



**DE MONTFORT  
UNIVERSITY**  
LEICESTER

# Annual Accounts

2024 / 25

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# Statement of Public Benefit

De Montfort University Higher Education Corporation (also referred to by its trading name, DMU and as Corporation in these financial statements) is an exempt charity by virtue of Schedule 3 of the Charities Act 2011 and, as such, is regulated by the Office for Students. The university's objectives, as defined in the Education Reform Act 1988, are to 'provide higher education', to 'provide further education' and to 'carry out research and to publish the results of that research' for the public benefit. The Board of Governors has regard to the guidance and requirements on public benefit. The overview set out in the sections that follow showcases how the university contributes toward public benefit.



# Introduction from the Chair



Now in my sixth year as Chair of the Board of Governors at De Montfort University, I cannot recall a moment when we were not discussing and then setting about the 'challenges facing higher education in the UK.' The erosion of the value of student fees is one such challenge – still with us in spite of the marginal increase agreed by Government; inflation and rising costs; pensions charges; visa regulations and that's to say nothing of Covid and its lingering impact.

And it isn't as if we see off one challenge only to face another. To borrow and adapt the quote: when troubles come, they come not single spies but in battalions. We can now add to the list falling student numbers along with increased competition within the sector for those who are applying.

The answer to all of this is not, in the view of the Governors and Vice-Chancellor, Professor Katie Normington, to sit tight and wait for the storm to pass. The answer is to take control and to rebuild and re-form the university through innovation to enable it to face the future with some certainty. It is why in the past 12 months, much thought – led by the Vice-Chancellor – has been given to what we must do to reposition De Montfort University in a rapidly and constantly changing world.

According to the Office for Students, 43% of UK universities will report financial deficits this year. DMU is one of them. However, that deficit is being managed within a Medium-Term Financial Plan agreed by the board as part of a strategy to return the institution to financial equilibrium.

The sharpest challenge to DMU in the last year has been the drop in recruitment of undergraduates from the UK.



Ian Squires  
Chair of the Board of Governors



There are nearly 4,000 fewer students at DMU now than there were five years ago. At Clearing in the late summer of 2024, we saw higher tariff institutions taking students who previously might have come to us in an effort to make up for a drop in their own overseas recruitment. This has a major impact on our earnings. Clearly, we have to reduce costs in the face of falling income and while some reductions can be achieved through new ways of working it has meant the loss of jobs among both the professional services and academic staffs.

However, cost reduction alone does not begin to address the scale and nature of the challenge we and other universities face. We must develop new ways of offering the skills and services we have and DMU is doing that through carefully planned investments in a variety of initiatives, all supported by the considerable cash balances held by DMU.

One such initiative is our Transnational Education (TNE) programme, offering DMU-qualifications to students overseas. TNE has been part of DMU for more than 30 years, but it has developed rapidly in the last five. We now have 12,000 students working towards a DMU qualification in Dubai, Kazakhstan, Cambodia, Malaysia, Denmark, Vietnam, Hong Kong, Sri Lanka and the Philippines. Next year that number will be closer to 15,000. Our TNE income this year reached £20.4million including income from our Dubai campus. De Montfort is now a Top 25 UK university for international recruitment and TNE. The scale of the TNE commitment helps underpin our position as the only UK hub for the United Nation's Sustainable Development Goals. DMU has recently been announced as the new hub for sustainable cities and communities.

Back in Leicester, in the face of declining UK undergraduate recruitment, we have taken the decision to merge, from September, the Faculty of Computing, Engineering and Media with the Faculty of Arts, Design and Humanities to create the Faculty of Technology, Arts and Culture. We are looking across the whole of the campus to make it as efficient as possible with 'smart' buildings and developing other initiatives to get us fit for tomorrow.

DMU Future Pedagogies follows on from the Block Teaching initiative and will take into account all of the possibilities of digital learning. Susan Lapworth, the Chief Executive of the OfS, recently visited DMU and spoke in praise of our Digital Learning Tech Hub. It is where we meet the growing demand for advanced digital skills including cyber defence, AI, virtual production and creative technologies. Professor Shushma Patel, Dean of the newly-merged faculty will also hold the position of Pro Vice-Chancellor for Artificial Intelligence for the university.

Elsewhere we are looking to the developing skills agenda with Jill Cowley becoming Pro Vice-Chancellor for Extended Education as well as becoming Director of the DMU London campus. We are bringing greater focus too to our knowledge creation programme with the launch in March of our Research and Innovation Institutes.

In spite of the rate and scale of change, people continue to enjoy working at DMU. The staff survey told us that 65% of those surveyed would recommend DMU as a place to work and feel valued and supported by their managers. And the academic year came to an end with some equally bright and encouraging data from the NSS, the National Student Survey.

The NSS is an annual measure of how students feel about their university experience. For DMU, the cohort completing the survey this year were the first to have started and completed their studies through 'block' teaching, a system in which students study one module at a time and which we always believed would better suit DMU undergraduates. Our own, local surveys have indicated really strong support for 'block', indeed it is one of the reasons applicants tell us they chose DMU.

The NSS results, released as I write, entirely validate our introduction of block and show that in the seven key scores of student satisfaction De Montfort has risen significantly in all of them. It is a significant achievement by the leadership, staff – and students – of De Montfort.

The theme to which I return is that the year in question has been a testing one and there are many obstacles to overcome. But DMU will respond with resilience, skill and determination and a high degree of creativity led by the Vice-Chancellor and the Executive with the full support of the Board of Governors.



# Foreword from the Vice-Chancellor



At the beginning of the New Year 2025, I wrote in my weekly staff newsletter about the theme of “wintering.” The idea, drawn from Katherine May’s *Wintering: The Power of Rest and Retreat in Difficult Times*, reflects on the necessity of fallow moments in our lives. Just as winter allows renewal in nature, times of retreat and reflection allow for recovery and growth in our own journeys. As May writes: “Once we stop wishing it were summer, winter can be a glorious season when the world takes on a sparse beauty, and even the pavements sparkle. It’s a time for reflection and recuperation, for slow replenishment.”

That piece later developed into an article for *Times Higher Education - The Wintering of Universities* - and in many ways, 2024/25 has indeed been a period of wintering for universities, and for DMU.

This reality is reflected in the significant deficit presented in these accounts. As the Chair sets out in his introduction, the causes are closely tied to the wider financial pressures affecting the sector. At DMU, we have responded with determination and clarity: implementing targeted cost-saving measures and voluntary severance schemes, while also working to rebalance staff and student numbers in line with changing recruitment patterns. Inevitably, this has included a number of redundancies - decisions that weigh heavily on the life of our campus and its morale, and which are always made only as a last resort.

It is fair to say, then, that we too have “wintered.” Yet winter is not only a time of hardship: it is also a season of preparation, laying the groundwork for renewal and growth.



**Katie Normington**  
Vice-Chancellor, De Montfort University

For us, this has meant reshaping our structures and refocusing leadership roles to meet the demands of the future. The merger of two faculties to form a new Faculty of Technology, Arts and Culture, and the repositioning of senior roles to lead on national reforms such as the Lifelong Learning Entitlement and on regional skills needs through Higher Technical Qualifications, are examples of how we are building a more agile and responsive university.

This year has also been one of progress. We have reached significant milestones: the opening of our new campus in Dubai, and preparations for the first students to join DMU London. Both are integral to our strategy of diversifying income streams and reducing reliance solely on traditional undergraduate recruitment and international student inflows.

There have been other successes to celebrate too. Our Graduate Outcomes results showed a rise of 40 places for full-time employment, demonstrating that more of our students are securing employment within 15 months of leaving DMU. Our commitment to sustainability has also been recognised, with DMU awarded United Nations Academic Impact Hub Chair status for Sustainable Development Goal 11 (Sustainable Cities and Communities). This achievement was underlined by our second-place ranking in the national People & Planet league table.

I have often quoted the Black American poet and activist Maya Angelou at our graduation ceremonies, and it is to her words that I return now: "I've had so many rainbows in my clouds... I had a lot of clouds, but I've had so many rainbows." For us, in this "winter" and on these metaphorically cloudy days, it is the rainbows we need to look for.

A pot of gold would be welcome, but it is unrealistic to expect that government policy will provide it. Our rainbow is more likely to lie in the changes we are making ourselves: in how we are reimagining what a university can be, and in the resilience and determination of our staff to meet the challenges before us.

This will be the guiding question as we move this autumn into refreshing our Empowering University strategy, having completed the first five years. That strategy has already delivered bold innovations and tangible successes: the introduction of block teaching, the establishment of seven new Research and Innovation Institutes, the growth of our transnational student body to become one of the UK's leading providers of transnational education, recognition as the first UK university to be awarded the Silver Race Equality Charter by Advance HE, and the renewal of our role as a UN Sustainable Development Goal Hub - among many other achievements.

Yet creating the rainbow ahead of us will demand even more as we embark on the next phase. Our successes to date demonstrate that, even in austere conditions, we have been able to respond with agility, and to achieve progress across teaching, research, and global engagement. As the policy landscape shifts further in the coming months, we will continue to adapt, to innovate, and to shape a brighter, more confident future for DMU.





# Report of the Board of Governors: The Empowering University



## Our Vision

Creating a community of participation, fairness and collective responsibility; transforming individual lives and championing a fair and sustainable society.



## Our Mission

Discovering gateways of opportunity that empower students, staff and our community to create a fairer society.

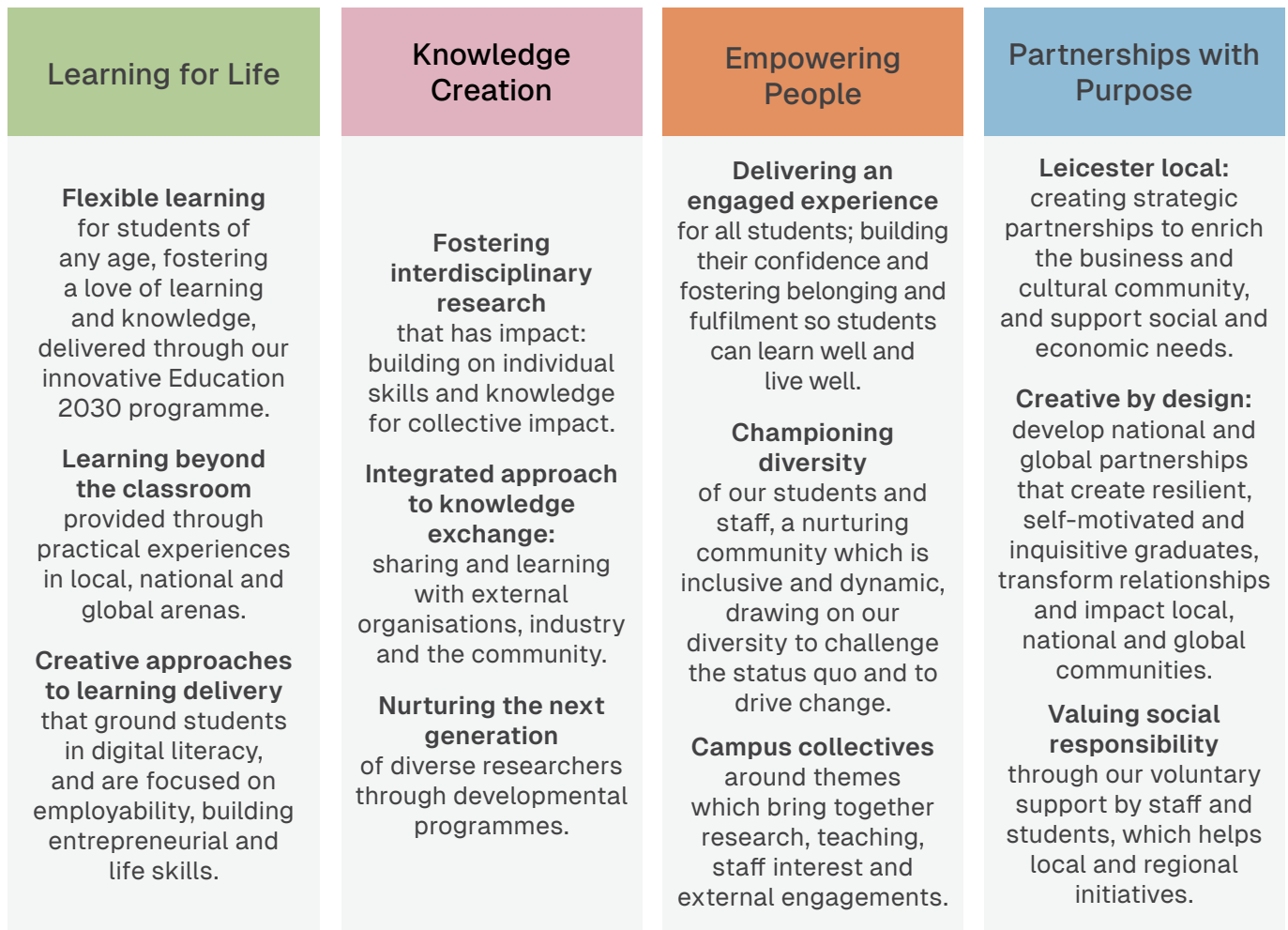


## Our Values

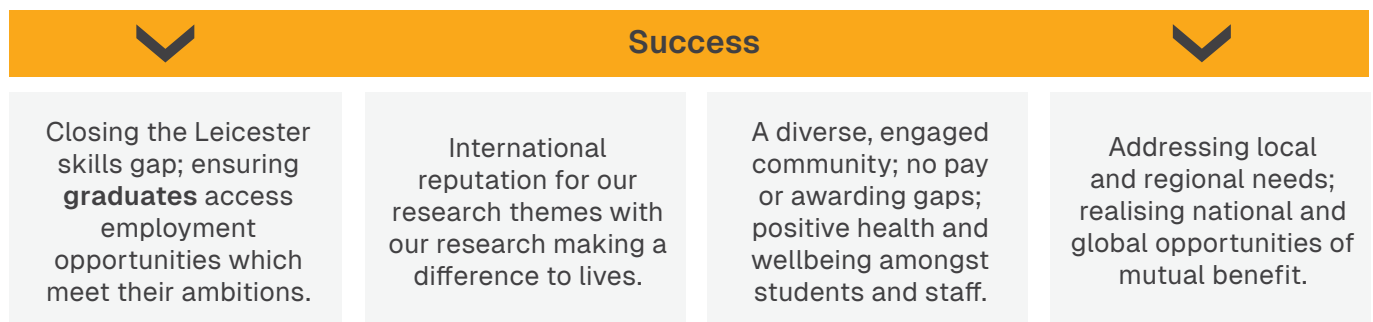
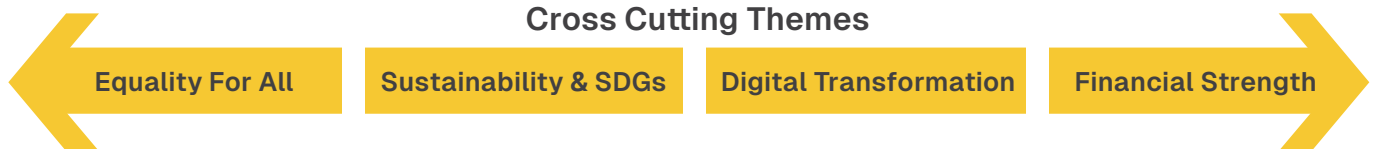
We support each other, we value difference and are honest and compassionate towards others. Together we will be courageous in exploring possibilities, breaking down barriers and re-imagining new horizons.



# Strategy on a page



## Cross Cutting Themes



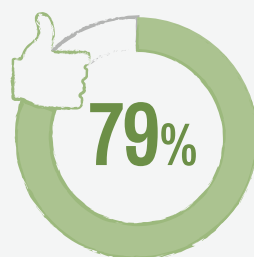
# Learning for Life



Our Learning for Life implementation plan continues to guide how we ensure student-centred, flexible and creative education. In 2024/25, the university completed the rollout of block teaching across 90% of undergraduate programmes. Our student experience data confirms its positive impact: block taught students reported 79% satisfaction, better academic outcomes and fewer module failures.

National recognition continues to grow, with senior leaders invited to present DMU's approach to over 28 university teams across the UK. Our 2025 National Student Survey results showed improvements in 26 of 27 question areas, with improvement across all seven NSS themes and particularly in 'Assessment and Feedback' and 'Learning Resources' where responses scored above benchmark.

DMU climbed to 34th position for Graduate Outcomes in the Higher Education Statistics Agency league table for high-skilled employment, and leapt 40 places for full-time employment overall.



of our block taught students were satisfied with their course



of Postgraduate Research Students were satisfied with their course quality



Our NSS results showed a positive trend in 26 of the 27 questions. Overall, we saw an improvement across all seven themes

# Knowledge Creation



**This year saw significant consolidation and delivery through our seven new Research and Innovation Institutes. These institutes drove interdisciplinary work in priority areas, from sustainable cities to digital futures.**

The SMIDGE project, led by DMU and funded by Horizon Europe, continued its impact on tackling online extremism, publishing key outputs and speaking at international policy forums.

Our Doctoral College welcomed 151 new postgraduate researchers in the academic year 2024/25 and expanded international collaborations. Enterprise engagement through our Research and Business Innovation team generated £13.5million from apprenticeships, KTP's, contract research, consultancy and more, while Knowledge Transfer Partnerships contributed £495,000 to our innovation pipeline during the financial year 2024/25.

Working with the Universities for Nottingham Partnership, Loughborough University, and the University of Leicester, we were collectively awarded £2.2million from Research England to expand the East Midlands based Co(l)laboratory doctoral education programme into Leicestershire and Rutland. The programme puts local people at the heart of tackling regional challenges by connecting researchers with the community to tackle real-world issues.

We are also leading on a £2.7million project supporting cutting edge research into clean energy technologies, funded by the UK Government's Ayrton Fund. The collaboration spans UK institutions and partners in Nigeria, Sierra Leone, Kenya, Rwanda, South Africa and Namibia.

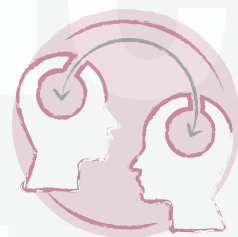


**new postgraduate researchers were welcomed to our Doctoral College in the academic year 2024/25**

**Enterprise engagement through our Research and Business Innovation team generated**

**£13.5 MILLION**

**£495k**



**Knowledge Transfer Partnerships contributed £495,000 to our innovation pipeline during the financial year 2024/25**

# Empowering People



**DMU's culture of empowerment continued to strengthen in 2024/25. Our Campus Collectives brought staff and students together to explore themes like sustainability, digital change and inclusive practice. These cross-cutting groups generated new pilot projects, case studies and events.**

In November 2024, data from our Staff Engagement Survey showed that 91% of our staff care about the future of DMU. We also saw a 4% increase in staff responding that working at DMU made them want to do the best work they can.

