



UNIVERSITY OF  
**BATH**



# Annual Accounts

for the year ended 31 July 2025



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## Annual Accounts for the year ended 31 July 2025

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## Foreword by Sharon Flood, Chair of Council



I am delighted to join the University of Bath as its new Chair of Council. I am honoured to build on my 40-year commitment to the University both initially as a student and as an alumna/donor to the excellent Gold Scholarship program. My time at Bath truly transformed my life and I welcome this opportunity to support the whole University community. It is also clear that it has been a very successful first year under the leadership of Professor Phil Taylor as Vice-Chancellor & President and I am excited to be able to work in partnership with such a strong leader.

I have been impressed at the sense of momentum within the University, the continued and increasing focus on quality in our education and research, a real sense of refining our priorities and developing action plans to drive our aims. It is pleasing to see this hard work reflected not only in the domestic rankings, but also internationally, and I would like to take the opportunity to thank all those who have played a role in our continued success.

The national and international context in which we operate continues to present challenge as well as opportunity. People are at the heart of higher education, and I'm pleased to see that we have maintained our focus on enabling an inclusive community, supporting our students affected by global conflicts or those fearing discrimination in a world that can seem polarised.

Looking forward, the external environment in Higher Education remains difficult and we are not immune from the very real financial pressures. It will be important for Bath to take a strategic approach to strengthen our university. This will mean operating efficiently and focussing on core priorities, to enable us to invest in our staff and areas of excellence, while generating sufficient resources to fund the renewal of our infrastructure over the medium term.

We are also focussing on being as efficient and effective as possible with our governance arrangements and have moved to a more streamlined Council structure of 15 members. We believe this will enable us to respond more nimbly to the challenges ahead. I would take this opportunity to thank all members of Council, those standing down for their contribution to the University's success and those who will continue to serve. I would also like to specifically thank the outgoing Chair of Council, Pam Chesters. Her commitment to good governance is exceptional and I would particularly like to thank her for her huge support during the transition period over the last few months. I look forward to working closely with members of the University community and our partners over the coming year.

**Sharon Flood**  
**Chair of Council**



## Vice-Chancellor's Introduction



It is a pleasure to introduce this year's Annual Accounts.

Firstly, I would like to thank Pamela Chesters CBE, who has finished her second term as our Chair of Council having served the University with such dedication since April 2019. We are grateful for Pam's clarity of thought, supportive and rigorous approach and generosity with her time for both Council business and the life of the wider University community. We wish Pam well for the future, and I would also like to take the opportunity to thank all members of our Council for their contributions and guidance during my first year in post.

A warm welcome to Sharon Flood, who became our new Chair of Council on 1 November 2025. As a graduate of the University of Bath, Sharon knows the institution well. We are very much looking forward to working with her and I know we will benefit from her extensive non-executive experience across the commercial, not for profit and public sectors and from her successful executive career and expertise in Finance and Strategy.

The University of Bath has had another strong year, which has involved careful navigation of the challenging financial environment for the Higher Education sector. Overall, we have continued to further enhance our excellence in education and student experience and to drive forward high impact research, attracting greater funding to help us achieve even more and maintaining a sound financial footing.

I'm pleased to see Bath maintain its strong domestic reputation, placed in the top 10 in all four UK university rankings and named Sport University of the Year 2026 by The Times and Sunday Times. In addition, our quality is being increasingly recognised internationally, and this year we have received our highest-ever placing in the QS World University Rankings since the introduction of their independent rankings in 2010. The University of Bath has been ranked 132<sup>nd</sup> by QS in 2026, rising 18 places

from the previous year. This result places Bath firmly within the top ten per cent of universities ranked worldwide, reflecting our growing global reputation for research and education excellence. We intend to build on this trajectory to forge stronger global partnerships in the coming years and achieve more positive impacts.

Our students continue to enjoy an excellent experience and outstanding graduate outcomes.

In the 2025 National Student Survey, completed by 75% of final-year undergraduate students, the University of Bath outperformed sector benchmarks in six out of seven measured themes. Our scores also improved in six out of the seven themes compared to 2024, demonstrating our commitment to continual progression and innovation.

Our University continues to excel in graduate outcomes, thanks to our superb placement programmes, longstanding links with industry and strong career support. University of Bath graduates continue to enjoy some of the best employment prospects in the UK, according to the latest Graduate Outcomes Survey published by the Higher Education Statistics Agency (HESA). For the 2022-23 graduating cohort, 89% of Bath's full-time UK-domiciled first-degree graduates in paid employment in the UK were in high-skilled roles 15 months after completing their studies. This figure exceeds the average of 72% for Universities UK (UUK) members, placing Bath 6<sup>th</sup> nationally among this group of institutions.

It has also been a successful year for our research, with awards increasing to £65m. We were delighted to be one of only 12 UK research-focused higher-education institutions to be awarded a £4.35m share of the UK Government's Global Talent Fund, to help attract and support top international researchers to the UK. Our University was founded with a mission to work closely with industry, and partnership working has been in our DNA ever since. We are happy to play our part in attracting outstanding global academics to help power research in the UK's industrial strategy priority areas.

This year has also seen an extensive programme of work on Research Culture, including the launch of The Researcher Academy to support our research staff throughout their postdoctoral journey. We build from firm foundations, as our postgraduate researchers are among the most satisfied in the UK, according to the last Postgraduate Research Experience Survey (PRES), with the University ranked ninth overall in the 2025 survey, and an overall satisfaction score of 87%.

The wellbeing of our whole community is a priority for us, which is why we were so pleased to be among the first 15 universities nationwide to receive the University Mental Health Charter (UMHC) Award at the start of the academic year. This award is granted to members of the UMHC Programme that demonstrate commitment to continuous improvement in the area of mental health and wellbeing for the entire University community. Throughout this year, we have fostered ever closer working relationships with the City and region, deepening our contribution to innovation, productivity and growth.

A report commissioned from Oxford Economics set out the economic and social value the University delivers, working in partnership with our city and region, by supporting jobs, attracting investment and generating wider opportunities. It found that the University of Bath contributed over half a billion pounds to the local economy in Bath & North East Somerset (B&NES) in the 2023-24 academic year, and nearly £1 billion nationally. The activities of our University supported more than 7,000 jobs in B&NES and 13,000 across the UK. The analysis found that students moving to the local area to study at the University spent an estimated £230m across the local economy, approximately £11,400 each. Student spending supported more than 2,300 local jobs, with spending by international students supporting 880 of those jobs.

I'm delighted that we launched The Brunel Centre this year to power sustainable and inclusive growth for the West of England. This new university-business partnership led by Bath and UWE Bristol, along with Futures West and other partners, will support priority industrial strategy areas and prosperity in the West of England by carrying out and sharing pioneering economic research on the region. The partnership will create a virtual data observatory, provide consultation and engage with business and policy leaders.

From our strong foundations in education, research and innovation, to our partnerships at regional, national and global levels, we are starting to truly unlock our potential, and I look forward to working together to achieve even more over the coming year.

**Professor Phil Taylor**  
Vice-Chancellor and President



# University Strategy 2021-26

## Key Operational Performance Indicators

### Our Strategy

Our University Strategy 2021-26 has four key components required for the University’s success: excellence in education, high-impact research, an outstanding and inclusive community and strong strategic partnerships.

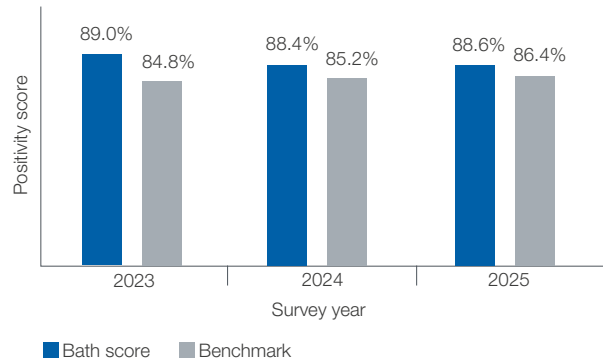
Bath uses twelve strategic Key Performance Indicators (KPIs) to measure progress towards our strategic goals:

| <br>Driving excellence in Education | <br>Driving high impact research | <br>Outstanding & inclusive community | <br>Enhancing strategic partnerships |
|----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| NSS – Teaching on my course                                                                                          | Research grant income                                                                                             | Student continuation                                                                                                   | Consultancy & research income                                                                                           |
| NSS – Assessment & Feedback                                                                                          | % highly cited papers                                                                                             | Staff engagement index                                                                                                 | QS world ranking                                                                                                        |
| Graduate outcomes                                                                                                    | Research partnerships                                                                                             | % of female professors                                                                                                 | Attendees at public events                                                                                              |

Our progress towards these strategic goals is summarised below.

With the current strategy in its fifth and final year, we have been setting our goals for the next five to ten years. The progress of the new strategy will be measured through a different set of KPIs from next year.

NSS – Teaching on my course



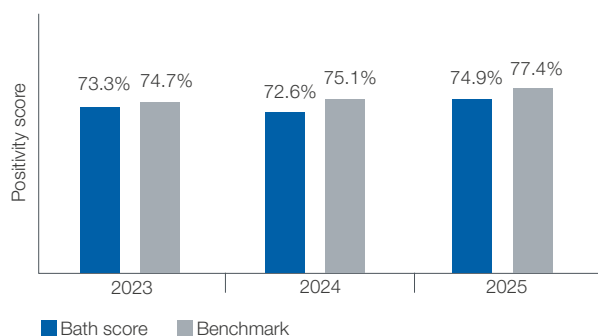
### Driving excellence in education

#### NSS – Teaching on my course

Teaching scores remain above benchmark, with a slight increase in 2025.

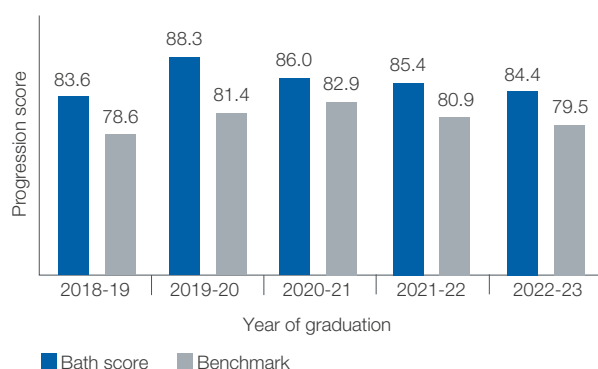
This is a measure of the quality of Bath’s teaching and quantifies the proportion of students that positively respond to questions within the *teaching on my course* section of the National Student Survey (NSS).

## NSS – Assessment &amp; feedback

**NSS – Assessment & feedback**

Whilst the assessment scores improved in 2025, they remain slightly below benchmark. This is as expected because the impact from the University's improvement actions is unlikely to be fully visible for several years. As the only NSS section where Bath is not ahead of its benchmark, *Assessment and feedback* continues to be prioritised for improvement.

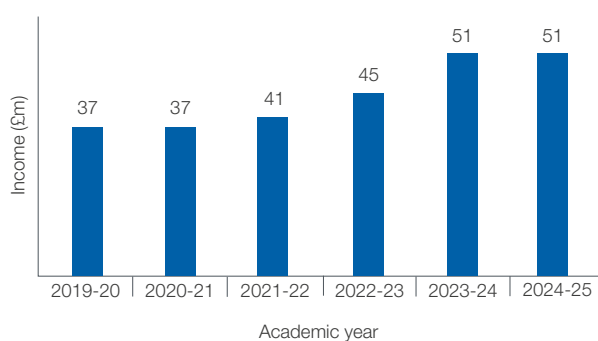
## Graduate outcomes - Progression

**Graduate outcomes – progression to graduate level employment or further study**

Bath's progression rate continues to be amongst the very best in the sector.

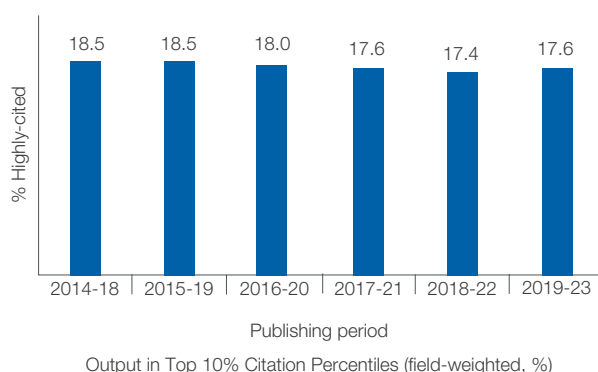
According to the Graduate Outcomes Survey, each of the last five graduating cohorts of first-degree students exceeded the benchmark by 3 or more percentage points.

## Income from research grants and contracts (£m)

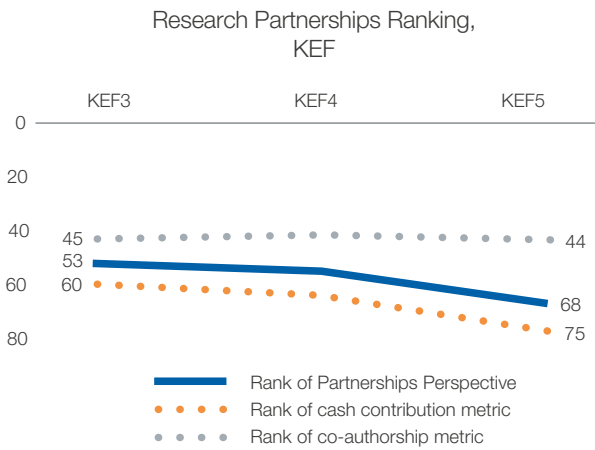
**Driving high-impact research****Income from research grants and contracts**

The University has recorded a significant growth in research income over the last five years, growing by more than a third to £51m in 2024-25. Following a 13% year-on-year increase in 2023-24, Bath's research income remained stable at £51m in 2024-25.

## Percentage of papers that are highly-cited

**Percentage of papers that are highly-cited**

The proportion of highly-cited papers has been declining for the UK HE sector and Bath's decline has been in line with comparator institutions. Bath's latest figures show a small increase, suggesting that its interventions are working.



Research Partnerships

The Knowledge Exchange Framework (KEF) measures research partnership levels as a combination of the cash contribution to collaborative research and co-authorship with non-academic partners.

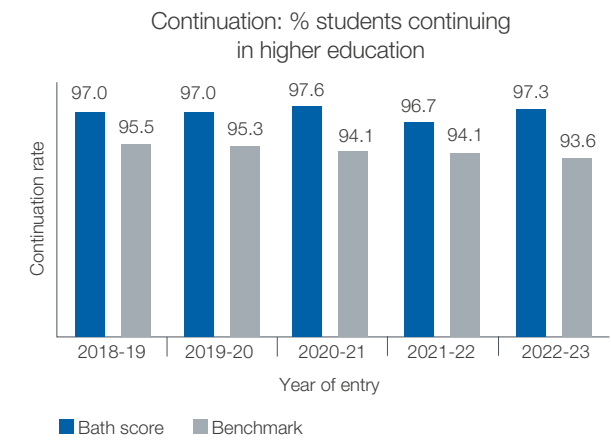
Bath was in the top half of the sector in Knowledge Exchange Framework (KEF 5), published in September 2025, below its KEF 4 ranking. The decline was due to cash income from collaborative external partners not increasing as fast as public funding overall.

Fostering an outstanding and inclusive community

Continuation rate

Bath remains well above the benchmark and amongst the very best in the sector.

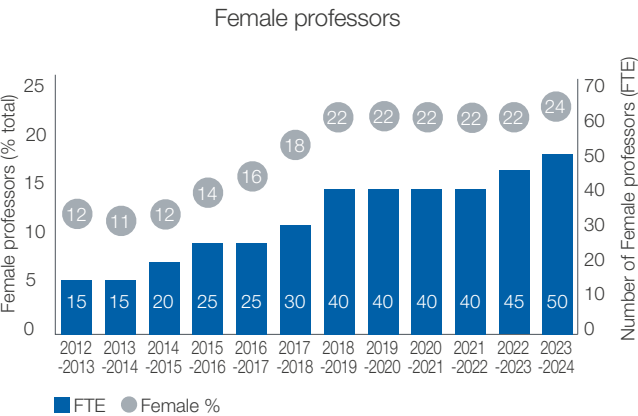
This is an important measure of how supportive the University's learning environment is and will remain one of our strategic priorities.



Percentage of female professors

After several years of little change, Bath's recent efforts have resulted in increased numbers of female professors, both in 2022-23 and 2023-24. Currently, nearly a quarter of the University's professors are female, compared to 12% in 2012-13.

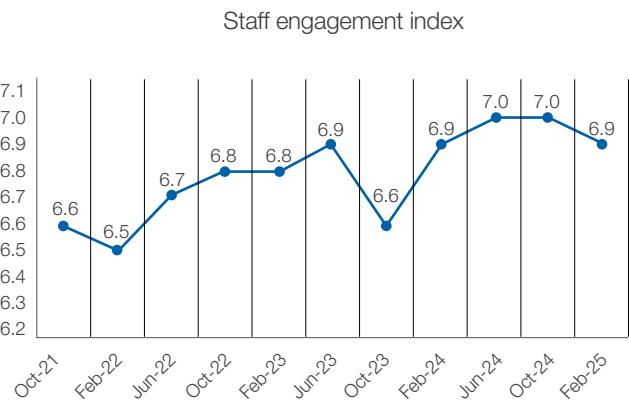
Diversity and inclusion are of utmost importance to Bath and will remain amongst our strategic goals.



Staff engagement index

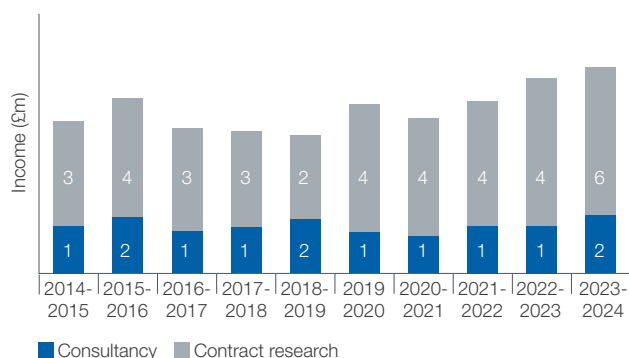
Broadly in line with the same time last year, at 6.9 the University's staff engagement index in February 2025, was only slightly below 7.0, Bath's 3-year high.

This indicator is based on a set of questions from an internal work and well-being survey. Going forward, we will be changing both the survey method and the indicator to enable benchmarking.



## Enhancing strategic partnerships

Consultancy and contract research income (£m)

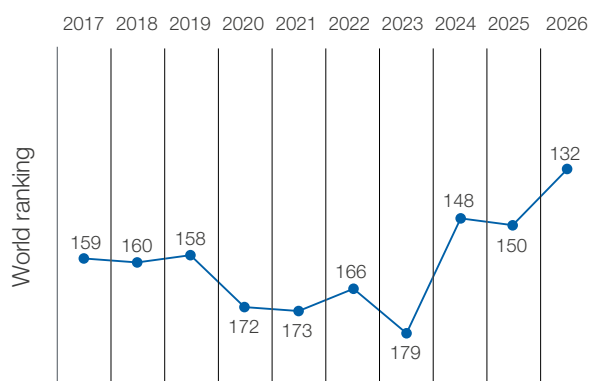


### Income from consultancy and contract research

With nearly a 40% year-on-year growth, income from consultancy and contract research reached £7.9m in 2023-24. This was driven by a £1.7m increase in contract research (up 39% on 2022-23).

This is a key indicator of the strength of Bath's strategic partnerships with business and industry.

Overall rank in QS WUR

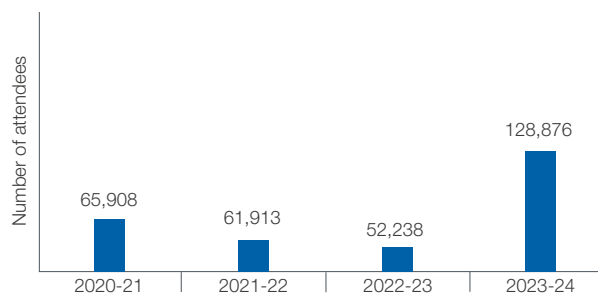


### QS World University Rankings

Bath's overall position in the QS World University Rankings is seen as an important indicator of international peer recognition.

The University saw a significant improvement this year, reaching 132<sup>nd</sup> place, its highest-ever ranking.

Attendees at free public events



### Attendees at public events

The number of attendees at the University's public events increased by nearly 150% in 2023-24. The increase has been driven by the diversification of our engagement, which included podcasts, videos and other media.

This is an important indicator of Bath's strong contribution to the economic, social, environmental and cultural life of our city, region and nation.

# Public Benefit Statement 2024-25

## Charitable Purposes

Our **Mission** is to deliver world class research and education, teaching our students to become future leaders and innovators, and benefiting the wider population through our research, enterprise and influence.

This Mission derives from our constitutional charitable Objects to “advance learning and knowledge by teaching and research, particularly in science and technology, and in close association with industry and commerce”. These Objects are set out in our Royal Charter of 1966 and constitute the University’s charitable purposes for the public benefit.

Members of the University Council, as trustees, have had due regard to the guidance on public benefit published by the Charity Commission in exercising their trustees’ powers or duties. The induction programme for new members of Council includes coverage of the Commission’s guidance. The full Council membership receives periodic briefings on regulatory matters, including the Charity Commission’s guidance and the requirements of the Office for Students.

Our commitment to delivering public benefit is at the core of our Mission. In furtherance of our Mission, our key objective during 2024-25 was to deliver excellence in our two primary charitable purposes, research and education.

Excellence in research, for us, means:

- Our research is internationally-renowned – tackling global challenges and attracting world-class researchers to work with us.
- Our research collaborations attract prestige academic and commercial partners – increasing our research power and extending our influence.
- Our enterprise and innovation delivers scientific and economic impact – benefiting communities locally, regionally, nationally and internationally.
- Our research environment is vibrant and supportive – nurturing talent from doctoral students and early career researchers through to established academics.
- Our culture is one of open enquiry and debate – challenging received wisdom and fostering the highest standards of research integrity.

Excellence in education, for us, means:

- Our teaching is inspiring and highly valued, delivered through a focussed range of curricula that are academically rigorous, research driven and practice-based.
- Our learning is enhanced through high-quality spaces, effective technologies, and support for students’ active participation.
- Our community is inclusive, supportive and engaged, enriched by the diverse and international backgrounds of our students and staff.
- Our students are empowered to make positive contributions to society – locally, nationally or internationally – through attributes including awareness, understanding, reflection and intellectual curiosity.

- Our graduates have high levels of personal, professional, and academic skills enabling them to fulfil their potential and thrive in their chosen employment.

