



## **Annual Report**

### **For the Year Ended 31 July 2025**

#### **Company Information**

The University is an exempt charity, a company limited by guarantee, registered in England and Wales.

*Registration Number:* 06033238;

*Registered Office Address:* Fusehill Street, Carlisle, Cumbria, CA1 2HH

The University's subsidiary company, UoC Trading, is a company limited by guarantee, registered in England and Wales.

*Registration Number:* 02809881;

*Registered Office Address:* University Of Cumbria, Bowerham Road, Lancaster, Lancashire, LA1 3JD

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# Strategic Report

## Foreword by the Chair of the Board of Directors

2024/25 saw two significant University of Cumbria projects move from development stage into full operation. Our new campus in Barrow, made possible thanks to support from the Barrow Town Deal and BAE Systems, was completed on schedule, and one of our first students was able to meet the King when he visited the Barrow submarine yards in September. In Carlisle, the new Pears Cumbria School of Medicine, devised in partnership with Imperial College London and with generous philanthropic funding from the Pears Foundation, also took on its first students this autumn. Both these new developments should significantly increase the service we can offer in and for our region, and I look forward to reporting on their progress in future years.

Also in Carlisle, further detailed planning took place on the projected Citadels development close to the railway station, in partnership with the Borderlands Growth Deal and the Carlisle Town Deal. With strong and committed support from key local partners, notably Cumberland Council, we have been able to appoint a lead contractor and are now finalising the essential preliminary works and looking to tie down detailed costs and schedules.

In overseeing these projects, the Board is very conscious that our core responsibilities are to students, employers and the communities where we operate. We are delighted that, for a second year, we ranked best in the North West for Graduate Employment Outcomes, and best in the UK for overall student experience in the Postgraduate Research Experience Survey. However, we are also conscious that the variety of our student body, including a large number of paramedic apprentices in Health Trusts all over the country, means we must constantly be adapting our practices to fit different circumstances.

Meanwhile, new developments and opportunities are emerging within our region. Alongside the activity in Barrow and Carlisle comes an increased focus on all aspects of the nuclear industry in West Cumbria, with a particular need for innovation around decommissioning. This will increase employer demand, not only for people with high levels of technical skills, but also for practical, problem-oriented research. In addition, the new Lifelong Learning Entitlement will be offering new possibilities for learners of all ages. We are keen to play a full part in supporting all of this work, alongside FE Colleges and other higher education institutions.

New ventures, as well as offering exciting and welcome opportunities for us and our region, carry extra risks, which we need to understand and manage. The University once again recorded an operating surplus in 2024/25, and maintained its student numbers, and prospects look promising for 2025/26. This is pleasing. Nevertheless, the Board and Executive know that, if we are to continue to prosper in a constrained fiscal environment, we need to modernise our processes and invest for the future in our people, our teaching, our research, our equipment and our estate. 2025/26 will see the start of a multi-year Transformation Plan, with clear targets, to ensure that the University is well-positioned to do this.

In taking this work forward, with the challenges that it may entail, we will need constantly to remind ourselves of our Mission and Values. We are established in Cumbria, for Cumbria, and seek to be Personal, Progressive and Engaged in what we do. We expect our students, our partners, our staff and our communities to hold us to these core principles.

**Mr Martin Williams, Chair of the Board of Directors**

## Introduction by the Vice Chancellor

In concluding the 2024/25 academic year, marking the first milestone point of our Towards 2030 Strategy, much work has been undertaken by colleagues to ensure we continue to meet our strategic objectives, deliver strong outcomes for our graduates and purposefully grow and evolve - both as Cumbria's University and the University of Cumbria.

We are doing this from 'positions of strength' which have been hard thought, fought and won in implementing our Towards 2030 strategy to date. This is clearly visible through our graduate employment outcomes, growth in degree apprenticeships, the establishment of the Pears Cumbria School of Medicine in partnership with Imperial College, London and the launch of our new campus in Barrow.

It is also evident in the strong foundations we have been building, though not yet fully visible above the ground, such as:

- The Institute of Advanced Manufacturing, Computing & Engineering and its alignment to Cumbria's industrial sectors and UK Government's Industrial Strategy.
- The University's positioning within Cumbria's Economic Strategy, Barrow Transformation plan and wider Cumbria eco-system.
- Our ability to realise our Towards 2030 Strategy ambition for Ambleside, building on thinking and progress to date.
- The growing numbers and calibre of (strategy-inspired) external staff appointments across our academic institutes and professional services e.g. Health, Business, Industry & Leadership, Science & Environment, Research & Knowledge Exchange, Learning & Teaching, Estates and Commercial services. Growth & Development and Transformation.
- The significant levels of staff engagement in pedagogic, digital and research activities and awards.
- The soft-launch our new International College based at our Lancaster Campus.
- Our growing external reputation, within and beyond Cumbria with The Rt Hon The Lord Case CVO stating *"the University of Cumbria have been at the forefront of the efforts to improve lives and livelihoods in Barrow.....team deserve a great deal of credit for the leadership they have shown in making Barrow a university town and being willing to try something different. If leaders in the public and private sectors continue to act ..... thinking long-term, being creative and willing to find new solutions, focus on the outcomes that matter - places like Barrow will thrive. Leaders, working together, can help make sure our towns have the public services they need, the job opportunities that people want and the futures they deserve"*.

These foundations and the asset base they comprise, together with a strong and continued focus on the why of our university, has enabled us to purposefully and proactively refresh our strategy during 2024/25 and set a programme of transformation change for the period ahead to improve our outcomes and ability to invest. This includes recognising the imperative of continuous and further improvements in areas where we have failed to make sufficient progress such as on-campus student recruitment, local HE participation rates and the National Student Survey.

I would like to thank colleagues and supporters across our University community for their unwavering belief in our mission and for their individual and collective efforts in delivering the transformational outcomes associated - in and beyond Cumbria.

We commence the 2025/26 academic year and strategic period ahead with much to build on and be proud of.

**Professor Julie Mennell DL, Vice Chancellor**

## **Strategic Review**

The University's vision is to transform lives and livelihoods.

This vision is at the heart of our strategy and drives us in our mission to inspire and equip our graduates to thrive and to be the University that is needed by our localities. This vision remains a constant for us, including during times of external change and uncertainty.

At the mid-point of our Towards 2030 Strategy (T2030), which is firmly built on this vision, we have taken time during the year to reflect on successes, evaluate progress and to refine our focus, ensuring that we drive forward our ambitions for our students, our communities and for Cumbria. The first half of the strategic period has seen considerable progress; progress which has continued during 2024/25. Growth in apprenticeships, supporting critical public services, has been unprecedented and the year has seen groundbreaking developments including in creating our new Barrow campus, with all that it represents in terms of partnership and opportunity, and the launch of Pears Cumbria School of Medicine in Carlisle. Both have welcomed their first students at the start of 2025/26.

2024/25, like recent years, has also seen a range of challenges for the higher education sector, with declines in international recruitment, a highly competitive landscape around domestic provision, cost of living pressures for students and rising costs for universities. These and other factors, including the eighth successive year of frozen tuition fees and largely static apprenticeship funding bandings, have impacted on the University. Our considerable successes this year, which have been achieved within this challenging context, including maintaining a financially healthy position, are outlined in this report.

As has been reflected in the refresh of T2030, given the ambitions of our strategy, the extensive opportunities ahead of us and this wider operating environment, there is an imperative to continue to transform. Transformation as an organisation, across systems, processes, structures and ways of working will provide capacity for investment and enable thriving co-creative relationships, to fulfil our ambitions for Cumbria and for every student. In establishing a transformation programme in 2024/25, and various other change initiatives for delivery into 2025/26 and beyond, we recognise the challenges that require addressing, including those which are evident from aspects of our financial results for the year and from student feedback.

As this review reflects on 2024/25 and looks ahead under the key themes of our refreshed Strategy of Students and Graduates, People, Places and Partnerships, and Academic and Applied Research, it is evident that significant progress towards our objectives continues to be made and steps are being taken to embed success and drive forward performance.

## **Students and Graduates**

Our stated aim is to equip our graduates with the skills, confidence and attributes to realise their potential, to succeed in the workplace and careers and to be active global citizens. This aim is central to our approach to curriculum design, academic practice and wider student and stakeholder engagement. The successes of our approaches are evident, including in the most recent Graduate Outcomes Survey results which demonstrated that 97.2% of graduates were employed or in further study fifteen months after graduation. We continue to be the top ranked provider among North-West universities for this measure and within the top ten nationally.

Enhancing the experience of our students remains a core area of focus for the University. As evidence of the development of our research culture and the support for students this necessitates, the University of Cumbria was ranked the top Graduate School in the UK for overall student experience in the 2025 Postgraduate Research Experience Survey (PRES), conducted by AdvanceHE. Our overall satisfaction rate of 92% - an increase of 11

percentage points from the last survey – was an exceptional outcome, as was our national ranking of third for progression, fourth for research community, and fifth for research skills development.

The 2025 National Student Survey (NSS) results demonstrated improvements in assessment and feedback, academic support, learning resources and mental wellbeing services, and highlighted several areas where further intensive focus to drive continuous improvements is required, drawing upon areas of good practice identified across the University. Our detailed analysis of the results has led to the identification of specific areas of focus across 2025/26, with the Academic Management Group, led by the Deputy Vice Chancellor, playing a central role in overseeing our plans for improvement. The moving forward of NSS outcomes are fundamental to our commitment to students, the delivery of our T2030 objectives around student experience, and for the University's positioning in various external measures. As such, due importance is placed on this area and wider student satisfaction aspects, in our operating plan for 2025/26.

2024/25 was the first year of implementation of our Learning, Teaching & Assessment Plan, with a focus on building the foundations for future success in our educational approach, including the alignment of our new Curriculum Design Framework with our key strategic themes for pedagogic enhancement. Following the migration to our new Blackboard Ultra learning platform in September 2024, the University achieved global recognition through the 2025 Anthology Catalyst Awards, recognising our innovative and inclusive approach to digital learning and pedagogic transformation. The new Cumbria Excellence in Learning & Teaching recognition scheme was accredited by Advance HE, with particular commendations for its strategic alignment with the needs of the University in nurturing and recognising impactful pedagogic practice.

New approaches have been implemented to enhance the digital capabilities of teaching staff and students, including the introduction of a new digital capabilities self-assessment tool, the provision of free opportunities for students to secure Microsoft Office Specialist status and closer partnership working with Jisc and LinkedIn Learning. Our institutional approach to engaging thoughtfully as educators with the opportunities and challenges posed by Generative AI continues to develop, particularly in reconsidering our assessment practices.

## **Academic and Applied Research**

2024/25 saw considerable progress towards our ambitions in this theme in a number of ways.

Our new £15m Barrow Campus opened to its first cohorts of undergraduates, apprentices and CPD students in September 2025. Created in collaboration with our partners as part of Brilliant Barrow, and utilising £13m of funding via the Town Deal from Ministry for Housing, Community and Local Government, the new campus offers purposefully designed provision to meet place and sector-based education and skills requirements. This includes the pivotal role BAE Systems play in defence and the crucial work of the NHS in tackling the many challenges in the region in line with the new NHS 10 Year Plan.

Across mechanical engineering, nursing, computer science, project management, supply chain management, nuclear security and business, the campus provides opportunities for students from the region and beyond – a region with comparatively low levels of higher education participation and with significant forward skills requirements. Coupled with scholarships and placements from BAE, the campus symbolises the University's integrated and collaborative approach, as we work with others to bring and develop much needed skills for Barrow.

This approach has also been evident throughout the development of the Pears Cumbria School of Medicine, which welcomed its first students in August 2025. This partnership

between the University of Cumbria and Imperial College London signals a significant milestone in the vision to address the much-needed shortage of medical practitioners in Cumbria. Delivered from our Fusehill Street campus in Carlisle, the 58 students on the 4-year Graduate entry route will study their theoretical aspects of the program in Carlisle whilst undertaking clinical placements across the whole of Cumbria but with a specific focus on Barrow and Furness, Carlisle and the West of Cumbria alongside GP surgeries in the remote and rural aspects of the region. The intention is to grow the student numbers in a planned and measured way to ensure that a steady supply of medical students can access a range of clinical placements across two Integrated Care Systems and a range of NHS Trusts including North Cumbria Integrated Care NHS Foundation Trust, University Hospitals of Morecambe Bay NHS Foundation Trust, and Lancashire and South Cumbria NHS Foundation Trust.

Our strategy places emphasis on addressing the workforce needs of our region's economy, including through building a sector leading reputation and standing for apprenticeships. Our apprenticeship delivery across paramedicine, project management, radiography, forestry, youthwork and in a range of other fields, continues to grow and has seen partnerships continue to be formed and developed with key employers such as Sellafield Ltd, BAE Systems, multiple NHS Trusts, the Forestry Commission, Rolls Royce and the BBC. Over 2,000 students are taught on programmes which are centred on upskilling and reskilling and ensuring career progression, with this number due to grow in 2025/26, including via the successful consortium tender for policing apprenticeship training to the Metropolitan Police.

These successes and partnerships with employers are echoed across CPD provision, including with the securing of a six-year framework agreement with Sellafield Ltd and the Nuclear Decommissioning Authority (NDA) to deliver training and education services through the 'Project Academy'. Established in 2016 with the University of Cumbria, the Sellafield Project Academy provides essential project and programme management courses, professional qualifications to a wide staffing base. This new framework broadens the original agreement to include other NDA businesses and the Sellafield Ltd/NDA supply chain and reinforces a valued partnership with key employers in West Cumbria.

