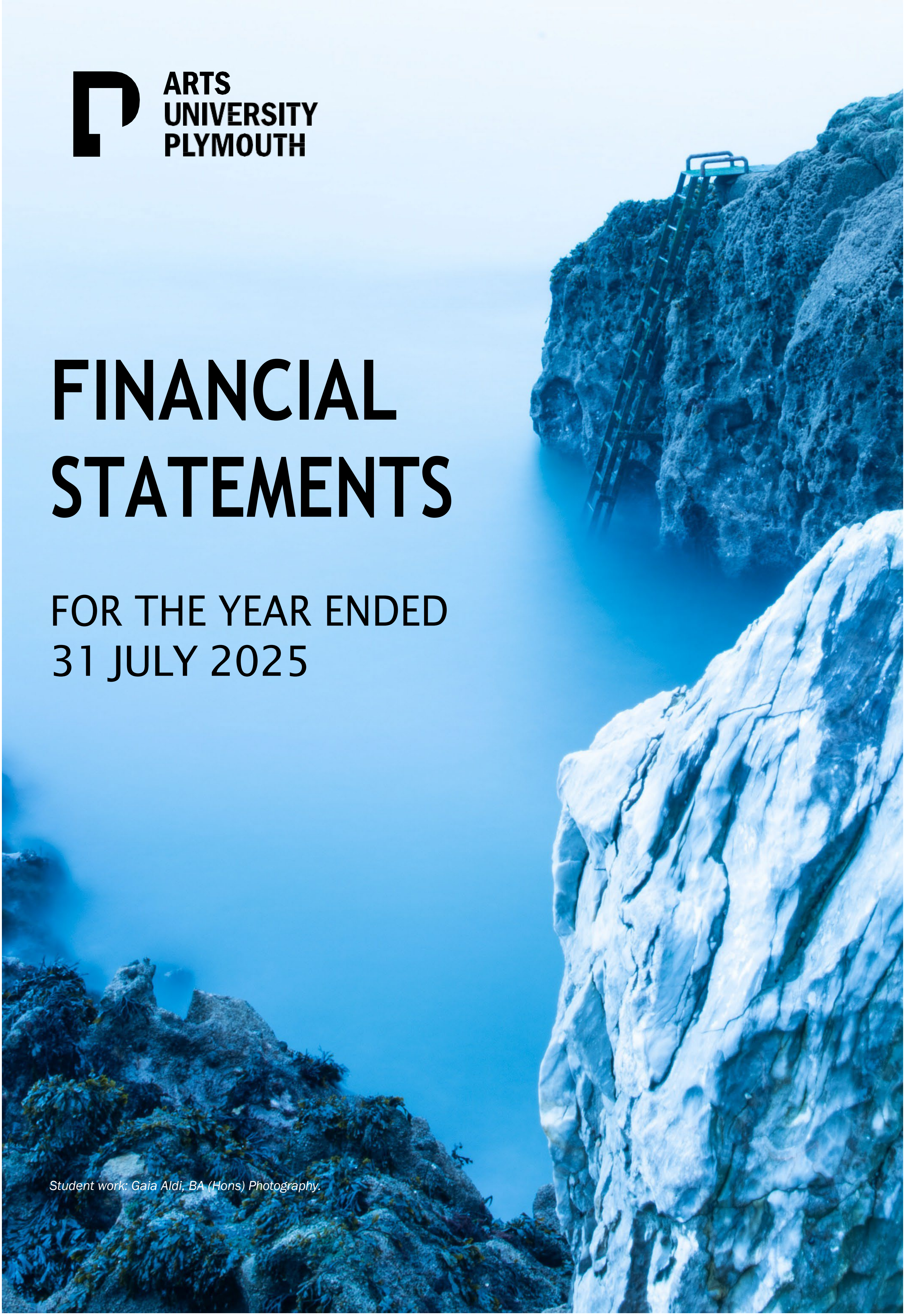
ARTS UNIVERSITY PLYMOUTH

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2025



Student work: Gaia Aldi, BA (Hons) Photography.

Key management personnel, Board of Governors and professional advisers

Key management personnel are defined as members of the University Vice-Chancellor's Executive (VCE) and were represented by the following in 2024/25:

Paul Fieldsend-Danks, Vice Chancellor, CEO, Accounting Officer
Rich Watson, Chief Operating Officer
Robin Kirby, University Registrar and Deputy Vice-Chancellor
Jacqui Moore, Director of External Relations – until 02.07.25
Stephen Felmingham, Pro Vice-Chancellor (Academic)

Board of Governors
A full list of Governors is given on pages 11 to 12 of these financial statements.

Professional advisors:

External auditors:
Bishop Fleming Audit Limited
Salt Quay House
4 North East Quay
Sutton Harbour
Plymouth

Internal auditors:
UNIAC
4th Floor, St. James' Building
Oxford Street
Manchester

Solicitors:
Womble Bond Dickinson (UK) LLP
Ballard House
West Hoe Road
Plymouth

Bankers:
Barclays Bank plc
19 Princess Street
Plymouth

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Strategic Report

Nature, objectives and strategies

The Board of Governors present the annual report and the audited financial statements for the year ended 31 July 2025.

Legal status

Arts University Plymouth is a higher education corporation and an exempt charity, and is regulated by the Office for Students. The institution, then known as Plymouth College of Art, transferred to the higher education sector under the Education Reform Act 1988 in July 2014, and was granted Taught Degree Awarding Powers by the Privy Council in 2019. University title was confirmed on 13 May 2022 with the institution renamed as Arts University Plymouth.

Public Benefit Statement

The University is an exempt charity under Part 3 of the Charities Act 2011 and following the Machinery of Government changes in July 2016 is regulated by the Office for Students (OfS). The members of the Board of Governors, who are trustees of the charity, are disclosed on pages 11-12.

In setting out this Public Benefit Statement, the Governing Body has referred to the Charity Commission's guidance on the reporting of public benefit and particularly to its supplementary public benefit guidance on the advancement of education, through promoting, sustaining and increasing individual and collective knowledge and understanding in the study, skills acquisition and expertise in the creative arts.

The specific aims and objectives of the University are set out in the following pages.

The students of the University are the primary beneficiaries, and the University is committed to the advancement of their education through the delivery of high-quality courses that equip them with the knowledge, skills, and attributes to prepare them for employment in the creative industries. Other members of the public benefit by being able to attend educational events organised by the University as well as attend courses put on by the University.

The cost of studying higher education, and the cost of living, present a challenge to many students. The University supports students in their applications for funding from a wide range of sources and administers the University's bursary and hardship schemes. In 2024/25 the University distributed £126k in direct support to students facing financial challenges, in accordance with our Access and Participation Plan objective.

Arts University Plymouth: A Leader in Creative Education

Arts University Plymouth is the UK's newest specialist arts university, establishing itself as a national leader in creative education. We've been recognised as University of the Year for South West England at the Whatuni Student Choice Awards in both 2024 and 2025.

Our commitment to a personalised, student-centred approach to creative education is reflected in our high student satisfaction ratings. We're proud to be ranked 5th in the UK for Student Satisfaction in the Complete University Guide 2026 and second in the UK for student satisfaction by Times Higher Education in 2024. Furthermore, we have consistently been the top-scoring arts university in the UK in the National Student Survey since 2022.

Founded in 1856 as the Plymouth Drawing School, we've evolved over nearly 170 years to become an award-winning hub of creative innovation and interdisciplinary practice. Our city-centre campuses offer over 13,000 square metres of professional studios and workshops, with open access to specialist facilities spanning materials, media and digital technologies.

At the heart of our work is Creative Education for a Changing World, our 2030 strategy that foregrounds sustainability, social justice and solution-focused learning. Our curriculum, shaped by practitioners and industry partners, equips students to address global challenges through material expertise, critical thinking and creative action. We are an independent, artist-led university built on the values of authenticity, fulfilment and kindness. Our Tavistock Place campus houses Fab Lab South West, Plymouth Arts Cinema, and MIRROR, our public gallery for contemporary visual art. We also host Making Futures, a globally recognised research platform exploring craft, sustainability and material thinking.

The University has launched its first major delivery partnership with Victoria College of Arts & Design (VCAD, part of Planet Education Networks). The first two cohorts have been welcomed onto programmes in Graphic Design, Fashion Design, and Fashion, Media & Marketing. These initial students are studying at the London Harbour Exchange Campus (Canary Wharf), with future students set to join the VCAD Campus in Manchester. This collaboration will allow the University's unique approach to continue expanding access to creative arts education. The partnership addresses a clear business and academic need, supporting managed growth in line with the University's strategic objectives.

