



Integrated Annual Report 2024–2025

From Newcastle.
For the world.

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Acknowledgements
Photography: Chris Bishop, John Donoghue, Elemental Photography, Nick Figgis, Graeme Peacock, Phil Roughley.
Design: GDA, Northumberland.

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Details included are correct at the time of publication (December 2025)

This Integrated Annual Report has been developed in consultation with the Executive Board and Council. Council acknowledges its overall responsibility for the accuracy and integrity of the Report's contents.

The Report is informed by the International Integrated Reporting Framework developed by the Value Reporting Foundation (VRF). This framework has been adopted across the globe to make more effective use of resources, improve decisions and enhance accountability, stewardship, transparency and trust. We use the framework to embed integrated thinking, decision-making and improve reporting. The report provides a concise and balanced overview of how our strategic objectives, governance, position, and performance, create value for our key stakeholders, considering the external environment and other factors which may (positively or negatively) impact the University's ability to create value, and thereby deliver our vision and strategy.

This Report has been assessed against the January 2021 revision of the International Integrated Reporting Framework.

Vice-Chancellor and President, Professor Chris Day CBE

The past year has been one of both challenge and change – not just for Newcastle University, but for the higher education sector as a whole.



Professor Chris Day CBE
Vice-Chancellor and President

Like many of our peers, we have faced significant financial pressures arising from a rapidly shifting global landscape. Declining international student numbers, rising costs, and a tightening funding environment have created conditions that require difficult choices and careful stewardship.

Yet, amid this uncertainty, what continues to give me confidence in our future is the resilience,

creativity and shared sense of purpose that characterise our University community. Newcastle has never been an institution that stands still or shies away from hard decisions. We were founded to meet the needs of society, and that mission continues to define us today as we look to the future and our bicentenary in 2034.

This report reflects the significant progress we have made in the past year, as well as the measures we have taken to ensure our financial sustainability. It highlights the achievements of our colleagues and students, whose dedication, innovation and professionalism remain the bedrock of our success.

Despite the challenges, there has been much to celebrate. Our strong performance in the Knowledge Exchange Framework for the fourth consecutive year cemented Newcastle's position as one of the top universities in the UK for the impact of our work, reflecting the depth and reach of our collaborations with industry, the public sector and our communities.

Overall, we continue to be consistently ranked among the top 140 universities in the world. Our position as 56th in the world for sustainability is testament to our collective determination to create a fairer, more sustainable future. I am also particularly proud that our commitment to equality, diversity and inclusion was recognised with an Athena Swan Gold award, making us one of only four universities to hold such an award at institutional level.

Our engagement in place continues to go from strength to strength. We jointly founded Universities for North East England, a new collaboration between the region's five universities – Durham, Northumbria, Sunderland,

Teesside and Newcastle. Through this partnership we are combining our collective strengths to support innovation, skills and investment, widen participation in higher education, and drive inclusive growth across our region. It is a powerful demonstration of what can be achieved when institutions work together for the benefit of people and place. We also hosted our first-ever Discover Festival, welcoming more than 1,250 visitors to campus for over 70 activities, showcasing our world-class research and the difference it makes to people's lives.

Internationally, we were honoured to join the Coimbra Group of leading European universities, further strengthening our voice in global higher education, and celebrated 30 years of partnership with Loyola University Maryland, one of our most enduring and successful international collaborations. Looking to the future, we are proud to be leading a proposal to establish a UK-Saudi Arabia Joint International Institute for Hydrogen, demonstrating the central role our University plays in achieving the transition to sustainable energy resources.

Across our international campuses, we have continued to strengthen our global education offer, with new programmes planned in Sport and Exercise Science and Data Science at NUS Malaysia, and a new Newcastle University in Singapore partnership with Ngee Ann Academy to expand postgraduate teaching in Singapore, where our campus has now relocated to the Punggol campus of the Singapore Institute of Technology.

And, in one of the most profound examples of research transforming lives, 2025 saw the birth of the first babies in the world to be born free from mitochondrial disease following pioneering IVF treatment developed by Newcastle scientists. Achievements such as this serve as a powerful reminder of the difference our University can make, embodying our mission to advance knowledge, provide creative solutions and solve global problems.

The years ahead will require continued focus and adaptability, but also courage and optimism. With the support of our Council, our partners and our global community of alumni and friends, we will navigate these challenges and emerge stronger – united by our purpose, confident in our values, and ambitious for what lies ahead.

Chair of Council and Pro-Chancellor Pat Ritchie CBE

Chair of Council, Pat Ritchie CBE, reflects on her first year in the role, against a backdrop of the financial crisis currently being faced by the higher education sector.



Pat Ritchie CBE
Chair of Council and Pro-Chancellor

With universities facing unprecedented financial challenges, stepping into the role of Chair of Council, as I did last August, has not been an easy point from which to start. But while I might have come into the role at a difficult time, for me it also represents an opportunity to keep our focus firmly on developing a robust strategy for the future, building on our strengths and our

regional, national and international profile.

As its trustees, Council is responsible for protecting the University's interests and making sure that our finances are sustainable. At the beginning of my term of office, my priority has been to work closely with the Vice-Chancellor and Executive Board to deal with the implications of the financial shortfall brought about by the significant reduction in international student registrations in the 2024–25 academic year.

In the short term, this has meant making some very difficult decisions around the size and shape of our workforce, including the introduction of a voluntary severance scheme, a freeze on colleague recruitment, and travel restrictions, aimed at making the savings we needed to avoid a significant deficit in 2024–25. At the same time, we have started to look at our longer-term strategic planning to make sure the University's finances are sustainable for the future. We are at the early stages of this process, and the next few years will be critical.

I see Council's role as providing constructive challenge and holding to account the Executive Board to support their decision-making, and we are very fortunate that we have a number of individuals on Council with significant financial experience who can bring their expertise to bear.

Universities across the UK are going through a period of financial instability, the like of which they have not had to endure for years, whereas many other sectors in both the public and private sectors, from the NHS to local government, manufacturing to business, are no strangers to cuts and financial pressures.

In times such as this, it is vital that we focus on our long-term planning so that we can continue to invest in our facilities and maintain our position as a world-class institution. As the University's governing body, Council sits alongside Senate to oversee the University's future strategy and sustainability, and we are working with Senate to do what we think is best for our students, and ultimately for our city and region.

While things will undoubtedly continue to be difficult over the next two to three years, it is important that we do not forget just how much great work goes on in the University and the important role we play in our region.

We must not lose sight of the fact that coming to Newcastle University is a dream for so many prospective students. It can change their lives, and I am proud of our commitment to providing the best possible educational experience for our students.

We are equally committed to our role as a civic University and an anchor institution in the North East through the contribution we make to inclusive and sustainable economic growth and the benefits we bring to society through our education, research and operations.

If we accept the need for change and focus on a positive future, I firmly believe that we can weather the current storm and emerge as a stronger, united University.

About Newcastle University

Newcastle University is one of the UK’s great redbrick universities, founded to address the economic, health and social issues of an industrial city.

Newcastle University can trace its origins to a School of Medicine and Surgery, established in Newcastle in 1834, and to the College of Physical Science, later Armstrong College, founded in the city in 1871. These two colleges formed one division of the federal University of Durham, the Durham Colleges forming the other division. The Newcastle Colleges merged to form King’s College in 1937 and, in 1963, when the federal University was dissolved, King’s College became the University of Newcastle upon Tyne, latterly trading as Newcastle University. We were a founding member of the Russell Group, comprising the UK’s leading research-intensive universities. Today’s University is home to over 28,000 students from over 130 countries and offers undergraduate, postgraduate taught and research degrees in over 40 subject areas. We deliver world-leading research, spanning a wide range of activities with a strategy to address major global societal challenges and we enjoy strong research links with many European and other international universities. Sitting in the heart of Newcastle city centre, with presence in Malaysia and Singapore, we are one of the largest employers in the North East of England, with over 6,000 colleagues.

The University’s governing board is Council, which has ultimate responsibility for setting the mission, strategic

vision and values of the institution. Chaired by the Vice-Chancellor, Executive Board is the senior management team, primarily responsible for the implementation of the University’s strategy. Strategic leadership is supported by the Deputy Vice-Chancellor and four cross-cutting Pro-Vice-Chancellors (PVCs) (Education, Engagement and Place, Global, and Research and Innovation).

Delivery of the core academic functions occurs in our three faculties, each led and managed by a PVC:

- Faculty of Humanities and Social Sciences (HaSS)
- Faculty of Medical Sciences (FMS)
- Faculty of Science, Agriculture and Engineering (SAGE)

Each faculty consists of academic units; schools or research institutes, each led and managed by a head or Dean. The core academic functions and line-management structures combine to form the academic map of the University in which we envisage the faculties as vertical columns, with the core functions as cross-cutting institutional activities.

Interdisciplinary and cross-disciplinary activities are coordinated and supported by the cross-cutting PVCs. The academic enterprise is supported by corporate activities within the professional services teams.



<div>Ranked</div> <div>144TH</div> <div>in THE World University Rankings</div> <div>(THE World University Rankings 2026)</div>	<div>Ranked</div> <div>137TH</div> <div>in the QS World University Ranking</div> <div>(QS World University Rankings 2026)</div>	<div>Ranked</div> <div>5TH</div> <div>in the UK for industry</div> <div>(THE World University Rankings 2026)</div>
<div>Research power</div> <div>15TH</div> <div>in the UK for global Research power</div> <div>(REF 2021)</div>	<div>World-leading research</div> <div>42%</div> <div>of our research is classified as 4 star world-leading research</div> <div>(REF 2021)</div>	<div>Research quality</div> <div>65TH</div> <div>in the world for research quality</div> <div>(THE World University Rankings 2026)</div>
<div>Global reach</div> <div>28,000 students from 130 countries</div>	<div>Global presence</div> <div>1,500+ students</div> <div>across our campus in Malaysia, and in Singapore through our partnership with Singapore Institute of Technology</div>	<div>Student outcomes</div> <div>94%</div> <div>of our 2022–23 graduates progressed to employment or further study within 15 months of graduating</div> <div>(Graduate Outcomes Survey)</div>
<div>Sustainability</div> <div>Top 20</div> <div>in the UK and 56th in the world for sustainability</div> <div>(QS World University Rankings: Sustainability 2025)</div>	<div>Student views</div> <div>90%</div> <div>of students responded positively to our wellbeing communications</div> <div>(National Student Survey 2025)</div>	<div>Ranked</div> <div>Joint 2nd</div> <div>for our overall performance in knowledge exchange activities</div> <div>(Knowledge Exchange Framework 2025)</div>

Our vision and strategy

To be a world-class, exemplar, civic University, benefitting society through our leading-edge research and education – locally and globally

To achieve this, we will:

- be a provider of leading-edge, inclusive education that is fit for the future
- deliver leading-edge research for discovery and impact
- be financially and environmentally sustainable in all that we do

2024–25 saw us refresh our vision and strategic goals. An evolution of our previous vision, it remains rooted in our core and aspirational values and guiding principles and continues to be underpinned by our four strategies, Research for Discovery and Impact, Education for Life, Global and Engagement and Place. These four interconnected Strategies set out the specific aims, objectives and initiatives that deliver our goals and create a framework in which we operate. During 2024–25, we began implementation of our new Education for Life Strategy, and have continued to review and refresh each of our other core Strategies.

Core and aspirational values

Newcastle University is known for its long-standing commitments to equality, diversity, inclusion, and social and environmental justice. Our vision builds on these core values and identifies three aspirational values that

inform everything we do, and which guide us as we develop and grow as an institution.

Excellence

Enabling our colleagues to realise their twin ambitions of providing an outstanding educational experience for our students while also leading the way globally in their areas of research expertise.

Creativity

Being creative and innovative to advance knowledge and engage with society to address global problems.

Impact

Working in partnership with governments, industry, the creative and cultural sector and community groups to identify the current and future challenges faced by society and to provide innovative ideas and solutions that make a difference.



Guiding principles

Our guiding principles have been identified from the key characteristics of our high-performing academic and professional units. They underpin the objectives of each of our core strategies.

Working together

Our aim is to be recognised for effective partnership working; this refers to working together internally – colleagues and students, academic and professional colleagues, across and between disciplinary boundaries and faculties – and externally with our various stakeholders.

Visibly leading

We are recognised globally for a number of strengths including Ageing and Health, One Planet, Data, Cities, and Culture and Creative Arts. In all of our activities our aim is to promote and support these existing strengths while facilitating the development of emerging areas of world-leading education and research.

Freedom and opportunity to succeed

Our people, colleagues and students – past, present and future – are at the heart of our strategy. Our aim is to support their ambitions and allow them to reach their full potential by providing them with environments and opportunities that inspire excellence, creativity and impact.

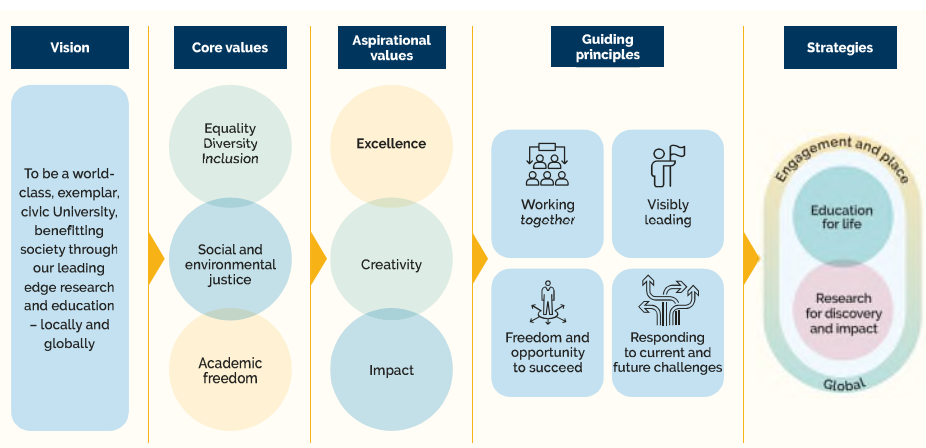
Responding to current and future challenges

Our priorities in both education and research will respond more proactively to the demand side of the knowledge economy and be guided by the societal challenges facing the world now and in the future.

Measuring progress

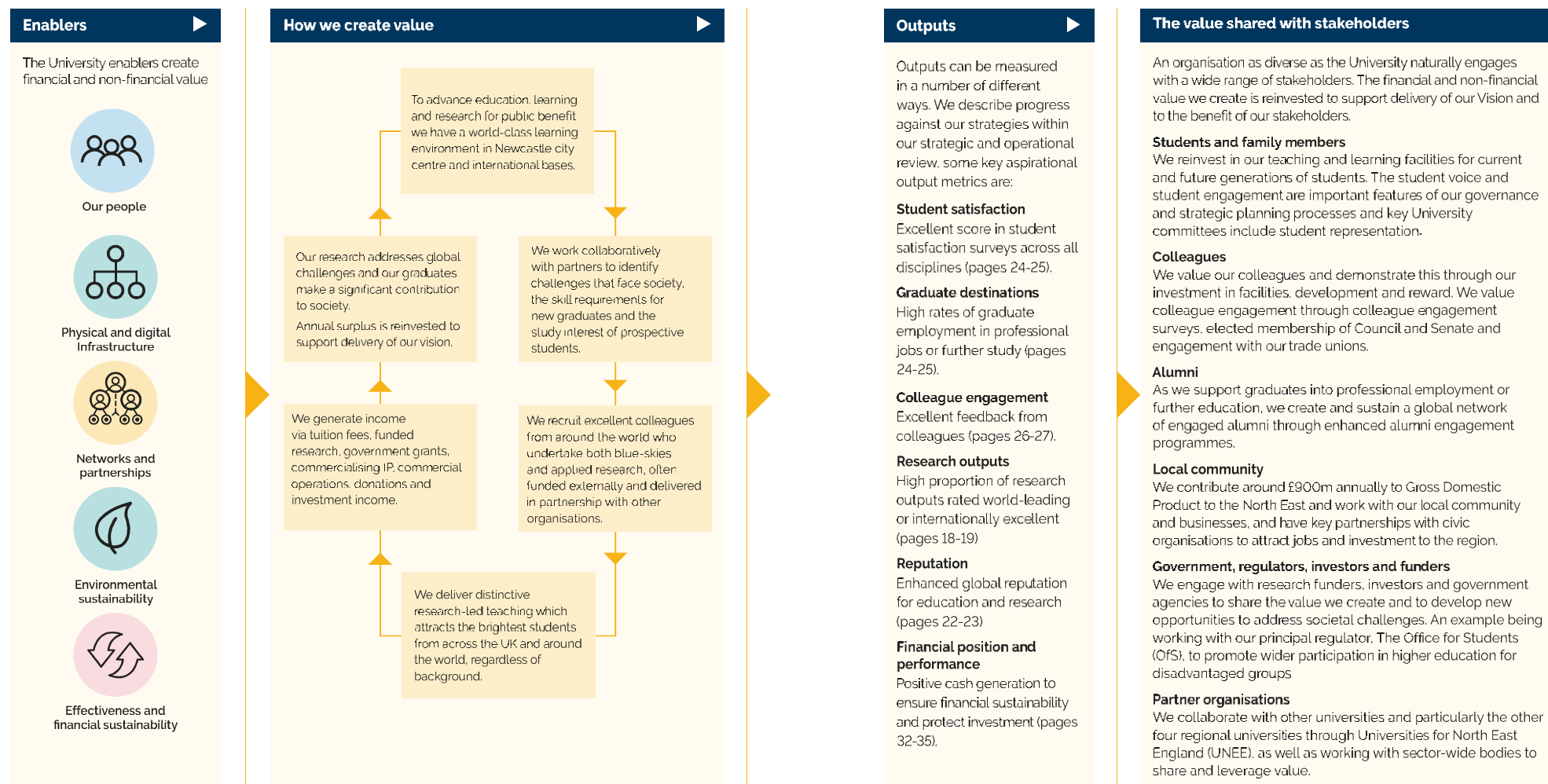
In the strategic and operational review (pages 16–31), we describe the progress that has been made in 2024–25 against each of our core strategies as well as our University-wide enabling plans. For our core strategies we summarise our progress overall for specific key indicators using a traffic light rating system:

- **Good** – progressing well against our objectives
- **Satisfactory** – broadly on track but some issues to address
- **Medium risk** – some material issues and risks to address
- **High risk** – serious concerns



Our value creation model

We describe below how we create and sustain value, making a positive impact for our many stakeholders, shaping brighter futures, growing the economy, and championing social and environmental justice. Our overarching aim is to be a values-led, world-leading university which advances knowledge, provides creative solutions, and solves global problems. Our vision and value creation model is assured by effective governance.



Understanding our risks

Our risk management framework is in place to identify and manage risk, whilst supporting the delivery of our strategic objectives. We have a 'risk aware' culture and the framework aims to encourage considered risk-taking. Our approach of identifying, measuring, controlling, and monitoring risks is key to the continued delivery of a sustainable and resilient organisation.

We closely monitor the internal and external environment to identify risks that could impact the achievement of our objectives. Key risks, controls and any additional mitigating actions are recorded in our strategic risk register which is owned and regularly reviewed by our Executive Board. As part of our risk governance process Audit, Risk and Assurance Committee and Council also review the strategic risk register.

Not all risk that the University is exposed to is strategic and although accountability for risk sits with Executive Board, our risk management policy sets out how all colleagues are responsible for managing risk using the three lines model (formerly known as the three lines of defence) which is a recognised framework

used to describe and clarify risk ownership. Our risk appetite statement sets out the intention to avoid risk that negatively impacts our reputation or gives rise to potential regulatory or compliance breaches or significant financial loss, whilst acknowledging that considered risk-taking in some areas can positively impact the achievement of our objectives.

This year has been another challenging year for the higher education sector with well-publicised concerns about the financial sustainability of universities. Implementing agreed mitigations to help manage and strengthen our own position has been essential. The sector has also been subject to additional regulatory responsibilities and increased scrutiny from the Office for Students as well as ongoing geopolitical and social challenges relating to immigration.

We started the year with three red-rated risks, however in April it was agreed that the score for the risk relating to our educational offer (SR1) should be increased. This was to reflect the uncertainty relating to our future size and shape and cost-reduction outcomes.

On page 13, are the highest scoring risks from the University Strategic Risk Register as at the end of July 2025.

Movement in risk scoring is indicated using the following key:

▲ increase ▼ decrease ➡ no change

See Strategic and operational review (pages 16–31) for initiatives and Key Performance Indicators (KPIs) addressing these risks.



▲ SR1 | Our educational offer does not meet expectations | Stakeholders impacted: Students, Colleagues

Our Education Strategy aims to deliver an education for life, that engages, challenges and supports all students to discover and fulfil their potential. Failure to deliver this can impact our reputation, performance in league tables and impact future student and colleague recruitment.

Risks	Mitigations
The aims and objectives of the new Education for Life Strategy 2030+ are not achieved.	Clear implementation milestones and timescales with governance through Education Strategy Programme Board.
Proposed TEF reforms linking student recruitment (fees and numbers) to performance metrics.	Learning from 2025 National Student Survey and implementation of the proposals agreed by Executive Board.
Insufficient colleague capability to develop and deliver a high-quality learning experience	Workload and resource planning as part of annual planning process.
A crystallising risk that student feedback is not utilised consistently/effectively to support and enhance the education experience and overall satisfaction.	Student survey improvement action plan which includes better sharing of data, assessment and feedback policy changes, and enhancements to student engagement and feedback mechanisms.

➡ SR8 | International student recruitment | Stakeholders impacted: Students, Colleagues, Our local community

Student recruitment, and in particular international student recruitment, continues to be a key risk. Like other universities, student fees is our most significant income stream. International student recruitment is competitive, complex and susceptible to factors such as changes in government policy, the perception of value for money and employability as well as attitudes towards migration. Planning and forecasting has become more difficult and it is important we ensure our offer is aligned to market demand.

Risks	Mitigations
Lack of recruitment strategy that acknowledges the importance of applicant/student experience in an increasingly competitive market.	Student Recruitment Strategy with international student targets based on market demand and intelligence.
Portfolio of courses not aligned to market demand.	Data informed programme development with prioritisation.
Lack of diversity/overreliance on particular markets.	Regional recruitment plans across a number of different regions with clearly defined objectives.
Insufficient/ineffective international marketing activity and pricing	Focus on coordinated marketing with campaigns in place to support the international student journey.

➡ SR9 | Financial viability | Stakeholders impacted: Students, Colleagues, Our local community

Our operating environment continues to be challenging with ongoing financial instability created by the decline in international student numbers, rising operational costs and underfunded research. This limits our ability to invest in and deliver strategic priorities and therefore we have implemented a range of measures to help mitigate this risk.

Risks	Mitigations
Financial planning and monitoring processes are not effective	Financial strategy and annual plans, approved and monitored by Executive Board, Finance Committee and Council.
Inability to pursue strategic priorities whilst also ensuring ongoing financial sustainability.	Robust financial planning with clear budget ownership and accountability.
Cost base is not adequately controlled.	Clear budget setting, delegation of authority and approval routes for new and existing spend as well as cost reduction programmes.