Student numbers in 2024/25 across all types of provision remained relatively consistent with 2023/24 levels, with just over 6,000 FTE reported in our statutory return and 15,000 heads registered with the University, including via partners. While the overall position was similar, 2024/25 saw a fall in full-time home students outside of apprenticeship provision. The University's strategy both recognises the importance of delivery of learning to businesses, organisation and their employees and our role in welcoming school and college leavers, those returning to education and individuals who are seeking to achieve a higher level of qualification to our campuses. As we seek to raise higher education participation levels, our strategy emphasises the importance of ensuring that our programmes meet the needs of our students and support the development of Cumbria, with personal connection remaining at the heart of our recruitment efforts in line with our values. Steps taken in 2024/25 to develop our approach to student recruitment have led to rise in full-time home recruitment, exceeding our targets in a number of areas; we are taking active steps to build from this encouraging position into 2025/26 and beyond.

Alongside and with synergy with our teaching ambitions, we are growing the volume, quality and impact of our research. From a relatively small base, this is being achieved by developing our research culture, capabilities and capacity to address key regional and national priorities with our partners and stakeholders. We are increasingly seeking to recruit more research active staff as well as supporting existing staff in research.

Our research in the medical and health sciences has been enhanced through our collaboration with Imperial College with the Pears Cumbria School of Medicine (PCSM), with the launch of the Research Hub in September 2024. Located within the University of Cumbria's Institute of Health, the research hub is led by two eminent Professors who joined

the University from Imperial College; Professor Jonathan Webber and Professor Sophie Day, the hub has a clear initial three year plan to grow research capacity and capability across the health system in Cumbria. Funded from monies within the ICL Biological Research Grant the PCSM research hub in 2024/25 offered 12 PhD's or MRes with associated funding to NHS staff or staff within the University of Cumbria. Furthermore, the Research Hub offered eight awards of £50k each to initial research projects with a focus on improving care and quality of care in the local health eco-system. This approach will be rolled out over the next two years of the initial three-year plan with a focus on improving research skills and focus in the region. Plans for the launch of a PCSM Educational Hub with a focus on delivering excellent quality of research and evidence informed medical education are well underway to launch in 2025/26.

The year has seen some significant research successes, including:

- £2.5 million National Institute of Health and Care Research (NIHR) funded Mental Health Leaders
- £1.3 million from the Kolschowsky Foundation for the Innovation for Conservation (ICON) Programme in the greater Murchison Falls National Park, Uganda.
- Participation in several European Commission/UK Research and Innovation (UKRI) Horizon projects including: SusFE for Next Generation Sustainable Functional Electronic Components, HoliCare on patient management and epidemic surveillance through diagnostic technologies, and UTI-Diag Diagnostic and Antibiotic Stewardship for Urinary Tract Infections.

As we move into 2025/26, research activity will develop further, including via our Institute of Engineering, Computing and Advanced Manufacturing, which will provide research support for the two key Cumbrian clusters of Defence, centred around BAE Marine in South Cumbria, and the Nuclear sector centred in West Cumbria.

## **People, Places and Partnerships**

We are a University for our region with strong emphasis on our civic role. This is seen across our localities. Our approach is exemplified by our contribution in recent years and in 2024/25 to the wide range of focus and activities undertaken by Team Barrow a unique partnership between the Ministry of Defence, BAE Systems and Westmorland and Furness Council. Accessing and utilising a £250m investment over 10 years as part of the Barrow Rising brand, Team Barrow launched its 10-year plan with two clear outcomes; (1) Enable and sustain the Defence Nuclear Enterprise in Barrow efficiently and securely (2) Diversify and strengthen Barrow's economy and increase productivity.

Our Vice Chancellor sponsors one of four key workstreams within Team Barrow focused on Education, Employment and Skills alongside other partner leads who sponsor workstreams on Transport, Health, Equity & Wellbeing, Community and Social impact and Economy, Master planning and Place. A range of members of the Vice Chancellor's Directorate play a contributing factor to workstreams ensuring that the university is embedded in the holistic work of Team Barrow.

Within the Barrow Rising 10-year plan "Our Plan for Barrow", education is recognised as playing a significant part in the transformational change required for Barrow, its local partners, infrastructure and workforce needs. Following the opening of the Barrow campus, it is the University's intention to create a strategic plan for Barrow to ensure that growth, partnership engagement, research and innovation alongside our civic role in the place agenda are achieved.

This focus on people, places and partnerships drives our approach to the development of physical and digital infrastructure. Integral to the shaping of our capital projects, as evidenced in Barrow campus project, are the needs of a wide range of partners, employers



and students, as skills shortages are addressed and required employment growth supported into the long-term.

These and other drivers have seen continued development of the project to create our new flagship campus in Carlisle city centre, known as the “Citadels Project”. During the year, we have continued to progress and refine the project, which will contribute to the revitalisation of Carlisle, support business engagement and knowledge exchange and create an outstanding student experience, with our partners at Cumberland Council and the Borderlands Inclusive Partnership. As with many projects, that refinement includes responding to the impact of significant cost inflation challenges. With £56m of Government funding secured, the project is a direct reflection of the confidence of our partners in the impact of the University, bringing substantial investment to Carlisle. Work on site, including preparatory works and demolition of some existing shop units before Christmas, continues as we head to main contract award in Spring 2026.

Digital and IT infrastructure are crucial to the delivery of our strategy and ongoing transformation. Significant progress was made during 2024/25 in our strategic efforts to enhance the digital capability of the University. Major system developments, supporting student experience and organisational effectiveness have progressed alongside work to mitigate the ongoing threat to the University of cyberattack. A new module evaluation tool, a research information management system, investment in classroom audio-visual equipment and the enablement of the new Pears Cumbria School of Medicine have all been delivered in year alongside the transition of our finance system and the planning for a new timetabling system.

Our People and Culture strategy, finalised at the end of 2023/24, sets out our intent to ensure that we support the wellbeing of our people, inclusivity of our community, providing enabling tools, support and refining policy. As we drive forward our refreshed Towards 2030 strategy, those objectives and our values remain while recognising the increasing importance of developing our organisational capacity and development in ensuring the successful delivery of change, impactful enhancements to our teaching and learning approaches and provision of excellent student experience. The People and Culture strategy will be included in the wider refresh of our supporting strategies for Towards 2030.

As a University community we have explored our understanding of sustainability in 2024/25 to form the foundation of a holistic and integrated approach. Our connection with the landscape and environment of Cumbria will underpin that approach. Our Ambleside campus, the only university campus in a national park, provides the opportunity and responsibility to share our research expertise in land management and we support our students to build sustainability into their studies. We plan to publish a new sustainability strategy in 2026.

## **Section 172 Statement – Stakeholder Interests**

The content of this report, including our determination to improve the opportunities provided to and the experience of our students, demonstrates that the University and its Board of Directors have a clear focus on our public benefit duties and on our stakeholders. The Board of Directors formally confirm that they have had regard to their duties under Section 172 of the Companies Act, and, in working to deliver the University’s charitable objects during 2024/25, the Directors have considered the interests of stakeholders.

The Board of Directors has ultimate oversight of and responsibility for the mission and strategic vision of the University, together with its long-term academic and business plans and key performance indicators. In doing so, the Board ensures that all strategies, plans and decisions have due regard to the interests of stakeholders, including students, staff and our communities, the impact on the environment and the long-term effects of current actions. Carbon reduction and sustainability are key objectives within the University’s strategy and

our reporting and monitoring in these areas continues to develop, including via the Streamlined Energy and Carbon Reporting which is presented in this Annual Report.

The propriety and regularity of decision making and use of resources are central to the University's policies, procedures and code of conduct, with the highest standards of business behaviour expected. In its operations, the University treats its customers and suppliers fairly, communicating clearly and, for example, monitoring the timeliness of the payment of invoices. Assurance over the control environment is obtained by the Audit and Risk Committee on behalf of the Board of Directors, with regular internal audits providing coverage over a range of areas.

The Board of Directors includes an elected staff member, providing direct representation as well as an input and feedback mechanism with the broader staff body. Similarly, a sabbatical officer from the Students' Union is appointed each year as a Director.

On behalf of the Board of Directors, the People, Performance and Culture Committee has oversight of the implementation of the People and Culture Strategy and monitors the wellbeing and general welfare of students and staff through consideration of relevant data and reports.

## Financial Review

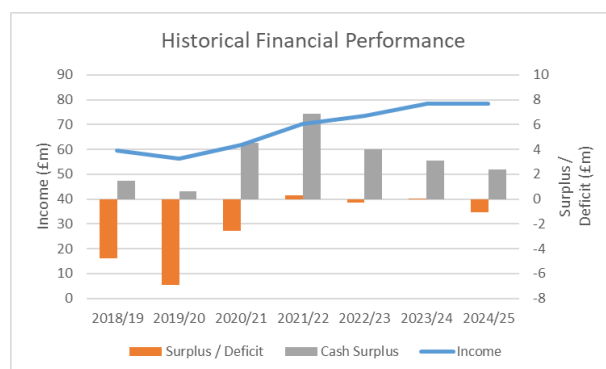
The University maintained a sound financial position during 2024/25, while experiencing many of the same challenges faced by the higher education sector.

Our budgeted cash surplus of £2.2m was achieved and exceeded despite volatilities in the international student market, intense competition for home students, a further year of frozen tuition fees and a range of cost pressures, not least from increases in pension and employer's national insurance costs.

The 2024/25 budget level was set below the level achieved in recent years, recognising the need to strategically invest during 2024/25. This investment is seen in the University's financial results, including in the appointment of staff and deployment of capital and other resources ahead of the launch of the Pears Cumbria School of Medicine, and in the development, equipping and operationalising of the new £15m Barrow campus which opened in September 2025. These and other investments, the establishment of strategic programmes of work to transform our operating model and deliver sustainable income growth, together with our ongoing careful management of resources in 2024/25, reflect our immovable focus on financial sustainability. Our financial results and decision making in 2024/25 leave us well placed to address risks and challenges and to develop opportunities that will see both income resume its upward trajectory, building on significant growth over recent years, and cash generation levels grow in 2025/26 and beyond; outcomes that are essential as we seek to deliver our strategy.

	2024/25 £m	2023/24 £m
<b>Accounting Surplus / (Deficit)</b>	<b>-1.1</b>	<b>0.1</b>
<b>Non-Cash Accounting Adjustments:</b>		
Depreciation / impairment	5.4	5.3
Pension provision movements	-0.4	-0.5
Capital grant income	-1.6	-1.9
<b>Cash Surplus (£m)*</b>	<b>2.4</b>	<b>3.0</b>
<b>Cash Surplus (% of income)</b>	<b>3%</b>	<b>4%</b>
<b>Cash Balance</b>	<b>18.9</b>	<b>22.3</b>

\* The University focusses on its "cash surplus" level when planning and assessing its operating performance. By excluding non-cash accounting adjustments, it gives a clearer indication of the levels of cash being generated for reinvestment



### Income

Overall, income was maintained at the same level as 2023/24 (£78.3m). Continued growth in apprenticeship activity saw a £1.8m increase in revenues (10%) compared to the prior year. Part-time delivery also grew significantly (£1m / 21%), reflecting the success of our employer focussed approach across a range of sectors, including education, healthcare and in support for industry in Barrow and the West Coast of Cumbria.

Along with many in the higher education sector, the University has found the home and the international full-time student recruitment environment challenging. International intakes fell by 40% compared to 2023/24, contributing to the £0.6m (21%) reduction in related fee income and revenues relating to full-time home students reduced by £2.7m (9%). This is evidence both of levels of competition among providers and the national challenges to recruit to teacher training and healthcare provision which have impacted on the University.

As we continue to diversify our activities and drive income upwards, we have placed renewed strategic focus on the recruitment of full-time students to our campuses. Our work to navigate through challenges in this area and to respond via changes in our approaches and processes and emphasising the strengths arising from place and partnerships, has seen full-time home intakes rise in 2025/26 and further work taking place to build on this into the future.

## *Expenditure*

The University's costs rose by £1.1m (1.4%) compared to 2023/24, a modest increase in operating expenditure given upward external pressures. These pressures were most acute across the area of staff costs, with 2024/25 seeing the application of the nationally agreed 2.5% pay award, the full year impact of an increase in employer contributions to the Teachers' Pension Scheme, which has added £0.7m to operating costs in year, and a significant rise in employer's national insurance (£0.35m) from April 2025.

Together with the persistent effects of inflation on the non-staff operating costs, these factors would have led to higher rises in expenditure had we not taken active steps to manage resources, while maintaining the ability to invest. Staffing resources were and continue to be aligned closely to student numbers and activity levels, with the resulting resource changes leading to £0.7m of restructuring costs in year. Careful investments were made in the staffing base, particularly in the development and preparation for the Pears Cumbria School of Medicine and Barrow campus launches in 2025/26. There was a significant focus on non-staff expenditure during the year, with the effects of this cost management work contributing to the £1.5m (6%) reduction in other operating expenditure during the year.

As we move forward into 2025/26 and plan across the timeframe of our strategy to 2030, our approach to resource management has been developing with its focus on addressing the underlying factors and places emphasis across efficiency, effectiveness and economy measures. Several programmes of work, including our transformation programme, will see income growth, cost reductions and investment, with the net impact resulting in the essential progress towards delivery of key metrics within our financial strategy including levels of staffing expenditure and overall cash generation as a percentage of our income.

## *Assets*

The University's overall cash balance at year-end at £18.9m represents 75 days cash liquidity, significantly ahead of our minimum threshold target. Cash reserves decreased by £3.4m, reflecting both the extent of capital investment and a fall in net operating cash inflows. Operating cash levels were affected by working capital movements, with the planned utilisation of cash received from partners in the previous year and rises in accrued income given the payment profile of various contracts, as evidenced by the increase in the Prepayment and Accrued Income balance within the financial statements.

£3.6m of cash, after accounting for grant inflows, was invested in the development of the Barrow campus, preparatory outlays related to the Citadels project and in higher levels of expenditure across IT, estate and equipment infrastructure. Combined with grant funded expenditure, capital additions of £13.9m were made in year, seeing, after the effects of the valuation of land and buildings and depreciation, an increase in fixed asset values from £145m to £154m.