In our University Strategy 2021-26, we reaffirmed in our Vision Statement that our charitable objectives are undertaken for the public benefit:

*Our Vision is to be an outstanding and inclusive University community, characterised by excellence in education, research and innovation, working in partnership with others for the advancement of knowledge, in support of the global common good.*

## Research

In accordance with our Mission and charitable purposes, we aim to benefit society through our **research**. Our research ethos has a strong focus upon impact, tackling challenges of global significance under our three primary research themes of sustainability, health and wellbeing, and digital. Our academic staff comprises some of the finest researchers from around the world. As established in our Royal Charter, we value research partnerships and work with business, industry, the professions, the public sector and the voluntary sector. Consequently, our research benefits a wide range of stakeholders with international as well as national beneficiaries, ranging from individuals to corporates.

Through advancing knowledge, our research has a wide range of public benefits:

- stimulating economic development;
- informing public policy and professional practice;
- innovating, informing and inspiring;
- advancing individual and societal wellbeing;
- building international connections.

The international excellence of the University’s research was evidenced by the outcomes of the 2021 Research Excellence Framework evaluation of research quality. In terms of the overall quality of our submission, 92% was judged to be ‘world-leading’ or ‘internationally excellent’. In addition, 90% of the University’s research outputs (e.g., journal articles, books and patents) was rated ‘world leading’ or ‘internationally excellent’ for its reach and significance. In terms of having an environment that supports research, 98% of our submitted research activity was graded as ‘world-leading’ or ‘internationally excellent’.

Our research continues to have tangible economic and social benefits, locally, regionally and nationally. The University’s £70m green propulsion centre, IAAPS, was officially launched in September 2023. This state-of-the-art facility at the Bristol and Bath Science Park is developing clean, sustainable and affordable technologies to support the transport industry. Our multidisciplinary Bath Beacons empower our research community to tackle major global challenges by building consortia for large-scale funding. The University Beacons tackle issues such as harm reduction from drug use, managing antimicrobial resistance, Universal Basic Income, entrepreneurship and innovation, and sport and technology in a digital society.

In October 2024, the University was awarded £11m to establish a Mental Health Research Group, aiming to address the urgent



mental health needs of the region and increase capacity for applied research. This transformative funding, provided by the National Institute for Health and Care Research, is part of a larger £27m investment spread across nine regions in England. In May 2025, it was announced that a new Policing Academic Centre of Excellence (one of nine national Centres) would launch at the University in October 2025 to improve connections between researchers and police forces. Funded in partnership with UK Research and Innovation, the £4.5m investment will see each Policing Academic Centre of Excellence promoted across the policing sector as an accessible source of leading academic experts aligned with Policing's Areas of Research Interest and evidence needs. In 2024-25, the University established the Brunel Centre, with partners the University of the West of England (UWE Bristol) and Futures West, to pioneer new approaches to economic research and data analysis, making its findings publicly available to inform businesses and policymakers in the region and enable new collaborations to help power the region's industrial strategy. The Centre will receive Research England Development funding of £4.5m over the next five years. The University has also been named as one of twelve UK research institutions selected to receive a share of the £54m Global Talent Fund, a major new government-backed initiative to attract and support the relocation of outstanding international researchers and research teams to the UK.

In 2024-25, the value of our research portfolio was around £207m. We secured £65m in awards during the year. Around 58% of our research income is provided by UK research councils and these funders include impact in their criteria for evaluating grant applications. Consequently, we have an objective view of the potential public benefit of much of our research. We will continue to strengthen our international networks and partnerships to enhance

our international profile and our ability to sustain a world class research capability.

We believe that there is a clear secondary order public benefit in having an informed population, both nationally and internationally, particularly where complex global issues are concerned. We are proactive in engaging the media with our research work and providing expert comment on topical issues, including the Gaza conflict, the war in Ukraine, climate change, social media misinformation, and use of AI.

We work actively to ensure that our research is disseminated and understood beyond the world of academia. In 2024-25 our **Institute of Policy Research** published a series of Policy Briefs and Reports which are circulated to key decision-makers on a range of topics, including keeping young people in education until 18, parental leave and Universal Credit. Our **Public Engagement Unit** also plays a key role in disseminating our research. We utilise a wide variety of global media to disseminate knowledge beyond the confines of campus, including Massive Open Online Courses (MOOCs), events and a range of social media channels.

In advancing knowledge to improve health and wellbeing, we undertake various projects in medical research and medically-associated biological research. This work is funded by the Medical Research Council, the Biotechnology and Biological Sciences Research Council, and major medical charities, including Wellcome, Cancer Research UK, the British Heart Foundation, Arthritis Research UK and Diabetes UK. Research in the UK involving vertebrate animals is regulated, within the framework of the Animals (Scientific Procedures) Act 1986, by the Home Office Animals Scientific Procedures Division and Inspectorate. All work

on vertebrate animals is conducted under Home Office Licence. This means that any projects we undertake have been through an ethical review process and have then been assessed by a Home Office Inspector. We are committed to the three Rs – Refinement, Reduction and Replacement of experiments involving animals.

## Education

In advancing and disseminating knowledge, the education we provide has a wide range of public benefits:

- developing people;
- providing skills for the workforce;
- informing professional practice;
- innovating, informing and inspiring;
- building international connections.

The University of Bath is a first-choice destination for students in an increasingly competitive, international recruitment market. Students are attracted by our excellent academic reputation, our outstanding graduate employment record, our world class sports facilities, and the wide array of other social, recreational and personal development opportunities we offer. Our ability to offer placement options across our discipline base, and with leading organisations, is one of the features that distinguishes us from other top UK research-intensive universities. Our graduates have excellent employment prospects, not only because of their discipline-specific knowledge and skills but also because of the emphasis we place on developing well-rounded, enterprising individuals with high aspirations. As a result, our graduates are well-equipped to contribute to economic growth and policy development, as well as making a positive social contribution.

Our teaching excellence is evidenced by our 'Triple Gold' award for the overall assessment in the 2023 Teaching Excellence Framework (TEF 2023), as well as the two underpinning aspect assessments (Student Experience and Student Outcomes). Bath is ranked in the top ten in all of the most recent editions of the major national university league tables, including an 8<sup>th</sup> place ranking in The Guardian University Guide 2026. Bath is ranked joint 132<sup>nd</sup> in the QS World University Rankings 2026. In 2024-25, our core student population comprised 15,955 undergraduates, 3,755 taught postgraduates and 1,630 research postgraduates.

Our students are key beneficiaries of our teaching activities, and we measure our success in terms of their outcomes and their experience. Our continuation, completion and progression rates are some of the best in the sector, and this contributed to the University achieving Gold in the TEF2023 for Student Outcomes. According to Office for Students data, ninety-seven per cent of our taught, full-time, first-degree students continue<sup>1</sup> and complete<sup>2</sup> their studies, and 86% progress to professional or managerial studies or other positive outcomes such as further study<sup>3</sup>. In terms of undergraduate student experience, we perform strongly at institutional level in the National Student Survey (NSS), scoring above the Office for Students (OfS)<sup>4</sup> benchmark in six out of seven survey themes in NSS 2025. Historical performance in NSS contributed to the Gold award for Student Experience in the TEF2023.

Beneficiaries of our education activities range from school age (aspiration raising/mentoring) through to mature learners (continuing professional development and MOOCs), and include undergraduates, taught postgraduates and research postgraduates. We recruit internationally and are committed to promoting a diverse student population.



<sup>1</sup> 2019-20 – 2022-23 entrants

<sup>2</sup> 2016-17 – 2019-20 entrants

<sup>3</sup> 2019-20 – 2022-23 qualifiers

<sup>4</sup> A weighted sector average which adjusts for student and course mix

The University's Access and Participation Plan (APP) 2024 to 2028 was approved by the OfS in November 2023. We were one of 40 volunteer providers that submitted an APP during 2022-23 following a new set of regulations and guidance. The APP focuses on nine key risks to equality of opportunity, with a particular focus on home undergraduate students from low socio-economic backgrounds and those who identify as a minority ethnic group and/or have a declared disability. It addresses how we will improve the diversity of students who access the University, making sure students from specific groups complete their studies and narrowing the degree outcome gap. The APP is already showing signs of success, with the proportion of students admitted to the University that were eligible for free school meals increasing and the University meeting its annual milestones in the APP.

We recognise that undergraduate tuition fees may be a barrier to accessing our teaching. We publicise the financial support that we can provide to prospective students through our website and Open Days. In 2024-25 we provided £3.85m of financial support to 1,326 undergraduate students in the form of bursaries and campus credit for individuals paying fees under the 2012 fee regime with a household residual income (HRI) of £30,000 (£25,000 for pre 2024 entrants) or below. This included £791k of support to 170 students in receipt of the University's Gold Scholarship Programme, which is jointly funded by the University and sponsors. Our Alumni Funds provided £67k of financial support to 29 undergraduates with an HRI of £42,875 and below. The Accommodation Bursary scheme is available to those with a household income assessment of up to £60,000 and who meet the new scheme criteria. This scheme provided £712k of bursaries in the form of credits to accommodation accounts to 969 students. In total, £4.6m of financial support was awarded to 1,761 undergraduate students.

Employers are also beneficiaries of our education activities through the skillset of our graduates. Domestically, Bath was ranked 6<sup>th</sup> in the UK for graduate prospects in the Complete University Guide 2026 and performs extremely well in this measure in all other national league tables. In the QS World University Rankings 2026, the University of Bath was ranked 100<sup>th</sup> in the world in the employer reputation performance measure. We also measure our success in delivering the skills that employers want in terms of our ability to maintain our network of placement sponsors.

The wider community also benefits from our ability to attract high quality, engaged students. Working in close partnership with the Students' Union, the University offers a wide range of opportunities for personal development, including volunteering, summer internships, personal development and skills training. In providing a wide range of opportunities to learn through experience and enhance personal development and career prospects, we are producing graduates who are well-equipped to act as good citizens and members of local, national and international society. Students can volunteer to help with outreach activities, encouraging gifted and talented young people from socio-economic groups under-represented in Higher Education, to raise their educational aspirations. We provide a supportive learning environment, with central student services and academic departments working in partnership.

## Creativity, Enterprise and Innovation

The knowledge that we generate through our research and education activities can be exploited to achieve a number of public benefits:

- innovating, informing and inspiring;
- engaging communities and working in partnership;
- stimulating local economic and social development;
- building international connections.

We are sector leaders in knowledge exchange, applying fresh thinking to accelerate economic growth and social advances. Our Innovation Centre is helping to diversify the economic profile of the City by incubating high yield businesses. We are a member of the **SETsquared partnership** which in March 2024 was ranked as the 3<sup>rd</sup> leading start-up hub in Europe and the top entry from the UK and Ireland by the Financial Times and Statista's Special Report on Europe's Leading Start-Up Hubs. Since launching in 2002, SETsquared has supported over 5,000 entrepreneurs, helping them to raise investment of £4.4 billion. An impact report by Warwick Economics published in December 2022 reported that companies supported by the SETsquared Partnership ecosystem have contributed £15.7 billion GVA (Gross Value Added) to the UK economy over the last 20 years.

We aim to create tomorrow's business leaders and foster an innovative culture. We signpost sources of skills development, funding and support. We offer enterprise education for students, and they are encouraged to develop entrepreneurial skills. A number of students develop business models or launch their own businesses whilst studying. SETsquared offers the Student Enterprise Programme, providing opportunities for students to gain hands-on business skills and entrepreneurial training through inter-university activities.

As part of our culture of creativity, enterprise and innovation, we seek to make a positive social, as well as economic, impact. The Minerva Series of Lectures provides opportunities to hear our experts share their insights on a range of topics, including science, politics, health, and sustainability.

## International Engagement

We believe that there is a benefit to our academic activities and, hence our charitable objectives, in having a truly international culture on campus. Our international culture also has benefits locally and regionally. Our ability to attract internationally renowned researchers contributes to our capacity to contribute to the regional and national knowledge economy. Through our international connections we can provide a conduit to disseminate best international practice and cutting-edge research locally, regionally and nationally. We also believe that a culturally diverse student population makes a positive impact on the experience of all our students.

In addition to the international profile of our education and research activities, we are forging international connections through our alumni network and our world class sports facilities. We have around 150,000 alumni across 170 countries. Our alumni are encouraged to make philanthropic donations to enhance the student experience, our physical infrastructure and our research capacity. This enhances our capacity to deliver our charitable objectives. We also have around 1,600 Alumni Experts, spread across 140 countries who support other alumni and students via our online mentoring platform, Bath Connection.

## Sustainable Bath

Universities are uniquely placed to support a pathway to sustainable development and growth. Through the education that we provide, we are enabling and empowering students with the knowledge and skills to make a contribution to global challenges. And through research and innovation, we are actively seeking to find ways in which we can create a better and healthier world for people and planet.

Our **University Strategy 2021-26** has sustainability as one of the core values: supporting a sustainable community and adopting best environmental practice. These core values are at the heart of the strategy for advancement, growth, and impact, defining the characteristics as a community.

For the University of Bath, sustainability is about conducting our activity (our research, our education, our operations and our engagement) in a way which embodies and addresses:

- environmental health and climate action
- social responsibility, equity and inclusion
- economic and financial sustainability

Collectively, we contribute positively to sustainability through world-class research, teaching, partnerships and collaboration. However, we also recognise that there are environmental and social impacts associated with our activities. Therefore, we have committed to maximise our contributions to a more sustainable world whilst also minimising our impacts wherever possible.

Reporting on University progress towards our sustainability commitments and goals is an important aspect of our transparent approach that enables our community to understand how we are doing, ongoing challenges and areas yet to be tackled. **University sustainability reports are published annually.**

## Actions and progress in 2024-25

At University of Bath, our commitment to sustainability has evolved over many years, encompassing a diverse range of teaching, research, and operational initiatives. We unified efforts with a focus on climate change through our whole-institution Climate Action Framework launched in 2020. Now, we are building on that work and broadening our joined-up approach through the wider lens of sustainability. To achieve this, we are working to identify our most significant areas for impact, ensuring our efforts and resources are directed where they can create the greatest benefit – for both people and the planet.

Over the past year, we have made progress embedding sustainability in institutional decision-making processes and

governance, including introducing a new **Sustainability Policy**. The policy provides the framework for our work going forward and through this framework, we will be establishing a set of targets and goals to align to our institutional ambitions.

Sustainability is a research strength for the University, and this is reflected across the range of disciplines in which we work, with projects tackling an array of sustainability challenges. In the past year, we have launched several large research projects to tackle sustainability challenges and used our research to take steps forward in building understanding of sustainability challenges and solutions. To further work in this important area, in January 2025 we launched the **Institute of Sustainability and Climate Change (ISCC)** to bring together expertise across the University with a commitment to tackle the most urgent sustainability challenges.

We have joined other leading institutions in signing the **Concordat for the Environmental Sustainability of Research & Innovation Practice**, recognising our responsibility to ensure that research continues to deliver positive impact, but not at the expense of the planet.

Through the education we provide at Bath, we seek to empower all students and graduates as leaders for sustainability. To enable this, we have compiled and developed **resources**, training and case studies to help educators meaningfully embed sustainability in teaching and curriculum development. We also continue to provide co-curricular opportunities focused on sustainability, including sustainability themed **Vertically Integrated Projects (VIPs)**, **Carbon Literacy courses** and Climate Fresk workshops.

We develop meaningful collaborative partnerships locally, nationally and internationally to help increase the impact we have in addressing sustainability challenges. This year we have **co-delivered workshops for young climate leaders** as part of the **Climate Catalysts Mentorship Programme** (from the UNFCCC's **Youth4Capacity** and UNDP's **Youth4Climate** initiatives). We also attended **COP29** and presented **ActNowFilm**, a collaborative production from our Institute for Policy Research and **Cambridge Zero**.

In comparison to last year, our total emissions have decreased by 3% to 127 ktCO<sub>2</sub>e. We've introduced several policies and programmes in the past year to propel our efforts to reduce our environmental impact. We have introduced new policies and processes, including a Sustainable Procurement Policy, Thermal Comfort Policy and Sustainable Building Standard. We continued to carry out improvements and upgrades to our campus infrastructure to enable energy savings, including improving metering and data systems, and upgrading lighting. To propel efforts further, we have modelled scope 1 and 2 carbon reduction scenarios in line with a review of our Net Zero targets and we are exploring partnering arrangements to address the funding and delivery capacity challenges that we face in order to deliver large scale upgrades.

In 2025 we were excited to open the **UK's first fully recyclable 3G sports pitch**.

Our staff and student community are motivated and engaged to act on sustainability. This year, we celebrated over 400 staff and students taking action for sustainability at our annual awards event. Alongside our existing lab sustainability programme, **LEAF (Laboratory Efficiency Assessment Framework)**, we launched a new staff sustainability engagement programme, **Green Impact**.

Our Students' Union continue to support student sustainability action, primarily through student groups and volunteering.

## Other Local Impacts of our Activities

We are the second largest employer in Bath and North East Somerset, with around 3,800 employees. A study on the **Economic Impact of the University of Bath**, conducted by Oxford Economics in 2025, estimated that in 2023-24 the University supported over 7,000 jobs and contributed £510m to the Bath and North East Somerset economy, equivalent to nearly 9% of the area's total Gross Value Added (GVA). Across the UK, the University's economic footprint extended to £986m GVA and over 13,000 jobs, alongside £202m in tax revenues. We undertake three 'Work and Wellbeing' surveys a year, benchmarking the results against ONS data. We are also a socially responsible employer, with accreditation from the Living Wage Foundation, Disability Confident Leader accreditation and an excellent record in AthenaSWAN.

In May 2024, four of Bath and North East Somerset's key civic institutions, the University of Bath, Bath Spa University, Bath and North East Somerset Council and the Royal United Hospitals Bath NHS Foundation Trust, signed an agreement to work more closely together for the benefit for the region. **The Future Ambition Civic Agreement** commits us to collaborate and address key challenges and opportunities for the region to help its communities thrive, as well as learning from each other to continuously improve how we operate. The five key themes include; working to ensure opportunity for all, the development of digital infrastructure, a focus on climate and nature preservation, developing a sense of community through supporting creativity and culture, and driving sustainable growth through inclusive innovation.

We do not believe that there is any direct harm or detriment to the public arising from our Mission and corporate goals. However, our success in attracting students does mean that our student population puts a significant demand on the residential accommodation in the Bath and North East Somerset area so we liaise with the planning team of the Bath and North East Somerset Council to inform their accommodation forecasts. During 2022-23, our new Campus Masterplan was incorporated in the B&NES Local Plan: Partial Update. The Masterplan assesses the future development capacity of campus and balances demand for new residential accommodation and non-residential accommodation on campus. We are currently liaising with the Bath and North East Somerset planning team to inform the evidence base to be used to underpin the development of the new Local Plan.

We hold three meetings a year of the University of Bath Local Residents Forum to ensure that our nearest neighbours are briefed on our capital plans and our programme of events for campus. In this way, we try to mitigate the impact of our activities on our immediate community.

We seek to promote the highest standards of scientific and professional integrity and to give due consideration to the ethical, social and environmental issues arising from our activities.

## Trade Union facility time

The number of University employees who were relevant union officials during the year to 31 March 2025 was 31 (29.3 FTE). All of these employees spent between 1% and 50% of their time working on facility time. The percentage of the University's total pay bill spent on facility time was 0.1%. The percentage of time spent on paid trade union activities as a percentage of total paid facility time hours was 17.3%.



# Statement of Corporate Governance

We are committed to best practice in all aspects of corporate governance and have adopted the Committee of University Chairs' Higher Education Code of Governance which each year the Council reviews to ensure we remain compliant with it, other than where we explicitly explain otherwise in the published Council minutes.

We endeavour to conduct our business in accordance with, and with due regard to, the seven "Nolan" principles of public life.

## Constitution and powers

We are an educational charitable and chartered corporation, established by a Royal Charter granted in 1966. As an educational charity, with exempt status, our principal regulator is the Office for Students. Our activities are conducted in accordance with, the provisions of the Education Acts; orders or directions made by the Secretary of State; other enactments or regulations from time to time in force; and its Charter, Statutes, Ordinances, and Regulations.

The Charter, Statutes and Ordinances set out the requirements, and define the responsibilities, of Council and Senate, alongside the responsibilities of the Vice-Chancellor and President.

## Council

### Statement of Council responsibilities

In accordance with the Royal Charter, the Council is responsible for the governance and oversight of the administration and management of the affairs of the University. The Council is responsible for preparing the Strategic Report and the financial statements in accordance with applicable law and regulations.

The Council is required to prepare and publish financial statements for each financial year. The Council is required to prepare the financial statements in accordance with the applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). In addition, the Council is required to prepare the financial statements in accordance with the OfS Regulatory advice 9: Accounts direction (issued October 2019) (the 'OfS Accounts direction'), the OfS Terms and conditions of funding for higher education institutions (issued July 2024), any requirements of UK Research and Innovation (including Research England) and the Department for Education and other financial reporting regulations relating to the constitution and activities of the University which are relevant to its financial affairs.

Under applicable law, the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University and the Group for that year.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the University's

Charter and Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 edition, Accounts Direction issued by the Office for Students (OfS), and other relevant accounting standards.

The Council is required to prepare and publish financial statements for each financial year which give a true and fair view of the state of affairs of the Group as at 31 July 2025 and of the Group's income and expenditure, gains and losses, changes in reserves and of the Group's cash flows for that year.

In preparing the financial statements, the Council is required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Council have taken reasonable steps to:

- ensure that funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- ensure that funds provided by the OfS, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2024) the funding agreement with UK Research and Innovation (including Research England) and the Department for Education, and any other terms and conditions attached to them;
- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS;

- ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies;
  - ensure an effective framework – overseen by the University's Council and Senate – to manage the quality of learning and teaching and to maintain academic standards;
  - consider and act on the OfS' assessment of the University's risks specifically in relation to these funding purposes; and
  - ensure that there are appropriate financial and management controls in place to safeguard public funds and from other sources.
- the Members have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Council comprises independent, staff and student members appointed or elected in accordance with its Charter, Statutes and Ordinances. The majority of members are non-executive, including the Chair. The University's Chief Executive, the Vice-Chancellor, is an *ex officio* member of Council. Appointments to Council are considered by the Nominations Committee which makes recommendations for Council's approval.