➡ SR11 | Cyber and Information Security | Stakeholders impacted: Students, Colleagues, Our partners

Universities are attractive to cyber criminals because of their open nature as well as the type and amount of data they hold. We know we need to deliver the excellent, uninterrupted digital experience expected by students and colleagues and have invested in a cyber programme designed to improve our security posture. Improving our underlying information security controls is also an area of focus

Risks	Mitigations
Lack of cyber and information security awareness.	A new cyber and information security mandatory training package.
Lack of ongoing investment in the IT infrastructure.	Infrastructure Strategy Group and Technology Portfolio Board consider and implement requirements based on business need and efficiencies.
Inability to respond effectively to a cyber incident..	Testing and continual improvement of the cyber incident management process.

From Newcastle, for people and planet

Adopted by all United Nations member states in 2015, the 2030 Agenda for Sustainable Development provides a shared blueprint for peace and prosperity for people and planet, now and into the future. It is underpinned by the 17 United Nations Sustainable Development Goals (UNSDGs) which are an urgent call for action by all countries in a global partnership.

Social and environmental justice are core values of our vision and strategy, and we are committed to embedding sustainability in all that we do as a university. Our leading contribution towards the UN Sustainable Development Goals is recognised through the Times Higher Education Impact Ranking where we are ranked 56th of over 2,300 universities for our work towards Partnerships for the Goals (SDG 17). We were also ranked 15th globally for SDG 12 Responsible Consumption and Production and 65th for SDG 15 Life on Land.

Submitting across all 17 UNSDGs, we scored highly in SDG11 Sustainable cities and communities, SDG12 Responsible consumption and production, SDG13 Climate action and SDG17 Partnerships for the goals.

Examples of our contributions towards the goals can be seen throughout this report.

We are proud of the progress we have made to date, and we continue to use this to build momentum towards deep and lasting change.



Education for life

Strategic priorities

Our ambition is to provide all our students with an education for life that engages, challenges and supports them to discover and fulfil their potential, both while they are studying with us and once they have graduated. To deliver this commitment we renewed our Education Strategy in consultation with our colleagues and students with a focus on three strategic objectives

- provide a core, universal offer for all students, including tailored provision where needed, to ensure equity of access, experience and in outcomes for all, regardless of background, identity, or nationality
- provide an educational experience that ensures our students are fit for their future lives in terms of the skills they need for the world in which they will live and work
- ensure that the heart of our curriculum and learning experiences for our students are encounters with world-leading researchers, and to enhance the connection between our students and our community through leading-edge encounters with industry, practice and society

Measuring progress

- **Student continuation:** continuation and completion rates of students who choose to study with us regardless of background, identity or nationality
- **Graduate outcomes:** what our graduates do and the proportion in graduate-level employment
- **Participation and awarding gap:** supporting student success and progress irrespective of background
- **Student experience:** feedback from students across all levels of study and at each campus location

Progress during the past year with an eye to the future

Education strategy

2024–25 has seen work to start the implementation of the vision of the Education Strategy focusing primarily on two areas: the Leading-Edge Curriculum and Student Launchpad.

The Leading-Edge Curriculum project has been designing a model for our education offer that is fit for the future, building on the excellence and innovation we already have and creating a new universal curriculum framework. This will ensure that every student has access to the opportunities that will help them thrive in their future lives. The framework foregrounds equity and inclusion and encounters with the leading edge of research, industry, practice and society. Initial outputs have been considered by Senate and the final framework is planned to be signed off during 2025–26.

Academic support is critical to study, and to the future success of our students; practices are evolving reflecting the developments in society and the educational community. The Student Launchpad project is undertaking the renewal of our academic support system to ensure it responds to best practice, sector developments and stakeholder feedback to offer a revised and iterative approach to academic support. 2024–25 has been laying the groundwork for the project – undertaking sector and research evidence discovery, building the stakeholder community with colleagues and students, and reflecting on and reviewing the needs of our students now and in the future. 2025–26 will see the finalisation of a new model for academic support and planning for roll-out.

Art for the Earth at Newcastle Museums and Galleries



In February 2025 we hosted three exhibitions with strong links to the sustainability conversation across our city campus. "Sustainable Clay" in the Hatton Gallery combined the University's ceramics reputation and the growing environmental concerns of artists to display the alternative methods emerging to minimise the planetary footprint of the craft.

An evening seminar titled "Eco-Brutalism" was held as part of the Farrell Centre's "Concrete Dreams" programme. Exploring how to celebrate low-carbon materials with the same vigour that Brutalism celebrated concrete.

Lastly the "SHOAL" exhibition at the Great North Museum invited visitors to meditate on the tragedy and forms of environmental disaster through 12 images featuring marine plastic debris collected from trawls, net samples, and shoreline between Japan and Hawaii after the 2011 Tōhoku earthquake. Each exhibition was open to the public, enabling those at all life stages to benefit from University discussions through the lens of art.

Student experience

Overall, despite National Student Survey (NSS) scores rising across many key themes, our performance in the NSS is below sector benchmarks across key themes – teaching on my course, learning opportunities, assessment and feedback and student voice. The Education Strategy will deliver large-scale fundamental change in our education, but it will take time to deliver meaningful change. In the meantime, immediate actions, including changes to key assessment and feedback policies and enhanced spaces for students to share feedback and receive responses, are underway to address key issues. Feedback from Postgraduate taught students (PTES) remains positive, at or above sector median in the majority of themes, although response rates have fallen. New students had a chance to tell us about their experience of starting at Newcastle University through a dedicated welcome survey providing us with data and insights to ensure that all students are able to hit the ground running in their studies and integrate into their new community.

It has been a challenging year for some students with the impact of industrial action on teaching and learning. But we've worked to mitigate the impact, with students able to progress on with their degree or graduate and take up jobs or further study without disruption.

We hosted the British Conference of Undergraduate Research (BCUR) in April, the largest conference in the UK exclusively dedicated to showcasing undergraduate research. The conference brought together over 400 delegates with 50 universities represented, including 10 international institutions. This was a unique opportunity for undergraduate students to take part in a multidisciplinary conference and to meet peers from across the world and to showcase their research.

Participation and awarding gap

The University's new Access and Participation Plan started in September 2025 and focuses on access, success and progression and identifies student groups within our University and region that are most at risk of experiencing barriers to opportunity, and how we plan to address these. Working in partnership with UNEE through the North East Raising Aspiration Partnership and the Uni Connect Programme, we are committed to transforming educational opportunities for young people across the region.

Following the 25th anniversary of the PARTNERS Supported Entry Scheme in 2024, we had our largest cohort of over 2,200 Year 13 students attending the PARTNERS Academic Summer School in July 2025.

Student system innovation

Major cross-University system projects to enhance the student experience have also produced meaningful outcomes this year. The Student Portal was launched ready for September 2024 and creates a single front door for our students, whether they need to check their timetable, update their personal details or find a place to study in the library. Our students have helped us design something that is quick and easy to navigate. 2024–25 also saw the launch of Newcastle University Learning Analytics (NULA) which offers a holistic overview of student engagement and attainment data, drawn from various university systems and presented in a visual, user-friendly interface. The system is designed to provide colleagues with data-driven insights to help support students on their learning journey.

Research for discovery and impact

Strategic priorities

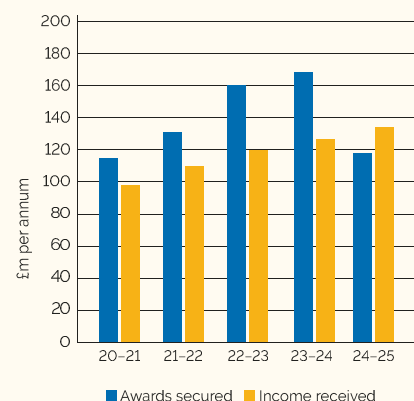
Our long-term strategic aim is to fulfil our potential as a world-class, research-intensive university. We aim to:

- nurture excellent research and innovation that expands fundamental knowledge, addresses societal and global needs, supports sustainable economic growth and promotes health and wellbeing
- equip colleagues and students at all career stages with the skills to contribute to research and development in the academic, commercial, public and voluntary sectors
- foster inter-disciplinary approaches and partnerships with businesses and external agencies that extend the reach and impact of our research

Measuring progress

- **Research power:** the number of researchers producing high-quality research
- **Research environment:** the development of a thriving research culture
- **Research intensivity:** winning competitive funding to leverage our investments in research

Research grants and contracts



Progress during the past year with an eye to the future

Research power

The value of our research income grew to its highest-ever level in 2024–25 to £134m, benefitting from some one-off major awards in recent years. Research income per colleague has increased year-on-year from 2020 and is approaching Russell Group median. We continue to work together to diversify our research funding portfolio – across funders, disciplines and staff groups.

Transformative initiatives

Newcastle University's Centres of Research Excellence (NuCORE) in Cancer and Ageing have updated their design and vision during 2024–25. The Centre for Cancer continues to lead in translational cancer research, securing £24.3m in infrastructural awards and £4.2m for medulloblastoma and liver cancer programmes. In the next five years, the Centre will focus on drug discovery, childhood cancer, and trials. The Centre for Ageing aims to create a transformative ecosystem for ageing research, fostering collaborations and enhancing our global reputation. With over £50m secured in the past five years in this area of research excellence across the University, the Centre plans to catalyse, consolidate and amplify our collective multidisciplinary success in ageing research. This year, we have expanded our portfolio of NUCoREs to include new Centres in Industrial Biotechnology, in Behaviour, and in AI Safety.

Through the Newcastle University Academic Track (NUAcT) Fellowship scheme, we have appointed 76 outstanding early career researchers since 2018. The cohort has been highly successful, winning £76.6m in research grant funding (with a 66% application

PINZ students



2024–25 marks the inaugural cohort of the £11m Process Industries: Net Zero (PINZ) Centre for Doctoral Training (CDT). A collaboration of two world-leading research groups, the Process Intensification Group (PIG) at Newcastle University and the Green Chemistry Centre of Excellence (GCCCE) at the University of York. The new CDT, which is part of the UK's biggest-ever investment in engineering and physical sciences doctoral skills totalling more than £1 billion, aims to produce the next generation of researchers who will be able to help the process industries transition to more sustainable practices in the pharmaceutical, food, chemicals, and utilities sectors. The project partners PhD students with one of 25 industrial partners to co-create solutions to industrial problems for Net Zero futures.

Over 55 PhD graduates are expected to come from the five cohorts passing through PINZ. Research areas are expansive, from developing water-soluble and biodegradable detergents from CO₂ and bio-renewable sources to optimising heat recovered in the waste-water sector.

success rate), and leveraging a further £105m in external research grants. The scheme has been transformational in achieving our best year for UKRI fellowship awards. We continue to make specific, targeted appointments, such as a new NUAcT Fellow in Industrial Biotechnology, co-funded with Procter & Gamble.

Research culture

We are determined to address the research culture challenges highlighted in recent sector-wide surveys and reports:

- Our Behaviour Matters and Reimagining Leadership projects seek to create supportive and inspiring research environments to unlock our potential, and share ideas, knowledge and skills.
- Our Open Research and Research Integrity projects are enhancing the quality, visibility and inclusivity of our research through the provision of training, tools and skills.
- Our Releasing Quality Time and The Research

Space projects are creating shared opportunities to grow research from ideas to outcomes, equipping the research community with skills for future working.

Postgraduate research students (PGR)

We have taken significant steps to improve the PGR experience since the launch of our first PGR Strategic Delivery Plan in 2022, including the establishment of a cross-institutional Doctoral College and a new package of training for PGR Supervisors. In 2024–25 we committed to embedding these changes, and to developing our strategy to ensure that our PGR students are more integrated into our University vision, that our support structures are coherent and efficient and that we provide an experience that equips them for multiple futures.

We continue to win funding to attract the next generation of talent to study at Newcastle. In June 2025, the University was among the nine leading AI universities that the UK Government selected as Anchor Partners for its new Spärck master's scholarships in AI.

Recent high-profile research awards include:

- Professor Hayley Fowler, in the School of Engineering, has won a prestigious 10-year, £8m Faraday Discovery Fellowship from the Royal Society focussing on developing a new framework to improve forecasts of hydroclimatic extremes.
- Led by Professor Gill Vance and Dr Bryan Burford, the School of Medicine has secured £5m from NIHR to conduct research focused on addressing challenges in healthcare recruitment and retention. The project focusses specifically on primary care and maternity services, which are already experiencing workforce problems, especially in underserved, remote and deprived communities.
- Dr Xu Deng, in the School of Engineering, is part of a multidisciplinary national research team that has secured a £7m EPSRC Programme Grant that promises to revolutionise electric motor technology through integrated motor drive solutions. The project aims to tackle critical scientific challenges across mechanical integration, thermal management and advanced control systems.
- Professor Richard Clay, in the School of Arts and Cultures, led a successful bid to secure a prestigious AHRC Mission award on 'Green Corridors North East'. Of the total £3m award value Newcastle, as lead, will receive around £1.2m, with partners including the National Trust, regional government and Durham and Teesside universities.

Engagement and place

Strategic priorities

Our Engagement and Place strategy articulates how, through collaborative working, the benefits of our research and teaching go beyond the University to benefit society. Importantly, this is a two-way process which delivers benefit for not only our research and teaching but also the partners and communities we are working with. Our core value of social and environmental justice runs through everything we do and our strategy aims to deliver programmes that support:

- inclusive and sustainable economic growth
- inclusive education and lifelong learning
- health and wellbeing
- cultural richness
- global – local connections
- evidence-based policymaking

Measuring progress

- **Policy impact:** providing research-based, solutions-focused evidence to support policy development. Connecting our expertise with policymakers supporting our commitment to social justice
- **Participation and awarding gap:** supporting student success and progress irrespective of background
- **Inclusive growth:** contributing to inclusive growth in the North East and developing a more prosperous economy and more equitable society
- **Lifelong learning and skills:** offering opportunities to engage in learning at different life stages and in different ways. Partnering with schools, colleges and employers to raise aspirations and widen participation in higher education among under-represented groups ensuring our students are equipped with the knowledge and skills they need to succeed

Progress during the past year with an eye to the future

Inclusive and sustainable economic growth

Alongside the other four regional universities, we launched Universities for North East England (UNEE), to create a unified and place-based voice for higher education. We have played a key role in informing the national industrial strategy, the local growth plan and the Innovate UK innovation action plan which identify priorities and actions to increase innovation and help grow the economy in the region.

Our adoption of the spin-out review has resulted in a positive change in our equity policy which now fosters a founder friendly environment for our colleagues who are creating businesses to commercialise opportunities. UNEE, with financial support from the North East Combined Authority (NECA) have also agreed the creation of a spin-out and commercialisation fund, contributing £22.5m of early-stage equity funding.

We continue to be a key partner in the Northern Accelerator and Arrow programmes. These programmes have been extended thanks to additional Shared Prosperity Fund support from the NECA and will create another seven companies within the region. Along with UNEE partners we have also been successful in securing £8.9m from Research England to develop the commercialisation ecosystem in the North East, enabling the University to increase our support for spin outs.

Lifelong learning and skills

We have reconfirmed our commitment to Lifelong Learning and Skills by embedding these aspects more strongly in our new Education Strategy, a vision for education and skills. Alongside this, we have enhanced our skills offer through integrating the National Battery Training and Skills Academy into our Institute of Electrification and Sustainable Advanced Manufacturing, allowing us to develop a more coherent offer to a wider set of industry partners. We are working closely with the Energy Central Campus in Blyth, in setting up the Energy Central Institute, a regional learning hub for degree level qualification.

In partnership with Northumbria University and two regional colleges, we have been leading on a series of skills roundtables for health and social care bringing together stakeholders across the region. This aligns closely with the local skills improvement plans and feeds into the NECA's growth and skills priorities.

Participation and awarding gap

As part of our Civic University Agreement, we partner with Northumbria University to deliver the IntoUniversity Newcastle East centre. Since opening in 2021, the centre has supported over 2,000 young people from primary and secondary schools across the city dramatically increasing participation in higher education from 12% to 64%. Building on this success, a second centre will open in Gateshead later this year.

Evidence-based policymaking

Through strategic programmes of engagement, we are raising the profile of our research expertise and positioning our academic experts as sources of trusted research across all levels of government. Our research strengths align closely with current government priorities and our academics have been increasingly seen as go-to trusted sources for their expertise. Throughout the year, we responded to major government inquiries in areas such as health, energy and lifelong learning.

The Creative Industries Policy and Evidence Centre (Creative PEC) delivers independent research and authoritative policy advice on creative industries in the UK. Funded by the Arts and Humanities Research Council, Creative PEC is based across two hubs – Newcastle University Business School and the Royal Society of Arts, London.

Through Insights North East (INE), in which we partner with Northumbria University, the NHS and local authorities to bridge the gap between research and place-based policy making, we were able to support the NECA in its local growth plans.

Leaving Newcastle Happy



May 2025 marked our annual "Leave Newcastle Happy Campaign". We partnered with Northumbria University and Newcastle City Council to provide skips in Jesmond and Heaton, two key student housing areas. The skip provision enables the correct disposal of non-recyclable waste generated by moving out.

This year we published an interactive map to share skip locations alongside the locations

of various clothes banks, charity shops, and other donation points to encourage their use. Skip contents were sifted through to remove recyclable items. Overall, 4.98 tonnes of waste were diverted from local neighbourhoods and into recycling, reuse or the correct waste streams.

Embedding engagement

In June 2025 we held the Discover Festival, a free, one-day festival of interactive fun, providing an opportunity for families to come on to campus and learn about what we do, with an audience of over 1,250. The festival aimed to build lasting relationships with communities and at the same time provide opportunities for our staff and students to develop their public engagement skills.

Our Dean of Social Justice continues to lead on our partnership with Tyne and Wear Citizens and relationships with the voluntary, community and social enterprise sector. This year, we launched the social justice pulse fund and a regular social justice newsletter. The University continues to support asylum seekers and refugees through a range of programmes and was re-accredited as a University of Sanctuary.

Very high engagement

for four of the seven categories in the Knowledge Exchange Framework: IP and commercialisation, public and community engagement, working with business, and working with the public and third sector

(Knowledge Exchange Framework 2025)

Global

Strategic priorities

Our long-term strategic aim is to excel by being an internationally networked and diverse community of students and colleagues who identify as global citizens, and who can respond to global challenges through the research we undertake, knowledge we create and the skills we develop. To deliver this commitment we have three strategic aims:

- **Educational experience:** we will provide a global learning experience that equips our students with the skills to thrive and act in an interconnected world. We will help our community engage with different global contexts, enabling responsible action for the future.
- **Research and collaboration:** we will collaborate across and for the world, working in local and global partnership to achieve more collectively than we can alone. We will focus on collaborations that actively help us contribute to social and environmental justice and Sustainable Development Goals
- **Culture and storytelling:** we will think, feel and act global, and we will tell our global stories. We will be self-aware of our global perspectives and motivations and encourage a positive culture shift towards our aspirations.

Measuring progress

- **Global research profile:** the profile of our internationally excellent and impactful research
- **Global student mobility:** recruiting international students and providing international experience for students
- **South East Asia sustainability:** sustainable research and education engagement across South East Asia

Progress during the past year with an eye to the future

Growing and diversifying our global student community

In 2024–25, we welcomed 661 international undergraduate (UG) students and 2,317 international postgraduate taught (PGT) students, a downturn of 22% on the previous academic year. This reflects a national, sector-wide shift catalysed by numerous factors in the UK and in sending countries. As with many UK universities, our reliance on international students, particularly from China, represents a key challenge. Forecasts suggest that Chinese students will not return to the UK at a volume required for the sector to be sustainable under the current financial model. In

response, we established in-cycle measures to optimise student recruitment and conversion, including enhanced scholarship offers that are highly competitive within the Russell Group.

Global opportunities for students

We remain committed to increasing student mobility as a transformative opportunity for students to develop their experiences, outcomes and employment prospects. We have continued to build on mobility for students and, while the national Turing Scheme budget has been reduced by over £30m, our fifth Turing Scheme award enabling us to continue to deliver on our ambitions for student mobility. We have continued to focus on widening access to mobility and our success in securing Turing Scheme funding is linked to improved Widening Participation rates. In Autumn 2024, the University was awarded the prestigious PLEoneer award in the 'Study Abroad and Exchange Experience of the Year' category. This recognised the University's innovative approach to diversifying traditional models of mobility with the ambition of increasing the scale, outcomes, diversity and quality of the 'global' options available to all students at Newcastle University. This has been achieved through the creation of a short-term summer placement framework, further enhanced by a significant Global Scholarship scheme supported by the Access and Participation Plan (APP) and the Newcastle Student Fund.

Climate Action Barometer for International Education



We joined the UK founders' group for the Climate Action Barometer for International Education (CABIE). A group focuses on reconciling the good that comes from studying across borders and its environmental impact.

Joining CABIE resulted in our involvement in a study aiming to define best policies, practices, emissions and remediations surrounding International Education. Our participation has resulted in us having a better grasp of our international activity, impacts, and paths to improvement.

Our short-term mobility programme has continued to grow since its launch in summer 2022. The number of participating students in summer 2024 increased by almost 120% compared to summer 2023 and grew further in summer 2025. 75% of students participating in summer 2024 were from disadvantaged backgrounds.

Our Study Abroad partnership with Loyola University Maryland has been further strengthened by the celebration of the 30th anniversary of our relationship, the Vice-Chancellor's Education Excellence award for the Loyola Study Abroad Centre and 49 Loyola students studying with us in 2024–25, the biggest cohort since the pandemic.

We expanded our Study Abroad partnership portfolio and have signed an agreement with the University of Delaware and are expecting the first cohort of 18 students in 2025–26.

Global research profile

Our global research profile continues to be underpinned by collaboration and partnership, particularly within the framework of consortia and networks.

In 2024–25, we were the founding member of the North Sea University Partnership, comprising four UK universities and four Norwegian universities. The consortium is organising a conference to take place in Brussels in November 2025, on the broad and interconnected themes of North Sea, energy, and green transition, involving key experts from each university and European policy stakeholders.

In May 2025, the University co-hosted with Durham University the annual meeting of the Research and Education Network for Knowledge Exchange and Impact (RENKEI), a partnership between universities in Japan and the UK aiming to further knowledge exchange and research collaboration between institutions and individuals. This group collaborates with industry, governments and civil society to address global research challenges.

Newcastle University is leading a proposal to establish a UK-KSA Joint Institute for Clean Hydrogen. This government-to-government initiative seeks to advance knowledge, skills and commercialisation of solutions around three core pillars, namely production, storage/transport and industrial demand for clean hydrogen.

In addition to partnership working, we have engaged closely on our Horizon Europe activity, after the UK's 2024 reassociation with the programme, seeking to foster applications and successes and working with European Commission colleagues to optimise our performance.

South East Asia sustainability

We have worked towards the integration of new programmes in Sport and Exercise Science and Data at our Malaysian campus. We have brokered a new Newcastle University in Singapore (NUIIS) partnership with Ngee Ann Academy for PGT delivery. The NUIIS premises have moved to the Punggol campus of the Singapore Institute of Technology.

World University Ranking Tables	2021	2022	2023	2024	2025
Leiden Rankings	66	78	69	83	82
QS World University Rankings	134	122	110	129	137
Times Higher Education World University Rankings	146	139	168	157	144

Our students

Strategic priorities

At Newcastle University, we are proud to put our students at the heart of everything we do. This year we have made real progress in how we support, celebrate and co-create with our student community – through more compassionate communication, inclusive spaces and sector-leading wellbeing initiatives.