## *Liabilities*

The overall creditor balance of £52m is made up of several elements. Deferred capital grant balances rose in 2024/25, from £27.1m at 31 July 2024 to £35.1m at 31 July 2025, largely due to funding received for the Citadels and Barrow projects. These balances are recorded as "liabilities" on the balance sheet until they are released to income over the life of the assets.

The remaining £16.9m of liabilities includes payments to suppliers and other parties due in 2025/26 (£7.7m), and cash received in advance of the University providing tuition or another service (£5.4m). The remaining creditor balance relates to two outstanding loans, with borrowing levels having reduced by £0.3m compared to 2023/24. At just under £3.8m,

the University's loan balance and debt serving costs remain low compared to the wider higher education sector. During 2025/26 we are continuing to explore borrowing opportunities relating to the Citadels project. In advance of the conclusion of this work, our core assumption within our cashflow forecast is that the University's loan with Barclays will be repaid at its maturity date in July 2026 at a cost of £3.3m.

The Local Government Pension Scheme (LGPS) valuation showed a strengthening of the position, with a surplus of £61.6m reported by the scheme actuary. As in 2023/24, the University has not recorded this surplus in its financial statements given the requirements of the relevant accounting standards.

### **Future Prospects and Going Concern**

The University has maintained its income level and shown its ability to respond to cost pressures through its delivery of its budget in 2024/25. A cash balance of just under £19m provides resources to meet immediate investment needs and to address short-term challenges.

As we look ahead, there are continued challenges for the higher education sector, with changes in the regulatory and policy environment including post-16 skills reforms, the introduction of the lifelong learning entitlement, changes to the Teaching Excellence Framework and the impact of the Government's "restoring control over the immigration system" white paper among developments. The effects of static fees between 2017 to 2025 continues to be felt, with the inflationary increase applied in 2025/26 substantially offset by higher employer's national insurance for many, including the University. Changes to apprenticeship funding have been made with potential for further reform but with little change to the related funding bands which have been largely static for several years. Volatility in international student recruitment continues, and rising costs, especially from persistent levels of higher inflation, rises in employer's national insurance and recent pension cost increases.

The University is not immune to these challenges and, through its risk management framework and its strategy and effective scenario planning, we are focussed on mitigating actions, maintaining financial sustainability and growing our capacity for investment.

Our approach in 2025/26 and beyond will continue to involve diversification of income streams, including via campus developments and a range of strategic partnerships and contracts, and responses in the availability and deployment of resources, including changes in our operating models and approaches. These and other transformative actions are expected to increase the levels of cash generation for reinvestment, including across our digital and physical infrastructure, supporting the necessary further improvements in facilities, connectivity and the experience of our students.

While recognising risk and uncertainty, on the basis of the relatively strong cash position, growth in delivery of new and existing contracts with employers and the prospects across the range of student recruitment types, for the period ahead, the Directors continue to have confidence in the current and future financial position of the University.

In planning for the future, income growth is expected, along with significant estate and infrastructure developments, supported by a range of external funding as well as internal cash generation, which will enable the University to further meet the needs of its regions, employers and students. This includes the development of a new campus in Carlisle, a project which is working to a budget of £78.7m in total, substantially supported by Government funding. The senior team continues to drive this and other opportunities forward, alongside careful management of risks and resources, with clear Board oversight.

Taking all this into account, while there continue to remain uncertainties in the operating environment, as set out more fully in the basis of preparation note to the financial statements, the Directors have prepared these financial statements on the going concern basis, confident of financial sustainability in the years ahead.

The Strategic Report is signed on behalf of the Board of Directors by:

*Martin Williams*

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Mr Martin Williams, Chair of the Board of Directors

*J Mennell*

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Professor Julie Mennell DL, Vice Chancellor and Chief Executive

11 Dec 2025

# Directors' and Corporate Governance Report

The Directors' and Corporate Governance report and statement on internal control covers the period from 1 August 2024 to 31 July 2025, and up to the date of approval of the audited financial statements.

## Governance

The following section explains how the composition and organisation of the University's governance structures supports the achievement of the University's objectives.

## Background

The University is a company limited by guarantee and is an exempt charity under the terms of Charities Act 2011. The University's structure of governance is as laid out in its revised Articles of Association, as approved by the Privy Council on 5 February 2016. The Articles of Association require the University to have a Board of Directors and an Academic Board, each with clearly defined functions and responsibilities, to oversee and manage its activities and to support the achievement of its objectives.

The University is committed to exhibiting best practice in all aspects of corporate governance. Its Board of Directors acts in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

The University has adopted the Committee of University Chairs (CUC) Higher Education Code of Governance and has also adopted a statement of primary responsibilities which is publicised on the University's web pages.

The University Board of Directors, which meets at least five times each year, is the University's governing body. It is responsible for approving the corporate strategy and associated plans and budgets, monitoring the performance of the University and its executive, determining major business decisions and policies and is responsible for the overall framework of governance and management. It is specifically required to determine the educational character and mission of the University and to set its strategic direction. The responsibilities of the Board of Directors are set out in detail on page 27.

The University's Board of Directors comprises persons who are appointed in accordance with its Articles of Association. During 2024/25 the Chair was Martin Williams and the Vice Chair was Peter Yates. The membership includes the Vice Chancellor, a Student Director, who is an elected official from the Students' Union and, via open elections, a Staff Director. A full list of members is at page 18.

In considering the composition of the University Board its Nominations Committee takes account of the skills and experience of current directors, requirements of the Board required for effective discharge of its duties, and the need to ensure an appropriate balance and mix of skills, expertise and experience as well as the diversity of the Board and its subcommittees. The Board currently has a good age profile and a reasonable gender balance; however it would benefit from broader ethnic diversity. The Nominations Committee seeks to address this at each recruitment opportunity, both in terms of Board Directors and in relation to Associate Directors, engaged for their specialist input to a particular Board Committee. Membership of the committees has been managed to ensure sufficient continuity alongside refreshing the membership as appropriate to ensure fresh challenge.

Subject to the overall responsibility of the University Board, the Academic Board has oversight of the academic affairs of the University and draws its members from staff and students of the University.

In order to ensure that the University's arrangements for corporate governance are adequate and effective, independent external effectiveness reviews are undertaken in line with the CUC Higher Education Code of Governance. An independent external effectiveness review was undertaken at the end of 2022/23 and reported to University Board in October 2023. The review had a focus on the operations and effectiveness of both the Board and its committees, alongside benchmarking the Board's operations against the Code of Governance. The review outcomes across the three key sections: enablers – process and structures; relationships and behaviours; and outcomes of effective governance, were positive, with it stated that there was a 'genuine, well understood and shared commitment by all to ensure effective governance'. No changes were required from the review; the recommendations to enhance effectiveness have been taken on board.

In addition to the independent effectiveness reviews, the Chair of the Board of Directors leads an annual review of University Board effectiveness, with one-to-one meetings with each Director and Associate Director at its heart. In addition, an anonymous electronic survey is circulated to all Directors and Associate Directors, with a range of questions relating to the Board and its committees. The survey augments discussions at the majority of the Board committees where they are prompted to undertake a review of their own effectiveness in the last meeting of the year. The outcomes of the one-to one meetings, survey and committee discussions are reported to University Board along with any proposed changes.

Information relating to the University's corporate governance arrangements is published on the University web-site, including details of each Director and Associate Director, to ensure transparency over the University's corporate governance arrangements. The University maintains a Register of Interests of Directors of the University Board, Associate Directors and the Vice Chancellor's Executive, which is available on the University web-site or by request via the University Secretary.

Oversight of statutory and regulatory requirements, to ensure that adequate and effective arrangements are in place, is delegated to sub-committees of University Board, as set out below.

### ***Board Committees***

The Board of Directors is served by six sub-committees which have the following roles:

**Audit and Risk Committee** (chaired by Emerita Professor Shirley Atkinson OBE) has responsibility for monitoring and reviewing the effectiveness of the University's systems of internal control, including risk management and financial controls, procedures, data and value for money. The Committee also has responsibility for oversight of compliance with the Office for Students' Ongoing Conditions of Registration, drawing assurance from a variety of inputs, including other University Board sub-committees, the internal and external auditors, and the executive.

The University's internal and external auditors attend the Committee and report on the systems of internal control and management's responses and implementation plans. Whilst senior executives attend meetings of the Audit and Risk Committee as necessary, they are not members of the Committee and the Committee also meets the internal and external auditors on their own for independent discussions.

The Committee will, whenever appropriate, provide explicit confirmation to the Board that necessary actions have been, or are being, taken to remedy any significant failings or weaknesses identified from their review of the effectiveness of internal control.



**Finance and Resources Committee** (chaired by Ian Looker) has responsibility for advising and recommending to the Board on financial, estates and IT matters. It recommends to the University Board the University's annual revenue and capital budgets and monitors performance in relation to the approved budgets. This work includes ensuring that arrangements for compliance with the Office for Students' Ongoing Conditions of Registration relating to financial matters are adequate and effective.

**Academic Governance Committee** (chaired by Pam Tatlow) provides the University Board with assurance that academic governance, and the associated internal control framework, is operating effectively to secure the quality of students' experience and the standards of the University's academic awards. This work includes ensuring that arrangements for compliance with the Office for Students' Ongoing Conditions of Registration that relate to academic activity are adequate and effective.

**People Performance and Culture Committee** (chaired by Peter Yates) considers and recommends to the University Board on matters of relating to the People and Culture strategy and policy, and monitors performance in relation to people related matters. It also considers and recommends to the University Board on matters in respect of Health and Safety, and Equality, Diversity and Inclusivity, ensuring that arrangements relating to compliance with statutory and regulatory requirements are adequate and effective.

**Nominations Committee** (chaired by Martin Williams) considers nominations for appointment to the Board and its subcommittees. In considering the composition of the Board and its subcommittees, Nominations Committee takes account of skills and experience of Directors as well as the diversity of the Board and its subcommittees.

**Remuneration Committee** (chaired by Jill Johnston) determines the remuneration and conditions of service of the most senior staff, including the Vice Chancellor. The Committee has adopted the Committee of University Chairs' Higher Education Senior Staff Remuneration Code in full.

### **Attendance**

The members of the University Board of Directors in 2024/25 and their attendance at University Board and relevant committees in the year is set out below.

### **Senior Officers and Executive Committees**

The principal academic and administrative officer of the University is the Vice Chancellor who is personally responsible to the governing body for ensuring compliance with the relevant Office for Students (OfS) requirements and for providing the OfS with clear assurances to this effect.

As chief executive of the University, the Vice Chancellor exercises considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Vice Chancellor is supported in her role by the Vice Chancellor's Executive (VCE), which meets regularly and shapes the strategic direction, performance and management of the University. VCE is the senior executive decision-making body.

In 2024/25 the membership of VCE consisted of:

Professor Julie Mennell DL (Vice Chancellor)  
Professor Brian Webster-Henderson OBE (Deputy Vice Chancellor)  
Dr Jean Brown (University Secretary)  
Andrew Heron (Finance Director)  
Tracey Slaven (Chief Transformation Officer) (from 11 November 2024)

**Members of the University Board of Directors in 2024/25 and their attendance at University Board and relevant committees**

	<b>Board</b> (7 in year)	<b>Finance &amp; Resources Committee</b> (8 in year)	<b>Audit &amp; Risk Committee</b> (5 in year)	<b>Academic Governance Committee</b> (4 in year)	<b>People Performance &amp; Culture Committee</b> (3 in year)	<b>Nominations Committee</b> (1 in year)	<b>Remuneration Committee</b> (1 in year)
Professor Julie Mennell (attendance noted where a member of a committee)	7	7		2	2	1	
<b>Chair of the Board of Directors</b>							
Martin Williams	7	8				1 (Chair)	1
<b>Members of the Board of Directors</b>							
Emerita Professor Shirley Atkinson OBE	6		5 (Chair)				
The Rev'd Canon Dr Benjamin Carter	6			3		1	
Paul Ethell	7				2		
Sima Fatemipour (Student Director from 7 March 2025 to 1 July 2025)	2 (of 3)			1 (of 1)			
Alice Hutchinson (Student Director until 22 January 2025)	0 (of 2)			1 (of 2)			
Jill Johnston	4				3		1 (Chair)
Ian Looker	7	8 (Chair)					1
Gary Lovatt	7		4	4			
Dean Marshall (Staff Director)	6				3		
Charles Nall	7	8					
Ian Purdham	6		4				
Mahaar Haroon Sagheer (Student Director from 4 July 2025)	1 (of 1)			1 (of 1)			
Pam Tatlow	7			4 (Chair)			
Professor Mike Thomas	2 (of 4)			1 (of 2)	1 (of 2)		
Peter Yates	7	8			3 (Chair)	1	1
<b>Associate Directors</b>							
David Allen	N/A		4				
Fiona Boulton	N/A			4			
Sarah Graves	N/A		4				
Stephen Talboys	N/A	5					

Changes to Board membership for 2024/25 up to the approval of the financial statements, are set out below:

- Professor Mike Thomas resigned with effect from 20 March 2025
- Changes to Student Director terms of office as noted above

## **Director / Trustee Remuneration**

Members of the Board of Directors, who are the trustees of the University, do not receive fees or other remuneration for their role as Directors. Two Directors are employed by the University, the Vice Chancellor and the Staff Director, and they receive remuneration solely with regard to their employment.

The total expenses paid to or on behalf of Directors/Trustees and Associate Directors in 2024/25 was £4,613 (2023/24 was £6,991). 9 Directors/Trustees or Associate Directors claimed expenses or benefited from hospitality during the period. This relates to travel and subsistence expenses incurred in their official capacity in attending Board meetings, Board Committees and meetings related to their roles as trustees.