Our student experience check-in project reached 2,422 Leicester-based first-year students. Of those contacted, 87% rated their university experience as good or excellent, providing valuable real-time insights for targeted support.

2024/25 marked the university's most active year for digital engagement. Over 200 staff completed the MORE Digital Champions programme, delivering peer-to-peer digital support and leading local innovation. A follow-up audit in April 2025 showed on average, a 10% increase in digital skills.

We also introduced a staff suggestion scheme to inform how we reduce costs and enhance ways of working at DMU. Many of these suggestions are now being processed by decision makers. The suggestion scheme supported our work to enhance employee voice, with the introduction of a new policy to increase staff representation with the return of the staff assembly scheme.



We launched a new staff recognition scheme for both individuals and teams to celebrate our people



As part of our student experience check-in project, we spoke to 2,422 first year students about their experience and wellbeing



of Leicester students rated their university experience as good or excellent



# Partnerships with Purpose



In 2024/25, DMU invested in its global and local partnerships to strengthen impact. The Community Challenge Fund (CCF) is DMU's flagship community engagement programme, offering seed grants to charities and non-profit organisations across Leicester, Leicestershire, and Rutland. The CCF supported 11 projects within Leicester, and the wider county.

Our IntoUniversity partnership in Beaumont Leys delivered targeted aspiration-raising activities for school-age learners. In collaboration with the University of Leicester, 717 students were supported in 2023/24. The support included campus visits, workshop sessions, and buddy and mentoring programmes for primary and secondary school students.

Internationally, we grew our global footprint to more than 12,000 transnational education students and completed development on our new Dubai campus. Planning and course design began for our upcoming London campus, focused on sustainability, tech and industry-aligned programmes.

Our DMU Global programme saw 1,232 students take the opportunity to enhance their education with experiences in the UK and abroad. 83% of students who took part in a Global opportunity thought their experience was an important part of their time at DMU, with 97% reporting it enhanced their student experience.

717



students were supported with our IntoUniversity partnership in Beaumont Leys in collaboration with the University of Leicester



transnational education students grew our global footprint and completed development on our new Dubai campus.

# Cross-cutting Themes



## Equality for All

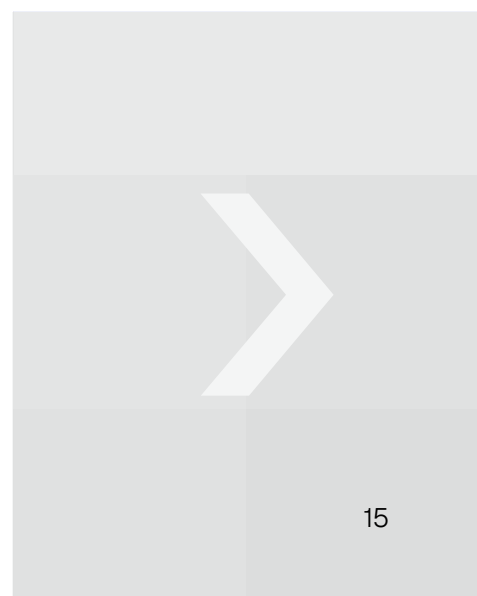
In 2024/25, DMU was ranked the top university and second overall in Stonewall's Top 100 Employers list, earning a gold award for LGBTQ+ inclusion. We continue to work on the action plans for our successful Silver Race Equality Charter, and Athena Swan Bronze Charter entries.

The EDI team contributed to events hosted by Universities UK, Advance HE, and the Higher Education Policy Institute. Our Equality for All plan guided work across faculties and directorates, ensuring EDI was embedded in recruitment, curriculum and leadership practices.

During our Summer graduation ceremonies, we were privileged to honour human and civil rights campaigner, Professor Gus John with a Companionship in recognition of his tireless, sixty-year career fighting against systemic racism.



Ranked second in Stonewall's Top 100 Employers 2024 list becoming the top-ranking university in the UK



# Cross-cutting Themes



## Sustainability and the Sustainable Development Goals

This year, DMU strengthened its global sustainability leadership by being appointed as the UK Chair for the UN SDG 11 Hub (Sustainable Cities and Communities) from 2025 to 2027. In May 2025, we hosted the first SDG 11 convening event at the UN STI Forum in New York.

In June, we were named amongst the world's top universities for sustainable work in the Times Higher Education's Impact Rankings. The list measures how effective an organisation is at promoting the UNSDG's. We also were ranked second in People and Planet's university league table for environmental and ethical performance, further showcasing our commitment to sustainability.

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This year, DMU was ranked second in People and Planet's university league table for environmental and ethical performance

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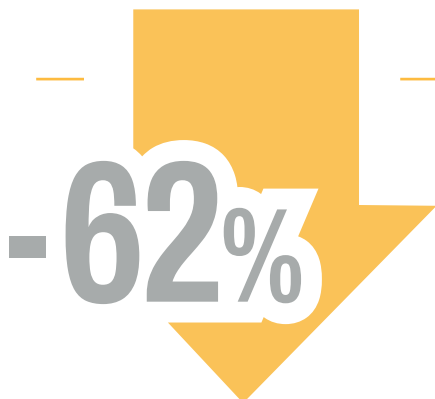




Locally, our Campus Collective on sustainability brought together more than 100 staff and students to shape environmental action. Our Carbon Management Plan remained central to operations, with interim progress showing a 62% reduction in energy emissions since 2005. We launched Carbon Literacy training and introduced a carbon levy on long-haul travel to embed behavioural change.

Our outreach programme included COP29 student and staff activities, and contributions to the 2025 Green Gown Awards, where DMU won Sustainable Institution of the Year.

Our commitment to sustainability saw us ranked as the second most eco-friendly university in the UK by People and Planet, and achieve Fairtrade University status, recognising our work to raise awareness and act on trade justice and globalisation.



In the 2023/24 progress report, emissions from the university's energy decreased by 62% compared to 2005



# Cross-cutting Themes

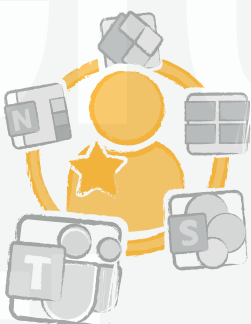


## Digital Transformation

As part of DMU's ongoing digital transformation journey, we continue to modernise our technology, support students and staff to be digitally confident and evolve how we deliver digital services across the university.

In summer 2024 we began a programme of upgrading our digital connectivity across campus. This addressed the need for a modern campus network that can embrace the latest secure technology, while improving the experience of staff and students both now and in the future.

Completed in March 2025, the new network provides the foundation for a multitude of benefits and improvements, including faster, more secure network connectivity; the ability to use our Wi-Fi network more effectively; and integration into smart buildings and location services. The new system also allows our administrators to fully identify all devices that are connected to our network and only provide the appropriate resources to each, based on their user and role type.



Over 200 digital champions from across the university embarked on a 12-week programme of learning and skills development



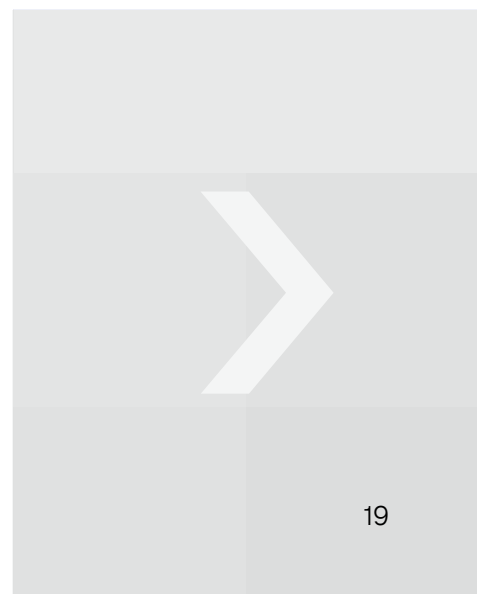


Our Digital Transformation strategy emphasises creating a digital mindset and modern working practices across the organisation. Our Digital Mindset work, including the MORE Digital Champions Network is helping to embed Microsoft 365 best practice and introduce automation pilots using Power Automate; while our second Digital Festival in October 2024 featured workshops on AI, digital inclusion and leadership. In January 2025 we expanded our Campus Collectives initiative with a new Artificial Intelligence focused group, launching with a focus on ‘Responsible AI’, and going on to explore how we can harness AI’s potential while addressing important ethical considerations.

Funding support from the OfS enabled us to open the new Digital Learning Tech Hub. Filled with cutting-edge technology such as a virtual production suite, media labs, and broadcast facilities enable students to work with state-of-the-art equipment to enhance their industry skills and foster creativity. The Hub officially launched at the Teen Tech event on campus, which brought

together Leicester school children to experience the new equipment, find out more about university life, and to be inspired to pursue careers in technology.

In June 2025 we launched our new Digital and Technology directorate. This was more than a change of name. The new directorate will include strengthened capability across areas like automation, digital experience, cloud services, cyber security and data. Underpinning this is the move to a product-based model of delivery. Rather than focusing on systems or outputs alone, this model is about creating cross-functional teams that deliver real outcomes for students and staff, and that continuously improve based on user feedback. Taking this approach puts us in line with the wider public sector, and creates an environment in which colleagues are enabled to do their best work in line with the university’s strategic priorities.



# Cross-cutting Themes



## Financial Strength

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**Our commercial growth has increased this year, this includes a higher income from our transnational education activities**



Like most English universities, we are facing unprecedented financial challenges. A major fall in international students has disrupted both home and overseas recruitment patterns across the sector, and some higher tariff institutions have over recruited home students to make up their shortfalls. Coupled with increased costs and a reduction of the value of tuition fees due to inflation, this has created a challenging economic climate and the need for us to take action to ensure long term financial sustainability.

Over the past year we have taken steps to address this such as diversifying income streams through expanding TNE operations, and cost reduction. We have made difficult decisions about how to prioritise our resources into capital and other investments to ensure that we are getting the best outcomes for our students and carefully managing our cash flow.

We exceeded our financial performance targets for 2024/25 and ended with strong cash reserves, meeting our liquidity target of 6 months operating cash. We have made good progress with our Creating Financial Sustainability programme, which has informed decision making across faculties and directorates. Our forward strategy is approved by the board of governors and the university executive and will see us continue to focus on continuous improvement, efficiency and effectiveness with the aim of achieving a lower cost model of delivery. The investment in our new London campus, our Dubai campus and TNE partnerships have supported us with a more diverse portfolio for future years.





# Financial performance in 2024/25

The university's movement from a surplus of £12.6m in 2023/24 to a deficit of £22.6m reflects the financial sustainability issues being experienced in the UK higher education sector. Like most English universities, De Montfort University (DMU) is facing unprecedented financial challenge. A major fall in international students has disrupted both home and overseas recruitment patterns across the sector, and higher tariff institutions have over recruited home students to make up their shortfalls. Coupled with increased costs and a reduction of the value of tuition fees due to inflation, this has created financial difficulties for universities across the UK.

This deficit, caused by a combination of lower income and higher expenditure, is driven by this challenging operating environment.

Despite the challenging operating environment and through careful financial management, performance against the 2024/25 financial plan was considerably better than forecasted as the university ensured measures to continue focussing on managing operational costs and cash balances remained in line with cash holding KPI of the university.

A key part of the financial strategy is income diversification and in 2024/25 the university opened a new campus in Dubai and made plans to open a new London campus in September 2025.

The university implemented the Empowering University Strategy, of which Financial Strength is a cross cutting theme. The Financial Strength Implementation Plan sets out the key priorities for the university to enable it to allocate resources to the areas of greatest impact and priority; supporting medium and long-term investment in the lifelong educational experience for students, the creation and exchange of knowledge and the development of strategic business and community partnerships.

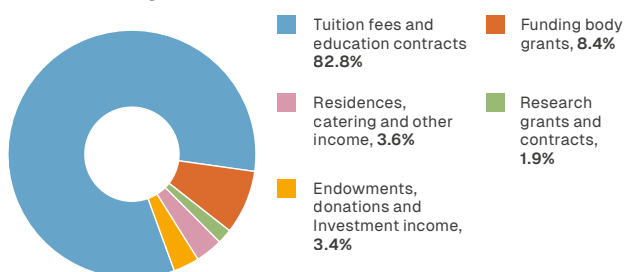
The university's consolidated financial headlines are summarised as follows:

	2024/25 £'000	2023/24 £'000
Income	254,156	260,868
Expenditure	276,762	252,736
(Deficit)/Surplus for the year	(22,567)	12,644
Cash and short term investments	151,071	165,921
Net current assets	90,072	117,076
Pension provisions	£nil	£nil
Total net assets/reserves including pension reserve	304,816	331,877

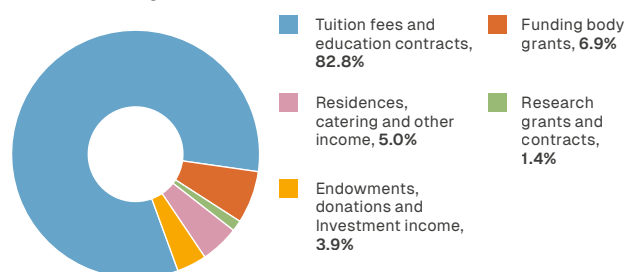
The University Leadership Board are continually delivering a programme of activity to support medium and long-term financial sustainability.

The total reserves of the University have reduced by £18.9m mainly due to the fall in income and higher expenditure offset by effective cost management and an increase in the valuation of our long-term investment portfolio. The University continues to have a strong cash and short-term investments balance of £151.1m (2023/24: £165.9m).

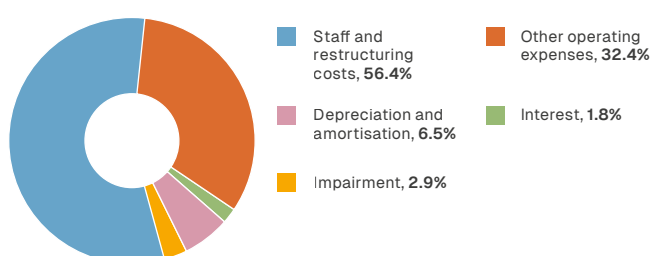
## Income analysis 2024/25



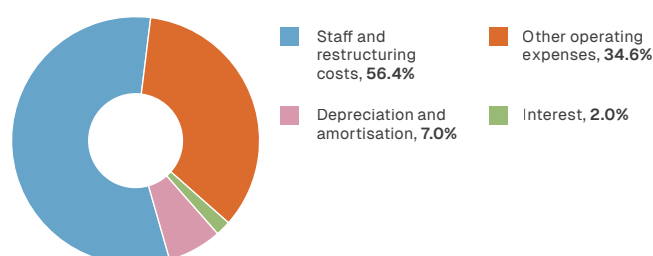
## Income analysis 2023/24



## Expenditure analysis 2024/25



## Expenditure analysis 2023/24



Total income of £254.2m is a decrease of £6.7m (-2.6%) from 2023/24. Tuition fee and educational contracts decreased by £5.6m (-2.6%) largely attributable to a reduction in tuition fees from Home and EU students of £8m resulting from greater competition for undergraduate places, offset with an increase in income from overseas students of £2.1m, as a result of strong recruitment in January and April 2025.

The total funding body grants increased by £3.4m to £21.2m as a result of a prior-provision not materialising in the Office for Students recurrent teaching grant.

Research and Grants reports income of £4.9m, increase of £1.2m (33.3%) from 2023/24 (£3.7m) resulting from successful grant submission within Research Councils and their full year impact.

The university continues to achieve strong returns on cash and short-term investments with £8.2m being earned during 2024/25.

Total expenditure of £276.8m is an increase of £24.0m (9.5%) from 2023/24. Staffing and restructuring costs accounted for 56.4% (2023/24: 56.4%) of the total expenditure.

The increase in the staffing expenditure (including restructure) of £13.6m is attributable to the following:

- Increase in staff and associated costs of £9.2m resulting from cost inflation (pay awards and incremental drift) with an increase of c£4.7m due to the pay award in August 24.
- The government increase in National Insurance for employers was implemented in April 25.
- Full-year impact of the Teacher Pension Scheme increase that was implemented in April 2024 from 23.6% to 28.6%.
- As a result of the shortfall in income during 2025 a programme of cost reductions took place across the university which resulted in a one-off voluntary severance scheme at a cost of £4.0m which will reduce our costs further going into the next financial year.

The increase in other operating expenditure of £2.2m (2.2%) is mainly related to an increase in the rents and insurance category related to the Dubai and London campuses. The university has implemented cost management principles to ensure essential spending only, although it has ensured a focus on teaching quality and student experience.

The depreciation and amortisation charges are £17.9m (2023/24: £17.8m) reflecting the capital investment in student facilities, enhancement of buildings, IT and digital infrastructure, and the facilities for the Dubai and London campus.

An impairment charge of £8.2m was recognised following a review of buildings identified as potential disposals. Updated market valuations indicated that the recoverable amounts were lower than their carrying values.

The Long-term Sustainable Investment Strategy of the university has been successful over the past 12 months and the reported surplus reflects an unrealised gain on the University's long-term investment of £1.2m.

The financial impact of the challenges and competition that the university and the sector face with student recruitment has been partially mitigated through the implementation of measures to manage all expenditure efficiently and to maximise the investment of our cash holdings. These actions have contributed to delivering a lower deficit than planned, with the objective of maintaining the cash position, and ensuring all debts that fall due are met in full, whilst the programme to support underlying financial sustainability is ongoing. This has allowed the university to continue to invest in student facilities, enhancement of the campus and the technology infrastructure.

### Statement of Financial Position

The total net asset position has reduced by £27.1m to £304.8m due to a deficit in the year impacting overall movements on our Statement of Financial Position:

- The university has invested £22.4m in additions to tangible fixed assets of which major capital spend includes the spend in Dubai and London campus, investment in IT infrastructures, computer equipment and minor refurbishments to buildings.
- There is an increase in investments under non-current assets as the university has invested an additional £3.5m in the long-term portfolio and achieving gains of £1.2m during the year and to maintaining liquid cash for operations.
- Cash and cash equivalents and current asset investments have decreased by £14.9m mainly due to trading activities and payments made for capital spend.
- Creditors due within one year have increased by £13.6m mainly due to an increase in advance payments received from students.
- There is no movement shown on the LGPS provision due to the capping of the pension surplus again this year. This is a result of favourable movements in the key actuarial assumptions applied for accounting valuation purposes. It should be noted that £3.7m of the asset restriction has been identified as relating specifically to interest and as a result, that portion has reduced the investment income whereas the remainder has been recognised under actuarial (loss) in respect of pension schemes.

The university maintains a strong financial position with good levels of cash and investment reserves.

## Conclusion

The higher education sector is facing unprecedented financial challenges as it seeks to maintain positive EBITDA and return to a surplus position as soon as possible.

