UNIVERSITY OF LIVERPOOL

REVIEW OF THE YEAR AND FINANCIAL STATEMENTS 2024/25

Contents

The Council of the University

The key committees of the Council are:

1. **Audit Committee**
2. **Finance & Resources Committee**
3. **Nominations Committee**
4. **Remuneration Committee**

Names	**Membership of key committees**
Ex Officio Members	
Vice-Chancellor	
Professor Tim Jones, BSc, PhD	2, 3
Provost and Deputy Vice-Chancellor	
Professor Richard Black BA, PhD	2
Chief Operating Officer *(from 1 August 2024)†*	
Lucy Everest, BA *(from 7 October 2024)*	2
President of the Guild of Students	
Rowan Bradbury, BA *(until 31 July 2025)*	3
Othman Ibrahim, BEng *(from 1 August 2025)*	3
Thirteen* Lay Members (including the President and Vice-President) appointed by the Council	
Cilla Ankrah-Lucas, CQSW	-
Carmel Booth, BA, FCA (President)	2, 3, 4
Dr Alison Campbell, OBE, BSc, PhD, RTTP, DipIOD	2
Dr Mark Carawan, BA, PhD, FCA, CFIIA, QIAL, CIA	1
Fiona Cullen, BA	2
Barry Flynn, BSc, MBA, ACA	2
Dr Kashmir Gill, PEng, PhD *(until 16 October 2025)*	-
Vanessa Griffiths, MA	1
Mark Proctor, CBE, MEng, CEng, FIChemE, MBA	-
Matthew Reed, BEng, MA, MSc	2,3,4 (from 1 August 2024)
Hans van Mourik Broekman, MA (Vice-President)	2, 3, 4
Dr Diana Walford, CBE, MA, MD, BSc, MSc, FRCP, FRCPath, FFPH *(until 31 July 2025)*	1
Vacancy	-
Three members of the Senate, two appointed by the Council on the recommendation of the Nominations Committee and one elected from and by Senate's elected membership	
Professor Julia Balogun, BSc, PhD, MBA	3
Professor Hazel Scott, MBChB, MD, FRCP, PFHEA *(until 31 July 2025)*	-
Professor Thomas Teubner, Dr. rer. nat. *(until 31 July 2025)*	-
One member of the Professional Services staff appointed by the Council on the recommendation of the Nominations Committee	
Kieran O'Sullivan, BA *(until 21 June 2025)*	-
One member of the student body	
Othman Ibrahim, BEng *(until 31 July 2025)*	-
Holly Thompson, BSc *(from 1 August 2025)*	
Clerk to Council	
Kevan Ryan, BA, CPE, LPC	-

The following were formally appointed to Council on 26 November 2025: Professor Daniel Colquitt (Senate representative), Professor Bruce Gibson (Senate representative), Verity Foster (Professional Services representative), Dr Ruth Hussey (Lay Member), Gillian McGrattan (Lay Member), and Nick Walkley (Lay Member).

* *Council approved the following changes to its constitution during 2022/23 which are subject to Privy Council approval:*
An increase in lay membership from 12 to 13 members
Replacement of the Senior Professional Services Representative with Responsibility for People and Infrastructure and two of the Pro-Vice-Chancellors with the Provost and Deputy Vice-Chancellor

† *Council approved the following change to its constitution during 2023/24 which is subject to Privy Council approval: The inclusion of the Chief Operating Officer as an ex officio member*

Council members are the University's Charitable Trustees.

Highlights of the year

The University enjoyed numerous rankings successes this year, including an 18-place climb in the QS World University Rankings 2026 to 147th.

We launched our Heritage Institute, a cross-disciplinary approach to research into heritage, which plays a pivotal role in addressing global imbalances and injustices while championing human rights.

July saw the launch of the Liverpool Interdisciplinary Neuroscience Centre, a world-leading research hub uniting brain and mind research to tackle urgent neurological, neurosurgical, psychiatric and brain health challenges.

The Secretary of State for Health and Social Care, Wes Streeting, announced the Liverpool Institute of Child Health and Wellbeing, a major academic collaboration between the University and Alder Hey.

We continue to extend our global reach, including through partnerships with the University of Al Dhaid in Sharjah and the Royal University for Women in Bahrain.

February saw the formal launch of our new Interdisciplinary Centre for Sustainability Research, which supports interdisciplinary teams of researchers to collectively tackle the United Nations Sustainable Development Goals.

An Economic and Wider Impacts report found that the University's activities in 2022/23 are estimated to have generated up to £1.2 billion and 15,870 jobs in the Liverpool City Region.

In May the Indian Minister of Education formally awarded the University permission to open a campus in Bengaluru, India at a high-profile event in New Delhi.

Liverpool City Region has been announced as a new £6.75 million UKRI Creative Cluster for the Music sector. MusicFutures, led by the University and Liverpool John Moores University, will establish the Region as a music research and development powerhouse and ecosystem.

The University will lead the new £5.8 million Centre for People's Justice, an innovative new research centre aimed at responding to the public's need and desire for fairer, safer and more inclusive societies.

A new, £11 million national research hub (HALo), which will position the UK as a world leader in the emerging global field of long-acting therapeutics, will be led by the University.

