.4	98.9	1,528.4
Re-categorisation of assets	(6.5)	1.9	-	4.6	-	-
Additions at cost	-	-	-	1.0	65.9	66.9
Transfers	36.1	-	-	20.5	(56.6)	-
Disposals	(0.6)	-	(0.9)	(0.1)	-	(1.6)
At 31 July 2025	1,101.6	34.1	0.4	349.4	108.2	1,593.7
Depreciation						
At 1 August 2024	264.8	9.7	-	243.3	-	517.8
Re-categorisation of assets	(1.6)	0.5	-	1.1	-	-
Charge for year	29.2	0.6	-	18.4	-	48.2
Impairments	49.6	-	-	1.0	24.2	74.8
Eliminated on disposals	(0.1)	-	-	(0.2)	-	(0.3)
At 31 July 2025	341.9	10.8	-	263.6	24.2	640.5
Net book value						
At 31 July 2025	759.7	23.3	0.4	85.8	84.0	953.2
At 31 July 2024	807.8	22.5	1.3	80.1	98.9	1,010.6
	University					
	Land and buildings					
	Freehold	Long leasehold	Investment properties	Equipment	Assets in course of construction	Total
	£m	£m	£m	£m	£m	£m
Cost / deemed cost						
At 1 August 2024	1,072.6	32.2	1.3	312.0	99.3	1,517.4
Re-categorisation of assets	(6.5)	1.9	-	4.6	-	-
Additions at cost	-	-	-	-	64.2	64.2
Transfers	36.1	-	-	18.1	(54.2)	-
Disposals	(0.6)	-	(0.9)	(0.1)	-	(1.6)
At 31 July 2025	1,101.6	34.1	0.4	334.6	109.3	1,580.0
Depreciation						
At 1 August 2024	264.8	9.7	-	239.9	-	514.4
Re-categorisation of assets	(1.6)	0.5	-	1.1	-	-
Charge for year	29.2	0.6	-	17.8	-	47.6
Impairments	49.6	-	-	1.0	24.2	74.8
Eliminated on disposals	(0.1)	-	-	(0.2)	-	(0.3)
At 31 July 2025	341.9	10.8	-	259.6	24.2	636.5
Net book value						
At 31 July 2025	759.7	23.3	0.4	75.0	85.1	943.5
At 31 July 2024	807.8	22.5	1.3	72.1	99.3	1,003.0

Included in both consolidated and University within freehold land and buildings is £243m (2024: £243m) of land which is not being depreciated.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

13. Tangible fixed assets continued

Property valuations were made by senior management using the July 2014 surveyor's report of Savills (L&P) Ltd, the basis of valuation being open market value taking groups of properties together for this purpose. This valuation was applied on transition to FRS 102 and these assets have subsequently been accounted for at deemed cost.

Investment property was valued by management at 31 July 2021 using an indicative property valuation report by Avison Young, and a RICS valuation report from Savills. Management consider both reports to be a reasonable basis for a reliable estimate. Investment property was not revalued during the year ending 31 July 2025 as management do not consider the valuation to have altered materially.

	Consolidated and University		
	Intangible Assets	Assets in course of construction	Total
	£m	£m	£m
14. Intangible fixed assets			
Cost			
At 1 August 2024	2.7	3.2	5.9
Additions at cost	-	2.0	2.0
Transfers	5.2	(5.2)	-
At 31 July 2025	7.9	-	7.9
Amortisation			
At 1 August 2024	0.5	-	0.5
Charge for year	1.0	-	1.0
At 31 July 2025	1.5	-	1.5
Net book value			
At 31 July 2025	6.4	-	6.4
At 31 July 2024	2.2	3.2	5.4

Intangible assets capitalised during the year related to separable assets created through the university's Digital Engagement programme.

Consolidated and University

	2025	2024
	£m	£m
15. Heritage assets		
Heritage assets	1.1	1.1

The heritage assets recognised are the Ada Clarke collection relating to D. H. Lawrence, and the Wollaton Library Collection of medieval manuscripts.

These are recognised at cost when the collections were purchased by the University.

The University also holds several classes of heritage assets that are not recognised in the financial statements because no cost or value can be obtained at a reasonable expense.

Assets include numerous pieces of artwork, a special collection of papers relating to D. H. Lawrence, and the papers of Nobel laureate Sir Peter Mansfield. The significance of these assets is in the preservation of the unique documents for future use by researchers.