Whether through award-winning student support, national teaching accolades, or pioneering creative research, Arts University Plymouth is redefining what it means to study and work as a creative in the 21st century.

Student Recruitment

Undergraduate student recruitment at the Plymouth campus (based on firm acceptances for 2024/25 entry at the time of entry) fell by c.17% year-on-year, in a highly competitive and challenging undergraduate recruitment environment.

Postgraduate taught recruitment has increased by 25%, representing a positive response to a refreshed course portfolio and recruitment approach.

In 2024-25 the University enrolled its first students under a partnership arrangement with Victoria College of Arts and Design, at the Harbour Exchange Campus, Canary Wharf, London. From the first two cohorts, enrolled in February and June 2025, studying three of the University’s undergraduate programmes, the partnership has achieved over 400 enrolments.

Further growth is planned for each year to 2029/30 through expansion and diversification of the academic portfolio and modes of study, in Plymouth and through academic partnerships.

Estates developments in the year

Once again, summer works were carefully planned to ensure that proposed activity was clearly aligned with the current 5-year planned and costed estate's strategy. No freehold land and buildings related capital expenditure was made in the year, with work focusing on preparing and developing our estate to ensure that our teaching/work spaces best meet the needs of the overall strategy.

The biggest change is a complete refresh of our IT services, designed to improve efficiency and student support. The IT department office was relocated to allow for a new, dedicated IT Helpdesk where our IT experts will be on hand to assist with a range of technical issues for both staff and students. Across from the Helpdesk is a new Drop-in Area, available throughout the day for students and staff.

In line with our commitment to fiscal responsibility, we have made smart use of vacated spaces to generate savings. The former IT office has been converted into a dedicated storage facility, a strategic move which is expected to save the university thousands in off-site storage costs.

Critical infrastructure projects were undertaken to ensure the safety, compliance, and sustainability of our buildings. The major project to replace all lighting with energy-efficient LED lamps was completed in the year, a key step in our sustainability efforts.

Curriculum moves and improvements were also completed to accommodate growing departments and improve access for students, helping to future proof the University and its portfolio offer to UG and PG arts education.

Strategic Report

Assessment of financial position

Financial results

The University continues to make purposeful progress towards its financial targets. It monitors performance against the following financial targets, some of which are required by the Office for Students (OfS):

		Actual 2024/25	Actual 2023/24	Actual 2022/23
1	Five times EBITDA[1] to exceed borrowing	£4.4m	(£2.6m)	£5.0m
2	Current ratio of at least 1.5:1 at year end	2:1	1:1	2.2:1
3	General reserve excluding pension reserve of at least 51% of income	67%	74%	75%
4	Maintain at least 37 cash days in hand ('net liquidity days')	58 days	65 days	97 days
5	External borrowing to be less than 50% of total income	6%	12%	16%
6	Staff costs (excluding FRS102 adjustment) as a % of total income to be no more than 58%	57%	71%	63%
7	Surplus as a % of total income to be greater than 3%	3.4%	-7.7%	-3.2%

[1]EBITDA = Earnings before interest, tax, depreciation and amortisation, and before pension provisions

In the year the University made an operating surplus of £514,000 (£993,000 deficit in 2024). This surplus is after the notional pension adjustment of £204,000 (2024; £200,000), which the University is required to make under Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS102) for potential pension liabilities. The further reduction in the pension service cost is due to the increase in the fair value of the fund assets along with changes in actuarial assumptions used to calculate current service costs. The calculation of the FRS102 adjustment is outside of the University's control, and has no immediate effect on cash flow.

During the year the University had a cash outflow of £191,000 (2024; outflow of £1,332,000), giving a cash balance at 31 July 2025 of £2,192,000 (2024; £2,383,000). Taking finance costs (interest and capital) of £761,000 into consideration, the University had a cash inflow of £570,000 (2024: outflow of £527,000)

Fixed asset additions during the year amounted to £162,000 (2024; £nil) for plant and equipment. £156,000 related to equipment bought on hire purchase lease.

The University has reserves of £12,179,000 (2024; £11,882,000). This is after derecognition of a pension asset of £3,228,000; cumulative asset £4,676,000 (2024; cumulative asset of £1,448,000) calculated according to FRS102. The decision not to recognise the pension asset is due to accounting standards requiring a higher burden of evidence to support recognition of an asset compared to a liability. An asset can only be recognised to the extent that it is able to recover the surplus, either through reduced contributions in the future, or through refunds upon exiting the scheme. The complexities of this, the volatility seen in valuations over recent years and the absence of confirmation at year end of a potential reduction in employer contributions led to the decision to derecognise the pension asset for 2024/25, in line with action taken in 2023/24.

The University is required to make the notional FRS102 provision. The movement in this provision is not a reflection of any contribution increase in the short term.

The University comes from a strong cash position, and has taken all best efforts to secure its trading and cash resources such that it believes there is no threat to its cash flow over the next year.

Student recruitment, as teaching continues to be the principal activity of the University, remains focussed on restoring financial health to ensure that the University retains adequate resources to continue to maintain and protect its specialist arts education provision.

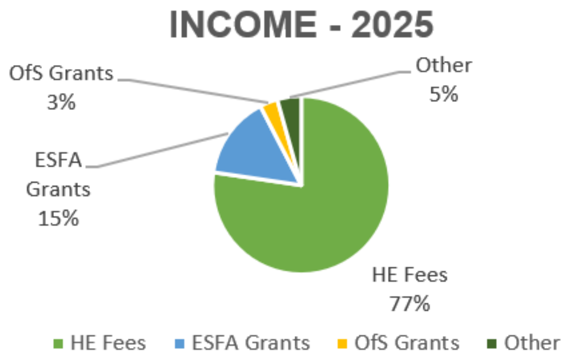
Payment performance

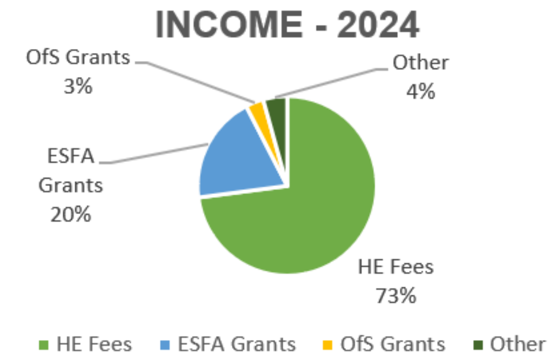
The Late Payment of Commercial Debts (Interest) Act 1998 requires universities, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received. The target set by the Treasury for payment to suppliers within 30 days is 95 per cent. During the accounting period 2024/25, the University paid 97% of its invoices within 30 days (2023/24: 95%). The University incurred no interest charges in respect of late payment for this period.

Key income streams

The University remains committed to its focus on high quality teaching. For degree and postgraduate work, the University principally relies on student fee income with a small proportion of income coming from the OfS, largely from recurrent grants. For Pre-Degree work, the University has significant reliance on The Department for Education (DFE), formerly the Education and Skills Agency (ESFA).

The table below shows the key income streams:





Treasury policies and objectives

Treasury management is the management of the University's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. The University remained in compliance with the loan covenants in place.

The University has a separate treasury management policy in place.

Any short term borrowing for temporary revenue purposes must be authorised by the Vice-Chancellor. Borrowing arrangements are only undertaken with the authorisation of the Board of Governors and agreement of OfS, and shall comply with the requirements of the regulatory framework for higher education in England.

During the accounting period 2024/25, the University extended its overdraft facility. This provided additional assurance to working capital in the run up to, and following, the redemption of Barclays loan amounts in July and August 2025. The overdraft facility was not accessed in the year. Following the redemption of the Barclays loan in August 2025, the University has secured a trade cycle loan facility, providing additional financial flexibility if required to support operational cash flow.

Staff and student involvement

The University recognises the value and expertise of its staff as its key asset. Senior and middle management communications are effective and meetings take place regularly. In addition, a comprehensive programme of professional development is in place.

Both students and staff are represented on University committees including Academic Board and its Standing Committees, Student Engagement and Experience Committee, Learning and Teaching Committee, Research and Innovation Committee, Academic Standards and Quality Committee, Equality, Diversity and Inclusion Committee, HE Award Boards. There are regular meetings between representatives of the Students' Union and the VCE as well as meetings between the Vice-Chancellor, VCE, Board of Governors Members and student representatives from all groups.

Resources

The University is unique in the breadth and quality of resources that it can deploy in pursuit of its strategic objectives. Tangible resources include the main University campus sites. Key to future estate planning will stem from systemic understanding of the existing provision and utilisation, and the subsequent development of a long-term approach to future investment and growth priorities as set out in the Strategic Plan 2030. Continuing to marry sustainability and awareness as part of both the resourcing decision matrix, and embedding within the curriculum remain key. The University remains committed to its agenda on carbon neutrality and environmentally sustainable practices, helping the next generation of creatives prepare to tackle the challenges ahead.