The University's new Civic HealthTech Innovation Zone is one of the Liverpool City Region's Life Sciences Investment Zone Projects. It will aim to cement the city region's international reputation as a go-to place for investment in cutting-edge health and social care technologies.

Her Royal Highness, The Princess Royal, helped mark the 25th anniversary of the world-leading Liverpool Drug Interactions digital tool.

A new £4 million research project that will help to better predict the effects of climate change on the Southern Ocean will be led by the University.

We have seen fantastic improvements across all areas of the 2025 National Student Survey, outperforming both the Russell Group and the wider higher education sector across the survey as a whole.

President of Council Statement

It is now two years since the launch of the University's strategic framework, Liverpool 2031, and we are making strong progress against our vision for the future. Our work to break into the top-100 ranked universities worldwide has reached another important milestone this year as we entered the top 150 in the QS World University Rankings, our third improvement in those rankings in as many years.

The University is incredibly proud of its longstanding global outlook and I am delighted to report that our strategic objective to develop existing and new transnational education partnerships has moved forward significantly over the last 12 months. In May this year the Indian Minister of Education formally awarded the University permission to open a campus in Bengaluru, India. We are really excited by this development, which will see us open for our first intake of undergraduate and postgraduate students in August 2026.

This also presents an exciting opportunity for us to deepen existing partnerships in the region, including our 20-year research partnership with the National Institute of Mental Health and Neurosciences – and to forge new ones. Indeed, the Vice Chancellor signed Memoranda of Understanding to explore future collaborative opportunities with companies and organisations including the Royal College of Obstetricians and Gynaecologists (RCOG), AstraZeneca Pharma India Limited, YouWeCan, Dream11, Wipro Limited and Axis Bank during the trip. These partnerships will also help to further our ambitions in the UK.

In education and student experience we committed ourselves to reimagining our research-connected curriculum and we end the 2024/25 academic year well on the way to delivering this. Curriculum 2027 is the first comprehensive review of our undergraduate and postgraduate taught programmes in ten years and has been designed to shape our programmes to inspire and challenge students and build on our Teaching Excellence Framework Gold-rated teaching expertise. It will shortly be entering the implementation phase, and I look forward to seeing the real difference this makes to our students' learning and future employment opportunities.

Our research and innovation strengths have been significantly enhanced by the launch of our new Interdisciplinary Centre for Sustainability Research and two new research frontiers – Infection Resilience and AI for Life. We continue to attract significant research funding for our world-leading research, with successes this year in fields from climate change to social justice, music and long-acting therapeutics. And at our most recent Council away day we had a particular focus on the University's preparations for the next Research Excellence Framework.

Finally on our strategy, the University community is continuing work to create ambitious plans that will deliver growth in investment, jobs and innovation for our City Region. Progress here includes an improvement in IP and Commercialisation in the 2024 Knowledge Exchange Framework, where we moved to the top quintile, and signing a partnership agreement with Northern Gritstone, giving them preferred investor status in our deeptech spinout companies. The Sir Peter Rigby Enterprise Centre also continues to go from strength to strength, with 5,500 students engaging with enterprise support activities, curricular enterprise programmes, the Schools programme and more over the last year.

It has been a challenging year for the higher education sector due to significant uncertainty in relation to international demand, the policy environment and economic and geopolitical pressures. Against this context, I am pleased that we are able to report an underlying operating surplus for the year. A great deal of work has been undertaken by colleagues across the institution to deliver this position and I would like to thank them for their work. Whilst the University benefits from strong reserves, it is important that the University continues to strengthen its underlying performance to enable it to continue to invest in its people, students, infrastructure, research and key strategic priorities.

I am proud of the way that our staff, students, alumni and other stakeholders have come together as a community this year to drive the success of the University. We have a range of significant, exciting plans to build on our work together and I look forward to a very successful 2025/26.

Carmel Booth
President of Council

Vice-Chancellor's Report

We have enjoyed another successful academic year in 2024/25 with a great deal to be proud of and celebrate.

We have taken great strides in our work towards our university strategy, Liverpool 2031, with further progress towards our global top 100 university ambition a particular highlight. In June we entered the top 150 universities globally in the QS World University Rankings. Placing 147th, we have risen 18 places on last year and 43 places in total in just three years. This is a really significant achievement, to which our whole university community has contributed, and I would like to once again thank all colleagues for the role they have played.

Other rankings successes this year include an eight-place rise in the Times Higher Education World University Rankings 2025 to 160th; a six-place improvement in the Times and Sunday Times Good University Guide to 23rd; and winning the prestigious University of the Year accolade at the Educate North Awards.

This year has also seen major global engagement and partnerships developments. We have agreed to provide the teaching curriculum for a new College of Veterinary Medicine at the University of Al Dhaid, Sharjah, and have also developed a partnership for delivering postgraduate education at the Royal University of Women in Bahrain. Both of these are significant new arrangements on which we hope to build over the coming years.