Both the artwork and the special collections are covered by insurance (to £6m and £80m respectively), however the insurance values are not considered by management to be representative of a reliable market value. Management has not obtained an accurate valuation due to the disproportionate cost of doing so.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
16. Investments				
Subsidiary companies	-	-	0.4	0.4
Spin out investments	3.2	3.5	3.2	3.5
Medium term expendable endowments	9.4	9.9	9.4	9.9
Endowment asset portfolio (note 22)	72.4	68.8	72.4	68.8
	85.0	82.2	85.4	82.6

Included within investments are amounts invested in University collaborations and spin out companies. As the companies that are invested in are at early stage of development there is a degree of financial uncertainty attached to them. The cost of such investments are £9.2m (2024: £9.5m) with an impairment provision of £6.0m (2024: £5.7m). The University is also a member of EMMAN Limited, The Manufacturing Technology Centre Limited and CIELivestock Limited, all of which are companies limited by guarantee for which the University's potential liability is limited to £1 each.

	Spin out Investments £m	Medium Term Endowments £m
16a. Breakdown of consolidated investments		
Cost or market valuation		
At 1 August 2024	9.1	9.9
Additions at cost	0.5	-
Revaluation	(0.3)	0.6
Disposals	(0.1)	(1.1)
At 31 July 2025	9.2	9.4
Provisions for impairment		
At 1 August 2024	(5.6)	-
Impairment	(0.4)	-
At 31 July 2025	(6.0)	-
Carrying value		
At 31 July 2025	3.2	9.4
At 31 July 2024	3.5	9.9

Investments in spin-out companies are structured such that the University does not have majority control nor significant influence over the spin-out company. As such, the investments listed below are not consolidated or equity accounted. Rather a share of net assets is included in investments. The university's principle spin-out investments are listed below, with full details on the university's website:
<https://www.nottinghamtechventures.com/>

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

Investment	Type of business	Country of Incorporation	% Holding 2025	% Holding 2024
Reactive Fusion Ltd	Additive Manufacturing	United Kingdom	50%	50%
Taraz Metrology	Optical Metrology	United Kingdom	48%	48%
The Reverse Mentoring Practice (Remedi) Ltd	Human Health Activities	United Kingdom	47%	47%
PERFORMS Assessment Ltd	Clinical Performance Assessment	United Kingdom	45%	45%
Scintam Engineering Ltd	Innovative surfacing solutions	United Kingdom	37%	37%
MiDx Ltd	Research and Development	United Kingdom	32%	32%
Alevin Therapeutics Ltd	Research and Development	United Kingdom	32%	32%
The Thinking Pod Innovations Ltd	Sustainable Transport & Energy Systems	United Kingdom	32%	32%
Blue Skeye AI Ltd	Artificial Intelligence	United Kingdom	31%	28%
Forge Genetics Ltd	Research and experimental development on biotechnology	United Kingdom	30%	40%
Peptimatrix	Peptide Hydrogels	United Kingdom	27%	30%
Texture Jet Ltd	Innovative Surfacing Solutions	United Kingdom	23%	41%
Quantified Imaging	Medical diagnostics	United Kingdom	22%	26%
Cerca Magnetix Ltd	Scientific & Technical Activities	United Kingdom	22%	25%
IsomAb Ltd	Research and Development	United Kingdom	21%	9%
Neurotherapeutics Ltd	Research and Development	United Kingdom	19%	19%
Medical Photonics	Medical device development	United Kingdom	17%	0%
Surepulse Medical Ltd (formerly Heartlight)	Heart Rate Measuring Technology	United Kingdom	17%	18%
TherageniX Ltd	Gene Delivery for Orthopaedic Applications	United Kingdom	15%	15%
FaHRAS Ltd	Health Related Software	United Kingdom	15%	15%
Matalytics Ltd	Software Development	United Kingdom	14%	21%
Vet Vision AI Ltd	Veterinary activities	United Kingdom	11%	40%
Exonate Ltd	Drug development (therapeutics)	United Kingdom	10%	10%
Terra Motion Ltd	Environmental Consulting Activities	United Kingdom	10%	10%
Circular Agriculture Hub	Social Enterprise for the redistribution of crops	United Kingdom	10%	0%
Staff Roster Solutions Ltd	Software	United Kingdom	10%	10%
Promethean Particles Ltd	Inorganic Nanoparticle Dispersion Manufacture	United Kingdom	10%	10%
PBD Biotech Ltd	Medical/veterinary diagnostics	United Kingdom	10%	10%

The Group owns 100% (2024: 100%) of the issued share capital of the following companies which are registered in England and operating in the UK:

Company Name	No of £1 Ordinary Shares
Nottingham University Industrial and Commercial Enterprise Limited (NOTICE)	100,000
Nottingham Venues Limited (previously East Midlands Conference Centre Limited)	100
UNIP Management Limited	2
Eminate Limited (Registered Number 05852142)	1
Nottingham Technology Ventures Limited (Registered Number 04477457)	2
NOTICE is a provider of services, such as consultancy and power supplies. UNIP Management provides rental and property services. Eminate developed products for the food and pharmaceutical sectors and receives royalties. Nottingham Venues Limited is a provider of facilities for conference and other events. Nottingham Technology Ventures manages the University's spin-out portfolio.	