## **Vice Chancellor Remuneration**

The University has adopted the Committee of University Chairs' Higher Education Senior Staff Remuneration Code, published in June 2018, in full. One aspect of this, the annual Remuneration Committee report to the Board for the 2024/25 financial year, can be found **here**<sup>1</sup>. In line with the publication requirements of the Office for Students' Accounts Direction, the element of this report that covers the process for setting the Vice Chancellor's remuneration and the justification of this remuneration is set out below.

When determining the initial remuneration package for the Vice Chancellor on appointment in 2016, the Remuneration Committee took account of the university's circumstances, and noted a range of comparative data on remuneration of vice chancellors elsewhere in the sector.

Since her appointment Remuneration Committee has taken the starting point for the annual review of the Vice Chancellor's remuneration to be the nationally agreed pay award. The Committee has then taken a range of inputs into account in determining any amendment to this – these have included: comparative data from the Universities and Colleges Employer Association's Senior Staff Remuneration Survey; detailed information provided by the Committee of University Chairs' Vice-Chancellor Salary Survey; the external operating environment; plus the performance of the Vice Chancellor and the university over the past year.

The mechanism adopted to judge the performance of the Vice Chancellor is based on two processes: the first is an appraisal, between the Chair of the Board and the Vice Chancellor, on progress against her objectives for the year; the second is from interviews between the Chair of the Board and all board directors on a one to one basis, to obtain their feedback on the 'health' of the University and the contribution made by the Vice Chancellor. This is then fed into the Remuneration Committee by the Chair of the Board.

The Committee undertook its annual review of the Vice Chancellor's salary with the range of inputs set out above. Having looked at the benchmark data, the Committee considered that the Vice Chancellor's current salary still appeared to be a reasonable one, taking into account all relevant factors, including the size and income of the University of Cumbria.

With respect to the pay award for 2024/25, it was agreed that the Vice Chancellor be given the same pay award as Corporate and paid in the same way i.e. an initial payment of £900 to base salary in November 2024; and remainder of the 2.5% uplift to base salary in March 2025. This was in line with the pay award for staff on the National Pay Framework. This amounted to payment of £220,489 in 2024/25, with the annualised salary as £222,911 from 1 March 2025.

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<sup>1</sup> <https://www.cumbria.ac.uk/about/publications/>

## **Public Benefit Statement**

For the purposes of charity law, members of the Board of Directors are the trustees of the University and, as such, they have had regard to the Charity Commission's guidance on public benefit.

The overall aim of the University is the advancement of education in the UK through the undertaking of educational and research activities. The charitable objects of the University set out in its Articles of Association make specific provisions for the advancement of learning and knowledge by teaching and research and for enabling students to obtain the advantages of university education.

The students of the University of Cumbria are the primary beneficiaries and are directly engaged in learning or research. However, beneficiaries also include employers and businesses particularly in the health, schools, education and public service sectors as well as school children who have the opportunity to attend educational events organised by the University; the general public are also able to attend various educational activities in the University such as exhibitions. The development of the University of Cumbria has provided the county and region with a range of higher education learning opportunities that were previously not widely available or easily accessible to previous generations of local people and businesses and employers.

The University's aims and objectives are centred on benefitting the public and the achievements of this year, as set out in more detail within the Strategic Review from page 5, demonstrate that this is our focus in practice.

## **Regularity and propriety of use of Public Funds**

The University has an effective system of controls in place to ensure the regularity of its use of public funds. Relevant legislation, guidance and regulatory advice is understood at senior and operational levels and is reflected in internal policies and procedures, which are adhered to across the University.

Where specific conditions or uses attach to the use of funds, these funds are ring-fenced for the purpose intended within our financial systems and separately managed by budget holders.

The University's code of conduct, financial regulations and other related policies require complete propriety to be applied in the use of public funds. Robust approval processes are in place to ensure the highest standards in procurement and in all forms of payments, with proactive counter-fraud controls in place. Regular and transparent reporting of financial matters is embedded, with scrutiny of such reports as well as other forms of assurance, such as internal and external audit reports, forming a key part of the University's governance framework.

## **Statement of Internal Control**

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

The University's Board of Directors has overall responsibility for maintaining and reviewing the effectiveness of a sound system of internal control. This is designed to support the achievement by the University of its aims and objectives, while safeguarding public and other funds and assets for which they are responsible.

The Board has delegated day to day responsibility for the maintenance of a sound system of internal control to the Vice Chancellor and through them to the Vice Chancellor's Executive.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the University's 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 the principal risks to the achievement of the University's aims and objectives; to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. The process includes business, financial, operational and compliance risks.

The Board of Directors has a range of processes in place for maintaining and reviewing the effectiveness of the system of internal control, starting with the Board meeting at regular intervals to consider the plans and strategic direction of the University. A robust planning process is undertaken on an annual basis, which is linked to budgeting at institutional and institute and service levels. A regular review of academic and financial performance, through Key Performance Indicators and detailed reports, and regular reviews of financial results including variance reporting and updates of forecast out-turns, is undertaken.

Comprehensive Financial Regulations are in place, which are approved by the Board's Audit and Risk Committee. The Regulations include a range of matters relating to the financial management of the University and link to detailed procedures. These procedures include the Scheme of Delegation, which provides a clear definition of the responsibilities and delegated authority to Board Committees, the Executive and to the Deans of Academic Institutes and Directors of Professional Services; the Counter Fraud Policy and Response Plan; and the Bribery Prevention Policy.

The Audit and Risk Committee receives an Annual report from the University's external auditors, prepared in connection with their audit of the Financial Statements. The External Audit report, inter alia, highlights the auditors view on the internal control environment and makes recommendations for any enhancements.

The Audit and Risk Committee has agreed with the external providers of the internal audit function appropriate audit planning arrangements and also audit methodology and approach, so that the audit function conforms to the latest professional standards. The Audit and Risk Committee approves the Internal Audit annual programme and receives regular reports from the Internal Auditors, which include an independent opinion on the adequacy of the effectiveness of the University's system of internal control, including financial control, together with any recommendations for improvement. The internal audit function reports to the Audit and Risk Committee and for management purposes to the University Secretary.

The Audit and Risk Committee of the Board provides oversight of the risk management policy and risk register process to ensure it is adequate and effective. It receives reports at each of its meetings from the University management on how risk is being managed. The Board reviews the Risk Register at regular intervals, together with the controls that have been implemented to mitigate or manage key risks.

The University's internal auditors have the attainment of value for money as one of the aspects that they consider within their work, with a rating included within each audit report. The University actively works to enhance its efficiency and effectiveness, including through annual business planning and budget setting processes and through specific projects.

The Audit and Risk Committee receives a regular report from the Executive on the delivery of actions agreed within any external and internal audit reports, with any extensions to action deadlines agreed by the executive and reported to the Committee.

The Board receives the full minutes of each Audit and Risk Committee meeting and a verbal report on the business of the meeting from the Chair of the Audit and Risk Committee as appropriate. These updates include matters relating to internal control in the light of regular reports from the internal auditors and from managers on the steps they are taking to manage risks in their areas of responsibility. Any material weaknesses or breakdowns in internal control must be reported to the University Board.

The University and its Board of Directors are satisfied with the effectiveness of the system of internal control at the University. No reports of material internal control weaknesses have been made in 2024/25 or up to the point of the audited financial statements being approved.

## **Risk Management**

The strategic management of risk is an integral element within the University's decision-making processes and culture, supporting effective planning and evaluation of its activities. The development of a risk management culture is promoted in all parts of the institution, led by University Board and through the Vice Chancellor's Executive.

The University regularly reviews the strategic risks it faces and identifies the controls that are in place, or are newly required, to mitigate these as well as the sources of assurance which provide confirmation that controls are effective. The likelihood and impact of risks are scored based on a risk profile along with the targeted risk score, and the direction of travel of each risk is included within the risk register. The strategic risk register is reviewed regularly by the Business Assurance Board (a senior executive body), at each meeting of the Audit and Risk Committee, and is presented in full to the Board of Directors.

Alongside the strategic risks, the risk register also captures the major operational and compliance risks that the University faces, and operates a 'watch list' to capture potential areas of future risk. An Assurance Map is also under development.

The University's core strategic risks have remained similar to those in previous years through 2024/25, with an additional focus on risks relating to the delivery of transformational change. Risks related to student recruitment, in particular on-campus home students and the student experience have been of ongoing concern, along with frequency of cyber-attacks on the sector.

Further detail on the key risks at the end of the reporting period is set out below:

- **There is a risk that the University is not able to deliver the operational financial surpluses required to enable investment in the University's people, estate, infrastructure, strategic developments, and delivery of the T2030 strategy:** With significant inflationary cost pressures, only limited increases in tuition fees and significant competition for students there is pressure on budgets, especially in areas where recruitment is capped due to placement capacities or remains a challenge. In this environment management of expenditure is critical, balancing spend in core business and risk areas with investment to growth and deliver against our Towards 2030 Strategy.

- **The University may not meet student recruitment / enrolment targets:** The operating environment continues to be challenging with increased competition and changes to applicant behaviour. Market-informed work is ongoing to ensure that the University's portfolio is attractive and to continue to focus and increase the impact of marketing and recruitment activities.
- **There is a risk that the University is not able to deliver and maintain consistent student outcomes and experience aligned with institutional targets, across all student types:** Work continued through the year to identify root causes and implement actions to address where student outcomes and experience, were not consistently meeting targets, and to enhance and learn from areas where outcomes and experience were above target. New ways to listen to the Student Voice were introduced at the start of the year along with mechanisms to enable rapid responses to feedback. New staff development pathways were also introduced to ensure that academic staff are provided with the support that they need to deliver the quality teaching and support for our students, across all of the ways that they learn with us.
- **Staff morale, confidence, capacity, capability and competence may not be in line with requirements to deliver business as usual alongside key projects and major new initiatives / Inability to take staff with us through period of transformational change:** Staff are the University's most important and expensive resource – without staff with the skills and capability, working within an appropriate culture, employed at the appropriate level and contractual terms the University will not be able to deliver both on its business as usual activities, the initiatives and projects set out within the University Strategy, and the emerging Transformation Plan. Staff engagement with the Transformation Plan is key to its success, with work underway on the mechanisms to engage and communicate with staff so that the Plan is understood and bought into by staff.
- **A risk relating to uncertainty of the cost of the Citadels project:** Due to the very significant inflation and increased building costs following global events, the Citadels campus project needed to be rescope in order to be deliverable within the agreed budget and university funding available. Alongside the rescope, further funding for the project has been identified and secured, subject to redesign work coming in on budget. Aspects of the project are complex, with work undertaken to derisk as far as possible, however risks to the project will remain, reducing once the build contract is signed.
- **There is a risk that a successful cyber-attack on university systems/data or supply chain disrupts services, impacts 'expected operation' of business functions, and/or causes reputational and financial damage:** Along with all universities and businesses, the potential for a cyber-attack to have a significant impact on the operation of the University is a real and ever-present threat. The implications of a cyber-attack could be extensive, as seen elsewhere in the sector. The University has a range of controls and mitigations in place alongside regular internal audits to provide assurance over the management of the risk. However, the risk is ongoing and ever evolving.

## Diversity and Employee Involvement

The University is committed to providing an inclusive environment, where its applicants, employees, students and visitors are treated fairly and with respect at all times. This is a key focus of the robust mandatory and additional training we provide, the policies and procedures that we have put in place and is a central element of our values. We recognise that if we provide a fully inclusive working and studying environment, via which we

demonstrate the behaviours that we uphold, we will assist everyone to perform individually and collectively to the best of their ability.

Employee Involvement

It is the University’s policy to communicate with and involve all employees, subject to commercial and practical limitation, in matters affecting their interests at work and to inform them of the University’s performance. Employees are provided with information about the University through our weekly email news update (Global), as well as regular team briefings, one to one meetings, consultation sessions and staff forums led by the Vice Chancellor and her executive. In addition, the University has a member of staff, as staff director, on the University Board and we have informal as well as regular formal dialogue with our recognised trade unions as staff representatives through our Joint Negotiating and Consultative Committee. Our internal and external websites and social media further support awareness-raising, availability and clarity of information.

Commitments to Equality, Diversity and Inclusion (EDI)

In alignment with meeting our public sector equality duty, the University is committed to addressing areas of under-representation and advancing equality of opportunity. Our University inclusivity statement frames our values and expectations for all colleagues, students and visitors with regards to inclusivity. We will not tolerate discrimination, racism, bullying or harassment.

The University has developed and published its Equality Objectives for 2025-29, which includes a specific focus on addressing sexual harassment and supporting. The University continues to embed EDI within the decision-making and culture of the organisation, utilising the equality impact assessment process to support our commitments and ensure that due regard is paid to potential impact on individuals and groups. The focus of our Equality, Diversity, Inclusion and Wellbeing (EDIW) Committee, has been refreshed for 2025-26, ensuring an increased attention on student EDI issues.

The University continues to build on the success of evidence-based charter mark achievements; as a Disability Confident Leader, a White Ribbon accredited organisation and the achievement of Athena Swan Bronze in recent years. The University is committed to ongoing action in relation to these achievements, with action plans and activities monitored our EDIW Committee where appropriate, alongside a host of other activity, with onward reporting. We also continue to see positive progress in relation to Gender Pay Gap reporting. Both mean and median measures have been consistently below the Higher Education Sector average level, with a reduction of 0.4 percentage points in the mean which stood at 9.7% in March 2024.

We are committed to embracing our responsibility as a facilitator of change and continue to develop our equality agenda.

Trade Union Facility Time

Under the Trade Union Act 2016, the University is required to publish information on the time provided to enable trade union officials for trade union duties and activities (“facility time”). The required information relating to trade union facility time for period 1 April 2024 - 31 March 2025 is as follows:

Relevant Union Officials:

Number of employees who were relevant union officials during the relevant period	9
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Full-time equivalent employee number	8.6
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Percentage of time spent on facility time by Relevant Union Officials:

Percentage of time	Number of employees
0%	0
1-50%	1
51-99%	1
100%	0

Percentage of total pay bill spent on facility time\*:

Total cost of facility time	£103,531
Total pay bill	£50,546,759
Percentage of the total pay bill spent on facility time	0.2%

Paid trade union activities\*\*:

Hours spent on paid trade union activities	0
Time spent on paid trade union activities as a percentage of total paid facility time hours	0%

\* Trade union representatives at the University are entitled to paid time off to carry out trade union duties, for example casework and representation of employees, and the details of this are disclosed above as "facility time".