Perhaps one of the biggest pieces of news this year was the announcement of our plan to open a University of Liverpool campus in Bengaluru, India, in 2026. In May I was honoured to meet the Hon'ble Union Minister of Education Dharmendra Pradhan, who awarded the University permission to open a campus at a high-profile event in New Delhi. The following day, we held a second celebratory launch in Bengaluru, Karnataka with senior ministers from the Government of Karnataka. The new campus is a really exciting opportunity to play our part in the Indian government's plans to significantly expand higher education provision. We will provide talented undergraduate and postgraduate students with a world-class teaching and learning experience and will also develop and expand our research and industry connections in the region to both enhance student employability and address in-country research challenges.

Of course, in addition to our global ambitions we are passionate about the role we play in the Liverpool City Region and the UK more broadly. Both our economic and wider contributions to the region and the nation were brought to life earlier this year through a report which found that the University's activities in 2022/23 are estimated to have generated up to £1.2 billion and 15,870 jobs in the Liverpool City Region. We continue to work closely with our Combined Authority to realise opportunities which will deliver further benefits for those in our region, not least through the ten-year Liverpool City Region Life Sciences Innovation Zone programme, which this year saw £10m invested in the University's new Civic HealthTech Innovation Zone.

IP and Commercialisation remains a real area of focus for us and the 2024 Knowledge Exchange Framework results saw us improve our performance in this area, moving to the top quintile. Meanwhile in May we announced a multi-year partnership agreement with Northern Gritstone, the groundbreaking investment and venture building company. The agreement gives Northern Gritstone preferred investor status in the University's deeptech spinout companies. This exciting development will see us combine our innovation strengths with Northern Gritstone's investment and venture-building expertise, in order to help ensure that discoveries made in Liverpool achieve their full commercial and societal potential, both in the UK and globally.

Important progress continues to be made across a broad range of research activity too. Over the course of the financial year, we have seen significant new research funding awards in a range of fields from music to justice and climate change to long-acting therapeutics. We have also opened new centres and institutes to tackle significant issues in child health and wellbeing, heritage and neuroscience. Last Autumn saw us launch our new Interdisciplinary Centre for Sustainability Research, an important part of our research and impact strategy. This Centre will convene interdisciplinary teams to tackle projects requiring integrative expertise linked to the United Nation's Sustainable Development Goals, securing external funding for ambitious projects and co-creating projects with external partners and stakeholders.

More recently we launched two new research frontiers in fields where we have globally-significant and innovative research expertise. AI for Life brings different fields together to advance AI technologies and their applications. We are developing solutions to address major societal challenges such as improving health and social care, closing educational gaps and promoting economic growth. Meanwhile, in Infection Resilience we are breaking down barriers between fundamental science and frontline medicine. Our research bridges the gap between how diseases work at the molecular level and how they impact people's lives. By pioneering new methodologies and tools, we're building a complete, systems-level understanding of infectious diseases and how to stop them.

Our teaching and student experience continues to receive plaudits from our most important reviewers – our students. We are incredibly proud of the significant improvements we recorded across all areas of the 2025 National Student Survey, where we outperformed both the Russell Group and the wider higher education sector across the survey as a whole. The results showed significant improvements across a broad range of areas, including a 6.7% increase in awareness of mental wellbeing resources and a 6.2% increase in confidence in feedback being acted on. These results also place first in the Russell Group for how well IT facilities and resources support learning and in the top 3 for: organisation and management; development of knowledge and skills that are needed for the future; assessment and feedback; and how good teaching staff are at explaining things.

Like all UK universities, we have continued to experience a difficult financial environment this year. A range of external factors continue to contribute to this, including a very challenging international student recruitment landscape and increased costs, such as the employer national insurance contributions, which nullified the inflationary increase in UK student fees for 2025/26 announced by the Government in November 2024. That inflationary increase was also, of course, the first rise in tuition fees since in 2017, meaning fees have significantly declined in real term value for a number of years. In response to these continued financial challenges, we put a new range of measures in place this year to reduce costs, manage our expenditure and generate new streams of income. This action has enabled us to retain a small underlying operating surplus.

Given our significant ambitions, we aim to be achieving a more significant surplus and our far-reaching work on generating long-term savings, on cost control and on revenue generation this year stands us in good stead for future years. That said, there clearly remain a number of factors outside our control as we look forward to 2025/26, not least the next steps following the Government's White Paper on immigration.

Of course, there are major opportunities too, including in response to the Government's Industrial Strategy, where we stand ready to play our part in driving the country's economic growth through contributions in artificial intelligence, defence, clean energy, life sciences, advanced manufacturing and creative industries.

This is only a summary of some of the key highlights from the 2024/25 financial year and I hope that you enjoy reading this review of the year to find out more. My thanks once more to all colleagues for their vital contributions to this university's success and I look forward to another productive year together.

Financial Highlights

Total income

£726.3m

Total income increased by £18.0m (2.5%) to £726.3m (2024 - £708.3m). This is mainly due to increased tuition fees, research, and inflationary uplifts in other income.

Underlying operating surplus[1]

£4.0m

The underlying operating surplus improved by £3.4m to a surplus of £4.0m (2024 - £0.6m). The improvement reflects stronger core operating performance, driven by income growth, a change in depreciation estimate for infrastructure assets, and continued cost control despite ongoing inflationary pressures, £13.1m costs relating to a successful Voluntary Leavers' Scheme which was implemented during the year, and volatility in overseas student recruitment.