The consolidated results of the Group incorporate the above 100% owned companies and the results of The University of Nottingham Foundation (Hong Kong) Limited, a company granted charitable status in April 2003, University of Nottingham Chile Foundation and University of Nottingham Italy SCARL, which are all wholly owned subsidiaries of the Group.

The University acts as a guarantor and provides financial support, by the way of loans on an arms length basis and by formal agreement, to the subsidiary and associate companies in order that they can meet their financial obligations.

Under Section 479A of the Companies Act 2006 there is provision in place for 100% owned subsidiaries to take exemption from the audit requirement for their individual financial accounts. In the year the decision has been taken to apply this exemption to:

Eminate Limited (Registered number 05852142)

Nottingham Technology Ventures Limited (Registered number 04477457)

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated	University
	£m	£m
17. Investment in associated companies		
At 1 August 2024	62.9	11.1
Share of retained losses	(1.7)	-
Exchange movements	(1.0)	-
At 31 July 2025	60.2	11.1

The University owns 37.5% (2024: 37.5%) of the University of Nottingham Ningbo, China, a co-operative joint venture established in China. It has a financial year end of 31 December in accordance with Chinese regulations. The consolidated financial statements of the University reflects a carrying value of £47.7m (2024: £49.6m) equal to 37.5% of the net assets, excluding intellectual property, as at 31 July.

The University owns 29.9% (2024: 29.9%) of the ordinary share capital of the University of Nottingham, Malaysia, a company incorporated in Malaysia. It has a financial year end of 31 December in common with its majority shareholder. The consolidated financial statements of the University reflects a carrying value of £12.5m (2024: £13.3m) equal to 29.9% of the net assets, excluding intellectual property, as at 31 July.

Academic quality in both China and Malaysia is controlled by The University of Nottingham.

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
18. Trade and other receivables				
Amounts falling due within one year:				
Trade receivables	126.3	43.0	125.0	41.5
Amounts due from subsidiaries	-	-	14.0	12.1
Amounts due from associates (note 26)	11.9	9.6	11.9	9.6
Prepayments and accrued income relating to research grants	37.7	31.9	37.7	31.9
Prepayments and accrued income	25.1	34.8	24.7	31.3
	201.0	119.3	213.3	126.4
Amounts falling due after more than one year:				
Prepayments and accrued income	0.1	0.3	0.1	0.3
Total trade and other receivables	201.1	119.6	213.4	126.7
Donations and pledges included within prepayments and accrued income above	0.5	0.7	0.5	0.7

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
19. Creditors: amounts falling due within one year				
Payments received in advance	2.4	3.4	0.9	1.4
Trade payables	14.2	31.6	12.2	31.2
Social security and other taxation payable	15.3	-	14.7	-
Amounts due to subsidiaries	-	-	3.7	2.2
Accruals and deferred income	301.3	207.3	297.5	202.3
	333.2	242.3	329.0	237.1

19a. Deferred Income

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
Donations	10.7	9.9	10.7	9.9
Deferred tuition fees	42.0	-	42.0	-
Research grants received in advance	87.6	88.4	87.6	88.4
Other deferred income	7.6	-	7.6	-
Deferred capital grants	10.8	11.6	10.8	11.6
	158.7	109.9	158.7	109.9

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
20. Creditors: amounts falling due after more than one year				
Government energy efficiency loans	0.2	0.3	0.2	0.3
Private placement of debt (note 29)	54.7	62.4	54.7	62.4
Deferred capital grants	221.1	212.2	221.1	212.2
	276.0	274.9	276.0	274.9

The University's borrowing facilities are the following:

- A £100m unsecured fixed-rate Private Placement issued in November 2019 for a 30-year term at a coupon rate of 2.47%. The private placement is restated to fair value at each period close (note 29 refers).
- An £80 million non-amortising Revolving Credit Facility issued in November 2019 at a variable rate of SONIA plus 0.4% for a term of 10 years. The University has the ability to repay and redraw against the facility over the period of the loan and utilises this facility to manage its cash requirements. As at 31 July 2025 this facility was undrawn (2024: undrawn).
- A multi-option facility (an overdraft) for £15 million reviewable annually by the University's main banker.
- A HEFCE loan to enable the installation of energy efficient technology, which does not have a fixed repayment profile, with repayments being dependent on the individual project.

The University does not currently hold any finance lease arrangements.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	Consolidated and University			
	Obligation to fund USS deficit £m	CPAS deficit £m	Pension Total £m	Total £m
21. Provisions				
At 1 August 2024	-	0.2	0.2	0.2
Additions in year (note 8)	-	-	-	-
Utilised in year (note 8 and 10)	-	-	-	-
Unused amounts reversed in year (note 28)	-	(0.2)	(0.2)	(0.2)
At 31 July 2025	-	-	-	-

At 31 July 2024, the institution's balance sheet did not include a liability for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. There was no valuation in 2024 and 2025, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability was released to the profit and loss account. Further disclosure relating to the deficit recovery liability can be found in note 28.