Kindness in communication and practice

We've taken decisive steps to embed the principles of *compassionate communication* across our student-facing policies and processes – reviewing how we speak to students at difficult moments and reshaping messages to be timely, inclusive, clear and above all, kind. Our refreshed approach to student attendance and engagement now better balances setting expectations with identifying vulnerability, encouraging students to seek support rather than fear penalty.

Student spaces

April marked the re-opening of a vibrant, student-focused hub, the redesigned space in King's Gate now offers a welcoming environment for support, collaboration and innovation. New features include expanded social and co-working zones, a start-up incubator, quiet wellbeing areas, and double the number of appointment rooms. Early feedback from students has been overwhelmingly positive, and further consultation will continue through the year to shape how the space evolves. This transformation is part of our broader commitment to delivering spaces across campus that feel inclusive, professional and designed to meet students' needs.

Success beyond the classroom

We won the national Whatuni Student Choice Award for Student Life – a student-voted accolade that celebrates our holistic approach to student experience and support. Judges praised the "high-quality student support and career advice," reflecting our efforts to enhance every stage of the student lifecycle. Our own Newcastle University Awards took place in the Frederick Douglass Centre for the first time, honouring the extraordinary contributions of our students to our campus, our city, and beyond.

A whole University approach to wellbeing

We continue to build a whole-institution approach to mental health and wellbeing, rooted in shared responsibility and proactive intervention. We were proud to receive national accreditation for our harm reduction work around drugs and alcohol. Meanwhile, our commitment to suicide prevention is reflected in the introduction of mandatory training for all staff and our pioneering Impact Measurement Scale (IMS), a nationally recognised tool to ensure consistent support across our institution. The Mental Health Steering Group now includes student leaders, their contributions from leading focus groups to authoring our Student Voice Report, show the power of true co-creation in shaping mental health support that is credible, inclusive and evidence-based.

Active wellbeing and belonging through sport

Sport continues to play a vital role in building community and wellbeing. Newcastle University has retained its top-10 BUCS national league ranking, with more students participating than ever before. We have expanded our intramural programmes, grown female-led "Learn to Lift" sessions, and increased spectator capacity at outdoor events to match rising demand. Our high-performance support now better enables student-athletes to pursue their academic and sporting ambitions in parallel. Our student sport volunteers also play a powerful civic role, engaging with over 2,200 local participants through partnerships with organisations like StreetGames, RISE and the Newcastle United Foundation.

Student experience

Whilst we recognise our performance in National Student Survey (NSS) is below sector benchmarks across key themes – teaching on my course, learning opportunities, assessment and feedback and student voice, we are committed to take immediate actions to address key issues. These actions include changes to key assessment and feedback policies and enhanced space for students to share feedback and receive response.

1st

in the Russell Group
and 4th overall for
student reviews

(University Compare
Ranking 2025)

90%

of students responded
positively to our wellbeing
communications – the
highest score in the UK

(National Student Survey 2025)

8th

place in the BUCS League

(British Universities and
Colleges Sport League
2024-25)

Our people

Strategic priorities

Our University strives to build an inclusive working and learning environment which is engaging, enjoyable and builds trust. We aim to attract and retain highly talented colleagues and students, investing in their skills and development, whilst recognising and celebrating their achievements

Progress during the past year with an eye to the future

Colleague development

Our refreshed Leadership and Management Development programmes were launched in May 2025. We received 123 applications across the main programmes and following this application process, 68 colleagues were selected to attend the programmes. The first intake of the programmes is still underway, with early insights suggesting that colleagues are benefiting from their attendance.

Following feedback and in readiness for year two, which will commence in January 2026, we continue to develop delivery models to ensure they meet the needs of the University and colleagues.

Having identified concerns last year with the levels of completion of our mandatory training, we have continued to make improvements in this area focusing on enhancements to the reporting and monitoring process.

In 2023, the University launched its first entry-level cohort of Business Administrator apprentices. The programme has progressed very well with five apprentices securing permanent roles within the University and welcoming a further nine Business Administrator apprentices in 2024.

We continue to explore how best to utilise our apprenticeship levy to support the development of skills and capabilities across the University. In the last year alone, we have invested £411,000 of our levy into colleague development and transferred just over £68,000 to Health Education England North East (HEENE) to support their apprenticeship programmes.

Systems development

During the year, the transformation of our People Services systems continued with the delivery of two new modules under the My NU programme. The programme is delivering a sustainable suite of modern software, creating a robust cloud-hosted platform for the future, greater self-service to colleagues and managers, and service efficiency through digitalised workflows. A major deliverable has been the core HR module hosting our colleague records.

The next phase of the programme has been approved; this will deliver a new cloud-hosted payroll system for the University integrating with the core HR module. A new suite of functionality for colleagues to request all forms of time off, for managers to approve the requests, and for records to be managed and maintained, integrating with payroll, will also be delivered. This will further enhance the colleague experience and continue to drive service efficiency.

Equality, diversity and inclusion (EDI)

We developed an EDI strategic communications plan and an EDI strategic training plan this year to advance our commitment to creating a more inclusive, equitable and diverse environment.

The communications plan provides a cohesive framework for clear, consistent, and transparent messaging around EDI priorities and initiatives. In parallel, the strategic training plan outlines a structured approach to delivering targeted learning opportunities to build our institutional capacity and support cultural change. Both plans have been formally reviewed and approved by senior university leadership, reflecting a shared commitment to embedding EDI across all aspects of university life.

Workforce resizing

Much of the focus and activity this year has been responding to the impact of the decline in international student numbers and measures we needed to take to address this. In September 2024, we introduced short-term cost saving measures which included a recruitment freeze, contract change freeze and paused promotions and pay review processes. In January 2025, Council approved a plan to achieve a £20m in recurring colleague cost reductions to be delivered by the end of the 2024–25 financial year. We began collective consultation with our trade unions in January 2025 regarding workforce resizing proposals and subsequently reopened a voluntary severance scheme (VSS) to all colleagues.

As a result of falling short of the savings target for academic colleagues we subsequently launched a targeted voluntary redundancy scheme in 10 Academic Schools and Institutes. Voluntary redundancy applications from the targeted areas alongside further savings from each of the faculties enabled us to meet our full £20m savings target.

Whilst these measures have been challenging, through a collective effort by all of those involved we have ensured that the processes were fair, inclusive and legally compliant, and have received feedback from affected colleagues for their clear communication, thoughtful consultation and clear signposting to support throughout the process. We engaged on a weekly basis with our trade unions throughout the period of January 2025 to June 2025.

Industrial action

In October 2024, the University and College Union (UCU) raised a dispute regarding job losses across the institution, the failure to rule out compulsory redundancies, and the negative impact of staffing cuts on workload, health and wellbeing. In response, UCU balloted for industrial action in January 2025, securing a six-month mandate from 10 February to 10 August 2025. This resulted in a total of 44 days of strike action with, at the peak, 417 colleagues participating.

In June 2025, UCU and management reached an agreement to end industrial action. UCU also agreed to not to take further action during the 2025–26 academic year. This agreement was based on a commitment of no compulsory redundancies resulting from a university-wide workforce resizing programme up to July 2026, subject to current planning assumptions.

Sustainably engaged colleagues



This year, we saw record-breaking levels of colleague engagement in sustainability programmes. Our LEAF (Laboratory Efficiency Assessment Framework) accredited labs number has grown to 70. These labs have worked to embed sustainable practice across their lab, with 15 of these labs achieving gold status!

Additionally, 16 teams across the University formed to take part in Green Impact. Within this programme teams compete to complete as many sustainable actions as possible, embedding the ethos into their workplace.

Of the teams, nine achieved bronze level or higher, with five achieving gold. LEAF and Green Impact participants were celebrated and awarded at our Sustainability celebration in July.

Recruitment

It has been an unusual year for recruitment, with a recruitment freeze and resizing project that has spanned most of the academic year. During this time, we continued to support business-critical campaigns and externally funded opportunities, ensuring robust candidate attraction strategies were in place. We also launched our new Recruitment Policy and a new online Inclusive Recruitment training module that is more accessible for colleagues involved in recruitment.

We employed

5,917

full-time equivalent colleagues
(headcount 6,199) at
31 July 2025

Physical and digital infrastructure

Strategic priorities

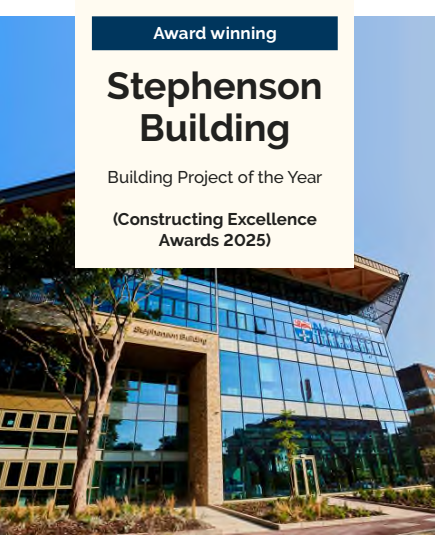
With universities facing unprecedented financial challenges, we undertake long-term planning for a sustainable financial future for the physical and digital infrastructure whilst considering how it supports all campus users.

Progress during the past year with an eye to the future

Physical infrastructure

Continuing to invest in the estate through long-term maintenance and repairs programmes ensures that we offer excellent facilities to colleagues, students and visitors. The completion of the refurbishment of Levels 1 and 2 of the King's Gate building brings a major transformation to provide a one-stop shop for student support services, careers advice, student start-ups and includes a striking new event space.

The physical estate grew in footprint during the 2024–25 academic year, with the re-introduction of the Stephenson Building following its refurbishment. The first academic year of occupation has gone well with cutting-edge collaborative teaching spaces and the student makerspace being a huge success. The building continues to win awards, this year earning the title Building Project of the Year.



Net internal area of the estate is

250,470m²

An increase of 7,558 m² on the previous year

2024–25 saw the beginning of an Estates Strategic review of the campus which will deliver a long-term Estates Plan to cover a period of 10–15 years.

Student numbers in accommodation remained stable throughout 2024–25. Over 2,400 students were housed in University-owned accommodation with an additional 2,700 accommodated through partnership nomination agreements. Average occupancy for University-owned accommodation remained at 98% per month, with demand for University-provided student accommodation remaining very high.

Looking forward, the demolition of Castle Leazes residential blocks is now complete and the planning application for the new 2,000-bed student development has been approved. Our partnership with Unite Students secures a pipeline of University-owned student accommodation expected from 2028–29 onwards. Construction works on the redevelopment are expected to commence at the end of 2025.

Digital infrastructure

All ongoing and approved strategic programmes of work were progressed over the course of the year. Highlights include the successful completion of the procurement process for Comet, our next-generation advanced, high-performance computing solution, and the delivery of key components of the Digital Engagement Programme, such as the launch of the new Student Fees Solution and the Student Portal. This Student Portal allows students to manage their day-to-day interactions with the University, including personal data, module choice, timetables, library accounts, documents, and absence requests in one place.

Net zero retrofit of the Princess Royal



A pioneering £4.6m project has successfully retrofitted our research vessel, the Princess Royal, with an innovative zero-emission propulsion system. The vessel resides at our Marine Station in Blyth when not out on the

open sea collecting data. The retrofit was led by renewable electrification specialist AceOn Group and supported by experts at Newcastle University. The project developed battery and hydrogen technology to power the vessel, used for research and servicing offshore wind turbines.

We continued to review and mature our service model and following a recent review of in-person IT support across the University estate, a new IT Service Support Hub was opened at the Frederick Douglass Centre on the Newcastle Helix site in January 2025 to provide a more consistent level of IT support across campus.

As part of our ongoing efforts to enhance service delivery, our Service First programme received national recognition winning the Excellence in Project Delivery in Service category, surpassing major national organisations. The Service First Programme reduced defects by 98% within 12 months, transforming IT service delivery and restoring stakeholder confidence.

Excellence in

Project Delivery

in Service category

(British Quality Foundations Excellence Awards 2025)

December 2024 saw the University's first IT Kit Return, Repurpose, or Recycle Scheme to encourage people to hand in old or unused computers and other IT equipment. Promoting the University's sustainability and cybersecurity goals, the scheme proved a huge success with nearly 1,000 items dropped off over the course of the week.

We maintained and embedded improvements to end-user services and launched the new service catalogue to enhance self-service options and streamline work routing within NUIT. We also implemented a suite of service-level standards that are currently being baselined to inform and support future service enhancements.

The Cyber Programme continues to progress well, with some major strides made in improving our cyber compliance. Over 3,000 servers that posed a risk have either been remediated or decommissioned, while more than 2,000 vulnerable end-user devices have been addressed. These efforts have had a marked impact on our compliance scores and overall security landscape. Funding was also secured earlier this year to deliver a new 24x7 Security Operations Centre which is now in place.

The Accountability Framework, a defined set of requirements for the local management of devices, is now being rolled out across all schools following successful pilots in 2024. In addition, the upcoming implementation of a new IT Asset Register will enable better oversight and governance of our IT estate, supporting both security and operational efficiency.

As part of the refurbishment of King's Gate Levels 1 and 2, we successfully upgraded core infrastructure, provisioning 150 new workstations, installing new network equipment across both levels as well as modern AV systems.

Delivering our strategy				
c800	94,000	90%	230+	930+
applications packaged and deployed	contacts with our 24x7 service desk	Customer satisfaction score	network comms rooms maintained	colleagues attended skills workshops

Environmental sustainability

Strategic priorities

Our core environmental sustainability strategic priority is to become a net-zero University by 2030. We aspire to achieve this through the implementation of our Climate Action Plan, reviewing our environmental policy, objectives and targets and accelerating projects to increase our on-site renewable energy generation and decarbonise our estate and energy.

Progress during the past year with an eye to the future

Our work to improve environmental sustainability within university activity has been underway for over 15 years. In the past 12 months, we have affirmed our plans to build on our progress by placing a commitment to being sustainable in everything we do as one of three core aims within our Strategic Delivery Plan, and we are in the process of updating our objectives and targets aligned to this.

We are ranked in the top 5% of universities globally for our contribution to the United Nations Sustainable Development Goals (UNSDGs) in Times Higher Impact Ranking 2025 and 56th in the world, 19th in the UK in the QS World Sustainability Rankings.

Over the past 10 years our carbon-reduction initiatives have achieved a 49% reduction in emissions resulting from heating and powering our estate. We now have Solar PV on 28 of our buildings and are progressing with the final phase of our LED lighting replacement programme.

Our biofuel Combined Heat and Power (CHP) plant now serves 10 buildings on our extended heat network, with plans underway for the next stage (Phase 3) of our Heat Network Improvement project. The CHP will generate approximately 10% of the University's daytime electricity load or around 25% of our overnight load. About 1000kW of heat is also produced – this heat is recovered and fed into the University's district heating system.

To establish a prioritised pathway of further projects towards our net-zero target, we have commissioned an Estates Optimisation and Net Zero study to support us to enable more efficient use of space on our campus. This will also ensure that, in a challenging financial context, we can align our plans to available funding opportunities to support delivery.

Our sustainability work extends to our research and education. In the past year, we have continued to support colleagues with embedding sustainability in the curriculum through inclusion of sustainability in teaching

and learning as a theme of our annual Teaching and Learning Conference. As we develop our Education for Life 2030+ strategy, we are embedding sustainability as a cross-cutting theme through the Leading-Edge Curriculum framework.

In January 2025, we became a signatory to the Concordat for the Environmental Sustainability of Research and Innovation Practice to amplify our commitment to reducing negative environmental impacts resulting from our research activity. Professor Matthew Grenby, Pro-Vice-Chancellor for Research and Innovation, has joined the EAUC Oversight Group for Concordat delivery which advises the UK research community on implementation of the Concordat and monitors progress towards its goals.

We continue to work closely with our partners on our shared sustainability aims. In May 2025, we joined the North-East Combined Authority (NECA) Commuting Project alongside universities in the region to support action to enable adoption of more sustainable travel modes for commuters. Through this project we shared a travel survey with all colleagues to understand our colleagues' current commuting habits with a view to informing the development of the University's Travel Plan.

In support of biodiversity in the region, we Chair the local biodiversity network which brings together organisations in and around Newcastle to identify opportunities for best practice sharing and collaborative working to better understand and support local habitats.

In April 2025 we took part in the City Nature Challenge in collaboration with Environmental Records Information Centre (ERIC) North East and Durham University to encourage colleagues to capture information on the flora and fauna on campus, encouraging connectivity with nature as well as informing our biodiversity base.

Our continuing progress towards embedding sustainability throughout strategic delivery will be supported by our recently streamlined governance with the University Sustainability Committee taking the lead on our consistent and robust approach to disclosure and decision-making.

Food waste bins for student accommodation



In January we introduced food waste bins into all kitchens in our University-owned accommodation. These small green caddies have diverted food waste from the non-recyclables bins to an AD (anaerobic digestion) plant, turning food waste into fertiliser and energy. This means each tonne of food waste that leaves our University accommodation will now remove 10kg of CO₂ from the atmosphere through its processing and end uses.

Environmental and Energy Management Systems Data (unaudited information)	2023–24	2022–23	2021–22	2020–21	2019–20
Estate Gross Internal Area (m ²)	496,786	485,999	490,052	501,721	497,529
Scope 1 and 2 Carbon Emissions (tCO ₂ e) ¹	21,166	21,546	21,859	21,572	23,490
Scope 1 and 2 Carbon Emissions (kg per m ²)	43	44	45	43	47
Scope 3 Carbon Emissions Total (tCO ₂ e) ²	116,312	97,627	93,092	69,987	98,522
Business Travel Carbon Emissions (tCO ₂ e) ³	9,094	7,170	2,626	203	3,822
Total Energy Consumption – Electricity (kWh)	45,486,103	46,564,199	44,809,804	42,471,820	43,691,196
Total Energy Consumption – Gas (kWh)	47,590,865	48,584,655	56,899,639	52,089,731	52,220,880
Total Energy Consumption – Heat (kWh)	10,307,660	13,568,640	13,899,640	12,965,270	12,390,572
On-site Photovoltaic Electricity Generation (kWh)	511,389	189,917	58,786	55,751	51,723
Total Water Consumption (cubic metres)	308,836	294,287	286,268	226,976	290,524
Total Waste Mass (tonnes) ⁴	1,665	1,719	1,930	1,568	1,690
Total Waste Mass – recycled via source separation (%) ⁴	41	44	47	42	42

¹ Scope 1 – direct emissions from owned or controlled sources, eg natural gas, fleet vehicles.

Scope 2 – indirect emissions from the generation of purchased electricity, steam, heating and cooling.

² Scope 3 – all other indirect emissions that occur in our value chain including procurement, business travel, capital goods (construction and IT) etc.

³ Business Travel is one source included within Scope 3 Total above.

⁴ Excludes other works, eg construction and refurbishment.

Financial review

In an increasingly challenging operating environment, that has seen material reductions to international student enrolments giving rise to shortfalls in planned income levels, we have been able to deliver a small underlying deficit for 2024–25 and maintain a strong cash balance. We have also taken action to reduce our recurrent cost base for future years.

The 2024–25 year proved very challenging. Our international student recruitment in September 2024 decreased by 21% for postgraduate students and 11% for undergraduate students compared to prior year intake. This was significantly adverse to our approved financial plans for the year. As a result, the University utilised

a range of in-year cost saving measures to protect financial performance and preserve cash balances. The continued and increased risk to international student recruitment in future years has also required action to reduce our recurring future cost base, to ensure ongoing financial sustainability.

Total income

£637m

(2023–24: £635m)

Total income grew by 1% despite a challenging student recruitment cycle.

Tuition fee income

£319m

(2023–24: £322m)

Tuition fee income was £3m lower than 2023–24, despite fee inflation, largely due to below expectation recruitment of international students in 2024–25.

Research income

£134m

(2023–24: £126m)

Our research income improved by over £6m, an increase of 6%, converting strong award growth from prior years.

Underlying deficit

£(2.8)m

(2023–24: £(9.5)m)

Despite lower than anticipated tuition fee income and continued cost inflation, the successful implementation of in-year cost-saving measures protected our financial performance for the year.

Statutory deficit

£(0.6)m

(2023–24: £151m surplus)

With reduced impact from pension adjustments compared to prior periods, the statutory result is consistent with underlying performance, benefitting from gains on endowment investments.

Cash balances¹

£190m

(July 24: £190m)

The University continues to have strong liquidity with cash balances closely managed over the course of the year despite investment, providing a strong foundation for future years.

Capital investment

£44m

(2023–24: £45m)

Capital investment includes the continued investment into IT infrastructure, completion of the Stephenson Building and spend on our sustainability projects.

Underlying staff costs

£372m

(2023–24: £369m)

Underlying staff costs remained fairly consistent, with impact of recruitment freeze offsetting pay award increase.

FTE as at 31 July

5,917

(July 24: 6,190)

Necessary action taken to control costs through recruitment restrictions and voluntary severance schemes has seen FTE fall compared to prior periods.

Underlying operating performance

Unlike recent years, the statutory financial performance of the University has not been significantly impacted by pension accounting. For the purposes of assessing our underlying operating performance, we exclude these adjustments and other exceptional costs such as movement in the fair value of our endowment investments

Income

Total income at £636.9m is up 1% year-on-year, with a reduction in tuition fees offset by increased research income, as well as increased investment returns on cash balances.

Tuition fee income earned in the financial year totalled £319.2m, representing a slight decrease of 1% compared to the prior year, however a more significant shortfall against the approved budget. The reduction was primarily driven by a fall in recruitment of International PGT students.

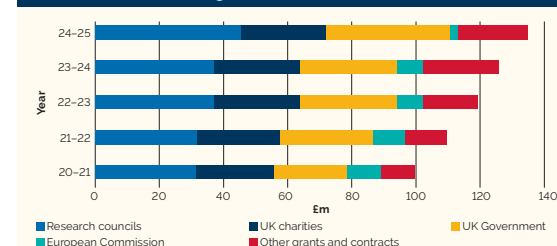
Overall, student headcount was 1% lower than prior year, with the fall in international recruitment masking a small increase in home student numbers. The proportion of international students taught in the UK was 25%, decreasing from 27% in 2023–24, with income generated from these student categories decreased by £2.2m or 2% to £122.7m (2023–24: £124.9m).

Funding body grants represent 14% of total income and are comparable in value to the prior year, comprising a consistent mix of research, teaching and capital grants.

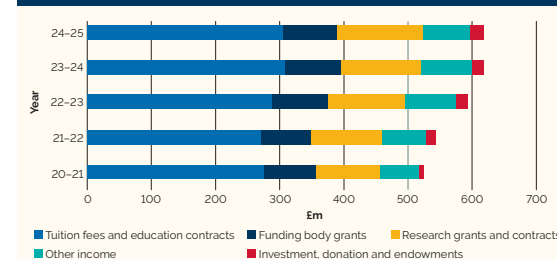
Research income of £133.8m reflected a 6% increase from the prior year (2023–24: £126.1m) and continued the upward trend of recent years. In addition to income

Underlying def cit before tax (unaudited information)	2025 £	2024 £
(Def cit)/surplus before tax	(0.4)	150.6
Gain on endowment investments	(5.8)	(11.4)
Change to staff costs as a result of the USS pension provision	-	(151.0)
Income from sale of shareholding	3.3	-
Share of surplus on joint venture and associate	(0.4)	(0.6)
Loss on revaluation of investments	0.2	0.5
Loss on impairment of non-current assets	6.9	2.4
	-2.8	-9.5

Consolidated research grants and contracts



Consolidated income



growth, applications for new grants in the 12 months to July 2025 have increased in value compared to the prior year, although the value of secured new awards has fallen over the same period, with several large multi-year awards having been granted in the previous period.