Tuition fee income

£371.4m

Tuition fee income increased by £4.3m (1.2%) to £371.4m (2024 - £367.1m). Overall student numbers are up 2.3% compared with the prior year reflecting increased demand in home students offset by a decline in overseas students.

Research grants and contracts

£126.2m

Research grants and contracts income increased by £2.9m (2.4%) to £126.2m (2024 - £123.3m). This is a positive result and reflects increases in awards over recent years.

Staff costs

£432.4m

Staff costs (excluding pension movements) have increased by £38.7m (9.9%) year on year. This reflects restructuring costs of £13.1m, cost of living and national insurance increases.

Cash generation

£56.6m

Operating cash inflow of £56.6m is 7.8% of total income and up on prior year by £44.9m (2024 - £11.7m, 1.7%). This is due to movements in working capital, most notably an increase in creditors year on year.

1 Surplus is defined as the Surplus / (deficit) before other gains / (losses) and share of operating deficit of joint ventures and associates which is presented in the Consolidated Statement of Comprehensive Income. Underlying operating surplus refers to the operating surplus excluding pension adjustments. Please see page 10 for a bridge between the the Surplus and Underlying Operating Surplus.

The Chief Financial Officer's Report

Executive summary

We are reporting an operating surplus of £1.3m (2024 - £187.2m). The prior year surplus included a large (£189.3m) pension credit in relation to the Universities' Superannuation Scheme (USS) following the 2023 scheme valuation. Due to the materiality of this adjustment, it is important to consider the underlying position year on year.

Excluding non-cash pension adjustments relating to both the USS and the University of Liverpool Pension Fund (ULPF), the underlying operating surplus is £4.0m (2024 - £0.6m).

This is a positive result and has been achieved despite a difficult financial environment with a reduction in overseas student numbers, and increased costs such as the employer national insurance contributions.

Given the drop in overseas student demand, we maintained strong cost controls during the year. We anticipate that the challenging overseas market environment will continue, and on that basis a successful Voluntary Leavers' Scheme (VLS) was implemented during the year, resulting in recurrent savings of c£16m, which will be reflected in next year's (2025-26) accounts. The cost of the scheme was c£13.1m (2024 - £Nil), reported in this year's pay costs.

During the year we revised our policy of applying a 15-year useful economic life across infrastructure assets and changed our estimate to depreciating assets over 20 years which is more reflective of the lifespan of these assets. This has resulted in a year on year reduction in depreciation of £7m, which will continue in future years.

The underlying operating surplus after excluding £13.1m VLS costs and the £7.0m reduction in depreciation charge caused by the change in useful economic life of infrastructure assets would be £10.1m.

	2024/25	2023/24
	£m	£m
Operating surplus/(deficit)[1]	**1.3**	187.2
USS pension	**-**	(189.3)
ULPF pension	**2.7**	2.7
Underlying operating surplus	**4.0**	0.6
Underlying operating margin[2] %	**0.5%**	0.1%
Material items in the year:		
VLS costs	**13.1**	-
Reduction in depreciation due to change in useful economic life	**(7.0)**	-
Underlying operating surplus excluding material items	**10.1**	0.6
	1.4%	0.1%

Total income increased by £18.0m (2.5%) to £726.3m, largely driven by inflationary price increases.

Pay costs (excluding non-cash pension adjustments) of £429.5m (2024 - £390.8m) are up £38.7m including £13.1m costs in relation to the VLS during the year. The remaining £25.6m increase reflects the national pay award and the increase in national insurance costs incurred from April 2025. Operating expenses of £233.0m (2024 - £246.1m) are down £13.1m, supported by targeted cost controls.

Cash generation in the year was strong, with cash inflow from operating activities of £56.6m (2024 - £11.7m). This has enabled liquidity to remain well above the treasury minimum of £60m.

Overall, given the challenging environment, this is a good result, and the savings from the VLS scheme enable us to build on this in future years, with our plans showing a return to 5% surplus by 2030. This is supported by diversification of income, including the recent announcement of our plan to open a University of Liverpool campus in Bengaluru, India, in 2026, along with a continued strong cost control environment.

1 Surplus is defined as the Surplus / (deficit) before other gains / (losses) and share of operating deficit of joint ventures and associates which is presented in the Consolidated Statement of Comprehensive Income. Underlying operating surplus refers to the operating surplus excluding non-cash pension adjustments.
2 Underlying operating margin represents the underlying operating surplus as a proportion of income.

Financial key performance indicators (KPIs)

Our financial KPIs that we report internally in order to assess longer term financial sustainability include an underlying operating surplus target of 5% alongside minimum cash holdings of £60m. Our underlying operating surplus is shown in the table on page 10 adjusted for non-cash pension adjustments.