The University of Nottingham Contributory Pension and Assurance Scheme (CPAS) is a closed scheme. Over the year the Scheme has moved to a surplus position, the detail behind the assessment is described in note 28.

22. Endowments

With effect from 1 August 2021 Council adopted a policy of total return for the University's permanent endowment assets. Expendable endowments are shown at note 16.

The initial amount of the trust for investment on 1 August 2021 is the £72.3m carrying value of permanent endowment investments on that date.

Total return generates an investment return without regard to a capital or income distinction. The return is accumulated into the Council policy is to apply 4% of the investment return. This is determined to provide a sustainable investment return. Council is advised by an investment partner, Cazenove Capital, in this regard.

	Consolidated and University			
	2025 Permanent £m	2025 Unapplied £m	2025 Expendable Endowments £m	2025 Total £m
Endowments				
At 1 August 2024				
Gift component of the endowment	44.9	-	-	44.9
Unapplied total return	-	23.8	9.4	33.2
	44.9	23.8	9.4	78.1
Movements in the reporting period:				
Gift of endowment funds	0.3	-	-	0.3
Investment return: dividends and interest	-	4.5	2.0	6.5
Investment return: realised and unrealised losses	-	(0.9)	-	(0.9)
Less: investment management costs	-	-	-	-
	0.3	3.6	2.0	5.9
Unapplied total return allocated to income in the period	-	(0.3)	(1.2)	(1.5)
At 31 July 2025	0.3	3.3	0.8	4.4
At 31 July 2025				
Gift component of the endowment	45.2	3.6	2.0	50.8
Unapplied total return	-	23.5	8.2	31.7
	45.2	27.1	10.2	82.5

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

22. Endowments (Permanent) continued

Analysis by type of purpose:

	2025 £m	2024 £m
Academic staff	39.3	37.4
Prizes, scholarships and student support	24.2	22.1
Subject specific	5.7	5.9
Research	3.4	3.3
Other	9.9	9.4
	82.5	78.1

	Consolidated and University			
	2025 Research £m	2025 Donations £m	2025 Restricted Total £m	2024 Total £m
23. Restricted reserves				
At 1 August 2024	1.4	7.8	9.2	7.9
New grants	0.1	-	0.1	0.3
New donations	-	1.5	1.5	2.6
Expenditure	(0.5)	(1.5)	(2.0)	(1.6)
At 31 July 2025	1.0	7.8	8.8	9.2

Analysis by type of purpose:

	2025 £m	2024 £m
Academic staff	0.2	0.4
Prizes, scholarships and student support	2.8	2.8
Subject specific	3.8	3.7
Research	0.8	1.1
Other	1.2	1.2
	8.8	9.2

	Consolidated and University			
	Equipment £m	Buildings £m	2025 £m	2024 £m
24. Operating lease obligations				
Minimum lease payments due:				
Within one year	0.2	1.6	1.8	2.3
Between two and five years	0.4	6.2	6.6	8.5
Over five years	-	0.2	0.2	4.4
	0.6	8.0	8.6	15.2

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
25. Capital Commitments				
Commitments contracted at 31 July	29.3	30.8	29.3	30.8

Of the £29.3m above £4.0m of capital expenditure will be funded by external research grants and contracts or external donations. This includes £2.2m relating to further functionality development of our Zero Carbon Innovation Centre.

Of the remaining capital commitments the largest at the financial year end are:

£4.1m relating to the refurbishment of Pharmacy / Psychology Roof

£3.0m relating to the ongoing works at Castle Meadow Campus

The remaining commitments relate to a number of refurbishment programmes which are in progress to improve teaching, research and halls space across all campuses.

The University of Nottingham

Notes to the Financial Statements continued

For the Year Ended 31 July 2025

26. Related party transactions

(a) Entities with control, joint control or significant influence over the institution

Two senior elected Officers of the University of Nottingham Students' Union are also members of the University Council. The Students' Union is not considered to have significant influence over the University, nor the University over the Union. Note 9 sets out the grants paid to the University of Nottingham Students' Union.

(b) Entities over which the institution has control, joint control or significant influence

Transactions with wholly owned subsidiaries which have been consolidated in the Group financial statements are not disclosed below, in accordance with the exemption given in FRS 102 Section 33 (Related Party Disclosures). Details of the wholly owned subsidiaries are disclosed in note 16a.