The university has recognised the financial challenges and a significant change programme to achieve this objective has been approved by the University Leadership in conjunction with the Board of Governors.

The University continues to explore and implement cost efficiencies, managing expenditure with essential spending in both staff and operational expenditure, and to ensure the delivery of the key strategic projects for income diversification in Dubai and London.

The high cash and liquidity position will be essential in

supporting the university's financial sustainability objective, the continued investment in the student experience and to deliver on its strategic ambitions to be an Empowering University.

DMU has carried out detailed analysis and scenario planning to provide assurance in its ability to achieve long term financial sustainability. Our stress testing shows that DMU will maintain a resilient cash and investments balance whilst continuing to be compliant with our bond covenants. Based on financial forecasts and cash projections for the next five-years, the Board is assured that the university has adequate resources to remain in operation for the foreseeable future and at least for the next twelve months from the financial statements being authorised for issue, which have been prepared on a going concern basis.



**Mr Ian Squires**  
Chair of the Board of Governors



**Professor Katie Normington**  
Chief Executive and Vice-Chancellor

# Trade Union Facility Time

	2024/25	2023/24
<b>Relevant Union Officials</b>		
Number of employees who were relevant union officials during the relevant period	23	25
<b>Percentage of time spent on facility time</b>		
Employees who were relevant union officials employed during the period		
Percentage of time	Number of employees	
0%	-	-
1-50%	23	25
51-99%	-	-
100%	-	-
<b>Percentage of pay bill spent on facility time</b>		
Percentage of total pay bill spent on paying employees who were relevant union officials for facility time during the period		
Total cost of facility time	£107,574	£103,883
Total pay bill	£153,685,000	£148,922,000
Percentage of the total pay bill spent on facility time	0.07%	0.07%
<b>Paid trade union activities</b>		
Time spent on paid trade union activities as a percentage of total paid facility time hours	24.29%	30.17%



# Statement on Corporate Governance

This statement outlines for readers of the financial statements the corporate governance procedures adopted by the Board of Governors, covering the period from 1 August 2024 to 31 July 2025, and the subsequent period up until the date of approval of the financial statements.

Members of the university's Board of Governors serve as trustees and are responsible for determining the educational character and mission of the university, overseeing and scrutinising its activities.

We consider the beneficiaries of our charitable status to be all students and learners, as well as members of the public in the UK and overseas. We believe universities are a public good and that DMU transforms lives by providing inspiring environments for its students and staff, while sharing their discoveries to benefit the world.

Two new independent governors were appointed to the board during the year, one in February 2025 and one in July 2025. Two new student governors were appointed in September 2024, with one student governor stepping down in January, leading to another student governor appointment in February 2025. The tenure of these student governors came to an end in June 2025, with the appointment of two successors from July 2025. The board has launched a Governor Apprenticeship Programme which aims to build a pipeline of future independent governors whilst increasing board diversity; this led to the appointment in January 2025 of a Governor Apprentice for a two-year placement.

Work has continued on the university's 'Empowering University' strategy, first launched in autumn 2021. The strategy comprises four key pillars: Learning for Life, Knowledge Creation, Empowering People, and Partnerships with Purpose. The pillars are being delivered alongside four cross-cutting themes: Equality For All, Sustainability and the Sustainable Development Goals, Digital Transformation, and Financial Strength. Throughout the year, the board continued to receive high-level updates on the university's progress towards meeting the targets set in the strategy, with committees taking a more in-depth look at specific pillars and cross-cutting themes.

## SUMMARY OF THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE

The university's objectives, powers and framework of governance are set out in its Instrument and Articles of Government. Under the Instrument and Articles of Government, the Board of Governors has a range of powers and duties, including the ongoing responsibility for the strategic direction of the university, approval of major developments, approval of annual estimates of income and expenditure, ensuring solvency of the institution, and safeguarding its assets. The business of the board and its committees are also run in accordance with the board's Standing Orders and the Scheme of Delegation.

It is a requirement of the Instrument and Articles of Government that there should be a majority of board members who are independent, and that the board should

be comprised of no fewer than 12, and no more than 23, members (including the Vice-Chancellor, ex-officio). As of the end of the 2024/25 academic year, the board had a total of 20 members: 15 independent governors, as defined by the Instrument and Articles, two staff governors, two student governors and the Vice-Chancellor.

Membership of the Board of Governors is considered by the Nominations Committee, based on a skills matrix and diversity information that allows decisions to be made about the board's requirements in terms of governors.

The principal officer is the Vice-Chancellor, who has responsibility to the Board of Governors for the organisation, direction and management of the university. They are also the designated Accountable Officer for the purposes of the university's registration with the Office for Students (OfS). The Vice-Chancellor was supported by the University Leadership Board, which, as of the end of the 2024/25 academic year, comprised:

- Vice-Chancellor;
- Registrar (Academic) and Secretary to the Board of Governors;
- Executive Director of Finance and Procurement;
- Chief Transformation and Resources Officer;
- Deputy Vice-Chancellors (Education, Equalities and Student Experience(vacant); Planning, Research and Innovation);
- Pro Vice Chancellor (International)
- Pro Vice-Chancellor (Education and Student Experience) (interim)
- Pro Vice-Chancellor (Sustainability) and Dean of Health and Life Sciences
- Pro Vice-Chancellor (Skills and Training) and Dean of Arts, Design and Humanities
- Pro Vice-Chancellor (Artificial Intelligence) and Dean of Computing, Engineering and Media
- Pro Vice Chancellor (Pedagogic Transformation) and Dean of Business and Law (interim)
- Executive Director of Marketing and Communications; and
- Executive Director of People Services.

## CONDUCT OF BUSINESS

In the conduct of its formal business, and in addition to a strategic away day, the board meets six times a year. It has a number of formally constituted sub-committees looking at the following areas: Audit and Risk; Finance and Performance; People and Culture; Nominations; and Remuneration, whilst Academic Board oversees scholarly activities on behalf of the board, as the university's academic authority. Each sub-committee has clearly defined and delegated responsibilities as laid out in its respective terms of reference and via the board's Scheme of Delegation.

## **Audit and Risk Committee**

The Audit and Risk Committee regularly meets with external and internal auditors through their attendance at each meeting of the committee, members and auditor meetings, and individual meetings with the committee chair. The committee considers internal audit reports and recommendations for the improvement of the university's systems of internal control, together with management responses and implementation plans. It is responsible for assessing the effectiveness of the external audit process through review and consideration of the annual audit plan, including key areas of audit risk, the external audit management letter, and meeting with the external auditors as necessary. The committee also reviews the annual financial statements and provides a recommendation to the board.

The terms of reference of the Audit and Risk Committee incorporates its role in monitoring and reporting upon the effectiveness of the university's risk management, data quality management, and value for money processes and procedures. The committee gains assurance that the institution has adequate arrangements in place for ensuring economy, efficiency and effectiveness and for the management and quality assurance of data submitted to the OfS and other funding bodies. It is also responsible for monitoring the university's policy on fraud, and ensuring there are satisfactory arrangements in place for handling whistleblowing disclosures, and student complaints.

## **Finance and Performance Committee**

The Finance and Performance Committee considers the annual revenue and capital budgets, and monitors performance in relation to the approved budgets and the five-year financial forecast. The committee also reviews and recommends to the board the university's Financial Regulations, financial policies and accounting policies.. The committee monitors the university's performance in areas including financial sustainability, student recruitment, graduate outcomes, and research activity, among others, and the performance of the university's subsidiary companies, spin-out companies and joint ventures.

## **People and Culture Committee**

The People and Culture Committee considers strategies related to transformation, workforce matters, people-related (i.e. staff and student) business concerning culture and equality, diversity and inclusion, and seeks assurance that the university is compliant with relevant legislation. The committee ensures that the university has policies and practices in place to support employees and to attract, and retain, the highest calibre of talent in the market. The committee seeks assurance on workforce matters on behalf of the Board of Governors, and makes recommendations as appropriate. The committee monitors the progress of the university's Empowering People strategy and initiatives as part of that strategy. It also monitors areas such as the gender, ethnicity and disability pay gaps to ensure the university's approach reflects best practice, and considers workforce risks to ensure mitigations and controls are in place.

## **Nominations Committee**

The Nominations Committee reviews the membership of the Board of Governors, advising on the skills and diversity mix required by the board to fulfil its responsibilities effectively. It also considers the appointment of committee chairs and committee membership, and the recruitment and nomination of new governors, making recommendations to the Board of Governors as appropriate.

## **Remuneration Committee**

The Remuneration Committee determines the annual remuneration of the Vice-Chancellor and members of the University Leadership Board, and receives a report on the annual review of other senior academic and professional services staff.

All committees of the board are required to report in some form to the board. They do so in a variety of ways, including the formal submission of their minutes as well as a summary of outcomes provided by the chairs of the respective committees at board meetings, with key matters reported as substantive agenda items for discussion. In addition, the Audit and Risk Committee, the Finance and Performance Committee, the People and Culture Committee, and Remuneration Committee produce annual reports, which are submitted to the Board of Governors for consideration. The Vice-Chancellor also provides a written report on the broader operation of the university at each board meeting. As appropriate, members of the University Leadership Board are present at meetings of the board to expand, where necessary, on reports and answer questions as they arise and are actively involved in the majority of business at strategic away day meetings of the Board of Governors.

The Board of Governors periodically reviews its own effectiveness in accordance with good practice and Committee of University Chairs (CUC) guidance. At the conclusion of every meeting, the board and committees consider their performance during the meeting to ensure the board's or committee's effectiveness in executing its responsibilities, which informs the approach to agenda and business planning at future meetings. At the end of each academic year, governors are asked to complete an effectiveness self-assessment survey for the board, and any committees of which they are members, to evaluate the overall performance of the board or committee during the academic year. Feedback from the surveys is shared with the board and committees at the first meetings of the next academic year.

In line with the requirements of the CUC Higher Education Code of Governance, the university conducted an independent board effectiveness review during 2024/25. The appointed external consultant, Halpin, presented a positive outcome on the university's governance and concluded that it was 'good to leading-edge'. Alongside 11 commendations, the report made 11 recommendations and eight suggestions that were aimed at moving the university further towards leading-edge practice. These actions will be addressed through 2025/26.

Newly-appointed governors participate in a robust internal induction programme, tailored to their specific needs and experience, which includes them being made aware of their legal and regulatory obligations, as well as their obligations as a trustee of a charitable institution. Additionally, it is a mandatory requirement for governors to attend external training offered by independent organisations, to ensure they are aware of wider higher education governance policy developments and best practice. Governors are also encouraged to proactively identify opportunities for any further training or support that might be required in order for them to better fulfil their duties as governors. As part of an annual appraisal process, governors are asked to consider, and discuss with the Chair, any training opportunities of interest to help inform the Board of Governors' training and development plan. In relation to the conduct of board business, there is considerable opportunity for governors to request additional information through board committees, the board itself, and via the Governance Office.

## **STATEMENT OF RESPONSIBILITIES OF THE BOARD OF GOVERNORS**

In accordance with the university's Instrument and Articles of Government, the Board of Governors is responsible for the oversight of the administration and management (by the University Leadership Board) of the affairs of the university and is required to approve audited financial statements for each financial year. The Board of Governors is responsible for keeping proper accounting records that disclose the financial position of the university and enable it to ensure that the financial statements are prepared in accordance with the university's Instrument and Articles of Government, the Statement of Recommended Practice: Accounting for Further and Higher Education, and other relevant accounting standards. As a Higher Education Corporation, the board, through its designated Accountable Officer, produces financial statements for each financial year, which give a true and fair view of the state of affairs of the university and of the surplus or deficit and cash flows for that year. These statements are also submitted to the OfS as part of the Annual Financial Return.

In preparing these financial statements, the members of the board are required to:

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

The board is required to give a report in the financial statements which includes the legal and administrative status of the university. Members are responsible for keeping adequate accounting records that are sufficient to show and explain the university's transactions and disclose with reasonable accuracy at any time the financial position of the university and enable them to ensure that the financial statements comply with the Royal Charter, its

Articles of Association, the Accounts Direction as issued by the OfS and the Statement of Recommended Practice: Accounting for Further and Higher Education. They are also responsible for safeguarding the assets of the university and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Members are also responsible for ensuring that the funds from the OfS and the Department for Education are used only in accordance with the Terms and Conditions of Funding from the OfS and any other conditions that the regulator may prescribe from time to time. Members must ensure there are appropriate financial and management controls in place in order to safeguard public and other funds and to ensure they are used properly. In addition, members of the board are responsible for securing economical, efficient and effective management of the university's resources and expenditure, so that the benefits that should be derived from the application of public funds by the OfS are not put at risk.

Financial statements are published on the university's website in accordance with legislation in the UK governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the university's website is the responsibility of the members of the board. Members' responsibility also extends to the ongoing integrity of the financial statements contained therein.

## **STATEMENT OF INTERNAL CONTROL**

This statement of internal control relates to the period covered by the financial statements, and the period up to the date of approval of the audited financial statements.

### **Internal control**

The Board of Governors acknowledges its responsibility for ensuring that a sound system of internal control is maintained and confirms that it has reviewed the effectiveness of these arrangements.

The key elements of the university's system of internal control, which is designed to discharge the financial responsibilities of the Board of Governors, include:

- Clear definitions of the responsibilities of, and the authority delegated to, the Board of Governors, its committees, the executive and academic committees of the university, and senior staff of the university, set out in the Scheme of Delegation which is published on the university website.
- Maintenance of a Register of Interests of members of the Board of Governors, and co-opted committee members, the University Leadership Board, and members of the university's Academic Board. The registers are published on the university website.
- A comprehensive short and medium-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and of financial results involving variance reporting and updates of forecast out-turns.

- Clearly defined and formalised requirements for the approval and control of expenditure.
- Procedures for the management of investment and risk.
- Clearly defined procedures for the confirmation of attendance of students for the purposes of ensuring the appropriate draw down of public funding from the Student Loans Company.
- Comprehensive financial regulations, detailing financial controls and procedures, which were reviewed as part of the review of the university's policies and procedures, including detailed anti-fraud, corruption and bribery policies and procedures to ensure the highest standards of ethical conduct.
- A comprehensive Risk Management Framework.
- A professional internal audit service, whose annual programme is approved by the Audit and Risk Committee on behalf of the Board of Governors.
- A continuous review of the effectiveness of the university's system of internal control by the Audit and Risk Committee, on behalf of the Board of Governors.
- Reports from the university's appointed external auditors, including the management letter, which are received by the Audit and Risk Committee.
- The university is contracted with KPMG for the provision of internal audit services. The university agrees with KPMG an annual internal audit plan, which is approved by the Audit and Risk Committee on behalf of the Board of Governors, that covers a range of areas of operation based on risk.
- KPMG engage with the university to establish a detailed understanding of the various areas of operation, enabling them to form a view on the controls that are in place.
- KPMG work with the university to agree a set of recommendations that are then implemented.

The above requirements ensure the effectiveness of the arrangement of statutory and regulatory activity including OfS conditions of registration.

## Risk management

The Board of Governors recognises that effective risk management is an essential element in the framework of good governance. The board has continued to develop its risk management systems, ensuring that they are compliant with the OfS Accounts Direction and good practice guidance such as that issued by the Charity Commission and the Financial Reporting Council.

The system of internal control adopted by the board is designed to set the tone, and embed the culture of risk and resilience management across the university. This is achieved through approving the appropriate risk appetite for the university, and by actively participating in major decisions affecting the university's exposure to risk. It is based on an ongoing process, designed to identify significant strategic and business risks to the achievement of policies, aims and objectives; to evaluate the nature and extent of those risks; and to manage them efficiently, effectively and economically to reduce the impact and likelihood of adverse events occurring. This approach

enables the board to engage in risk management, rather than elimination, and provide assurance that the risk of failure to achieve policies, aims and objectives is being effectively managed.

The university has in place a corporate risk register and a defined approach to risk management. The university's strategic aims and operational objectives drive the organisation's approach to risk management. This is achieved by:

- Ensuring a focus on risks that threaten the university's business model and strategic aims.
- Establishing key operations and the corresponding institutional appetite for risk for these areas.
- Strengthening the connection between business continuity and crisis management as key aspects of enterprise resilience.
- Scoping internal and external factors to identify changes to the risk landscape.

The governance architecture describes the roles and responsibilities of the Board of Governors, the Audit and Risk Committee, the University Leadership Board, and the Risk Management Committee, ensuring clear lines of accountability and communication. The University Leadership Board are the owners of the corporate risk register and receive advice and updates from the Risk Management Committee, which undertakes detailed scrutiny of local risk registers and the operation of risk management across the university. To provide appropriate oversight, the Audit and Risk Committee receives biannual updates to the university's risk landscape, focusing on updates to the university's most significant risks or any risks outside of tolerance. These updates are also shared with the Board of Governors.

This process has been cascaded into the university's faculties and directorates, ensuring that there is a consistent and aligned approach to risk management through which risks are managed at the most appropriate level in the institution. Training delivered recently through an external provider will also ensure that expertise in risk management is adopted across the whole institution.

The risk management approach recommends an annual, independent appraisal of the effectiveness of risk management across the university takes place. This is aligned to existing reporting processes, via the Audit and Risk Committee to the Board of Governors, on the effectiveness of internal control systems.

Each of the persons who is a Governor, having made enquiries of fellow members of the Board of Governors and the University's auditors, at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant information of which the University's auditors are unaware; and
- They have taken all reasonable steps they ought to have taken as a Board of Governors in order to make themselves aware of any relevant audit information and to establish that the University's auditors are aware of that information.