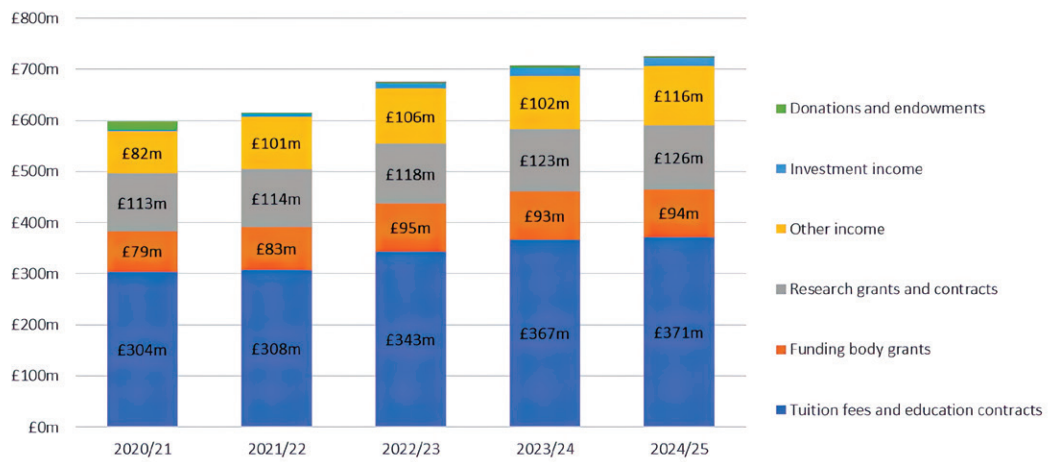
The underlying operating margin of 0.5% (2024 – 0.1%) is up on prior year, driven by rigorous cost control measures implemented across the University. This disciplined approach to managing expenditure enabled a stronger financial performance year-on-year, despite ongoing inflationary pressures, £13.1m VLS costs and strategic investment in key areas.

Our longer term plans are to reach to 5% surplus by 2030, through a combination of maintaining strong cost controls, and diversification of income including the opening of our new campus, University of India Bengaluru, in 2026.

Income

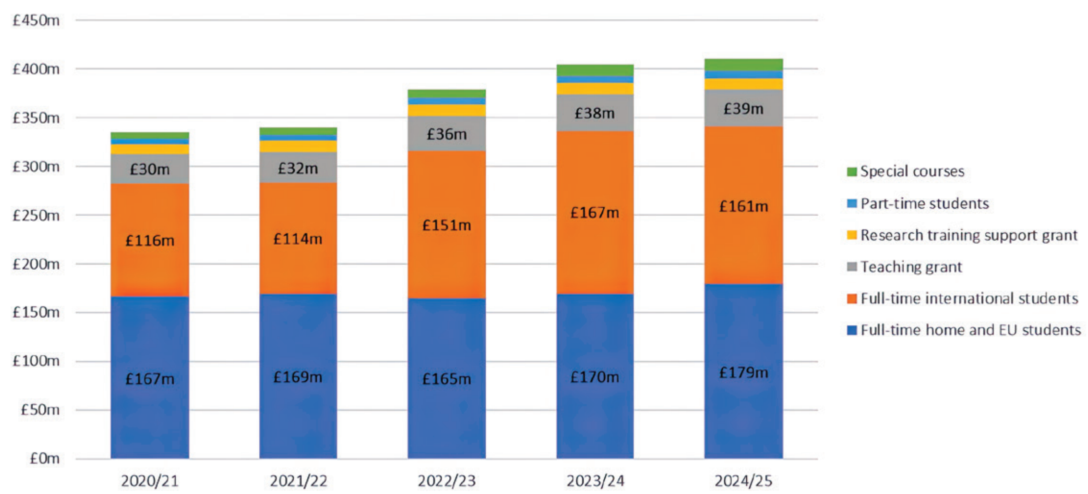
Total income at £726.3m is up £18.0m (2.5%) year on year, primarily driven by a £13.2m uplift in other income reflecting inflationary price increases and additional revenue from international strategic partnerships.

Income trends



Tuition fee income of £371.4m is £4.3m (1.2%) higher year on year (2024 - £367.1m).

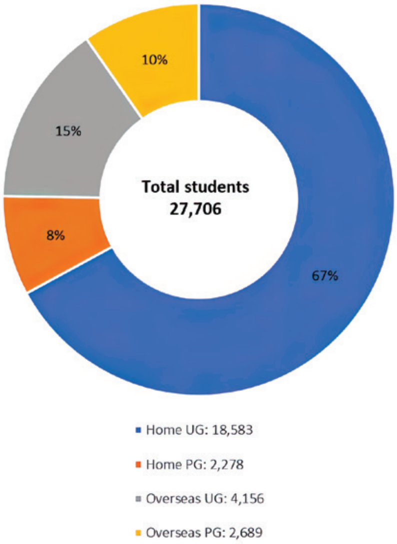
Teaching income trends



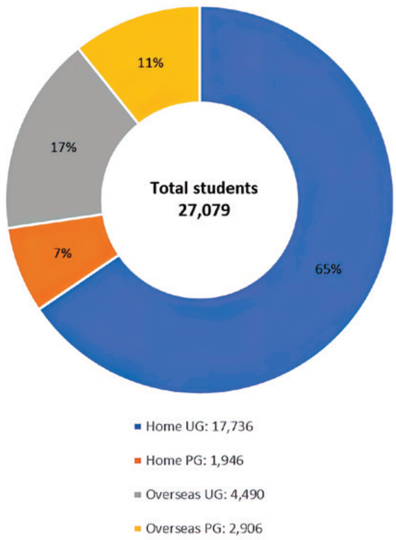
Overall, student numbers increased by 627 (2.3%) year-on-year to 27,706 FTEs, reflecting strong growth in home students offset by decline in overseas enrolments. Home student numbers rose strongly (UG 4.8%, PG 17%) showing strong domestic demand, while overseas enrolments fell (UG 7.4%, PG 7.5%), reflecting continued challenges in international recruitment.