Other income including revenues earned through our student accommodation, catering and conferencing activity, consultancy, work with healthcare authorities

and non-research grants remained largely consistent with prior periods at £77.2m (2023–24: £80.3m).

We have continued to generate strong investment income returns of £9.5m (2023–24: £9.7m), driven by our strong cash reserves, continued availability of good interest rates for cash placements and application of our treasury management strategy. Donation and endowment income increased to £9.0m (2023–24: £7.6m).

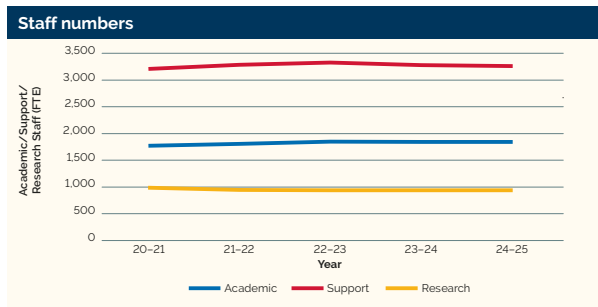
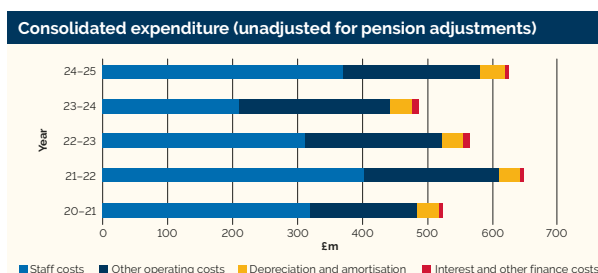
¹ Cash balances include cash and cash equivalents and short-term liquid deposits

Financial review *(continued)*

Expenditure

On a statutory basis, total expenditure increased by £146.4m to £639.7m. This total includes the impact of a pension accounting adjustment, which was a £151.0m credit in 2023–24, but excludes asset impairments and other movements in investments, associates and joint ventures. Expenditure, excluding only USS pension adjustments decreased by £4.6m or 1% to £639.7m (2023–24: £644.3m).

Staff costs have increased on an underlying basis by £3.0m to £372.0m once adjusted for movements in pension scheme and holiday pay accruals. A recruitment freeze was introduced in October 2024 in reaction to the student recruitment downturn, limiting recruitment to only business critical posts, which has been influential in controlling costs despite annual cost increases from the annual sector-wide pay award and a higher starting position for staff FTE at the commencement of the financial year. Average staff numbers (FTE) have decreased by 89 colleagues (1%) to a year-end position of 5,917 employees (July 2024: 6,190). In addition, a voluntary severance scheme opportunity was offered to colleagues throughout 2024–25, which will see further FTE reductions from August 2025, thus reducing recurring staff costs for the 2025–26 financial year. The underlying staff cost for 2024–25 represents 57% of our underlying income for the year, consistent with the prior year but in excess of our long-term target.



Underlying staff cost (unaudited information)	2025 £	2024 £
Total staff costs	374.1	214.2
(Increase)/decrease in accrued holiday pay	(0.5)	0.7
Charge to staff costs as a result of USS pension provision	–	151.0
RBP pension service cost adjustment	(1.6)	3.1
	372.0	369.0

Other operating costs of £222.7m are £13.0m (5%) lower than the prior year (2023–24: £235.7m), despite increases to research costs and compensation paid to students for teaching disruption caused by industrial action. Once the student recruitment position for 2024–25 became clear, controls to restrict University operating budgets were introduced, these controls have delivered the reduction in spend. A £4.2m fall in utility costs, that had grown significantly in prior periods, was also a contributory factor.

Depreciation has increased to £37.6m (2023–24: £34.7m) in the year, reflecting completion of the Stephenson Building redevelopment and an increase in research equipment spend. In addition, a dilapidation provision of £5.8m has been made following a review of leased properties and a further impairment charge of £6.9m has been recognised in 2024–25 to reduce net book value on buildings held at above current market value.

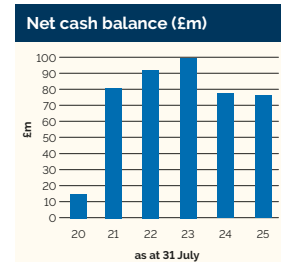
Capital investment

Capital additions during the year were £43.5m (2023–24: £45.3m), across a range of areas including investment into IT network infrastructure, completion of the Stephenson Building redevelopment, further investment in our net-zero carbon aims across the estate and expenditure on equipment. There were no significant disposals of assets during the year. At the financial year-end, there were £13.8m of contracted capital commitments (2023–24: £19.0m).

Cash and liquidity

Cash and cash equivalents, including short-term deposits, ended the year at £189.7m (2023–24: £189.7m). We operate a robust treasury management policy, which assesses security, liquidity and return. We continue to monitor opportunities to maximise our return and, assisted by continued higher rates, our interest income in the year has been maintained at £8.6m (2023–24: £9.0m).

Our net cash position, which includes the impact of borrowing and leases, increased from £76.2m to £79.4m, impacted by voluntary severance, student compensation and increased research collaborator payments during the year. The University retains an undrawn £75m Revolving Credit Facility which provides unsecured committed funding and offers additional liquidity and flexibility. Our endowment-related investments have ended the year with a value of £100.2m, a £1.7m increase compared to the prior year. We receive monthly



performance reports from all our fund managers and Finance Committee meets formally with our active managers at least annually to review progress.

Our year-end statutory result also reflects a £3.3m benefit from sale of shares in Fibrofind Ltd (note 6).

Pensions

The University participates in two main pension schemes: the University Superannuation Scheme (USS), a multi-employer scheme operating across the Higher Education sector; and the Newcastle Retirement Benefits Plan (RBP), a local scheme for colleagues of the University.

The USS scheme actuarial valuation last year concluded with the scheme in an actuarial surplus position. As a result, the deficit recovery payments ceased.

The year-end accounting position for the RBP scheme has improved during 2024–25 moving from an actuarial deficit position of £38.6m to an actuarial deficit position of £28.0m.

Outlook and financial sustainability

Despite the financial challenges experienced in 2024–25 and ongoing difficulties across the sector, steps have been taken to ensure the University closes the year in good financial health, with strong cash balances, and having also delivered recurring cost savings of £30m, made up of £20m staff cost saving and £10m non-staff cost saving, against previous future plans to ensure we begin 2025–26 with a lower cost base.

Home student fees remain a significant proportion of University income, and for the first time in several years we have seen an inflation-linked rise to the home undergraduate fee for the 2025–26 academic year. The annual financial benefit realised, while welcome, is lower than the increase to employer's national insurance implemented from April 2025. International student recruitment therefore

remains key for both Newcastle University and the wider sector to continue to deliver financial sustainability, however carries increased risk of delivery due to global geo-political instability and government policy.

Student recruitment plans for 2025–26 have had to reflect these uncertain conditions, with the resulting risk to tuition fee income being mitigated by recurring cost-saving adjustments. The current view of student recruitment suggests we will deliver tuition fee income close to Council-approved budgets, thus giving confidence in delivering the financial plan for the year.

The generation of sustainable financial surpluses remain crucial in supporting ongoing reinvestment into our core operations and student services and plans remain aligned to delivering such results in the medium-term and a strong closing cash position allowing us to prepare for the next few years with confidence. The University recognises the need for further actions to improve recurring underlying financial performance as a foundation for our future financial sustainability.

Going concern

The University's Council has determined that the University has adequate resources to continue in operation for the foreseeable future.

To support the Council in making this assessment, a thorough review has been carried out including stress testing of assumptions and reverse stress testing in order to ensure appropriate headroom in the event of a plausible downside scenario. For this reason, these financial statements have been prepared on a going concern basis. Further detail is set out in the Statement of Principal Accounting Policies on page 54.

Charity status and public benefit statement

In developing and overseeing the University's strategy and activities, Council has had due regard to the Charity Commission's guidance on public benefit. It is also aware that, because the University is charging high fees, it must make provision for those from lower-income backgrounds to have the opportunity to benefit from the services provided.

The principal beneficiaries of the University's services are our students and the public at large. The Office for Students is the principal regulator for most English Higher Education Institutions and is the regulator for this University. Our statutes define the object of the University as 'for the public benefit, to advance education, learning and research'. Public benefit is embedded in our vision and strategy. The University takes seriously its commitment to ensure that it satisfies the Charity Commission's public benefit test that there be identifiable benefits and that the opportunity to benefit must not be unreasonably restricted. We have a range of schemes to encourage participation in our academic programmes by students from under-represented socioeconomic groups and those from low-income households.

We alert all prospective and current students to the financial support opportunities, through our website, brochures, talks, email, social media, and digital screen reminders throughout the year. In addition, we have committed £34.6m through our Access and Participation Plan to student financial support for the next four years. In 2024–25, we provided £1.9m in means-tested scholarships to support 1,257 new undergraduate students from low-income families who might otherwise have been unable to afford the costs of going to university. This constituted 20.6% of our full-time UK and EU undergraduate entrants in 2024–25. We also paid a further £4.3m to support 2,654 undergraduates continuing their studies. Total undergraduate financial support of

£6.2m for 3,911 students in 2024–25. We supported 38 mostly full-time taught postgraduates from widening participation backgrounds with scholarships of up to £5,000, to supplement the Postgraduate Masters' Loans available from the Student Loans Company.

During 2024–25, we awarded more than 10,000 undergraduate and postgraduate degrees.

We are the largest research university in the North East. During the calendar year 2024, our academic colleagues published 4,710 research articles, books, book chapters and conference proceedings, a slight increase from 4,539 in the previous year.

Global Alumni Programmes

Newcastle University's network of over 270,000 alumni plays a vital role in supporting the aspirations of students and recent graduates. The nature of the community continues to evolve with over 50% of alumni aged between 21 and 40 and 30% living outside the UK.

We run a thriving portfolio of programmes designed to connect alumni with each other and the University, to advance graduate careers, to develop professional skills and to encourage lifelong learning. These include targeted mentoring for students and recent

graduates, support for entrepreneurs and company founders and close involvement of alumni in curriculum design and delivery.

We also have over 30 alumni networks which provide a supportive community, events and opportunities for graduates based on their location, their chosen industry or their interests. Volunteer-run events have taken place in Newcastle, London, Malaysia, Singapore, China, Greece and the US since the start of term, and several new networks have been established, including the writers alumni network. Highlights of the year included:

- Over 80 events for alumni and supporters including in Newcastle, London, Leeds, Manchester, Kuala Lumpur, Singapore, Shenzhen, Hangzhou, Chengdu, Shanghai, Athens, Baltimore, New York, Boston, Mumbai and New Delhi
- Participation of alumni from 47 countries in the year's NCL in Action programme dedicated to Exploring AI's impact in the world
- Our regular alumni e-newsletter, Arches, read by over 140,000 people
- Launch of a new series of Alumni Town Hall events to give alumni the opportunity to engage directly with University leadership

After meeting with members of the Women's Giving Circle, I left feeling truly inspired, knowing that barriers to a STEM career shouldn't hold me back and that I'm not alone in this journey.

Natasha, Marine Biology



Attending university opened up a whole world of possibilities for me. So many of the positives in my life can be traced back to my university experience. I know how fortunate I was to have had that opportunity, and I feel a responsibility to help others in similar situations. I truly believe education is the great equaliser – if we can support determined, motivated students, they will go on to do wonderful things in the world.

Gillian Cannon, Newcastle University Donor and Philanthropy Board Member

Philanthropy

Newcastle University was founded on a bedrock of philanthropy and donations continue to be a vital source of funding. In 2021, we launched the first comprehensive philanthropy campaign for Newcastle University and are incredibly grateful for the generosity offered by our community in response to this call to action. These include individuals, families, companies, charitable foundations. We are also deeply grateful to those who have planned to leave a legacy to the University in their will. Highlights of the year included:

- The continued success of the Newcastle University Student Fund which has now raised over £17m from over 2,500 donors. The Fund has been used for bursaries for estranged students, small awards to enable students from lower-income families to take part in clubs, societies and sports and free provision of period products across campus.
- The launch of the Rob Wood Enterprising Futures Academy thanks to an exceptional donation to help support young entrepreneurs

- Securing the funding needed to launch a second IntoUniversity outreach project for the North East

- Significant new donations towards undergraduate and PhD scholarships for students in the UK, Malaysia and Singapore

- The continued success of the University's Women's Giving Circle, raising money to empower the next generation of female leaders

- The success of the University's first-ever Great North Run team, raising funds for the Newcastle University Student Fund

We are especially grateful to members of the University's Philanthropy Board whose leadership and generosity continues to inspire and encourage others to support Newcastle University. We are also grateful for the enduring support of the Newcastle University Development Trust which has continued to provide substantial funding for students and research across the University.

Philanthropy governance

Our policy for the Acceptance of Donations follows the 'Know your Donor' principles established by the UK Charity Commission. This means that in relation to all our fundraising activity, the University takes reasonable steps to ensure that we:

- identify our donors so that we know who we are dealing with
- verify identity where reasonable and the risks are high
- know what the organisation's or individual's business is so that we can be assured this is appropriate for the University to be involved with
- watch out for unusual or suspicious activities, conduct or requests

All donations greater than £10,000 are expected to be accompanied by a Donation Agreement or equivalent. All donation agreements include the following statement: 'Both the donor and the University affirm that this donation will complement our mission and values and will not in any way constrain academic freedom'.

Corporate governance overview

This section, covering the period from 1 August 2024 up to the date of 11 December 2025, provides an overview of the governance of the University, processes for ensuring the student voice is heard and for management of risk, Council's responsibilities and the arrangements to ensure sound internal controls are in place. As Chair of Council, I take a lead role in ensuring good governance is exercised by the University.

Pat Ritchie, Chair of Council and Pro-Chancellor

Newcastle University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), and with the guidance to universities from the Committee of University Chairs. The University is an independent corporation whose legal status derives from the Universities of Durham and Newcastle upon Tyne Act 1963 which, with its supporting statutes and schedules, sets out the University's objectives, powers and framework of governance.

The statutes require the University to have a number of separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities. Academic Board is a meeting of all academic and Professional Services colleagues on Grade E and above and receives an annual report from the Vice-Chancellor and President. Convocation is a meeting of the alumni and is the body that appoints the Chancellor. The Registrar acts as secretary of Council and Senate. Any enquiries about the constitution and governance of the University should be addressed to the Registrar. The University maintains a Register of Interests of Members of Council, which is available online.

Senate

Senate is the academic authority of the University and draws its membership predominantly from academic colleagues and students. Its role is to direct and regulate the teaching and research work of the

University. Senate met seven times during 2024–25.

Court

Court is not part of the University's day-to-day decision-making processes, but plays an important and influential role on behalf of the University's stakeholders. Its membership is representative of the University, the local community and other organisations with an interest in the work of the University. It meets twice a year to receive a report from the Vice-Chancellor and President and to discuss any matters relevant to the interests and wellbeing of the University.

Council

Council is the supreme governing body, responsible for the finance, property, investments and general business of the University, and for setting the general strategic direction of the institution. It is also responsible for the University's system of internal control and for reviewing its effectiveness, including the appropriateness of its arrangements for risk management and value for money. It keeps under regular review the performance of the University and makes use of key performance indicators to assist in this task. A statement of Council's primary responsibilities is provided on pages 42–52. Council undertakes regular reviews of its effectiveness using guidance given in The Higher Education Code of Governance. Members of Council subscribe to the Office for Students' Public Interest Governance Principles. Council has a majority of members from outside the University (lay

members) including three lay officers: Chair, a Deputy Chair, and Honorary Treasurer. Other members include staff of the University and two Students' Union sabbatical officers. Council also has a Senior Independent Governor, Claire Morgan. The Senior Independent Governor helps to support good governance by advising the Chair and acting as an intermediary for other Board members. None of the lay members receive any payment, apart from reimbursed expenses, for the work they do for the University.

Council met six times during 2024–25, including a joint away-day with Executive Board. Amongst other matters, and in consultation with Senate, Council agreed to:

- approve a business case for workforce resizing
- endorse plans for longer-term financial sustainability linked to the Strategic Vision
- approve an updated Freedom of Speech Code of Practice

Council also considered and held discussions on:

- performance in student surveys, degree outcomes, and assurance of quality and standards
- the integrated annual equality, diversity and inclusion (EDI) and gender pay gap report
- biannual strategy performance updates
- budget and medium-term financial plan
- risk appetite

Much of the detailed work is routed through committees of Council. The following four committees are formally constituted as committees of Council with written terms of reference and specified membership, including a significant proportion of lay members. The decisions of these committees are reported to Council and, where relevant, Senate. The membership of Council and its sub-committees is set out below.

		Audit, Risk and Assurance Committee	Finance Committee	Nominations Committee	Remuneration Committee
Council Member					
Pat Ritchie CBE	Lay member and Chair of Council		M	C	M
Mags Scott	Lay member and Deputy Chair of Council		M	M	
Jasmine Banks	Student				
Derek Bell OBE	Lay member				
Linda Conlon MBE DL	Lay member	M			
Leo David	Student		M		
Professor Chris Day CBE DL	Vice-Chancellor		M	M	
Will Garton	Lay member			M	
Dr Arun Harish	Lay member				
Professor Nigel Harkness	Deputy Vice Chancellor	M	M		
Lisa Hunter	Lay member				
Anjam Khan	Staff				
Alex Lamb	Lay member		M		
Bill MacLeod	Lay member	C			
Professor Rhiannon Mason	Staff				
Claire Morgan	Lay member			A	C
Dr Meiko O'Halloran	Staff				
Marta Phillips OBE CA	Lay member	M			
Emma Reay	Staff				
Professor Colin Riordan CBE	Lay member				M
Angela Russell	Lay member		C		M
Adam Serfontein DL	Lay member				
Nitin Shukla DL	Lay member				M
Non-Council Members					
Hilary Florek				M	
Mike Goodwin	(until 31 March 2025)	M			
Vikas Kumar				M	
Professor Ian Postlethwaite				M	
Professor Jane Robinson				M	
Tony Taylor	(from 1 April 2025)	M			
Dean White		M			
Tom Wooldridge		M			

* Further details of the membership of governance committees are available at www.ncl.ac.uk/executive/governance/committees/

C—Chair | M—Member | A—In attendance

Corporate governance overview *(continued)*

Audit, Risk and Assurance Committee

Audit, Risk and Assurance Committee is a committee of Council, comprising a minimum of three lay members of Council and additional lay members. The Committee met five times during 2024–25 with the University's internal auditors and external auditors in attendance. The committee reviews the University's strategic risk management and the effectiveness of internal control systems by considering detailed reports together with recommendations for improvement, management responses and implementation plans. As part of its annual opinion, it also gives assurance about the University's arrangements for value for money.

Finance Committee

Finance Committee considers and recommends to Council the financial strategy for the University and advises on investments, determines the level of funding to be made available to support the annual budget allocations, approves the accounting policies and considers the financial statements. It also has overall responsibility for ensuring the appropriate management of taxation within the University.

Nominations Committee

Nominations Committee makes recommendations to Council in respect of the appointment of lay members of Council, the offices of Chair and Vice-Chair of Council, Honorary Treasurer and members of the committees of Council.

In appointing new members, the intention is to appoint high-calibre individuals with specific skills that are of value to the University and a commitment to the principles and future success of the University. Prior engagement with the University via a committee or similar is an advantage before an individual joins the governing body, but we actively seek to make appointments to

improve our diversity and expertise using search agents where it is judged to be appropriate. Council benefits from a diversity of members and actively seeks to promote equality and diversity throughout the institution.

Remuneration Committee

Remuneration Committee considers the remuneration and terms and conditions of senior colleagues. More detail on the work of this committee is provided on pages 45–49.

University/Students' Union Partnership Committee

The University and the Students' Union have a joint Partnership Committee, constituted as a sub-committee of Council, chaired by a member of Council. It meets regularly to discuss matters of common interest. This committee also discharges the University's obligations with regard to the Students' Union under the terms of the Education Act 1994 on behalf of Council.

Executive Board

Executive Board is the senior management team of the University. It keeps under review the University's strategy and makes recommendations on the development of the strategy to Senate and Council. It develops and regularly reviews the activities, assesses the risks related to the delivery of these and ensures that appropriate measures are in place to assure the financial sustainability of the University. Executive Board reports on these matters regularly to Council. Through the monitoring undertaken by its Financial Monitoring and Budget Scrutiny Group and Budget Setting Group, Executive Board is also responsible for the use of resources and financial performance of all budgetary units. It has particular responsibility for value for money. The principal academic and administrative officer of the University is the Vice-Chancellor and President who has general responsibility for maintaining and promoting the efficiency and good order of the University. Under OFS registration

conditions, the Vice-Chancellor and President is the accountable officer of the University. The Vice-Chancellor and President is also responsible for assuring the quality and accuracy of University data provided to the OFS and to its Designated Data Body (DDB) and other public bodies. As chief executive of the University, the Vice-Chancellor and President exercises considerable influence upon development of University strategy, the identification and planning of new developments, and shaping of the institutional ethos. The Deputy Vice-Chancellor, Pro-Vice-Chancellors and senior administrative officers all contribute in various ways to these aspects of the work, but the ultimate responsibility for what is done rests with Council.

Occupational Health and Safety

Reporting to Executive Board, University Health and Safety Committee oversees and manages the coordination of health and safety strategy and policy. The Committee includes a lay member appointed by Council (Derek Bell), a member of Executive Board (Executive Director of People Services) and Trade Union Representatives. Progress in implementing the University's Health and Safety Strategic Plan is reported to Executive Board on a quarterly basis, and to Council on an annual basis. Routine health and safety work, accident/incident trends and any significant risks are reported to Executive Board each week.

2024–25 saw a reduction in accidents reported for students and colleagues including RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) accidents. We will continue to raise awareness of, and encourage, incident reporting through the Health and Safety Committee structure. We have completed all ten actions in the second year of the five-year Health and Safety Strategic Plan. The 10 actions for next academic year have been planned. All of our

internal Health and Safety audits were completed with actions plans developed for tracking. An improvement in audit scores has been observed for a second year, increasing from 78% to 86% gaining substantial or better assurance.

Sickness absence rates decreased from 2.8% in 2023–24 to 2.5% in 2024–25.

Slavery and human trafficking

The University has a responsibility to ensure that slavery and human trafficking are not taking place in our business or in our supply chains. Our Slavery and Human Trafficking Statement can be accessed on our external website at www.ncl.ac.uk/foi/publication-scheme/policies

Trade union facility time

The trade union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017 and place a legislative requirement on relevant public sector employers including HEIs in England and Scotland to 'to collate and publish, on an annual basis, a range of data on amount and cost of facility time within their organisation'. Facility time is defined in the Regulation as 'the provision of paid or unpaid time from an employee's normal role to undertake trade union duties and activities as a trade union representative'. We are required to collect and publish a range of data in relation to the amount and cost of trade union facility time within the University which is shown in the tables below.