Risk Management

The VCE regularly reviews the strategic risks to which the University is exposed. It identifies systems and procedures, including specific actions which should mitigate any potential impact on the University. Internal controls are then implemented and the subsequent year's appraisal reviews effectiveness and progress against risk mitigation actions. The VCE also considers risks which may arise as a result of new areas of work being undertaken by the University, and responds immediately and effectively to unforeseen events.

Annually each summer the VCE and Board approve both the opening strategic risk register, and the organisation's risk appetite for the year ahead. The risk register is a live document, regularly reported to the VCE, both to review proposed updates and to take an overview on risk recognition and response in the business. In line with the University Board cycle the VCE reviews the register, at least, before an Audit Committee meeting. The Audit Committee, including representative invitees for both the internal and external audit partners, are provided with the risk register. The register itself identifies the key risks to the University, the likelihood of those risks occurring, their potential impact, and the actions (where appropriate) to reduce and mitigate the risk. Risks are prioritised using a widely accepted scoring system - alongside which the University provides a temperature check to indicate to Board colleagues any change in underlying trend to each risk that may lead to future change to scoring.

The University has a significant reliance on continued government funding through tuition fee loans, the OfS and the DfE for grant funding. A high proportion of the University's revenue is therefore publicly funded, a large proportion of it albeit through student fees from the Student Loans Company. This level of requirement is expected to continue. There can be no assurance that government policy or practice will remain unchanged with regard home or franchised students, or that public funding will continue at the same levels or on the same terms.

The key risks which may affect future operations and planned objectives are:

- The ability to recruit sufficient numbers of students within both its home and partnership activities. The achievement of the target income is dependent upon the University's annual student enrolment numbers;
- The ability of the University to operate within current bank covenants and;
- Movements in the pension scheme service cost and overall pension deficit.

These risks are mitigated in a number of ways:

- Through conservative planning and budgeting arrangements;
- Through continuing to maintain a healthy level of working capital resulting in no material reductions in year-end cash balances;
- By focusing the University's student recruitment strategy to maintain/increase offer conversion factors and increase the number of applications;
- By ensuring the University is rigorous in delivering high quality education and training;
- Ensuring the University is focused on those priority sectors which will continue to benefit from public funding;
- Through negotiation and dialogue with the University bankers to ensure that bank loan arrangements and associated covenants can be put on a sustainable footing and;
- By developing new approaches to methods of income generation through research, knowledge exchange and public access to resources.

Strategic Report

Stakeholder relationships

In line with other universities and colleges, the University has many stakeholders. These include:

- Students;
- Funding councils;
- Staff and Governors;
- Local employers (with specific links);
- Local authorities;
- The local community;
- Trade unions;
- Professional bodies;
- Barclays Bank plc

The University recognises the importance of these relationships and engages in regular two-way communication with them through the University internet site and by meetings.

Equality and Diversity Statement

The University creates a community where all its members (both existing and potential students and staff) are treated on the basis of their merits, abilities and potential, without regard (except where the law makes special provision) to:

- Ethnicity;
- Age;
- Gender;
- Marital status or family circumstances;
- Disability or learning difficulty;
- Trade Union membership or activity;
- Criminal record;
- Socio-economic background;
- Religious or political beliefs;
- Sexual orientation.

From the reporting through EDI Committee, and pulse survey activity, the University is proud of the impact it has in relation to equality and diversity, and the confidence in our student and staff community to bring their true selves to the University.

Disability Statement

The University seeks to achieve the objectives set down in the Equality Act 2010:

a) As part of its Place Plan, the University periodically reviews its access arrangements. Experts in this field last conducted a full access audit prior to the build programme for the Charles Cross building, and the results of this formed the basis of subsequent projects aimed at improving access, which have since been completed for the main site.
b) The University provides information and advice, and arranges support where necessary for students with disabilities through the engagement, initially with our Student Support function, but across academic and central service teams.
c) There is a list of specialist equipment, such as radio aids, which the University can make available for use by students and a range of assistive technology is available in the learning centre.
d) The admissions policy for all students is described in the University charter. Appeals against a decision not to offer a place are dealt with under the complaints policy.
e) The University has made a significant investment in the appointment of specialist lecturers to support students with learning difficulties and/or disabilities. There are a number of student support assistants who can provide a variety of support for learning. There is a continuing programme of staff development to ensure the provision of a high level of appropriate support for students who have learning difficulties and/or disabilities.
f) Specialist programmes are described in University prospectuses, and achievements and destinations are recorded and published in the standard University format.
g) Counselling and welfare services are described in the University Student Guide, which is issued to students together with Complaints and Disciplinary Procedure information at induction.

Strategic Report

Employment of disabled persons

The University considers all applications of employment from disabled persons, bearing in mind the aptitudes of the individuals concerned. Where an existing employee becomes disabled, every effort is made to ensure that their employment with the University continues and that reasonable adjustments are made. The University's policy is to provide training, career development and opportunities for promotion that are, as far as possible, identical for other employees.

Disclosure of information to auditors

The members who held office at the date of approval of this Report confirm that, so far as they are each aware, there is no relevant audit information of which the University's auditors are unaware; and each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditors are aware of that information.

Approved by order of the Board of Governors on 25 November 2025 and signed on its behalf by:

Signed:

Dr S Brownlow, Chair

Statement of Corporate Governance and Internal Control

The following statement is provided to enable readers of the annual report and accounts of the University to obtain a better understanding of its governance and legal structure. This statement covers the period from 1 August 2024 to 31 July 2025 and up to the date of approval of the annual report and financial statements.

The University endeavours to conduct its business:

i. in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership);
ii. in full accordance with the guidance from the Committee of University Chairs in The Higher Education Code of Governance; and
iii. having due regard to the UK Corporate Governance Code ("the Code") insofar as it is applicable to the higher education sector.

The University is committed to exhibiting best practice in all aspects of corporate governance. Following transfer to HEI status in July 2014, the Board of Governors formally adopted the HE Code of Governance in July 2015 following an assessment of compliance. In carrying out its responsibilities, the Board takes full account of each of the primary elements of the HE Code. We have not adopted and therefore do not apply the UK Corporate Governance Code. However, we have reported on our Corporate Governance arrangements by drawing upon best practice available, including those aspects of the UK Corporate Governance Code we consider to be relevant to the higher education sector and best practice. In the opinion of the Members, the University complies with all the provisions of the Code insofar as they apply to the Higher Education Sector, and it has complied throughout the year ended 31 July 2025. The Board of Governors recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. The Governors, who are also the Trustees for the purposes of the Charities Act 2011, confirm that they have had due regard for the Charity Commission's guidance on public benefit and that the required statements appear elsewhere in these financial statements.

Members serving on the Board of Governors

The Members who served on the Board of Governors during the year and up to the date of signature of this report were as listed in the table below:

Name	Date of initial appointment	Current term of office	Date of resignation / retirement	Status of appointment	Committees served	Attendance at 24/25 Board and Committee meetings
Sue Brownlow	15/11/2016	2 years		Independent	Chair of Board of Governors, Chair of N&G, member of Finance & Estates (F&E), member of Remuneration Committee, and member of Employment Committee.	100%
Paul Fieldsend-Danks	01/08/2021	Ex officio		Vice-Chancellor	N&G, F&E and Employment Committee	100%
Cara Aitchison	26/03/2024	4 years	Resigned: 07/01/2025	Independent	F&E Committee (from 9 July 2024)	60%
Margaret Campbell	11/10/2022	4 years	Resigned: 09/07/2025	Staff Member	Remuneration Committee	86%

Statement of Corporate Governance and Internal Control

Anna Corbett	01/05/2020	4 years		Independent	Deputy Chair of the Board of Governors, Chair of Employment Committee, & Remuneration Committee, member of N&G and Audit Committee.	88%
Ciara Eastell	04/07/2023	4 years		Independent	Employment Committee	100%
Beth Evans	01/08/2023	1 year	20/06/2025	Student Member (SU President)	N&G, Employment, Remuneration Committee	91%
Dilly Fung	26/03/2024	4 years		Independent	Ac Board Observer (from 9 July 2024)	83%
Nigel Godefroy	04/07/2023	4 years		Independent	F&E Committee	88%
Mark Greaves	01/08/2018	4 years		Independent	Chair of F&E, Member of Remuneration Committee	100%
Tim Gundry	01/01/2023	4 years		Staff Member	Employment Committee	100%
Andrew Honey	23/03/2021	4 years		Independent	F&E Committee	100%
Jasper Hutchings	23/07/2025	1 year		Student Member (SU President)	Remuneration Committee	N/A
Emma Mills	26/03/2024	1 year	Retired: 31/07/2025	Independent committee member	Member of Audit	75%
Ian Parry	01/08/2018	4 years		Independent	Chair of Audit	100%
Janet Ritterman	15/11/2016	4 years	Retired: 14/11/2024	Independent	Audit N&G	80%
Rachel Soundy	05/07/2022	4 years	Resigned: 15/06/2025	Independent	Audit	50%
Rob Stroud	26/03/2024	4 years		Co-opted	Audit Committee (from 9 July 2024)	100%
Lauren Taverner-Brown	14/10/2025	4 years		Staff Member	Employment Committee	N/A

Clerk to the Corporation: Liz Wiltshire-Meads; Deputy Clerk: Nadyne Ebbens (until April 2025)

Corporate Governance

It is the Board of Governors' responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The Board of Governors is provided with regular and timely information on the overall financial performance of the University together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Board of Governors meets at least four times a year.