Overseas enrolments remain below pre-pandemic levels, and the University is prioritising diversification of international markets alongside expanding transnational education (TNE) partnerships to mitigate risk and drive growth.

Student numbers 2024/25



Student numbers 2023/24

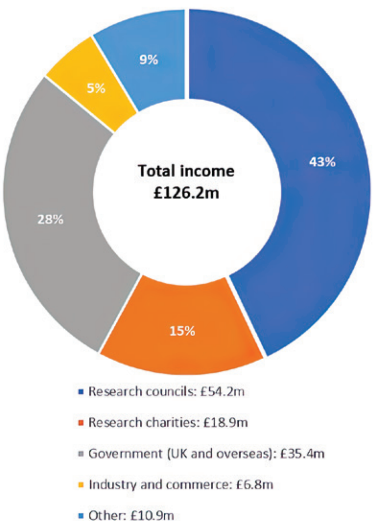


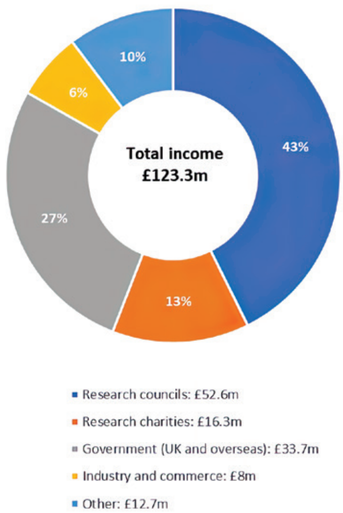
Funding body grants Funding body grants remained stable at £93.5m (2024 - £93.4m), with a slight £0.1m increase from the prior year driven by higher capital investment funding, while other specific grants declined due to the non-recurrence of prior year allocations, highlighting the importance of securing consistent multi-year funding to support strategic priorities.

Research income 2024/25

Research income 2023/24

Research income of £126.2m is up £2.9m (2.4%) year on year (2024 - £123.3m). Income largely relates to Research Councils and Government grants which account for 43% and 28% of income respectively (prior year: 43% and 27% respectively).

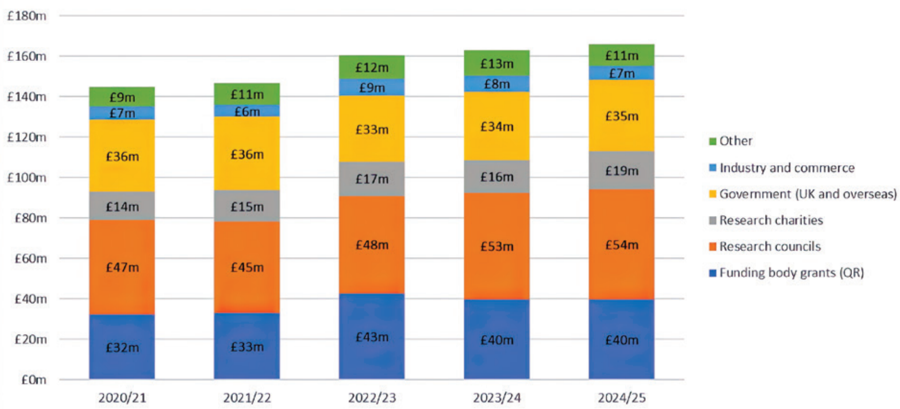




Research awards at £144.3m (2024 - £136.6m) are up on prior year. Recent award successes include:

- A £9.4m extension to the National Environment Research Council (NERC) Environmental Omics Facility (NEOF), a partnership between world-leading laboratories at the Universities of Liverpool and Sheffield to support researchers tackling big questions on biodiversity loss, climate change, soil health and more.
- £8.6m invested in a new Civic HealthTech Innovation Zone (CHI-Zone) to drive investment and job creation, while tackling health inequalities in the Liverpool City Region. The data and AI-driven CHI-Zone aims to cement the city region's international reputation as a go-to place for investment in cutting-edge health and social care technologies.
- A new National Hub for Advanced Long-acting Therapeutics (HALo) to drive research, public and patient engagement, and the translational infrastructure required for the development and manufacture of new long-acting therapeutics to ensure the UK is at the forefront of this strategically important healthcare area. This is supported by £7.3m in funding from Engineering & Physical Sciences Research Council (EPSRC).
- £6.8m Creative Cluster award for MusicFutures. The five-year funded programme, delivered by the Arts and Humanities Research Council (AHRC) on behalf of UK Research and Innovation (UKRI), will catalyse growth and innovation in Liverpool City Region's music sector. By focusing on driving R&D and innovation through emerging technologies as well as talent and business development, MusicFutures will supercharge the Liverpool City Region's already thriving music sector and future-proof the city's reputation as a global music city, ensuring its continued cultural and musical relevance on the world stage.