The **Council** confirms that:

- so far as each Member is aware, there is no relevant audit information of which the auditor is unaware; and

Council membership for the year to 31 July 2025 (including subsequent new members to the date of approval of the Annual Accounts) was as follows:

| Council membership for the year to 31 July 2024 |                             |                                   |                             |
|-------------------------------------------------|-----------------------------|-----------------------------------|-----------------------------|
| <b>Ex officio members:</b>                      | Professor Phil Taylor       | Vice-Chancellor and President     | Term began 1 August 2024    |
|                                                 | Dr Sabina Gheduzzi          | Chair of Academic Assembly        | Term began 1 August 2024    |
| <b>Appointed members:</b>                       | Pamela Chesters CBE         | Chair of Council                  | Term ended 31 October 2025  |
|                                                 | Sharon Flood                | Chair of Council                  | Term began 1 November 2025  |
|                                                 | Maria Bond                  |                                   |                             |
|                                                 | Tim Ford                    | Senior Independent Director       | Term ended 31 July 2025     |
|                                                 | Alun Griffiths              |                                   |                             |
|                                                 | Professor Dot Griffiths OBE |                                   |                             |
|                                                 | Tim Hollingsworth OBE       |                                   | Term ended 31 July 2025     |
|                                                 | Don McLaverty               |                                   |                             |
|                                                 | Jo Rhoden                   |                                   | Term began 1 September 2024 |
|                                                 | Professor Anthony Smith     |                                   | Term began 1 September 2024 |
|                                                 | Calum Mercer                | Treasurer                         |                             |
|                                                 |                             |                                   |                             |
| <b>Staff members:</b>                           | Dr Teslim Bukoye            |                                   | Term ended 31 July 2025     |
|                                                 | Kate Ehrig-Page             |                                   | Term ended 31 July 2025     |
|                                                 | Dr David Moon               |                                   | Term ended 31 July 2025     |
|                                                 | Esther Reeves               |                                   | Term began 1 August 2025    |
|                                                 | Professor Paul Shepherd     |                                   |                             |
|                                                 | Professor Marcus Munafò     | Deputy Vice-Chancellor            | Term began 1 May 2025       |
| <b>Student governors:</b>                       | Jimena Alamo                | Students' Union President         | Term ended 22 June 2025     |
|                                                 | Benjamin Orford Thompson    | Students' Union President         | Term began 23 June 2025     |
|                                                 | Amber Snary                 | Students' Union Education Officer | Term ended 22 June 2025     |
|                                                 | Helen Slater                | Students' Union Education Officer | Term began 23 June 2025     |

Council can establish committees for any purpose or function, other than those which are assigned elsewhere in its Charter, Statutes and Ordinances to the Vice-Chancellor and President or to Senate or designated as the sole responsibility of Council. The four main committees are the Audit and Risk Assurance Committee; Finance Committee; Nominations Committee; and Remuneration Committee. All committees are formally constituted with written terms of reference, and are comprised of a majority of lay members, one of which is designated the Chair. The decisions of the Committees are formally reported to Council.

In accordance with its Charter, Statutes and Ordinances, Council has appointed a Secretary to the University Council who provide independent advice on matters of governance to all members.

## Senate

Senate is responsible for the quality of the student experience, the quality and standards of our awards and for providing advice to the Vice-Chancellor and President on the strategic direction of our academic activity. Senate provides Council with assurance that our academic strategy, governance and practice are fit for purpose and approves new additions and revisions to academic policy. It has oversight of all academic provision through its regulatory, quality management and enhancement frameworks.

It is chaired by the Vice-Chancellor and President; its membership consists of Executive members and non-Executive members elected from the academic and student community.

## Leadership and management

The Vice-Chancellor and President is our Chief Executive Officer and is accountable to Council for the organisation, direction and management of the University. The Vice-Chancellor is the Accountable Officer, as required under the Office for Students ongoing conditions of registration (E3), with the responsibilities set out under Regulatory Advice 10. The Vice-Chancellor and President is supported and advised by the University Executive Board (UEB).

This group is the senior leadership and executive decision-making group for us; it oversees our long-term academic and financial sustainability and the implementation of medium and short-term strategies. UEB also manages corporate risk, makes business decisions on our development, and progresses the business of Council.

It is chaired by the Vice-Chancellor and President; its membership consists of the Pro-Vice Chancellors, the Vice-Presidents, the Deans, the Chief Operating Officer, and directors of some professional services.

The University is organised into the following faculties and school, each led by a Dean:

- The Faculty of Engineering & Design
- The Faculty of Humanities & Social Sciences
- The Faculty of Science
- School of Management

## Internal Control and Risk Management

Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public funds and assets for which it is responsible. This system of internal control is designed to manage – rather than eliminate – the risk of failure to achieve policies, aims and objectives: it can therefore only provide reasonable, not absolute, assurance of effectiveness.

Below is a description of the main features of the internal control and risk management systems for the University:

- Council approves the Institutional Risk Register and its mitigating actions which identifies the principal risks to the achievement of our strategic objectives.
- The Vice-Chancellor and President as Accounting Officer is responsible for maintaining and promoting the operational efficiency of the University's risk management processes.
- University Executive Board support the Accounting Officer to carry out his risk management responsibilities through the regular update and review of the Institutional Risk Register through the year.
- External auditors are appointed for the audit of the Annual Accounts, and any other audit certification work conducted in accordance with the requirements of the OfS and other public funding bodies.
- A professional internal audit team are employed to undertake an annual programme of work intended to test the effectiveness of the internal control and risk management systems.
- Council receives assurances on the effectiveness of the internal control and risk management systems via receipt of reports and minutes from the Audit and Risk Assurance Committee (ARAC) throughout the year.
- For ARAC to provide assurances to Council it:
  - approves a programme of internal audits which also seeks to address value for money as appropriate. This informs the opinion on value for money in the annual report from Internal Audit.
  - considers regular reports from Internal Audit on specific areas, together with recommendations for improvement which are then tracked by the committee.
  - considers an annual report on the external audit of the Annual Accounts and meets with external auditors to discuss any concerns identified.
  - considers other reports on matters of internal control, including the annual Procurement Report, the annual statement and any associated reports on Public Interest Disclosure and matters of fraud and irregularity.
  - receives a report reviewing the Institutional Risk Register at each of its meetings, enabling it to recommend amendments considering changes in the risk profile in particular areas.

Council has considered our processes and is of a view that they are adequate to meet our needs and are in accordance with the direction from the OfS for identifying, evaluating, and managing risks during the year.

## Ensuring Regularity and Propriety in the Use of Public Funding

Consideration of the financial position of the University is a standing item for the Finance Committee with it receiving an update from the Director of Finance at every meeting. A report from the Finance Committee also comes to every meeting of Council which includes a summary of the financial position of the University. Oversight of the use of public funding is also provided through the Senate which has responsibility for the University's academic activities. Internal Audit may also conduct audits of the University's processes for handling such monies with these reports being considered by ARAC. The Finance Committee also reviews the University's TRAC returns on an annual basis.



## Review of Principal Risks

Our approach to risk management is described in the Statement of Corporate Governance (page 20). Our institution is experimental and ambitious and as such, is prepared to take managed risks in pursuit of our objectives. We consider what might prevent or promote achieving our objectives in our decision-making processes along with possible unintended consequences. In this way we intend to increase the probability of realising our objectives and protecting the values, reputation and financial sustainability of the University.

| Institutional Risk                                                                                                                                                                                                                                                                                                                                                                                                                  | Mitigation                                                                                                                                                                                                                                                                                              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Cyber Security</b><br>The damage arising to the University from any compromise to the confidentiality, integrity, or availability (CIA) of our information or that of our partners.                                                                                                                                                                                                                                              | Cyber-attacks are increasing in frequency and complexity. We are investing in a number of improvements to our defences and control framework.                                                                                                                                                           |
| <b>Student Recruitment</b><br>If we fail to recruit the number, type and quality of students required to meet targets, pressure on University finances will increase impacting on its long-term financial sustainability.<br><br>The market is increasingly competitive and can be volatile due to macro-economic and geo-political events, making forecasting more uncertain.                                                      | A range of mitigating actions are being implemented to reduce our exposure to market volatility and take opportunities to target new markets. This includes activity on course portfolio, pricing, market diversification, recruitment channels and global voice and reputation.                        |
| <b>Governance Risk &amp; Compliance</b><br>Insufficient governance, risk and compliance arrangements will hinder the development of the University and realisation of objectives by impacting decision-making, organisational culture and effectiveness. In a worse-case scenario failure could result in legal and regulatory enforcement including fines, OfS deregistration, and loss of UKVI student and worker sponsor status. | We are taking steps to improve and strengthen these arrangements including implementation of a new enterprise risk management framework, investment in its Governance function and ongoing review of policies and control frameworks.                                                                   |
| <b>Digital Transformation</b><br>If the University does not successfully deploy emerging digital technologies to build consistent, inclusive and engaging digital learning environments, then it will not deliver the digital transformation needed to strategically, efficiently, and innovatively achieve its strategic objectives.                                                                                               | Digital technologies increasingly underpin a wide range of activities across the institution. We are investing in a range of programmes and projects to transform our digital environment to enable us to meet our objectives.                                                                          |
| <b>Organisational Resilience &amp; Business Continuity</b><br>If the University does not have an effective Organisational Resilience & Business Continuity Framework in place, then should a significant event occur, the response will be sub-optimal resulting in operational disruption, a negative impact on the timeliness and ability to recover, and reputational damage.                                                    | We are making improvements to the business continuity framework to strengthen its operational resilience against disruption from a range of adverse events. This includes updates to business continuity plans, response frameworks, notification systems and investments providing greater resilience. |

| Institutional Risk                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Mitigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Global Reputation &amp; Impact</b></p> <p>If the University does not invest in its reputation and brand internationally, then its international reputation will not be commensurate with the quality of its research and education. This may result in negative impacts on recruitment of international students, researchers, partnerships and financial sustainability.</p>                                                                                                                                                                                         | <p>To ensure the University can compete in the increasingly competitive international environment, we are developing a new International Strategy and investing in a significant Global Voice and Reputation project.</p>                                                                                                                                                                                                                                                                                                                                                                         |
| <p><b>Workforce Transformation</b></p> <p>The risk that the University does not effectively transform its workforce and manage talent to align with and deliver new strategic priorities.</p>                                                                                                                                                                                                                                                                                                                                                                               | <p>To deliver our objectives we are developing a new Workforce Strategic Plan, investing in leadership development and transforming our academic career system.</p>                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <p><b>Financial Performance</b></p> <p>Insufficient cash generation will prevent investment in the physical, IT and infrastructure resources needed to deliver the strategy, and will ultimately impact the University's long-term financial sustainability.</p>                                                                                                                                                                                                                                                                                                            | <p>To ensure we generate sufficient operating cashflow we have established an operating surplus target and actions on income generation, operating costs and investment returns to deliver a sustainable financial performance.</p>                                                                                                                                                                                                                                                                                                                                                               |
| <p><b>Physical Infrastructure Capacity &amp; Quality</b></p> <p>The risk that the University does not have sufficient physical infrastructure capacity and quality to deliver its strategic objectives.</p>                                                                                                                                                                                                                                                                                                                                                                 | <p>To ensure the University's physical infrastructure remains fit-for-purpose, we are investing in a 15-year capital plan, developing a new Estates Strategy and building University-owned accommodation.</p>                                                                                                                                                                                                                                                                                                                                                                                     |
| <p><b>Education Excellence</b></p> <p>In an increasingly competitive market, the failure to maintain educational excellence in both experience and outcomes may result in the University losing its competitive advantage which will impact its ability to deliver the strategic priority of World-leading Quality Education.</p>                                                                                                                                                                                                                                           | <p>To build on our existing strengths in graduate outcomes and student experience, we are refreshing and updating our course portfolio, further developing our student experience and employability offer and developing our use of digital tools to support our education offer.</p>                                                                                                                                                                                                                                                                                                             |
| <p><b>Environmental Sustainability</b></p> <p>If the University does not deliver on its environmental sustainability commitments, then it will miss opportunities to play a leadership role in delivering solutions, attract research funding, staff and students and suffer financial and reputational impact.</p>                                                                                                                                                                                                                                                         | <p>We have in place a Climate Action Framework and continue to develop our policy framework and strategic planning for carbon reduction.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <p><b>Research &amp; Innovation Quality &amp; Impact</b></p> <p>If the University does not increase the quality &amp; impact of its research, while improving research culture and recovery rates to ensure it is sustainable, then we will be unable to deliver one of our new and emerging strategic priorities of World-leading Quality Research with Focus. Key contextual changes that will influence this risk are the spending review funding of DSIT and its impact on UKRI, together with the negative impact of geo-political volatility arising from the US.</p> | <p>The research environment is increasingly competitive, to achieve our objectives we are focusing on ensuring:</p> <ul style="list-style-type: none"> <li>• Faculty &amp; research entities deliver against the Research Strategy.</li> <li>• Strengthening the international reach of the University's research and increasing income from international funding streams.</li> <li>• The digital needs for research are being met now and, in the future.</li> <li>• Research Infrastructure &amp; Facilities are delivering a high-quality service for internal and external users.</li> </ul> |



## Statement of Equality Objectives 2023-25

We value, promote and celebrate inclusion, challenge discrimination, and put belonging at the heart of everything we do. Our objectives help us remain vigilant – to value, promote and celebrate inclusion, challenge discrimination, and keep belonging at the heart of everything we do. Each objective is underpinned by a clear action. We report on progress against these each year.

1. Nurture high aspirations and ensure all students are supported to achieve their true potential by identifying and overcoming barriers, particularly for under-represented groups.
  - Teams are working hard to achieve the relevant Access and Participation Plan (APP) objectives.
2. Engage proactively in fostering an environment where everyone is treated with dignity and respect and combating discrimination.
  - Mandatory #NeverOK Active Respect training for staff and students improved and relaunched in August 2025.
  - We are developing a person-centred, values based informal employee relations framework to enhance positive behaviour when dealing with complaints, concerns and conflict.
3. Seek to make our environment accessible, leading to a more inclusive environment where all members of our community can thrive.
  - We have identified areas for improvement across our Estate to address key issues and gaps in provision which limit accessibility for our community.
4. Foster a culture of inclusion by building institutional confidence through our contributions to charters and awards.
  - We are continuing to advance our gender equality through Athena SWAN initiatives, achieving our first Departmental Gold in February 2025. We're awaiting outcomes on four Departmental applications that submitted for upgrades in 2025.
  - In September 2025, we were awarded an institutional Race Equality Charter Bronze award
  - In 2023, we renewed our commitment as a Disability Confident Leader.
  - We have successfully renewed our University of Sanctuary award in 2024.
  - We were awarded a Mental Health Charter status in October 2024.
5. Ensure all staff feel welcomed and supported by identifying barriers and putting remedial actions in place.
  - We are committed to reviewing equality of pay for under-represented groups, as well as continuing to reduce the gender pay gap.
  - We are committed to supporting staff returning from maternity leave or shared paternity leave via the Returning Parents Support Fund.

# Annual Report of the Remuneration Committee

## Introduction

The University of Bath Remuneration Committee, under delegated authority from Council, determines the remuneration of senior officers of the University. The current Terms of Reference<sup>5</sup> are available on our web pages. An update from each meeting is presented to Council by the Committee Chair.

| Remuneration Committee membership and meeting attendance for academic year 2024-25 |                                           |           |                        |               |           |           |
|------------------------------------------------------------------------------------|-------------------------------------------|-----------|------------------------|---------------|-----------|-----------|
| Status                                                                             | Name                                      | Term      | Attendance at meetings |               |           |           |
|                                                                                    |                                           |           | 22 Oct 24              | 12 Dec 24     | 11 Mar 25 | 30 Jun 25 |
| Chair                                                                              | Alun Griffiths,<br>Lay Member of Council  | 2023-2025 | ✓                      | ✓             | ✓         | ✓         |
| Members                                                                            | Pamela Chesters,<br>Chair of Council      | 2024-2025 | ✓                      | ✓             | ✓         | ✓         |
|                                                                                    | Tim Ford,<br>Lay Member of Council        | 2021-2025 | ✓                      | ✗             | ✗         | ✓         |
|                                                                                    | Jimena Alamo,<br>SU President             | 2023-2025 | ✓                      | ✓<br>to 11.30 | ✓         |           |
|                                                                                    | Benjamin Orford Thompson,<br>SU President | 2025-2026 |                        |               |           | ✓         |
|                                                                                    | Prof Paul Shepherd,<br>Member of Council  | 2024-2025 | ✓                      | ✓             | ✓         | ✓         |
| In attendance                                                                      | Richard Brooks,<br>Director of HR         | –         | ✓                      | ✓             | ✓         | ✓         |
|                                                                                    | Andrew Browning,<br>Head of Governance    | –         | ✓                      | ✗             |           |           |
|                                                                                    | Lauren Howells                            | –         | ✗                      | ✓             | ✓         | ✓         |
|                                                                                    | Ian Blenkarn,<br>University Secretary     | –         |                        |               | ✓         | ✓         |

|            |                    |                          |  |                         |
|------------|--------------------|--------------------------|--|-------------------------|
| <b>Key</b> | ✓ attended meeting | ✗ did not attend meeting |  | not required at meeting |
|------------|--------------------|--------------------------|--|-------------------------|

## Approach to Remuneration

The overall goal of our approach to senior staff remuneration is to offer levels appropriate to attract, retain and motivate senior staff who have the appropriate skills and qualifications to lead delivery of our mission and strategic objectives<sup>6</sup>. We recognise that our status as a public body is a fundamental part of the decisions regarding pay for all employees, particularly senior staff. Students and staff are important stakeholders in the University and we recognise that the reputation of the University as an education provider, and as an employer, can be influenced by perceptions of value for money and the way in which senior remuneration is set and governed.

We offer remuneration packages appropriate to a leading University, benchmarked against other UK HE institutions of comparable

scale, status and complexity operating in a competitive market. All decisions regarding the remuneration associated with specific roles are taken, with external advice when required, in accordance with our commitment to equality and diversity; financial position and value for money; the nature of the role; reward levels for other members of our University community; guidance issued by OfS and CUC; and metrics and benchmarks<sup>7</sup> from across the sector. When considering individuals, this also includes the attributes and skills of the candidate and, any changes in responsibilities and individual performance.

The University policies on expenses<sup>8</sup> and on income<sup>9,10</sup> generated by individuals from external bodies are published on the University webpages.

<sup>5</sup> <http://www.bath.ac.uk/statutory-bodies-committees/bodies-and-committees-council/remuneration/>

<sup>6</sup> As described at <https://www.bath.ac.uk/publications/senior-staff-remuneration-framework/>

<sup>7</sup> With a particular focus on pre-92 Universities with similar levels of income

<sup>8</sup> <https://www.bath.ac.uk/legal-information/travel-and-expenses-policy/>

<sup>9</sup> <https://www.bath.ac.uk/publications/university-ordinances/attachments/Ordinances-revised-November-2021.pdf>

<sup>10</sup> <https://www.bath.ac.uk/publications/university-consultancy-policy/>



## The 2024-25 Academic Year

The Committee met four times during the year according to its agreed annual cycle.

In October 2024 the meeting approved the Vice-Chancellor's objectives for 2024-25 for noting by Council and the Annual Remuneration Report. The Committee reviewed new guidance on its ED&I responsibilities and noted a number of decisions which had been made by circulation in the previous months. Operationally, the Committee approved remuneration envelopes for recruitment of a Deputy Vice-Chancellor, and a University Secretary, and supported a severance proposal.

In December 2024 the Committee considered the remuneration for the new Deputy Vice-Chancellor and Provost Professor Munafò noting the start date of May 2025. The Committee undertook its annual training, which this year included sector pay trends, pressures on the JNCHES pay spine and a draft reward and recognition roadmap. Data regarding equity in the Professorial pay system was also considered based upon three years of operating data of the new system.

The March 2025 meeting is dedicated to policy review, and the Committee spent some time reviewing its policy on the use of benchmarks in remuneration decisions. This review allowed the Committee to review the effectiveness of its implementation of policies on remuneration levels and equity. The Committee recorded decisions made by circulation regarding remuneration for the PVC(Global) and University Secretary & Registrar.

In June 2025, the meeting considered the requirements for the Autumn performance appraisal round and provided guidance to the Vice-Chancellor. A first draft of the annual Remuneration Report, for inclusion in the Annual Accounts was discussed.

## The Vice-Chancellor

Professor Taylor's salary was established with reference to external benchmarks<sup>11</sup>, taking into account sector guidance and the initial expectations for the role. The basic salary was published<sup>12</sup> as part of the announcement of Professor Taylor's recruitment. The Remuneration Committee will continue to monitor remuneration matters, but the Vice-Chancellor is not contractually entitled to a salary review until the end of his second year in post. Other than the standard inflationary uplift applied to all staff, no changes have been made to his salary during the current year.

Professor White, the previous Vice-Chancellor who stepped down in July 2024 retains an ongoing employment relationship with the University as a Professorial Fellow. In accordance with OfS guidance regarding previous Vice-Chancellors, his remuneration is recorded in these accounts. It is noted that Professor White's salary is commensurate with the responsibilities of the Professorial Fellow role, and aligns with sector benchmarks.

<sup>11</sup> The main comparators were: Surrey, Loughborough, Lancaster, UEA, York, Essex. Although different in scale, the following were also considered: Exeter, Newcastle, Bristol, Liverpool, Warwick.

<sup>12</sup> <https://www.bath.ac.uk/announcements/professor-phil-taylor-appointed-as-the-university-of-baths-next-vice-chancellor/>

## Financial Review

We continue to be focussed on delivering our University Strategy 2021-26 providing a high-quality educational experience, excellent research and supporting the health and wellbeing of students, staff and other members of our community on whose efforts our success is built. Our performance in national league tables, where we are in the top 10 for all the four major tables, and our significant improvement in global rankings, up 18 places to 132<sup>nd</sup> in the QS ranking, indicate some success to date.

Our financial strategy is based on generating sufficient operating cashflow to fund the investment in people and infrastructure that our strategy describes. Council and the Executive Board monitor financial performance by reference to our internal measure of surplus, Historic Cost Operating Surplus (HCOS). This provides a more meaningful measure of our operating performance and excludes the material valuation adjustments which are shown in the Statement of Comprehensive Income (SOCI). Further explanation and a detailed reconciliation of the deficit shown in the SOCI to HCOS is included below.

In 2024-25, our income from teaching and accommodation grew, driven by our growth in student numbers, both home and overseas, in what continues to be an increasingly competitive market. Expenditure also increased, albeit at a slower rate than income. Overall, there was an increase in surplus to £21.3m from £9.8m in the previous year (on the internal HCOS basis). To deliver our financial strategy we established a 5% Operating Surplus to Income target in 2023 and have achieved that target in 2024-25 (5.1%), two years earlier than planned. The financial environment for the sector is increasingly

challenging year on year. Inflationary pressures have continued to impact upon us. Our utilities costs remain high, and we continue to see increases in inflation across the range of product categories that we buy. Similarly, inflation continues to add to the pressure for higher pay. Conversely, the majority of our debt is fixed so our interest cost is not greatly affected by the increase in interest rates, and we have been able to benefit from the higher rates available on cash deposits.

We continue to retain significant cash and investment balances in preparation for supporting future investments in our Strategy and for the refurbishment of the original 1960s and 1970s buildings on campus. Operating cash inflows were £48.4m (2023-24 £40.4m) and we spent £40.5m (2023-24 £58.3m) on capital investments, including the acquisition of a leasehold interest in our John Wood Court student residences.

HCOS is one of seven Key Performance Indicators that we use to measure our financial performance and sustainability. This report describes the seven KPIs and then describes the Income, Expenditure and Balance Sheet data that the KPIs are drawn from. These KPIs were approved by Council in May 2019. The report concludes with an outlook for the future.