# Chancellor, Board of Governors & Committees, University Leadership Board & Professional Advisers

## CHANCELLOR

**Mr Akram Khan** MBE

## BOARD OF GOVERNORS

**Mr Ian Squires** BA (Hons) (Chair of the Board)

**Ms Tamera Campbell** BA PGDip MBA

*Appointed February 2025*

**Mr Peter Collyer** Chartered FCIPD

*Stepped down December 2024*

**Ms Alison Court** BA MBA

**Mr Stuart Dawkins** BA MSc MBA

**Mr Vivek Ganotra** BSc MBA

**Mr Jonathan Kerry** BA MA

**Mr Jonathan Mills** CB MA MPhil

**Mr Patrick Moody** LLB

**Mr Abdul Mullick** BA (Oxon) MA

**Ms Catherine Njoroge** BComm CPA

*Appointed July 2025*

**Ms Sardip Sandhu** BSc (Hons) PGCert

**Ms Beverley Shears** PGDip MA FRSA Chartered CIPD FIoD

**Ms Shikha Singh** BA MSc

**Mr Peter Tansley** BA (Hons) CGMA CIMA CMIIA

**Mr Paul Woodgates** BA (Hons) ACA

## STAFF AND STUDENT GOVERNORS

**Mr Phil Grierson** BA MA (professional services staff representative)

**Mrs Buddy Penfold** BA PGCert MA (academic staff representative)

*Tenure ended July 2025*

**Ms Priya Karasala** BA (Opportunities and Engagement Executive Officer)

*Appointed September 2024, tenure ended June 2025*

**Ms Dilpreet Kaur** (Student Voice Leader for Inclusion and Wellbeing)

*Appointed July 2025*

**Ms Judith Olurankinse** MA (Union Development Executive)

*Appointed February 2025, tenure ended June 2025*

**Ms Komal Shahzadi** (Equality and Diversity Executive Officer)

*Appointed September 2024, stepped down January 2025*

**Ms Twig Smalley** BSc (Hons) (Student Voice Leader Communities)

*Appointed July 2025*

## CO-OPTED MEMBERS

**Mr Phil Clarke** BA (Hons) (Finance and Performance Committee)

**Professor Fiona Cownie** FACSS FRSA PFHEA (Audit and Risk Committee)

**Ex-officio governor – Chief Executive and Vice-Chancellor**

**Professor Katie Normington** BA (Hons) MA PhD

## GOVERNOR APPRENTICE

**Shreena Dasani** BSc

*Appointed January 2025*

## REGISTRAR (ACADEMIC) AND SECRETARY TO THE BOARD OF GOVERNORS

**Ms Nikki Pierce** BSc (Econ) MBA MPhil

## COMMITTEES OF THE BOARD OF GOVERNORS

### Audit and Risk Committee

Mr Peter Tansley (Chair)  
Ms Alison Court  
Professor Fiona Cownie (co-opted)  
Mr Jonathan Kerry  
Mr Patrick Moody  
Mr Abdul Mullick  
Ms Catherine Njoroge (from July 2025)

### Finance and Performance Committee

Mr Paul Woodgates (Chair)  
Mr Phil Clarke (co-opted)  
Mr Stuart Dawkins  
Mr Jonathan Mills  
Professor Katie Normington (*ex officio*)  
Ms Shikha Singh  
Mr Ian Squires

### People and Culture Committee

Ms Beverley Shears (Chair)  
Ms Tamera Campbell (from February 2025)  
Mr Peter Collyer (until December 2024)  
Mr Vivek Ganotra  
Professor Katie Normington (*ex officio*)  
Ms Sardip Sandhu  
Mr Ian Squires

### Nominations Committee

Mr Ian Squires (Chair)  
Mr Peter Collyer (until December 2024)  
Ms Alison Court  
Mr Phil Grierson  
Professor Katie Normington (*ex officio*)  
Ms Judith Olurankinse (from February 2025 – June 2025)  
Ms Sardip Sandhu  
Ms Komal Shahzadi (from September 2024 – January 2025)

### Remuneration Committee

Mr Peter Collyer (Chair until December 2024) (until December 2024)  
Ms Shikha Singh (Chair from January 2025)  
Ms Beverley Shears  
Mr Ian Squires

## UNIVERSITY LEADERSHIP BOARD

**Professor Katie Normington** (Chief Executive and Vice-Chancellor) BA (Hons), MA, PhD

**Professor Mike (Michail) Kagioglou** (Deputy Vice-Chancellor Planning, Research and Innovation) BEng (Hons), MSc, PhD, FHEA, Cmgr, FCMI, FRS NSW, FRICS, FCIOB

**Professor Susan Orr** (Deputy Vice-Chancellor Education, Equalities and Student Experience)  
Ed D, HEA PF, NTF, CATE, FRSA

*Left May 2025*

**Professor Lisa Stansbie** (Deputy Vice-Chancellor Education, Equalities and Student Experience) MA, PhD

*(Joined September 2025)*

**Professor Alasdair Blair** (Interim Pro Vice-Chancellor Academic) MA (Hons), PGCert, MA, MA, MBA, MSc, PhD, FRHistS, FCMI, CMBE, SCMALT, SFSEDA, PFHEA, NTF

*June – August 2025*

**Mr Simon Bradbury** (Pro Vice-Chancellor International) MA (Cantab), DipArch, RIBA, ARB, FHEA

**Ms Jill Cowley** (Pro Vice-Chancellor Extended Education and Director of DMU London) BA, SFHEA

**Professor Leanne de Main** (Pro Vice-Chancellor Pedagogic Transformation and Interim Dean of the Faculty of Business and Law) BA, PgCertHE, MA, PhD, ACMALT, PFHEA, CMBE

*February – September 2025*

**Professor Simon Oldroyd** (Pro Vice-Chancellor Sustainability and Dean of Health and Life Sciences) BSc (Hons), PhD, FIBMS

**Professor Shushma Patel** (Pro Vice-Chancellor for Artificial Intelligence, and Dean of the Technology, Arts and Culture Faculty) BSc (H) PhD FBCS, CITP, PFHEA, NTF

**Professor Kasim N Sheikh** (Pro Vice-Chancellor for Social Justice and Dean of the Faculty of Business and Law) PhD

*(Joined September)*

**Professor Heather McLaughlin** (Dean of Faculty of Business and Law) BA, MSc, PhD, FCA, Cmgr, FCMI, SFHEA, CMBE

*Left January 2025*

**Ms Bridget Donoghue** (Executive Director of People Services) CIPD

**Mrs Melanie Fowler** (Executive Director of Marketing and Communications) BSc (Hons), MA

**Ms Tracey Jessup** (Chief Transformation and Resources Officer) MA (Hons)

**Ms Debbie Muddimer** (Executive Director of Finance and Procurement) PGDip, FCPFA

**Ms Nikki Pierce** (Registrar [Academic] and Secretary to the Board of Governors) BSc Econ (Hons), MBA, MPhil

## PROFESSIONAL ADVISERS TO THE CORPORATION

### Auditors

External Auditors: BDO LLP

Internal Auditors: KPMG LLP

### Bankers

National Westminster Bank plc.

## Members of the Board of Governors who served throughout the year ended 31 July 2025

Their eligibility and attendance as members of the Board of Governors, Audit and Risk Committee, Finance and Performance Committee, People and Culture Committee, Nominations Committee and Remuneration Committee are shown below:

	Governor attendance at meetings 2024/25	Board meetings		Audit and Risk		Finance and Performance		People and Culture		Nominations		Remuneration	
		Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
1	Ian Squires	7	7	-	-	5	4	4	3	2	2	2	1
2	Tamera Campbell	3	0	-	-	-	-	2	2	-	-	-	-
3	Peter Collyer	4	2	-	-	-	-	1	1	1	1	1	1
4	Alison Court	7	4	5	3	-	-	-	-	2	0	-	-
5	Stuart Dawkins	7	6	-	-	5	5	-	-	-	-	-	-
6	Vivek Ganotra	7	5	-	-	-	-	4	2	-	-	-	-
7	Phil Grierson	7	7	-	-	-	-	-	-	2	2	-	-
8	Priya Karasala	6	4	-	-	-	-	-	-	-	-	-	-
9	Jonathan Kerry	7	5	5	4	-	-	-	-	-	-	-	-
10	Dilpreet Kaur	1	1	-	-	-	-	-	-	-	-	-	-
11	Jonathan Mills	7	6	-	-	5	3	-	-	-	-	-	-
12	Patrick Moody	7	3	5	3	-	-	-	-	-	-	-	-
13	Abdul Mullick	7	5	5	3	-	-	-	-	-	-	-	-
14	Katie Normington	7	7	**	**	5	5	4	2	2	1	**	**
15	Catherine Njoroge	1	1	-	-	-	-	-	-	-	-	-	-
16	Judith Olurankinse	2	2	-	-	-	-	-	-	1	1	-	-
17	Buddy Penfold	7	6	-	-	-	-	-	-	-	-	-	-
18	Sardip Sandhu	7	5	-	-	-	-	4	3	2	0	-	-
19	Beverley Shears	7	5	-	-	-	-	4	4	-	-	2	0
20	Shikha Singh	7	6	-	-	5	4	-	-	-	-	2	2
21	Twig Smalley	1	1	-	-	-	-	-	-	-	-	-	-
22	Peter Tansley	7	4	5	5	-	-	-	-	-	-	-	-
23	Paul Woodgates	7	7	-	-	5	5	-	-	-	-	-	-
24	Phil Clarke	-	-	-	-	5	5	-	-	-	-	-	-
25	Fiona Cownie	-	-	5	4	-	-	-	-	-	-	-	-

\*\*May attend these meetings in a ULB capacity, but not a member of those committees



# Independent auditor's report to the Board of Governors of De Montfort University

## Opinion on the financial statements

In our opinion, the financial statements:

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

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

## Basis for opinion

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

## Independence

Following the recommendation of the Group Audit and Risk Committee, we were appointed by the Governors of De Montfort University on 16 December 2024 to audit the financial statements for the year ending 31 July 2025 and subsequent financial periods. The period of total uninterrupted engagement including retenders and reappointments is five years, covering the years ending 31 July 2021 to 31 July 2025.

We remain independent of the Group and the University in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services prohibited by that standard were not provided to the Group or the University.

## Conclusions relating to going concern

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

Our evaluation of the Governors' assessment of the Group and the University's ability to continue to adopt the going concern basis of accounting included:

- Assessment of the internal forecasting process to confirm the projections are prepared by appropriate personnel who are aware of the detailed figures in the forecast but also to have a high-level understanding of the University's market, strategy and profile in the sector, and the ongoing impact of the current economic environment.
- Consideration of the forecast prepared by management, including comparison to prior year actuals, challenge of the key assumptions based on our knowledge of the business and checking the mathematical accuracy of the forecasts.
- Obtaining and assessing details of the availability of financing facilities, the nature of facilities and repayment terms through to 31 July 2027.
- Consideration of management's financial covenant compliance calculations through to 31 July 2027 and concluding on the consistency of such calculations with the ratios stated in the relevant lender agreements.
- Consideration of ongoing legal matters and the completeness of cash outflows in the forecasts.
- As referred to in note 1 of the Statement of Principal Accounting Policies, management has modelled a stress test scenario to incorporate a downturn in future income. We have considered the appropriateness of this scenario in respect of the impact of the current economic environment and challenged management to confirm that they have suitably addressed the inputs, that are most susceptible to change, including those in respect of revenue.
- Consideration of the adequacy of the disclosures in the financial statements against the requirements of the accounting standards and consistency of the disclosure against the forecasts and stress test scenario.

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

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

## Overview

		2025	2024
Key audit matters	Income recognition – deferral of tuition fee income	Yes	Yes
	Income recognition – recognition of research income	Yes	No
	Transactions with a partner – revenue and payroll recognition	No	Yes
	Transactions with a partner is no longer considered to be a key audit matter as the partnership arrangement ceased at the end of the prior year.		
Materiality	<b>Group financial statements as a whole</b>		
	£3,430,000 (2024: £3,565,000) based on 1.35% (2024: 1.35%) of income. A specific materiality of £500 (2024: £500) was determined for our testing of Head of Provider remuneration and £5,000 for our testing of pay band disclosure for Higher Paid Staff.		

### An overview of the scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, the applicable financial reporting framework and the Group's system of internal control. On the basis of this, we identified and assessed the risks of material misstatement of the Group financial statements including with respect to the consolidation process. We then applied professional judgement to focus our audit procedures on the areas that posed the greatest risks to the group financial statements. We continually assessed risks throughout our audit, revising the risks where necessary, with the aim of reducing the group risk of material misstatement to an acceptable level, in order to provide a basis for our opinion.

### Components in scope

There are three entities within the Group, including the Parent University. The nature of the entities in the Group are as follows:

- One Parent entity, which is the University that provides higher and further education services for the public benefit.
- One entity is a company that provides temporary recruitment agency (Unitemps) solutions.

- One entity is a company set up to employ staff for the DMU London campus. This company commenced trading in the year.

We performed risk assessment procedures to identify areas in the Group's financial statements that may be at risk of material misstatement. We used both qualitative and quantitative factors to perform this assessment including evaluating the size, complexity, and nature of each entity's activities, reviewing significant transactions or estimates and any changes in the business environment. The Group is centrally managed, with the Group Finance team controlling the processes and controls for all entities within the Group.

We identified the specific areas that could lead to a material misstatement at Group level. As part of our Group audit, we assessed each component against the risks of material misstatement identified.

### Procedures performed at the component level

For components in scope, we used a combination of risk assessment procedures and further audit procedures to obtain sufficient appropriate evidence to support the Group opinion. We performed procedures to respond to group risks of material misstatement at the component level that included the following:

Component	Component Name	Entity	Group Audit Scope
1	De Montfort University (DMU)	De Montfort University	Statutory audit and procedures on the entire financial information of the component.
2	De Montfort Expertise Limited (DMEL)	De Montfort Expertise Limited	Procedures on one or more classes of transactions, accounts balances or disclosures.
3	Innovative Educational Partnerships Limited (IEPL)	Innovative Educational Partnerships Limited	No specific audit procedures for the group audit opinion.

The Group engagement team has performed all procedures directly and has not involved component auditors in the Group audit.

## Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified, including those which

had the greatest effect on: the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Key audit matter

### How the scope of our audit addressed the key audit matter

#### Income recognition – deferral of tuition fee income

(Accounting policy – 7 i; Tuition fee income payments received in advance £43,767,000 – note 16)

We assessed there to be a risk over the deferral of tuition fee income due to the significance of the calculation in the amount of revenue recognised during the year, and the complexities surrounding the number of courses and their dates spanning the year end.

We therefore identified the deferral of tuition fees as a significant risk and a key audit matter.

We selected a sample of students from the student registry system to confirm that there was evidence that the required identity checks have been completed, that the student had been in attendance for the whole of the academic year, the amount billed to the student was in agreement with the published fees for the course for which the student had registered, the income had been recognised in the tuition fee nominal ledger and the student had settled the invoice.

We obtained the deferred income calculations from management and reperformed the calculations to confirm they were mathematically accurate.

We selected a sample of students from the deferred tuition fee listing to confirm the dates of the courses spanning the year end, the amount billed to the student agreed to the published fees for the course for which the student had registered and to confirm the student was correctly included on the deferred tuition fee listing and that the income had been correctly deferred at the year end.

**Key observations:** Based on the procedures performed, the accounting for the deferral of tuition fee income is materially correct.

#### Income recognition – recognition of research income

(Accounting policy – 7 iii; Research grants and contracts income of £4,944,000 – note 1c; Research grants received on account of £3,146,000 – note 16)

We assessed there to be a risk over government and non-government research income recognised under the performance model. As a result of the complexities in identifying and understanding performance conditions within research grants, and determining whether the performance conditions are satisfied, we identified the recognition of research income as a significant risk and a key audit matter.

We inspected a sample of research grant agreements to check whether the performance conditions have been appropriately identified.

For a sample of grants recognised within research income, we obtained evidence to check whether the performance condition(s) had been satisfied during the period.

For a sample of grants, we obtained evidence to check whether any additional performance condition(s) were satisfied and whether the income recognised is complete.

**Key observations:** Based on the procedures performed, the accounting for research income is materially correct.

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions, could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality,

to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole and performance materiality as follows:

	Group financial statements		University financial statements	
	2025 £	2024 £	2025 £	2024 £
Materiality	3,430,000	3,565,000	3,400,000	3,560,000
Basis for determining materiality	1.35% of revenue	1.35% of revenue	1.35% of revenue	1.35% of revenue
Rationale for the benchmark applied	Revenue is of particular interest to the users of the financial statements as the success of both research and student enrolment is linked to this figure.			
Performance materiality	2,058,000	2,139,000	1,955,100	2,135,000
Basis for determining performance materiality	60% of materiality	60% of materiality	60% of materiality	60% of materiality
Rationale for the percentage applied for performance materiality	We have determined that 60% of materiality is an appropriate basis for performance materiality based on our previous experience of the audit and factors such as low levels of misstatements previously identified partially offset by the number of areas of the financial statements subject to significant estimation uncertainty.			

## Specific materiality

A specific materiality of £500 (2024: £500) was determined for our testing of Head of Provider remuneration and £5,000 (2024: £5,000) for our testing of the pay band disclosure for Higher Paid Staff.

## Component performance materiality

For the purposes of our Group audit opinion, we set performance materiality for each component of the Group, apart from the Parent University whose materiality and performance materiality are set out above, based on a percentage of between 0.1% and 70% of Group performance materiality dependent on a number of factors including our assessment of the risk of material misstatement of those components. Component performance materiality ranged from £65,400 to £1,955,100.

## Reporting threshold

We agreed with the Group Audit and Risk Committee that we would report to them all individual audit differences in excess of £68,600 (2024: £70,000). We also agreed to report differences below this threshold that, in our view, warranted reporting on qualitative grounds.

## Other information

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



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

We have nothing to report in this regard.

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

In our opinion, in all material respects:

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

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

- The University’s grant and fee income, as disclosed in note 1g to the accounts, has been materially misstated.
- The University’s expenditure on access and participation activities for the financial year, as has been disclosed in note 6 to the accounts, has been materially misstated.

**Responsibilities of Governors**

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

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

**Auditor’s responsibilities for the audit of the financial statements**

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

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

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

*Non-compliance with laws and regulations*

Based on:

- our understanding of the Group and the sector in which it operates;
- discussion with management, the Legal & Governance team, and those charged with governance and the Group Audit and Risk Committee;
- obtaining an understanding of the Group’s policies and procedures regarding compliance with laws and regulations; and
- direct representation from the Accountable Officer

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

The Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations. We identified such laws and regulations to be registration with the Office for Students and the University’s ongoing conditions of registration.

Our procedures in respect of the above included:

- review of minutes of meetings of those charged with governance for any instances of non-compliance with laws and regulations;
- review of correspondence with regulatory and tax authorities for any instances of non-compliance with laws and regulations;

- review of financial statement disclosures and agreeing to supporting documentation; and
- review of legal expenditure accounts to understand the nature of expenditure incurred.

### Fraud

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

- enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- obtaining an understanding of the Group's policies and procedures relating to:
  - Detecting and responding to the risks of fraud; and
  - Internal controls established to mitigate risks related to fraud.
- review of minutes of meetings of those charged with governance for any known or suspected instances of fraud;
- discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, including the posting of inappropriate journals to manipulate financial results and management bias in accounting estimates. In addition, we considered income recognition an area to be susceptible to fraud, particularly in relation to the recognition of tuition fee revenue in line with course dates, income recognised in relation to partnership arrangements where the University sub-contracted some of their courses to other entities, income recognition in relation to research grant income and the posting of journals to material revenue streams.

Our procedures in respect of the above included:

- testing all journal entries throughout the year, which met defined risk criteria, by agreeing to supporting documentation;
- a review of estimates and judgements applied by management in the financial statements to assess their appropriateness and the existence of any systematic bias;
- in addressing the risk of fraud through improper income recognition:
  - we tested the application of cut-off and revenue recognition for a sample of students and re-performed the deferred income calculation for tuition fees;
  - we tested a sample of partnership income transactions;
  - we tested a sample of research grant contracts to the performance conditions noted in their agreements;
  - we tested the appropriateness of certain journals to material revenue streams; and

- a review of unadjusted audit differences for indications of bias or deliberate misstatement.