The University of Nottingham owns a 29.9% (2024: 29.9%) stake in the University of Nottingham, Malaysia, and a 37.5% (2024: 37.5%) stake in the University of Nottingham, Ningbo China both of which are accounted for as associated entities (see note 17). Academic quality in both China and Malaysia is controlled by The University of Nottingham, for which it receives management fees, and certain members of staff are seconded to both overseas campuses for periods of up to 3 years. In addition certain costs incurred by the University are rechargeable between each associate and the University in accordance with signed agreements.

The University sponsors the University of Nottingham Contributory Pension and Assurance Scheme (CPAS), a pension scheme for the benefit of employees which is closed to new members. The University also participates in the Universities Superannuation Scheme and operates a defined contribution scheme, the Contributory Retirement and Savings Plan (CRSP). Transactions with related pension schemes are disclosed at notes 8 and 28.

	Year to 31 July 2025		At 31 July 2025	Year to 31 July 2024		At 31 July 2024
	Income from related party	Expenditure to related party	Balances due from the related party	Income from related party	Expenditure to related party	Balances due from the related party
	£000	£000	£000	£000	£000	£000
University of Nottingham, Malaysia	380	595	7,599	1,811	355	5,558
University of Nottingham, China	9,893	-	4,273	10,724	-	4,013
IAMET (subsidiary of UoN China)	-	-	-	-	-	-
NMI (subsidiary of UoN China)	-	-	-	-	-	-
NEC (subsidiary of UoN China)	-	-	-	-	-	-
NBL (subsidiary of UoN China)	-	-	-	-	-	-
China Beacons Institute (subsidiary of UoN China)	-	-	-	-	-	243

(c) Key management personnel

Key management personnel are defined as trustees of the institution and those responsible for planning, directing and controlling its activities. These persons are:

- members of the University Council, being the University's governing body, and with Council members being trustees for purposes of charity law.
- the Chancellor, as ceremonial head of the University
- other senior management, being members of the University Executive Board.

Names of these individuals are disclosed in the introduction to the financial statements.

Remuneration of key management personnel is disclosed at notes 8a, 8d, 8e. No remuneration was paid to Council members in connection with their duties as a Council member (2024: none).

Expenses of £54k were paid to Council members in connection with their duties (2024: £46k).

The University does not remunerate its external lay members of the University Council. Reasonable travel and subsistence expenses incurred in attending meetings relating to the work of the Council and associated charitable events in members' official capacity are reimbursed upon request. The salaries of members of the staff of the University who serve on the Council do not include any element specific to their trusteeship.

Due to the nature of the University's operations and the composition of the Council (members being drawn from commerce, industry and the public sector) and senior management, it is inevitable that transactions will take place with organisations in which a member of the Council or the senior management team may have an interest. All transactions involving organisations in which a member of Council or the senior management team may have an interest are conducted at arm's length and in accordance with the University's financial regulations and usual procurement procedures.

Management have reviewed the substance of the relationship with any organisation over which the University's key management or their close families has control or significant influence. No related party transactions were identified.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

	At 1 August 2024 £m	Cash Flows £m	Non-cash Changes £m	Consolidated At 31 July 2025 £m
27. Reconciliation of net cash				
Cash and cash equivalents				
Cash	10.7	(2.8)	-	7.9
Cash equivalents	59.2	(7.9)	-	51.3
Bank overdraft	-	-	-	-
	69.9	(10.7)	-	59.2
Borrowings				
Private placement of debt	(62.4)	-	7.7	(54.7)
Government energy efficiency loans	(0.3)	-	0.1	(0.2)
	(62.7)	-	7.8	(54.9)
Net cash	7.2	(10.7)	7.8	4.3

28. Pension schemes

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Nottingham Contributory Pension and Assurance Scheme (CPAS) - which is closed to new members - and a defined contribution scheme, The University of Nottingham Contributory Retirement Savings Plan (CRSP).
The total pension charge for the University and its subsidiaries was:

	2025 £m	2024 £m
Contributions to USS	40.0	46.6
USS deficit recovery adjustment	-	(243.6)
Charge to I&E account re CPAS	1.3	1.3
Contributions to Other Pension Schemes	7.2	6.4
Total Pensions Cost (note 8)	48.5	(189.3)

28a. Universities Superannuation Scheme (USS)

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. 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.

The total cost charged to the Consolidated Statement of Comprehensive Income is £40.0m (2024: £46.6m) including PensionChoice, but excluding the impact of the change in the deficit recovery plan, as shown in note 8.

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

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

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

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

28a. Universities Superannuation Scheme (USS)

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

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

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

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

The current life expectancies on retirement at age 65 are:

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

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

28b. University of Nottingham Contributory Pension and Assurance Scheme (CPAS)

The University sponsors the University of Nottingham Contributory Pension and Assurance Scheme, a funded defined benefit pension scheme in the UK. The Scheme is a separate trust independent of the University and is supervised by independent trustees. The Trustees are responsible for ensuring that the correct benefits are paid, that the Scheme is appropriately funded and that the Scheme assets are appropriately invested.