\*\*The University does not provide paid time off for trade union activities, for example conference attendance, and therefore no sums are included in the tables above in respect of such activities.

## Streamlined Energy & Carbon Reporting (SECR)

The University is committed to improving its energy efficiency, continually looking at reducing energy use and its corresponding reduction in CO2 emissions. Environmental performance targets are reviewed on a regular basis. These targets are used to drive performance towards the sector and national requirements, specifically in relation to carbon reduction.

As part of the SECR requirements, the following information is included about the University's energy use and associated greenhouse gas (GHG) emissions within the Annual Report. The Regulations provide prescribed calculation methodology which has been used; the University collates its GHG data annually and complies with the Higher Education Statistics Agency (HESA) Estates Management Record methodologies using emission conversion factors developed by Defra and BEIS.

	2024-25			2023-24		
	UK and offshore			UK and offshore		
	Non-Residential	Residential	University Total	Non-Residential	Residential	University Total
Energy consumption used to calculate emissions: (kWh):						
Electricity kWh	3,037,205	518,651	3,555,855	3,122,748	637,767	3,760,488
Fuel (Litres)	2,483	-	2,483	5,422	-	5,422
Gas kWh	6,606,748	2,323,363	8,930,110	5,890,882	2,806,483	8,697,365

Emissions from combustion of gas kgCO2e (Scope 1)	1,208,711	425,082	1,633,853	1,077,442	513,306	1,590,748
Emissions from combustion of fuel for transport purposes (Scope 1)	6,071	-	6,701	13,403	-	13,403
Emissions from purchased electricity (Scope 2, location-based) kgCO2e	537,585	91,801	629,387	646,565	132,044	778,609
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel (Scope 3):						
Rental cars (kgCO2e)	23,613	-	23,613	21,382	-	21,382
Employee-owned vehicles (kgCO2e)	84,476	-	84,476	81,334	-	81,334
Total gross CO2e based on above	1,860,515	516,884	2,377,399	1,840,123	645,350	2,485,473
Gross Internal Area m2	54,670	13,774	68,444	49,844	12,993	62,837
Intensity ratio: kgCO2e gross figure based on fields above	34.03	37.53	34.73	36.92	49.67	39.55

The period covered 1 August 2024 to 31 July 2025, and the calculations are for the following scope:

- Building-related energy - natural gas (Scope 1) and electricity (Scope 2).
- Emissions from fuel used onsite and in employer fleet vehicles (Scope 3).
- Emissions from fuel used in Hire Cars used for business travel (scope 3).
- Emissions from Fuel used in employee-owned vehicles where the organisation reimburses its employees following claims for business mileage (Scope 3).

The targets set against the 2008 baseline to reduce scope 1&2 carbon emissions by 45%. By July 2025, achieved an actual reduction of carbon emission of 76%.

The 2024-2 027 Carbon Management Plan has been approved.

Scope 3 data collection process is under review, enabling further detailed reporting in future SECR returns and other environmental returns, such as the HESA Estates Management Return [EMR].

For this reporting period a review of overall usable space in properties was complete. Milbourne Street building has been removed from non-residential sqm; as although this is an owned property, we do not have control on the tenants' operations and energy use. In addition, space from properties closed during the year have been removed, showing a reduction in sqm compared to last year.

Over the last 12 months we have continued to improve controls of heating, cooling, and ventilation systems, resulting in decreases in electricity usage and reductions in gas usage across parts of the estate.

The change to Gross internal Area is due to re-survey of spaces after the SECR submission in 2024. There has been no change to the physical estate.

## **Responsibilities of the Board of Directors of the University of Cumbria**

In accordance with the Education Reform Act 1988, the Companies' Act 2006, and the Articles of Association, incorporating instrument and articles of government, the Board of Directors is responsible for the entire control and management of the University of Cumbria. As part of this responsibility it is required to present an annual report which includes audited financial statements, a statement on corporate governance and a statement on internal control for each financial year.

The Board of Directors is responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the Articles of Association, the Office for Students Terms and Conditions of Funding, the Statement of Recommended Practice on Accounting in Higher and Further Education Institutions, the Accounts Direction issued by the Office for Students and other relevant accounting standards. In accordance with Company Law, the University Board of Directors through its designated office holder (the Vice Chancellor), is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period.

In the preparation of the financial statements the University Board of Directors has ensured that:

- Suitable accounting policies are selected and applied consistently.
- Judgments and estimates are made that are reasonable and prudent.
- Applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- An assessment of the group and parent University's ability to continue as a going concern has taken place, disclosing, as applicable, matters related to going concern.
- The going concern basis of accounting has been used unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The University Board of Directors are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The University Board of Directors has taken reasonable steps to:

- Ensure that funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation.
- Ensure that funds from the Office for Students, Research England, the Department for Education and other sources are used only for the purposes for which they have been given and in accordance with all relevant terms and conditions.
- Ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- Safeguard the assets of the University of Cumbria and to prevent and detect fraud.
- Secure the economical, efficient and effective management of the University's resources and expenditure.

The Directors' and Corporate Governance Report is signed on behalf of the Board of Directors by:

*Martin Williams*

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Mr Martin Williams, Chair of the Board of Directors

*J Mennell*

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Professor Julie Mennell, Vice Chancellor and Chief Executive

11 Dec 2025

## **Independent auditor's report to the Board of Directors of the University of Cumbria**

### **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

#### **Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the University's affairs as at 31 July 2025, and of the group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the group's cash flows, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or 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 Board of Directors with respect to going concern are described in the relevant sections of this report.

#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Board of Directors is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover

the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' and corporate governance report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' and corporate governance report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' and corporate governance report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of the Board of Directors**

As explained more fully in the statement of the responsibilities of the Board of Directors on page 27, the Board of Directors is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Board of 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 Directors is responsible for assessing the group's and 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 Directors 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.

As part of our planning process:

- We enquired of management the systems and controls the University has in place, the areas of the financial statements that are most susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The University did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: FRS 102, 2019 Statement of Recommended Practice (SORP): 'Accounting for Further and Higher Education'.
- We considered the incentives and opportunities that exist in the University, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the University, together with the discussions held with the University and internal auditors at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Performing a physical verification of key assets.
- Testing key income lines, in particular cut-off, for evidence of management bias.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Obtaining third-party confirmation of material bank balances and loans.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to the defined benefit pension obligation and the valuation of fixed asset land and buildings.
- Documenting and verifying all significant related party balances and transactions.
- Reviewing documentation such as the Board of Directors' and committee minutes, for discussions of irregularities including fraud.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected

some material misstatements in the financial statements even though we have properly planned and performed our audit in accordance with auditing standards. The primary responsibility for the prevention and detection of irregularities and fraud rests with the Governing Body.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We are required to report on the following matters by the accounts direction dated 25 October 2019 issued by the Office for Students ("the accounts direction").

In our opinion, in all material respects:

- funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- The requirements of the OfS's accounts direction (issued October 2019) have been met.

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

We have nothing to report in respect of the following matters where the OfS accounts direction (issued October 2019) requires us to report to you where:

- the University's grant and fee income, as disclosed after note 3 to the financial statements, has been materially misstated; or
- the University's expenditure on access and participation activities for the financial year, as disclosed in note 24 to the financial statements, has been materially misstated.

## **USE OF OUR REPORT**

This report is made solely to the Board of Directors as a body in accordance with: Chapter 3 of Part 16 of the Companies Act 2006; paragraph 13(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the Board of Directors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Directors as a body for our audit work, for this report, or for the opinions we have formed.

*Carol Rudge*

**Carol Rudge (Senior Statutory Auditor)**

**for and on behalf of HW Fisher Audit**

Chartered Accountants

Statutory Auditor

Acre House

11-15 William Road

London

United Kingdom

NW1 3ER 11 Dec 2025

Date: .....



# Consolidated and University Statement of Comprehensive Income

## Year Ended 31 July 2025

		Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
<b>Income</b>	Notes		
Tuition fees and education contracts	1	57,028	57,167
Funding body grants	2	9,548	10,130
Research grants and contracts	3	730	668
Other income	4	10,152	9,237
Investment income	5	784	1,027
Donations and endowments	6	14	40
<b>Total income</b>		<b>78,256</b>	<b>78,269</b>
<b>Expenditure</b>			
Staff costs	7	49,898	47,346
Fundamental restructuring costs	7	681	623
Other operating expenses		23,050	24,577
Depreciation	10	5,401	5,320
Impairments	10	0	15
Interest and other finance costs	8	278	328
<b>Total expenditure</b>	9	<b>79,308</b>	<b>78,210</b>
<b>(Deficit) / Surplus before other gains / losses</b>		<b>(1,052)</b>	<b>59</b>
Profit / (Loss) on disposal of fixed assets		0	0
<b>(Deficit) / Surplus before tax</b>		<b>(1,052)</b>	<b>59</b>
Taxation		0	0
<b>(Deficit) / Surplus for the year</b>		<b>(1,052)</b>	<b>59</b>
Unrealised surplus on revaluation of land and buildings	10	668	1,820
Actuarial gain / (loss) in respect of Local Government Pension Scheme and Asset Ceiling Adjustment	22	(434)	(502)
Actuarial gain / (loss) in respect of enhanced pension provision	15	36	(31)
<b>Total comprehensive income for the year</b>		<b>(782)</b>	<b>1,346</b>
Represented by:			
Restricted comprehensive income for the year		6	5
Unrestricted comprehensive income for the year		191	1,116
Revaluation reserve comprehensive income for the year		(979)	225
		<b>(782)</b>	<b>1,346</b>

## Consolidated and University Statement of Changes in Reserves

### Year ended 31 July 2025

Consolidated	Income and expenditure account		Revaluation reserve	Total
	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2023</b>	<b>106</b>	<b>52,956</b>	<b>76,023</b>	<b>129,085</b>
Surplus / (Deficit) from the Statement of Comprehensive Income	5	54	0	59
Other comprehensive income	0	(533)	1,820	1,287
<b>Total comprehensive income for the year</b>	<b>5</b>	<b>(479)</b>	<b>1,820</b>	<b>1,346</b>
Transfers between revaluation and income and expenditure reserve	0	1,595	(1,595)	0
<b>Balance at 1 August 2024</b>	<b>111</b>	<b>54,072</b>	<b>76,248</b>	<b>130,431</b>
Surplus / (Deficit) from the Statement of Comprehensive Income	6	(1,058)	0	(1,052)
Other comprehensive income	0	(398)	668	270
<b>Total comprehensive income for the year</b>	<b>6</b>	<b>(1,456)</b>	<b>668</b>	<b>(782)</b>
Transfers between revaluation and income and expenditure reserve	0	1,647	(1,647)	(0)
<b>Balance at 31 July 2025</b>	<b>117</b>	<b>54,263</b>	<b>75,269</b>	<b>129,649</b>

University	Income and expenditure account		Revaluation reserve	Total
	<i>Restricted</i>	<i>Unrestricted</i>		
	£'000	£'000	£'000	£'000
<b>Balance at 1 August 2023</b>	<b>106</b>	<b>52,860</b>	<b>76,023</b>	<b>128,988</b>
Surplus / (Deficit) from the Statement of Comprehensive Income	5	54	0	59
Other comprehensive income	0	(533)	1,820	1,287
<b>Total comprehensive income for the year</b>	<b>5</b>	<b>(479)</b>	<b>1,820</b>	<b>1,346</b>
Transfers between revaluation and income and expenditure reserve	0	1,595	(1,595)	0
Transferred to creditors	0	0	0	0
<b>Balance at 1 August 2024</b>	<b>111</b>	<b>53,976</b>	<b>76,248</b>	<b>130,335</b>
Surplus / (Deficit) from the Statement of Comprehensive Income	6	(1,058)	-	(1,052)
Other comprehensive income	0	(398)	668	270
<b>Total comprehensive income for the year</b>	<b>6</b>	<b>(1,456)</b>	<b>668</b>	<b>(782)</b>
Transfers between revaluation and income and expenditure reserve	0	1,647	(1,647)	0
Transferred to creditors	0	0	0	0
<b>Balance at 31 July 2025</b>	<b>117</b>	<b>54,166</b>	<b>75,269</b>	<b>129,553</b>

# Consolidated Statement Cash Flows

## Year ended 31 July 2025

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Cash flow from operating activities</b>			
(Deficit) / Surplus for the year		(1,052)	59
<b>Adjustment for non-cash items</b>			
Depreciation	10	5,401	5,320
Impairments	10	0	15
Increase in debtors	12	(285)	(527)
(Decrease) / Increase in creditors	13	(1,138)	1,094
Adjustment for pension charge to the comprehensive statement of income	15	(434)	(502)
Increase / (Decrease) in other provisions	15	400	(30)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(784)	(1,027)
Interest payable	8	249	296
Capital grant income		(1,587)	(1,869)
		<u>770</u>	<u>2,829</u>
<b>Cash flows from investing activities</b>			
Capital grants receipts		9,574	4,039
Investment income		821	943
Payments made to acquire fixed assets		(13,948)	(7,361)
		<u>(3,553)</u>	<u>(2,380)</u>
<b>Cash flows from financing activities</b>			
Interest paid		(249)	(297)
Repayments of amounts borrowed		(332)	(332)
		<u>(581)</u>	<u>(629)</u>
<b>Decrease in cash and cash equivalents in the year</b>		<u>(3,365)</u>	<u>(180)</u>
Cash and cash equivalents at beginning of the year	17	22,254	22,434
Cash and cash equivalents at end of the year	17	18,889	22,254