The Board of Governors conducts its business through five committees. Each committee has terms of reference, which have been approved by the Board of Governors. These committees are: Audit, Nominations and Governance, Finance and Estates, Remuneration, and Employment. Full minutes of all meetings, except those deemed to be confidential by the Board of Governors, are available from the Clerk to the Corporation at Arts University Plymouth, Tavistock Place, Plymouth, PL4 8AT.

The Clerk to the Corporation maintains a register of financial and personal interests of Members. The register is available for inspection at the above address.

All Governors are able to take independent professional advice in furtherance of their duties at the University's expense and have access to the Clerk to the Corporation, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The appointment, evaluation and removal of the Clerk are matters for the Board of Governors as a whole.

Formal agendas, papers and reports are supplied to Governors in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis.

The Board of Governors has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Board of Governors considers that each of its non-executive Governors is independent of management, and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chair and the Vice-Chancellor are separate.

Governance Effectiveness Review

During 2022/23 the Board of Governors appointed Advance HE to undertake an external review of governance, which took account of relevant guidance, reference points and benchmarks including the Regulatory Framework for Higher Education in England and other publications of the Office for Students (OfS), and the use of reference points such as: The Committee of University Chairs' 2020 HE Governance Code; the HE Senior Staff Remuneration Code, and the HE Audit Committees Code of Practice.

The key finding was that the Governance at Arts University Plymouth is effective, driven by a very committed Board which is ably led by its Chair. There are strong working relationships between the Chair and Vice-Chancellor, and among Board members. Clerking arrangements are highly effective for both the Board of Governors and the Academic Board and their respective committees. The recommendations made in the report were reviewed and accepted by the Board, and an action plan was put in place to monitor progress by the Nominations and Governance Committee. The action plan was completed and signed off by the Board in July 2024.

Appointments to the Board of Governors and Nominations and Governance Committee

Any new appointments to the Board are a matter for the consideration of the Board of Governors as a whole. The Board of Governors has a Nominations and Governance Committee, consisting of five Governors, which is responsible for the selection and nomination of any new Governor for the Board's consideration.

A separate Chair succession working group was set up during 2025 to lead the recruitment process for a new Board of Governors Chair.

The Nominations and Governance Committee ensures that the Board of Governors is able to manage all of its responsibilities by having an appropriate balance of knowledge, skills and diversity amongst its membership, and also ensures that governance structures and processes are fit for purpose.

The Board of Governors is responsible for ensuring that appropriate training is provided as required. All Governors are required to undertake the following mandatory training within three months of being appointed and for retraining every two years: safeguarding; Prevent; equality, diversity & inclusion; GDPR; cyber security; and sexual harassment.

Statement of Corporate Governance and Internal Control

Members of the Board of Governors are appointed for a term of office not exceeding four years although in certain circumstances a Governor could be re-appointed for further terms of office.

Remuneration Committee

Throughout the year ended 31 July 2025 the University's Remuneration Committee comprised the five Governors shown in the table above. This Committee's responsibilities are to make recommendations to the Board on the remuneration and benefits of the Vice-Chancellor and other Senior Post-Holders, the Clerk and Deputy Clerk. The Committee operates in line with the HE Senior Staff Remuneration Code, and produces an Annual Report to the Board, which is published on the University website as a readily accessible annual statement.

Details of remuneration for the year ended 31 July 2025 are set out in notes 6 and 7 to the financial statements.

Employment Committee

The Employment Committee comprises six members of the Board of Governors including the Vice- Chancellor and Chair. The Committee is responsible for, on behalf of the Board of Governors, providing overall assurance on employment matters including advising the Board on all policy and strategic matters relating to staffing, recruitment and employment in line with the People Plan.

Audit Committee

The Audit Committee comprises six members, including at least three members of the Board of Governors (excluding the Vice-Chancellor and Chair). The Committee operates in accordance with written terms of reference approved by the Board of Governors.

The Audit Committee meets at least once each term and provides a forum for reporting by the University's internal and external auditors, who have access to the Committee for independent discussion, without the presence of University leadership. The Committee also receives and considers reports from the OfS, as they affect the University's business.

The University's internal auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

Management is responsible for the implementation of agreed audit recommendations, and internal audit undertakes periodic follow up reviews to ensure such recommendations have been implemented.

The Audit Committee also advises the Board of Governors on the appointment of Internal and external auditors and their remuneration for audit and non-audit work as well as reporting annually to the Board.

Finance and Estates Committee

The Finance and Estates Committee comprises six Members of the Board of Governors (including the Vice-Chancellor and Chair). The Committee operates in accordance with written terms of reference approved by the Board of Governors.

The Finance and Estates Committee meets at least three times a year and has an overall watching-brief covering all financial aspects of University activity. In addition, it sets and monitors standards of financial performance, and oversees University leadership to address issues of actual or potential concern.

Statement of Corporate Governance and Internal Control

Internal control

Scope of responsibility

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

The Board of Governors has delegated the day-to-day responsibility to the Vice-Chancellor, as Accounting Officer, for maintaining a sound system of internal control that supports the achievement of the University's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with the responsibilities assigned to them in the regulatory framework for higher education in England between Arts University Plymouth and OfS. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdown in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of University policies, aims and objectives and to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at Arts University Plymouth for the year ended 31 July 2025 and up to the date of the approval of the Annual Report and Accounts.

Capacity to handle risk

The Board of Governors has reviewed the key risks to which the University is exposed, including an evaluation of likelihood and impact of risks becoming a reality, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the University's significant risks that has been in place for the period ending 31 July 2025 and up to the date of the approval of the Annual Report and Accounts. This process is regularly reviewed by the Board of Governors.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board of Governors;
- regular reviews by the Board of Governors of periodic and annual financial reports which indicate financial performance against forecasts;
- setting targets to measure financial and other performance;
- clearly defined capital investment control guidelines and;
- the adoption of formal project management disciplines, where appropriate.

Arts University Plymouth has an internal audit service, which operates in accordance with the requirements of the Office for Students' (OfS) *Audit Code of Practice,* and the regulatory framework for higher education in England. The work of the internal audit service is informed by an analysis of the risks to which the University is exposed, and annual internal audit plans are based on this analysis.

The analysis of risks and the internal audit plans are endorsed by the Board of Governors on the recommendation of the Audit Committee. At a minimum annually, the Chair of the Audit Committee provides the Board of Governors with an Audit Committee Annual Report on internal audit activity in the University. The report includes the Committee's opinion of the adequacy and effectiveness of the University's system of risk management, controls and governance process.

Statement of Corporate Governance and Internal Control

Review of Effectiveness

As Accounting Officer, the Vice-Chancellor has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditors;
- the work of the executive managers within the University who have responsibility for the development and maintenance of the internal control framework and;
- comments made by the University's external auditors in their management letters and other reports.

The Vice-Chancellor has been advised on the implications of the result of review of the effectiveness of the system of internal control by the Audit Committee which oversees the work of the internal auditors, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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

Based on the advice of the Audit Committee, the Board of Governors is of the opinion that the University has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "*the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets*".

Approved by order of the Board of Governors on 25 November 2025 and signed on its behalf by:

Dr Sue Brownlow, Chair

Prof Paul Fieldsend-Danks, Vice-Chancellor

Board of Governors' statement on the University's regularity, propriety and compliance with Funding body terms and conditions of funding

The Board of Governors has considered its responsibility to notify OfS of material irregularity, impropriety and non-compliance with OfS terms and conditions of funding, under the regulatory framework for higher education in England in place between the University and OfS. As part of its consideration the Board of Governors has had due regard to the requirements of the regulatory framework for higher education in England.