Research income trends*



Other income is up £13.2m (12.9%) to £115.6m (2024 - £102.4m). The increase is expected, given our strategic objective to diversify income streams, and includes increased commercial income across residencies and the vets practice, along with increased grant income.

Investment income decreased by £0.8m (5.1%) to £15.0m (2024 - £15.8m), reflecting falling interest rates throughout the year.

Donations and Endowments are down £1.7m to £4.6m (2024 - £6.3m) which is in line with expectations and reflects the timing of gift receipts. Gifts are recognised when the University is entitled to the funds, so some year-on-year volatility is expected.

* Research Income shown above also includes funding body grants from Research England

Expenditure

Staff costs of £432.4m are up £232.3m (166.1%) year on year (2024 – £200.1m). 2024 included a large non-cash adjustment of £193.6m in relation to the USS pension scheme (2025 - £Nil). ULPF non-cash adjustments of £2.9m are consistent with prior year (2024 - £2.9m). Excluding these amounts, the underlying increase in staff costs is £38.7m (9.9%) which includes £13.1m restructuring costs linked to the voluntary leavers scheme, c£16.7m pay inflation, £2.2m increase in national insurance contributions alongside the ongoing impact of staff investment made during the previous year.

Following the completion of the latest statutory full actuarial valuation of the University of Liverpool Pension Fund (ULPF), a new schedule of contributions for the fund was agreed. This includes suspension of employer contributions for up to three years from 1 April 2025. As a result, employer contributions decreased by £2.8m to £5.4m (2024 – £8.2m).

Excluding non-cash pension adjustments and compensation payments linked to the voluntary leavers scheme, staff costs as a percentage of income rose to 57.3%, up from 55.2% in 2024.

Other operating expenses have decreased by £13.1m (5.3%) to £233.0m (2024 – £246.1m), linked to a reduction in overseas bursaries and scholarships, professional fees, and repairs and renewals.

Capital

Overall, the value of tangible fixed assets has increased by £6.5m (0.8%) to £817.6m (2024 - £811.1m), reflecting continued investment in the academic estate and infrastructure. Capital expenditure totalled £56.4m, comprising £47.9m for estate improvements and £8.5m for infrastructure and equipment. This was offset by depreciation of £47.5m (2024 - £59.2m), disposals of £7.4m (2024 - £175.6m), and a minor impairment of £0.4m (2024 - none).

Treasury

Our **long term investments** include a portfolio of £240.2m (2024 – £291.9m) which is managed by external fund managers. The drop of £51.7m, 177% includes a £69m transfer from a higher risk long term portfolio to a lower risk cash based investment.

The level of equities in the portfolio was 44.3% (2024 – 41.2%). This is in line with the University investment strategy, which includes equity holdings and a range of alternative diversifying assets.

Cash and cash equivalents were £180.1m (2024 – £106.5m) and current asset investments were £1.1m (2024 – £1.1m) at year end, giving a total of £181.2m (2024 – £107.6m) in relatively liquid assets. The £73.6m increase in cash and cash equivalents reflects the above transfer of investments.

The University's strategy continues to be that of minimising risk in relation to these funds while generating returns greater than base rate through the use of money markets.

Pension asset and liability

Following the 2023 USS actuarial valuation, no provision has been made in the financial statements for future deficit recovery contributions (2024 – £Nil) as the scheme is in surplus.

At the year end, no pension asset is recognised in the financial statements in respect of the University of Liverpool Pension Fund (2024 - £Nil). This is because the total cost of subsequent years' accrual is expected to be lower than the employer and employee contributions, in perpetuity.

Risk and financial sustainability

As expected, 2024/25 has continued to be financially challenging for the UK higher education sector. While we have delivered year-on-year growth in income, this was below forecast due to weaker-than-expected overseas student recruitment. This, combined with sustained inflationary pressures across pay, energy, and construction costs, has contributed to an underlying operating surplus of 0.5%, which remains significantly below our long-term financial target of 5%. We remain focused on improving surplus levels to support financial sustainability, but we anticipate continued pressure in the near term, with a small surplus in 2025/26 and a return to our 5% target expected in five years.

Home student recruitment remains strong for 2025/26, and research awards are forecast to remain broadly in line with recent years, providing a stable foundation for continued growth in research income. However, the sector-wide outlook remains uncertain, with the Office for Students reporting that 43% of institutions are forecasting a deficit for 2024/25, and liquidity levels expected to decline further.

We continue to maintain a healthy cash position and are prioritising cost efficiency initiatives to strengthen our financial resilience. These include the recent voluntary leavers' scheme, alongside ongoing reviews of operational activity, systems, and processes to ensure value for money and support sustainable delivery.

Home undergraduate tuition fees have increased marginally to £9,535 from August 2025, the first uplift since 2012. However, this remains significantly below inflation-adjusted levels and continues to present a major risk to financial sustainability. The real-terms erosion of the unit of resource was manageable during periods of low inflation, but has become increasingly challenging in the current economic environment. We remain heavily reliant on overseas student income to mitigate this risk.