Active members of the Scheme pay contributions at the rate of 7.5% of salary and the University pays the balance of the costs as determined by regular actuarial valuations. The Trustees are required to use prudent assumptions to value the liabilities and costs of the Scheme whereas the accounting assumptions must be best estimates.

The basis of valuation is the Scheme's 31 July 2023 Statutory Funding Valuation, results of which can be found in the Scheme Actuary's report dated 20 March 2024.

Over the year the Scheme has moved from a £0.2m deficit (2024) to a £2.3m surplus. A decrease in the defined benefit obligation due to a fall in corporate bonds yields, which drive the discount rate, and a fall in assumed inflation and pension increases were the main reasons for the movement. There has also been an increase in the defined benefit obligation due to an increase in the assumed life expectancy of members.

The Group is aware of a UK High Court legal ruling in June 2023 between Virgin Media Limited and NTL Pension Trustees II Limited, which decided that certain historic rule amendments were invalid if they were not accompanied by actuarial certifications. The ruling was subject to appeal and in July 2024 the Court of Appeal confirmed the UK High Court legal ruling from 2023. The Group, together with the pension scheme trustees and their advisors, are in the process of assessing the possible impact of this ruling. As it is not possible at present to estimate the impact, if any, from the ruling, no adjustments have been made to the defined benefit obligation recognised in the financial statements.

	2025	2024	
	£m	£m	
CPAS – FRS 102 Disclosure			
The amounts recognised in the Statement of Financial Position are as follows:			
Present value of defined benefit obligation	(213.1)	(229.1)	
Fair value of plan assets	215.4	228.9	
Net defined benefit asset / (liability)	2.3	(0.2)	
The amounts recognised in staff costs within Comprehensive Income are as follows:			
Service cost (recognised in staff costs)			
Current service cost	1.6	1.8	
Net interest credit	-	(0.4)	
Operating charge	1.6	1.4	
Actual return less expected return on pension scheme assets			
Effect of changes in assumptions	19.4	(5.2)	
Effect of experience adjustments	(0.9)	(9.3)	
Effect of demographic assumptions	(1.8)	(1.0)	
Return on plan assets	(14.8)	4.7	
Actuarial gain / (loss) recognised in Comprehensive Income	1.9	(10.8)	
Total (cost) / income related to CPAS recognised through the Statement of Comprehensive Income	(0.3)	12.2	
The return on plan assets was:			
Interest income	11.0	11.1	
Return on plan assets (excluding amount included in net interest)	(14.8)	4.7	
Actual (loss) / return on plan assets	(3.8)	15.8	
Reconciliation of scheme assets and liabilities			
	2025	2025	2025
	Assets	Liabilities	Total
	£m	£m	£m
At 1 August 2024	228.9	(229.1)	(0.2)
Benefit payments from plan assets	(12.1)	12.1	-
Administration expenses	(0.1)	0.1	-
Current service cost	-	(1.6)	(1.6)
Employer contributions	2.2	-	2.2
Employee contributions	0.3	(0.3)	-
Interest income	11.0	(11.0)	-
Return on assets (excluding amount included in net interest)	(14.8)	-	(14.8)
Actuarial change in assumptions	-	17.6	17.6
Actuarial experience adjustments	-	(0.9)	(0.9)
Gain on plan introductions and changes	-	-	-
At 31 July 2025	215.4	(213.1)	2.3

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

28b. University of Nottingham Contributory Pension and Assurance Scheme (CPAS) continued

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2025	2024
Liability discount rate	5.60%	4.95%
Inflation assumption - RPI	2.95%	3.15%
Inflation assumption - CPI	2.45%	2.55%
Rate of increases in salaries	2.45%	2.55%
Revaluation of deferred pensions: benefits accrued prior to Sep 2006	2.45%	2.55%
benefits accrued after Sep 2006	2.95%	3.15%
Increases for pensions in payment RPI - min 3%, max 5%	3.65%	3.70%
RPI - max 5%	2.85%	2.95%

	2025	2024
Post-retirement mortality assumption	<p>Non-pensioners: 114%/101% (M/F) of SAPS3 tables ('middle for female')</p> <p>Pensioners: 106%/99% (M/F) of SAPS 3 tables ('middle for female')</p> <p>CMI 2024 with a long-term trend rate of 1% p.a., smoothing parameter (skappa) of 7. nil initial addition parameter, Half-life 0.5</p>	<p>Non-pensioners: 114%/101% (M/F) of SAPS3 tables ('middle for female')</p> <p>Pensioners: 106%/99% (M/F) of SAPS 3 tables ('middle for female')</p> <p>CMI 2023 with a long-term trend rate of 1% p.a., smoothing parameter (skappa) of 7. nil initial addition parameter, w2020=w2021 = 0%, and w2022=w2023= 100%</p>