We confirm, on behalf of the Board of Governors, that to the best of its knowledge, the Board of Governors believes it is able to identify any material irregular or improper use of funds by the University, or material non-compliance with OfS's terms and conditions of funding under the University's regulatory framework for higher education in England.

We confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to OfS.

Approved by order of the Board of Governors on 25 November 2025 and signed on its behalf by:

Dr S Brownlow, Chair

Prof Paul Fieldsend-Danks, Vice-Chancellor

Statement of Responsibilities of the Board of Governors

The Board of Governors are required to present audited financial statements for each financial year.

Within the terms and conditions of the regulatory framework for higher education in England agreed between OfS and the Board of Governors of the University, the Board of Governors, through its Vice- Chancellor, is required to prepare financial statements for each financial year in accordance with the *Financial Reporting Standard 102, the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education Institutions* and with the *Accounts direction Guidance on preparing and publishing financial statements for accounting periods beginning on or after 1 August 2019*, issued by OfS on 25 October 2019, which gives a true and fair view of the state of affairs of the University and the result for that year.

In preparing the Financial Statements, the Board of Governors is required to:

- select suitable accounting policies and apply them consistently
- make judgements and 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
- assess whether the University is a going concern, noting the key supporting assumptions qualifications or mitigating actions as appropriate
- prepare financial statements on the going concern basis, unless it is inappropriate to assume that the University will continue in operation.

The Board of Governors is also required to prepare a Strategic Report which describes what it is trying to do and how it is going about it, including the legal and administrative status of the University.

The Board of Governors is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time, the financial position of the University, and which enable it to ensure that the financial statements are prepared in accordance with the relevant legislation of incorporation and other relevant accounting standards. It is responsible for taking steps that are reasonably open to it in order to safeguard the assets of the University and to prevent and detect fraud and other irregularities.

The maintenance and integrity of the University website is the responsibility of the Board of Governors of the University; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Board of Governors is responsible for ensuring that expenditure and income are applied for the purposes intended by Parliament and that the financial transactions conform to the authorities that govern them. In addition, they are responsible for ensuring that funds from OfS are used only in accordance with the regulatory framework for higher education in England with OfS and any other conditions that may be prescribed from time to time. The Board of Governors must ensure that there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, the Board of Governors is responsible for securing economical, efficient and effective management of the University's resources and expenditure, so that the benefits that should be derived from the application of public funds by OfS are not put at risk.

Approved by order of the Board of Governors on 25 November 2025 and signed on its behalf by:

Dr S Brownlow, Chair	Prof Paul Fieldsend-Danks, Vice-Chancellor

Independent Auditors' Report to the Board of Governors of Arts University Plymouth

Opinion

We have audited the financial statements of Arts University Plymouth (the 'University') for the year ended 31 July 2025 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and the 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice: Accounting for Further and Higher Education (the 'FE HE SORP') and the Office for Students Accounts Direction (OfS 2019.41).

In our opinion, the financial statements:

- Give a true and fair view of the state of the University's affairs as at 31 July 2025 and of the University's surplus of income against expenditure, gains and losses, changes in reserves and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the FE HE SORP and the Office for Students' Accounts Direction (OfS 2019.41).

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 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.

Conclusion relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 members 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 Financial Statements for the Year Ended 31 July 2025 other than the financial statements and our auditor's report thereon. The Board of Governors are responsible for the other information. 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.

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

We have nothing to report in this regard.

Independent Auditors' Report to the Board of Governors of Arts University Plymouth

Opinion on other matters prescribed by the Office for Students' Accounts Direction (OfS 2019.41)
In our opinion:
- Funds from whatever source administered by the University for the specific purposes have been applied to those purposes and managed in accordance with relevant legislation; and
- Funds provided by the Office for Students ('OfS'), UK Research and Innovation (including Research England), the Education and Skills Funding Agency and Department for Education have been applied in accordance with the relevant terms and conditions attached to them.

We have nothing to report in respect of the following matters in relation to which the Office for Students' Accounts Direction requires us to report to you if, in our opinion:
- the University's grant and fee income, as disclosed in the notes to the financial statements, has been materially misstated; or
- the University's expenditure on access and participation activities for the financial year has been materially misstated.

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

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

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:
- the nature of the sector, control environment and the University's performance;
- results of our enquiries of management and the members, including the committees charged with governance over the University 's finance and control, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the University's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- how the University ensured it met its obligations arising from it being financed by and subject to the governance requirements of the OfS, and as such material compliance with these obligations is required to ensure the University will continue to receive its public funding and be authorised to operate, including around ensuring there is no material unauthorised use of funds and expenditure; and
- the matters discussed among the audit engagement team and involving relevant internal University specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the University for fraud, which included incorrect recognition of revenue and management override of controls using manual journal entries and these were identified as having the greatest potential for fraud.

Independent Auditors' Report to the Board of Governors of Arts University Plymouth

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. We also obtained an understanding of the legal and regulatory frameworks that the University operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Office for Students' Accounts Direction (OfS 2019.41) and the FE HE SORP.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the University's ability to operate or to avoid a material penalty. These included safeguarding regulations, data protection regulations, occupational health and safety regulations, education and inspections legislation, and employment legislation.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of the University's management and members concerning actual and potential litigation and claims;
- performing procedures to confirm material compliance with the requirements of the OfS;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of the members and reviewing internal control reports; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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

Bishop Fleming Audit Limited

Bishop Fleming Audit Limited
Chartered Accountants
Statutory Auditors
4 North East Quay, Sutton Harbour, Plymouth, PL4 0BN

Date: 25 November 2025

Statement of Comprehensive Income for Year Ended 31 July 2025

	Notes	2025	2024
		£000	**£000**
Income			
Tuition fees and education contracts	2	11,622	9,454
Funding body grants	3	2,738	2,946
Other income	4	517	479
Investment income	5	54	83
Total income		**14,931**	**12,962**
Expenditure			
Staff costs	6	8,435	9,028
Other operating expenses	8	5,368	4,172
Depreciation	11	631	672
Interest and other finance costs	9	(17)	83
Total expenditure		**14,417**	**13,955**
Surplus after depreciation of tangible fixed assets and before other gains and tax		514	(993)
Surplus/(deficit) before tax		**514**	**(993)**
Taxation	10	-	-
Surplus/(deficit) for the year		**514**	**(993)**
Pension surplus not recognised		(3,228)	(1,114)
Actuarial gain in respect of pension schemes		3,011	903
Total comprehensive gain/(loss) for the year		**297**	**(1,204)**
Represented by:			
Revaluation reserve transferred in year		(104)	(104)
Unrestricted comprehensive gain/(loss) for the year		401	(1,100)
		297	(1,204)
Surplus/(deficit) for the year attributable to:			
University		**297**	**(993)**
Total comprehensive gain/(loss) for the year attributable to:			
University		297	(1,204)

All items of income and expenditure relate to continuing activities.

Statement of Changes in Reserves for Year Ended 31 July 2025

	Income and expenditure account		Revaluation reserve	Total
	Endowment	*Unrestricted*		
	£000	£000	£000	£000
Balance at 1 August 2023	-	**10,693**	**2,392**	**13,085**
Loss from the income and expenditure statement	-	(993)	-	(993)
Other comprehensive income – actuarial gain	-	903	-	903
Pension surplus not recognised	-	(1,114)	-	(1,114)
Transfers between revaluation and income and expenditure reserve	-	104	(104)	**-**
Total comprehensive loss for the year	-	(1,100)	(104)	(1,204)
Balance at 1 August 2024	-	**9,593**	**2,289**	**11,882**
Surplus from the income and expenditure statement	-	514	-	514
Other comprehensive income – actuarial gain	-	3011	-	3011
Pension surplus not recognised	-	(3,228)	-	(3,228)
Transfers between revaluation and income and expenditure reserve	-	104	(104)	**-**
Total comprehensive gain for the year	-	401	(104)	297
Balance at 31 July 2025	-	**9,994**	**2,185**	**12,179**

Balance Sheet as at 31 July

	Notes	2025	2024
		£000	£000
Non-current assets			
Fixed assets	11	14,410	14,880
Total fixed assets		**14,410**	**14,880**
Current assets			
Trade and other receivables	13	626	343
Cash and cash equivalents	19	2,192	2,383
Total current assets		**2,818**	**2,726**
Less: Creditors: amounts falling due within one year	14	(2,203)	(2,804)
Net current assets		615	(78)
Total assets less current liabilities		**15,025**	**14,801**
Creditors: amounts falling due after more than one year	15	(2,786)	(2,843)
Provisions			
LGPS pension provision	21	-	-
Other provisions	17	(60)	(76)
Total net assets		**12,179**	**11,882**
Unrestricted reserves			
Revaluation reserve	18	2,185	2,288
Income and expenditure account excluding pension reserve		9,994	9,594
Pension reserve	21	-	-
Total reserves		**12,179**	**11,882**