Relevant union officials: Total number of employees who were relevant union officials during the relevant period 1 April 2024 to 31 March 2025	
Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
36	32.36

Percentage of time spent on facility time: Employees who were relevant union officials employed during the relevant period spent 0%, 1%-50%, 51%-99% or 100% of their working hours on facility time	
Percentage	Number of employees
0%	7
1-50%	29
51-99%	–
100%	–

The percentage of pay bill spent on facility time	
Cost of facility time	£109,198
Total pay bill	£362,811,960
Percentage of pay bill spent on facility time	0.03%

Paid trade union activities: Hours spent by employees who were relevant union officials during the relevant period on paid trade union activities as a percentage of total paid facility time hours	
(total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	
44.79%	

Statement of Council responsibilities

Council is the supreme governing body of the University, subject to the provisions of the University's statutes. The primary responsibilities of Council are aligned with the statement of primary responsibilities taken from the Higher Education Code of Governance published in September 2020 and are:

- to set and agree the mission, strategic vision and values of the institution with the Executive
- to agree long-term academic and business plans and key performance indicators and ensure that these meet the interests of stakeholders, especially colleagues, students and alumni
- to ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the strategy, plans and approved key performance indicators, which should be, where possible and appropriate, benchmarked against other comparable institutions
- to delegate authority to the Head of Institution for the academic, corporate, financial, estate and human resource management of the institution, and to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the Head of Institution
- to ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls, risk assessment, value-for-money arrangements and procedures for handling internal grievances and managing conflicts of interest
- to establish processes to monitor and evaluate the performance and effectiveness of the governing body itself
- to conduct its business in accordance with best practice in HE corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life
- to safeguard the good name and values of the institution
- to appoint the Head of Institution as Chief Executive and to put in place suitable arrangements for monitoring their performance
- to appoint a Secretary to the governing body and to ensure that, if the person appointed has managerial responsibilities in the institution, there is an appropriate separation in the lines of accountability
- to be the employing authority for all colleagues in the institution and to be accountable for ensuring that an appropriate human resources strategy is established
- to be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall accountability for the institution's assets, property and estate
- to be the institution's legal authority and, as such, to ensure systems are in place for meeting all the institution's legal obligations, including those arising from contracts and other legal commitments made in the institution's name. This includes accountability for health, safety and security and for equality, diversity and inclusion
- to receive assurance that adequate provision has been made for the general welfare of students
- to act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution
- to ensure that the institution's constitution is always followed, and that appropriate advice is available to enable this to happen
- to promote a culture which supports inclusivity and diversity across the institution
- to maintain and protect the principles of academic freedom and freedom of speech legislation
- to ensure that all students and colleagues have opportunities to engage with the governance and management of the institution



Responsibilities of Council in the Preparation of the Financial Statements

In accordance with the University's statutes, Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year. Council is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the University and to enable it to ensure that the financial statements are prepared in accordance with the University's statutes, the Statement of Recommended Practice – Accounting for Further and Higher Education Institutions and accounting instructions prepared by the OfS. The University

prepares financial statements for each financial year, which give a true and fair view of the state of affairs of the University and of the surplus or deficit and cash flows for that year. In causing the financial statements to be prepared, Council has ensured that:

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on the going concern basis

Council has taken reasonable steps to:

- ensure that funds from the OfS and Research England are used only for the purposes for which they have been given and in accordance with the OfS Terms and conditions of funding 2024–25 and any other conditions which the OfS or Research England may from time to time prescribe
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University and prevent and detect fraud
- secure the economical, efficient and effective management of the University's resources and expenditure

Statement of internal controls

Council is responsible for ensuring the establishment and monitoring of systems of control and accountability. The internal control environment is not limited to financial control and includes governance structures, delegations, policies, planning and budgetary processes, system controls and management reporting.

Council is accountable for determining and monitoring the adequacy and effectiveness of the Internal Control Framework. It delegates responsibility to the Audit, Risk and Assurance Committee and receives regular updates on risk and internal control throughout the year.

The Risk Management Framework is designed to support the delivery of the strategy. The systems of internal control are designed in line with the University's risk appetite; further detail is provided in the Understanding our risks section (pages 12–13). The University's arrangements are designed to manage, rather than eliminate, risks. Risk identification, evaluation and assessment is an ongoing process, and risks are considered in the short, medium and longer term with the approach to control based upon expected impact and likelihood.

Audit, Risk and Assurance Committee provides assurance to Council that risk management is robust and that risk owners can identify and effectively managing risks. The Audit, Risk and Assurance Committee also carries out 'deep dives' into different risks speaking directly to risk owners about how they are identifying and mitigating risk.

The University requires colleagues and lay members to act honestly and with integrity and to safeguard the public resources for which they are responsible; expectations are outlined in various policies available on the intranet, including the University's Code of Ethics and Standards of Behaviour documents. Issues can be raised through line management structures, People Services or through the Public

Interest Disclosure (Whistleblowing) process which provides protection for those making such disclosures who act in good faith.

The Audit, Risk and Assurance Committee supports Council to discharge its duties, by providing an annual opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance. Senior management and Audit, Risk and Assurance Committee receive regular reports from the Internal Audit team, including recommendations and agreed actions for improvement.

In terms of compliance with OfS conditions of registration, the University has an OfS Internal Assurance Framework that is updated throughout the year and reported to Council on an annual basis. Each condition has a named senior management lead. A broader assurance framework setting out our compliance with highly risk-rated areas of relevant legal obligations is in development.

Overall, in respect of the year ended 31 July 2025, Council is satisfied that the University's internal control arrangements are effective.

Public disclosure

Council membership, agenda, unreserved papers, and minutes are all made publicly available on the University website.

Major incidents during the year

On 14 February 2025, the local branch of the University and College Union (UCU), which represents academics, lecturers, researchers and administrators at Newcastle University, gave notice

of their intention to take 14 days of discontinuous strike action between 4–28 March 2025. The action was in response to the cost-saving measures the University was implementing to address the current financial situation. Mitigations for teaching and learning were put in place by the academic schools impacted and the impact was considered to be minimal. On 11 April 2025, the UCU announced a further 21 days of strike action. This second, longer period of disruption was judged to have the potential to materially affect the education of students. A number of proactive measures were put in place designed to ensure students were supported appropriately. The relatively small number of staff involved and planned mitigations meant that students in the affected areas were able to successfully progress and graduate with awards to the timetable students expect.

The University reported this to the Office for Students as a reportable event in May 2025.

We have continued to pay particular attention to safety, mental health and wellbeing, academic delivery, student experience, student recruitment (in particular, international student recruitment), finances, IT and cybersecurity. This approach was discussed with and agreed by Council who paid special attention to issues of financial sustainability and cybersecurity.

Remuneration report

Our annual Remuneration report provides an overview of our approach to senior staff remuneration at Newcastle University. It is written to comply with the Committee of University Chairs' Higher Education Senior Staff Remuneration Code and the Office for Students' Accounts Direction.

Unaudited information (pages 45–47)

Remuneration Committee is a committee of Council, the University's governing body. It is responsible for determining and reviewing the salaries, terms and conditions, and any severance payments, for senior members of staff of the University. Information about Remuneration Committee and its work is published on the University's website and the Committee's full terms of reference are available at: <https://www.ncl.ac.uk/media/wwwnclacuk/whowere/files/Remuneration-Committee-Terms-of-Reference.pdf>

Remuneration Committee met on 3 November 2024 and 30 June 2025, with an additional extraordinary meeting taking place on 19 June 2025. The topics of discussion were:

- pensions alternative allowance and the closure of the scheme to new applicants
- application of reward restrictions in light of the financial situation
- the Vice-Chancellor and President's performance in 2024–25 and his remuneration and areas of focus for 2025–26
- the performance of other members of the senior executive

team in 2024–25 and their remuneration and areas of focus for 2025–26

- reports and action plans on gender and ethnicity pay gaps
- recommendations for salaries that result in remuneration exceeding £120,000 per year
- committee effectiveness, terms of reference and membership, and alignment with the Higher Education Senior Staff Remuneration Code
- application of the 2025–26 pay award to colleagues within the remit of Remuneration Committee



Remuneration report *(continued)*

Remuneration Committee

Remuneration Committee membership was unchanged from the previous financial year and can be found on page 39.

Jacqueline Scott, Executive Director of People Services, is Secretary to the Committee.

The Vice-Chancellor and President is not a member of the Committee and attends meetings by invitation only. The Vice-Chancellor and President never attends meetings when their remuneration is being discussed.

Approaches to remuneration

The overarching policy that guides the review and remuneration of senior members of staff is the Senior Remuneration Policy and the following factors are taken into account when considering the recruitment, retention and pay progression:

Recruitment considerations

- the ability to attract and appoint candidates at an appropriate level
- evidence of the candidate's past and current record of achievement in strategically relevant areas contributing to the success of the University

- evidence of staff and strategic leadership in relevant areas
- current earnings
- benchmark data on salary levels for similar roles internally and at comparable institutions

- for senior clinical roles, existing pay and conditions under the NHS, including Clinical Excellence Awards and Additional Programmed Activities

Retention considerations:

- an assessment, supported with evidence, of the impact that would result from the colleague leaving the University and why it would be difficult to replace them with someone of similar standing and expertise
- exceptional contributions made by the colleague in furtherance of the University's strategic aims
- impact on organisational performance, leadership and external relations
- evidence from an offer of alternative employment
- benchmark data on salary levels for similar roles internally and at comparable institutions

Pay review considerations:

- delivery of agreed objectives
- impact on organisational performance, leadership and external relations
- the contribution made by the colleague in furtherance of the University's strategic aims
- benchmark data on salary levels for similar roles internally and at comparable institutions

Remuneration Committee draws data from the following sources to support remuneration decisions for senior members of staff:

- the Universities and Colleges Employer Association's Senior Staff Remuneration Survey to benchmark pay with institutions which are similar in terms of their mission, size and location
- the Korn Ferry Hay Russell Group Professorial and Professional Pay Survey, comprising a data set of over 15,200 Professors, 13,000 Readers and over 1,500 Senior Managers from across the 24 universities
- the Committee of University Chairs' Vice-Chancellor Salary Survey to benchmark pay with institutions which are similar in terms of their mission, size and location
- internal analysis of salary distributions and equality impact assessments across professorial and Grade IB Professional Services staff

Overall colleague costs

The table shows total underlying colleague costs over the past two years (see Financial review).

Underlying staff costs £m	
2023–24	369.0
2024–25	372.0



Gender pay gap

This year has seen a 0.4%-point increase in our mean gender pay gap, along with an increase in the median pay gap of 1.9%-points. The minimal difference between the mean and median hourly pay rates indicates a balanced and consistent distribution across the workforce, suggesting limited disparity in earnings. The change in pay gap is driven by the composition of the workforce.

Our overall gender distribution is 56% female and 44% male, unchanged since 2022. The upper middle quartile mirrors the overall distribution. The lower middle and lower quartile have a 3% (down from 5%) and 10% (up from 9%) variation from the overall distribution, respectively. The largest differential from the overall picture is seen in the upper quartile, with a 58% male and 42% female distribution which is unchanged from 2023. Moving from the bottom to the top of the University the female population reduces, and the male population increases.

There has been movement in all quartiles except the upper quartile from 2023 to 2024. No quartile has moved by more than 2% (1% movement equates to 65 colleagues). The male population has increased in the middle of the University (upper middle and lower middle quartile) while the

female population has increased in the lower quartile. Although this population shift may look minor, it will be a major factor in the median and mean pay gaps increasing since 2023.

Gender bonus gap

Clinical excellence payments are not a University-determined payment. When including clinical excellence payments, the median bonus gap has gone from 0% to a gap of 50% in favour of males, a 50% swing. The mean has increased from 63% in favour of males to 74% in favour of males, an increase of 11%. In 2023, the median value for both males and females was £100, due to a high number of Spotlight Awards (£100) resulting in a median of 0.0%. The mean figure is driven by males receiving 31 of 37 bonus payments greater than £10,000. Only six females received a bonus over £10,000 in 2024, down from 8 in 2023, which will have impacted the bonus pay gap.

When excluding clinical excellence payments, the median bonus gap reduces to 33%, from 50%. This reduction occurs due to there being 36 less males in receipt of a bonus without clinical excellence payments, changing the male median from £1,000 to £750. The reduced number of payments from the Spotlight scheme has resulted in an increased mean bonus pay gap.

Ethnicity and disability

We continue to report on both ethnicity and disability pay gaps, in addition to gender. Further information is published as part of our annual EDI report which can be accessed on our website at <https://www.ncl.ac.uk/edi/gender/duty>

Next steps for addressing pay gaps

We continuously review all our policies to ensure they remain supportive of our recruitment and retention of a diverse workforce as we know that in some cases pay gaps exist due to the composition of the workforce and the imbalance of gender and other protective characteristics can impact the pay gap position adversely. We also ensure our recruitment and reward policies and practices are aligned to the University strategy and support the actions detailed in our Athena Swan and Race Equality Charter Action Plans. All these actions will support our work towards further reducing our pay gaps, create a more inclusive workplace for all colleagues and continue our work to be recognised as an employer of choice.

Remuneration report *(continued)*

Audited information (pages 48–49)

Remuneration for the Vice-Chancellor and President

Remuneration Committee agreed an overall uplift to Professor Day's salary of 2.5%, in line with the University and Colleges Employers Association (UCEA) Joint Negotiating Committee for Higher Education Staff (JNCHES) National Pay Bargaining decision for 2024–25 and as applied to colleagues on spine point 38 and above. The first part of this (£900) was applied on 1 August 2024 with the remainder applied on 1 March 2025 (total uplift 2.5%). It was noted that although the committee agreed to award the Vice-Chancellor and President a pay increase, this was subsequently declined by Professor Day. Professor Day's basic salary remained at £354,718, as of August 2024.

From 1 January 2018, Professor Day ceased active membership of the USS pension scheme under their enhanced opt-out arrangements. As a result, he receives an allowance equivalent to the employer's contribution for future accrual (subject to the normal deductions of income tax and National Insurance).

The Vice-Chancellor and President's basic salary is 8.8 times the median basic salary of colleagues (2023–24: 9.3) where the median basic salary is calculated on a full-time equivalent basis for the salaries paid by the University to its colleagues.

The Vice-Chancellor and President's total remuneration is 8.6 times the median total remuneration of colleagues (2023–24: 9.1) where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its colleagues.

Remuneration for the Vice-Chancellor and President	2024–25 £'000	2023–24 £'000
Salary	354.7	354.7
Allowance in lieu of pension contributions	42.3	42.9
Benefits in kind	–	–
Total remuneration	397.0	397.6
Employer pension contributions	–	9.3
Total staff costs	397.0	406.9

Remuneration of other members of Executive Board	2024–25 £m	2023–24 £m
Key management personnel compensation: Salary and benefits (including employer's pension contributions)	2.9	2.9

Remuneration of other members of Executive Board

Executive Board is responsible for the leadership of the University having authority and responsibility for planning, directing, and controlling the activities of the University. The Vice-Chancellor and President has overall responsibility for members of the Executive Board. Details of membership can be found on page 40.

Members of Executive Board have access to the same employer pension schemes as other employees. By contrast, they do not receive national cost of living increases agreed through the Joint Negotiating Committee for Higher Education Staff and are considered instead by Remuneration Committee for any pay uplifts based on their performance and on benchmark data on salary levels for similar roles internally and at comparable institutions. Remuneration Committee agreed an overall uplift to Executive Board salaries of 2.5%, in line with the UCEA JNCHES National Pay Bargaining decision

for 2024–25. The first part of this (£900 to each spine point) was applied on 1 August 2024 with the remainder applied on 1 March 2025 (total uplift 2.5%).

The combined emoluments of members of the Executive Board in 2024–25, including the Vice-Chancellor and President, are detailed above.

Severance payments

We pay due regard to the guidance on decisions taken about severance payments in HEIs published by the Committee of University Chairs (CUC). This year we paid a total of £10.1m (2023–24: £5.7m) to 394 colleagues (2023–24: 278) of which £9.4m (2023–24: £4.4m) was paid to 281 colleagues (2023–24: 150) in respect of the VSS scheme.

Higher paid colleagues

The number of colleagues with a full-time equivalent basic salary of over £100,000 per annum, broken down into bands of £5,000, is shown opposite.



Salary Band	Clinical	Non-Clinical	2024–25 Total	2023–24 Total
£100,000–£104,999	2	12	14	23
£105,000–£109,999	19	7	26	24
£110,000–£114,999	41	15	56	37
£115,000–£119,999	3	13	16	31
£120,000–£124,999	–	6	6	13
£125,000–£129,999	32	2	34	29
£130,000–£134,999	9	5	14	10
£135,000–£139,999	70	4	74	10
£140,000–£144,999	3	–	3	10
£145,000–£149,999	–	1	1	8
£150,000–£154,999	1	7	8	6
£155,000–£159,999	–	2	2	10
£160,000–£164,999	–	–	–	12
£165,000–£169,999	1	2	3	8
£170,000–£174,999	1	–	1	4
£175,000–£179,999	–	–	–	1
£180,000–£184,999	–	–	–	3
£185,000–£189,999	–	1	1	–
£190,000–£194,999	1	2	3	2
£195,000–£199,999	–	–	–	1
£200,000–£204,999	–	–	–	3
£215,000–£219,999	–	2	2	–
VC £350,000–£354,999	1	–	1	1
	184	81	265	246

Independent Auditor's Report

to the Members of Council of Newcastle University

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Newcastle University (the 'university') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group and the university's affairs as at 31 July 2025 and of the group and the university's income and expenditure, gains and losses and changes in reserves and cash flows for the year then ended; and
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Statement of Recommended Practice: Accounting for Further and Higher Education.
- We have audited the financial statements which comprise:
- the group and university income and expenditure accounts;
 - the group and university statements of comprehensive income;
 - the group and university balance sheets;
 - the group and university statements of changes in reserves;
 - the group cash flow statement; and
 - the related Notes 1 to 31; and
 - the Supplemental Schedule, Note 32, being required by reference to Newcastle University accepting students under the US Department of Education student financial assistance programs.

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) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs(UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the university in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the governing body's 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's 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 governing body with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The governing body is responsible for the other information contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of the governing body

As explained more fully in the governing body's responsibilities statement, the governing body is responsible for the preparation of the financial statements that give a true and fair view, and for such internal control as the governing body 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 governing body is responsible for assessing the group's 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 governing body either intends to liquidate the group or the university or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered 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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit, about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Office for Students "Regulatory Advice 9: Accounts Direction", pensions legislation, tax legislation, SORP for higher education institutions, the relevant provisions of the code of financial regulations relating to the supplemental schedule; and
 - do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty. These included the Terms and Conditions of Funding for Higher Education issued by the Office for Students.
- We discussed among the audit engagement team and relevant internal specialists such as tax, valuations, pensions and IT specialists regarding the opportunities and incentives that may exist within the organisation

for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- deferral of research grant income at the year-end is subject to potential management bias; we tested a sample of deferred research grant income to supporting documentation to assess the adequacy of the recorded amount.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports, and reviewing correspondence with the office for students (OFS).

Independent Auditor's Report

to the Council of Newcastle University (*continued*)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Office for Students (OfS) "Regulatory Advice 9: Accounts Direction"

In our opinion, in all material respects:

- funds from whatever source administered by the university for specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the OfS and UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the requirements of the OfS's accounts direction have been met.

Matters on which we are required to report by exception

Under the OfS Regulatory Advice 9: Accounts Direction, we are required to report in respect of the following matters if, in our opinion:

- the provider's grant and fee income, as disclosed in the note 1 to the accounts, has been materially misstated; or
- the provider's expenditure on access and participation activities for the financial year, as disclosed in note 30 to the accounts, has been materially misstated.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the Council in accordance with the Accounts Direction issued by the Office for Students dated 25 October 2019. Our audit work has been undertaken so that we might state to the governing body those matters we are required to state to it 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 board of governors as a body, for our audit work, for this report, or for the opinions we have formed.

Deloitte LLP
Statutory Auditor
Newcastle upon Tyne
United Kingdom

11 December 2025



Statement of Principal Accounting Policies

1. Accounting convention

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

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

2. Basis of preparation

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

The University's principal operations, together with the factors likely to affect its future development and financial position are noted in the Vision and Strategy, Strategic and Operational review and Financial review sections.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest one hundred thousand (£0.1m) except when otherwise indicated.

Going Concern

At 31 July 2025, the Group held cash, cash equivalents and short-term deposits of £188.7m with robust measures in place to monitor and manage cash balances. Borrowings, which are all unsecured, were £86.6m (Note 19) and lease obligations were £23.6m (Note 27). We complied with all covenant requirements for existing borrowing and compliance with measures required by OFS at 31 July 2025. Subsequent to the year end, the University held cash, cash equivalents and short-term deposits of £268.4m at 31 October 2025 and no further borrowing had been put in place. In addition, the University has in place a £75m Revolving Credit Facility which provides seven-year unsecured committed funding to support the University with effective utilisation of its funds over the medium and long term, whilst maintaining target liquidity levels.

Student recruitment in autumn 2025 is in line with the prudent budget set for the year giving confidence in current Council approved financial plans. Council has considered cash flow forecasts from the date of approval of these financial statements to 31 July 2027, a period of 20 months. After reviewing these forecasts Council is of the opinion, taking account of a base case forecast and also severe but plausible downsides as well as an extreme reverse stress test scenario, that the University has sufficient funds to meet its liabilities as they fall due for the period to 31 July 2027.

The scenarios modelled include the following key assumptions, for the severe but plausible downside scenario:

- further international student recruitment downside
- inability to hold non-pay costs to budget or deliver any efficiency improvements.

The University also has a number of mitigating actions it can take to reduce costs should they be required, some of which the University can implement at short notice as it has delivered during 2024–25. These scenarios show that the University remains financially sustainable with sufficient available cash balances. The scenario modelling has also demonstrated that the University will still have sufficient headroom within the financial covenants in place. In addition, universities are required to report to the OFS if their liquidity falls below 30 days operating expenditure. This equates to a minimum cash balance of at least £50m for the University, as supported by the scenario modelling it is at no risk of needing to make a report to the OFS.

As a consequence of the above, Council has a reasonable expectation that the University has adequate resources to continue in operational existence for the going concern period. Therefore, Council continues to adopt the going concern basis of accounting in preparing the Financial Statements.

3. Exemptions under FRS 102

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

4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2025. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and

claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated.

Normal trading transactions that are not settled by the year-end date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the University's share is eliminated.

The consolidated financial statements do not include the results of Newcastle University Students' Union as the University does not exert control or dominant influence over policy decisions.

The consolidated financial statements do not include the results of the University of Newcastle upon Tyne Development Trust as it is a separate charity which manages its funds independently of the University. Although the University nominates some of the trustees, it has no control over the Trust's decisions.

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

5. Income recognition

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 have been satisfied.

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

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

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

Grant funding

Grant funding, including funding council block grant, research grants from government sources and grants (including research grants) from non-government sources, are recognised as 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.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments.

Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as

either restricted or unrestricted income according to the terms or other restrictions applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

- restricted donations – the donor has specified that the donation must be used for a particular objective
- unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University
- restricted expendable endowments – the donor has specified a particular objective other than the purchase or construction of tangible assets, and the University has the power to use the capital
- restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective

Donations of tangible assets are included within income. Paragraph PBE34.73(b) of FRS 102 requires income from donations of tangible assets to be measured at the fair value of the tangible asset. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Income from expendable endowments is recognised to the extent of the related expenditure during the year. Permanent endowments are managed on a total return basis. The entire investment return is included in the Statement of Comprehensive Income to the extent of the related expenditure during the year.

Capital grants

Capital grants are recognised in income when the University is entitled to the funds subject to any performance-related conditions being met.