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

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

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

### Use of our report

This report is made solely to the Governors, as a body, in accordance with Section 75 of the Higher Education Research Act 2017 and the charters and statutes of the University. Our audit work has been undertaken so that we might state to the University's Governors 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 Governors as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Samantha Lifford*

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### Samantha Lifford (Senior Statutory Auditor)

For and on behalf of BDO LLP, Statutory Auditor

Birmingham, UK

Date: 19 December 2025

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

# Principal Accounting Policies

The following accounting policies have been applied consistently throughout the period to items that are considered material in relation to the accounts. These accounting policies have been reviewed by the Board of Governors and are considered to be appropriate to the university's activities.

## 1. BASIS OF PREPARATION

### Going Concern

These financial statements have been prepared on a going concern basis which the Governing Body believe to be appropriate for the following reasons:

The Higher Education Sector continues to operate in an extremely challenging financial environment. This challenge is driven by an historically capped fee in relation to home undergraduate students, inflationary pressures and more recently a major fall in UK admissions from overseas students due to changes in Home Office regulations on immigration. The fall in international students has disrupted both home and overseas recruitment patterns across the sector, and higher tariff institutions have over recruited home students to make up their shortfalls.

In response to this challenge, we continue to review how we operate as a university to ensure that we are focussing on the achievement of the targets and KPIs within our Empowering University Strategy. Our focus also remains on efficient delivery which supports the overall financial sustainability of the university.

The university has carried out detailed analysis and scenario planning to provide assurance in its ability to achieve long term financial sustainability, beyond going concern requirements.

The university maintains a 5 year outlook on financial planning and sustainability through the development and monitoring of the Medium Term Financial Plan (MTFP). The MTFP 2025/26 to 2029/30 was approved by the Board of Governors in July 2025 and highlighted the need for improved efficiencies to counter the impact of inflation, fixed fees for home students and an anticipated reduction in student recruitment in September 2025.

The approved budget for 2025/26 has been updated to reflect the latest student recruitment numbers. This provides a current forecast of income levels for the year and has been extrapolated into future years to inform the view taken in relation to the ability of the university to operate on a going concern basis. Through a Creating Financial Sustainability programme, the university has identified and commenced the implementation of a series of mitigating actions to reduce expenditure in the current and future financial years to ensure that financial strength can be delivered in the medium to long term. These include reviewing levels of revenue and capital

investment and reducing non-essential spend while longer term actions are managed. The university has a strong track record of financial management and cost control and has demonstrated that it can successfully deliver in year improvements to forecast outturn. The mitigations identified for 2025/26 are sufficient to ensure the University can operate within the financial covenant associated with the bond, the debt service ratio. The projected bond covenant position for 31 July 2026 and 31 July 2027 is 1.8% and 1.9% respectively, with the maximum being 7% before the covenant is breached. The scenario planning undertaken shows that even in the worst-case scenario for 2026/27, this ratio would be 3.1%.

The university's financial position is underpinned by strong cash balances and high levels of liquidity. Cashflow projections have been prepared for at least twelve months from the date of approval of these consolidated financial statements and cover the period to 31 July 2027. The improved outturn for 2024/25 and position for 2025/26 has driven an improvement in cash projections compared to July 2025.

Stress testing was performed on the 2026/27 figures by assuming a reduction in student numbers and increased expenditure. In addition, a further worst-case scenario was considered whereby, DMU have no overseas tuition fee income in 2026/27 resulting in a decrease of c32% to our forecast income. As expected in both scenarios, there was a drop in our liquidity position but DMU maintained a resilient cash and investments balance whilst continuing to be compliant with our bond covenants.

We continue to focus on maintaining strength in our liquidity as well as the financial position so as to place the university in a strong position to safeguard its long-term financial sustainability.

Based on the above analysis, it remains appropriate to prepare the consolidated and University financial statements on a going concern basis.

## 2. ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) as interpreted by the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019. The university complies with the Office for Students (OfS) Accounts Direction.

The University meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Institution has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the Institution in its separate financial statements.

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

### 3. ACCOUNTING JUDGEMENTS AND ESTIMATES

In the application of the University's accounting policies, it is necessary to make judgements and estimates about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### Judgements

The following are the judgements that have been taken in the process of applying the University's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### i) Research grants and contract

Grants and donations from non-government sources are released to the Consolidated Statement of Comprehensive Income as performance criteria are met. Revenue is recognised when these conditions are judged to have been met.

##### ii) Bad and doubtful debts

Specific provision is made for individual debts where recovery is deemed to be uncertain and this requires an element of judgement.

##### iii) Impairment of tangible assets

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

Management has exercised judgement in assessing whether there are indicators of impairment. Following a review of market conditions and the expected future use of two buildings, management determined that the recoverable amount was lower than its carrying amount. The recoverable amount has been estimated based on its fair value less costs to sell using market valuation evidence. As a result, an impairment loss of £8.2m has been recognised in the Statement of Comprehensive Income. The amount recognised is considered material and therefore has been disclosed separately on the face of the Statement of Comprehensive Income.

#### iv) Local Government Pension Scheme (LGPS) Asset Restriction

The present value of the defined benefit obligation at the reporting date is less than the fair value of the plan assets at that date. As such, our Local Government Pension Scheme is in a surplus position. The defined benefit plan asset on this scheme has been restricted to £Nil because there is no legal right to recover the surplus through reduced contributions or refunds.

#### Estimates

The following are the key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year:

##### i) Useful lives of tangible fixed assets

Tangible fixed assets represent a significant portion of the University's total assets. Therefore, the estimates of the useful lives over which assets are depreciated could have a significant impact on the University's financial performance. Tangible fixed assets are depreciated over their useful lives, considering residual values where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In reassessing asset lives, factors such as technological innovation and maintenance programmes are considered.

Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

##### ii) Useful lives of intangible assets

Intangible assets (software) are amortised on a straight-line basis over their estimated useful lives. The useful lives and residual values are assessed annually after considering a number of factors such as technology innovation.

##### iii) Local Government Pension Scheme

The local government pension scheme is sensitive to the actuarial assumptions used. Therefore, the assumptions used to derive this value could have a significant impact on the University's financial performance. The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note (27d) in the Annual Accounts, will impact the carrying amount of the pension liability.

Furthermore, a roll forward approach, which projects results from the latest full actuarial valuation performed at 31 March 2022, has been used by the actuary in valuing the pensions liability at 31 July 2025.

Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.



The estimated value of the university's share of assets in the Fund has been determined by the Fund actuary by updating the share from the full actuarial valuation as at 31 March 2022. While the estimate is based on the latest available information at the year-end date, it includes assumptions around benefits paid and investment returns. It is acknowledged that small movements in assumptions used to inform the asset value can have significant impact on this value. Any adjustments to the asset share resulting from the completion of the next actuarial valuation as at 31 March 2025 will be recognised in the financial statements for the year ended 31 July 2026.

**iv) Bad and doubtful debts**

A provision for bad and doubtful debts is calculated using a formula based on the age of the overdue debt.

The formula is applied consistently from year to year but necessarily requires a degree of estimation. Every year, each category of debtor is reviewed for risk of non-payment which requires a degree of judgement.

Included within trade and other receivables is a bad debt provision of £12.0m (2024: £9.8m).

**v) Retirement benefit obligations**

The university also operates within two schemes that are accounted for as defined contribution schemes – the Universities Superannuation Scheme (USS) and the Teachers' Pension Scheme (TPS). These are accounted for as defined contribution schemes as insufficient information is available to identify the university's share of the underlying assets and liabilities.

A provision is made for any contractual commitment to fund any past deficits within the Universities Superannuation Scheme.

**4. TANGIBLE FIXED ASSETS**

**i) Measurement at initial recognition**

Tangible assets are capitalised if they are capable of being used for a period that exceeds one year and:

- Individually have a cost equal to or greater than £10,000
- or
- Collectively have a cost equal to or greater than £10,000 where the assets are functionally interdependent or are purchased together and intended to be used as group under common management control
- or
- Irrespective of their individual cost, form part of the initial equipping of a new building

**ii) Measurement after initial recognition**

Land and buildings inherited from Leicestershire County Council on 1 April 1989, and prime teaching buildings, that had been revalued to fair value on 30 May 2012, are measured at deemed cost, being the revalued amount at the date of that revaluation, less depreciation since that date.

All other tangible fixed assets are stated at cost.

Assets held for resale are stated at the lower of cost or net realisable value.

A review for impairment of buildings is carried out annually. If events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable, an impairment charge is made to the Consolidated Statement of Comprehensive Income.

Componentisation is built into the asset lives of the buildings. When significant components are replaced, they have their asset lives individually assessed.

**iii) Depreciation**

Land is not depreciated. Freehold property is depreciated over expected useful life on a straight-line basis. For existing properties, new construction and major renovations, the expected useful life is based on an external appraisal and reflects all of the buildings' major components. Refurbishment projects are depreciated over 20 years.

Leasehold property, including improvements to leasehold property, and other leased assets are depreciated over the life of the lease. Other tangible assets are depreciated on a straight-line basis over their useful life as follows:

Equipment	Lifespan
Computer equipment	Four to seven years
Other equipment and furniture	Five years
Equipment acquired for specific projects	Over the life project (generally three years)
Expenditure which extends useful life	Over additional useful life

Buildings	Lifespan
University-owned buildings	Over expected useful life (20 to 50-plus years)
Leasehold property	Over life of lease

All assets are depreciated in the month after they are put into service.

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

Depreciation on disposals is provided up to the month before the asset is taken out of use.

**iv) Funded tangible fixed assets**

Where assets are acquired with the aid of specific grants or donations they are capitalised and depreciated as above.

All non-government grants are released to the Consolidated Statement of Comprehensive Income as donations, as performance criteria are met.

Government grants and donations are treated as deferred capital grants and released to income over the expected useful life of the asset (or the period of the grant in respect of specific projects).

Grants received in respect of land are released to the Consolidated Statement of Comprehensive Income and shown under 'Donations and Endowments' when performance-related conditions are met.

#### v) Tangible donated fixed assets

Tangible fixed assets other than land that have been donated to the university are capitalised at market value.

All non-government donations are released to the Consolidated Statement of Comprehensive Income as donations.

Government donations are treated as deferred capital grants. Assets are depreciated over their estimated useful lives, and a corresponding amount is released from deferred capital grants to the Consolidated Statement of Comprehensive Income.

#### vi) Software licences

IT software licences are treated as a revenue cost and are charged to the Consolidated Statement of Comprehensive Income in the year of purchase.

IT software development is treated as an intangible asset.

#### vii) Maintenance of premises

The cost of routine maintenance is charged to the Consolidated Statement of Consolidated Income in the period in which it is incurred. The university has a long-term planned maintenance programme, which is reviewed on an annual basis. The university charges actual expenditure on long-term planned maintenance to the Consolidated Statement of Comprehensive Income in the period in which it is incurred.

#### viii) Heritage assets

Heritage assets are defined as assets that are held principally for their contribution to knowledge and culture.

An independent antiques and fine art assessor valued the heritage assets as at 12 March 2016 on the basis of the value for insurance purposes. Those assets, which are valued either individually or as a group at or in excess of £10,000, are recognised in the Consolidated Statement of Financial Position at deemed cost, being this valuation.

Heritage assets are not depreciated since their long economic life and high residual value are an indication that any depreciation charge is immaterial. They are subject to an annual impairment review at the reporting date. They are maintained and the cost of maintenance charged to the Consolidated Statement of Comprehensive Income as incurred. A revaluation has not been performed based on our assessment, that this cannot be obtained at a cost which is commensurate with benefits to the user of the financial statements.

#### ix) Investment properties

An investment property can comprise land, buildings or part of a building and is one that is used to earn rentals or for capital appreciation or for both, rather than for the supply of goods or services. Property that is used with a primary purpose of supporting education does not meet the definition of an investment property and is accounted for as a tangible fixed asset.

Mixed use property is separated between investment property and fixed assets where rental income is considered material. Where the fair value of the investment property component cannot be measured reliably without undue cost or effort the entire property is accounted for as a tangible fixed asset.

After initial recognition at cost, an investment property is measured at fair value, with any changes in fair value recognised immediately within gains or losses on investments in the Consolidated Statement of Comprehensive Income. Investment properties are not depreciated but are revalued or reviewed as at 31 July each year.

### 5. INTANGIBLE ASSETS

Intangible assets purchased separately are initially recognised at its cost. Intangible assets acquired through business combinations are recognised at their fair value at the acquisition date. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Expenditure on research is recognised in the Statement of Comprehensive Income as incurred. Development costs (including staff costs) are capitalised only where they meet the recognition criteria set out in FRS 102.

Intangible assets are reviewed for indicators of impairment at each reporting date and are written down to their recoverable amount if lower than carrying value.

Intangible assets expected useful life are as follows:

Intangible Asset	Lifespan
Software	Over expected useful life (3 to 10 years)

### 6. LEASES

Rental costs under operating leases are charged to the Consolidated Statement of Comprehensive Income in equal amounts over the periods of the leases. Any lease premiums or incentives are spread over the minimum lease term.

### 7. REVENUE

#### i) Tuition fees

Revenue from tuition fees represents student fees received and receivable that are attributable to the studies undertaken in the current accounting period. Where the amount of the tuition fee is reduced by a discount then the income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

#### **ii) Funding body grants**

Income from Office for Students (OfS) recurrent grants is in support of general or specific revenue activities of the university. The income is credited direct to the Consolidated Statement of Comprehensive Income on an accruals basis.

Other government grant income is recognised in income on an accruals basis.

Government capital grants and contributions received by the university to finance the construction or purchase of capital assets are accounted for as deferred capital grants and released to the Consolidated Statement of Comprehensive Income over the expected useful life of the related assets (or the period of the grant in respect of specific projects).

Deferred income in respect of the OfS capital grant, which is attributable to subsequent years, is shown and is reported under creditors due within one year and falling due after more than one year in the Consolidated Statement of Financial Position.

#### **iii) Research grants and contracts**

Research grants from government and non-government sources are released to the Consolidated Statement of Comprehensive Income as performance criteria are met.

#### **iv) Commercial research and consultancy revenue**

Revenue from commercial research contracts, consultancy and other services rendered is recognised using the 'percentage of completion' method and is shown under 'Research'.

#### **v) Other Income**

Other 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 customers or the terms of the contract have been satisfied.

#### **vi) Investment Income**

All income from short-term deposits and endowment asset investments is credited to the Consolidated Statement of Consolidated Income on a receivable basis and is shown under 'Investment Income'.

#### **vii) Donations and Endowments**

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

Endowment assets are reported under investments and cash and cash equivalents.

#### **viii) Donations with no restrictions**

Charitable donations with no restrictions are recognised in the Consolidated Statement of Comprehensive Income when the charitable donation has been received or if, before receipt, there is sufficient evidence to provide the necessary certainty that the donation will be received and the value of the incoming resources can be measured with sufficient reliability. This includes all donations under £1,000.

#### **ix) Donations and endowments with restrictions**

Where charitable donations are to be retained for the benefit of the institution as specified by the donors, these are accounted for as restricted reserves with additional disclosure provided within the notes to the accounts.

**There are three main types:**

##### **Restricted expendable endowments**

The donor has specified a particular objective. These are recorded in the Consolidated Statement of Comprehensive Income on entitlement and retained within a restricted endowment reserve until such time that expenditure is incurred in line with the restriction. The university applies a de-minimis of £5,000 for expendable endowments.

##### **Donations with restrictions**

The donation doesn't meet the expendable endowment criteria where the general use of the funds is specified by the donor. These are recorded in the Consolidated Statement of Comprehensive Income on entitlement and retained within a restricted reserve until such time that expenditure is incurred in line with the restriction.

##### **Restricted permanent endowments**

The donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective. Income is recognised on entitlement. Investment returns are recognised immediately and held within the endowment reserve, to the extent that it has not been spent.

Income from restricted endowments not expended in accordance with the restrictions of the endowment is transferred from the Consolidated Statement of Comprehensive Income to restricted endowments. However, income arising from permanent endowments is retained with the Consolidated Statement of Comprehensive Income and is not transferred back to endowment reserves.

Any realised gains or losses from dealing in the related assets are retained within the endowment in the Consolidated Statement of Financial Position.

##### **x) Donations for fixed assets**

All non-government donations are released to the Consolidated Statement of Comprehensive Income as donations. Government donations are treated as deferred capital grants.

Donations received to be applied to the cost of land are recognised by inclusion as 'Donations' in the Consolidated Statement of Comprehensive income.

#### **xi) Gifts in kind, including donated tangible fixed assets**

Gifts in kind are included in 'other income' or 'deferred capital grants' as appropriate using a reasonable estimate of their gross value or the amount actually realised.

### **8. STOCK**

Stocks are stated at the lower of cost and net realisable value. Consumable items are charged directly to the Consolidated Statement of Comprehensive Income. The first in, first out (FIFO) method is used for costing stock.

### **9. INCOME TAX**

Taxation status

The institution is an exempt charity within the meaning of part 3 of the Charities Act 2011 (formerly schedule 2 of the Charities Act 1993) and does pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the institution is potentially exempt from taxation in respect of income or capital gains received within categories covered by 478-488 of the Corporation Tax Act 2010 (CTA2010) 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.

All subsidiary companies are liable to Corporation Tax and Value Added Tax in the same way as any other commercial organisation.

### **10. DEFERRED TAXATION**

Provision is made for deferred taxation in respect of subsidiary companies, using the liability method on all material timing differences.

### **11. EMPLOYEE BENEFITS**

#### **i) Short-term employee benefits**

Short-term employment benefits such as salaries and compensated absences are recognised as an expense in the year in which the employee renders the 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.

#### **ii) Post-employment benefits**

Retirement benefits to employees of the university are provided by defined benefit schemes that are funded by contributions from the university and employees.

Payments are made to the Teachers' Pension Scheme and the Universities Superannuation Scheme for academic staff and to the Local Government Pension Scheme for support staff. These are all independently administered schemes. Pension costs are assessed on the latest actuarial valuations of the schemes.

For the Local Government Pension Scheme, the assets of the scheme are included at closing market value and scheme liabilities are measured on an actuarial basis using the projected unit credit method. The difference between the fair value of assets and liabilities measured on an actuarial basis, net of the related amount of deferred tax, is recognised in the university's Consolidated Statement of Financial Position as a pension scheme liability or asset as appropriate. A surplus is only included to the extent that the university is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme. The following are recognised in the Consolidated Statement of Comprehensive Income:

- a) Changes in the defined asset or liability arising from factors other than cash contributions to the scheme
- b) Actuarial gains and losses
- c) Interest charges/returns by applying the discount rate to the net pension deficit/surplus

The Teachers' Pension Scheme (TPS) is a multi-employer defined benefit scheme for which it is not possible to identify the assets and liabilities attributable to University members and therefore is accounted for as a defined contribution scheme. Contributions made are recognised as an expense in the Consolidated Statement of Comprehensive Income in the periods during which services are rendered by employees. It is an unfunded scheme and contributions are made at the rate set by the Government Actuary.