# Consolidated and University Statement of Financial Position

## As at 31 July 2025

		As at 31 July 2025		As at 31 July 2024	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	10	154,177	154,177	145,003	145,003
Investments	11	0	10	0	10
		<u>154,177</u>	<u>154,187</u>	<u>145,003</u>	<u>145,013</u>
<b>Current assets</b>					
Trade and other receivables	12	9,665	9,665	9,436	9,436
Cash and cash equivalents	17	18,890	18,890	22,254	22,254
		<u>28,555</u>	<u>28,555</u>	<u>31,690</u>	<u>31,690</u>
Less:					
Creditors: amounts falling due within one year	13	(17,645)	(17,751)	(15,324)	(15,430)
		<u>10,910</u>	<u>10,804</u>	<u>16,366</u>	<u>16,260</u>
<b>Net current assets</b>					
		<u>165,087</u>	<u>164,991</u>	<u>161,369</u>	<u>161,273</u>
<b>Total assets less current liabilities</b>					
Creditors: amounts falling due after more than one year	14	(34,424)	(34,424)	(30,287)	(30,287)
<b>Provisions</b>					
Other provisions	15	(1,014)	(1,014)	(651)	(651)
		<u>129,649</u>	<u>129,553</u>	<u>130,431</u>	<u>130,335</u>
<b>Total net assets</b>					
<b>Restricted Reserves</b>					
Income and expenditure reserve - restricted reserve	16	117	117	111	111
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		54,263	54,167	54,072	53,976
Revaluation reserve		<u>75,269</u>	<u>75,269</u>	<u>76,248</u>	<u>76,248</u>
<b>Total Reserves</b>		<u>129,649</u>	<u>129,553</u>	<u>130,431</u>	<u>130,335</u>

The financial statements were approved by the Governing Body on 2 December 2025 and were signed on its behalf on 1 Dec 2025 by:

*Martin Williams*

Mr Martin Williams, Chairman of the Board of Directors

*J Mennell*

Professor Julie Mennell, Vice Chancellor

# Statement of Accounting Policies for the year ended 31 July 2025

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## 1. Basis of preparation

These financial statements have been prepared in accordance with:

- the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019;
- Financial Reporting Standards (FRS 102);
- the Office for Students Accounts Direction;
- Companies' Act 2006; and
- the historical cost convention (modified by the revaluation of fixed assets).

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

### *Going Concern*

The University's financial statements are prepared on a going concern basis. The University's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Review and Financial Review alongside the financial position of the University, its cash flows, liquidity position and borrowing.

The Board has reviewed cash flow forecasts for future periods, including, specifically, for the 12 month period from the date of approval of these financial statements. In doing so, the Board has considered the University's current financial position, the outlook across 2025/26 and beyond, fully considering key risks, applying severe but plausible downsides and how they are being or will be mitigated. Key assumptions around student recruitment and continuation levels and the delivery of contractual income are considered, along with risks related to expenditure such as those related to inflation and delivery of key projects.

This review of the University's financial projections, plans and sustainability and the sensitivity analysis which is applied, identifies that the University will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

Regular dialogue is held with the University's main lender, Barclays Bank PLC, with whom the University has a loan with a remaining balance of £3.52m. They are made aware of any events which may affect covenant compliance and these covenants are calculated with reference to the University's income and expenditure and cashflows across the financial year and our modelling and forecasting. The University was fully compliant with these covenants at 31 July 2025 and forward projections confirm compliance into the future.

Having taken these factors into account, the Board of Directors believe that the University is well placed to manage its business risks successfully despite facing an increasingly competitive environment and current uncertainties in the economy and in Government policy around higher education funding. The Board of Directors has a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future. Consequently, the Board of Directors is confident that the University will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future, which is at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

## 2. Basis of consolidation

The consolidated financial statements include the University and its subsidiary for the financial year to 31 July 2025.

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

## 3. Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied. A debtor is recognised when there is an unconditional right to receive future economic benefit as a result of a past events. In line with this policy, where a course is delivered across the financial year-end, the income related to future periods is deferred, with a deferred income creditor created on the balance sheet. In such circumstances, any remaining related debtor balance continues to be recorded as a debtor.

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

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

### **Grant funding**

Government revenue grants, including those from the Office for Students, are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

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

### **Donations and endowments**

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

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

Investment income and appreciation of endowments is recorded in income in the year in which it arises and as either restricted or unrestricted income according to the terms other restriction applied to the individual endowment fund.

## Statement of Accounting Policies (continued)

### for the year ended 31 July 2025

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#### 3. Income recognition (continued)

##### Capital grants

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

#### 4. Accounting for retirement benefits

Retirement benefits for employees of the University of Cumbria are provided by defined benefit schemes which are funded by contributions from the University and employees. Payments are made to the Teachers' Pension Scheme (TPS) for academic staff and to the Local Government Pension Scheme (LGPS) for support staff. These are both independently administered schemes. The TPS is administered by the Government and the LGPS is administered by Lancashire Pension Service.

The assets of the LGPS are measured using closing market values. LGPS liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the scheme expected to arise from employee service in the period is charged to the operating surplus. The expected return on the scheme's assets and the increase during the period in the present value of the scheme's liabilities, arising from the passage of time, are included in pension finance costs. Actuarial gains and losses are recognised as other comprehensive income.

The difference between the market value of the assets of the LGPS and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet, with an asset only recognised where the University has an unconditional right to that surplus. As the University does not have an unconditional right to a surplus, as explained in Note 22, an asset ceiling adjustment has been applied to bring the net position on the balance sheet to nil, with the actuarial gain and the asset ceiling adjustment both recognised as other comprehensive income.

Under the definitions set out in FRS 102, the TPS is a multi-employer defined benefit scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for the contributions as though it were a defined contribution scheme.

## **Statement of Accounting Policies (continued)**

### **for the year ended 31 July 2025**

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#### **5. Employment benefits**

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

#### **6 Operating leases**

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

#### **7 Foreign currency**

The consolidated financial statements are presented in Pounds Sterling, which is the University's functional currency. Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit.

## Statement of Accounting Policies (continued)

### for the year ended 31 July 2025

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#### 8 Fixed assets

Fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value prior to the date of transition to FRS 102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

#### Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. The University has a policy of ensuring that a full revaluation of land and buildings is carried out at least every three years by a qualified external valuer such that the fair value is not materially different to the current value. Depreciation and impairment losses are subsequently charged on the revalued amount.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over the expected useful lives of their significant components (ranging from 2 - 85 years).

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

#### Equipment

Equipment, including computers and software, costing more than £10,000 per individual item or for groups of interrelated items are capitalised. Equipment below this threshold is recognised as expenditure unless the purchase has been made with a capital grant or is purchased alongside similar assets as part of a significant replacement or investment project.

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

Computer Equipment	3-10 years
Equipment	3-15 years
Motor Vehicles	4 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

#### Borrowing costs

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



## Statement of Accounting Policies (continued)

### for the year ended 31 July 2025

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#### 9 Investments

Non current asset investments are held on the Balance Sheet at amortised cost less impairment.

#### 10 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 three months 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.

#### 11 Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

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

#### 12 Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011, and, as such, is a charity within the meaning of Section 506 (1) of the Income and Corporation Taxes Act 1988. The University is recognised as a charity by HM Revenue & Customs. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiary is liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are more likely than not to be recovered. Deferred tax assets and liabilities are not discounted.

#### 13 Reserves

Reserves are classified as restricted or unrestricted. Restricted reserves include balances where the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

## Statement of Accounting Policies (continued)

### for the year ended 31 July 2025

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#### 14 Financial Instruments

Financial assets and liabilities are recognised when the University becomes party to the contractual provision of the instrument and they are classified according to the substance of the contractual arrangements entered into.

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

##### *Financial assets*

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

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

##### *Financial liabilities*

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

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

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

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

The University has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

## Notes to the Financial Statements for the year ended 31 July 2025

	Year Ended 31 July 2025	Year Ended 31 July 2024
	Consolidated & University £'000	Consolidated & University £'000
<b>1 Tuition fees and education contracts</b>		
Full-time home and EU students	26,027	28,741
Full-time international students	2,185	2,770
Part-time students	5,897	4,867
Apprenticeship income: ESFA	16,792	15,010
Apprenticeship income: others	2,614	2,548
Education Contracts (NHS)	1,716	1,420
Non-credit bearing courses	1,797	1,811
	<b>57,028</b>	<b>57,167</b>
<b>2 Funding body grants</b>		
<b>Recurrent grant</b>		
Office for Students	6,906	7,160
<b>Specific grants</b>		
UK Research and Innovation	907	1,058
Office for Students / Research England - capital grant release	1,053	1,332
Other DfE Grants	176	0
<b>Uni Connect</b>	<b>506</b>	<b>580</b>
	<b>9,548</b>	<b>10,130</b>
<b>3 Research grants and contracts</b>		
Research Councils	246	228
Research Charities	88	7
Government (UK and Overseas)	324	340
Industry and Commerce	26	1
Other	46	92
	<b>730</b>	<b>668</b>

**Note: The source of grant and fee income included in notes 1 to 3 is as follows:**

Grant income from the Office for Students	8,465	9,072
Grant income from other bodies	1,813	1,726
Fee income for taught awards (exclusive of VAT)	55,093	55,193
Fee income for research awards (exclusive of VAT)	138	163
Fee income from non-qualifying courses (exclusive of VAT)	1,797	1,811
<b>Total grant and fee income</b>	<b>67,306</b>	<b>67,965</b>

## Notes to the Financial Statements for the year ended 31 July 2025

		Year Ended 31 July 2025 Consolidated & University £'000	Year Ended 31 July 2024 Consolidated & University £'000
<b>4 Other income</b>	Notes		
Student residences		2,351	2,197
Conferences, catering and lettings		777	931
Other capital grants		534	537
Validation and franchise activities		2,662	2,321
Other income		3,828	3,251
		<b>10,152</b>	<b>9,237</b>

### Turing Scheme

The University received funding of £47,342 from the Turing Scheme in 2024/25 (2023/24: £nil). The Turing Scheme is the UK Government's programme to provide students with international study and work placements.

### 5 Investment income

Investment income on restricted reserves	16	5	5
Other investment income		779	1,022
		<b>784</b>	<b>1,027</b>

### 6 Donations and endowments

Donations with restrictions	16	8	5
Unrestricted donations		6	35
		<b>14</b>	<b>40</b>

### 7 Staff costs

Salaries		37,973	36,507
Social security costs		4,390	3,848
Occupational Pension Scheme Costs:			
Employer Contributions	22	7,978	7,385
Changes in pension provisions	22	(439)	(509)
Changes in accrual for untaken annual leave		(32)	48
Restructuring: fundamental		681	623
Restructuring: other		28	67
		<b>50,579</b>	<b>47,969</b>

Compensation for loss of office is paid where staff leave the University's employment and receive some form of compensation, including where it occurs at the end of a fixed-term contract. Compensation for loss of office of £580k was paid to 27 staff in 2024/25 (23/24: £621k to 42 staff).

### Average full-time equivalent staff numbers by category:

	No.	No.
Academic	371	379
Academic support and other support staff	521	498
	<b>892</b>	<b>877</b>

The average full-time equivalent figures above for the year equate to average staff numbers in headcount terms of 1,125 (2023/24: 1,086).

# Notes to the Financial Statements for the year ended 31 July 2025

## 7 Staff costs (Continued)

Vice Chancellor Remuneration	Year Ended 31 July 2025	Year Ended 31 July 2024
	£	£
Salary	220,489	219,606
Performance related pay	0	0
Employer pension contributions	63,172	55,627
Total including pension costs	283,661	275,233

The justification for the Vice Chancellor's total remuneration is included on page 19 of the Annual Report. The Vice Chancellor received the remuneration recorded above solely with regard to their employment and is not remunerated for their role as Director or trustee.

### Vice Chancellor Remuneration - Pay Multiple

The University is required to disclose the relationship between the Vice Chancellor's remuneration and that of all other employees, expressed as a pay multiple.

The Vice Chancellor's basic salary is 5.8 times (2023/24: 5.8) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice Chancellor's total remuneration is 7.3 times (2023/24: 6.9) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

### Senior Staff Remuneration

The table below provides details of the number of staff paid a full-time equivalent basic salary of over £100,000, before salary sacrifice arrangements. As required by the Office for Students' Accounts Direction, staff who joined or left part-way through the year are not included in this table.

	Year Ended 31 July 2025	Year Ended 31 July 2024
	No.	No.
£100,000 to £104,999	1	0
£110,000 to £114,999	1	0
£115,000 to £119,999	1	0
£135,000 to £139,999	1	0
£140,000 to £144,999	0	0
£145,000 to £149,999	0	3
£165,000 to £169,999	1	0
£215,000 to £219,999	0	1
£220,000 to £225,999	1	0
	6	4

### Senior Staff Remuneration - Compensation for Loss of Office

	Year Ended 31 July 2025	Year Ended 31 July 2024
	£'000	£'000
Compensation payable recorded within staff costs	0	0
	Number	Number
Number of staff paid	0	0 45

## Notes to the Financial Statements for the year ended 31 July 2025

### 7 Staff costs (Continued)

#### Key management personnel

While the oversight, control and governance of the University is the responsibility of the University Board of Directors, the day to day operations were led and managed by the Vice Chancellor and the other members of the Vice Chancellor's Executive.

In 2024/25 the Vice Chancellor's Executive comprised of the Vice Chancellor, Deputy Vice Chancellor, Chief Operating Officer (until 12 September 2024), Finance Director, Chief Transformation Office (from 11 November 2024) and the University Secretary.

The figures below include gross salaries and employer's pension contributions.