	2025	2024
Assumed life expectancy on retirement at age 65		
Retiring today (male age 65)	20.9	20.5
Retiring in 20 years (male age 45 today)	21.3	20.9
Retiring today (female age 65)	23.2	23.0
Retiring in 20 years (female age 45 today)	24.2	24.0

The major categories of scheme assets are as follows:

	2025	2024
	£m	£m
Equities and equity-type instruments	10.8	38.7
Government bonds	101.9	89.0
Corporate bonds	48.6	46.9
Infrastructure	28.2	27.7
Diversified growth	9.4	11.2
Diversified alternatives	12.9	12.0
Insured annuities	1.9	1.9
Cash	1.7	1.0
Total market value of assets	215.4	228.4

The Scheme has no investments in the Group or in property occupied by the University.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

28b. University of Nottingham Contributory Pension and Assurance Scheme (CPAS) continued

	31 July 2025	31 July 2024	31 July 2023	31 July 2022	31 July 2021
	£m	£m	£m	£m	£m
Amounts for the current and previous four periods are as follows:					
Defined benefit obligation	(213.1)	(229.0)	(211.6)	(273.6)	(368.9)
Plan assets	215.4	228.9	216.3	256.0	284.8
Surplus/(deficit)	2.3	(0.1)	4.7	(17.6)	(84.1)
Experience adjustments on plan liabilities	16.7	(15.6)	63.1	95.6	32.7
Experience adjustments on plan assets	(14.8)	4.7	(47.5)	(33.0)	27.4

28c. Contributory Retirement Savings Plan (CRSP)

Following the closure of CPAS to new entrants on 1 September 2006, the University engaged Legal & General to operate a defined contribution pension scheme for the benefit of members. The Contributory Retirement Savings Plan (CRSP) is designed as the primary pension plan for members of staff who are not already in another pension scheme. The University makes contributions equivalent to twice the employee's contribution, up to a maximum of 14%. As at 31 July 2025 the University owed no contributions to the scheme (2024: £nil), with employer costs at 31 July 2025 of £5.9m (2024: £5.2m).

	Consolidated		University	
	2025	2024	2025	2024
	£m	£m	£m	£m
29. Financial Instruments				
Financial Assets				
Measured at fair value through income and expenditure				
Investments (including endowments) (note 16)	85.0	82.2	85.4	82.6
Short term investments	0.1	0.1	0.1	0.1
Measured at undiscounted amount receivable				
Trade and other receivables (note 18)	126.3	43.0	125.0	41.5
Amounts due from associates	11.9	9.6	11.9	9.6
Amounts due from subsidiaries	-	-	14.0	12.1
Accrued income	30.9	36.4	30.9	36.2
	254.2	171.3	267.3	182.1
Financial Liabilities				
Measured at fair value through income and expenditure				
Private placement (note 20)	(54.7)	(62.4)	(54.7)	(62.4)
Measured at undiscounted amount payable				
Trade payables (note 19)	(14.2)	(31.6)	(12.2)	(31.2)
Amounts due to subsidiaries (note 19)	-	-	(3.7)	(2.2)
Government energy efficiency loan (note 20)	(0.2)	(0.3)	(0.2)	(0.3)
Accruals	(142.6)	(84.4)	(139.0)	(79.0)
	(211.7)	(178.7)	(209.8)	(175.1)

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities which are carried at fair value or amortised cost as appropriate. Further details are provided in the accounting policies.

At period end, the University recorded a fair value gain of £7.7m on the discounted value of the future payments arising from the £100m private debt placement (note 20 refers). The method of calculation is disclosed under critical accounting estimates. The contractual cash payments arising from the private placement remain unchanged. As per note 20, these are bi-annual payments of a coupon rate of 2.47% on the principal debt of £100m, with the principal repaid in 2050.

The University of Nottingham

Notes to the Financial Statements continued

For the Year Ended 31 July 2025

30. Connected Charitable Institutions

The following non-operating charities are linked to the University and are consolidated within the Group.

Reserves	2025 £m	2024 £m
Children's Play Activities Trust Fund	0.4	0.4
The AF Bird Memorial Award	0.0	0.0

31. Contingent Liability - Overseas Employment Taxes

Management estimates that there is a possible but uncertain obligation to pay for employer's taxes for University employees who are currently based in overseas jurisdictions. The possible liability arises from employees who left the UK for personal reasons during the 2020-21 national lockdowns, and have remained working from home in various overseas jurisdictions. At the date of signing these accounts, management was in the process of gathering information on the employees concerned so that professional advisors can be engaged to estimate the possible scale of the liability to both the employer and the employee. It is possible that there will be an outflow in the next five years, should the University be found liable for employer's taxes. The amount cannot currently be estimated but will almost certainly be immaterial to the Group.