The financial statements on pages 22 to 45 were approved by the Board of Governors on 25 November 2025 and were signed on its behalf on that date by

Dr S Brownlow, Chair

Prof Paul Fieldsend-Danks, Vice Chancellor

Statement of Cash Flows for Year Ended 31 July

	Notes	2025	2024
		£000	£000
Cash inflow from operating activities			
Surplus/(Deficit) for the year		514	(993)
Adjustment for non-cash items			
Depreciation	11	631	672
Notional FRS 102 pension charge	21	(217)	(211)
Increase in debtors	13	(283)	(70)
Increase in creditors due within one year (exc bank loans)	14	89	79
Decrease in creditors due after one year	15	(57)	(103)
Decrease in provisions	17	(16)	(16)
Adjustment for investing or financing activities			
Interest payable	9	71	115
Investment income	5	(54)	(83)
Net cash inflow/(outflow) from operating activities		**678**	**(610)**
Cash flows from investing activities			
Investment income	5	54	83
Payments made to acquire fixed assets	11	(162)	-
		(108)	**83**
Cash flows from financing activities			
Other interest received			
Interest paid	9	(71)	(115)
Repayments of amounts borrowed	16	(690)	(690)
		(761)	**(805)**
Decrease in cash in the period		**(191)**	**(1,332)**
Reconciliation of net cash flow to movement in cash and cash equivalents			
Cash and cash equivalents at beginning of the year	19	2,383	3,715
Cash and cash equivalents at end of the year	19	2,192	2,383
Movement in net cash or cash equivalents in period		**(191)**	**(1,332)**

Notes to the Accounts

1 Statement of accounting policies and estimation techniques

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 (the 2019 FE HE SORP), the Accounts Direction and in accordance with Financial Reporting Standard 102 – "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102).

The University is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University's accounting policies.

Basis of accounting

The Financial Statements are prepared in accordance with the historical cost convention modified by the revaluation of certain fixed assets and in accordance with applicable United Kingdom Accounting Standards.

Going concern

The activities of the University, together with the factors likely to affect its future development and performance, and taking account of the Vice-Chancellor Risks and Uncertainties, are set out in the Strategic Report. The financial position of the University, its cash flow, liquidity and borrowings are described in the Financial Statements and accompanying notes.

The University repaid previously held loans with Barclays Bank plc, in full, in August 2025. A trade cycle loan facility was then secured, providing additional financial flexibility if required to support operational cash flow.

The University is coming from a good position of cash reserves and is committed to taking all necessary measures to reduce costs and protect adequate financing, whilst at the same time increasing its student recruitment activities in order to restore financial health and ensure that it has sufficient resources to continue operations. These actions include maintaining cash balances at each year end, and ensuring that working capital is adequate in all months of the financial year.

For these reasons the University continues to adopt the going concern basis in the preparation of its Financial Statements.

Recognition of income

The recurrent grant from OfS represents the funding allocations attributable to the current financial year and is credited directly to the Statement of Comprehensive Income.

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with best estimates for the period of what is receivable and depend on the particular income stream involved. Any under or over achievement for the Adult Education Budget is adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account. The final grant income is normally determined with the conclusion of the year end reconciliation process with the funding body following the year end, and the results of any funding audits. 16-18 learner-responsive funding is not normally subject to reconciliation and is therefore not subject to contract adjustments.

Grants from non-government sources are recognised in income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Notes to the Accounts

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Exceptional Items

Exceptional items are transactions that fall within the ordinary activities of the University but are presented separately due to their size or incidence.

Accounting for post-employment benefits

Post-employment benefits to employees of the University are provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit schemes, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using 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 equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, 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 Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in interest and other finance costs.

Actuarial gains and losses are recognised immediately in actuarial gains and losses.

Short term employment benefits

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

Enhanced pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the University annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the University's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Notes to the Accounts (continued)

Tangible fixed assets

- **Non-current assets - tangible fixed assets**

The University's buildings are specialised buildings and therefore it is not appropriate to value them on the basis of open market value. Land and buildings inherited from the Local Education Authority are stated in the balance sheet at valuation on the basis of depreciated historic cost, as the open market value for existing use is not readily obtainable. Land and buildings acquired since incorporation are included in the balance sheet at cost.

Freehold land is not depreciated as it is considered to have an infinite useful life. Freehold buildings are depreciated over their expected useful economic life to the University of 20 to 50 years. The University has a policy of depreciating major adaptations to buildings over the period of their useful economic life of between 20 and 50 years.

Less substantial adaptations to buildings are depreciated over a useful economic life of between 10 and 20 years.

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account, and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

Finance costs, which are directly attributable to the construction of land and buildings, are not capitalised as part of the cost of those assets.

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

- **Assets under construction**

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

- **Subsequent expenditure on existing fixed assets**

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the University, in which case it is capitalised and depreciated on the relevant basis.

- **Equipment**

Equipment costing less than £5,000 per individual item is recognised as expenditure in the period of acquisition. All other equipment is capitalised at cost. All equipment is depreciated on a straight-line basis over its useful economic life as follows:-

  - Computer equipment from 3 to 5 years
  - Plant and machinery from 3 to 10 years.

Where equipment is acquired with the aid of specific grants, it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful economic life of the related equipment.

Notes to the Accounts (continued)

Non Tangible fixed assets

- **Investments and endowment assets**

Listed investments held as fixed assets or endowment assets are stated at market value. Current asset investments, which may include listed investments, are stated at the lower of their cost and net realisable value.

Investments in joint ventures

Investments in joint ventures are disclosed in the accounts at cost.

Borrowing costs

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

Taxation

The University is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 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 exclusively to charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. For this reason, the University is generally unable to recover input VAT it suffers on goods and services purchased. Non-pay expenditure is therefore shown inclusive of VAT with any partial recovery netted off against these figures.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of 3 months or less from the date of acquisition.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All loans, investments and short-term deposits held by the Group are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost, however the Group has calculated that the difference between the historical cost and amortised cost basis is not material and so these financial instruments are stated on the balance sheet at historical cost. Loans and investments that are payable or receivable within one year are not discounted.

Provisions and contingent liabilities

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

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Agency arrangements

The University acts as an agent in the collection and payment of discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure account where the University is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether there are indicators of impairment of the group's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty:

- Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Local Government Pension Scheme

The present value of the Local Government Pension Scheme 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 21, will impact the carrying amount of the pension liability. For 2024/25 the pension plan asset has not been recognised, as the surplus is not considered recoverable through reduced contributions in the future or through refunds from the plan.

2 Tuition fees and education contracts

	2025	2024
	£000	£000
Full time home and EU students	10,445	8,260
Part time home and EU students	362	383
Full time international students	705	721
Other higher education support fees	-	1
Other courses and education contracts	110	89
	11,622	**9,454**

Notes to the Accounts (continued)

3 Funding body grants

	2025	2024
	£000	£000
Recurrent grants		
The Department for Education (formerly ESFA)	2,247	2,423
Office for Students	338	320
Specific grants		
Release of deferred capital grants – DfE (formerly ESFA)	103	103
Non recurrent grant – OfS	50	100
Research England – Other Grants	-	-
Total	**2,738**	**2,946**

Note: The source of grant and fee income included in notes 2 and 3 is as follows:

	2025	2024
	£000	£000
Grant income from the OfS	388	420
Grant income from other bodies	2,350	2,526
Fee income for taught awards (exclusive of VAT)	11,511	9,365
Fee income from non-qualifying courses (exclusive of VAT)	110	89
Total grant and fee income	**14,359**	**12,400**

4 Other income

	2025	2024
	£000	£000
Residences, catering and conferences	163	131
Other grant income	99	60
Income relating to student activities	86	108
Other income	169	180
Total	**517**	**479**

5 Investment income

	2025	2024
	£000	£000
Other investment income	54	83
Total	**54**	**83**

Notes to the Accounts (continued)

6 Staff costs

The average number of persons (including senior post-holders) employed by the University during the year, expressed as full-time equivalents, was:

	2025 Number	2024 Number
Teaching staff	56	59
Teaching support	30	42
Non-teaching staff	83	87
Total	**169**	**188**

Staff costs for these persons:

	2025	2024
Payroll Costs:	**£000**	**£000**
Wages and salaries	6,431	6,914
Social security costs	690	664
Other pension costs	1,229	1,253
	8,350	**8,831**
Agency staffing	**-**	**-**
	8,350	**8,831**
Restructuring and redundancy costs	85	197
Total staff costs	**8,435**	**9,028**

A pay award of between 2.5% and 5.7% (dependent upon spinal point) was made during the year, in line with UCEA's recommended uplift (2024; 5% - 7%).