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
<b>Key management personnel compensation</b>	<b>847</b>	<b>1,101</b>

#### Payments to Trustees

The members of the University Board of Directors are the trustees for charitable law purposes. No trustee received any remuneration or waived payments from the University during the year. The total expenses paid to or on behalf of trustees and associate directors was £4,613 (2023/24: £6,991). This relates to travel and subsistence expenses incurred in their official capacity in attending Board Meetings, Board Committees and meetings related to their roles as trustees.

	Notes	Year Ended 31 July 2025 Consolidated & University £'000	Year Ended 31 July 2024 Consolidated & University £'000
<b>8 Interest and other finance costs</b>			
Loan interest		249	296
Net charge on Local Government Pension Scheme	22	5	7
Net charge on enhanced pension provision		24	25
		<b>278</b>	<b>328</b>

### 9 Analysis of total expenditure by activity

Academic departments and services	46,286	45,937
Administration and central services	21,422	21,021
Restructuring	709	690
Pension accounting adjustments	(410)	(477)
Premises	8,533	8,401
Residences, catering and conferences	2,081	2,123
Impairments	0	15
Research grants and contracts	687	500
	<b>79,308</b>	<b>78,210</b>

Other operating expenses include:

External auditors remuneration in respect of audit services - 22/23	0	9
External auditors remuneration in respect of audit services - 23/24	23	102
External auditors remuneration in respect of audit services - 24/25	110	0
External auditors remuneration in respect of non-audit services	0	0
Operating lease rentals:		
Land and buildings	357	347
Other	89	118

## Notes to the Financial Statements for the year ended 31 July 2025

### 10 Fixed Assets

	Freehold Land and Buildings	Equipment & Vehicles	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
<b>Consolidated and University</b>				
<b>Cost or valuation</b>				
At 1 August 2024	129,452	15,086	11,661	156,199
Additions	1,245	1,380	11,282	13,907
Surplus on revaluation	611	0	0	611
Loss on revaluation (impairment)	(3,518)	0	0	(3,518)
Disposals	0	(1,670)	0	(1,670)
<b>At 31 July 2025</b>	<b>127,790</b>	<b>14,796</b>	<b>22,943</b>	<b>165,529</b>
<b>Consisting of valuation as at:</b>				
31 July 2025	127,790	0	0	127,790
Cost	0	14,796	22,943	37,739
	<b>127,790</b>	<b>14,796</b>	<b>22,943</b>	<b>165,529</b>
<b>Depreciation</b>				
At 1 August 2024	0	11,196	0	11,196
Charge for the year	3,575	1,826	0	5,401
Written back on revaluation	(3,575)	0	0	(3,575)
Disposals	0	(1,670)	0	(1,670)
<b>At 31 July 2025</b>	<b>0</b>	<b>11,352</b>	<b>0</b>	<b>11,352</b>
<b>Net book value</b>				
<b>At 31 July 2025</b>	<b>127,790</b>	<b>3,444</b>	<b>22,943</b>	<b>154,177</b>
At 31 July 2024	129,452	3,890	11,661	145,003

At 31 July 2025, freehold land and buildings included £16.9m in respect of freehold land which is not depreciated (23/24 - £16.9m).

### Land and Buildings Revaluation

The freehold properties known as the University of Cumbria Estate were valued as at 31 July 2025 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. The valuation was prepared in accordance with the requirements of the RICS Valuation - Global Standards 2022 and the national standards and guidance set out in the UK notional supplement (November 2018), Financial Reporting Standard 102 and the 2020 Statement of Recommended Practice 'Accounting for Further and Higher Education'. The valuations of specialised properties were derived using the Depreciated Replacement Cost (DRC) method, with other in-use properties reported on a Fair Value basis, equating to Market Value on the assumption of a continuation of the existing use. The valuation of operational properties was reported under a special assumption to exclude any value of development opportunities for which planning permission would be needed and has not been granted or where development has not yet commenced.

The outcome of this valuation is recorded above. In summary, the valuation led to an increase in the cost of land and buildings of £0.61m, impairment losses totalling £3.52m and the write back of £3.58m of accumulated depreciation. The net resulting gain of £0.67m is reflected in the Comprehensive Statement of Income as an overall increase to the Revaluation Reserve of £0.67m.

## Notes to the Financial Statements for the year ended 31 July 2025

### 11 Non-Current Investments

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Subsidiary Companies	0	10	0	10
	<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>

The University owns 100% of the share capital of its subsidiary, UoC Trading Limited. This company did not trade in 2024/25 or 2023/24.

### 12 Trade and other receivables

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Trade receivables	3,106	3,106	3,736	3,736
Prepayments and accrued income	6,520	6,520	5,542	5,542
Social security and other taxation receivable	39	39	158	158
	<b>9,665</b>	<b>9,665</b>	<b>9,436</b>	<b>9,436</b>



# Notes to the Financial Statements

## for the year ended 31 July 2025

### 13 Creditors : amounts falling due within one year

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Unsecured loans	3,531	3,531	331	331
Trade payables	2,384	2,384	2,955	2,955
Social security and other taxation payable	1,420	1,420	918	918
Accruals and deferred income	8,956	8,956	9,541	9,541
Deferred income - capital grants	1,354	1,354	1,579	1,579
Amounts due to subsidiary companies	0	106	0	106
	<b>17,645</b>	<b>17,751</b>	<b>15,324</b>	<b>15,430</b>

### 14 Creditors : amounts falling due after more than one year

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Unsecured loans	260	260	3,792	3,792
Deferred income	463	463	984	984
Deferred income - capital grants	33,701	33,701	25,511	25,511
	<b>34,424</b>	<b>34,424</b>	<b>30,287</b>	<b>30,287</b>

The "Deferred income - capital grants" balance relates to capital funding which has been received and is to be released as a non-cash transaction over the life of the related assets. These grants are restricted to the uses that are set out in the terms and conditions of funding.

### 14b Creditors: loans

Analysis of loans recorded within Notes 13 and 14 is as follows:

<b>Due within one year or on demand</b>	<b>3,531</b>	<b>3,531</b>	<b>331</b>	<b>331</b>
Due between one and two years	10	10	3,531	3,531
Due between two and five years	29	29	30	30
Due in five years or more	221	221	231	231
Due after more than one year	260	260	3,792	3,792
	<b>3,791</b>	<b>3,791</b>	<b>4,123</b>	<b>4,123</b>

## Notes to the Financial Statements for the year ended 31 July 2025

### 14b Creditors: loans (continued)

The details of the University's outstanding loans at 31 July 2025 are as follows:

Lender	Term	Amount £'000	Interest rate %	Security
Barclays	2026	3,520	6.03 - variable	Unsecured
Westmorland and Furness Council	No fixed end date	271	3.72 - variable	Unsecured
		<u>3,791</u>		

### 15 Provisions for liabilities

#### Consolidated and University

	LGPS Pension (Note 22) £'000	Pension Enhancement £'000	Restructuring £'000	Leasehold Dilapidation £'000	Total £'000
At 1 August 2024	0	497	0	154	651
Utilised in year	0	(67)	0	(50)	(117)
Additions in 2024/25	0	0	492	0	492
Net movements charged to Income and Expenditure	(434)	24	0	0	(410)
Actuarial (gain)/loss	(24,779)	(36)	0	0	(24,815)
Asset Ceiling Adjustment (Note 22)	25,213	0	0	0	25,213
<b>At 31 July 2025</b>	<b>0</b>	<b>418</b>	<b>492</b>	<b>104</b>	<b>1,014</b>

#### Pension enhancement

The enhanced pension provision relates to liabilities to former staff from which the University cannot reasonably withdraw at the balance sheet date. In calculating the provision for enhanced pension costs an interest rate of 5.5% (2023/24: 4.8%) and an inflation rate of 2.7% (2023/24: 2.8%) have been assumed.

#### Restructuring

In 2024/25, the University included a provision of £0.5m for the costs of organisational changes which are to be completed in early 2025/26.

#### Leasehold Dilapidation

A £0.1m provision is in place in respect of the liability for dilapidation works at a property which is occupied by the University under a lease agreement which expires in May 2026.

## Notes to the Financial Statements for the year ended 31 July 2025

### 16 Restricted Reserves

Reserves with restrictions are as follows:

	<b>2025 Total £'000</b>	<b>2024 Total £'000</b>
<b>Opening balance</b>	111	106
New donations	8	5
Investment income	5	5
Expenditure	(6)	(5)
<b>Total restricted comprehensive income for the year</b>	<b>6</b>	<b>5</b>
<b>Closing balance</b>	<b>117</b>	<b>111</b>

	<b>2025 Total £'000</b>	<b>2024 Total £'000</b>
<b>Analysis of other restricted funds / donations by type of purpose:</b>		
Study Support	116	110
Prize funds	1	1
	<b>117</b>	<b>111</b>

### 17 Cash and cash equivalents

	<b>At 1st August 2024 £'000</b>	<b>Cash Flows £'000</b>	<b>At 31st July 2025 £'000</b>
Cash and cash equivalents	22,254	(3,364)	18,890
	<b>22,254</b>	<b>(3,364)</b>	<b>18,890</b>

### 18 Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2025:

	<b>31 July 2025 Consolidated &amp; University £'000</b>	<b>31 July 2024 Consolidated &amp; University £'000</b>
Commitments contracted for	1,120	9,027
	<b>1,120</b>	<b>9,027</b>

The University signed a grant funding agreement with Northumberland County Council during 2021/22 which enables it to draw down up to £50m of grant funding from the Ministry of Housing, Communities and Local Government (MHCLG) in support of the multi-year Citadels campus development in Carlisle.

A grant funding agreement with Westmorland and Furness Council was signed during 2024/25 which enables the use of £13.0m of funding from MHCLG with respect to the creation of a University campus in Barrow. This campus opened in early 2025/26.

Alongside other capital works, the related contractual capital commitments entered into by the balance sheet date are included in the figures above.

## Notes to the Financial Statements for the year ended 31 July 2025

### 19 Lease obligations

Total rentals payable under operating leases:

	31 July 2025		31 July 2024	
	Land and Buildings	Other leases	Total	Total
	£'000	£'000	£'000	£'000
<b>Payable during the year</b>	357	89	446	465
<b>Future minimum lease payments due:</b>				
Not later than 1 year	203	90	293	291
Later than 1 year and not later than 5 years	6	89	95	147
Later than 5 years	0	0	0	0
<b>Total lease payments due</b>	<b>209</b>	<b>179</b>	<b>388</b>	<b>438</b>

### 20 Consolidated reconciliation of net cash / (debt)

	<b>31 July 2025</b>	
	<b>£'000</b>	
<b>Net cash / (debt) 1 August 2024</b>	<b>18,131</b>	
Movement in cash and cash equivalents	(3,364)	
Movement in loans	332	
<b>Net debt 31 July 2025</b>	<b>15,099</b>	
<b>Change in net cash / (debt)</b>	<b>(3,032)</b>	
<b>Analysis of net cash / (debt):</b>	<b>31 July 2025</b>	<b>31 July 2024</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash and cash equivalents</b>	<b>18,890</b>	<b>22,254</b>
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	<b>3,531</b>	<b>331</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Unsecured loans	<b>260</b>	<b>3,792</b>
<b>Net cash</b>	<b>15,099</b>	<b>18,131</b>

## Notes to the Financial Statements for the year ended 31 July 2025

### 21 Related Party Transactions

The University's Board of Directors and Executive Group formally declare all interests outside of their role with the University on an annual basis. Specific declarations are also made and minuted if any such interests relate to decisions that the University is taking. In such cases, clear procedures are in place to avoid any conflict of interest and to ensure propriety.

The following balances in the 2024/25 financial statements relate to transactions with entities in which an interest was declared and are disclosed as per the requirements of FRS102.

	Year ended 31 July 2025				Year ended 31 July 2024			
	Income £'000	Expenditure £'000	Debtors £'000	Creditors £'000	Income £'000	Expenditure £'000	Debtors £'000	Creditors £'000
University of Cumbria Students' Union	5	495	0	0	0	476	0	0
UNIAC	0	0	0	0	0	62	0	5
University Hospitals of Morecambe Bay NHS Trust	0	0	0	0	162	31	0	22
Cumbria Education Trust	0	0	0	0	2	0	0	0
Energy Coast University Technical College	3	1	0	0	0	0	0	0
Carlisle Youth Zone	0	4	0	0	0	0	0	0
Furness College	0	2	0	0	0	0	0	0
BAE Systems	2,342	0	531	0	0	0	0	0
Health Education Cooperative	35	0	0	0	70	0	0	0

#### University of Cumbria Students' Union

The Students' Union is an independent charity which receives grant funding from the University. The University provides a range of services to the Students' Union including operating its payroll, with payroll costs paid on its behalf and then recovered. The University's Articles of Association require that the President of the Students' Union is a Director of the University.

#### Energy Coast University Technical College

The University is a member of the Energy Coast University Technical College (ECUTC). During the year, staff members from the ECUTC enrolled on training provided by the University and the University distributed funds to the ECUTC to support access into higher education.

#### Carlisle Youth Zone

During 2024/25, the University made a payment to Carlisle Youth Zone in relation to a research project. The Vice Chancellor is chair of Carlisle Youth Zone.

#### Furness College

The University distributed funds to the College to support access into higher education. A Board Director was Chair to the Board of Governors in 2024/25

#### BAE Systems

The University provides a range of teaching and research to BAE Systems and has partnered with the organisation in the development of its campus in Barrow. A Board Director is a senior employee at BAE Systems.

#### Health Education Cooperative

During 2024/25, the University charged fees in relation to the provision of a continuing professional development programme. A Board Director was the Chair of the Health Education Cooperative in 2024/25.