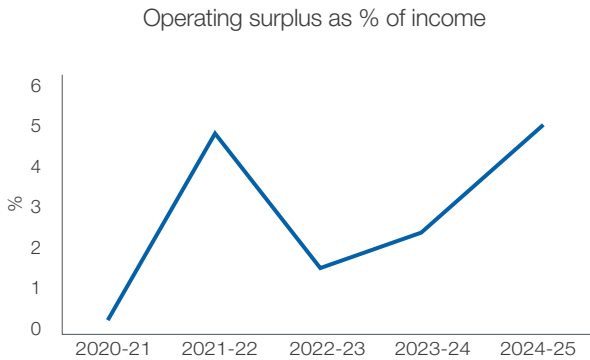
## Key Financial Performance Indicators

### Historic Cost Operating Surplus/Total Income

The Statement of Comprehensive Income (SOCI) shows a deficit before gains and losses of £18.5m (2023-24 £75.2m surplus) on page 47.

The table below shows a reconciliation between this figure and the HCOS.

|                                                            | 2024-25       | 2023-24     |
|------------------------------------------------------------|---------------|-------------|
|                                                            | £m            | £m          |
| <b>(Deficit)/Surplus before gains and losses from SOCI</b> | <b>(18.5)</b> | <b>75.2</b> |
| Capital grants                                             | (2.1)         | (2.1)       |
| Adjustment for pension schemes                             | (1.7)         | (94.5)      |
| Valuation adjustment for depreciation                      | 43.6          | 31.2        |
| <b>HCOS</b>                                                | <b>21.3</b>   | <b>9.8</b>  |



KPI - 1. HCOS/Total Income

Our HCOS surplus is disclosed in the table above as the best measure of our ability to generate cash and as such represents the level of surplus required to generate cash to fund our capital expenditure programme and meet loan payments.

Improved student recruitment, other income and continuing cost control led to an improved surplus of £21.3m, 5.1% of income.

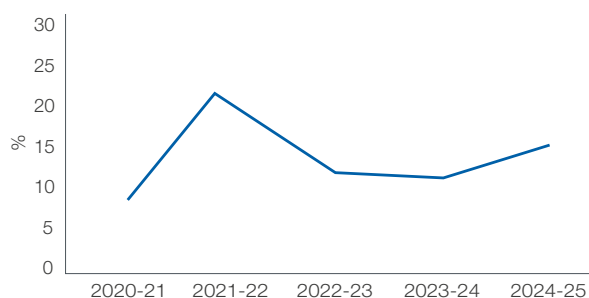
A commentary on income and expenditure is included later in this review.

HCOS takes the income and expenditure values recorded in the SOCI and adjusts them for valuation or material one-off items. These items are either infrequent e.g. capital grants or subject to market valuations e.g. pension valuations and so distort the underlying recurrent operating activity. Removing these items allows us to set and monitor a budget surplus at a consistent % of income. Including these items in the budgeted surplus would mean that as a % of income our target surplus could be materially different year on year and would make consistent reporting of the surplus challenging.

The rationale for these adjustments is described further below.

| Area               | Rationale                                                                                                                                                                                                                                                                                                                      |
|--------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Capital Grants     | Capital grants are dependent on capital spend which is recorded in the balance sheet. Including capital grants, which are now recognised only when the construction of the fixed assets has been completed, creates spikes in income and therefore surplus.                                                                    |
| Pension valuations | Both USS & LGPS are subject to periodic actuarial valuations and these valuations are heavily impacted by economic assumptions outside of the routine operational activity of management and therefore the valuation charges and credits are recognised after the HCOS.                                                        |
| Depreciation       | Our buildings are subject to annual valuations and total depreciation is based on these fair values, which are impacted by market conditions and building cost inflation, outside the control of management. This adjustment reflects the valuation element of the total depreciation charge and is recognised after the HCOS. |

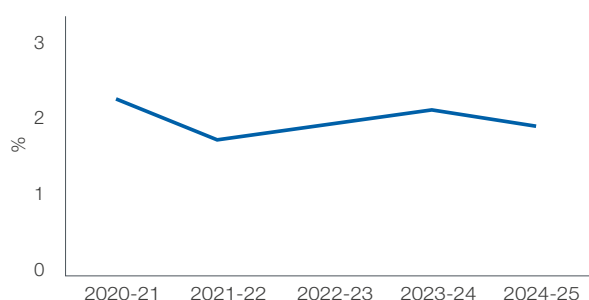
Adjusted EBITDA as a % of total income



## KPI - 2. Adjusted EBITDA

Adjusted EBITDA is widely used by the sector and provides a sector comparison of operating performance. The metric is earnings before interest, tax, depreciation, and amortisation, it is also adjusted to remove pension provision. EBITDA for 2024-25 is 15.5% of income (2023-24 12.0%). This is in line with previous years except 2021-22, when the IAAPS capital grant increased income, on a one-off basis.

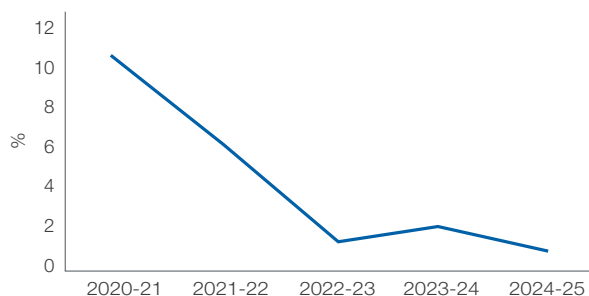
Ratio of loan interest payable to income



## KPI - 3. Ratio of Interest Payable to Income

Interest payable to income is the metric used to show how much of our income is spent on paying the interest on our loans. Similar measures are used by some of our lenders to assess our financial performance. In 2024-25 our result was 2.1% (2023-24 2.2%). The majority of our borrowing is at fixed rates so our additional income created an improvement in cover.

Net debt as a % of total net assets



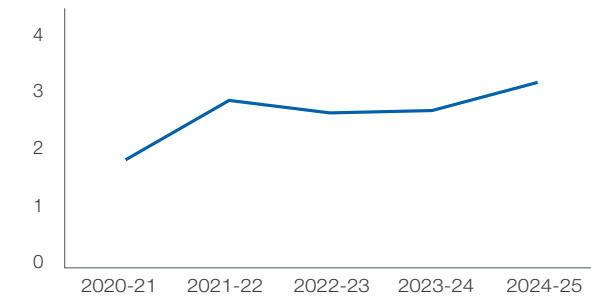
## KPI - 4. Net Debt to Net Assets – Gearing - Historic Cost Basis

Our gearing (on a historic cost basis) has decreased to 0.8% this year (2023-24 2.3%).

Net Debt to Net Assets is a measure to show the extent to which our assets are financed by debt. Whilst low compared to many sectors we have a high gross debt value relative to the HE sector. This reflects our financial strategy to borrow to fund investment whilst maintaining a high level of liquidity. Gearing is also a metric monitored by lenders and whilst the definition of debt varies our financial covenant gearing levels are well below the 50% threshold set by lenders.

In 2024-25 our Net Debt (on a historic cost basis) fell by £15.3m to £9.9m (2023-24 £25.2m), as a result of our strong cash generation in the year.

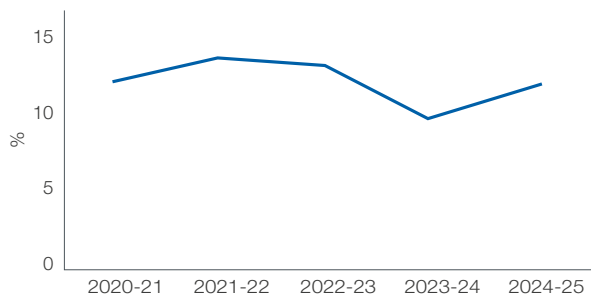
Ratio of current assets to current liabilities



KPI - 5. Ratio of Current Assets to Current Liabilities

The ratio of current assets to current liabilities is known as the current ratio. This shows our ability to cover our current liabilities by current assets. Our financial strategy is to maintain high levels of liquidity and we have borrowed in advance of capital expenditure, so the ratio is higher than many in the sector. The ratio has increased slightly in the year at 3.1:1 (2023-24 2.8:1). As we invest in refurbishing our estate, we would expect this ratio as well as our Net Liquidity Days (KPI 7) to reduce.

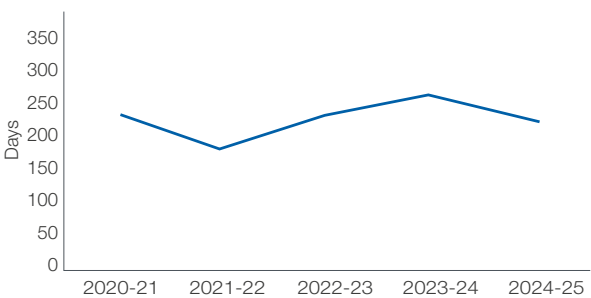
Net cash inflow to income



KPI 6. Net Cash Inflow from Operating Activities as % of Income

This measure shows the cash flow from our ongoing regular activities as a proportion of total income. It does not include long-term capital expenditure or investment returns. It can be used to determine our ability to self-finance new investments or reduce debt. Operating cash inflow is £48.4m which represents 11.6% of income (2024-25 £40.4m and 10.3%). The increase from last year is due to the improved HCOS result.

Net liquidity days



KPI 7. Net Liquidity days

This metric indicates the number of days that we could operate without generating any cash inflows by showing the ratio of expenditure to income expressed in days. Our strategy is to retain high levels of liquidity and as a result our ratio is 234 days (2023-24 282 days). Last year's figure included the USS credit in expenditure.

## Income

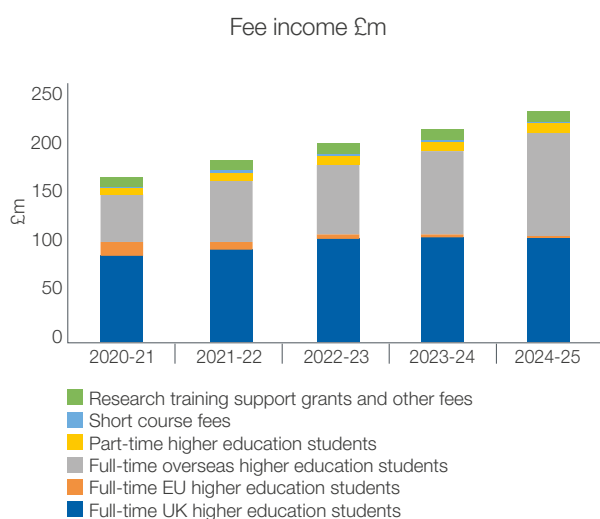
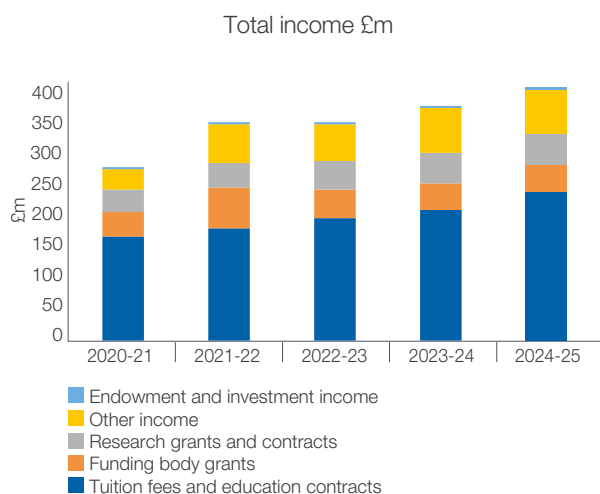
Total income increased by £26.5m (6.8%) from £391.2m to £417.7m

Tuition fee income increased by 8.7% to £238.5m. This was mainly due to an increase in full time home (up by £7.7m) and overseas students (up by £11.4m). Tuition fee income represents 57% of total income.

Total funding body grants increased from £41.2m to £43.7m. The increase was derived from specific grants with recurrent grants unchanged. Research grants were unchanged at £50.6m (2023-24 £50.6m).

Other income at £71.2m has increased by 4.4% (2023-24 £68.2m). This is due to the increase in income from residences, catering and conferences of £4.3m in 2024-25.

Endowment and donation income for 2024-25 remains unchanged from last year at £4.3m.



## Tuition Fee Income

Tuition Fee income increased by 8.7% to £238.5m (2023-24 £219.5m).

Fees from full time UK students rose by £7.7m (7.1%) to £115.8m. This increase came from an increase in the number of home undergraduate students, with home post graduate income unchanged.

Fees from full time overseas students (including EU students who now pay the overseas rate) rose by £11.4m to £100.7m. The increase was almost entirely from overseas undergraduate income, up £10.2m. Income from full time overseas students now represents 42.2% of all tuition fee income.

Fees from part-time students, short course and training student grants remained unchanged at £22.0m.

**Analysis of Fee-paying students as at 1st December****2023-24****2024-25****Headcount home fee status**

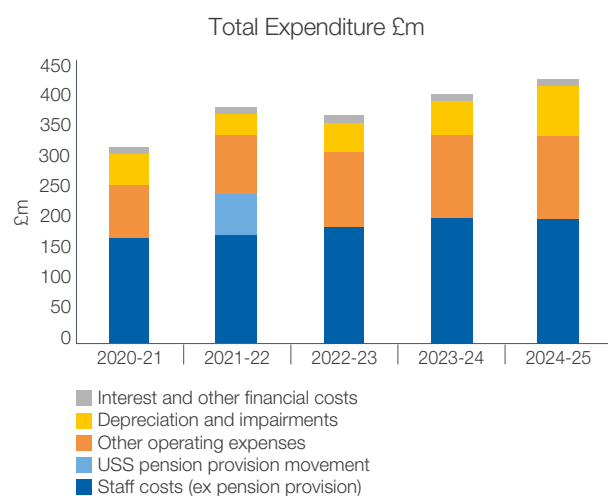
|                       |        |        |
|-----------------------|--------|--------|
| Undergraduate         | 12,911 | 13,359 |
| Postgraduate Taught   | 1,434  | 1,740  |
| Postgraduate Research | 1,039  | 1,006  |

**Headcount Overseas fee status**

|                       |       |       |
|-----------------------|-------|-------|
| Undergraduate         | 2,273 | 2,633 |
| Postgraduate Taught   | 1,364 | 1,417 |
| Postgraduate Research | 353   | 367   |

|              |               |               |
|--------------|---------------|---------------|
| <b>TOTAL</b> | <b>19,374</b> | <b>20,522</b> |
|--------------|---------------|---------------|

The table above summarises the standard registration population headcount for the years.

**Expenditure**

Expenditure reported in the SOCI increased by £120.2m to £436.2m. Last year's figure included a credit of £98.2m for the release of the USS pension provision.

Last year's recurrent expenditure, excluding the USS release, was £414.2m. The increase in recurrent expenditure in 2024-25 is, therefore, £22m (5.3%). Of this increase £18.8m relates to higher depreciation resulting from capital investments and valuation increases in previous years. Excluding depreciation, the increase is £3.2m (0.9%).

Our staff costs at £215.4m have increased by £7.4m (3.6%) over 2023-24, whilst average FTE numbers increased by 104 (3.1%) to 3,471. Academic department staff costs were £118.0m for 2024-25, 54.8% of total staff costs before pension adjustments.

Other operating expenses at £135.6m have decreased by 1.5% from £137.6m.

In the analysis of expenditure by activity (note 10), Academic Department expenditure increased by £9.2m to £160.7m and represents 36.8% of total expenditure (2023-24 36.6%). When combined with Academic Services this rises to 45.8% of all expenditure. Research grants represent 7.3% of total expenditure, premises 15.5%, and residences, retail and catering 13.2%.

Central Administration expenditure increased by 4.5% from £24.4m to £25.5m.

Staff and student facilities expenditure decreased by 2.5% to £19.2m. Residences, retail and catering operations expenditure increased by 11.0%, to £57.7m. There was a similar increase in income for this area of 8.6% (note 5).

Research expenditure increased by 8.9% to £31.7m, despite the corresponding income remaining unchanged (note 4).

Depreciation and impairment increased by £18.8m, to £76.2m (an increase of 32.8%) reflecting increased asset values and the higher levels of capital investment now being made.

## Other Comprehensive Income

The total comprehensive income in the year is £62.9m (2023-24 £226.5m).

The table below summarises those entries reported after deficit for the year on the SOCI of £9.7m (2023-24 surplus £81.0m) and reason for the change from 2023-24.

| Item                                              | Impact 2024-25 | Impact 2023-24 | Valuation impact                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------|----------------|----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial gain in respect of pension schemes      | £5.9m          | £0.3m          | At 31 July 2025 the discount rate used to estimate future liabilities of the scheme increased to 5.9% from 4.9% (as at 31 July 2024) and this reduced the liabilities due from the LGPS. This coupled with an increase in the market value of the assets held means that the scheme was reported to be in surplus as at 31 July 2025. |
| Change in the fair value of tangible fixed assets | £66.7m         | £145.2m        | Building valuation is determined by either market value or replacement cost less an allowance for use (depreciation). Building costs increased by 2.9% in 2024-25 against 5.0% the previous year. On a leasehold estate of £1,037.8m the net increase was £30m.                                                                       |



## Balance Sheet

### Fixed Assets

Our capital additions in 2024-25 were £40.5m (2023-24 £53.7m). The combination of this with depreciation and the revaluation gain reported in the table above saw fixed assets increase from £1,195.7m to £1,226.7m.

### Current Assets

Current assets increased by £37.8m to £267.8m. Of this our investments increased by £29.4m to £226.2m, which is due to strong operational performance in the year and the lower level of fixed asset expenditure.

### Creditors, amounts falling in less than one year

These increased by £3.7m, to £85.4m, with an increase in deferred income of £2.7m and taxation payable of £3.0m, partly offset by a decrease in trade payables of £2.3m. Loan repayments due next year remained unchanged at £2.1m.

### Creditors, amounts falling due in more than one year

These increased by £9.5m to £203.9m (31 July 2024 £194.4m). The main movements are the new finance lease on the John Wood Court student residences of £18.2m partly offset by the bank loan repayment of £2.1m in year and the gain on valuation of loan notes of £6.1m.

### Pension Provisions

Pension provisions have decreased by £7.6m to £nil in the year.

The USS is a multi-employer scheme with no basis to accurately identify our share of the assets and liabilities and therefore our deficit. At 31 July 2023, our balance sheet included a liability of £96.0m for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date we are no longer required to make deficit recovery contributions. The remaining liability of £98.2m was therefore released to the income and expenditure account in 2023-24.

LGPS is also a multi-employer scheme in which liabilities and assets can be established for individual employers. Following positive investment performance and a reduction in the estimated value of the scheme's liabilities, the fund is now reported to be in surplus at 31 July 2025 by £16.9m (31 July 2024 deficit of £7.6m). This surplus value has not been recognised as a non-current asset within the financial position due the requirements of FRS102 around defined benefit plan assets. Further details regarding this are included within the accounting policies: critical accounting estimates and judgements section on page 44 and are also set out in note 25. Contribution rates are determined by

triennial valuations which use a different set of assumptions. The scheme undertook its most recent valuation on 31 March 2022. Our cash contribution rate is 20.7% for future service.

### Loan Notes

Certain of the University's loan notes (with a cost of £94.6m) are subject to foreign exchange options held by US investors to protect against future foreign exchange exposure should we decide in the future to repay part or all of the debt early. Under FRS102, these instruments are classified as non-basic and recognised at fair value. The contractual payments arising from the loan notes are unchanged by the accounting treatment.

In the year, a gain of £6.1m (2023-24 loss of £2.1m) has been recognised through the statement of comprehensive income and expenditure to reflect the movement in fair value. The corresponding reduction in the value of the loan notes from £66.9m at 31 July 2024 to £60.8m at 31 July 2025 is reflected in the balance sheet.

### Going Concern

After reviewing the University's forecasts, which cover the period to 31 July 2027 (the outlook period), and carefully considering the current and forecast levels of available cash and short term investments, student number forecasts and capital investment requirements, Council confirms that it has reasonable expectation that we have adequate resources to continue in operation for the foreseeable future. In reaching this conclusion it has considered a downside scenario in student recruitment levels; however, Council is satisfied that the strategies, plans and policies in place will help ensure that the University has sufficient funds to meet its liabilities as they fall due over the outlook period.

Council regularly reviews performance using the key performance indicators included in this review in areas that are relevant to financial sustainability. Council, through ARAC, regularly reviews strategic and operational risks and any financial assessment of these as determined by management. Council, through Finance Committee, reviews the compliance with financial covenants in our loan documentation and is confident that the agreed covenants will be met throughout the outlook period. Council is not aware of any material uncertainties related to events or conditions existing at the date of signing these accounts, that cast significant doubt upon the University's ability to continue as a going concern. Therefore, Council continues to adopt a going concern basis for preparing the Annual Accounts.

## Financial Risk & Outlook

2024-25 has seen a continuation of the growth in student numbers from both home and overseas. Despite the substantial recruitment pressures in the UK higher education sector, we are continuing to plan for further modest growth over the next few years.

To deliver and support this growth, we recognise that we need to invest in our physical and digital estate both to accommodate growth and modernise our original 1970's buildings. We are also mindful of the impact the built environment has on our carbon emissions and our ability to meet our carbon targets.

As part of our planning, we have developed a fifteen-year capital requirement amounting to approximately £1.3 billion to cover our physical and digital investments. We recognised the need to increase our operating cashflow to fund this investment, and consequently, in 2023, we set ourselves the target of increasing our annual HCOS operating surplus to 5% by 2027-28 and to maintain it at that level thereafter. As described above, we have realised a surplus of 5.1% of income in 2024-25 ahead of target. We know that in an increasingly competitive market, and against a number of financial headwinds for the sector, maintaining this level of performance will be difficult. It will require contributions from all faculties, central teams and commercial areas. Whilst we are seeking to increase our cash generation to fund investment, a higher operating cashflow will also stand us in good stead in the event of a greater than expected deterioration in sector finances. Ultimately, we could defer some of our capital expenditure to ensure our sustainability, though this would impact our student experience, research and other ambitions.

Our capital strategy is essential to ensure the University continues to deliver world class education and research for our students, staff and community, as well as support the achievement of our net zero target by 2030. However, we will face risks in its delivery, in respect of capital cost inflation, availability of construction and digital resource, execution risk and debt servicing costs if interest rates remain substantially above levels seen in recent years.

We continue to experience cost pressure in staff and operating expenses with higher inflation rates. Fixed regulated fees have constrained our ability to offset cost inflation in recent years. The recent announcement to increase home undergraduate fees by inflation on an annual basis is very welcome and will be important in ensuring our long-term financial sustainability. However, the positive benefit from this change will take around four years before it compensates for the recent increase in the Employers National Insurance and the proposed levy on international student fee income.