The Universities Superannuation Scheme (USS) is a hybrid pension scheme, providing defined benefits, as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Due to the nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme.

Provision is made for enhanced pensions where employees have taken early retirement.

### **12. BASIS OF CONSOLIDATION**

The Consolidated Statement of Comprehensive Income and Consolidated Statement of Financial Position include the annual accounts of the corporation and its operating subsidiary undertakings. Details of the university's subsidiary undertakings are provided in the notes to the accounts. The Annual Accounts have been consolidated including elimination of intra-group transactions.

The consolidated financial statements do not include those of De Montfort University Students' Union Limited, as it is a separate limited company over which the university does not exert control or dominant influence over policy decisions.

The consolidated financial statements do not include those of Venuesim Limited as the entity is not material to the Group.



### 13. FINANCIAL INSTRUMENTS

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

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

#### Financial assets

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

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

Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an immaterial risk of changes in value i.e. price risk. Cash and cash equivalents consist of cash on hand, demand deposits and short-term deposits/highly liquid investments, less bank overdrafts, which are repayable on demand. Short-term deposits and investments are those with maturity at the date of acquisition of three months or less.

The university regularly reviews its aged accounts receivable and records an impairment for its estimate of unrecoverable items.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates, or joint ventures are initially measured at fair value, which is typically the transaction price. These assets are subsequently carried at fair value and changes in fair value at the reporting date are recognised in the statement of comprehensive income. Where the investment in equity instruments are not publicly traded and where the fair value cannot be reliably measured the assets are measured at cost less impairment.

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

#### Financial liabilities

Basic financial liabilities include trade and other payables. 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.

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

Bonds and long-term borrowings are recognised initially at fair value less attributed transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

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

### 14. INTEREST PAYABLE

Interest is capitalised on borrowings to finance major property development to the extent that it accrues in respect of the period of development. Such costs are capitalised as part of the specific asset.

Other interest payable is charged to the Consolidated Statement of Comprehensive Income.

### 15. STAFF RESTRUCTURING COSTS

Restructuring costs are recognised in respect of the direct expenditure of a reorganisation, where plans are sufficiently detailed and well advanced, and where appropriate communication to those affected has been undertaken at the Consolidated Statement of Financial Position date.

### 16. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

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 Consolidated Statement of Financial Position but are disclosed in the notes.

#### **17. FOREIGN CURRENCIES**

The consolidated financial statements are presented in pounds sterling, which is the group's functional and presentation currency. The group does not include any foreign entity. Transactions denominated in foreign currencies are recorded at the exchange rate on the transaction date, while assets and liabilities are translated at exchange rates at the Consolidated Statement of Financial Position date. The resulting exchange rate differences are recognised in the Consolidated Statement of Comprehensive Income.

#### **18. OPERATING SEGMENTS**

Information about income, expenditure and assets attributable to material operating segments are presented on the basis of the nature and function of services undertaken by the group rather than geographical location. No specific segments are reported internally for management purposes but relevant information is disclosed in the financial statements as part of the analysis of income in Note 1 and expenditure in Note 5. Assets and liabilities are not reported by operating segment.

# Consolidated and Corporation Statement of Comprehensive Income for the year ended 31 July 2025

Income	Notes	Group 2025 £'000	Group 2024 £'000	Corporation 2025 £'000	Corporation 2024 £'000
Tuition fees and education contracts	1a	210,393	216,029	210,393	216,029
Funding body grants	1b	21,235	17,863	21,235	17,863
Research grants and contracts	1c	4,944	3,710	4,944	3,677
Other income	1d	9,048	13,160	8,798	12,925
Investment income	1e	8,180	9,841	8,158	9,829
Donations and endowments	1f	356	265	356	265
<b>Total income</b>		<b>254,156</b>	<b>260,868</b>	<b>253,884</b>	<b>260,588</b>
<b>Expenditure</b>					
Staff costs	2	152,180	141,224	151,931	141,044
Staff restructuring costs	2e	3,954	1,294	3,954	1,294
Other operating expenses	3	89,581	87,381	89,555	87,281
Interest and other finance costs	4	4,971	5,013	4,971	5,013
Intangible amortisation	8	4,642	4,393	4,642	4,393
Depreciation	9	13,284	13,431	13,284	13,431
Impairment	9	8,150	-	8,150	-
<b>Total expenditure</b>	<b>5</b>	<b>276,762</b>	<b>252,736</b>	<b>276,487</b>	<b>252,456</b>
<b>(Deficit)/surplus before other (losses)/gains</b>		<b>(22,606)</b>	<b>8,132</b>	<b>(22,603)</b>	<b>8,132</b>
Loss on disposal of property, plant and equipment		(1,134)	(70)	(1,134)	(70)
Gain on investments		1,230	4,616	1,230	4,616
<b>(Deficit)/surplus before tax</b>		<b>(22,510)</b>	<b>12,678</b>	<b>(22,507)</b>	<b>12,678</b>
Taxation	7	(57)	(34)	(57)	(34)
<b>(Deficit)/surplus for the year</b>		<b>(22,567)</b>	<b>12,644</b>	<b>(22,564)</b>	<b>12,644</b>
Actuarial loss in respect of pension schemes	27d	(4,494)	(4,197)	(4,494)	(4,197)
<b>Total comprehensive (expenditure)/income for the year</b>		<b>(27,061)</b>	<b>8,447</b>	<b>(27,058)</b>	<b>8,447</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year		40	197	40	197
Restricted comprehensive deficit for the year		(26)	(1)	(26)	(1)
Unrestricted comprehensive (deficit)/income for the year		(27,068)	8,244	(27,065)	8,244
Revaluation reserve comprehensive (deficit)/income for the year		(7)	7	(7)	7
		<b>(27,061)</b>	<b>8,447</b>	<b>(27,058)</b>	<b>8,447</b>

All items of income and expenditure relate to continuing activities.  
The notes on pages 51 - 68 form part of these financial statements.

# Consolidated and Corporation Statement of Changes in Reserves for the year ended 31 July 2025

Group	Notes	Income and expenditure account				Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	
Balance at 1 August 2024		2,947	58	327,803	1,069	331,877
Surplus/(loss) for the year		40	(26)	(22,581)	-	(22,567)
Other comprehensive expenditure		-	-	(4,494)	-	(4,494)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	7	(7)	-
<b>Total comprehensive income/(loss) for the year</b>		<b>40</b>	<b>(26)</b>	<b>(27,068)</b>	<b>(7)</b>	<b>(27,061)</b>
Balance at 31 July 2025		2,987	32	300,735	1,062	304,816

	Notes	Income and expenditure account				Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	
Balance at 1 August 2023		2,750	59	319,559	1,062	323,430
Surplus/(loss) for the year		197	(1)	12,448	-	12,644
Other comprehensive expenditure		-	-	(4,197)	-	(4,197)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	(7)	7	-
<b>Total comprehensive income for the year</b>		<b>197</b>	<b>(1)</b>	<b>8,244</b>	<b>7</b>	<b>8,447</b>
Balance at 31 July 2024		2,947	58	327,803	1,069	331,877

Corporation	Notes	Income and expenditure account				Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	
Balance at 1 August 2024		2,947	58	327,546	1,069	331,620
Surplus/(loss) for the year		40	(26)	(22,578)	-	(22,564)
Other comprehensive expenditure		-	-	(4,494)	-	(4,494)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	7	(7)	-
<b>Total comprehensive income/(loss) for the year</b>		<b>40</b>	<b>(26)</b>	<b>(27,065)</b>	<b>(7)</b>	<b>(27,058)</b>
Balance at 31 July 2025		2,987	32	300,481	1,062	304,562

	Notes	Income and expenditure account				Total £'000
		Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	
Balance at 1 August 2023		2,750	59	319,302	1,062	323,173
Surplus/(loss) for the year		197	(1)	12,448	-	12,644
Other comprehensive income		-	-	(4,197)	-	(4,197)
Allocation between revaluation and unrestricted reserves	12b(i)	-	-	(7)	7	-
<b>Total comprehensive income for the year</b>		<b>197</b>	<b>(1)</b>	<b>8,244</b>	<b>7</b>	<b>8,447</b>
Balance at 31 July 2024		2,947	58	327,546	1,069	331,620

The notes on pages 51 - 68 form part of these financial statements.



# Consolidated and Corporation Statement of Financial Position as at 31 July 2025

	Notes	Group 2025 £'000	Group 2024 £'000	Corporation 2025 £'000	Corporation 2024 £'000
<b>Non-current assets</b>					
Intangible assets	8	7,530	9,859	7,530	9,859
Tangible fixed assets	9	285,148	285,284	285,148	285,284
Heritage assets	10	1,073	1,073	1,073	1,073
Investment properties	11	584	587	584	587
Investments	12	46,976	42,230	47,286	42,540
<b>Total non-current assets</b>		<b>341,311</b>	<b>339,033</b>	<b>341,621</b>	<b>339,343</b>
<b>Current assets</b>					
Stocks	13	163	139	163	139
Trade and other receivables	14	19,114	17,729	18,973	17,634
Investments	15	55,000	110,493	55,000	110,493
Cash and cash equivalents	22	96,071	55,428	96,058	55,427
<b>Total current assets</b>		<b>170,348</b>	<b>183,789</b>	<b>170,194</b>	<b>183,693</b>
Less: Creditors: amounts falling due within one year	16	(80,276)	(66,713)	(80,686)	(67,184)
<b>Net current assets</b>		<b>90,072</b>	<b>117,076</b>	<b>89,508</b>	<b>116,509</b>
<b>Total assets less current liabilities</b>					
		<b>431,383</b>	<b>456,109</b>	<b>431,129</b>	<b>455,852</b>
Creditors: amounts falling due after more than one year	17	(123,821)	(121,120)	(123,821)	(121,120)
<b>Provisions</b>					
Pension provisions	27d	-	-	-	-
Other provisions	18	(2,746)	(3,112)	(2,746)	(3,112)
<b>Total net assets</b>		<b>304,816</b>	<b>331,877</b>	<b>304,562</b>	<b>331,620</b>
<b>Restricted reserves</b>					
Income and expenditure reserve - endowment fund	19	2,987	2,947	2,987	2,947
Income and expenditure reserve - restricted reserve	20	32	58	32	58
<b>Unrestricted reserves</b>					
Income and expenditure reserve - unrestricted		300,735	327,803	300,481	327,546
Revaluation reserve		1,062	1,069	1,062	1,069
<b>Total unrestricted reserves</b>		<b>301,797</b>	<b>328,872</b>	<b>301,543</b>	<b>328,615</b>
<b>Total reserves</b>		<b>304,816</b>	<b>331,877</b>	<b>304,562</b>	<b>331,620</b>

The financial statements were approved and authorised for issue by the Board of Governors on 11 December 2025 and 15 December 2025 respectively. They were signed on its behalf by:



**Mr Ian Squires**  
Chair of the Board of Governors



**Professor Katie Normington**  
Chief Executive and Vice-Chancellor

The notes on pages 51 - 68 form part of these financial statements.

# Consolidated Statement of Cash Flows for the year ended 31 July 2025

	Notes	2025 £'000	2024 £'000
<b>Cash flows from operating activities</b>			
(Deficit)/surplus for the year before taxation		(22,510)	12,678
<b>Adjustment for non-cash items</b>			
Depreciation of tangible fixed assets	9	13,284	13,431
Amortisation of intangible assets	8	4,642	4,393
Impairment	9	8,150	-
Gain on investments		(1,230)	(4,616)
Increase in stock		(24)	(16)
Increase in debtors		(1,385)	(316)
Increase/(decrease) in creditors		15,671	(8,018)
Non-cash pension movement	27	(4,386)	(4,094)
(Decrease)/increase in provisions		(366)	304
<b>Adjustment for investing or financing activities</b>			
Investment income	1e	(8,180)	(9,841)
Interest payable	4	4,971	5,013
Endowments received	19	(316)	(220)
Loss on the disposal of fixed assets		1,134	70
Capital grants income		(2,943)	(2,411)
<b>Cash inflow from operating activities</b>		<b>6,512</b>	<b>6,357</b>
Taxation		(57)	(34)
<b>Net cash inflow from operating activities</b>		<b>6,455</b>	<b>6,323</b>
<b>Cash flows from investing activities</b>			
Capital grants receipts		3,183	3,581
Transfer from/(to) short term deposits		55,493	(30,380)
Investment income		8,072	9,738
Payments made to acquire tangible assets		(22,248)	(17,068)
Payments made to acquire intangible assets		(2,277)	(1,309)
Payments made to acquire non-current investments		(3,513)	(3,421)
<b>Net cash inflow/(outflow) from investing activities</b>		<b>38,710</b>	<b>(38,859)</b>
<b>Cash flows from financing activities</b>			
Interest paid		(4,838)	(4,838)
New Endowments		316	220
<b>Net cash outflow from financing activities</b>		<b>(4,522)</b>	<b>(4,618)</b>
<b>Increase/(decrease) in cash and cash equivalents in the year</b>		<b>40,643</b>	<b>(37,154)</b>
Cash and cash equivalents at the beginning of the year		55,428	92,582
Cash and cash equivalents at the end of the year		96,071	55,428
<b>(Decrease)/Increase in cash and cash equivalents in the year</b>		<b>40,643</b>	<b>(37,154)</b>

The notes on pages 51 - 68 form part of these financial statements.

# Notes to the accounts for the year ended 31 July 2025

1. Analysis of income	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
<b>a) Tuition fees and education contracts</b>				
Home and EU students	112,708	120,694	112,708	120,694
Overseas students	94,254	92,166	94,254	92,166
Education contracts	1,370	2,257	1,370	2,257
Other contracts	2,061	912	2,061	912
<b>Total</b>	<b>210,393</b>	<b>216,029</b>	<b>210,393</b>	<b>216,029</b>
<b>b) Funding body grants</b>				
<b>Recurrent grants</b>				
Office for Students	11,054	7,929	11,054	7,929
Research England	6,187	6,315	6,187	6,315
Education and Skills Funding Agency	355	247	355	247
<b>Specific grants</b>				
Higher Education Innovation Fund	740	987	740	987
<b>Release of capital grants</b>				
Buildings	1,038	959	1,038	959
Equipment	1,861	1,426	1,861	1,426
<b>Total</b>	<b>21,235</b>	<b>17,863</b>	<b>21,235</b>	<b>17,863</b>
<b>c) Research grants and contracts</b>				
Research councils	2,423	1,462	2,423	1,462
UK-based charities	782	809	782	809
European Commission	216	238	216	238
Other grants and contracts	1,523	1,201	1,523	1,168
<b>Total</b>	<b>4,944</b>	<b>3,710</b>	<b>4,944</b>	<b>3,677</b>
<b>d) Other income</b>				
Residences and catering	2,637	3,231	2,637	3,231
Other services rendered	2,796	2,557	2,224	2,073
Other income	2,828	5,791	3,150	6,040
Royalty income	743	1,555	743	1,555
Other capital grants	44	26	44	26
<b>Total</b>	<b>9,048</b>	<b>13,160</b>	<b>8,798</b>	<b>12,925</b>
<b>e) Investment income</b>				
Interest from short-term investments	6,945	8,754	6,923	8,742
Interest from long-term investments	988	851	988	851
Income from restricted expendable endowments	41	70	41	70
Income from restricted permanent endowments	75	42	75	42
Other investment income	23	21	23	21
Net financing returns in pension scheme assets	108	103	108	103
<b>Total</b>	<b>8,180</b>	<b>9,841</b>	<b>8,158</b>	<b>9,829</b>
<b>f) Donations and endowments</b>				
New endowments	316	220	316	220
Donations with restrictions	12	10	12	10
Unrestricted donations	28	35	28	35
<b>Total</b>	<b>356</b>	<b>265</b>	<b>356</b>	<b>265</b>
<b>Total income</b>	<b>254,156</b>	<b>260,868</b>	<b>253,884</b>	<b>260,588</b>

1. Analysis of income	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
<b>g) Grant and fee income</b>				
Grant income from the OfS	14,308	10,561	14,308	10,561
Grant income from other bodies	11,871	11,012	11,871	10,979
Fee income for research awards	2,432	1,788	2,432	1,788
Fee income from non-qualifying courses	2,061	912	2,061	912
Fee income for taught awards	205,900	213,329	205,900	213,329
<b>Total</b>	<b>236,572</b>	<b>237,602</b>	<b>236,572</b>	<b>237,569</b>

2. Staff costs	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
<b>a) Staff costs</b>				
Wages and salaries	116,499	110,710	116,255	110,530
Social security costs	12,876	11,480	12,873	11,480
Other pension costs	27,191	25,151	27,189	25,151
Movement on USS pension provision	-	(69)	-	(69)
De-recognition of USS pension provision	-	(1,954)	-	(1,954)
The financial effects of LGPS pension scheme	(4,386)	(4,094)	(4,386)	(4,094)
<b>Total</b>	<b>152,180</b>	<b>141,224</b>	<b>151,931</b>	<b>141,044</b>

**b) Employee numbers**

The average number of persons employed during the year, expressed as full-time equivalents, are disclosed below:

	2024/25	2023/24
Academic		
Full-time	996	971
Part-time	243	267
Support	1,315	1,294
<b>Total</b>	<b>2,554</b>	<b>2,532</b>

**c) Vice-Chancellor emoluments**

**i) Vice-Chancellor**

The remuneration of the Vice-Chancellor is detailed below.

	2024/25 £'000	2023/24 £'000
Salary	261	261
Health insurance	1	2
<b>Total excluding pension contributions</b>	<b>262</b>	<b>263</b>
Pension contributions to USS	38	46
<b>Total emoluments</b>	<b>300</b>	<b>309</b>

The emoluments, including taxable benefits, of the Vice-Chancellor are shown on the same basis as for higher paid staff and exclude employer's National Insurance contributions.

The Contract of Employment of the Vice-Chancellor provides for termination by the Corporation on giving four months' notice.

**Relationship between Vice-Chancellor remuneration and other employees**

The Vice-Chancellor's basic salary is 5.6 times the median pay of staff (2024: 5.8 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the institution to its staff. The ratio reflects the full year basic salary equivalent for the Vice-Chancellor.

The Vice-Chancellor's total remuneration is 5.1 times the median total remuneration of staff (2024: 5.6 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the institution of its staff. The ratio reflects the full year remuneration equivalent for the Vice-Chancellor.

Note that due to the way in which part-time hourly paid academic staff's pay is structured, the FTE salary calculation includes broader remuneration accounted for in their hourly rate of pay.