7. Emoluments of key management personnel, the Vice-Chancellor and other higher paid staff

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University, and are represented by the Vice-Chancellor's Executive, which in the financial year 2024/25 comprised the Vice-Chancellor, Pro Vice-Chancellor (Academic), Chief Operating Officer, Director of External Relations, University Registrar and Deputy Vice-Chancellor. The Director of External Relations left the University in July 2025.

Staff costs include compensation paid to key management personnel.

Emoluments of key management personnel, the Vice-Chancellor and other higher paid staff

	2025 No.	2024 No.
The number of key management personnel including the Vice-Chancellor was:	5	5

No post-holders, other than the Vice-Chancellor, received emoluments, excluding pension contributions and employer's national insurance, but including benefits in kind, in excess of £100,000.

Notes to the Accounts (continued)

Key management personnel compensation is made up as follows:

	2025 £000	2024 £000
Salaries- gross of salary sacrifice and waived emoluments	526	513
Restructuring Costs	-	-
Employers National Insurance	69	65
Benefits in kind	-	-
	595	578
Pension contributions	119	110
Total key management personnel compensation	**714**	**688**

There were no amounts due to key management personnel that were waived in the year, nor any salary sacrifice arrangements in place.

Head of institution's emoluments

The above compensation includes amounts payable to the Vice-Chancellor (who is also the highest paid officer) of:

	2025 £000	2024 £000
Salaries	165	164
Benefits in kind	-	-
	165	164
Pension contributions	47	42
Total head of institution's emoluments	**212**	**206**

The pension contributions in respect of the Vice-Chancellor relate to employer's contributions to the Teacher's Pension Scheme and are paid at the same rate as for other employees.

The head of the provider's basic salary is 5.5 times the median pay salary of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff (2024; 4.8 times).

The head of the provider's total remuneration is 5.6 times the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff (2024; 5.1 times).

In the year ended 31 July 2025, the Remuneration Committee carried out a review of senior post-holders' salaries and the salaries were set accordingly.

The members of the Board of Governors other than the Vice-Chancellor and the staff members did not receive any payment from the University other than the reimbursement of travel and subsistence expenses incurred in the course of their duties.

Notes to the Accounts (continued)

8a Other operating expenses

	2025	2024
	£000	£000
Academic departments	1,140	1,062
Academic service	1,457	272
Central administration	391	474
General educational	843	772
Staff and student services	319	1,268
Premises costs	1,218	324
Total	**5,368**	**4,172**

Other operating expenses include:

	2025	2024
	£000	£000
Auditors' remuneration:		
External audit (incl VAT)	29	33
Non-audit services	-	5
Internal audit	29	60
Operating leases and property rentals	99	95

8b Access and Participation

	2025	2024
	£000	£000
Access Investment	323	335
Financial Support	126	108
Disability Support	134	131
Research and Evaluation	30	30

Access Investment comprises 80% staff costs (70% in 2023/24); Disability Support comprises 92% staff costs (92% in 2023/24); and Research and Evaluation comprises 100% staff costs (100% in 2023/24). There are no staff costs included within the costs associated with Financial Support. These staff costs are featured in Note 6 of the accounts, with the overall Access and Participation Plan being available via the links below:

APP 3 page summary

APP Full plan

Students notably made fewer claims on the University's Hardship Fund in 2023-24 and 2024-25. There is no clear explanation for this change in trend, other than a possible connection to a significant uplift in students' use of the Food Bank, which is operated by the Students' Union; 262 uses in 2024-25, which is more than double the usage of two years ago (178 in 2023-24, 128 in 2022-23).

University spend on support for the Food Bank has not been included in the APP actual spend calculations for 2024-25, as no formal test of hardship is required for students to access the Food Bank, and the Food Bank is funded from a variety of sources.

Notes to the Accounts (continued)

9 Interest payable

	2025	2024
	£000	£000
On bank loans, overdrafts and other loans	63	115
Finance Lease Interest	8	-
	71	**115**
Net interest on defined pension scheme (note 21)	(92)	(37)
Pension finance costs - enhanced pension provision (note 17)	4	5
Total	**(17)**	**83**

10 Taxation

The Board of Governors do not believe the University was liable for any corporation tax arising out of its activities during the year.

11 Tangible fixed assets

	Freehold Land & Buildings	Equipment	Total
	£000	£000	£000
Cost or valuation			
At 1 August 2024	25,268	1,943	27,211
Additions	-	162	162
At 31 July 2025	**25,268**	**2,105**	**27,373**
Depreciation			
At 1 August 2024	10,569	1,762	12,331
Charge for year	561	70	631
At 31 July 2025	**11,130**	**1,832**	**12,962**
Net book value at 31 July 2025	**14,138**	**272**	**14,410**
Net book value at 31 July 2024	14,699	181	14,880
Inherited	2,808	-	2,808
Financed by capital grant	3,477	-	3,477
Other	7,853	272	8,126
Net book value at 31 July 2025	**14,138**	**272**	**14,410**

The net book value of tangible fixed assets includes an amount of £129,000 (2024 - £nil) in respect of assets held under finance leases. The depreciation charge on these assets for the year was £27k (2024 - £nil).

Notes to the Accounts (continued)

12 Investment in joint venture

The University previously held a 50% share of Makers HQ, a community interest company, owned equally by the University and Millfields Trust, who each invested £1. The University ceased to be a 'person of control' in August 2022 and the share was transferred to the Millfields Trust. The £1 fixed asset investment has been removed from the accounts.

In order for Makers HQ to obtain funding, the University acted as a guarantor to a loan from Plymouth City Council. The University agreed to continue as a guarantor, alongside Millfields Trust, after the share transfer and a contingent liability has been disclosed in the University's financial statements.

In October 2023, Makers HQ went into liquidation. The liability attributed to the University at that time was £8k. This £8k was paid off in full in the 2024/25 academic year.

13 Trade and other receivables

	2025	2024
	£000	£000
Amounts falling due within one year		
Trade debtors	111	55
Prepayments and accrued income	515	288
Total	**626**	**343**

14 Creditors: amounts falling due within one year

	2025	2024
	£000	£000
Bank loans	901	1,591
Trade creditors	252	405
Obligations under finance leases	44	-
Other creditors	203	202
Other taxation and social security	166	145
Accruals and deferred income	397	182
Deferred income - government capital grants	103	103
Amounts owing to the DfE (formerly ESFA)	137	176
Total	**2,203**	**2,804**

15 Creditors: amounts falling due after more than one year

	2025	2024
	£000	£000
Bank loans	-	-
Obligations under finance leases	46	-
Deferred income - government capital grants	2,740	2,843
Total	**2,786**	**2,843**

Notes to the Accounts (continued)

16 Borrowings

	2025	2024
Bank loans	**£000**	**£000**
Bank loans are repayable as follows:		
In one year or less or on demand	901	1,591
Between one and two years	-	-
Between two and five years	-	-
In five years or more	-	-
Total	**901**	**1,591**

The bank loans were secured on part of the freehold property of the University.

Following a variation to the agreements, which became effective in July 2022, one loan was repayable by instalments falling due between August 2022 and July 2025 at an interest rate of 2.45% over LIBOR. The outstanding capital amount at 31 July 2025 was nil (2024: £598k). The other loan is repayable by instalments falling due between August 2022 and August 2025 at a fixed interest rate of 4.09%. The outstanding capital amount at 31 July 2025 was £900k (2024: £993k). This was repaid in full on 13th August 2025 as per the loan agreement. In August 2025, the University secured a trade cycle loan facility, providing additional financial flexibility if required to support operational cash flow.

17 Provisions for liabilities and charges

	Enhanced Pensions
	£000
At 1 August 2024	76
Expenditure in the period	(8)
Interest	4
Actuarial gain	(12)
At 31st July 2025	**60**

The enhanced pension provision related to the cost of staff who have already left the University's employment. This provision has been recalculated in accordance with guidance issued by the funding bodies.