The risk of continued increases in pensions costs has declined markedly in recent years but increased signs of distress are evident within the sector as a whole. In addition to the inflationary pressures described above we are most significantly impacted by our ability to earn tuition fee income. The demographic trends for home undergraduates will remain positive for the next few years but will start to be more challenging in the next decade. More importantly for our financial performance is our income from non-regulated fees. We operate in a global market for international students and are impacted by the policy of our own as well as our competitors' governments. UK immigration rules have had an impact on recruitment and the proposed levy will further impact our overseas tuition fee income. The UK's relative market position will continue to present both a risk and an opportunity for us.

Our aim is to deliver quality with focus. Principally, quality in the education and experience we offer our students and quality in the research we undertake. Our expectation is that this commitment to quality will continue to provide us with a strong market and financial position and enhance our ability to best navigate future opportunities and risks.

**Martin Williams**  
**Director of Finance**

Signed on behalf of the Council  
20 November 2025

# Independent auditors' report to the Council of the University of Bath

## Opinion

We have audited the financial statements of the University of Bath (the 'parent University') and its subsidiaries (the 'group') for the year ended 31 July 2025, which comprise the consolidated and University statement of comprehensive income, consolidated and University balance sheet, consolidated and University statement of changes in reserves, consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

## Basis for opinion

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

## Conclusions relating to going concern

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

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's and the parent University's business model including effects arising from macro-economic uncertainties such as public funding pressures and international student recruitment, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's and the parent University's financial resources or ability to continue operations over the going concern period.

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

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

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

## Other information

The other information comprises the information included in the Annual Accounts other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the Annual Accounts. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

## Matters on which we are required to report by exception

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

- the parent University's grant and fee income, as disclosed in note 3 to the financial statements, has been materially misstated; or
- the parent University's expenditure on access and participation activities for the financial year has been materially misstated.

## Responsibilities of Council

As explained more fully in the Statement of responsibilities of the Council set out on page 18, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal regulatory frameworks that are applicable to the group and parent University and the sector in which it operates. We determined that the following laws and regulations were most significant: The Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102), FEHE SORP 2019, Further and Higher Education Act 1992, Higher Education and Research Act 2017, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices and The Higher Education Code of Governance;
- We obtained an understanding of how the Group and parent University is complying with these legal requirements by making inquiries of management and those charged with governance, internal auditor and those responsible for legal and compliance procedures. We corroborated the results of our enquiries through our review of relevant committee and Council minutes, correspondence received from regulatory bodies and through our inspection of legal and professional expenses;
- We assessed the susceptibility of University's financial statements to material misstatement, including how fraud might occur and the risk of material override of controls. Audit procedures performed by the engagement team included:
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements made by management in its significant accounting policies;
  - Identifying and testing journal entries, with focus on unusual account combinations and journals with specific risk characteristics; and
  - Testing the completeness of the Group's and parent University's related party transactions through information obtained at the parent and component entities and testing that these transactions had a valid business purpose.

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

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

## Use of our report

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

**Grant Thornton UK LLP**  
**Statutory Auditor, Chartered Accountants**  
**London**

**20 November 2025**





# Consolidated Statement of Accounting Policies

## for year ended 31 July 2025

### Basis of preparation

The financial statements have been prepared in accordance with both the FE/HE Statement of Recommended Practice (SORP) and with Financial Reporting Standard (FRS) 102. We are a public benefit entity and therefore have applied the relevant public benefit requirements of FRS102.

The financial statements are prepared under the historical cost convention (modified by the revaluation of fixed assets and non-current and current asset investments).

### Going Concern

The Consolidated and University financial statements have been prepared on a going concern basis. After reviewing the University's forecasts, which cover the period to 31 July 2027 (the outlook period), and carefully considering the current and forecast levels of available cash and short term investments, student number forecasts and capital investment requirements, Council confirms that it has reasonable expectation that we have adequate resources to continue in operation for the foreseeable future. In reaching this conclusion it has considered a downside scenario in student recruitment levels; however, Council is satisfied that the strategies, plans and policies in place will help ensure that the University has sufficient funds to meet its liabilities as they fall due over the outlook period.

Council regularly reviews performance using the key performance indicators included in these accounts in areas that are relevant to financial sustainability. Council, through ARAC regularly reviews strategic and operational risks and any financial assessment of these as determined by management. Council, through Finance Committee, reviews the compliance with financial covenants in our loan documentation and is confident that the agreed covenants will be met throughout the outlook period. Council is not aware of any material uncertainties related to events or conditions existing at the date of signing these accounts, that cast significant doubt upon the University's ability to continue as a going concern. Therefore, Council continues to adopt a going concern basis for preparing the Annual Accounts.

### Basis of consolidation

These financial statements consolidate the results of the University and our subsidiary undertaking for the financial year to 31 July 2025.

The consolidated financial statements do not include those of our Students' Union as it is a separate organisation over which we do not exert control, nor exercise dominant influence, over their policy decisions.

### Recognition of income

Income from the sale of goods or services is credited to the Statement of Comprehensive Income (SOCi) when the goods or services are supplied to the external customer or the terms

of the contract have been satisfied or using a percentage of completion method when there is certainty that a margin will be made on the sale.

Fee income is stated gross of any expenditure which is not a discount and credited to the SOCi over the period in which the students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

All income from short-term investments and deposits (including those held as endowments) is credited to the SOCi on a receivable basis.

### Grant funding

Grant funding, including Funding Council grant; research grants from government sources; and grants (including research grants) from non-government sources are recognised as income when we are entitled to the income and performance related conditions have been met. Income received in advance of the performance related condition being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

### Donations and endowments

Non exchange transactions without performance related conditions include donations and endowments. Those with donor-imposed restrictions are recognised in income when we are 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 the general reserve through a reserve transfer. Donations freely given, with no donor-imposed restriction, are recognised in income when we are entitled to the funds.

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 our general benefit.
- restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed assets, and we have the power to use this 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.

We operate a total return endowment investment management policy for permanent endowments, which allows for the spending of permanent endowment gains, both capital gains and dividend income.

## Capital grants

Capital grants are recognised as income when we are entitled to the income and performance related conditions have been met.

## Accounting for retirement benefits

We participate in the following principal pension schemes Universities Superannuation Scheme (USS), the Avon Pension Fund (APF), part of Local Government Pension Scheme (LGPS), the University of Bath Group Pension Plan (UoBGPP) and the IAAPS Ltd Group Pension Plan.

USS & LGPS are hybrid schemes containing elements of defined benefit and defined contributions, however both schemes are accounted as defined benefit schemes. The other schemes are defined contribution schemes and are accounted for on this basis.

All these schemes have assets in separate trustee administered funds. The costs are funded by contributions from the University group and its staff. USS & LGPS are valued every three years by professionally qualified independent actuaries.

## Defined benefit scheme

Defined benefit schemes are post-employment benefit schemes other than defined contribution schemes. Our obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by us. We recognise a liability for our obligations under defined benefit schemes net of scheme assets.

This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of scheme assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which we are able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

## Universities Superannuation Scheme (USS)

As a multi-employer scheme, it is not possible to identify our share of the underlying assets and liabilities due to the mutual nature of the scheme. Therefore, as required by Section 28 of FRS 102 "Employee Benefits", we are required to account for it as if it were a defined contribution scheme. The SOCI represents the contributions payable to the scheme and the deficit recovery contributions payable under the scheme's Recovery Plan.

Where a scheme valuation determines that the scheme is in deficit on a technical provisions basis (as was the case following the 2020 valuation), the trustee of the scheme must agree a Recovery Plan that determines how each employer within the scheme will fund an overall deficit. We recognise a liability for the contributions payable that arise from such an agreement (to the extent that they relate to a deficit) with related expenses being recognised through the SOCI. Further disclosures relating to the deficit recovery liability can be found in note 20.

## Local Government Pension Scheme (LGPS)

The LGPS is a funded scheme. The assets of the LGPS are measured using the closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high-quality corporate bond of the equivalent term to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to the operating surplus are the current service costs and the cost of scheme introductions, benefit charges, settlements, and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the SOCI and comprises the interest cost on the defined benefit obligation and interest income on the schemes assets, calculated by multiplying the fair value of the schemes assets at the beginning of the period by the rate used to discount the benefit obligations.

## Defined contribution schemes

Defined contribution schemes are post-employment benefit schemes under which we pay fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension schemes are recognised as an expense in the SOCI in the periods during which services were rendered by employees.

## Employee benefits

Short-term employment benefits, such as salaries and compensated absences (paid annual leave) are recognised as an expense in the year in which the employees render service to us. Any unused benefits are accrued and measured as the additional amount that we expect to pay as a result of the unused entitlement.

## Severance payments

Severance payments are recognised as a liability and expense in profit or loss when we are demonstrably committed either to terminate the employment of an employee or group of employees before the normal retirement date. Severance payments are measured at the best estimate of the expenditure that would be required to settle the obligation at the reporting date.

## Foreign currency

Transactions denominated in foreign currencies are translated using the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period, with all resulting exchange differences being recognised in the SOCI. Exchange differences arising on the translation of a financial liability designated as an effective hedge against a foreign denominated investment are recognised in the SOCI as Other Comprehensive Income.

## Leases

Operating leases are where we do not assume substantially all the risks and rewards of ownership, rental costs under operating leases are charged to the SOCI as the costs are incurred. Any lease premium or incentives are spread over the minimum lease term. Finance leases are where we assume substantially all the risks and rewards of ownership of the asset. Leased assets

acquired by way of a finance lease and the corresponding lease liability 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 so as to produce a constant rate of interest on the remaining balance of the liability.

## Fixed Assets

### Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to their fair value. We have a policy of ensuring all assets are revalued by an external valuer, such that the fair value is not materially different to the current value. Each building is revalued twice over a four-year cycle, with all buildings being revalued in the first year of the cycle and in each of the remaining three years approximately a third of all buildings are revalued again and the others are indexed each year. The basis of the valuation is a combination of depreciated replacement cost, existing use and open market value depending on the nature of the property.

Freehold and leasehold land are not depreciated as they are considered to have an indefinite useful life.

Buildings are depreciated over a maximum period of 50 years. The remaining expected life of buildings is provided by the external valuer and reviewed annually by management and, where material, the future depreciation is adjusted in accordance with FRS102. Land and assets in the course of construction are valued at cost, less any estimated potential impairment against a valuation at completion. Depreciation commences at the beginning of the quarter following occupation.

Building refurbishments are depreciated over the remaining expected life of the building in which the refurbishment takes place, up to a maximum of 25 years. At the next revaluation the entire building will be re-lived as appropriate.

Assets under the course of construction include a mixture of new buildings and refurbishments and improvements to existing buildings.

Interest is capitalised where it is incurred in the construction of new buildings which are substantially funded by loans arranged by us. The cost is depreciated in line with the building.

### Equipment

Equipment costing less than £25k per individual item is written off in the year of acquisition unless it forms part of a group of related items or part of a capital project, in which case it is capitalised. Capitalised equipment is stated at cost or, where donated, at valuation, and depreciated, on a straight-line basis, as follows:

- general equipment – 5-10 years
- furniture – 5 years
- catering equipment – 7 years
- equipment required for specific grants – 3 years

Where equipment is donated, the asset is recorded at valuation. The donation is recorded as income in the SOCI in the year it is received.

Where equipment requires commissioning before it can become operational then these costs can be capitalised as part of the equipment, this can include external and internal direct costs.

### 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 SOCI.

## Intangible Fixed Assets

### Computer Software

Where software is acquired, it may be capitalised at cost where the benefit of this cost will exist over several years. Cost includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing or configuring the asset for its intended use. Subsequent recurrent licencing costs would be charged as recurrent expenditure. Direct expenditure including employee costs, which enhances or extends the performance of computer software beyond its specifications, and which can be reliably measured, is added to the original cost of the software.

Annual computer software licences will not be capitalised as the cost incurred represents the consumption of the service.

Amortisation is on a straight-line method as follows:

- computer software – 3-5 years.

## Maintenance of premises

The cost of routine corrective maintenance and planned maintenance are both charged to the SOCI in the period in which they are incurred. We have a planned maintenance programme, which is reviewed on an annual basis.

## Investments

Non-current and current asset investments are held at fair value where this can be readily determined and amortised cost where no market exists. The fair value movement in non-current and current asset investments is recognised in the SOCI.

## Fair value

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

## Stocks

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

## Cash at bank

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

Assets that form Endowment funds are included within Cash at bank or Investments as appropriate.

## Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when:

- we have a present (legal or constructive) obligation as a result of a past event; and
- it is probable that a transfer of economic benefit will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

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

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in the notes when required.

## Taxation status

We are an exempt charity within the meaning of Schedule 3 of the Charities Act 2011. The University is therefore a charity within the meaning of Paragraph 1 Schedule 6 Finance Act 2010 and therefore the University meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, we are potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

We receive no similar exemption in respect of (Value Added Tax) VAT. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost. Our subsidiary companies are subject to corporation tax and VAT in the same way as any commercial organisation.

## Financial Instruments

Financial assets and liabilities are recognised when we become 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, intercompany debtors and investments in commercial paper (i.e. 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, loan notes and finance lease obligations. 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.

Certain of the University's loan notes are subject to foreign exchange hedges held by US investors. The hedges protect the investors against future foreign exchange exposure should the University decide in the future to repay part or all of the debt early. Under FRS 102, these instruments are classed as non-basic and measured at fair value through the SOCI.

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. Trade payables 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.

## Intra-group transactions

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.

## Key sources of estimation uncertainty and judgements in applying accounting policies

### Key sources of estimation uncertainty: Fixed assets

Land and buildings are held at fair value. An annual valuation exercise is undertaken by an external qualified chartered surveyor on a sample of buildings to ensure the carrying value of the assets are not materially different to their fair value. We will extrapolate the methodology adopted by the external surveyor to other buildings in the same valuation class to ensure the assets are not materially misstated in the financial statements. Tangible fixed assets, other than investment properties, are depreciated over their remaining useful economic lives taking into account residual value, where appropriate, see note 13 for the carrying amount of property, plant, and equipment. An annual review of residual values of assets is undertaken. In reassessing asset lives, factors such as technological innovation and maintenance programmes are taken into account.

## Local Government Pension Scheme (LGPS)

The present value of the LGPS defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension asset/liability. Sensitivity analysis is also included in the note based on the assumptions used. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions asset/liability at 31 July 2025. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension asset/liability.

At 31 July 2025, the University's share of the Avon Local Government Pension Scheme was reported to be in a surplus position. We have reviewed the appropriate accounting standard being FRS102 section 28 and the HE SORP, and do not consider the asset to be recoverable, therefore no asset has been disclosed. This conclusion has been reached on the basis that the University is an active employer in the scheme and is therefore not entitled to a refund or reduction in contributions.

## Universities Superannuation Scheme (USS)

The present value of the USS provision depends on a number of estimates used by management in respect of discount rate, future salary increases and numbers of staff in the USS. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability.

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

At 31 July 2023, our balance sheet included a liability of £96,023,899 for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date we were no longer required to make deficit recovery contributions. The remaining liability of £98,232,448 was released to the profit and loss account in 2023-24. Further disclosures relating to the deficit recovery liability can be found in note 20.

## Impairment of debtors

We make an estimate for the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 15 for the net carrying value of the debtors.

## Fair value of non-basic financial instruments

The fair value of the non-basic financial instruments has been measured by discounting expected future cash flows to present value using a discount rate based on market rates for similar debt instruments. The discount rate has been calculated based on the yield of the gilt with the closest maturity date to that of the financial instruments and has been adjusted to reflect the University's credit profile. The discount rate is then applied to the principal amount and to future interest rate payments.

The impact of the fair value is to recognise a gain of £6.1m (2023-24: loss of £2.1m) in the statement of comprehensive income and to recognise a fair value of the loan note of £60.8m (31 July 2024: £66.9m) in the balance sheet.

The University's non-basic financial instruments contain foreign exchange options held by certain US investors, which are required to be recognised at fair value as part of the instrument, in accordance with FRS 102. The options have been assessed as only having a potential fair value when early prepayment of part or whole of the instrument is triggered. The University has conducted significant scenario analysis, based on a base case position of market conditions at the valuation date together with forward rates, assessed as being the best estimate of future rates. The modelling flexed the key variables of UK gilt yields, US treasury yields and the GBP/USD exchange rate to establish whether the options could have a positive impact in the future, such that a fair value would occur. The conclusion of the analysis is that it would take extreme opposing movements in both UK and US interest rates for the options to have a positive fair value and that this event is highly unlikely, therefore no value has been attributed to the foreign exchange.

## Key sources of judgements: Finance lease

During the year, we entered into a new 40 year finance lease arrangement for our student residences at John Wood Court. The arrangement comprises two consecutive leases; an initial non-cancellable term of 20 years, with a second consecutive reversionary lease of a further 20 years. As both leases were entered into at the same time and on similar terms, with no break in the University's right to use the asset, the lease term is taken to be 40 years for accounting purposes.

The leased asset is being depreciated over the full lease term of 40 years, consistent with the expected period of use. The lease liability is recognised at the present value of future lease payments and is being unwound using the effective interest method.

Management has exercised significant judgement in determining the lease term, taking into account:

- The leases relate to the same asset and are with the same counterparty;
- The lease terms, including annual rent indexation, are very similar;
- They were both entered into at the same time, and were intended to be part of a continuous arrangement;
- There is no break in the right to use the asset between the leases.

These factors support the conclusion that the two leases should be treated as part of the same arrangement and therefore, the full 40-year term reflects the substance of the lease arrangement.





## Consolidated and University Statement of Comprehensive Income

### For the year ended 31 July 2025

|                                                           |      | Consolidated |        | University |        |
|-----------------------------------------------------------|------|--------------|--------|------------|--------|
|                                                           | Note | 2025         | 2024   | 2025       | 2024   |
|                                                           |      | £m           | £m     | £m         | £m     |
| Income                                                    |      |              |        |            |        |
| Tuition fees and education contracts                      | 1    | 238.5        | 219.5  | 238.5      | 219.5  |
| Funding body grants                                       | 2    | 43.7         | 41.2   | 43.7       | 41.2   |
| Research grants and contracts                             | 4    | 50.6         | 50.6   | 49.1       | 49.2   |
| Other Income                                              | 5    | 71.2         | 68.2   | 72.2       | 69.6   |
| Investment income                                         | 7    | 9.4          | 7.4    | 9.9        | 7.6    |
| Donations & endowments                                    | 8    | 4.3          | 4.3    | 3.4        | 3.4    |
| Total income                                              |      | 417.7        | 391.2  | 416.8      | 390.5  |
| Expenditure                                               |      |              |        |            |        |
| Staff costs                                               | 9    | 215.4        | 208.0  | 212.9      | 205.9  |
| Change in USS pension provision                           | 9    | -            | (98.2) | -          | (98.2) |
| Other operating expenses                                  |      | 135.6        | 137.6  | 132.5      | 133.6  |
| Depreciation and impairment                               | 13   | 76.2         | 57.4   | 73.8       | 55.6   |
| Interest and other finance costs                          | 12   | 9.0          | 11.2   | 9.0        | 11.2   |
| Total expenditure                                         |      | 436.2        | 316.0  | 428.2      | 308.1  |
| (Deficit)/Surplus before gains and losses                 |      | (18.5)       | 75.2   | (11.4)     | 82.4   |
| Loss on disposal of fixed assets                          |      | -            | (0.1)  | -          | (0.1)  |
| Decrease in market value of non current asset investments | 14   | (0.1)        | -      | (0.1)      | -      |
| Increase in market value of current asset investments     | 16   | 2.8          | 8.0    | 2.8        | 8.0    |
| Gain/(Loss) on valuation of loan notes                    | 18   | 6.1          | (2.1)  | 6.1        | (2.1)  |
| (Deficit)/Surplus for the year                            |      | (9.7)        | 81.0   | (2.6)      | 88.2   |
| Actuarial gain in respect of pension schemes              | 25   | 5.9          | 0.3    | 5.9        | 0.3    |
| Change in the fair value of tangible fixed assets         |      | 66.7         | 145.2  | 66.7       | 145.2  |
| Total Comprehensive Income in the year                    |      | 62.9         | 226.5  | 70.0       | 233.7  |
| Represented by                                            |      |              |        |            |        |
| Endowment comprehensive income for the year               |      | 1.0          | 1.5    | 1.0        | 1.5    |
| Restricted comprehensive expense for the year             |      | (0.2)        | (0.4)  | (0.2)      | (0.4)  |
| Unrestricted comprehensive income for the year            |      | 39.0         | 111.4  | 46.1       | 118.6  |
| Revaluation comprehensive income for the year             |      | 23.1         | 114.0  | 23.1       | 114.0  |
| Total Comprehensive Income in the year                    |      | 62.9         | 226.5  | 70.0       | 233.7  |

## Consolidated and University Statement of Changes in Reserves

### For the year ended 31 July 2025

#### Consolidated

|                                              | Endowment<br>Reserve | Restricted<br>Reserve | Unrestricted<br>Reserve | Revaluation<br>Reserve | Total   |
|----------------------------------------------|----------------------|-----------------------|-------------------------|------------------------|---------|
|                                              | £m                   | £m                    | £m                      | £m                     | £m      |
| At 1 August 2023                             | 6.9                  | 1.7                   | 334.2                   | 574.8                  | 917.6   |
| Surplus/(deficit) for the year               | 1.5                  | (0.4)                 | 79.9                    | -                      | 81.0    |
| Depreciation on revalued assets              | -                    | -                     | 31.2                    | (31.2)                 | -       |
| Actuarial gain in respect of pension schemes | -                    | -                     | 0.3                     | -                      | 0.3     |
| Other comprehensive income                   | -                    | -                     | -                       | 145.2                  | 145.2   |
| At 31 July 2024                              | 8.4                  | 1.3                   | 445.6                   | 688.8                  | 1,144.1 |
| At 1 August 2024                             | 8.4                  | 1.3                   | 445.6                   | 688.8                  | 1,144.1 |
| Surplus/(deficit) for the year               | 1.0                  | (0.2)                 | (10.5)                  | -                      | (9.7)   |
| Depreciation on revalued assets              | -                    | -                     | 43.6                    | (43.6)                 | -       |
| Actuarial gain in respect of pension schemes | -                    | -                     | 5.9                     | -                      | 5.9     |
| Other comprehensive income                   | -                    | -                     | -                       | 66.7                   | 66.7    |
| At 31 July 2025                              | 9.4                  | 1.1                   | 484.6                   | 711.9                  | 1,207.0 |