Statement of Principal Accounting Policies *(continued)*

6. Accounting for retirement benefits

The two principal pension schemes for the University's colleagues are the Universities Superannuation Scheme (USS) and the University of Newcastle upon Tyne Retirements Benefits Plan (1971) (RBP) which is an Exempt Approved Scheme under the Finance Act 1970. RBP is a defined benefit scheme. USS is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of both RBP and USS are held in separate trustee-administered funds. Each fund is valued every three years by professionally qualified independent actuaries.

A small number of colleagues remain in other pension schemes.

USS is a multi-employer scheme. The assets of the scheme are held in a separate trustee-administered fund. Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 'Employee benefits', the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to expenditure represents the contributions payable to the scheme. Where there is an overall scheme deficit and the University enters into an agreement that determines how each employer within the scheme will fund the deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the

deficit), and the resulting expense is recognised as expenditure.

The RBP scheme's assets are included at market value and scheme liabilities are measured on an actuarial basis using the projected unit method; these liabilities are discounted at the current rate of return on AA-rated corporate bonds. The post-retirement benefit surplus or deficit is included on the University's Statement of Financial Position, net of the related amount of deferred tax. Surpluses are only included to the extent that they are recoverable through reduced contributions in the future or through refunds from the scheme. The current service cost and any past service costs are included in expenditure within staff costs. The interest income on the scheme's assets, net of the impact of the unwinding of the discount on scheme liabilities, is included within investment income or interest and other finance costs. Actuarial gains and losses are recognised in Other Comprehensive Income.

7. Employment benefits

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

8. Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair

value and the present value of the minimum lease payments at inception of the lease.

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

9. Operating leases

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

10. Foreign currency

University

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at year-end rates. Foreign exchange differences arising on translation are recognised as a surplus or deficit.

Group

The assets and liabilities of foreign subsidiary undertakings are translated to sterling at the rate of exchange ruling at the year-end date. The revenues and expenses of foreign subsidiary undertakings are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. The exchange difference arising on the retranslation of opening net assets is taken to Other Comprehensive Income. All other exchange differences are recognised as a surplus or deficit for the year.

11. Property, plant and equipment

Land and buildings

Land and buildings are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Freehold land was revalued to fair value on transition to the 2015 SORP, and is measured on the basis of deemed cost, being the revalued amount at the 31 July 2014 transition date.

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the University.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Buildings and major refurbishments are depreciated on a straight-line basis over their expected useful lives to the University, by components (where appropriate) as follows:

Structure	50 years
Fit-out	20 years
Mechanical/ electrical services	15 years

Expenditure relating to subsequent replacement of components is capitalised as incurred.

Short-leasehold buildings are depreciated over the shorter of the lease term and the expected life of the asset.

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

Equipment

Equipment costing less than £25,000 per individual item or group of related items and all software costs are recognised as expenditure. All other equipment is capitalised.

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

Research vessel	25 years
General equipment	4 to 10 years

Equipment acquired for specific research projects	project life (generally 3 years)
Leases equipment	period of lease

Depreciation methods, useful lives and residual values are reviewed at each year end. Fully written down assets are reviewed and removed from the fixed asset register where no longer in use.

Impairment

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure.

Borrowing costs

Finance costs which are directly attributable to the construction of land and buildings are not capitalised as part of the cost of those assets but are recognised as expenditure in the period in which they are incurred.

Heritage assets

Heritage assets are individual objects, collections, exhibits and artefacts of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture. Heritage assets are stated at cost or deemed cost. Heritage assets valued over £25,000 are capitalised and recognised at the cost or value of the acquisition. Heritage assets without reliable estimates of cost or value on a cost-benefit basis have not been capitalised.

Capitalised heritage assets are not depreciated as their long economic life and high residual value mean that any depreciation would not be material. These assets are subject to an annual

impairment review in accordance with applicable accounting standards.

Where heritage assets have not been capitalised, details of the nature and age of these assets are disclosed.

12. Intangible assets

Intangible assets created within the business are not capitalised and expenditure is charged against profits in the year in which it is incurred. Intangible assets are stated at cost less accumulated amortisation and impairment losses. Intangible assets are amortised on a straight-line basis over their estimated useful lives. The expected useful life is the lesser of the project life or seven years. They are subject to periodic impairment reviews as appropriate.

Amortisation methods, useful lives and residual values are reviewed annually

13. Investments

Investments are measured in accordance with accounting policy 16.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's separate financial statements

14. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

15. Cash and cash equivalents

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

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

Statement of Principal Accounting Policies *(continued)*

16. Financial instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

A financial asset and a financial liability are offset only when there is a legally enforceable right to set off the recognised amounts and an intention either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Basic financial assets include trade and other receivables, cash and cash equivalents, and investments in commercial paper (ie deposits and bonds). These assets are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest rate method. Financial assets are assessed for indicators of impairment at each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets carried at amortised cost the impairment loss is the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which

is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the Statement of Comprehensive Income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured, the assets are measured at cost less impairment.

Financial assets are de-recognised when the contractual rights to the cash flows from the asset expire or are settled or substantially all of the risks and rewards of the ownership of the asset are transferred to another party.

Financial liabilities

Basic financial liabilities include trade and other payables, bank loans, and intra-group loans. These liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest rate method.

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

17. Provisions

Provisions are recognised in the financial statements when:

- the University 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
 - a reliable estimate can be made of the amount of the obligation
- Where material, 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.

18. Accounting for joint operations, jointly controlled assets and jointly controlled operations

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

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

19. Taxation

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

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of

deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

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 Sections 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 expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

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

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

21. Critical accounting estimates and judgements

The preparation of the University's financial statements requires management to make judgements, estimates and assumptions that affect the application of

accounting policies and reported amounts of assets and liabilities, income and expenses. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. Management considers the areas set out below to be those where critical accounting judgements have been applied and the resulting estimates and assumptions may lead to adjustments to the future carrying amounts of assets and liabilities:

Pension schemes

FRS 102 requires that certain assumptions are made in order to determine the amount to be recorded for retirement benefit obligations and pension plan assets for the University's defined benefit plan, RBP. These are mainly actuarial assumptions such as discount rate, mortality rates and expected inflation rates. Differences arising from actual experience or future changes in assumptions will be reflected in future years. The key assumptions made and sensitivities are included in Note 28.

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 Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, resulting in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense

recognised as expenditure in accordance with Section 28 of FRS 102. The University is satisfied that USS meets the definition of a multi-employer scheme and has therefore would recognise a provision for the discounted fair value of the contractual contributions under the recovery plan in existence at the year-end date. As the fund is in surplus no liability exists at the balance sheet date.

Useful economic lives of tangible assets

Intangible and tangible assets represent a significant proportion of the University's total assets. The estimated useful lives can have a significant impact on the depreciation charged and the University's reported performance. Useful lives are determined at the time the asset is acquired and reviewed regularly for appropriateness. The lives are based on historical experience with similar assets as well as anticipation of future events.

Impairments

Management makes judgements as to whether any indicators of impairment are present for any of the University's assets. Where there is change of use, capital plans, damage or increased cost of development a calculation of the recoverable amount is undertaken and where required an impairment booked. This year the University booked an impairment as a result of vacant properties; this has resulted in a reduction in the land and building asset value of £6.9m.

Consolidated and University Statement of Comprehensive Income

for the year ended 31 July 2025

INCOME	Note	CONSOLIDATED		UNIVERSITY	
		2025 £m	2024 £m	2025 £m	2024 £m
Tuition fees and education contracts	2	319.2	322.4	304.3	307.4
Funding body grants	3	88.1	88.7	88.1	88.7
Research grants and contracts	4	133.8	126.1	133.8	126.1
Other income	5	77.2	80.3	73.1	80.2
Investment income	6	9.5	9.7	9.6	9.8
Donations and endowments	7	9.1	7.6	9.8	7.6
Total income		636.9	634.8	618.7	619.8
EXPENDITURE					
Staff costs before USS pension liability	8	374.1	365.2	366.1	356.8
Movement in USS pension liability	8	–	(151.0)	–	(151.0)
Total staff costs		374.1	214.2	366.1	205.8
Other operating expenses	9	222.7	235.7	214.9	228.3
Depreciation	13	37.6	34.7	36.6	34.1
Interest and other finance costs	10	5.3	8.7	3.4	6.8
Total expenditure	11	639.7	493.3	621.0	475.0
(Deficit)/Surplus before other gains/losses and share of operating surplus/deficit of joint ventures and associate		(2.8)	141.5	(2.3)	144.8
Loss on revaluation of investments	14	(0.2)	(0.5)	–	–
Loss on impairment of non-current assets	13	(6.9)	(2.4)	(6.9)	(2.4)
Gain on investments	6, 21	9.1	11.4	5.8	11.3
Share of surplus in joint ventures	15	0.4	0.6	–	–
Share of surplus in associate	16	–	–	–	–
(Deficit)/Surplus before tax		(0.4)	150.6	(3.4)	153.7
Taxation	12	(0.2)	(0.1)	–	–
(Deficit)/Surplus for the year		(0.6)	150.5	(3.4)	153.7
OTHER COMPREHENSIVE INCOME					
Actuarial gain/(loss) in respect of pension schemes	28	14.0	(1.5)	14.0	(1.5)
Total comprehensive income for the year		13.4	149.0	10.6	152.2
Represented by:					
Endowment comprehensive income for the year	21	3.5	7.7	3.5	7.7
Restricted comprehensive income for the year	22	1.5	0.1	1.5	0.1
Unrestricted comprehensive income for the year		8.4	141.2	5.6	144.4
Attributable to the University		13.4	149.0	10.6	152.2

All items of income and expenditure arise from continuing operations.

Consolidated and University Statement of Changes in Reserves

for the year ended 31 July 2025

CONSOLIDATED	Income and expenditure account			Total excluding non-controlling interest	Non- controlling interest	Total
	Endowment £m	Restricted £m	Unrestricted £m	£m	£m	£m
Balance at 1 August 2023	87.1	1.2	366.5	454.8	0.1	454.9
Surplus for the year	12.1	2.7	135.7	150.5	–	150.5
Other comprehensive expenditure	–	–	(1.5)	(1.5)	–	(1.5)
Release of endowment and restricted funds spent	(4.4)	(2.6)	7.0	–	–	–
Total comprehensive income for the year	7.7	0.1	141.2	149.0	–	149.0
Balance at 1 August 2024	94.8	1.3	507.7	603.8	0.1	603.9
Surplus/(deficit) for the year	7.7	12.9	(21.2)	(0.6)	–	(0.6)
Other comprehensive income	–	–	14.0	14.0	–	14.0
Release of endowment and restricted funds spent	(4.2)	(11.4)	15.6	–	–	–
Total comprehensive income for the year	3.5	1.5	8.4	13.4	–	13.4
Balance at 31 July 2025	98.3	2.8	516.1	617.2	0.1	617.3

UNIVERSITY	Income and expenditure account			Total excluding non-controlling interest	Non- controlling interest	Total
	Endowment £m	Restricted £m	Unrestricted £m	£m	£m	£m
Balance at 1 August 2023	87.1	1.2	386.6	474.9	–	474.9
Surplus for the year	12.1	2.7	139.0	153.8	–	153.8
Other comprehensive expenditure	–	–	(1.5)	(1.5)	–	(1.5)
Release of endowment and restricted funds spent	(4.4)	(2.6)	7.0	–	–	–
Total comprehensive income for the year	7.7	0.1	144.5	152.3	–	152.3
Balance at 1 August 2024	94.8	1.3	531.1	627.2	–	627.2
Deficit for the year	7.7	12.9	(23.8)	(3.2)	–	(3.2)
Other comprehensive income	–	–	14.0	14.0	–	14.0
Release of endowment and restricted funds spent	(4.2)	(11.4)	15.4	(0.2)	–	(0.2)
Total comprehensive income for the year	3.5	1.5	5.6	10.6	–	10.6
Balance at 31 July 2025	98.3	2.8	536.7	637.8	–	637.8

Consolidated and University Statement of Financial Position

as at 31 July 2025

	Note	CONSOLIDATED		UNIVERSITY	
		2025	2024 (Restated)	2025	2024 (Restated)
		£m	£m	£m	£m
NON-CURRENT ASSETS					
Tangible assets	13	625.6	627.1	614.6	616.1
Investments	14	104.1	100.6	108.0	102.5
Investment in joint ventures	15	0.8	0.3	–	–
Investment in associate	16	–	–	–	–
		<u>730.5</u>	<u>728.0</u>	<u>722.6</u>	<u>718.6</u>
CURRENT ASSETS					
Stocks in hand		1.3	1.3	1.4	1.3
Trade and other receivables	17	69.7	58.7	84.5	76.1
Short-term liquid deposits		89.5	79.2	89.5	79.2
Cash and cash equivalents	23	100.2	110.5	85.6	98.7
		<u>260.7</u>	<u>249.7</u>	<u>261.0</u>	<u>255.3</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	18	(211.8)	(203.0)	(205.5)	(196.8)
NET CURRENT ASSETS		<u>48.9</u>	<u>46.7</u>	<u>55.5</u>	<u>58.5</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>779.4</u>	<u>774.7</u>	<u>778.1</u>	<u>777.1</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	19/20	(134.1)	(131.9)	(112.3)	(111.3)
PENSION PROVISIONS	20	(28.0)	(38.6)	(28.0)	(38.6)
TOTAL NET ASSETS		<u>617.3</u>	<u>604.2</u>	<u>637.8</u>	<u>627.2</u>
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	90.7	87.4	90.7	87.4
Income and expenditure reserve – restricted reserve	22	2.8	1.3	2.8	1.3
UNRESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	7.6	7.4	7.6	7.4
Income and expenditure reserve – unrestricted reserve		516.1	508.0	536.7	531.1
		<u>617.2</u>	<u>604.1</u>	<u>637.8</u>	<u>627.2</u>
NON-CONTROLLING INTEREST		0.1	0.1	–	–
TOTAL RESERVES		<u>617.3</u>	<u>604.2</u>	<u>637.8</u>	<u>627.2</u>

The accompanying statement of principal accounting policies and Notes 1 to 32 form part of these financial statements.
The financial statements were approved by Council on 11 December 2025 and signed on its behalf by:



C P Day
Vice-Chancellor and President



A M Russell
Treasurer



N M Collins
Chief Financial Officer

Consolidated Cash Flow Statement

for the year ended 31 July 2025

	Note	2025 £m	2024 (Restated) £m
CASH FLOW FROM OPERATING ACTIVITIES			
(Deficit)/Surplus before taxation		(0.4)	150.6
Taxation		(0.2)	(0.1)
(Deficit)/Surplus after taxation		(0.6)	150.5
Adjustment for non-cash items			
Depreciation	13	37.6	34.7
Gain on investments		(8.8)	(10.8)
Increase in stock		–	0.1
(Increase)/decrease in debtors		(11.5)	4.0
Increase/(decrease) in creditors		9.6	(13.8)
Increase in other provisions	19, 20	5.8	–
Increase/(decrease) in pension provision	20	3.4	(147.7)
Share of surplus in joint ventures	15	(0.4)	(0.6)
Adjustment for investing or financing activities			
Investment income		(9.5)	(9.7)
Interest payable		3.5	3.6
Endowment income		(1.0)	–
Impairment of non-current assets		6.9	2.4
Capital grant income		(2.9)	(8.8)
NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>32.1</u>	<u>3.9</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grants receipts		2.9	8.8
Proceeds from sale of endowment assets		4.1	2.8
Payments made to acquire endowment investments		9.8	–
Investment income		–	9.9
Payments made to acquire tangible assets		(43.5)	(45.3)
New investment in joint ventures and associate		(0.1)	–
(Increase) in short-term liquid deposits		(8.4)	(34.9)
		<u>(35.2)</u>	<u>(58.7)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid	10	(1.6)	(1.7)
Interest element of finance lease		(2.0)	(1.8)
Endowment cash received	21	1.0	–
Repayments of amounts borrowed		(4.1)	(4.1)
Capital element of finance lease		(0.5)	(0.3)
		<u>(7.2)</u>	<u>(7.9)</u>
DECREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR		<u>(10.3)</u>	<u>(62.7)</u>
Cash and cash equivalents at beginning of the year	23	110.5	173.2
Cash and cash equivalents at end of the year	23	100.2	110.5

Notes to the Financial Statements

1 SOURCE OF GRANT AND FEE INCOME

The source of grant and fee income, included in Notes 2 to 3, is as follows:

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Grant income from the Office for Students	32.9	29.7	32.9	29.7
Grant income from other bodies	55.2	59.1	55.2	59.1
Fee income for taught awards	297.3	281.5	282.2	266.5
Fee income for research awards	18.0	32.2	17.9	32.2
Fee income from non-qualifying courses	4.1	8.6	4.1	8.6
	<u>407.5</u>	<u>411.1</u>	<u>392.3</u>	<u>396.1</u>

2 TUITION FEES AND EDUCATION CONTRACTS

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Full-time students	171.9	171.2	171.9	171.2
Full-time students charged overseas fees, UK taught	122.7	124.9	122.7	124.9
Full-time students charged overseas fees, overseas taught	14.9	14.9	–	–
Part-time fees	2.3	2.8	2.3	2.8
Research training support grants	3.4	4.7	3.4	4.7
Short courses	4.0	3.9	4.0	3.8
	<u>319.2</u>	<u>322.4</u>	<u>304.3</u>	<u>307.4</u>

3 FUNDING BODY GRANTS

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Recurrent grant	70.8	71.3	70.8	71.3
Specific grants	9.6	10.5	9.6	10.5
Capital Investment Framework (CIF) grants	7.7	6.9	7.7	6.9
	<u>88.1</u>	<u>88.7</u>	<u>88.1</u>	<u>88.7</u>

Funding was provided by the Office for Students and Research England.

4 RESEARCH GRANTS AND CONTRACTS

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Research councils	46.3	43.2	46.3	43.2
UK charities	26.1	27.2	26.1	27.2
UK government	39.1	33.1	39.1	33.1
European Commission	2.5	5.3	2.5	5.3
Other grants and contracts	19.8	17.3	19.8	17.3
	<u>133.8</u>	<u>126.1</u>	<u>133.8</u>	<u>126.1</u>

5 OTHER OPERATING INCOME

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Residences, catering and conferences	19.0	22.9	19.0	22.9
Other services rendered	22.3	23.4	22.3	23.4
Health authorities	9.5	10.0	9.5	10.0
Other capital grants	3.5	0.1	–	–
Other income	22.9	23.9	21.9	23.1
Income from subsidiary companies	–	–	0.4	0.8
	<u>77.2</u>	<u>80.3</u>	<u>73.1</u>	<u>80.2</u>

6 INVESTMENT INCOME

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Investment income on endowments (Note 21)	0.9	0.7	0.9	0.7
Other investment income	8.6	9.0	8.7	9.1
	<u>9.5</u>	<u>9.7</u>	<u>9.6</u>	<u>9.8</u>
Gain on sale of investments	3.3	–	–	–
	<u>12.8</u>	<u>9.7</u>	<u>9.6</u>	<u>9.8</u>

7 DONATIONS AND ENDOWMENTS

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
New endowments net of transfers out from expendable endowments (Note 21)	1.0	–	1.0	–
Donations with restrictions	8.0	7.6	8.0	7.6
Unrestricted donations	0.1	–	0.8	–
	<u>9.1</u>	<u>7.6</u>	<u>9.8</u>	<u>7.6</u>

8 STAFF

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Staff costs				
Salaries	288.1	276.5	281.0	269.0
Social security costs	31.9	29.4	31.6	28.5
Other pension costs (Note 28)	52.5	61.1	51.9	61.1
RBP pension service cost adjustment (Note 20)	1.6	(1.8)	1.6	(1.8)
Total before USS pension adjustments	<u>374.1</u>	<u>365.2</u>	<u>366.1</u>	<u>356.8</u>
Credit to staff costs as a result of USS pension provision (Note 20)	–	(151.0)	–	(151.0)
	<u>374.1</u>	<u>214.2</u>	<u>366.1</u>	<u>205.8</u>

We paid a total of £10.1m to 394 colleagues in respect of loss of office (2023–24: £5.7m to 278 colleagues). Further audited information and disclosures as required by the OIS Accounts direction are included in the Remuneration Report on pages 45–49.

Staff numbers	2025	2024
	Average FTEs	Average FTEs
Academic	1,839	1,855
Support	3,277	3,353
Research	937	934
	<u>6,053</u>	<u>6,142</u>

Notes to the Financial Statements *(continued)*

9 OTHER OPERATING EXPENSES

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Professional fees and bought-in services	58.6	63.2	57.4	59.9
Staff-related expenditure	19.8	27.3	19.0	26.6
Student scholarships, bursaries and prizes	31.0	27.6	30.9	27.5
Consumables and laboratory expenditure	18.4	21.8	18.2	21.5
Non-capitalised equipment purchases and maintenance	16.9	17.5	16.5	17.1
Operating lease rentals – land and buildings	5.9	6.7	5.9	6.6
Rents, rates and insurance	14.9	5.6	14.0	4.8
Heat, light, water and power	15.2	19.4	14.8	19.1
Building maintenance	12.0	14.7	11.9	14.6
Books and periodicals	7.5	7.4	7.5	7.3
NHS and agency staff	6.7	6.6	6.7	6.6
Communications, advertising and publicity	3.0	3.4	2.7	3.2
Students' Union annual subvention	2.8	3.6	2.8	3.6
Other expenditure	10.0	10.9	6.6	9.9
	<u>222.7</u>	<u>235.7</u>	<u>214.9</u>	<u>228.3</u>

Professional fees and bought-in services include auditor's remuneration in respect of audit services for the Group of £381,512 to Deloitte LLP (2024 restated: £589,564 to Ernst & Young LLP) and for the University of £361,512 (2024 restated: £538,884 to Ernst & Young LLP) as well as £74,470 (2024: £53,460) for Group component audits to Azets Audit Services and Grant Thornton. In respect of non-audit services, remuneration provided to Deloitte amounted to £24,000 (2024 restated: £20,040 to Ernst & Young LLP) and to Azets Audit Services amounted to £5,226 (2024: £2,556) for the Group and University.

10 INTEREST AND OTHER FINANCE COSTS

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Loan interest	1.6	1.7	1.6	1.7
Finance lease interest	1.9	1.9	–	–
Net charge on pension schemes (Note 28)	1.8	5.1	1.8	5.1
	<u>5.3</u>	<u>8.7</u>	<u>3.4</u>	<u>6.8</u>

11 ANALYSIS OF EXPENDITURE BY ACTIVITY

1 ANALYSIS OF EXPENDITURE BY ACTIVITY			CONSOLIDATED				
	Staff Costs	Other Operating Expenses	Depreciation	Interest and Other Finance Costs	2025 Total	2024 Total	
	£m	£m	£m	£m	£m	£m	
Academic schools	202.0	33.1	4.3	–	239.4	249.8	
Academic services	30.0	33.5	0.5	–	64.0	69.1	
Administration and central services	42.5	56.1	0.1	–	98.7	101.9	
Premises	13.4	51.5	22.7	1.9	89.5	82.1	
Residences, catering and conferences	3.7	7.6	3.7	–	15.0	18.7	
Research grants and contracts	63.8	41.8	–	–	105.6	97.1	
Other expenditure	18.7	(0.9)	6.3	3.4	27.5	(125.4)	
Total	374.1	222.7	37.6	5.3	639.7	493.3	

Administration and central services and research grants and contracts include £24.7m (2024: £25.1m) and £3.2m (2024: £2.4m) respectively for payments of bursaries, prizes, scholarships or other similar awards.