32. Contingent Liability and Asset - NHS Pension Scheme Pays

As an employer of members of the NHS Pension Scheme, the University is obliged under the NHS Pension Scheme Pays policy to pay members an amount on their retirement to compensate a tax charge for exceeding the pensions annual allowance in 2019/20. NHS England has committed to reimburse employers for this amount leaving a net £nil financial impact. NHS England recommends a standard amount per employee is used to calculate a provision, which would suggest a provision of £63,555. Management considers the standard amount does not give a reliable estimate, but does not have the data to calculate a reliable estimate. Therefore a contingent liability of £63,555, and a corresponding contingent asset of £63,555 is disclosed. The present value of the liability is likely to be immaterial to the group.

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

33. US Federal Aid Supplementary Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required by the US Department of Education to present the following Supplemental Schedule in a prescribed format. The amounts presented within the schedules have been:

- compiled from the example financial statements included in the Federal Register / Vol 84 No 184 / Mon Sept 23, 2019 / Rules and Regulations
- prepared under the historical cost convention, subject to the revaluation of investments.
- prepared using United Kingdom Generally Accepted Accounting Practice, in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (SORP 2019) and with Financial Reporting Standard FRS 102.
- presented in Sterling: the functional currency of the entity

Statement of Financial Position		2025	2024
			£m
1	Cash and cash equivalents	59.2	69.9
2	Accounts receivable, net	126.3	43.0
3	Other debtors and Prepaid expenses	62.8	67.0
4	Related party receivable	11.9	9.6
5	Contributions receivable, net	-	-
6	Student loans receivable, net	-	-
7	Investments	145.2	145.0
8	Property, plant and equipment, net (includes Investment property and Heritage assets)	954.3	1,012.0
9	Lease right-of-use asset, net	-	-
10	Goodwill	-	-
	Other intangible assets	6.4	5.3
11	Inventories	1.6	1.5
12	Total assets	1,367.7	1,353.3
13	Line of credit - short term	-	-
14	Line of credit - short term for CIP	-	-
15	Accrued expenses/Accounts payable	253.0	247.2
16	Accruals and Deferred revenue	301.3	207.3
17	Post-employment and pension liability	-	0.2
18	Line of credit - operating	-	-
19	Other liabilities	-	-
20	Notes payable	-	-
21	Lease right-of-use asset liability	-	-
22	Line of credit for long term purposes	54.9	62.7
		-	-
23	Total liabilities	609.2	517.4
24	Net assets without donor restrictions	669.7	748.6
	Net Assets with Donor Restrictions		
25	Annuities	-	-
26	Term endowments	-	-
27	Life income funds	-	-
28	Other restricted by purpose and time	-	-
29	Restricted in perpetuity	91.3	87.3
30	Total Net Assets with Donor Restrictions	91.3	87.3
31	Total Net Assets	761.0	835.9
32	Total Liabilities and Net Assets	1,370.2	1,353.3

The University of Nottingham
Notes to the Financial Statements continued
For the Year Ended 31 July 2025

33. US Federal Aid Supplementary Schedule continued

Statement of Activities		2025	2024
		£m	£m
Changes in Net Assets Without Donor Restrictions			
Operating Revenue and Other Additions			
33	Tuition and fees, net	453.1	437.6
34	Funding body income	118.1	120.6
35	Investment return appropriated for spending	3.6	3.2
36	Other income	146.9	146.3
37	Research income	140.4	141.7
38	Total Operating Revenue and Other Additions	862.1	849.4
Operating Expenses and Other Deductions			
39	Education and research expenses	820.9	574.2
40	Depreciation and Amortization	124.0	45.5
41	Interest expense	2.5	8.0
42	Auxiliary enterprises	-	-
43	Total Operating Expenses	947.4	627.7
44	Changes in Net Assets from Operations	(85.3)	221.7
Non-Operating changes			
45	Investments, net of annual spending, gain	0.4	4.0
46	Other components of net periodic pension costs	1.9	(10.9)
47	Pension-related changes other than net periodic pension costs	-	-
48	Change in value of split-interest agreements	-	-
49	Other gains / (losses)	6.0	(2.6)
50	Sale of fixed assets, gains / (losses)	2.1	(2.3)
	Taxation	-	-
	Total Non-Operating Changes	10.4	(11.8)
51	Total Change in Net Assets	(74.9)	209.9
Change in Net Assets With Donor Restrictions			
52	Contributions	4.0	6.9
53	Net assets released from restriction	-	-
54	Change in Net Assets With Donor Restrictions	4.0	6.9
55	Change in Net Assets without restrictions	(78.9)	203.0
56	Net Assets, Beginning of Year	835.9	626.0
57	Net Assets, End of Year	761.0	835.9