## Justification for remuneration package

The university abides by the voluntary 'Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code (2021)' in determining the remuneration level for senior pay, including the Vice-Chancellor's. The code includes expectations around fairness and transparency, along with the need to be clear regarding the responsibilities, context and expected contribution of the postholder, balanced with the need to demonstrate the achievement of value for money in the use of resources and to be able to offer a remuneration package sufficient to be able to retain and motivate a postholder of an appropriate calibre in an intensively competitive global environment.

The remuneration level for the Vice-Chancellor's pay is determined by drawing upon the Universities and Colleges Employers Association annual benchmarking data for the Higher Education sector. The comparator organisations used from this data is that of 'Post 92 Universities by income' and the current level of remuneration is set within the benchmarking parameters.

Amidst the difficult financial challenges that the Higher Education sector continues to face, the Vice-Chancellor is leading the university with a strategic vision to stabilise and diversify its position in the market. Sector leading initiatives such as Education 2030 have demonstrated improvements in student satisfaction and are a key attractor for future students. This year has seen De Montfort secure further global publicity by being named the United Nations Global Hub Chair for Sustainability (SDG11), leading other universities across the world. We have opened our new campus in Dubai and are ready to welcome new students to our London Campus.

More locally, DMU achieved a 4% increase in Graduate Outcomes data in relation to graduates achieving jobs in highly skilled employment. This was a rise of 33 places from 122nd to 89th, meaning DMU is now 5th in its competitor set of 11 other universities, up from 10th.

Given the financial context, and despite the achievements of the university, some of which are highlighted above, the Vice-Chancellor elected not to take the annual pay award offered to her by the Remuneration Committee in November 2024 and therefore her salary is currently at the lower end of average VC salaries.

### d) Remuneration of higher paid staff

The full-time equivalent basic salary of higher paid staff (including the Vice-Chancellor), excluding employer's pension contributions was within the ranges set out below. Staff who joined or left part-way through a year have been excluded. Basic salaries are determined as at 31 July.

	2024/25	2023/24
£100,000 to £104,999	12	14
£105,000 to £109,999	7	2
£110,000 to £114,999	1	1
£115,000 to £119,999	1	-
£120,000 to £124,999	2	1
£125,000 to £129,999	3	-
£130,000 to £134,999	3	3
£135,000 to £139,999	3	4
£145,000 to £149,999	2	4
£150,000 to £154,999	-	1
£155,000 to £159,999	2	-
£170,000 to £174,999	1	-
£260,000 to £264,999	1	1

The Board of Governors has agreed the terms of reference, policy and guidelines for DMU's Remuneration Committee that determines membership, responsibilities and how they must carry out their role. The Remuneration Committee is responsible for meeting the obligations described in those documents and has oversight of their implementation in relation to senior staff remuneration and severance arrangements. These documents and the approach taken to comply with the Committee of University Chairs Higher Education Senior Staff Remuneration Code can be found on our website.

The Remuneration Committee has a specific remit for determining the remuneration of the Vice-Chancellor (who is not a member) and those roles determined to be Senior Post-holders who, within the reference period, were all members of the University Leadership Board. The reference period for determining pay during 2024/25 is 2023/24 as pay is reviewed in the first academic term of the following academic year i.e. Autumn 2024.

The Remuneration Committee has its own terms of reference, which include membership and responsibilities, as well as a set of guidelines detailing the role and remit of the committee and the information that is required by the committee to support determination of remuneration decisions. These documents describe the university's policy approach to determining remuneration for those within the remit of the remuneration committee and can be found on our website.

Higher Education benchmarking data is used to guide remuneration decisions and more details can be found in the guidance described above. In order to determine the salary of the Vice-Chancellor and other Senior Post-holders, data on post 92 universities data is considered as well as those universities that are considered to be immediate and aspirational competitors. Mindful of the financial context of the higher education sector, DMU's pay policy aims for the median of its benchmark group, recognising that our aim is to be respectful of the financial position whilst being able to secure and retain those who can enable and drive the university's progress in a highly competitive sector.

## Key management personnel

The University Leadership Board members are classed as key management personnel whom have authority and responsibility for planning, directing and controlling the activities of the institution. Staff costs includes compensation paid to key management personnel. Compensation consists of salary and benefits including any employer's pension contribution.

	2024/25 £'000	2023/24 £'000
<b>Key management personnel remuneration</b>	<b>2,540</b>	<b>2,872</b>

### e) Restructuring costs – group and corporation

The total amount of any compensation for loss of office paid across the institution

	2024/25 £'000	2023/24 £'000
<b>Staff restructuring costs</b>	<b>3,954</b>	<b>1,294</b>
<b>Number of staff to whom this was payable to</b>	<b>196</b>	<b>53</b>

3. Other operating expenses	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
Fees payable to the auditor for the audit of the University's financial statements	220	197	220	197
Additional fees payable to the auditor for the audit of prior year financial statements	37	44	37	44
Audit of the financial statements of subsidiaries	40	35	-	-
Audit related assurance services	8	7	8	7
Internal audit services	275	223	275	223
Legal, professional, agency and consultancy fees	35,623	36,788	35,886	37,082
Administrative expenses	7,310	6,745	7,224	6,549
Publicity	5,556	5,579	5,555	5,579
General education expenses	2,821	3,637	2,694	3,507
Consumables	11,017	10,094	10,988	10,078
Repairs and general maintenance	3,283	3,088	3,283	3,088
Student bursaries	2,910	2,714	2,910	2,714
Travel and subsistence	2,906	2,609	2,902	2,604
Energy	4,923	5,897	4,923	5,897
Residences and catering	2,122	1,818	2,122	1,818
Rent, rates and insurance	7,024	2,903	7,024	2,903
Grant to De Montfort University Students' Union Limited	1,386	1,350	1,386	1,350
Staff development	1,031	1,288	1,031	1,285
Other	1,089	2,365	1,087	2,356
<b>Total</b>	<b>89,581</b>	<b>87,381</b>	<b>89,555</b>	<b>87,281</b>

	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
Other operating expenses include:				
Operating leases – buildings	2,200	464	2,200	464
Operating leases – equipment	204	156	204	156

## Governors

In 2024/25, one governor was entitled to remuneration for their role as Chair of the Board of Governors. A total of £28,266 (2023/24 - £28,764 to two governors) is payable for this financial year.

The total expenses payable to or on behalf of fifteen governors was £6,110 (2023/24: £5,444 to twenty governors). This represents travel and subsistence incurred in attending Board and Committee meetings in their official capacity.

4. Interest payable – group and corporation	2024/25 £'000	2023/24 £'000
Interest on USS	-	42
Interest on bond	4,838	4,838
Bond transaction costs	133	133
<b>Total</b>	<b>4,971</b>	<b>5,013</b>

5. Analysis of 2024/25 expenditure by activity group and corporation	Staff costs £'000	Other operating expenses £'000	Depreciation, amortisation and impairment £'000	Interest £'000	2024/25 Total £'000	2023/24 Total £'000
Academic departments	92,776	11,408	2,299	-	106,483	102,910
Academic services	18,061	12,008	6,024	-	36,093	35,819
Admin and central services	21,148	10,294	621	-	32,063	27,800
General education expenditure	2,317	29,566	-	-	31,883	31,668
Staff and student facilities	11,849	7,037	11	-	18,897	19,606
Premises	7,193	15,494	16,956	-	39,643	26,758
Residences and catering	590	1,129	165	74	1,958	1,953
Research grants and contracts	2,180	2,344	-	-	4,524	3,587
Other expenditure	452	301	-	4,897	5,650	5,435
Provision for restructuring	3,954	-	-	-	3,954	1,294
Pension scheme's adjustment	(4,386)	-	-	-	(4,386)	(4,094)
<b>Total</b>	<b>156,134</b>	<b>89,581</b>	<b>26,076</b>	<b>4,971</b>	<b>276,762</b>	<b>252,736</b>

The depreciation and amortisation charge has been funded by:

	£'000
Deferred capital grants released	2,943
General income	23,133
<b>Total</b>	<b>26,076</b>

6. Access and Participation Group and Corporation	2024/25 Actual £'000	2024/25 Plan £'000	2023/24 Actual £'000	2023/24 Plan £'000
Access Investment	1,819	1,369	1,923	1,352
Financial Support	1,393	2,450	1,587	2,419
Disability Support	1,917	1,231	2,007	1,216
<b>Total</b>	<b>5,129</b>	<b>5,050</b>	<b>5,517</b>	<b>4,987</b>

£3,272,000 (2023/24: £3,299,000) of these costs are already included in the overall staff costs figures included in note 2.

A copy of our published access and participation plan can be found by following this link to our website:

<https://www.dmu.ac.uk/documents/university-governance/access-participation-plan-2020-2025.pdf>

Access investment is higher than the plan because the University has invested in outreach activities. Financial support is lower than the plan resulting from there being no employability bursary as planned and a reduction in access scholarship expenditure, however the University continues to spend on student hardship in excess of the plan. Disability support expenditure is higher than the plan due to increased spend for disability provision and further spend resulting from the assessment centre in this area.

7. Taxation – group and corporation	2024/25 £'000	2023/24 £'000
Corporate Income Tax (CIT) paid	57	34
<b>Total</b>	<b>57</b>	<b>34</b>

Tax is payable to relevant overseas tax authorities, for activity undertaken with overseas partners.

8. Intangible fixed assets	Software	Assets under construction	Total
	£'000	£'000	£'000
<b>Group and Corporation Cost</b>			
At 1 August 2024	36,441	237	36,678
Additions at cost	1,768	545	2,313
Transfers from assets under construction	230	(230)	-
<b>At 31 July 2025</b>	<b>38,439</b>	<b>552</b>	<b>38,991</b>
<b>Amortisation</b>			
At 1 August 2024	26,819	-	26,819
Amortisation charge for the year	4,642	-	4,642
<b>At 31 July 2025</b>	<b>31,461</b>	<b>-</b>	<b>31,461</b>
<b>Net book value:</b>			
<b>At 31 July 2025</b>	<b>6,978</b>	<b>552</b>	<b>7,530</b>
At 31 July 2024	9,622	237	9,859

9. Tangible fixed assets	Land and buildings	Assets under construction	Furniture and equipment	Computer equipment	Total
	£'000	£'000	£'000	£'000	£'000
<b>Group and Corporation Cost or Valuation</b>					
At 1 August 2024	347,148	6,148	19,049	38,069	410,414
Additions at cost	10,489	1,190	3,837	6,916	22,432
Transfers from assets under construction	1,560	(4,242)	42	2,640	-
Disposals	-	(1,134)	(279)	(2,183)	(3,596)
<b>At 31 July 2025</b>	<b>359,197</b>	<b>1,962</b>	<b>22,649</b>	<b>45,442</b>	<b>429,250</b>
<b>Depreciation</b>					
At 1 August 2024	81,864	-	14,494	28,772	125,130
Charge for the year	8,428	-	1,921	2,935	13,284
Impairment	8,150	-	-	-	8,150
Disposals	-	-	(279)	(2,183)	(2,462)
<b>At 31 July 2025</b>	<b>98,442</b>	<b>-</b>	<b>16,136</b>	<b>29,524</b>	<b>144,102</b>
<b>Net book value:</b>					
<b>At 31 July 2025</b>	<b>260,755</b>	<b>1,962</b>	<b>6,513</b>	<b>15,918</b>	<b>285,148</b>
At 31 July 2024	265,284	6,148	4,555	9,297	285,284

The net book value of tangible fixed assets held under finance leases at 31 July 2025 was £nil (31 July 2024: £nil). Land and buildings includes £9.4m (31 July 2024: £9.4m) of university-owned land that is not depreciated.

The net book value of land and buildings is comprised as follows:	Group and corporation	
	2024/25 £'000	2023/24 £'000
Freehold	247,195	258,611
Long lease and short lease	13,560	6,673
<b>Total</b>	<b>260,755</b>	<b>265,284</b>

10. Heritage assets	2024/25	2023/24
	£'000	£'000
<b>Group and corporation Cost or valuation</b>		
At 1 August	1,073	1,073
<b>At 31 July</b>	<b>1,073</b>	<b>1,073</b>

The university holds a number of pieces of artwork, these were re-valued in 2016 and in accordance with the universities accounting policies the annual impairment review has been undertaken and identified no adjustment to be made to the value of these assets.



11. Investment properties	2024/25 £'000	2023/24 £'000
<b>Group and corporation</b>		
<b>Cost or valuation</b>		
At 1 August	587	579
Revaluations	(3)	8
<b>At 31 July</b>	<b>584</b>	<b>587</b>

As at 31 July 2025, the Board of Governors have revalued the investment properties in accordance with the requirements of FRS 102, using available market data.

12. Non-current investments	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
<b>Movement in the year</b>				
Balance at beginning of year	42,230	34,202	42,540	34,512
Additions	3,513	3,421	3,513	3,421
Fair value adjustments	1,233	4,607	1,233	4,607
<b>Balance at year end</b>	<b>46,976</b>	<b>42,230</b>	<b>47,286</b>	<b>42,540</b>
<b>Analysis of closing balance</b>				
Shareholding in subsidiary undertakings (a)	-	-	310	310
Other investments (b)	45,715	40,945	45,715	40,945
Shareholding in CVCP Properties PLC	38	38	38	38
Securities and fixed interest stock for endowments	1,223	1,247	1,223	1,247
<b>Total</b>	<b>46,976</b>	<b>42,230</b>	<b>47,286</b>	<b>42,540</b>

Included within investments is the notional reserve representing the requirement to provide for the repayment of the bond in the form of a bond redemption fund of £15m every five years (note 28). Since the bond was issued in 2012, a total of £39m has been invested.

#### a) Shareholdings in subsidiary undertakings

At year end, investments in subsidiary undertakings comprise:

Directly owned by the university:	Group holding %	Corporation 2024/25 £	Corporation 2023/24 £	Description of activities
De Montfort Expertise Ltd	100	310,000	310,000	Provision of contract research and development
Venuesim Limited	66	600	600	Information technology service activities
Innovative Educational Partnerships Limited	100	1	1	Higher level education
Leicester Business School Ltd	100	1	1	Dormant company
Leicestershire Business School Ltd	100	1	1	Dormant company
CYPS Ltd	100	100	100	Dormant company
InSmart Limited	100	100	100	Dormant company
<b>Total</b>		<b>310,803</b>	<b>310,803</b>	

All of the subsidiary undertakings are incorporated in England and Wales.

## b) Other investments

Other investments consist of:	Group	Group	Corporation	Corporation
At fair value:	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
At fair value:				
Market securities	45,688	40,911	45,688	40,911
Group investments in spinouts (i)	27	34	27	34
<b>Total</b>	<b>45,715</b>	<b>40,945</b>	<b>45,715</b>	<b>40,945</b>

(i) Group investments in spinouts	Holding %	Corporation 2024/25 £	Corporation 2023/24 £	Description of activities
Incanthera PLC	11.06	1,565	8,791	Drug development and research
Morvus Technology Limited	0.40	589	589	Drug development and research
Orbit RRI Limited	20.00	1	1	Provider of RRI training
IP By Design Limited	10.00	25,000	25,000	Intellectual property management consultancy
<b>Total</b>		<b>27,155</b>	<b>34,381</b>	

## 13. Stocks – group and corporation

	2024/25 £'000	2023/24 £'000
Goods for resale	3	2
Art and design supplies	160	137
<b>Total</b>	<b>163</b>	<b>139</b>

## 14. Trade and other receivables

	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
Amounts falling due within one year				
Student receivables	5,436	4,063	5,436	4,064
Other receivables	4,098	4,075	4,031	4,038
Research grants receivables	2,125	3,246	2,061	3,202
Prepayments and accrued income	7,455	6,345	7,445	6,330
<b>Total</b>	<b>19,114</b>	<b>17,729</b>	<b>18,973</b>	<b>17,634</b>

## 15. Current Investments

In accordance with its Treasury Management Policy, the university regularly invests surplus funds on deposit or on the money market.

At 31 July 2025, £55,000,000 of Group and Corporation funds were on short term deposit (31 July 2024: £110,493,000).

## 16. Creditors: amounts falling due within one year

	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
Payments received in advance	50,658	37,409	50,616	37,396
Trade creditors	3,127	4,790	3,126	4,789
Other creditors	8,197	6,859	8,172	6,838
Taxation	1,272	1,681	1,237	1,661
Social security	1,684	1,439	1,643	1,422
Accruals	15,158	14,355	14,805	13,827
Student caution deposits	180	180	180	180
Subsidiary undertakings	-	-	907	1,071
<b>Total</b>	<b>80,276</b>	<b>66,713</b>	<b>80,686</b>	<b>67,184</b>

### Payments received in advance

Included within payments received in advance are the following items of income which have been deferred until specific performance related conditions have been met.

	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
Research grants received on account	3,146	3,325	3,104	3,312
Capital grant income	2,928	2,635	2,928	2,635
Tuition fee income	43,767	28,734	43,767	28,734
Other income	817	2,715	817	2,715
<b>Total</b>	<b>50,658</b>	<b>37,409</b>	<b>50,616</b>	<b>37,396</b>

### 17. Creditors : amounts falling due after more than one year – group and corporation

	2024/25 £'000	2023/24 £'000
Bond	90,000	90,000
Bond transaction costs	(2,266)	(2,399)
<b>Bond Total</b>	<b>87,734</b>	<b>87,601</b>
Deferred income - Capital grant income	33,466	33,519
Other creditors	2,621	-
<b>Total</b>	<b>123,821</b>	<b>121,120</b>

See note 28 for further details on the bond listing.

	Contractual dispute £'000	Restructuring £'000	Future pensions £'000	Deferred Taxation £'000	Total £'000
18. Provision for liabilities					
At 1 August 2024	1,500	901	680	31	3,112
Utilised in year	-	(901)	(83)	(31)	(1,015)
Additions in year	-	498	63	88	649
Unused amounts reversed in year	-	-	-	-	-
<b>At 31 July 2025</b>	<b>1,500</b>	<b>498</b>	<b>660</b>	<b>88</b>	<b>2,746</b>

**Contractual dispute:** A provision of £1,500,000 has been included to reflect the risk of settlement in relation to a contractual dispute. Whilst no claim has been made against the university, this value represents management's best estimate of the probable obligation. The timing of the outflows is unknown pending the resolution of the dispute.

**Restructuring:** The provision for staff restructuring relates to agreements that have been reached for early retirement and voluntary severance as at the year-end date.

**Future pensions:** The enhanced pension provision represents the future costs relating to former staff who were awarded enhancements to their Local Government Pension Scheme pensions when they were made redundant. Since it is the University that makes these payments to these pensioners and not the LGPS, provision for these payments is made on the basis of a present obligation arising from an obligation event for which there is an outflow which can be reliably estimated. An amount of £660,000 (2024: £680,000), is included in provisions for liabilities and charges representing the extent to which the capital cost charged exceeds actual payments made. The provision will be released against the cost to the university of enhanced pension entitlements over the estimated life expectancy of each relevant employee.