18 Revaluation Reserve

	2025	2024
	£000	**£000**
At 1 August	2,289	2,392
Transfer from revaluation reserve to general reserve in respect of:		
Depreciation on revalued assets	(104)	(104)
At 31 July	**2,185**	**2,289**

19 Cash and cash equivalents

	At 1 August 2024	Cash flows	At 31 July 2025
	£000	**£000**	**£000**
Cash and cash equivalents	2,383	(191)	2,192
Total	**2,383**	**(191)**	**2,192**

Notes to the Accounts (continued)

20 Reconciliation of Net Debt

	At 1 August 2024	Cash flows	At 31 July 2025
	£000	£000	£000
Cash and cash equivalents	2,383	(191)	2,192
Loans falling due within one year	(1,591)	690	(901)
Loans falling due after more than one year	-	-	-
Total	**792**	**499**	**1,291**

21 Pension and similar obligations

The University's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County Council. Both are defined benefit plans.

Total pension cost for the year

	2025	2025	2024	2024
	£000	£000	£000	£000
Teachers' Pension Scheme: contributions paid		720		674
Local Government Pension Scheme:				
Contributions paid	626		690	
FRS 102 charge	(138)		(185)	
Charge to the Statement of Comprehensive Income (staff costs)		1,208		1,179
Enhanced pension (credit) / charge to Statement of Comprehensive Income		(13)		(11)
Total pension cost for the year within staff costs		**1,195**		**1,168**

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest available formal actuarial valuation of the TPS was 31 March 2020 and of the LGPS was 31 March 2022.

Contributions of £150,000 (2024 £153,000) were payable to the two schemes as at 31st July and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

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

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

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2020 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) in November 2023.

The new employer contribution rate for the TPS was implemented in September 2019.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

https://www.teacherspensions.co.uk/news/employers/2023/10/valuation-result.aspx

Scheme changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2017 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2017.

The pension costs paid to TPS in the year amounted to £720,000 (2024: £674,000).

FRS 102

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The University is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The University has set out above the information available on the plan and the implications for the University in terms of the anticipated contribution rates.

Notes to the Accounts (continued)

Local Government Pension Scheme

The Local Government Pension Scheme (LGPS) is a funded defined benefit plan, with the assets held in separate trustee administered funds. The total contribution made for the year ended 31 July 2025 was £909,000 (2024; £1,077,000) of which employer's contributions totalled £677,000 (2024; £822,000) and employees' contributions totalled £232,000 (2024; £255,000). The employee contribution rate ranges from 5.5% to 12.5%, dependent on full time equivalent salary rate. The agreed employer contribution rate for 2024/25 remained at 17.5% (2023/24: 17.5%).

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2025	2024
	£000	£000
Amounts included in staff costs		
Service cost	571	630
Total	**571**	**630**

Amounts included in interest and other finance costs	2025	2024
	£000	£000
Net interest expense	(92)	(37)
Administration expenses	13	11
Total	**(79)**	**(26)**

Amount recognised in Other Comprehensive Income	2025	2024
	£000	£000
Return on pension plan assets in excess of interest	396	854
Other actuarial losses on assets	-	-
Changes in financial assumptions	2,786	-
Change in demographic assumptions	(81)	36
Experience gain/(loss) on defined benefit obligation	(90)	13
Amounts recognised in Other Comprehensive Income	**3,011**	**903**

The amount included in the balance sheet in respect of the defined benefit pension plan and enhanced pensions benefits is as follows:

	2025	2024
	£000	£000
Fair value of plan assets	19,985	17,921
Present value of plan liabilities	(15,309)	(16,473)
Previous year surplus derecognised	(1,448)	(334)
Derecognition of current year surplus	(3,228)	(1,114)
Net pensions asset/(liability)	**-**	**-**

Notes to the Accounts (continued)

Movement in net defined benefit liability during year

	2025 £000	2024 £000
Net defined benefit liability in plan at 1 August	-	-
Movement in year:		
Current service cost	(571)	(630)
Past service cost	-	-
Employer Contributions	709	815
Net interest on the defined liability	92	37
Administration expenses	(13)	(11)
Actuarial gain	3,011	903
Derecognition of surplus	(3,228)	(1,114)
Plan balance at 31 July	**-**	**-**

Asset and Liability Reconciliation

	2025 £000	2024 £000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of period	16,473	15,417
Current service cost	571	630
Interest cost	841	779
Contributions by plan participants	232	255
Changes in financial assumptions	(2,786)	-
Experience loss/(gain) on defined benefit obligation	90	(13)
Change in demographic assumptions	81	(36)
Past service cost	-	-
Estimated benefits paid, net of transfers in	(193)	(559)
Liabilities at end of period	**15,309**	**16,473**

Changes in fair value of plan assets

	2025 £000	2024 £000
Fair value of assets at start of period	17,921	15,751
Return on assets	396	854
Interest on assets	933	816
Contributions by employer	709	815
Contributions by plan participants	232	255
Administration expenses	(13)	(11)
Other actuarial gains on assets	-	-
Estimated benefits paid	(193)	(559)
Fair value of assets at end of period	**19,985**	**17,921**

Notes to the Accounts (continued)

	31 July 2025		31 July 2024	
Gilts	834	4%	-1	0%
UK Equities	449	2%	283	2%
Overseas equities	10,053	50%	9,455	53%
Property	1,568	9%	1,336	8%
Infrastructure	1,995	10%	1,855	10%
Target return portfolio	0	0%	414	2%
Cash	475	2%	439	2%
Other bonds	4,616	23%	4,137	23%
Alternative assets	-5	0%	3	0%
Total (bid value)	**19,985**	**100%**	**17,921**	**100%**
Present value of plan liabilities	(15,309)		(16,473)	
Previous year surplus derecognised	(1,448)		(334)	
Derecognition of current year surplus	(3,228)		(1,114)	
Surplus/ (Deficit) in the plan	**-**		**-**	

The financial assumptions used in the valuation are as follows:

	At 31 July 2025	At 31 July 2024	At 31 July 2023
Rate of increase in salaries	3.80%	3.85%	3.85%
Rate of increase for pensions in payment / inflation	3.05%	3.10%	2.85%
Discount rate for scheme liabilities	5.85%	5.10%	5.10%
CPI Increases	2.80%	2.85%	2.85%

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 July 2025	At 31 July 2024
Retiring today		
Males	21.7	21.4
Females	22.7	22.6
Retiring in 20 years		
Males	23.0	22.7
Females	24.2	24.1

Notes to the Accounts (continued)

Sensitivity analysis

	£000	£000	£000
	+0.1%	0.0%	-0.1%
Adjustment to discount rate			
Present value of total obligations	15,028	15,309	15,598
Projected service cost	402	419	436
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligations	15,322	15,309	15,296
Projected service cost	419	419	419
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligations	15,594	15,309	15,032
Projected service cost	437	419	401
Adjustment to life expectancy assumptions	+1 year	None	-1 year
Present value of total obligations	15,715	15,309	14,915
Projected service cost	433	419	404

The estimated value of employer contributions for the year ended 31 July 2026 is £720,000 (2025; estimated at £748,000).

22 Capital Commitments

	2025	2024
	£000	£000
Commitments contracted for at 31 July	-	-

23 Contingent Liabilities

The University is in discussions with the Teachers’ Pension Scheme regarding employer contributions potentially due. This has been contested by the University due to the nature of the issue and the admission of errors on the part of Teachers’ Pensions. This is an ongoing dispute and a resolution timeline is unknown. The maximum liability that could be due is £40k.

Notes to the Accounts (continued)

24 Financial Commitments

At 31 July the University had annual commitments under non-cancellable operating leases as follows:

	2025	2024
Future minimum lease payments due	**£000**	**£000**
Land and Buildings:		
Not later than one year	44	44
Later than one year and not later than five years	44	88
Later than five years	-	-
	88	132
Other:		
Not later than one year	41	43
Later than one year and not later than five years	95	138
Later than five years	-	-
	136	181
Total lease payments due	**224**	**313**

25 Related party transactions

Owing to the nature of the University's operations and the composition of the Board of Governors being drawn from local, regional and national public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving organisation in which a member of the board of governors may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. There were no transactions with these parties that would require disclosure under FRS 102.

The total expenses paid to or on behalf of the Governors during the year was £4,854 (2024; £4,989). This represents travel and subsistence and other out of pocket expenses incurred in attending governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payment from the University during the year (2024; £nil).

Transactions with the funding bodies are detailed in notes 3 and 14.

Notes to the Accounts (continued)

26 Amounts disbursed as agent - learner support funds

	2025	2024
	£000	£000
Funding body grants – residential bursaries	45	43
Other funding bodies' grants	109	169
Total funding	154	212
Disbursed to students	(113)	(166)
Administration costs	(6)	(7)
Unspent balance	35	39
Unspent balances brought forward at start of year included in creditors	176	140
Clawback of previous years' unspent grants	(74)	(3)
Unspent balances carried forward at end of year included in creditors	137	176

These grants are available solely for students. The University acts only as a paying agent. The grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.