#### University

|                                              | Endowment<br>Reserve | Restricted<br>Reserve | Unrestricted<br>Reserve | Revaluation<br>Reserve | Total   |
|----------------------------------------------|----------------------|-----------------------|-------------------------|------------------------|---------|
|                                              | £m                   | £m                    | £m                      | £m                     | £m      |
| At 1 August 2023                             | 6.9                  | 1.7                   | 328.5                   | 574.8                  | 911.9   |
| Surplus/(deficit) for the year               | 1.5                  | (0.4)                 | 87.1                    | -                      | 88.2    |
| Depreciation on revalued assets              | -                    | -                     | 31.2                    | (31.2)                 | -       |
| Actuarial gain in respect of pension schemes | -                    | -                     | 0.3                     | -                      | 0.3     |
| Other comprehensive income                   | -                    | -                     | -                       | 145.2                  | 145.2   |
| At 31 July 2024                              | 8.4                  | 1.3                   | 447.1                   | 688.8                  | 1,145.6 |
| At 1 August 2024                             | 8.4                  | 1.3                   | 447.1                   | 688.8                  | 1,145.6 |
| Surplus/(deficit) for the year               | 1.0                  | (0.2)                 | (3.4)                   | -                      | (2.6)   |
| Depreciation on revalued assets              | -                    | -                     | 43.6                    | (43.6)                 | -       |
| Actuarial gain in respect of pension schemes | -                    | -                     | 5.9                     | -                      | 5.9     |
| Other comprehensive income                   | -                    | -                     | -                       | 66.7                   | 66.7    |
| At 31 July 2025                              | 9.4                  | 1.1                   | 493.2                   | 711.9                  | 1,215.6 |

## Consolidated and University Balance Sheets as at 31 July 2025

|                                                         |      | Consolidated |         | University |         |
|---------------------------------------------------------|------|--------------|---------|------------|---------|
|                                                         | Note | 2025         | 2024    | 2025       | 2024    |
|                                                         |      | £m           | £m      | £m         | £m      |
| Non-Current Assets                                      |      |              |         |            |         |
| Fixed assets                                            | 13   | 1,226.7      | 1,195.7 | 1,209.6    | 1,176.3 |
| Investments                                             | 14   | 1.8          | 2.1     | 5.8        | 6.1     |
|                                                         |      | 1,228.5      | 1,197.8 | 1,215.4    | 1,182.4 |
| Current Assets                                          |      |              |         |            |         |
| Stock                                                   |      | 1.1          | 0.8     | 1.1        | 0.8     |
| Trade and other receivables                             | 15   | 36.1         | 29.7    | 59.6       | 47.3    |
| Investments                                             | 16   | 226.2        | 196.8   | 226.2      | 196.8   |
| Cash at bank                                            |      | 4.4          | 2.7     | 2.2        | 2.0     |
|                                                         |      | 267.8        | 230.0   | 289.1      | 246.9   |
| Creditors: Amounts Falling Due Within One Year          | 17   | (85.4)       | (81.7)  | (85.0)     | (81.7)  |
| Net Current Assets                                      |      | 182.4        | 148.3   | 204.1      | 165.2   |
| Total Assets Less Current Liabilities                   |      | 1,410.9      | 1,346.1 | 1,419.5    | 1,347.6 |
|                                                         |      |              |         |            |         |
| Creditors: Amounts Falling Due After More Than One Year | 18   | (203.9)      | (194.4) | (203.9)    | (194.4) |
| Provisions                                              |      |              |         |            |         |
| Pension provisions                                      | 20   | -            | (7.6)   | -          | (7.6)   |
| Total Net Assets                                        |      | 1,207.0      | 1,144.1 | 1,215.6    | 1,145.6 |
|                                                         |      |              |         |            |         |
| Restricted Reserves                                     |      |              |         |            |         |
| Income & expenditure reserve - endowment reserve        | 21   | 9.4          | 8.4     | 9.4        | 8.4     |
| Income & expenditure reserve - restricted reserve       | 22   | 1.1          | 1.3     | 1.1        | 1.3     |
| Unrestricted Reserves                                   |      |              |         |            |         |
| Income & expenditure reserve - unrestricted reserve     |      | 484.6        | 445.6   | 493.2      | 447.1   |
| Revaluation Reserve                                     |      | 711.9        | 688.8   | 711.9      | 688.8   |
| Total Reserves                                          |      | 1,207.0      | 1,144.1 | 1,215.6    | 1,145.6 |

The Financial Statements on pages 40 to 75 were approved by the Council on 20 November 2025 and signed on its behalf by:

Professor Phil Taylor  
Vice-Chancellor and President

Mr Calum Mercer  
Treasurer

## Consolidated Cash Flow Statement for year ended 31 July 2025

|                                                                                        | Note | Consolidated  |            |
|----------------------------------------------------------------------------------------|------|---------------|------------|
|                                                                                        |      | 2025<br>£m    | 2024<br>£m |
| <b>Cash flow generated from operating activities</b><br>(Deficit)/Surplus for the year |      | <b>(9.7)</b>  | 81.0       |
| <b>Adjustment for non-cash items</b>                                                   |      |               |            |
| Depreciation and impairments                                                           | 13   | 76.2          | 57.4       |
| Decrease in USS pension provision                                                      | 20   | -             | (98.2)     |
| LGPS pension costs less contributions paid                                             | 25   | (2.0)         | 1.3        |
| Loss on non-current asset investments                                                  | 14   | 0.1           | -          |
| (Gain) on current asset investments                                                    | 16   | (2.8)         | (7.5)      |
| (Gain)/Loss on fair value of loan notes                                                | 18   | (6.1)         | 2.1        |
| Pension scheme interest charges                                                        | 12   | 0.3           | 2.5        |
| Increase in stock                                                                      |      | (0.3)         | (0.2)      |
| (Increase)/Decrease in operating debtors                                               | 15   | (8.4)         | 4.1        |
| (Increase)/Decrease in operating creditors                                             | 17   | 3.9           | (1.4)      |
| <b>Adjustment for investing or financing activities</b>                                |      |               |            |
| Investment income                                                                      | 7    | (9.4)         | (7.4)      |
| Interest payable                                                                       | 12   | 8.7           | 8.7        |
| Loss on sale of tangible fixed assets                                                  |      | -             | 0.1        |
| Capital grant income                                                                   | 2    | (2.1)         | (2.1)      |
| <b>Net cash inflow from operating activities</b>                                       |      | <b>48.4</b>   | 40.4       |
| <b>Cash flow from investing activities</b>                                             |      |               |            |
| Investment income                                                                      |      | 11.4          | 6.1        |
| Payments made to acquire fixed assets                                                  |      | (22.2)        | (57.7)     |
| Payments made to acquire fixed assets investments                                      | 14   | -             | (0.1)      |
| Receipts from fixed asset investments                                                  | 14   | 0.2           | -          |
| Capital grant receipts                                                                 | 2    | 2.1           | 2.1        |
| New current asset investments                                                          | 16   | (147.2)       | (75.8)     |
| Disposal of current asset investments                                                  | 16   | 120.5         | 96.1       |
| <b>Net cash outflow from investing activities</b>                                      |      | <b>(35.2)</b> | (29.3)     |
| <b>Cash flow from financing activities</b>                                             |      |               |            |
| Interest paid                                                                          |      | (8.0)         | (8.6)      |
| Repayments of amounts borrowed                                                         | 19   | (2.1)         | (2.1)      |
| Interest element of finance lease payments                                             |      | (0.7)         | (0.1)      |
| Capital element of finance lease payments                                              |      | (0.7)         | (0.3)      |
| <b>Net cash outflow from financing activities</b>                                      |      | <b>(11.5)</b> | (11.1)     |
| <b>Increase in cash in the year</b>                                                    |      | <b>1.7</b>    | -          |
| Cash at the beginning of the year                                                      |      | 2.7           | 2.7        |
| Cash at the end of the year                                                            |      | 4.4           | 2.7        |
| <b>Increase in cash in the year</b>                                                    |      | <b>1.7</b>    | -          |

## Notes to the Annual Accounts

**1 Tuition fees and education contracts**

|                                                 | Consolidated & University |       |
|-------------------------------------------------|---------------------------|-------|
|                                                 | 2025                      | 2024  |
|                                                 | £m                        | £m    |
| Full-time UK students                           | 115.8                     | 108.1 |
| Full-time EU students                           | 0.6                       | 3.2   |
| Full-time overseas students                     | 100.1                     | 86.1  |
| Part-time higher education students             | 8.5                       | 9.0   |
| Short course & apprenticeship fees              | 2.4                       | 2.3   |
| Research training support grants and other fees | 11.1                      | 10.8  |
|                                                 | 238.5                     | 219.5 |

**2 Funding body grants**

|                                    | Consolidated & University |       |
|------------------------------------|---------------------------|-------|
|                                    | 2025                      | 2024  |
|                                    | £m                        | £m    |
| <b>Recurrent grants</b>            |                           |       |
| Office for Students                | 9.9                       | 9.8   |
| UK Research and Innovation (UKRI)  | 26.1                      | 26.1  |
| <b>Specific grants</b>             |                           |       |
| Office for Students                | 0.5                       | (0.3) |
| UKRI                               | 3.6                       | 3.1   |
| Other specific grants              | 1.5                       | 0.4   |
| Office for Students capital grants | -                         | 0.1   |
| UKRI capital grants                | 2.1                       | 2.0   |
|                                    | 43.7                      | 41.2  |

**3 Grant and fee income**

|                                                           | Consolidated & University |       |
|-----------------------------------------------------------|---------------------------|-------|
|                                                           | 2025                      | 2024  |
|                                                           | £m                        | £m    |
| Grant Income from OfS                                     | 10.4                      | 9.6   |
| Grant Income from other bodies                            | 33.3                      | 31.6  |
| Fee income for taught awards (exclusive of VAT)           | 215.6                     | 195.9 |
| Fee income for research awards (exclusive of VAT)         | 9.4                       | 10.5  |
| Fee income from non-qualifying courses (exclusive of VAT) | 13.5                      | 13.1  |
|                                                           | 282.2                     | 260.7 |

## Notes to the Annual Accounts (continued)

**4 Research grants and contracts**

|                                                          | Consolidated |      | University |      |
|----------------------------------------------------------|--------------|------|------------|------|
|                                                          | 2025         | 2024 | 2025       | 2024 |
|                                                          | £m           | £m   | £m         | £m   |
| UKRI                                                     | 28.3         | 28.4 | 28.3       | 28.4 |
| UK charitable bodies                                     | 2.4          | 2.9  | 2.4        | 2.9  |
| European Commission                                      | 3.2          | 2.8  | 3.2        | 2.8  |
| UK central government, Local Authorities or Health Trust | 8.1          | 7.8  | 8.1        | 7.8  |
| UK industry                                              | 2.5          | 2.3  | 2.5        | 2.3  |
| Other sponsors                                           | 6.1          | 6.4  | 4.6        | 5.0  |
|                                                          | 50.6         | 50.6 | 49.1       | 49.2 |

**5 Other income**

|                                      | Consolidated |      | University |      |
|--------------------------------------|--------------|------|------------|------|
|                                      | 2025         | 2024 | 2025       | 2024 |
|                                      | £m           | £m   | £m         | £m   |
| Residences, catering and conferences | 54.1         | 49.8 | 54.1       | 49.8 |
| Other services rendered (note 6)     | 9.1          | 9.2  | 9.1        | 9.2  |
| Other income                         | 8.0          | 9.2  | 9.0        | 10.6 |
|                                      | 71.2         | 68.2 | 72.2       | 69.6 |

**6 Other services rendered**

|                                 | Consolidated & University |      |
|---------------------------------|---------------------------|------|
|                                 | 2025                      | 2024 |
|                                 | £m                        | £m   |
| Academic departments & services | 2.6                       | 2.5  |
| Sports and related facilities   | 4.9                       | 5.0  |
| Other                           | 1.6                       | 1.7  |
|                                 | 9.1                       | 9.2  |

**7 Investment income**

|                                                  | Consolidated |      | University |      |
|--------------------------------------------------|--------------|------|------------|------|
|                                                  | 2025         | 2024 | 2025       | 2024 |
|                                                  | £m           | £m   | £m         | £m   |
| Investment income on Endowments                  | 0.2          | 0.1  | 0.2        | 0.1  |
| Net income and gains from short-term investments | 2.4          | 0.3  | 2.4        | 0.3  |
| Other investment income                          | 6.8          | 7.0  | 7.3        | 7.2  |
|                                                  | 9.4          | 7.4  | 9.9        | 7.6  |

## Notes to the Annual Accounts (continued)

**8 Donations & endowments**

|                             | Consolidated |            |
|-----------------------------|--------------|------------|
|                             | 2025<br>£m   | 2024<br>£m |
| Donations with restrictions | 0.7          | 0.5        |
| Unrestricted donations      | 3.6          | 3.8        |
|                             | 4.3          | 4.3        |

|                             | University |            |
|-----------------------------|------------|------------|
|                             | 2025<br>£m | 2024<br>£m |
| Donations with restrictions | 0.7        | 0.5        |
| Unrestricted donations      | 2.7        | 2.9        |
|                             | 3.4        | 3.4        |



## Notes to the Annual Accounts (continued)

**9 Staff costs**

|                                                | Consolidated |              |
|------------------------------------------------|--------------|--------------|
|                                                | 2025         | 2024         |
|                                                | £m           | £m           |
| Salaries                                       | 180.5        | 169.7        |
| Social security costs                          | 18.5         | 16.1         |
| Other pension costs                            | 22.3         | 27.8         |
|                                                | <b>221.3</b> | <b>213.6</b> |
| Movement in USS pension provision              | -            | (98.2)       |
|                                                | <b>221.3</b> | <b>115.4</b> |
| less: paid on behalf of other organisations    | (5.9)        | (5.5)        |
| less: capitalised within the cost of buildings | -            | (0.1)        |
|                                                | <b>215.4</b> | <b>109.8</b> |

|                                                | University   |              |
|------------------------------------------------|--------------|--------------|
|                                                | 2025         | 2024         |
|                                                | £m           | £m           |
| Salaries                                       | 178.2        | 168.0        |
| Social security costs                          | 18.4         | 15.9         |
| Other pension costs                            | 22.2         | 27.6         |
|                                                | <b>218.8</b> | <b>211.5</b> |
| Movement in USS pension provision              | -            | (98.2)       |
|                                                | <b>218.8</b> | <b>113.3</b> |
| less: paid on behalf of other organisations    | (5.9)        | (5.5)        |
| less: capitalised within the cost of buildings | -            | (0.1)        |
|                                                | <b>212.9</b> | <b>107.7</b> |

**Emoluments of the Head of Institution**

Total emoluments of the Head of Institution were as follows:

|                                         | 2025           | 2024           |
|-----------------------------------------|----------------|----------------|
|                                         | £              | £              |
| Salary                                  | 283,442        | 320,250        |
| Salary in lieu of pension contributions | -              | 41,743         |
| Benefits in kind                        | -              | 3,668          |
|                                         | <b>283,442</b> | <b>365,661</b> |
| Pension contributions                   | <b>58,389</b>  | 23,407         |
|                                         | <b>341,831</b> | <b>389,068</b> |
| Benefits in kind included above:        |                |                |
| Medical expenses                        | -              | 3,668          |
|                                         | -              | 3,668          |
| Salary sacrifice arrangements:          |                |                |
| Pensions                                | -              | 15,000         |
|                                         | -              | 15,000         |

The Vice-chancellor's salary was benchmarked by the Remuneration Committee with comparator institutions using UCEA data when he took up post on 1 August 2024. Professor Phil Taylor's basic salary was 7.6 (2023-24 9.2) times the median pay of staff and 12.2 (2023-24 14.9) times the lowest pay of staff. Total remuneration was 7.8 (2023-2024 9.1) times the median total remuneration and 14.8 (2023-24 16.8) times the lowest total remuneration. All pay and total remuneration figures are calculated on a full-time equivalent basis.

Professor White, the previous Vice-Chancellor who stepped down in July 2024 retains an ongoing employment relationship with the University as a Professorial Fellow. His salary for 2024-25 was £157,292 including payment-in-lieu of pension contributions.

## Notes to the Annual Accounts (continued)

**9 Staff costs (continued)****Remuneration of other higher paid staff**

Remuneration of other higher paid staff, excluding employer's pension contributions and before salary sacrifice are:

| FTE Salary Band |   |          | Academic                   |                          | Professional Services | Consolidated |             |
|-----------------|---|----------|----------------------------|--------------------------|-----------------------|--------------|-------------|
|                 |   |          | Teaching & Research Number | Senior Leadership Number |                       | 2025 Number  | 2024 Number |
| £100,000        | - | £104,999 | 12                         | -                        | 2                     | 14           | 11          |
| £105,000        | - | £109,999 | 9                          | -                        | 1                     | 10           | 13          |
| £110,000        | - | £114,999 | 13                         | -                        | 2                     | 15           | 15          |
| £115,000        | - | £119,999 | 13                         | -                        | 1                     | 14           | 16          |
| £120,000        | - | £124,999 | 17                         | -                        | -                     | 17           | 9           |
| £125,000        | - | £129,999 | 8                          | -                        | 2                     | 10           | 7           |
| £130,000        | - | £134,999 | 5                          | 2                        | 1                     | 8            | 9           |
| £135,000        | - | £139,999 | 3                          | -                        | -                     | 3            | 4           |
| £140,000        | - | £144,999 | 3                          | -                        | -                     | 3            | 6           |
| £145,000        | - | £149,999 | 4                          | 1                        | 1                     | 6            | 1           |
| £150,000        | - | £154,999 | 2                          | 1                        | 2                     | 5            | 6           |
| £155,000        | - | £159,999 | 3                          | 1                        | 1                     | 5            | 1           |
| £160,000        | - | £164,999 | 1                          | -                        | -                     | 1            | 4           |
| £165,000        | - | £169,999 | 2                          | 1                        | 2                     | 5            | 2           |
| £170,000        | - | £174,999 | 8                          | -                        | -                     | 8            | 4           |
| £175,000        | - | £179,999 | -                          | 1                        | -                     | 1            | -           |
| £180,000        | - | £184,999 | 1                          | -                        | -                     | 1            | 2           |
| £185,000        | - | £189,999 | 1                          | -                        | -                     | 1            | -           |
| £195,000        | - | £199,999 | 1                          | -                        | -                     | 1            | -           |
| £205,000        | - | £209,999 | 1                          | -                        | -                     | 1            | -           |
| £210,000        | - | £214,999 | -                          | -                        | 1                     | 1            | -           |
| £240,000        | - | £244,999 | -                          | -                        | -                     | -            | 1           |
| £245,000        | - | £249,999 | -                          | 1                        | -                     | 1            | -           |
|                 |   |          | <b>107</b>                 | <b>8</b>                 | <b>16</b>             | <b>131</b>   | <b>111</b>  |

As defined by the OfS, only staff who completed the full year in post are included. Salary is on an FTE basis and includes market supplements, but excludes allowances and other such payments.

The net increase of 20 staff in this table comprises 11 new recruits, 16 staff who have received pay rises as a result of performance or promotion, and 7 staff who have left the organisation.

The table includes one member of staff employed by IAAPS Ltd, a subsidiary company of the University.

## Notes to the Annual Accounts (continued)

**9 Staff costs (continued)**

| Average staff numbers by major category: | Consolidated   |                |
|------------------------------------------|----------------|----------------|
|                                          | 2025<br>Number | 2024<br>Number |
| Education & Research                     | 1,426          | 1,382          |
| Technical & Experimental                 | 175            | 170            |
| Management, Specialist & Administrative  | 1,364          | 1,321          |
| Operational & Facilities Support         | 506            | 494            |
|                                          | <b>3,471</b>   | <b>3,367</b>   |

Included within the above full time equivalent totals are 32 (2023-24 32) staff employed by the University's subsidiary IAAPS Ltd.

**Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling our activities. The definition of key management personnel has been updated in 2024-25 and it now corresponds to the membership of the University Executive Board. In 2023-24 the definition of key management personnel corresponded to the membership of the University Executive Board Standing Group which has been abolished in August 2024.

Positions held by our key management personnel are:

|                                             |                                                       |
|---------------------------------------------|-------------------------------------------------------|
| Vice-Chancellor and President               | University Secretary & Registrar                      |
| Deputy Vice-Chancellor and Provost          | Director of Finance                                   |
| Pro-Vice-Chancellor (Global Engagement)     | Executive Director (External Relations)               |
| Pro-Vice-Chancellor (Education & Global)    | Director of Human Resources                           |
| Pro-Vice-Chancellor (Research & Enterprise) | Dean of the School of Management                      |
| Pro-Vice-Chancellor (Student Experience)    | Dean of the Faculty of Science                        |
| Chief Operating Officer                     | Dean of the Faculty of Engineering and Design         |
|                                             | Dean of the Faculty of Humanities and Social Sciences |

|                                       | 2025              | 2024       |
|---------------------------------------|-------------------|------------|
| Key management personnel compensation | <b>£2,891,192</b> | £2,938,984 |
| Full time equivalent (number)         | <b>13.00</b>      | 13.25      |

Compensation includes remuneration and all employer benefits paid or payable in exchange for services provided by our key management personnel in the year.

The comparative totals for 2023-24 have been revised to reflect the updated definition of key management personnel. In 2023-24 the compensation disclosed was £2,219,245 and full time equivalent number was 9.5.

|                                                          | 2025           | 2024     |
|----------------------------------------------------------|----------------|----------|
| <b>Severance payments</b>                                |                |          |
| Total amount of compensation paid for the loss of office | <b>297,074</b> | £269,216 |
| Number of staff                                          | <b>42</b>      | 50       |

Severance payments include a mixture of redundancy costs, typically at the end of a fixed term contract, settlement agreements and individually agreed exits.

## Notes to the Annual Accounts (continued)

**9 Staff costs (continued)**

| Access and participation | Consolidated & University |      |
|--------------------------|---------------------------|------|
|                          | 2025                      | 2024 |
|                          | £m                        | £m   |
| Access investment        | 1.1                       | 1.3  |
| Financial support        | 0.1                       | 0.1  |
| Disability support       | 0.5                       | 0.4  |
| Research and evaluation  | 0.3                       | 0.3  |
|                          | 2.0                       | 2.1  |

**10 Analysis of expenditure by activity**

|                                          | 2025  | 2024   |
|------------------------------------------|-------|--------|
|                                          | £m    | £m     |
| Academic departments                     | 160.7 | 151.5  |
| Academic services                        | 39.4  | 39.8   |
| Central administration                   | 25.5  | 24.4   |
| General educational expenditure          | 26.6  | 25.5   |
| Staff and student facilities             | 19.2  | 19.7   |
| Premises                                 | 67.7  | 67.2   |
| Impairment of fixed assets               | 8.1   | -      |
| Residences, retail & catering operations | 57.7  | 52.0   |
| Research grants and contracts            | 31.7  | 29.1   |
| Other services rendered                  | 1.6   | 2.2    |
| Movement in USS pension liability        | -     | (98.2) |
| Other expenses                           | (2.0) | 2.8    |
| Consolidated                             | 436.2 | 316.0  |
| University of Bath                       | 428.2 | 308.1  |

| Other operating expenses include:               | Consolidated & University |         |
|-------------------------------------------------|---------------------------|---------|
|                                                 | 2025                      | 2024    |
|                                                 | £                         | £       |
| External auditors' remuneration (including VAT) |                           |         |
| - Audit services                                | 33,534                    | 22,812  |
| - Subsidiary company                            |                           |         |
| - University                                    | 201,204                   | 197,147 |
| - US federal loan reporting                     | 6,300                     | 6,000   |
|                                                 | 241,038                   | 225,959 |

Notes to the Annual Accounts (continued)

10 Analysis of expenditure by activity (continued)

|                                 | Consolidated & University |      |
|---------------------------------|---------------------------|------|
|                                 | 2025                      | 2024 |
|                                 | £m                        | £m   |
| <b>Access and Participation</b> |                           |      |
| Access investment               | 2.3                       | 2.5  |
| Financial support               | 4.7                       | 4.2  |
| Disability support              | 0.8                       | 0.6  |
| Research and evaluation         | 0.3                       | 0.3  |
|                                 | 8.1                       | 7.6  |

[Link to our published access and participation plan \(APP\):](#)

University of Bath access and participation plans

**Overall**

The financial climate remains challenging, with increasing pressures on both pay and non-pay costs. The financial commitments set out in the 2024–28 Access and Participation Plan (APP) were agreed in 2022-23, based on inflation forecasts at that time. Since then, costs have risen more steeply than expected, particularly in relation to staff pay, travel, accommodation and food. These increases have affected the cost of delivering the wide range of activities within the plan.