UNIVERSITY

	Staff Costs	Other Operating Expenses	Depreciation	Interest and Other Finance Costs	2025 Total	2024 Total
	£m	£m	£m	£m	£m	£m
Academic schools	194.0	29.2	3.3	–	226.5	235.0
Academic services	30.0	33.5	0.5	–	64.0	69.1
Administration and central services	42.5	56.0	0.1	–	98.6	101.9
Premises	13.4	47.5	22.7	–	83.6	78.8
Residences, catering and conferences	3.7	7.6	3.7	–	15.0	18.7
Research grants and contracts	63.8	41.8	–	–	105.6	97.1
Other expenditure	18.7	(0.7)	6.3	3.4	27.7	(125.6)
Total	<u>366.1</u>	<u>214.9</u>	<u>36.6</u>	<u>3.4</u>	<u>621.0</u>	<u>475.0</u>

Administration and central services and research grants and contracts include £24.7m (2024: £25.1m) and £3.2m (2024: £2.4m) respectively for payments of bursaries, prizes, scholarships or other similar awards.

12 TAXATION

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Malaysian corporation tax at 24%	0.2	0.1	–	–
Malaysian withholding tax at 8%	–	0.1	–	0.1
	<u>0.2</u>	<u>0.1</u>	<u>–</u>	<u>0.1</u>

Notes to the Financial Statements *(continued)*

13 TANGIBLE ASSETS

	CONSOLIDATED					
	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold £m	Leasehold Long £m	Short £m			
Cost						
Balance at 1 August 2024	653.6	158.9	21.5	91.1	107.0	1,032.1
Additions	–	–	–	37.1	6.4	43.5
Foreign exchange retranslation	–	(0.2)	–	–	–	(0.2)
Transfers from assets under construction	86.2	–	–	(86.2)	–	–
Disposals	–	–	–	–	(12.9)	(12.9)
Balance at 31 July 2025	739.8	158.7	21.5	42.0	100.5	1,062.5
Depreciation						
Balance at 1 August 2024	202.3	95.7	15.2	–	91.8	405.0
Charge for year	22.5	4.1	0.7	–	10.3	37.6
Eliminated on disposals	–	–	–	–	(12.6)	(12.6)
Impairment	6.9	–	–	–	–	6.9
Balance at 31 July 2025	231.7	99.8	15.9	–	89.5	436.9
Net Book Value						
At 31 July 2025	508.1	58.9	5.6	42.0	11.0	625.6
At 1 August 2024	451.3	63.2	6.3	91.1	15.2	627.1

At 31 July 2025, freehold land and buildings included £74.8m (2024: £77.4m) in respect of freehold land which is not depreciated. The net book value of assets held under finance leases at 31 July 2025 is £13.1m (2024: £13.2m) and the related depreciation charge for the year was £0.8m (2024: £0.7m). Impairments are recognised in other operating expenditure. £1m of group Assets under Construction are investment property.

	UNIVERSITY					
	Land and Buildings			Assets under Construction	Equipment	Total
	Freehold £m	Leasehold Long £m	Short £m			
Cost						
Balance at 1 August 2024	652.5	137.3	19.4	91.0	105.0	1,005.2
Additions	–	–	–	36.1	6.2	42.3
Foreign exchange retranslation	–	–	–	–	–	–
Transfers from assets under construction	86.2	–	–	(86.2)	–	–
Disposals	–	–	–	–	(12.9)	(12.9)
Balance at 31 July 2025	738.7	137.3	19.4	40.9	98.3	1,034.6
Depreciation						
Balance at 1 August 2024	198.6	87.4	13.6	–	89.5	389.1
Charge for year	22.4	3.3	0.7	–	10.2	36.6
Eliminated on disposals	–	–	–	–	(12.6)	(12.6)
Impairment	6.9	–	–	–	–	6.9
Balance at 31 July 2025	227.9	90.7	14.3	–	87.1	420.0
Net Book Value						
At 31 July 2025	510.8	46.6	5.1	40.9	11.2	614.6
At 1 August 2024	453.9	49.9	5.8	91.0	15.5	616.1

The University holds a number of collections, exhibits and artefacts deemed to be heritage assets that are not capitalised as, due to their unique nature, reliable information on cost or valuation is not readily available on a cost-benefit basis. This is owing to the lack of information on original purchase cost and the fact that these assets are not readily realisable. All costs incurred in relation to preservation and conservation are expensed as incurred. Key heritage assets held by the University fall into the categories detailed below. Their total value for insurance purposes only is £13m, this is based on informal valuations by curators who have responsibility over specialised areas of the collections.

Hatton Gallery houses a diverse arts collection of over 3,000 works from the 14th–20th centuries with extensive archive material including paintings, sculpture, prints, drawings and textiles, and material connected to the history of the Gallery.

For more details see www.northeastmuseums.org.uk/hatton

13 TANGIBLE ASSETS (continued)

Great North Museum: Hancock houses and displays a wide range of collections covering natural history, archaeology, and world cultures. It includes extensive natural science specimens such as fossils, animals and minerals, as well as notable archaeology collections featuring artefacts from Ancient Egypt, Greece and Roman Britain, including displays on Hadrian's Wall. Some of the collections in the museum belong to Newcastle University, others belong to the Natural History Society of Northumbria and the Society of Antiquaries of Newcastle upon Tyne.

For more details see www.northeastmuseums.org.uk/greatnorthmuseum

North East Museums manages and operates the gallery and museum on behalf of the University.

14 NON-CURRENT INVESTMENTS

	CONSOLIDATED		UNIVERSITY	
	2025 £m	2024 £m	2025 £m	2024 £m
Shares in subsidiary undertakings at cost less amounts written off				
As at 1 August	–	–	3.7	3.7
Additions in the year	–	–	1.8	–
As at 31 July	–	–	5.5	3.7
Other investments other than loans at cost				
At 1 August	2.1	2.2	0.3	0.3
Additions in the year	2.0	–	2.0	–
Loss on revaluation of investments	(0.2)	(0.5)	–	–
Other movements in year	–	0.4	–	–
As at 31 July	3.9	2.1	2.3	0.3
Equities and non-equity investments relating to endowments	100.2	98.5	100.2	98.5
Total fixed asset investments	104.1	100.6	108.0	102.5

Shares in subsidiary undertakings

Details of the companies in which Newcastle University holds an interest are as follows:

Name of Company	Country of Registration	Holding of Ordinary Shares %	Nature of Business
NUMed Malaysia Sdn Bhd	Malaysia	100	Provision of tertiary courses focusing on medical education in Malaysia.
Newcastle Primary and Specialist Care Clinic Sdn Bhd	Malaysia	–	A company providing medical services.
NUInternational Singapore pte Limited	Singapore	100	Collaborative teaching and research in Singapore.
Newcastle Research & Innovation Institute pte Limited	Singapore	100	Postgraduate teaching and research in Singapore.
Newcastle University Holdings Limited	England and Wales	100	Operates as a holding company only.
Newcastle University Ventures Limited	England and Wales	100	Provides support for the commercial development of research and consultancy.
Newcastle University Developments Limited	England and Wales	100	Provides construction services to the University.
Newcastle University Pension Trustee (1971) Limited	England and Wales	100	Provides a corporate trusteeship for the University Retirement Benefits Plan.
Newcastle ISC Limited	England and Wales	100	Acts as a holding company for INTO Newcastle University LLP and INTO Newcastle University London LLP.
Newcastle University Construction Company Limited	England and Wales	100	Provides construction services to the University.
NUINTO Limited	England and Wales	51	Provides the teaching of English language skills.
VOICE Italia S.R.L. Impresa Sociale	Italy	70	Provides community engagement to the ageing population in Italy.

The registered address for all subsidiaries registered is:

England and Wales: King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU

Singapore: 172A Ang Mo Kio Avenue 8 #05–01, SIT Building at Nanyang Polytechnic, Singapore 567739

Malaysia: Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor Darul Takzim, Malaysia

Italy: Milano Via Monte Rosa, 19/B Cap 20149, Italy

Notes to the Financial Statements *(continued)*

14 NON-CURRENT INVESTMENTS *(continued)*

University membership in companies limited by guarantee:

The Russell Group
Universities UK
North East Universities Purchasing Consortium (NEUPC)
Centre for Innovation Excellence in Livestock
Centre for Crop Health and Protection
Health Innovation North East And North Cumbria Limited
Newcastle NE1 Limited

Other investments other than loans

	Voting Rights %	CONSOLIDATED		UNIVERSITY	
		2025 £m	2024 £m	2025 £m	2024 £m
CVCP Properties PLC	1.2	0.3	0.3	0.3	0.3
Other equity investments	Varying	2.0	–	2.0	–
		<u>2.3</u>	<u>0.3</u>	<u>2.3</u>	<u>0.3</u>

Name of Company/Registered Office

CVCP Properties PLC
Woburn House, 20 Tavistock Square, London WC1H 9HQ

Nature of Business

Operation Woburn House, Central London utilised by
Higher Education Sector organisations.

The University has direct minor shareholdings in a number of other companies. The University invests £2.0m in an equity fund managed by an external investment manager and directly holds two listed spin-out investments which are disclosed. The University also holds interests in unlisted spin-outs, which are not material to these financial statements..

15 INVESTMENT IN JOINT VENTURES

Company/Registered Office	Holding of		Nature of Business
	Ordinary	Shares %	
INTO Newcastle University LLP One Gloucester Place, Brighton, United Kingdom BN1 4AA	49		A joint venture between the University and INTO University Partnerships Limited. The company's principal activity is the provision of pre-University education and residential accommodation for international students.
Newcastle Helix LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	50		A joint venture between the University and Newcastle City Council. The company's principal activity is the sale and lease of land for the development of the Newcastle Helix site in Newcastle upon Tyne.
Newcastle Helix Management LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	50		A joint venture between the University and Newcastle City Council. The company's principal activity is the sale and lease of land for the development of the Newcastle Helix site in Newcastle upon Tyne.
Newcastle Helix Developments LLP King's Gate, Newcastle upon Tyne, United Kingdom NE1 7RU	33		A joint venture between the University, Newcastle City Council and Legal & General which aims to market the Newcastle Helix site to create a global centre for urban innovation in Newcastle upon Tyne.
Newcastle Genr8 Kajima LLP United Kingdom WC2H 8AP	50		A joint venture between the University and Genr8 Kajima Regeneration (Newcastle) Limited. The company's principal activity is the development of the Health Innovation Neighbourhood in Newcastle upon Tyne.
Unite Newcastle Project LP South Quay, Temple Back, Bristol, United Kingdom BS1 6FL	50		A company set up as part of the proposed joint venture between the University and Unite Students Limited. The company is currently dormant.

15 INVESTMENT IN JOINT VENTURES *(continued)*

	2025 £m	2024 £m
Share of operating surplus/(deficit):		
INTO Newcastle University LLP	0.5	0.7
Newcastle Genr8 Kajima LLP	–	–
Newcastle Helix LLP	–	–
Newcastle Helix Management LLP	–	–
Newcastle Helix Developments LLP	(0.1)	(0.1)
	<u>0.4</u>	<u>0.6</u>
Share of gross assets:		
INTO Newcastle University LLP	7.6	8.1
Newcastle Genr8 Kajima LLP	–	–
Newcastle Helix LLP	2.5	2.5
Newcastle Helix Management LLP	5.7	5.6
Newcastle Helix Developments LLP	1.1	0.9
	<u>16.9</u>	<u>17.1</u>
Share of gross liabilities:		
INTO Newcastle University LLP	(7.0)	(8.0)
Newcastle Genr8 Kajima LLP	(0.1)	(0.1)
Newcastle Helix LLP	(2.4)	(2.4)
Newcastle Helix Management LLP	(5.4)	(5.4)
Newcastle Helix Developments LLP	(1.1)	(0.9)
	<u>(16.0)</u>	<u>(16.8)</u>
Share of net assets/(liabilities):		
INTO Newcastle University LLP	0.6	0.1
Newcastle Genr8 Kajima LLP	(0.1)	(0.1)
Newcastle Helix LLP	0.1	0.1
Newcastle Helix Management LLP	0.3	0.2
Newcastle Helix Developments LLP	(0.1)	–
	<u>0.8</u>	<u>0.3</u>

16 INVESTMENT IN ASSOCIATE

Company/Registered Office	Holding of Ordinary		Nature of Business
	Shares %		
Tyne Pressure Testing Limited 11 Glasshouse St, Newcastle upon Tyne, Tyne and Wear NE6 1BS	49		Principal activity is the creation of a Centre of Excellence for Hyperbaric Testing in the Newcastle area.
		2025 £m	2024 £m
Share of operating deficit		–	–
Share of gross assets		2.4	2.4
Share of gross liabilities		(2.4)	(2.4)
Share of net assets		<u>–</u>	<u>–</u>

Notes to the Financial Statements *(continued)*

17 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Research grants receivables	27.7	25.0	27.7	25.0
Other trade receivables	18.6	18.3	17.5	19.9
Amounts owed by subsidiary undertakings	–	–	17.0	16.9
Prepayments and accrued income	22.5	13.8	21.4	13.6
Other debtors	0.9	1.6	0.9	0.7
	<u>69.7</u>	<u>58.7</u>	<u>84.5</u>	<u>76.1</u>

18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Obligations under finance leases (Note 27)	1.8	2.1	–	–
Fixed-term, unsecured loans	4.1	4.3	4.1	4.3
Research collaborator creditors	37.5	47.0	37.5	47.0
Other creditors	12.6	11.7	11.2	9.3
Social security and other taxation payable	10.3	9.5	10.4	9.4
Accruals and deferred income	145.5	128.4	142.3	126.8
	<u>211.8</u>	<u>203.0</u>	<u>205.5</u>	<u>196.8</u>

Deferred income

Included within accruals and deferred income are the following items of income which have been deferred until specific performance-related conditions have been met.

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Research grants received on account	65.0	55.6	65.0	55.6
Tuition fees and education contracts	7.0	6.2	7.0	6.2
Funding body grants	1.7	0.8	1.7	0.8
Other income	19.3	11.6	19.3	11.6
Donations	–	0.6	–	0.6
	<u>93.0</u>	<u>74.8</u>	<u>93.0</u>	<u>74.8</u>

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Fixed-term, unsecured loans	82.5	86.6	82.5	86.6
Accruals and deferred income	24.0	24.7	24.0	24.7
Dilapidation provision (Note 20)	5.8	–	5.8	–
Obligations under finance leases (Note 27)	21.8	20.6	–	–
	<u>134.1</u>	<u>131.9</u>	<u>112.3</u>	<u>111.3</u>

Deferred income

Included within accruals and deferred income are two items of deferred income. The first being £12.2m (2024: £12.9m) of income in relation to the Newcastle University Business School lease, which has been deferred over the duration of the lease. The second being £8.6m (2024: £9.0m) relating to a 26-year guarantee the University provided to one of the University's joint venture undertakings over future income streams. In exchange for this guarantee the University received a cash premium of £10.5m which has been deferred over the life of the guarantee.

19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The fixed-term unsecured loans are repayable in accordance with the following profile:

	Effective Interest Rate %	CONSOLIDATED AND UNIVERSITY	
		2025	2024
		£m	£m
Infrastructure and refurbishment loan due within one year	1.9	4.0	4.0
Heat Networks Investment Project loan due within one year	0.2	0.1	0.1
Fixed-term, unsecured loans repayable within one year (Note 18)		<u>4.1</u>	<u>4.1</u>
Infrastructure and refurbishment loan due after one year but not more than five years	1.9	16.0	16.0
Heat Networks Investment Project loan due after one year but not more than five years	0.2	0.4	0.4
Infrastructure and refurbishment loan due after more than five years	1.9	64.0	68.0
Heat Networks Investment Project loan due after more than five years	0.2	2.1	2.2
Fixed-term, unsecured loans repayable after more than one year		<u>82.5</u>	<u>86.6</u>
		<u>86.6</u>	<u>90.7</u>

20 PROVISIONS

	CONSOLIDATED AND UNIVERSITY
	RBP defined benefit obligation (Note 28)
	£m
Pension provision	
At 1 August 2024	38.6
Increase in staff costs	1.6
Pension finance interest charge	1.8
Actuarial gain	(14.0)
Obligation at 31 July 2025 (Note 28)	<u>28.0</u>
	Leasehold dilapidation (Note 19)
	£m
Dilapidation provision	
At 1 August 2024	–
Utilised in year	–
Additions in year	5.8
Provision at 31 July 2025 (Note 19)	<u>5.8</u>

Dilapidation provisions relate to costs to restore buildings held under long-term leases back to their original state.

Notes to the Financial Statements *(continued)*

21 ENDOWMENT RESERVES

1 ENDOWMENT RESERVES	CONSOLIDATED AND UNIVERSITY					
	Unrestricted permanent £m	Restricted permanent £m	Restricted expendable £m	Restricted Total £m	2025 Total £m	2024 Total £m
At 1 August						
Capital	2.6	18.0	17.0	35.0	37.6	37.6
Unapplied return	4.8	33.8	18.6	52.4	57.2	49.5
	<u>7.4</u>	<u>51.8</u>	<u>35.6</u>	<u>87.4</u>	<u>94.8</u>	<u>87.1</u>
New endowments	–	0.6	0.4	1.0	1.0	–
Transfer out from expendable endowments	–	–	–	–	–	–
Increase/(decrease) in market value of investments	0.4	3.2	2.2	5.4	5.8	11.4
Income	0.1	0.5	0.3	0.8	0.9	0.7
Expenditure	(0.3)	(2.0)	(1.9)	(3.9)	(4.2)	(4.4)
	<u>0.2</u>	<u>2.3</u>	<u>1.0</u>	<u>3.3</u>	<u>3.5</u>	<u>7.7</u>
	<u>7.6</u>	<u>54.1</u>	<u>36.6</u>	<u>90.7</u>	<u>98.3</u>	<u>94.8</u>
At 31 July						
Capital	2.6	18.6	17.4	36.0	38.6	37.7
Unapplied return	5.0	35.5	19.2	54.7	59.7	57.1
	<u>7.6</u>	<u>54.1</u>	<u>36.6</u>	<u>90.7</u>	<u>98.3</u>	<u>94.8</u>
Analysis by type of purpose						
Academic – Chairs, Fellowships, Lectureship and Lectures	–	32.9	3.8	36.7	36.7	35.8
Capital	–	–	0.1	0.1	0.1	0.1
Other	7.6	4.3	5.0	9.3	16.9	16.3
PG awards	–	7.8	6.9	14.7	14.7	14.5
UG awards – Scholarships and bursaries	–	3.8	9.8	13.6	13.6	12.6
Research	–	5.0	9.0	14.0	14.0	13.3
Travel awards	–	0.3	2.0	2.3	2.3	2.2
	<u>7.6</u>	<u>54.1</u>	<u>36.6</u>	<u>90.7</u>	<u>98.3</u>	<u>94.8</u>
Analysis by asset						
Equities					84.4	82.2
Non-equity investments					15.7	16.2
Other current balances					(1.8)	(3.6)
					<u>98.3</u>	<u>94.8</u>

22 RESTRICTED RESERVES

	CONSOLIDATED AND UNIVERSITY			
	Capital grants and donations	Other grants and donations	2025 Total	2024 Total
	£m	£m	£m	£m
Reserves with restrictions are as follows:				
Balances at 1 August 2024	–	1.3	1.3	1.2
New grants	3.1	1.7	4.8	–
New donations	–	8.1	8.1	2.7
Capital grants utilised	(3.1)	–	(3.1)	–
Expenditure	–	(8.3)	(8.3)	(2.6)
Total restricted comprehensive income for the year	<u>–</u>	<u>1.5</u>	<u>1.5</u>	<u>0.1</u>
At 31 July 2025	<u>–</u>	<u>2.8</u>	<u>2.8</u>	<u>1.3</u>

23 CASH AND CASH EQUIVALENTS

	CONSOLIDATED		UNIVERSITY	
	2025	2024 (Restated)	2025	2024 (Restated)
	£m	£m	£m	£m
Cash at bank and in hand	82.2	67.2	67.6	55.4
Cash equivalents	18.0	43.3	18.0	43.3
	<u>100.2</u>	<u>110.5</u>	<u>85.6</u>	<u>98.7</u>

The University holds significant short-term liquid deposits, £89.5m (2024: £79.2m (restated)) that are easily recoverable in cash but do not meet the criteria of cash equivalents. The University also has access to a £75m revolving credit facility with Lloyds Bank. The University has not accessed this facility during the reporting period. In year we have reviewed and updated our treasury policies and aligned our classification of cash, cash equivalents and short term investments to reflect the technical requirements of FRS102 rather than mainly reflecting the purpose for which the funds were held. As a result, the prior period has been restated. The effect of the restatement was to reclassify £24.6m of short term liquid deposits as cash and £43.3m as cash equivalents. The revised interpretation is considered to be more reflective of our risk management policies.

Included within the statement of cash flows, the restatement decreases the movement in cash and cash equivalents by £67.9m, increasing the closing balance of cash and cash equivalents by £43.3 m and movement in short term liquid deposits by £62.6m. Included within note 23, the restatement increases cash at bank and in hand by £24.6m and increases cash equivalents by £43.3m. Included within note 24, the restatement increases cash and cash equivalents by £67.9m and reduces short term investments by £67.9m. The impacts noted are the same between University and consolidated positions.

24 CONSOLIDATED RECONCILIATION OF NET CASH

	At 1 August 2024 (Restated)	Cash flows	Other Changes	At 31 July 2025
	£m	£m	£m	£m
Cash and cash equivalents	110.5	(10.3)	–	100.2
Short-term investments	79.2	10.3	–	89.5
Debt due within one year	(4.1)	4.1	(4.1)	(4.1)
Debt due after one year	(86.6)	–	4.1	(82.5)
Finance leases due within one year	(2.1)	–	0.3	(1.8)
Finance leases due after one year	(20.7)	–	(1.2)	(21.9)
	<u>76.2</u>	<u>4.1</u>	<u>(0.9)</u>	<u>79.4</u>

25 CAPITAL COMMITMENTS

	CONSOLIDATED AND UNIVERSITY	
	2025	2024
	£m	£m
Commitments contracted at 31 July	13.8	19.0

26 CONTINGENT LIABILITIES

In 2024, we entered into a contract with Unite students to redevelop the Castle Leazes student accommodation. Subject to meeting project milestones, a joint venture between the two parties will be formed to develop and subsequently manage the accommodation. If the milestones are not met, Newcastle University will be liable for the demolition, design and enabling costs incurred on the Castle Leazes site to date. The costs attributable to Newcastle University at the balance sheet data are estimated to be £18m. At the reporting date the project continued and it is expected that the joint venture will form in order to develop and subsequently manage the accommodation.

Notes to the Financial Statements *(continued)*

27 LEASE OBLIGATIONS

	CONSOLIDATED	
	2025	2024
	£m	£m
Amounts due under finance leases:		
Amounts payable:		
Within one year	1.8	2.1
In two to five years	9.4	9.2
In more than five years	32.0	31.6
	43.2	42.9
Less: finance charges allocated to future periods	(19.5)	(20.2)
	23.7	22.7
The total of future minimum lease payments under non-cancellable operating leases is as follows:		
	2025	2024
	£m	£m
Lease payable:		
In one year	5.8	5.5
In two to five years	25.3	24.1
Over five years	104.2	108.0
	135.3	137.6

28 PENSION ARRANGEMENTS

The University participates in two main pension schemes, the Retirements Benefits Plan (1971) (RBP) and Universities Superannuation Scheme Limited (USS).