# Notes to the Financial Statements for the year ended 31 July 2024

## 22 Pension Schemes

The three main pension schemes offered to University staff are as follows:

- Teacher's Pension Scheme of England and Wales (TPS)
- Local Government Pension Scheme - Lancashire County Pension Fund (LGPS)
- Defined contribution scheme operated by Scottish Widows (SWPS)

The pension costs, which were recorded by the University as expenditure in the Consolidated Statement of Comprehensive Income were:

	Year ended 31 July 2025			Year ended 31 July 2024		
	Employer	Pension	Total	Employer	Pension	Total
	Contributions	Provisions	Pension	Contributions	Provisions	Pension
	(Note 7)	(Note 15)	Costs	(Note 7)	(Note 15)	Costs
	£'000	£'000	£'000	£'000	£'000	£'000
TPS	5,304	0	5,304	4,696	0	4,696
LGPS	2,030	(434)	1,596	2,210	(502)	1,708
SWPS	644	0	644	479	0	479
<b>Total Pension Costs</b>	<b>7,978</b>	<b>(434)</b>	<b>7,544</b>	<b>7,385</b>	<b>(502)</b>	<b>6,883</b>

### TPS

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

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.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is a multi-employer defined benefit scheme. The University is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption in FRS 102 and has accounted for the contributions as though it were a defined contribution scheme.

An 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 (as amended). The valuation report was published by the Department for Education in October 2023. The key outcome of the valuation was that the employer contribution rate rose from 23.68% to 28.68% from 1 April 2024, including a 0.08% administration levy.

## Notes to the Financial Statements for the year ended 31 July 2025

### 22 Pension Schemes (continued)

#### LGPS

The Lancashire County Pension Fund is a funded defined benefit scheme, with assets held in separate trustee administered funds.

The total contribution of the University payable into the scheme in 2024/25 was £2.0m (2023/24: £2.2m). This reflects employer contributions at 20.8% of pensionable pay.

The scheme is valued every three years by professionally qualified independent actuaries with the rates of contribution payable being determined by the trustees on the advice of the actuaries. The results of the valuation as at 31 March 2022 are detailed in the table below. As well as setting out the key assumptions made by the actuary, the table shows that, at 31 March 2022, the fund was in surplus by £12m and assets were sufficient to cover just over 100% of the scheme's liabilities. This represented an improvement compared to the prior valuation which calculated a shortfall of £690m.

This valuation, after assessing the University's share of the overall assets and liabilities, identified a funding level for the University of 96% and a deficit of £4.4m.

The results of the next valuation are due to be released in late 2025 and any changes to contribution rates will take effect from 1 April 2026.

#### Latest Actuarial Valuation of overall Lancashire Scheme

31 March 2023

	£m
Total Assets	8,410
Total liabilities	(8,398)
<b>Past service surplus / (shortfall)</b>	<b>12</b>
Funding level	100.0%
Discount rate	3.8%
Pension increase per annum	2.4%
Salary scale increases per annum (short-term)	N/A
Salary scale increases per annum (long-term)	3.9%
Pension increases in payment	2.4%

Alongside this triennial valuation, the University obtains an actuarial assessment of its share of overall assets and liabilities on an annual basis for accounting purposes. In doing so, the University applies the accounting standard FRS 102, which leads to some differences of approach to the triennial scheme valuation.

The University recognises any gains or losses from this annual assessment in each period in the Consolidated Statement of Comprehensive Income and Expenditure. The material assumptions used by the actuary at 31 July 2025 were:

	2024/25 (%)	2023/24 (%)
Price increases (CPI)	2.5	2.6
Salary increases	2.5	2.6
Pension increases	2.6	2.7
Discount rate	5.9	4.9

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

	2024/25 (Years)	2023/24 (Years)
<i>Retiring today</i>		
Males	20.9	21.0
Females	23.5	23.5
<i>Retiring in twenty years</i>		
Males	22.0	22.2
Females	25.0	25.3

## Notes to the Financial Statements for the year ended 31 July 2025

### 22 Pension Schemes (continued)

#### Scheme assets

The assets in the scheme were:

	31 July 2025	Fair value as at 31 July 2024	31 July 2023
	£m	£m	£m
Equities	77,672	77,260	73,962
Government bonds	172	162	611
Other bonds	344	162	0
Property	14,294	13,768	14,517
Cash	5,167	2,268	917
Other	74,572	68,353	62,807
Total	<u>172,221</u>	<u>161,973</u>	<u>152,814</u>

The following amounts at 31 July 2025 were measured in accordance with the requirements of FRS102:

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
<b>Analysis of the amount shown in the balance sheet for Scheme</b>		
Scheme assets	172,221	161,973
Scheme liabilities	(110,580)	(127,247)
<b>Surplus / Deficit in the scheme</b>	<b>61,641</b>	<b>34,726</b>
Asset ceiling adjustment (see below for explanation)	(61,641)	(34,726)
<b>Net Asset / (Liability) (Note 15)</b>	<b>0</b>	<b>0</b>

#### Analysis of the amount charged to staff costs (note 7):

Current service cost	(1,608)	(1,701)
Employer contributions	2,178	2,220
Curtailments	(131)	(10)
<b>Income and Expenditure Charge</b>	<b>439</b>	<b>509</b>

#### Analysis of the amount charged to interest and other finance costs (note 8):

Interest cost	(6,136)	(6,139)
Expected return on assets	7,892	7,766
Administrative expenses	(59)	(64)
<b>Income and Expenditure Charge</b>	<b>1,697</b>	<b>1,563</b>
Interest on asset ceiling	(1,702)	(1,570)
<b>Total Income and Expenditure Charge</b>	<b>(5)</b>	<b>(7)</b>

#### Analysis of actuarial gain/(loss) in respect of Scheme

Remeasurement of assets	4,241	2,532
Remeasurement of liabilities	20,538	(653)
<b>Actuarial gain / (loss)</b>	<b>24,779</b>	<b>1,879</b>
Asset ceiling adjustment (see below for explanation)	(25,213)	(2,381)
<b>Total actuarial gain / (loss)</b>	<b>(434)</b>	<b>(502)</b>

#### Movement in deficit in the year

Deficit in scheme at beginning of year	34,726	30,775
Amount charged to staff costs	439	509
Amount charged to interest and other finance costs	1,697	1,563
Actuarial gain / (loss)	24,779	1,879
<b>Surplus / (Deficit) in scheme at end of year</b>	<b>61,641</b>	<b>34,726</b>
Brought forward asset ceiling adjustment	(34,726)	(30,775)
Interest on asset ceiling	(1,702)	(1,570)
Change in asset ceiling adjustment	(25,213)	(2,381)
<b>Net Asset / (Liability) (Note 15)</b>	<b>0</b>	<b>0</b>

#### Asset Ceiling Adjustment

The FRS 102 valuation as set out above is based on a full assessment of the liabilities of the scheme as at 31 July 2025. Although this valuation shows a surplus of £61.6m, consideration of the Scheme's Funding Statement and Employer Risk Policy, alongside discussion with the Scheme and its actuary, have led to the University's judgement that it does not have an unconditional right to that surplus. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.



## Notes to the Financial Statements for the year ended 31 July 2025

### 22 Pension Schemes (continued)

#### History of experience gains and losses – LGPS

	31 July 2025	31 July 2024	Year to 31 July 2023	31 July 2022	31 July 2021
<b>Difference between actual and expected return on scheme assets:</b>					
Amount (£'000)	4,241	2,532	-1,191	10,342	14,641
% of assets at end of year	2.5%	1.6%	-0.8%	7.0%	10.8%

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
<b>Analysis of movement in the present value of LGPS liabilities</b>		
Benefit obligation at beginning of period	127,247	122,039
Current service cost	1,608	1,701
Interest cost	6,136	6,139
Actual member contributions	653	718
Actuarial (gain) / loss	(20,538)	653
Curtailments	131	10
Actual benefit payments	(4,657)	(4,013)
<b>Benefit obligation at end of period</b>	<b>110,580</b>	<b>127,247</b>

<b>Analysis of movement in the present value of LGPS assets</b>		
Fair value of plan assets at beginning of period	161,973	152,814
Interest on plan assets	7,892	7,766
Remeasurements (assets)	4,241	2,532
Administration expenses	(59)	(64)
Employer contributions	2,178	2,220
Member contributions	653	718
Benefits/transfers paid	(4,657)	(4,013)
<b>Fair value of plan assets at end of period</b>	<b>172,221</b>	<b>161,973</b>

#### Scottish Widows Pension Scheme

Since 1 September 2020, the University has offered newly appointed non-teaching staff membership of a defined contribution scheme operated by Scottish Widows. Employee contributions are a minimum of 4%, with the default being 7%. Employer contributions are 8%. In addition, the University funds group life assurance cover and group income protection for members via policies with Legal and General.

#### Virgin Media Court Case

In June 2023, a High Court judgement in the case of Virgin Media vs NTL Pension Trustees II Limited provided a ruling related to Section 37 of the Pension Scheme Act 1993 and changes to scheme rules. The judgement confirmed that without a valid "Section 37" confirmation from the Scheme Actuary any changes could be deemed as null and void. This judgement was upheld at appeal in July 2024. In June 2025, the Government acknowledged the uncertainty arising from the Court of Appeal's decision and confirmed its intention to legislate to allow affected pension schemes to retrospectively obtain the required actuarial confirmation for historic amendments. The University will continue to monitor any implications from this case during 2025/26 and beyond as appropriate.

### 23 Accounting estimates and judgements

In the application of the Group's accounting policies, management is required to make estimates and judgements about complex transactions or those involving uncertainty about future events.

Although judgements have been made in producing these financial statements, none are believed to have a significant effect on the amounts that have been recognised.

The financial statements contain estimated figures that are based on the assumptions made by the University. Estimates are made taking into account historical experience, current trends, professional advice and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

#### Accounting estimates and judgements - Pensions (Local Government Pension Scheme):

Calculation of the University's Local Government Pension Scheme assets and liabilities depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Mercer, a firm of consulting actuaries, is engaged, via Lancashire County Council, to provide the University with expert advice about the assumptions to be applied. A small change in these assumptions can lead to significant movements in the net liability. Details of the assumptions applied, after review by the University, are stated in Note 22.

Pension asset values are reported using estimated asset allocations prepared by the scheme actuary. Actual investment returns over a full year might deviate from those reported by the actuary in the valuation under FRS102. Asset values are calculated at each triennial valuation and, thereafter, it is rolled forward for accounting valuation purposes using investment returns, contributions received, and benefits paid out. The pension valuation as at 31 July 2025 used asset returns as at that date.

In 2024/25, the valuation showed a surplus of £61.6m. As set out in Note 22, although this valuation shows this surplus level, consideration of the Scheme's Funding Statement and Employer Risk Policy, alongside discussion with the Scheme and its actuary, have led to the University's judgement that it does not have an unconditional right to that surplus. FRS 102 states that "an entity shall recognise a plan surplus as a defined benefit plan asset only to the extent that it is able to recover the surplus" and therefore an asset ceiling adjustment has been applied to bring the net position to nil.

# Notes to the Financial Statements for the year ended 31 July 2025

## 23 Accounting estimates and judgements (continued)

### *Accounting estimates and judgements - Valuation of land and buildings*

The University's land and building values are measured using the revaluation method. The University has a policy of ensuring that all land and buildings are revalued at least every three years by a qualified external valuer, with annual reviews, such that the fair value is not materially different to the current value. The next full revaluation will be at 31 July 2026. The external valuer is provided with all relevant information about the University's land and buildings and provides a valuation that complies with accounting and surveying standards. When reviewing such valuations, the University considers the appropriateness of the judgements that have been applied, including the valuation basis for specific land and buildings. Alongside the value of land and buildings, the valuer also provides useful economic lives for each property which are then applied in calculating the depreciation charge. These estimates are reviewed for reasonableness and consistency with the University's understanding of its estate, including the condition of particular buildings.

## 24 Access and Participation Plan

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Access Investment	720	782
Financial Support	431	553
Disability Support (excluding expenditure included in the two categories above)	624	753
Research and Evaluation	70	67
	<b>1,845</b>	<b>2,155</b>

The University's Access and Participation Plan (APP) sets out how the University is improving equality of opportunity for underrepresented groups to access, succeed in and progress from higher education. The University's APP, which is approved by the Office for Students, is available at <https://www.cumbria.ac.uk/about/publications/>. 2024/25 was the first year of the current APP which covers the years 2024/25 to 2027/28. Levels of expenditure in 2024/25, as recorded in this note, meet and exceed the targets set for the year in the APP.

The figures above, which include £1.14m (2023/24 £1.21m) of staff costs which are recorded within the totals in Note 7, outline the expenditure which was incurred by the University in 2024/25 in meeting this objective under the Plan. Where the costs of staff or activities relate wholly to the APP, as per, for example, job descriptions and project plans, they are included in full as expenditure. Where staff time or projects are partially related to the APP, expenditure is assigned based on factors such as the numbers of eligible students being supported.

## 25 Company details

The University is an exempt charity, a company limited by guarantee, registered in England and Wales.

Registration Number: 06033238;  
Registered Office Address: Fusehill Street, Carlisle, Cumbria, CA1 2HH

The University's subsidiary company, UoC Trading, is a company limited by guarantee, registered in England and Wales.

Registration Number: 02809881;  
Registered Office Address: University Of Cumbria, Bowerham Road, Lancaster, Lancashire, LA1 3JD



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#### Audit history log

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Thu, 11th Dec 2025 8:51:47 GMT	Document emailed to martin.williams@cumbria.ac.uk
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Thu, 11th Dec 2025 10:17:27 GMT	Sent the envelope to Carol Rudge (crudge@hwfisher.co.uk) for signing (86.167.112.92)

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Thu, 11th Dec 2025 12:51:54 GMT	Sent the envelope to Jean Brown (jean.brown@cumbria.ac.uk) for signing (217.207.100.70)
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Thu, 11th Dec 2025 12:51:54 GMT	Signed document confirmation emails have been sent to all parties. Document URL: <a href="https://api.signableapi.com/shareable/envelope?t=2e97cba8-f4af-42c0-9d5b-501a001b294d">https://api.signableapi.com/shareable/envelope?t=2e97cba8-f4af-42c0-9d5b-501a001b294d</a> (217.207.100.70)
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