For 2024-25, overall APP expenditure is £0.16m lower than planned, following mitigations introduced during the year to balance spending.

**Access Investment**

Widening access to Bath continues to be the main focus of the APP. To bring about change in the diversity of the student population, we increased the scale of outreach activity again in 2024-25, following growth in 2023-24. This expansion led to additional non-pay costs, though these were mitigated during the year, including through reduced pay expenditure.

Spending on access is £0.16m lower than in 2023-24. Within the 2024-28 APP, we committed £2.27m for access. Actual spend in 2024-25 was £2.30m, representing an overspend of £0.03m. This overspend has been balanced by underspend in other areas. Plans are in place to reduce costs in 2025-26, while maintaining large-scale outreach and access activities.

**Financial Support**

Spending on financial support was £0.31m below the target set in the 2024–28 APP, but £0.46m higher than in 2023-24. The increase compared with last year reflects expanded eligibility criteria, which allowed more students to receive financial support. However, the number of students eligible was still slightly lower than forecast when the 2024–28 commitments were made. We expect eligibility to rise as more students meeting contextual criteria enter Bath.

**Disability Support for Students**

Total spending on disability support was £0.8m, comprising £0.36m from the OfS Disabled Students’ Premium and an additional £0.44m through the APP. This represents £0.17m more than in 2023-24, largely due to an initiative offering grants to students who, for disability-related reasons, require en-suite accommodation instead of standard accommodation.

**Research and Evaluation**

Expenditure on research and evaluation increased by £0.01m compared with 2023-24. While the 2024–28 APP included a commitment to expand staffing in this area, this was not fully realised in 2024-25, resulting in spending being £0.2m below the APP target. This underspend helped offset spends in other areas. Staffing increases are scheduled for the start of 2025-26, and spending will therefore rise next year.

## Notes to the Annual Accounts (continued)

### 11 Related party transactions

The financial statements of the University include transactions with related parties. In accordance with FRS 102 these are disclosed where members of the University of Bath's Council or Key Management Personnel (KMP) disclose an interest in a body with whom the University undertakes transactions which are considered material to the University's Financial Statements and/or the other party. Due to the nature of the University's operations and the composition of the Board, being drawn from public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of Council or KMP may have an interest.

An updated register of the interests of the members of Council is maintained:

#### 2024-25 Council Members' Register of Interests ([bath.ac.uk](https://bath.ac.uk))

Reimbursements to members of Council and ARAC for expenditure incurred whilst carrying out their duties amounted to £10,003 (2023-24 £7,210). 10 members of Council and 1 member of Audit and Risk Assurance Committee (2023-24 9 members of Council and 1 member of Audit and Risk Assurance Committee) claimed expenses during the year.

The University has taken advantage of the exemption within FRS102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights. Included within the financial statements are the following transactions with related parties:

|                                    | Expenditure recognised within the financial statements |            | Balance due to the University at 31 July recognised within the financial statements |            |
|------------------------------------|--------------------------------------------------------|------------|-------------------------------------------------------------------------------------|------------|
|                                    | 2025<br>£m                                             | 2024<br>£m | 2025<br>£m                                                                          | 2024<br>£m |
| University of Bath Students' Union | 3.4                                                    | 3.4        | 0.2                                                                                 | -          |

#### University of Bath Students' Union

The Students' Union provide a range of services and facilities to the University's student body. Two members of Council sit on the governing body of the Students' Union.

The University processes the payroll on behalf of the Students' Union with the salary costs being recharged to the Students' Union in full. The Students' Union uses the block grant to repay the salary costs to the University and this amounted to £2.3m in 2024-25 (2023-24 £2.2m).

### 12 Interest and other finance costs

|                                                             | Consolidated & University |             |
|-------------------------------------------------------------|---------------------------|-------------|
|                                                             | 2025<br>£m                | 2024<br>£m  |
| Interest on loans not wholly repayable within five years    | 8.7                       | 8.7         |
| Change in discounted value of future USS payments (note 20) | -                         | 2.2         |
| LGPS net interest charge (note 25)                          | 0.3                       | 0.3         |
|                                                             | <b>9.0</b>                | <b>11.2</b> |

## Notes to the Annual Accounts (continued)

**13 Fixed assets**

| <b>Consolidated</b>                            |                           |                  |                                 |                  |                                             |                          |              |
|------------------------------------------------|---------------------------|------------------|---------------------------------|------------------|---------------------------------------------|--------------------------|--------------|
|                                                | <b>Land and buildings</b> |                  |                                 | <b>Equipment</b> | <b>Assets in the course of construction</b> | <b>Intangible assets</b> | <b>Total</b> |
|                                                | <b>Freehold</b>           | <b>Leasehold</b> | <b>Leasehold - enhancements</b> |                  |                                             |                          |              |
|                                                | <b>£m</b>                 | <b>£m</b>        | <b>£m</b>                       | <b>£m</b>        | <b>£m</b>                                   | <b>£m</b>                | <b>£m</b>    |
| <b>Cost / valuation</b>                        |                           |                  |                                 |                  |                                             |                          |              |
| At 1 August 2024                               | 113.2                     | 1,037.9          | 9.9                             | 128.7            | 5.5                                         | 0.5                      | 1,295.7      |
| Additions at cost                              | 1.7                       | 26.6             | 1.8                             | 3.5              | 6.9                                         | -                        | 40.5         |
| Disposals                                      | -                         | -                | (1.2)                           | (0.4)            | -                                           | -                        | (1.6)        |
| Revaluations                                   | 0.5                       | 6.5              | -                               | -                | -                                           | -                        | 7.0          |
| Reclassifications                              | -                         | 2.1              | (2.1)                           | 3.6              | (3.6)                                       | -                        | -            |
| At 31 July 2025                                | 115.4                     | 1,073.1          | 8.4                             | 135.4            | 8.8                                         | 0.5                      | 1,341.6      |
| <b>Accumulated depreciation and impairment</b> |                           |                  |                                 |                  |                                             |                          |              |
| At 1 August 2024                               | 0.1                       | 3.8              | 6.3                             | 89.6             | -                                           | 0.2                      | 100.0        |
| Charge in year                                 | 3.3                       | 54.5             | 0.6                             | 9.6              | -                                           | 0.1                      | 68.1         |
| Disposals                                      | -                         | -                | (1.2)                           | (0.4)            | -                                           | -                        | (1.6)        |
| Revaluations                                   | (3.3)                     | (56.4)           | -                               | -                | -                                           | -                        | (59.7)       |
| Impairment                                     | -                         | 8.1              | -                               | -                | -                                           | -                        | 8.1          |
| Reclassifications                              | -                         | 0.3              | (0.3)                           | -                | -                                           | -                        | -            |
| At 31 July 2025                                | 0.1                       | 10.3             | 5.4                             | 98.8             | -                                           | 0.3                      | 114.9        |
| <b>Net book value</b>                          |                           |                  |                                 |                  |                                             |                          |              |
| At 31 July 2025                                | 115.3                     | 1,062.8          | 3.0                             | 36.6             | 8.8                                         | 0.2                      | 1,226.7      |
| At 31 July 2024                                | 113.1                     | 1,034.1          | 3.6                             | 39.1             | 5.5                                         | 0.3                      | 1,195.7      |
| <b>Leased assets included above</b>            |                           |                  |                                 |                  |                                             |                          |              |
| <b>Carrying amount</b>                         |                           |                  |                                 |                  |                                             |                          |              |
| At 31 July 2025                                | -                         | 16.5             | -                               | 0.8              | -                                           | -                        | 17.3         |
| At 31 July 2024                                | -                         | 0.7              | -                               | 0.6              | -                                           | -                        | 1.3          |

As at 31 July 2025, we revalued all our freehold and leasehold Buildings. The valuation was carried out by Carter Jonas Limited, an external Chartered Surveyor, on the basis of Existing Use or Depreciated Replacement Cost according to the nature and use of each building. The valuation was prepared in accordance with the Valuation Standards published by the Royal Institute of Chartered Surveyors.

The movement in buildings values following the revaluation is written back through an increase in valuation and the reversal of accumulated depreciation charged since the previous valuation exercise.

An impairment loss of £8.1m (2023-24: £Nil) was recognised in respect of two buildings located at Claverton Down campus due to physical deterioration of one building and functional obsolescence of the other. The impairment loss has been charged to SOCI and has reduced the carrying value of both buildings to £Nil.

Provision has not been made for capital commitments funded by University funds, of £7.4m (2023-24 £13.2m) that were contracted at 31 July.

## Notes to the Annual Accounts (continued)

**13 Fixed assets (continued)****University**

|                         | Land and buildings |           |                             | Equipment | Assets<br>in the<br>course of<br>construction | Intangible<br>assets | Total   |
|-------------------------|--------------------|-----------|-----------------------------|-----------|-----------------------------------------------|----------------------|---------|
|                         | Freehold           | Leasehold | Leasehold -<br>enhancements |           |                                               |                      |         |
|                         | £m                 | £m        | £m                          | £m        | £m                                            | £m                   | £m      |
| <b>Cost / valuation</b> |                    |           |                             |           |                                               |                      |         |
| At 1 August 2024        | 113.3              | 1,037.8   | 9.9                         | 105.2     | 5.5                                           | 0.5                  | 1,272.2 |
| Additions at cost       | 1.7                | 26.5      | 1.8                         | 3.5       | 6.9                                           | -                    | 40.4    |
| Disposals               | -                  | -         | (1.2)                       | (0.4)     | -                                             | -                    | (1.6)   |
| Revaluations            | 0.5                | 6.5       | -                           | -         | -                                             | -                    | 7.0     |
| Reclassifications       | -                  | 2.1       | (2.1)                       | 3.6       | (3.6)                                         | -                    | -       |
| At 31 July 2025         | 115.5              | 1,072.9   | 8.4                         | 111.9     | 8.8                                           | 0.5                  | 1,318.0 |

**Accumulated  
depreciation and  
impairment**

|                   |       |        |       |       |   |     |        |
|-------------------|-------|--------|-------|-------|---|-----|--------|
| At 1 August 2024  | 0.1   | 4.0    | 6.2   | 85.4  | - | 0.2 | 95.9   |
| Charge in year    | 3.3   | 54.5   | 0.6   | 7.2   | - | 0.1 | 65.7   |
| Disposals         | -     | -      | (1.2) | (0.4) | - | -   | (1.6)  |
| Revaluations      | (3.3) | (56.4) | -     | -     | - | -   | (59.7) |
| Impairment        | -     | 8.1    | -     | -     | - | -   | 8.1    |
| Reclassifications | -     | 0.2    | (0.2) | -     | - | -   | -      |
| At 31 July 2025   | 0.1   | 10.4   | 5.4   | 92.2  | - | 0.3 | 108.4  |

**Net book value**

|                 |       |         |     |      |     |     |         |
|-----------------|-------|---------|-----|------|-----|-----|---------|
| At 31 July 2025 | 115.4 | 1,062.5 | 3.0 | 19.7 | 8.8 | 0.2 | 1,209.6 |
| At 31 July 2024 | 113.2 | 1,033.8 | 3.7 | 19.8 | 5.5 | 0.3 | 1,176.3 |

**Leased assets  
included above:  
Carrying amount**

|                 |   |      |   |     |   |   |      |
|-----------------|---|------|---|-----|---|---|------|
| At 31 July 2025 | - | 16.5 | - | 0.8 | - | - | 17.3 |
| At 31 July 2024 | - | 0.7  | - | 0.6 | - | - | 1.3  |

Freehold and leasehold land and buildings measured by valuation at 31 July 2025 includes the following historical cost:

**Consolidated & University**

|                              | 2025  | 2024  |
|------------------------------|-------|-------|
|                              | £m    | £m    |
| Freehold land and buildings  | 90.8  | 89.1  |
| Leasehold land and buildings | 613.5 | 602.8 |

Leasehold land and buildings includes land with a value of £41.1m at 31 July 2025 (£41.1m at 31 July 2024).

Equipment includes assets donated to us, these are valued at market value as at the date when they were received.

## Notes to the Annual Accounts (continued)

**14 Non current asset investments**

|                                       | Consolidated |            | University |            |
|---------------------------------------|--------------|------------|------------|------------|
|                                       | 2025         | 2024       | 2025       | 2024       |
|                                       | £m           | £m         | £m         | £m         |
| At 1 August                           |              |            |            |            |
| Other investments                     | 2.1          | 2.0        | 6.1        | 6.0        |
| (Disposal)/Acquisition of investments | (0.2)        | 0.1        | (0.2)      | 0.1        |
| Movement in market value              | (0.1)        | -          | (0.1)      | -          |
| <b>At 31 July</b>                     | <b>1.8</b>   | <b>2.1</b> | <b>5.8</b> | <b>6.1</b> |

Our non current asset investments are investments in private companies without published share price quotations.

**15 Trade and other receivables**

|                                    | Consolidated |             | University  |             |
|------------------------------------|--------------|-------------|-------------|-------------|
|                                    | 2025         | 2024        | 2025        | 2024        |
|                                    | £m           | £m          | £m          | £m          |
| Prepayments and accrued income     | 8.2          | 4.7         | 8.1         | 4.7         |
| Amounts receivable from subsidiary | -            | -           | 23.9        | 17.3        |
| Research grant receivables         | 10.5         | 8.5         | 10.5        | 8.5         |
| Other receivables                  | 17.4         | 16.5        | 17.1        | 16.8        |
|                                    | <b>36.1</b>  | <b>29.7</b> | <b>59.6</b> | <b>47.3</b> |
| Due within one year                | 35.8         | 26.3        | 38.0        | 28.6        |
| Due in more than one year          | 0.3          | 3.4         | 21.6        | 18.7        |
|                                    | <b>36.1</b>  | <b>29.7</b> | <b>59.6</b> | <b>47.3</b> |

**16 Current Asset Investments**

|                         | Investments<br>measured at<br>Market Value | Investments<br>measured at<br>Amortised Cost | Consolidated & University |                     |
|-------------------------|--------------------------------------------|----------------------------------------------|---------------------------|---------------------|
|                         | £m                                         | £m                                           | 2025<br>Total<br>£m       | 2024<br>Total<br>£m |
| At 1 August             | 98.4                                       | 98.3                                         | 196.7                     | 209.6               |
| New investments         | 19.5                                       | 127.7                                        | 147.2                     | 75.8                |
| Disposal of investments | (15.1)                                     | (105.4)                                      | (120.5)                   | (96.1)              |
| Market value movement   | 2.8                                        | -                                            | 2.8                       | 7.5                 |
| <b>At 31 July</b>       | <b>105.6</b>                               | <b>120.6</b>                                 | <b>226.2</b>              | <b>196.8</b>        |

Investments measured at market value include quoted investments of £93.6m (2023-24 £86.4m) and those held in unit funds where a market value can be determined of £12.0m (2023-24 £12.0m).

Investments measured at amortised cost include those held in money market funds, certificates of deposit and fixed deposits.

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority. These short term deposits do not meet the definition of cash equivalent. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2025, the weighted average interest rate of these fixed rate deposits was 4.30% per annum (2023-24 5.79%) and the remaining weighted average period for which the interest rate is fixed on these deposits was 286 days (2023-24 55 days). The fair value of these deposits was not materially different from the book value.

Current asset investments include £8.5m (2023-24 £8.4m) held in respect of endowments as disclosed in note 21.

## Notes to the Annual Accounts (continued)

**17 Creditors: amounts falling due within one year**

|                                            | Consolidated |      | University |      |
|--------------------------------------------|--------------|------|------------|------|
|                                            | 2025         | 2024 | 2025       | 2024 |
|                                            | £m           | £m   | £m         | £m   |
| Bank loans                                 | 2.1          | 2.1  | 2.1        | 2.1  |
| Trade payables                             | 22.5         | 24.8 | 22.2       | 24.6 |
| Amounts payable to subsidiary              | -            | -    | 0.1        | 0.2  |
| Social security and other taxation payable | 10.4         | 7.4  | 10.3       | 7.4  |
| Finance lease obligations                  | 0.8          | 0.5  | 0.8        | 0.5  |
| Deferred income                            | 49.6         | 46.9 | 49.5       | 46.9 |
|                                            | 85.4         | 81.7 | 85.0       | 81.7 |

**Deferred Income**

Included in deferred income are the following items which have been deferred until specific performance related conditions are met.

|                                     | Consolidated |      | University |      |
|-------------------------------------|--------------|------|------------|------|
|                                     | 2025         | 2024 | 2025       | 2024 |
|                                     | £m           | £m   | £m         | £m   |
| Donations                           | 0.2          | 0.3  | 0.2        | 0.3  |
| Research grants received on account | 27.9         | 23.1 | 27.9       | 23.1 |
| Grant income                        | 9.7          | 11.0 | 9.7        | 11.0 |
| Other income                        | 11.8         | 12.5 | 11.7       | 12.5 |
|                                     | 49.6         | 46.9 | 49.5       | 46.9 |

**18 Creditors: amounts falling due after more than one year**

|                              | Consolidated & University |       |
|------------------------------|---------------------------|-------|
|                              | 2025                      | 2024  |
|                              | £m                        | £m    |
| Bank loans                   | 68.8                      | 70.9  |
| Loan notes at amortised cost | 55.4                      | 55.4  |
| Loan notes at fair value     | 60.8                      | 66.9  |
| Finance lease obligations    | 18.9                      | 1.2   |
|                              | 203.9                     | 194.4 |

**19 Borrowings**

|                                                                            | Consolidated & University |       |
|----------------------------------------------------------------------------|---------------------------|-------|
|                                                                            | 2025                      | 2024  |
|                                                                            | £m                        | £m    |
| Bank loans and loan notes held at amortised cost are repayable as follows: |                           |       |
| In one year or less                                                        | 2.1                       | 2.1   |
| Between one and two years                                                  | 13.3                      | 2.1   |
| Between two and five years                                                 | 6.3                       | 17.5  |
| In five years or more                                                      | 104.6                     | 106.7 |
|                                                                            | 126.3                     | 128.4 |

## Notes to the Annual Accounts (continued)

**19 Borrowings (continued)**

| Lender                                         | Amount<br>£m | Maturity date | Repayments  | Interest rate<br>% | Borrower           |
|------------------------------------------------|--------------|---------------|-------------|--------------------|--------------------|
| Lloyds Bank plc (tranche A)                    | 11.7         | 2036          | Quarterly   | 4.45               | University of Bath |
| Lloyds Bank plc (tranche B1)                   | 5.2          | 2026          | At maturity | 4.45               | University of Bath |
| Lloyds Bank plc (tranche B2)                   | 5.2          | 2031          | At maturity | 4.45               | University of Bath |
| Lloyds Bank plc (tranche B3)                   | 15.6         | 2036          | At maturity | 4.45               | University of Bath |
| Barclays Bank plc (tranche A1.1)               | 6.0          | 2027          | At maturity | 4.46               | University of Bath |
| Barclays Bank plc (tranche A1.2)               | 15.0         | 2032          | At maturity | 4.46               | University of Bath |
| Barclays Bank plc (tranche A2)                 | 7.5          | 2037          | Quarterly   | 4.53               | University of Bath |
| Barclays Bank plc (tranche B)                  | 4.7          | 2037          | Quarterly   | 4.46               | University of Bath |
| The Northwestern Mutual Life Insurance Company | 45.0         | 2038          | At maturity | 2.63               | University of Bath |
| MetLife Insurance K.K.                         | 55.0         | 2048          | At maturity | 2.77               | University of Bath |
| Pension Insurance Corporation plc              | 50.0         | 2072          | At maturity | 3.66               | University of Bath |

**220.9**

£94.6m of the £100m loan notes with The Northwestern Mutual Life Insurance Company and MetLife Insurance K.K. are carried at fair value at each year end (see Note 18)

**20 Pension provisions**

|                                           | Obligations to fund<br>deficit on USS Pension<br>(note 25)<br>£m | Defined Benefit<br>obligations LGPS<br>(note 25)<br>£m | Consolidated & University |                  |
|-------------------------------------------|------------------------------------------------------------------|--------------------------------------------------------|---------------------------|------------------|
|                                           |                                                                  |                                                        | Total 2025<br>£m          | Total 2024<br>£m |
| At 1 August                               | -                                                                | 7.6                                                    | 7.6                       | 102.4            |
| Released in year                          | -                                                                | (2.0)                                                  | (2.0)                     | (98.2)           |
| Additions in year                         | -                                                                | -                                                      | -                         | 1.2              |
| Interest in year                          | -                                                                | 0.3                                                    | 0.3                       | 2.5              |
| Actuarial (gain) in respect<br>of pension | -                                                                | (5.9)                                                  | (5.9)                     | (0.3)            |
| <b>At 31 July</b>                         | <b>-</b>                                                         | <b>-</b>                                               | <b>-</b>                  | <b>7.6</b>       |

As at 31 July 2025 the Local Government Pension Scheme is valued with surplus position rather than a deficit, therefore no liability is recognised in 2024-25. See note 25 for further details.