**Deferred Taxation:** Taxation is payable to relevant tax authorities.

19. Endowment reserves – group and corporation	Unrestricted permanent £'000	Restricted permanent £'000	Restricted expendable £'000	2024/25 Total £'000	2023/24 Total £'000
<b>At 1 August</b>					
Capital	2	1,204	1,526	2,732	2,559
Accumulated income	-	215	-	215	191
<b>Total</b>	<b>2</b>	<b>1,419</b>	<b>1,526</b>	<b>2,947</b>	<b>2,750</b>
Investment income	-	81	35	116	112
Expenditure	-	(25)	(342)	(367)	(236)
Transfers from Expendable to Permanent Endowments	-	71	(71)	-	-
<b>Total</b>	<b>-</b>	<b>127</b>	<b>(378)</b>	<b>(251)</b>	<b>(124)</b>
New endowments	-	11	305	316	220
Appreciation in market value of investments	-	(25)	-	(25)	101
Transfers from Expendable to Permanent Endowments	-	666	(666)	-	-
<b>At 31 July</b>	<b>2</b>	<b>2,198</b>	<b>787</b>	<b>2,987</b>	<b>2,947</b>
<b>Represented by:</b>					
Capital value	2	1,856	787	2,645	2,732
Accumulated income	-	342	-	342	215
<b>Total</b>	<b>2</b>	<b>2,198</b>	<b>787</b>	<b>2,987</b>	<b>2,947</b>
<b>Analysis by type of purpose:</b>					
Scholarships and bursaries				2,081	1,961
Research support				94	110
Prize funds				734	707
General				78	169
<b>Total</b>				<b>2,987</b>	<b>2,947</b>
<b>Analysis by asset:</b>					
Current and non-current asset investments				1,223	1,247
Cash and cash equivalents				1,764	1,700
<b>Total</b>				<b>2,987</b>	<b>2,947</b>

## 20. Restricted reserves – group and corporation

Reserves with restrictions are as follows:

	Donations	
	2024/25 £'000	2023/24 £'000
<b>Balance at 1 August</b>	58	59
New donations	12	10
Expenditure	(38)	(11)
<b>At 31 July</b>	<b>32</b>	<b>58</b>

## 21. Lease obligations

	Land and buildings £'000	Other leases £'000	2024/25 £'000	2023/24 £'000
<b>Future minimum lease (non-cancellable) payments due:</b>				
Not later than 1 year	3,304	193	3,497	2,539
Later than 1 year and not later than 5 years	18,651	327	18,978	18,457
Later than 5 years	17,524	-	17,524	15,167
<b>Total lease payments due</b>	<b>39,479</b>	<b>520</b>	<b>39,999</b>	<b>36,163</b>



## 22. Cash and cash equivalents

	At 1 August 2024 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2025 £'000
Consolidated				
Cash and cash equivalents	55,428	40,643	-	96,071
<b>Total</b>	<b>55,428</b>	<b>40,643</b>	<b>-</b>	<b>96,071</b>

## 23. Consolidated reconciliation of net fund / (debt)

	At 1 August 2024 £'000	Cash flows £'000	Non-cash changes £'000	At 31 July 2025 £'000
Cash in hand	55,428	40,643	-	96,071
Debt due after 1 year	(87,601)	-	(133)	(87,734)
<b>Total net fund / (debt)</b>	<b>(32,173)</b>	<b>40,643</b>	<b>(133)</b>	<b>8,337</b>

In accordance with its Treasury Management Policy and Investment Policy, the University regularly invests surplus funds.

At 31 July 2025, £55,000,000 was in current investments (31 July 2024: £110,493,000).

At 31 July 2025, £46,976,000 was in long term investments (31 July 2024: £42,230,000).

Non-cash changes relate to amortisation of bond transaction costs over the 30 year life of the bond.

## 24. Capital and other commitments

	2024/25 Total £'000	2023/24 Total £'000
Provision has not been made for the following capital commitments at 31 July 2025:		
Commitments contracted for	4,221	5,533
Authorised but not contracted for	25,155	49,382
<b>Total</b>	<b>29,376</b>	<b>54,915</b>

Timing of capital commitments contracted for are expected to be fulfilled over the coming year and will be funded out of the university cash reserves.

## 25. Contingent liabilities

There are no material contingent liabilities.

## 26. Related party transactions

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

An updated Register of Interests for all members of the Board of Governors and University Leadership Board is maintained.

	Income £'000	Expenditure £'000	Balance due from at 31 July 2025 £'000	Balance due to at 31 July 2025 £'000
<b>2024/25 Transactions</b>				
De Montfort Students Union	-	1,403	-	-
Advance HE Limited	19	105	-	-
Big Difference Company Limited	-	30	-	-
British Council	-	19	-	-
East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire)	2	18	-	-
North West Anglia NHS Foundation Trust	1	-	-	-
ArtReach (Trust) Ltd	-	8	-	-

Beverley Shears, Independent Governor and Chair of the People and Culture Committee is a Trustee at De Montfort Student's Union and Non-Executive Director at North West Anglia NHS Foundation Trust.

Paul Woodgates, Independent Governor is a Director at Advance HE Limited and Trustee at British Council.

Jonathan Kerry, Independent Governor is a Director at Big Difference Company Limited.

Stuart Dawkins, Independent Governor is a Non-Executive Director at East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire).

Shushma Patel, University Leadership Board member is a Director at ArtReach (Trust) Ltd.

	Income £'000	Expenditure £'000	Balance due from at 31 July 2024 £'000	Balance due to at 31 July 2024 £'000
<b>2023/24 Transactions</b>				
De Montfort Students Union	-	1,371	-	-
Advance HE Limited	5	126	-	6
Big Difference Company Limited	-	37	-	-
British Council	-	5	-	-
East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire)	4	20	-	-
North West Anglia NHS Foundation Trust	2	-	-	-
Shama Women's Centre	1	-	-	-

Beverley Shears, Independent Governor and Chair of the People and Culture Committee is a Trustee at De Montfort Student's Union and Non-Executive Director at North West Anglia NHS Foundation Trust.

Paul Woodgates, Independent Governor is a Director at Advance HE Limited and Trustee at British Council.

Jonathan Kerry, Independent Governor is a Director at Big Difference Company Limited.

Stuart Dawkins, Independent Governor is a Non-Executive Director at East Midlands Chamber (Derbyshire, Nottinghamshire, Leicestershire).

Catherine Normington, Ex-officio Governor is a Trustee at Shama Women's Centre.

## 27. Pension schemes

- a) The university's employees belong to two principal pension schemes, the Teachers' Pension Scheme (TPS) and the Leicestershire County Council Pension Fund, a Local Government Pension Scheme (LGPS). There is limited membership in the Universities Superannuation Scheme (USS). In addition, there is a defined contribution pension scheme with Standard Life for employees working for a wholly owned subsidiary (Innovative Education Partnerships Limited). The total pension cost for the year was as follows:

Pension cost for the year included in staff costs (see Note 2)	Group	Group	Corporation	Corporation
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Teachers' Pension Scheme: contributions paid	15,102	13,343	15,102	13,343
Universities Superannuation Scheme: contributions paid	380	457	380	457
Local Government Pension Scheme (LGPS): contributions paid	11,707	11,351	11,707	11,351
Other defined contributions paid	2	-	-	-
<b>Total other pension costs</b>	<b>27,191</b>	<b>25,151</b>	<b>27,189</b>	<b>25,151</b>
The financial effects of LGPS pension scheme	(4,386)	(4,094)	(4,386)	(4,094)
<b>Total</b>	<b>22,805</b>	<b>21,057</b>	<b>22,803</b>	<b>21,057</b>

### b) Teachers' Pension Scheme

#### Introduction

The HEI is a member of the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff.

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

## Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every four years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million.

The valuation result has been implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year to 31 July 2025 amounted to £15.1m (31 July 2024: £13.3m).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The HEI has accounted for its contributions to the scheme as if it were a defined contribution scheme. The HEI has set out above the information available on the scheme.

Contributions amounting to £1.2m were payable to the scheme at 31 July 2025 (31 July 2024: £1.3m) and are included within creditors.

## c) Universities Superannuation Scheme

The total cost charged to the Consolidated Statement of Comprehensive Income is £0.4m (2024: £0.5m).

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

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

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

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

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

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

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

	2023 valuation
Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females

The current life expectancies on retirement at age 65 are:

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

#### d) Local Government Pension Scheme

The university participates in a defined benefit scheme in the UK, the Leicestershire County Council Pension Fund. A full actuarial valuation of the fund was carried out at 31 March 2022 by a qualified independent actuary. This was updated to 31 July 2025 for FRS 102 purposes by a qualified independent actuary. The major assumptions used by the actuary were as follows:

	2025	2024
Rate of increase in salaries	3.2%	3.2%
Rate of increase in pensions	2.7%	2.7%
Discount rate for liabilities	5.9%	5.0%
Inflation assumption	2.7%	2.7%

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

	2025	2024
Retiring today		
Males	21.0 years	20.7 years
Females	23.8 years	23.7 years
Retiring in 20 years		
Males	21.4 years	21.1 years
Females	24.5 years	24.5 years

The major categories of plan assets as a percentage of total plan assets

	2025 %	2024 %
Equities	52%	51%
Bonds	32%	34%
Property	6%	6%
Cash	10%	9%

<b>Changes in the Fair Value of Plan Assets, Defined Benefit Obligation and Net Liability for the year ended 31 July 2025</b>	<b>2024/25 £'000</b>	<b>2023/24 £'000</b>
Fair value of Fund assets	404,020	369,824
Present value of defined benefit obligation	(258,962)	(296,559)
<b>Surplus</b>	<b>145,058</b>	<b>73,265</b>
Less: Notional surplus not recognised at year end	(145,058)	(73,265)
<b>Net defined benefit (liability) / asset</b>	<b>-</b>	<b>-</b>
Since there is no unconditional right to the pension surplus, it has not been recognised.		
<b>Analysis of the movement in the fair value of plan assets</b>		
Value of assets at 1 August	369,824	331,421
Interest income on plan assets	18,652	17,040
Plan participants' contributions	3,222	3,143
Employer contributions	12,745	11,351
Benefits paid	(11,156)	(9,050)
Other experience	-	-
Return on assets excluding amounts included in net interest	10,733	15,919
<b>Value of assets at 31 July</b>	<b>404,020</b>	<b>369,824</b>
<b>Analysis of the movement in the present value of funded liabilities</b>		
Present value of liabilities at 1 August	296,559	278,409
Current service cost	7,152	7,257
Past service cost	1,207	-
Interest cost on defined benefit obligation	14,883	14,233
Plan participants' contributions	3,222	3,143
Benefits paid	(11,156)	(9,050)
Changes in demographic assumptions	176	(1,560)
Changes in financial assumptions	(50,473)	(5,067)
Other experience	(2,608)	9,194
<b>Present value of liabilities at 31 July</b>	<b>258,962</b>	<b>296,559</b>
<b>Analysis of items recognised in Income and Expenditure</b>		
Current service cost	(7,152)	(7,257)
Past service cost	(1,207)	-
Interest income on plan assets	18,652	17,040
Interest costs on defined benefit obligation	(14,883)	(14,233)
Changes in the effect of the asset ceiling	(3,661)	(2,704)
Employer contributions	12,745	11,351
<b>Total recognised in Income and Expenditure</b>	<b>4,494</b>	<b>4,197</b>
<b>Re-measurements</b>		
Changes in demographic assumptions	(176)	1,560
Changes in financial assumptions	50,473	5,067
Other experience	2,608	(9,194)
Return on assets excluding amounts included in net interest	10,733	15,919
Changes in the effect of the asset ceiling	(68,132)	(17,549)
<b>Total remeasurements recognised in Other Comprehensive Income</b>	<b>(4,494)</b>	<b>(4,197)</b>



## Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 July 2025	Approximate % increase to employer liability	Approximate monetary amount £'000
0.1% decrease in real discount rate	2%	5,201
1 year increase in member life expectancy	4%	10,448
0.1% increase in the salary rate increase rate	0%	209
0.1% increase in the pension increase rate (CPI)	2%	5,146

De Montfort University is aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' and considers that there is potential for the outcome of this case to have an impact on our Local Government Pension Scheme (LGPS) with Leicestershire County Council Pension Fund. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. At this point, it is not possible to estimate the potential impact, if any, on our Local Government Pension Scheme. As such, there is insufficient evidence that any adjustment would need to be recognised within the year-end liability and therefore no allowance has been made in the above disclosures.

## 28. Financial instruments

	Group 2024/25 £'000	Group 2023/24 £'000	Corporation 2024/25 £'000	Corporation 2023/24 £'000
<b>Financial assets</b>				
<i>Financial assets at fair value through Statement of Comprehensive Income</i>				
Listed Investments	46,911	42,158	46,911	42,158
<i>Financial assets that are equity instruments measured at cost less impairment</i>				
Other Investments	27	34	27	34

### Financial instruments – Risk management

The group operates a centralised treasury function which is responsible for managing the credit, liquidity, interest & foreign currency risk associated with the group's activities. These financial risks are managed within parameters specified by the Treasury Management Policy and Investment Policy which govern all treasury and longer term investment activities and sets out relevant policy objectives and control measures as driven by the university's Financial Strategy. Key recommendations of the Code of Practice on Treasury Management in Public Services as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Office for Students (OfS) are adopted as appropriate. The Policy is reviewed and approved by the university Finance and Performance Committee annually.

The group's principal financial instruments are the bond, cash, short term deposits and investments. The core objective of these financial instruments is to meet financing needs of the group's operations. Additionally, the group has other financial assets and liabilities arising directly from its operations such as trade debtors and creditors.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the group. The group's Treasury Management Policy and Bad Debt Write Off Policy lay out the framework for credit risk management. Credit risk is monitored on an on-going basis.

The group's credit risk arises from bank balances, investments, students, government and commercial debtors. Management of credit risk is a prime objective of the Treasury Management Policy. At 31 July 2025, the maximum exposure is represented by the carrying value of each financial asset in the Statement of Financial Position.

Student, government and commercial debtors are reviewed on an on-going basis and bad debt provisions are made if recovery of credit becomes uncertain. A debtor deemed irrecoverable is written off in accordance with the Bad Debt Write Off policy. The concentration of risk is limited due to the student base being large and diverse, and all Home/EU students having access to the Student Loans Company to fund their tuition fees. The treasury management policy states maximum level of investments for each counterparty to mitigate risk concentration. Similarly, the group's investment decisions are based on strict minimum credit worthiness criteria to ensure the safety of cash and investments. Credit worthiness of group's banks and money market funds is regularly monitored. Generally, the group does not require collateral against financial assets.

### Liquidity risk

Liquidity risk refers to the risk that the group will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Formal cash flow forecasts are developed, monitored and updated to ensure that adequate working capital is available and excess funds are invested to reduce the carrying cost of funds. The group reviews its minimum liquidity requirements to ensure cash is available between the three annual Student Loans Company remittances and invest excess funds to maximise investment in short term fixed deposits. At 31 July 2025, the group is holding cash deposits and investments of various maturities, none of which is greater than 12 months. The average maturity of any deposits or investments with a maturity date is 239 days.

The long term financing of the group relies on £90m, unsecured Eurobonds maturing in June 2042. The retained bonds held by or on behalf of the group were cancelled on 18 July 2017. The capital amount will be paid at maturity and coupon of 5.375% is paid semi-annually. The group may, at its option, redeem all, or from time to time any part of, the bonds at the higher of the following:

- (a) the principle amount of the bonds to be redeemed; and
- (b) the sum of the Gross Redemption Yield of the benchmark gilt (4.50% Treasury Gilt 2042) and 0.40% plus accrued interest.

Unless previously redeemed or purchased and cancelled, the bonds will be redeemed at their principle amount on 30 June, 2042.

Under the terms of the bonds, for so long as any of the bonds remains outstanding, in respect of each financial year, the group is to ensure that its total borrowing costs (as defined by trust deed) do not exceed 7% of the aggregate of:

- (a) its total consolidated income for the financial year; and
- (b) the total cash of the group as at the end of the financial year.

For financial year ending on 31 July 2025, the ratio was 1.77% (2023/24: 1.70%). The bonds may be redeemed at the option of the holder subject to the occurrence of certain events mentioned in the bond trust deed. Moody's review of the university's credit rating in 2025 determined the credit rating to be A1 negative outlook (2023/24: A1 stable outlook).

### Foreign currency risk

Foreign currency risk refers to the risk that the unfavourable movements in foreign exchange rate may cause financial loss to the group.

The group's principal foreign currency exposures generally arise from research related receipts/payments and our operations in the UAE denominated in EUR and AED respectively .

In line with the treasury policy, the University holds minimal foreign currencies for its operations. Any surplus amounts are converted into pound sterling unless required for immediate foreign currency payments. Overall foreign currency exposure is immaterial, being insignificant portion of total Income and expenditure. At 31 July 2025, the sterling equivalent of all EUR and AED bank balances was £1.2m (2023/24 : £1.1m) and £0.8m (2023/24: £1.2m) respectively.

### Interest rate risk

Interest rate risk refers to the likelihood that changes in interest rates will result in fluctuations of the value of Statement of Financial Position items (i.e. price risk) or changes in interest income or expenses (i.e. re-investment risk).

The group's main financing relates to 30 years £90m bonds (2023/24: £90m). At 31 July 2025, Statement of Financial Position values of deposits and investments are not exposed to changes in interest rates. However, the group's interest and investment income is exposed to changes in interest rates i.e. reinvestment rate risk. The group is prepared to accept re-investment risk to exploit opportunities where yield can be maximised without compromising capital base of the investment. The group has no outstanding derivative instruments as at 31 July 2025.

### Financial instruments – bond disclosures

An unsecured fixed rate public bond was issued in July 2012 in the sum of £110 million over a 30-year term with a coupon rate of 5.375%. The £20 million reserve bond which was held without coupon by the trustee for a five year period to July 2017 has since been withdrawn. There are no capital payments to be made over the term with the bond maturing in 2042.

DMU may, at its option, redeem all, or from time to time any part of, the bonds at the higher of the principal amount of the bonds and the sum of the gross redemption yield of the benchmark gilt (4.5% Treasury Gilt 2042) and 0.40%, plus accrued interest.

The bond transactions costs of £4.0 million are amortised over the life of the bond of 30 years to interest payable, with effect from financial year 2012/13.

The bond is listed on the London Stock Exchange, therefore categorised as Level 1 under the requirements of FRS 102 and valued using quoted ask price as at 31 July 2025 in compliance with FRS 102.

OfS requires the university to provide for the repayment of the bond in the form of a bond redemption fund of £15m every five years. The current value of this notional reserve is £39m held within investments (note 12).





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