The University also has a small number of staff in the National Health Service Pension Scheme (NHSPS) and in Nest (the Government's auto enrolment scheme). The total cost of NHSPS was £3.4m (2024: £2.5m). The total cost of Nest was £0.3m (2024: £0.3m).

The total pension cost for the University was:

	2025	2024
	£m	£m
Contributions to USS	43.1	49.4
Contributions to RBP	6.0	8.9
Contributions to other pension schemes	3.4	2.8
Other pensions cost (Note 8)	52.5	61.1
Credit to staff costs as a result of USS pension provision	–	(151.0)
RBP pension service cost adjustment	1.6	(3.1)
Administration costs	1.8	1.4
Pensions costs included in staff (credit)/cost	55.9	(91.6)
Pension finance interest income (Note 6)	–	–
Pension finance interest cost (Note 10)	1.8	5.1
Pension cost including pension finance interest	57.7	(86.5)
Actuarial loss/(gain) relating to the RBP pension scheme	(14.0)	1.5
Total pension (credit)/cost	43.7	(85.0)

RBP

RBP is an Exempt Approved Scheme under the Finance Act 1970. It is established under irrevocable trusts and its assets are kept strictly separate from those of the University.

The total pension cost (excluding interest) to the University was £7.6m (2023–24: £10.0m). The contribution payable by the University is 17.4% of pensionable salaries until 31 July 2024, 10.0% from 1 August 2024 to 31 July 2027 and 12.7% from 1 August 2027 onwards. There were no outstanding contributions at the balance sheet date. Active members pay a contribution of 6.75% of pensionable salaries. The expected employer contribution to the Plan during the next accounting year is £6.0m and the expected current service cost is £4.6m.

28 PENSION ARRANGEMENTS (continued)

A full actuarial valuation was carried out as at 31 July 2023 and updated to 31 July 2025 by a qualified independent actuary.

The major assumptions used by the actuary were:

	31 July 2025	31 July 2024
Discount rate at year end	5.80%	5.00%
Future salary increases	2.70%	2.75%
RPI inflation	3.00%	3.10%
CPI inflation	2.70%	2.75%
The current life expectancy on retirement at age 65 years are:		
Females currently aged 65 years	22.5	22.3
Males currently aged 65 years	19.2	18.9
Females currently aged 45 years	23.6	23.5
Males currently aged 45 years	20.2	19.9

The year-end liability is calculated to include an estimated uprating of current and deferred pension benefits in relation to the pension increases provided by the scheme. This is based on market expectations for RPI and CPI inflation at 31 July 2025 and allows for the caps that apply under the scheme regulations. The actual increases will reflect actual future published rates of inflation subject to the relevant caps and may be subject to change on finalisation. Any changes from the assumed rate will be accounted for as actuarial adjustments in future years.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions which, due to the timescales covered, may not necessarily be borne out in practice. The assumptions noted over relate to average expectations over the future lifetime of the scheme and therefore are based on longer-term estimations. Sensitivities on the pension liability can be found on pages 69–70.

The assets in the scheme were:

	Value at 31 July 2025 £m	Asset Allocation %	Value at 31 July 2024 £m
Equities	42.4	21	42.8
Fixed income	21.9	11	–
Bonds/LDI	40.8	20	78.8
Property	11.1	5	10.7
Alternatives	9.9	5	14.5
Multi asset credit	24.0	12	52.3
Cash	52.9	26	20.2
Fair value of assets	203.0		219.3
Present value of obligations	(231.0)		(257.9)
Funded status	(28.0)		(38.6)
Net pension liability	(28.0)		(38.6)

Analysis of the amount shown in the Statement of Financial Position

	2025 £m	2024 £m
Present value of obligations	(231.0)	(257.9)
Fair value of plan assets	203.0	219.3
Funded status (Note 20)	(28.0)	(38.6)

Notes to the Financial Statements *(continued)*

28 PENSION ARRANGEMENTS (continued)

Analysis of the amount charged to the Income Statement	2025 £m	2024 £m
Operating cost		
Current service cost	5.8	5.8
Administration costs	1.8	1.4
Financing cost		
Net interest (income)/cost on net defined benefit liability	1.8	1.7
Total operating charge/(credit)	<u>9.4</u>	<u>8.9</u>

Amounts recognised in Other Comprehensive Income (OCI)	2025 £m	2024 £m
Return on assets arising during the year	(20.2)	1.3
Liability gains/(losses) arising during the year	34.2	(2.8)
Asset ceiling adjustment (after allowing for interest)	–	–
Actuarial (loss)/gain recognised in OCI	<u>14</u>	<u>(1.5)</u>

Change in defined benefit obligation	2025 £m	2024 £m
Opening defined benefit obligation	257.9	248.4
Service cost	5.8	5.8
Interest cost	12.6	12.4
Actuarial gains	(34.2)	2.8
Contribution by members	0.6	0.4
Benefits paid	(11.7)	(11.9)
Asset ceiling adjustment	–	–
Closing defined benefit obligation	<u>231.0</u>	<u>257.9</u>

Change in fair value of plan assets	2025 £m	2024 £m
Opening fair value of plan assets	219.3	211.2
Return on assets	(20.2)	1.4
Interest income on plan assets	10.8	10.7
Contributions by employer	6.0	8.9
Contributions by employees	0.6	0.4
Administration costs incurred	(1.8)	(1.4)
Benefits paid	(11.7)	(11.9)
Closing fair value of plan assets	<u>203.0</u>	<u>219.3</u>

Sensitivity analysis

As set out in the accounting policies, there are some critical judgements made in estimating the RBP pension liability. The sensitivity of the principal assumptions used to measure the scheme asset/liabilities are set out below:

Changes in assumption at 31 July 2025	Approximate impact Increase in amount charged to the Income Statement	
Increase in liabilities	£m	£m
0.5% pa decrease in discount rate	18.1	9.3
0.5% pa increase in inflation-linked assumptions	8.8	8.8
One year increase in life expectancy	6.0	8.4

28 PENSION ARRANGEMENTS (continued)

Virgin Media / Section 37 legal ruling

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments to benefits made after 6 April 1997 for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. Subsequent to this, in June 2025, the United Kingdom Government announced its intention to introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards.

Considering all current factors, the University assesses the risk of significant impact from the Virgin Media ruling as low, and any potential effects currently remain unquantifiable. Consequently, no provision has been made for the financial year ended 31 July 2025 (2024: £nil). The Trustees of the Scheme, alongside the University, continue to review the potential impact of Section 37 related matters for the Scheme.

USS

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

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

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

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

CPI Assumption	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps
Discount rate (forward rate)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.
The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:	
Mortality base tables	101% of S2PMA 'light' for males 95% of S3PFA for females
Future improvements to mortality	CMI 2021 with a smoothing parameter of 7.5 an initial application of 0.4%pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% for females

The current life expectancies on retirement at age 65 years 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

Notes to the Financial Statements *(continued)*

29 RELATED PARTY TRANSACTIONS

Due to the nature of the Institution's operations and the composition of its Council (being drawn from local public and private sector organisations) and University Executive Board (UEB), it is inevitable that transactions will take place with organisations in which a member of Council or UEB may have an interest. All such transactions are conducted at arm's length and in accordance with the Institution's financial regulations and normal procurement procedures. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

The Retirements Benefits Plan (1971) (RBP) is a post-employment benefit of employees of Newcastle University and as such is defined as a related party under FRS102. Transactions between the University and RBP are disclosed in Note 28.

Where Council or UEB members or their respective close family do not have a controlling interest in either the University or the organisations in which they are directors, employees or partners, the transaction is not deemed as a related party transaction and disclosure is not required under FRS 102.

Entities over which the institution has control, joint control or significant influence	Income from related party		Expenditure to related party		Balance due (to)/from related party	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
EIT Health EV Germany	146	–	–	–	–	–
Indicatrix Crystallography Limited*	14	31	–	–	2	14
INEX Microtechnology Limited*	445	615	159	201	44	103
INTO Newcastle University LLP	560	680	2,697	2,781	316	372
MarraBio Limited	36	4	–	–	8	–
METzero Technologies Limited	4	–	–	–	–	–
Microbritt Limited*	5	18	6	13	–	12
Newcastle Genr8 Kajima LLP	–	–	–	–	56	–
Newcastle Helix Developments LLP	24	–	–	–	20	50
Newcastle Helix Management LLP	32	–	–	–	25	–
Northern Health Science Alliance Limited	2	–	–	–	–	–
Skin Life Analytics Limited*	51	1	–	17	8	–
The Academic Health Science Network for the North East and North Cumbria (AHSN NENC)	2	–	–	–	–	–
TWAM Enterprises Limited*	–	–	41	54	(10)	(1)
Tyne Pressure Testing Limited*	17	14	–	–	(6)	441
	<u>1,338</u>	<u>1,363</u>	<u>2,903</u>	<u>3,066</u>	<u>463</u>	<u>991</u>

Entities denoted with an asterisk (*) are entities that the University is deemed to have significant influence over, but does not have control or joint control.

EIT Health EV Germany

EIT Health is a Cross-European venture for the "promotion of entrepreneurship and the promotion of developing innovations in healthy living and active ageing including the improvement of a sustainable healthcare across Europe." Professor Nick Wright is University nominee on General Assembly.

Indicatrix Crystallography Limited

Indicatrix Crystallography Limited provides high throughput solution-phase crystallisation screening to support molecule discovery and development projects. Members of the senior academic team, Professor William Clegg, Dr Michael Hall, Dr Michael Probert, Dr Thomas Winstanley and Dr Michael Probert, are directors of this organisation.

Income relates to research and consultancy services provided by the University along with patent fee recharges. The balance due to the University at the year-end are general working capital balances.

INEX Microtechnology Limited

INEX Microtechnology Limited is a microsystems and specialist electronic device contract manufacturer.

Income relates to the recharge of utilities and facilities services provided by the University. There is a working capital loan agreement in place between the University and INEX Microtechnology Ltd. Both the expenditure and the balance due to the University at the year end relate to this agreement.

29 RELATED PARTY TRANSACTIONS (continued)

INTO Newcastle University LLP

INTO Newcastle University LLP supports international students studying in the UK. The entity is a joint venture partner of the University.

Income relates to catering, equipment hire and other general recharges in the normal course of business. Expenditure relates to the provision of in-session English courses, agent commission payments and rental payments.

MarraBio Limited

MarraBio develops engineered multimeric proteins in limitless quantity at low cost. MarraBio is using its core technology to develop a pipeline of applications which range from cell culture reagents for research purposes, to low-cost growth factors for cultivated meat production, to medicinal products.

METzero Technologies Limited

METzero offers a retrofittable and energy-saving wastewater treatment technology that recovers products of economic value from wastewater. It does this through Microbial Electrolysis: breaking down organic compounds that are harmful to the environment and producing hydrogen as a by-product. Dr Pavlina Theodosiou is CEO of the company. The lead academics are Dr Elizabeth Heidrich and Dr Pavlina Theodosiou.

Microbritt Limited

Microbritt Limited is a service company intended to address the rapidly increasing need for high-speed, high-value bespoke manufacturing with micro-scale precision. The lead academic, Professor Patrick Degenaar, is a member of this organisation.

Income relates to patent fee recharges and the balance due to the University at the year end is for the most recent patent recharge. Expenditure relates to Arrow accelerator funding match.

Newcastle Genr8 Kajima

A joint venture between the University and Genr8 Kajima Regeneration (Newcastle) Limited. The company's principal activity is the development of the Health Innovation Neighbourhood in Newcastle upon Tyne.

Newcastle Helix Developments LLP

Newcastle Helix Developments LLP was created to market plots for the development on the Helix site. The entity is a 33% joint venture of the University. Refer to Note 15 for further details.

Income relates to general charges between companies in the normal course of business.

Newcastle Helix Management LLP

Newcastle Helix Management LLP was created to sell or lease land for the development of Science Central and manage the infrastructure of the site. The entity is a 50% joint venture with Newcastle City Council.

Income relates to general charges between companies in the normal course of business.

Northern Health Science Alliance Limited

Northern Health Science Alliance Limited is a partnership between leading universities and the NHS in the north of England. Professor David Burn is chairman.

Skin Life Analytics Limited

Skin Life Analytics Limited established the novel use of mitochondrial DNA (mtDNA) as a reliable and sensitive biomarker of sunlight and other environmental and stress-induced DNA damage in skin. The lead academic, Professor Mark Birch-Machin, is a member of this organisation.

Expenditure relates to research and consultancy services provided to the University.

The Academic Health Science Network for the North East and North Cumbria (AHSN NENC)

The Network will consist of Core and Affiliate members whom are collectively committed to improving both the health and economic prosperity of the region through innovation, research and the dissemination of knowledge, as well as the adoption of new and improved products and services.

TWAM Enterprises Limited

The purpose of TWAM Enterprises Ltd is to undertake commercial and enterprise activity to increase self-generated income. The enterprise is wholly owned by the four Tyneside Councils and Newcastle University.

Expenditure relates to hire charges for events along with other general event costs charged to the University.

Tyne Pressure Testing Limited

The purpose of Tyne Pressure Testing Ltd is to create a Centre of Excellence for Hyperbaric testing in the local area. University representative is Paul Young.

Notes to the Financial Statements *(continued)*

29 RELATED PARTY TRANSACTIONS (continued)

Organisations and Companies in which members of Council or senior management have an interest	Income from related party		Expenditure to related party		Balance due (to)/from related party	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Association of Physicians of Great Britain and Ireland	21	–	–	–	–	–
Heriot-Watt University	48	95	–	–	22	–
International Centre for Life	–	–	3,510	3,463	(4)	–
International Parkinson & Movement Disorder Society	–	–	2	–	(4)	–
Medical Research Council	17,997	15,719	147	131	186	136
Newcastle Gateshead Initiative Limited	1	–	25	–	–	–
SUMS Consulting	–	–	30	–	–	–
The Newcastle upon Tyne Hospitals NHS Trust	15,643	15,304	8,357	8,988	2,821	2,631
The Russell Group	–	–	96	93	–	–
	<u>33,710</u>	<u>31,118</u>	<u>12,167</u>	<u>12,675</u>	<u>3,021</u>	<u>2,767</u>

Association of Physicians of Great Britain and Ireland

The Association of Physicians of Great Britain and Ireland is the home of Interdisciplinary Translational Medicine hosting a vibrant community of researchers at all career stages. The aim of the organisation is to promote high-quality interdisciplinary translational research to improve human health and well being. Linda Conlon is chair of global trends committee.

Heriot-Watt University

Heriot-Watt University is a public research university based in Edinburgh. Marta Phillips OBE is a Director of this university. Income received relates to studentships.

International Centre for Life

The International Centre for Life is a science hub in the North East where educators, researchers, clinicians and businesses work side-by-side on one site. Linda Conlon, a lay member of Council, is Chief Executive of this organisation.

Expenditure to this organisation relates to rent changes.

International Parkinson & Movement Disorder Society

International Parkinson & Movement Disorder Society (MDS) is a professional society of over 11,000 clinicians, scientists and healthcare professionals dedicated to the care of patients with movement disorders. Professor David Burn is director of this organisation.

Medical Research Council

The Medical Research Council supports research to improve human health and produce skilled researchers. Professor Brian Walker is on secondment in this organisation.

Income from this organisation relates to grant income for research purposes, whilst expenditure relates to medical training courses.

Newcastle Gateshead Initiative Limited

Newcastle Gateshead Initiative Limited is a destination and inward investment agency whose mission is to inspire people to visit, live, learn, work and invest in Newcastle, Gateshead, and the wider region. A lay member of Council and Chair of Audit, Risk and Assurance Committee, Bill MacLeod, is the director of the company.

SUMS Consulting

SUMS Consulting is a membership, not-for-profit organisation and registered charity, owned by member universities. Colin Campbell is director of this organisation.

The Newcastle upon Tyne Hospitals NHS Trust

The Newcastle upon Tyne Hospitals NHS Trust is a provider of healthcare services. It works closely with the institution in the teaching of medical students, as well as research. A lay member of Council and Chair of Audit, Risk and Assurance Committee, Bill MacLeod, is Vice-Chair for the Trust.

Income and expenditure represents recharges of services provided to and by The Newcastle upon Tyne Hospitals NHS Trust.

The Russell Group

The Russell Group represents 24 leading UK universities. It provides strategy, policy development, intelligence, communications and advocacy for our member institutions. Vice-Chancellor and President, Chris Day, is the chair of The Russell Group.

Expenditure paid to The Russell Group represents the membership subscription for the 2024–25 year.

29 RELATED PARTY TRANSACTIONS (continued)

Other connected entities which the institution engages in trading activities with	Income from related party		Expenditure to related party		Balance due (to)/from related party	
	2025	2024	2025	2024	2025	2024
	£'000	£'000	£'000	£'000	£'000	£'000
Newcastle City Council	147	151	1,543	2,136	(11)	(371)
Newcastle University Students' Union	–	–	3,133	3,828	–	–
	<u>147</u>	<u>151</u>	<u>4,676</u>	<u>5,964</u>	<u>(11)</u>	<u>(371)</u>

Newcastle City Council

Newcastle City Council is the local government authority for the city and metropolitan borough of Newcastle upon Tyne and is a partner in joint ventures with the institution.

Expenditure relates to general expenditure during the normal course of business, such as event expenditure.

Newcastle University Students' Union

Newcastle University Students' Union is the representative body for students at Newcastle University.

Expenditure is largely the annual subvention grants for the year 2024–25 provided by the University and listed in Note 9.

30 ACCESS AND PARTICIPATION

	CONSOLIDATED		UNIVERSITY	
	2025	2024	2025	2024
	£m	£m	£m	£m
Access investment	3.9	4.1	3.9	4.1
Financial support	9.9	8.5	9.9	8.5
Disability support	2.7	3.3	2.7	3.3
Research and evaluation	0.1	0.4	0.1	0.4
	<u>16.6</u>	<u>16.3</u>	<u>16.6</u>	<u>16.3</u>

Our Access and Participation Plan for 2024–25 is available on our website
<https://www.ncl.ac.uk/who-we-are/structure/access-and-participation/>

31 EVENTS AFTER THE REPORTING PERIOD

There have been no events after the reporting period.

Notes to the Financial Statements *(continued)*

32 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

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

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition). With the exception of FRS 102 adjustments made in respect of pensions and holiday accrual which are excluded for these purposes
- presented in pounds sterling

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

Net income ratio = Change in net assets without donor restrictions/Total revenues and gains without donor restrictions

	Note	2025 £m	2024 £m
Change in net assets without donor restrictions	A	3.6	(14.1)
Total operating revenue – unrestricted	B	628.1	626.5
Plus gains:			
Investment return appropriated for spending (Other investment income)	6	–	(9.0)
Sale of fixed assets		–	–
Total revenues and gains without donor restrictions		<u>628.1</u>	<u>617.5</u>

Primary reserve ratio = Expendable net assets/Total expenses and losses without donor restrictions

	Note	2025 £m	2024 £m
Net assets without donor restriction		543.2	528.4
Net assets with donor restriction		90.2	88.7
Less:			
Net assets with donor restrictions: Endowments restricted in perpetuity annuities, term endowments and life income funds with donor restrictions		(54.2)	(52.0)
intangible assets			
Net PPE		(612.9)	(613.9)
Lease – right of use, net		(13.1)	(13.2)
RBP pension liability		28.0	38.6
Long-term debt obtained for long-term purposes		85.0	90.7
Lease – right of use asset liability		23.6	22.7
Expendable net assets		<u>89.8</u>	<u>90.0</u>
Total expenses without donor restrictions – taken directly from Statement of Activities		639.9	639.5
Less:			
Other components of net RBP periodic pension costs		(28.0)	(38.6)
Other (gains)/losses		7.7	(1.4)
Total expenses and losses without donor restrictions		<u>619.6</u>	<u>599.5</u>

32 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE (continued)

Equity ratio = Modified net assets/Modified assets

	Note	2025 £m	2024 £m
Net assets without donor restriction	C	543.2	528.4
Net assets with donor restriction		90.2	88.7
Less:			
Intangible assets		–	–
Unsecured related party receivables		–	–
Modified net assets		<u>633.4</u>	<u>617.1</u>
Total assets		991.5	978.7
Less:			
Intangible assets		–	–
Unsecured related party receivables		–	–
Modified assets		<u>991.5</u>	<u>978.7</u>

Notes to the ratios

A Change in net assets without donor restrictions	Note	2025 £m	2024 £m
Total comprehensive income for the year	Page 60	13.4	149.0
Move on USS pension liability	20	–	(147.6)
Increase in accrued holiday pay		0.5	(0.7)
(Gains)/losses on restricted endowments	21	(5.4)	(10.6)
Restricted endowment expenditure	21	3.9	4.0
Restricted donations	7	(8.0)	(7.6)
Investment income on restricted endowments	21	(0.8)	(0.7)
		<u>3.6</u>	<u>(14.2)</u>

B Total operating revenue – unrestricted		2025 £m	2024 £m
Total income	Page 60	636.9	634.8
Restricted donations	7	(8.0)	(7.6)
Investment income on restricted endowments	21	(0.8)	(0.7)
		<u>628.1</u>	<u>626.5</u>

C Net assets without restrictions		2025 £m	2024 £m
Net assets per Balance Sheet	Page 62	617.3	604.2
Less net assets with donor restrictions			
Restricted endowments	21	(87.4)	(87.4)
Restricted reserves	22	–	(1.3)
Add FRS 102 adjustments			
USS pension liability	20	–	–
Holiday pay accrual	18	13.3	12.9
		<u>543.2</u>	<u>528.4</u>

Notes to the Financial Statements *(continued)*

32 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE *(continued)*

D Total expenses without donor restrictions		2025	2024
		£m	£m
Total expenditure	Page 60	639.7	493.3
Less:			
RBP pension service cost adjustment	8	(1.6)	1.8
Restricted endowment expenditure	21	3.9	(4.0)
Taxation	12	(0.2)	0.1
Less FRS 102 adjustments:			
Movement on USS pension liability	20	–	147.6
(Increase)/Decrease in accrued holiday pay		(0.5)	0.7
		<u>641.3</u>	<u>639.5</u>
E Other (gains)/losses		2025	2024
		£m	£m
Share of operating (surplus)/deficit	15	(0.4)	(0.7)
Share of deficit in associate	16	–	–
Loss on impairment of non-current assets	Page 60	(6.9)	2.4
(Gains)/loss on unrestricted endowments	21	(0.4)	(0.8)
Gains on revaluation of unrestricted non-current assets	14	–	0.5
Gains on disposal of tangible assets		–	–
		<u>(7.7)</u>	<u>1.4</u>
F Net property, plant and equipment		2025	2024
		£m	£m
Pre-implementation property, plant and equipment		484.8	484.8
Construction in progress	13	42.0	91.1
Post-implementation property, plant and equipment without outstanding debt		86.1	38.0
		<u>612.9</u>	<u>613.9</u>
G Long-term debt for long-term purposes		2025	2024
		£m	£m
Pre-implementation long-term debt	19	82.5	88.0
Long-term debt not for the purchase of property, plant and equipment	19	2.5	2.7
		<u>85.0</u>	<u>90.7</u>