## Notes to the Annual Accounts (continued)

## 21 Endowments

Restricted net assets relating to endowments are as follows:

|                                        | Restricted Permanent |                        |            | Restricted Expendable | 2025       | 2024       |
|----------------------------------------|----------------------|------------------------|------------|-----------------------|------------|------------|
|                                        | Capital              | Unapplied total return | Total      | Total                 | Total      | Total      |
|                                        | £m                   | £m                     | £m         | £m                    | £m         | £m         |
| At 1 August                            | 2.2                  | 1.3                    | 3.5        | 4.9                   | 8.4        | 6.9        |
| New endowments                         | 1.2                  | -                      | 1.2        | 0.1                   | 1.3        | 1.5        |
| Investment income: dividends, interest | -                    | 0.1                    | 0.1        | 0.1                   | 0.2        | 0.2        |
| Reclassification                       | 0.5                  | (0.3)                  | 0.2        | (0.2)                 | -          | 0.2        |
| Change in market value of investments  | -                    | -                      | -          | (0.1)                 | (0.1)      | -          |
| Expenditure                            | -                    | (0.1)                  | (0.1)      | (0.3)                 | (0.4)      | (0.4)      |
| <b>At 31 July</b>                      | <b>3.9</b>           | <b>1.0</b>             | <b>4.9</b> | <b>4.5</b>            | <b>9.4</b> | <b>8.4</b> |

## Restricted Permanent

|                         | Capital    | Unapplied total return | Total      |
|-------------------------|------------|------------------------|------------|
|                         | £m         | £m                     | £m         |
| <b>Represented by:</b>  |            |                        |            |
| Capital - Original gift | 2.2        | -                      | 2.2        |
| Unapplied return        | -          | 1.3                    | 1.3        |
| <b>At 1 August</b>      | <b>2.2</b> | <b>1.3</b>             | <b>3.5</b> |
| <br>                    |            |                        |            |
| Capital - Original gift | 3.9        | -                      | 3.9        |
| Unapplied return        | -          | 1.0                    | 1.0        |
| <b>At 31 July</b>       | <b>3.9</b> | <b>1.0</b>             | <b>4.9</b> |

|                                    | Restricted Permanent | Restricted Expendable | 2025  | 2024  |
|------------------------------------|----------------------|-----------------------|-------|-------|
|                                    | Total                | Total                 | Total | Total |
|                                    | £m                   | £m                    | £m    | £m    |
| <b>Analysis by type of purpose</b> |                      |                       |       |       |
| Lectureships                       | 3.2                  | 1.3                   | 4.5   | 4.4   |
| Scholarships and bursaries         | 1.6                  | 2.7                   | 4.3   | 3.4   |
| Prize Funds                        | 0.1                  | 0.3                   | 0.4   | 0.4   |
| General                            | -                    | 0.2                   | 0.2   | 0.2   |
|                                    | 4.9                  | 4.5                   | 9.4   | 8.4   |

|                           | Restricted Permanent | Restricted Expendable | 2025  | 2024  |
|---------------------------|----------------------|-----------------------|-------|-------|
|                           | Total                | Total                 | Total | Total |
|                           | £m                   | £m                    | £m    | £m    |
| <b>Analysis by asset</b>  |                      |                       |       |       |
| Current asset investments | 4.6                  | 3.9                   | 8.5   | 8.4   |
| Cash at bank              | 0.3                  | 0.6                   | 0.9   | -     |
|                           | 4.9                  | 4.5                   | 9.4   | 8.4   |

## Notes to the Annual Accounts (continued)

**22 Restricted reserves**

Reserves with restrictions are as follows:

|                                    | Other Income | Donations | Consolidated & University |       |
|------------------------------------|--------------|-----------|---------------------------|-------|
|                                    |              |           | 2025                      | 2024  |
|                                    |              |           | Total                     | Total |
|                                    | £m           | £m        | £m                        | £m    |
| At 1 August                        | 0.1          | 1.2       | <b>1.3</b>                | 1.7   |
| New grants                         | -            | -         | -                         | (0.5) |
| New donations                      | -            | 0.7       | <b>0.7</b>                | 0.5   |
| Expenditure                        | (0.1)        | (0.8)     | <b>(0.9)</b>              | (0.4) |
| <b>At 31 July</b>                  | -            | 1.1       | <b>1.1</b>                | 1.3   |
| <b>Analysis by type of purpose</b> |              |           |                           |       |
| Research support                   | -            | 0.1       | <b>0.1</b>                | 0.2   |
| Scholarships and bursaries         | -            | 0.1       | <b>0.1</b>                | 0.3   |
| General                            | -            | 0.9       | <b>0.9</b>                | 0.8   |
|                                    | -            | 1.1       | <b>1.1</b>                | 1.3   |

**23 Contingent liability**

We have entered a number of nomination agreements with five organisations whereby we underwrite the shortfall in the letting of a number of student residences, summarised below. We do not expect any liability to be incurred as a result of these contracts as we expect all residences will be fully let as per the nomination agreements.

| Dates                   | Residences     | Legal entity with whom the agreement is held          | Maximum liability<br>31 July 2025 | Maximum liability<br>31 July 2024 |
|-------------------------|----------------|-------------------------------------------------------|-----------------------------------|-----------------------------------|
|                         |                |                                                       | £m                                | £m                                |
| 16/09/2023 - 21/09/2024 | Aquila Court   | Eagle One Aquae Sulis Limited and Aquila MMXX Limited | -                                 | 0.3                               |
| 21/09/2024 - 10/09/2027 | The Brook      | This is Fresh Limited                                 | <b>6.0</b>                        | 2.5                               |
| 23/09/2023 - 27/07/2024 | Twerton Mill   | Twerton Bath Limited                                  | -                                 | -                                 |
| 16/09/2023 - 07/09/2024 | Hello Students | Empiric (Bath James House) Limited                    | -                                 | 0.3                               |
| 01/08/2025 - 13/09/2025 | Unite          | The Unite Group plc                                   | -                                 | 0.2                               |
| <b>Total</b>            |                |                                                       | <b>6.0</b>                        | <b>3.3</b>                        |

## 24 Lease obligations

### Finance leases

The University's future minimum lease payments are as follows:

|                                                         | Consolidated & University |            |
|---------------------------------------------------------|---------------------------|------------|
|                                                         | 2025                      | 2024       |
|                                                         | £m                        | £m         |
| Not later than one year                                 | 1.8                       | 0.6        |
| Later than one year and not later than five years       | 5.3                       | 1.2        |
| Later than five years                                   | 37.2                      | -          |
|                                                         | <b>44.3</b>               | <b>1.8</b> |
| Future finance charges                                  | (24.6)                    | (0.1)      |
| Net carrying amount of obligations under finance leases | <b>19.7</b>               | <b>1.7</b> |

The finance leases are for student residences, which are leased for periods of up to 40 years and finance lease for electric vehicles, which are for up to four years. These are recognised as tangible fixed assets (see note 13).

### Operating leases

The University had total operating lease commitments in respect of leased property as follows:

|                                                   | Consolidated & University |              |
|---------------------------------------------------|---------------------------|--------------|
|                                                   | 2025                      | 2024         |
|                                                   | £m                        | £m           |
| Not later than one year                           | 11.0                      | 10.5         |
| Later than one year and not later than five years | 44.0                      | 45.9         |
| Later than five years                             | 106.8                     | 115.9        |
| Total operating lease commitments                 | <b>161.8</b>              | <b>172.3</b> |

Operating leases are held for nine properties (2023-24 nine) used by us as student accommodation. As we do not control the significant residual value in these properties upon the expiry of the lease period they have not been accounted for as Service Concession Arrangements. The lease arrangements expire between 2025 and 2049, the lease payments are reported in other operating expenses.

The commitments above reflect minimum price increases, based on CPI, which are capped by many agreements, typically, between 4% and 6%.

Notes to the Annual Accounts (continued)

25 Pensions

Universities Superannuation Scheme

We participate in the Universities Superannuation Scheme (USS), 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 fund administered by the trustee, Universities Superannuation Scheme Limited. USS has over 577,000 members and we had 2,757 (2023-24 2,584) active members at 31 July 2025. USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The latest available complete actuarial valuation of the Retirement Income Builder, the defined benefit part of the scheme, is as at 31 March 2023 (the valuation date), which was carried out using the projected unit method. Since we cannot identify our share of the USS Retirement Income Builder (defined benefit) assets and liabilities, the following disclosures reflect those relevant for those assets and liabilities as a whole.

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

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles.

|                                               |                                                                                                                                                                                                                                             |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Price Inflation - Consumer Prices Index (CPI) | 3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)                                                                                                                       |
| RPI/CPI gap                                   | 1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030                                                                                                                                                                                          |
| Pension increases (subject to a floor of 0%)  | Benefits with no cap:<br>CPI assumption plus 3bps<br><br>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%):<br>CPI assumption minus 3bps" |
| Discount rate                                 | Fixed interest gilt yield curve plus:<br>Pre-retirement: 2.5% p.a.<br>Post retirement: 0.9% p.a.                                                                                                                                            |

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

|                                  |                                                                                                                                                                                                |
|----------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Mortality base table             | 101% of S2PMA "light" for males and 95% of S3PFA for females                                                                                                                                   |
| Future improvements to mortality | CMI 2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% pa for males and 1.60% pa for females |

The current life expectancies on retirement at age 65 are:

|                           |      |      |
|---------------------------|------|------|
|                           | 2025 | 2024 |
| Males currently 65 yrs:   | 23.8 | 23.7 |
| Females currently 65 yrs: | 25.5 | 25.4 |
| Males currently 45 yrs:   | 25.7 | 25.6 |
| Females currently 45 yrs: | 27.2 | 27.2 |

## Notes to the Annual Accounts (continued)

## 25 Pensions (continued)

## Universities Superannuation Scheme (continued)

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

## Local Government Pension Scheme

We participate in the Avon Pension Fund which is a funded defined benefit pension scheme with the assets held in separate trustee administered funds. The assumptions which have the most significant effect on the determination of contribution levels are as follows:

|                                                            |                |
|------------------------------------------------------------|----------------|
| Return on investments                                      | 4.6%           |
| Long-term Salary Increases - Higher Risk                   | 4.6%           |
| Long-term Salary Increases - Lower Risk                    | 5.1%           |
| CPI Inflation - Higher Risk                                | 3.1%           |
| CPI Inflation - Lower Risk                                 | 3.6%           |
| Valuation date                                             | 31 March 2022  |
| Valuation method                                           | Projected Unit |
| Market value of assets at date of last valuation           | £5,822 million |
| Market value of assets as a percentage of accrued benefits | 97.0%          |

The contribution payable by us is 20.7% of pensionable pay as at April 2024.



## Notes to the Annual Accounts (continued)

**25 Pensions (continued)****Local Government Pension Scheme**

As a multi-employer scheme where the share of assets and liabilities applicable to each employer can be defined, we have accounted for the scheme under FRS 102 as a defined benefit scheme based on a full actuarial valuation of the Fund as at 31 March 2022, updated to 31 July 2025 by a qualified independent actuary.

The material assumptions used by the actuary were:

| At end of year                | 31 July 2025 | 31 July 2024 |
|-------------------------------|--------------|--------------|
|                               | %            | %            |
| Rate of CPI inflation:        | 2.5          | 2.6          |
| Rate of increase in salaries: | 4.0          | 4.1          |
| Rate of increase in pensions: | 2.6          | 2.7          |
| Discount rate:                | 5.9          | 4.9          |

**Post retirement mortality assumptions for members retiring in normal health**

|                     | 31 July 2025                                      | 31 July 2024                                     |
|---------------------|---------------------------------------------------|--------------------------------------------------|
| Non-retired members | SAPS 4 CMI 24 (1.5%)<br>(104% males, 93% females) | SAPS 4 CMI 23 (1.5%)<br>(99% males, 92% females) |
| Retired members     | SAPS 4 CMI 24 [1.5%]<br>(97% males, 90% females)  | SAPS 4 CMI 23 [1.5%]<br>(94% males, 94% females) |

**Life expectancy**

|                                                    |                 |                   |
|----------------------------------------------------|-----------------|-------------------|
| Male / female future pensioner 65 in 20 years time | 23.1 / 26 years | 23.1 / 26 years   |
| Male / female current pensioner aged 65            | 22 / 24.5 years | 21.9 / 24.1 years |

The sensitivities regarding the principal assumptions used to measure our share of the scheme liabilities as at the valuation on 31 July 2025 are set out below:

| Assumption            | Change in Assumption | Impact on scheme liabilities |
|-----------------------|----------------------|------------------------------|
| Discount rate         | Increase by 0.5%     | Decrease by £10.0m           |
| Rate of CPI Inflation | Increase by 0.25%    | Increase by £5.3m            |
| Rate of salary growth | Increase by 0.25%    | Increase by £0.7m            |
| Members live longer   | 1 year longer        | Increase by £2.7m            |

## Notes to the Annual Accounts (continued)

**25 Pensions (continued)****Local Government Pension Scheme (continued)***Our share of the scheme's assets and liabilities:*

|                                     | 2025    | 2024    |
|-------------------------------------|---------|---------|
|                                     | £m      | £m      |
| Market value of assets              | 157.7   | 152.8   |
| Present value of scheme liabilities | (140.8) | (160.4) |

|                                      |             |              |
|--------------------------------------|-------------|--------------|
| <b>Net pension asset/(liability)</b> | <b>16.9</b> | <b>(7.6)</b> |
|--------------------------------------|-------------|--------------|

**Amounts charged to SOCI:**

Included in staff costs and operating expenses for the year (note 10)

|                         | 2025 | 2024 |
|-------------------------|------|------|
|                         | £m   | £m   |
| Current service cost    | 2.4  | 2.4  |
| Administration expenses | 0.1  | 0.1  |

|                               |            |            |
|-------------------------------|------------|------------|
| <b>Total operating charge</b> | <b>2.5</b> | <b>2.5</b> |
|-------------------------------|------------|------------|

|  | 2025 | 2024 |
|--|------|------|
|  | £m   | £m   |

*Analysis of amount charged to interest payable*

|                               |     |     |
|-------------------------------|-----|-----|
| Net interest charge (note 12) | 0.3 | 0.3 |
|-------------------------------|-----|-----|

|                   |            |            |
|-------------------|------------|------------|
| <b>Net charge</b> | <b>0.3</b> | <b>0.3</b> |
|-------------------|------------|------------|



## Notes to the Annual Accounts (continued)

**25 Pensions (continued)****Local Government Pension Scheme (continued)***Amounts recognised in the Statement of Comprehensive Income*

|                                                                         | 2025   | 2024  |
|-------------------------------------------------------------------------|--------|-------|
|                                                                         | £m     | £m    |
| Change in assumptions underlying the present value of the scheme assets | (1.8)  | 1.4   |
| of the scheme liabilities                                               | 24.6   | (1.1) |
| FRS 102 Adjustment                                                      | (16.9) | -     |

|                                          |            |            |
|------------------------------------------|------------|------------|
| <b>Total remeasurements gain in SOCI</b> | <b>5.9</b> | <b>0.3</b> |
|------------------------------------------|------------|------------|

*The movement in the scheme's deficit during the year is made up as follows:*

|                                       | 2025  | 2024  |
|---------------------------------------|-------|-------|
|                                       | £m    | £m    |
| Deficit in scheme at 1 August         | 7.6   | 6.4   |
| Movement in the year:                 |       |       |
| Current service and curtailment costs | 2.3   | 2.4   |
| Contributions by the employer         | (4.4) | (1.3) |
| Administrative charge                 | 0.1   | 0.1   |
| Net interest charge                   | 0.3   | 0.3   |
| Actuarial gains                       | (5.9) | (0.3) |

|                                     |          |            |
|-------------------------------------|----------|------------|
| <b>Deficit in scheme at 31 July</b> | <b>-</b> | <b>7.6</b> |
|-------------------------------------|----------|------------|

*Analysis of the movement in the present value of the scheme liabilities:*

|                                                | 2025   | 2024  |
|------------------------------------------------|--------|-------|
|                                                | £m     | £m    |
| At the beginning of the year                   | 160.4  | 154.3 |
| Current service cost                           | 2.4    | 2.4   |
| Interest on pension liabilities                | 7.7    | 7.8   |
| Member contributions                           | 1.0    | 0.9   |
| Actuarial (gain)/losses on liabilities - other | (24.6) | 1.1   |
| Benefits/transfers paid                        | (6.1)  | (6.1) |

|                               |              |              |
|-------------------------------|--------------|--------------|
| <b>At the end of the year</b> | <b>140.8</b> | <b>160.4</b> |
|-------------------------------|--------------|--------------|

## Notes to the Annual Accounts (continued)

**25 Pensions (continued)****Local Government Pension Scheme (continued)***Analysis of the movement in the market value of the scheme assets:*

|                                      | 2025         | 2024         |
|--------------------------------------|--------------|--------------|
|                                      | £m           | £m           |
| At the beginning of the year         | 152.8        | 147.9        |
| Interest on plan assets              | 7.5          | 7.5          |
| Actuarial (losses)/gains on assets   | (1.8)        | 1.3          |
| Administrative expenses              | (0.1)        | (0.1)        |
| Contributions by the employer        | 4.4          | 1.3          |
| Contributions by scheme participants | 1.0          | 1.0          |
| Benefits/transfers paid              | (6.1)        | (6.1)        |
| <b>At the end of the year</b>        | <b>157.7</b> | <b>152.8</b> |

*Analysis of the scheme assets:*

|                               | 2025         | 2024         |
|-------------------------------|--------------|--------------|
|                               | £m           | £m           |
| Equities                      | 64.5         | 77.0         |
| Government bonds              | 30.1         | 32.4         |
| Other bonds                   | 14.8         | 13.8         |
| Property                      | 7.7          | 7.6          |
| Cash/liquidity                | (7.7)        | (22.5)       |
| Other                         | 48.3         | 44.5         |
| <b>At the end of the year</b> | <b>157.7</b> | <b>152.8</b> |

**University Total pension costs (note 9)**

|                                                                 | 2025        | 2024          |
|-----------------------------------------------------------------|-------------|---------------|
|                                                                 | £m          | £m            |
| Universities Superannuation Scheme: employer only contributions | 19.3        | 21.5          |
| Universities Superannuation Scheme: provision movement          | -           | (98.2)        |
|                                                                 | <b>19.3</b> | <b>(76.7)</b> |
| Avon Pension Fund (LGPS)                                        | 1.2         | 4.5           |
| Contributions to other pension schemes                          | 1.7         | 1.6           |
| <b>Total pension costs</b>                                      | <b>22.2</b> | <b>(70.6)</b> |

## Notes to the Annual Accounts (continued)

**26 Consolidated reconciliation of net debt**

*The movement in net debt during the year is made up as follows:*

|                                             | Consolidated | University  |
|---------------------------------------------|--------------|-------------|
|                                             | £m           | £m          |
| Net debt 1 August 2024                      | 2.5          | 1.8         |
| Movement in the year:                       |              |             |
| Short-term investments                      |              |             |
| Cash flow                                   | 26.7         | 26.7        |
| Change in market value                      | 2.8          | 2.8         |
| Cash at bank                                | 1.7          | 0.2         |
| Bank loans                                  |              |             |
| Cash flow                                   | 10.8         | 10.8        |
| Movement in fair value and interest payable | (2.6)        | (2.6)       |
| Finance leases                              | (18.0)       | (18.0)      |
| Net debt 31 July 2025                       | 23.9         | 21.7        |
| <b>Change in adjusted net debt</b>          | <b>21.4</b>  | <b>19.9</b> |

The table above includes changes in net debt including investments, which have been included to give a fairer representation of the University's true net debt position as they are available at short notice. The statutory change in net debt, which includes only cash and cash equivalents, and excludes changes in respect of investments is disclosed below.

|                                     |              |              |
|-------------------------------------|--------------|--------------|
| <b>Change in statutory net debt</b> | <b>(8.1)</b> | <b>(9.6)</b> |
|-------------------------------------|--------------|--------------|

**Analysis of net debt:****Consolidated**

|                                  | Note  | At 1 August<br>2024 | Cash flows   | Other Non-<br>Cash Changes | At 31 July<br>2025 |
|----------------------------------|-------|---------------------|--------------|----------------------------|--------------------|
|                                  |       | £m                  | £m           | £m                         | £m                 |
| Cash at bank                     |       | 2.7                 | 1.7          | -                          | 4.4                |
| Bank loans and loan notes        | 17,18 | (195.3)             | 10.8         | (2.6)                      | (187.1)            |
| Obligations under finance leases | 17,18 | (1.7)               | (18.0)       | -                          | (19.7)             |
| <b>Statutory net debt</b>        |       | <b>(194.3)</b>      | <b>(5.5)</b> | <b>(2.6)</b>               | <b>(202.4)</b>     |
| Short-term investments           | 16    | 196.8               | 26.7         | 2.8                        | 226.3              |
| <b>Adjusted net debt</b>         |       | <b>2.5</b>          | <b>21.2</b>  | <b>0.2</b>                 | <b>23.9</b>        |

**University**

|                                  | Note  | At 1 August<br>2024 | Cash flows   | Other Non-<br>Cash Changes | At 31 July<br>2025 |
|----------------------------------|-------|---------------------|--------------|----------------------------|--------------------|
|                                  |       | £m                  | £m           | £m                         | £m                 |
| Cash at bank                     |       | 2.0                 | 0.2          | -                          | 2.2                |
| Bank loans and loan notes        | 17,18 | (195.3)             | 10.8         | (2.6)                      | (187.1)            |
| Obligations under finance leases | 17,18 | (1.7)               | (18.0)       | -                          | (19.7)             |
| <b>Statutory net debt</b>        |       | <b>(195.0)</b>      | <b>(7.0)</b> | <b>(2.6)</b>               | <b>(204.6)</b>     |
| Short-term investments           | 16    | 196.8               | 26.7         | 2.8                        | 226.3              |
| <b>Adjusted net debt</b>         |       | <b>1.8</b>          | <b>19.7</b>  | <b>0.2</b>                 | <b>21.7</b>        |

## Notes to the Annual Accounts

## 27 Financial instruments

|                                                                                      | Consolidated |      | University |      |
|--------------------------------------------------------------------------------------|--------------|------|------------|------|
|                                                                                      | 2025         | 2024 | 2025       | 2024 |
|                                                                                      | £m           | £m   | £m         | £m   |
| <b>Financial assets</b>                                                              |              |      |            |      |
| <i>Financial assets at fair value through SOCI</i>                                   |              |      |            |      |
| Listed investments                                                                   | 105.6        | 98.5 | 105.6      | 98.5 |
| <i>Financial assets that are equity instruments measured at cost less impairment</i> |              |      |            |      |
| Other investments                                                                    | 1.8          | 2.1  | 5.8        | 6.1  |
| <i>Financial assets that are debt instruments measured at amortised cost</i>         |              |      |            |      |
| Cash                                                                                 | 4.4          | 2.7  | 2.2        | 2.0  |
| Other investments                                                                    | 120.6        | 98.3 | 120.6      | 98.3 |
| Other debtors                                                                        | 27.9         | 25.0 | 51.5       | 42.6 |
| <b>Financial liabilities</b>                                                         |              |      |            |      |
| <i>Financial liabilities at fair value through SOCI</i>                              |              |      |            |      |
| Loan notes                                                                           | 60.8         | 66.9 | 60.8       | 66.9 |
| <i>Financial liabilities measured at amortised cost</i>                              |              |      |            |      |
| Loans                                                                                | 70.9         | 73.0 | 70.9       | 73.0 |
| Loan notes                                                                           | 55.4         | 55.4 | 55.4       | 55.4 |
| Finance leases                                                                       | 19.7         | 1.7  | 19.7       | 1.7  |
| Trade creditors                                                                      | 22.5         | 24.8 | 22.2       | 24.6 |