Other significant financial risks, many of which are outside of direct University control but can be mitigated to an extent, include:

Geopolitical disruption, which continues to impact international student recruitment. While we have diversified our international student mix, demand remains concentrated in a small number of markets, notably China and India. Recent declines in Chinese student applications and tightening visa rules have added further uncertainty.

UK immigration policy, including the reduction in the Graduate Route visa to 18 months and a potential 6% levy on international tuition fees, poses a risk to the UK's competitiveness and the financial viability of international recruitment strategies.

The **cost of maintaining and enhancing our estate**, including the significant investment required to achieve net zero carbon, continues to rise. We are focused on prioritising investment and achieving value for money, but increased surpluses will be required to fund these long-term commitments.

Cyber security remains a key financial risk, both in terms of the cost of maintaining robust IT controls and the potential financial impact of a future incident.

While both the **USS and ULPF pension schemes** are currently in surplus, pension costs remain volatile and subject to significant change due to economic conditions and future valuations.

Given these pressures, it is critical that we continue to mitigate risk through strong cost control, strategic prioritisation, and targeted growth in areas of high demand. We will focus on income streams that are more resilient to inflation and policy change, while ensuring that our activities remain aligned with our academic mission and long-term financial sustainability.

Going concern

The University's Council has determined that the University has adequate resources to continue in operational existence for the foreseeable future. In order to support the Council in making this assessment, a thorough review has been carried out including stress testing of assumptions and reverse stress testing in order to ensure appropriate headroom in the event of a plausible downside scenario. Based on this determination, these statements have been prepared on a 'going concern' basis. Further information is given in note 1 to the financial statements.

Strategy and Purpose

Embracing Liverpool's enterprising and creative spirit through research and education that transform students' lives and create a fairer, better world.

Our strategic framework, Liverpool 2031, building on our founding mission, past successes and considerable existing strengths, sets out how we will continue to push boundaries and provides a clear vision of what we aim to achieve by our 150th anniversary in 2031.

Our vision is to be recognised for globally leading research and education, the quality and scale of its partnerships, and its positive impact on people, our place and the planet.

Driven by our values and diverse community of colleagues, students and alumni, we will make ground-breaking discoveries that shape the future, empower individuals to become changemakers, and inspire students to fulfil their academic and personal ambitions.

Our values reflect the character of our Institution, will guide our way of working from day-to-day and be a reference point for our decision-making, future plans and development to be among the top 100 universities in the world.

Ambitious	Collaborative	Inclusive	Innovative	Responsible
We dream big and make things happen. We have the confidence to make bold decisions to achieve success.	**Together, we achieve more.** We make an impact through partnerships, releasing the power of collective expertise and shared endeavour.	**Shaped by diversity, powered by difference.** We champion a culture in which all are valued and supported to thrive.	**Original thinking with an independent spirit.** We create, reimagine and break new ground.	**A focus on doing the right thing.** We create positive change that improves lives.

Our emphasis is on four pillars, covering: research and impact; education and experience; global engagement; and place and innovation, all underpinned by two cross-cutting themes: our people and culture and sustainability. Implementation plans are underway with delivery assessed through a series of success measures that are aligned to our strategic risks and routinely monitored by our Senior Leadership Team and governance committees. These measures are summarised as:

- Breaking into the **top-100 ranked universities** worldwide
- Increasing our **research funding**
- Achieving excellent levels of **student satisfaction**
- Achieving excellent **graduate outcomes**
- **Increasing co-authored publications** with international and industrial partners
- Achieving strong **knowledge exchange** performance
- Hitting **sustainability targets** laid out in our sustainability strategy
- Achieving excellent levels of **staff satisfaction**
- Creating a place where **equality, diversity and inclusion** are demonstrably valued
- **Re-investing** in our priority areas, enabled by an increasingly strong financial position.

Key Performance Indicators

Progress towards the ambitions set out in Liverpool 2031 is monitored through a suite of Key Performance Indicators (KPIs) aligned with the University's strategic priorities. Academic and professional services staff work collaboratively to enhance institutional performance and ensure effective delivery against objectives. Performance reports incorporating key metrics are reviewed biannually by senior leadership and governance committees. A summary of current performance against core measures is provided below.

Strategic Aims

The University aims to be recognised for globally leading research and education, the quality and scale of its partnerships, and its positive impact on people, place, and the planet. A key measure of global standing is performance in the QS World University Rankings, with a challenging strategic target to achieve a position within the top 100 by 2031. In the most recent rankings released in June 2024, the University advanced from 165th to 147th. Over the past three years, we have risen by 43 places—the greatest improvement within the Russell Group—demonstrating strong progress towards our 2031 ambition.

Research and Impact

Research income at 2024/25 year-end is £126.2m, which represents a 2.4% year-on-year increase and a 6.7% increase over the 3-year average.

Research awards totalled £144.3m (2024: £136.6m), reflecting continued growth and the strength of our research portfolio under Strategy 2031. Major new awards include a £9.4m extension to the NERC Environmental Omics Facility (NEOF), supporting research into biodiversity loss and climate change; £8.6m for the Civic HealthTech Innovation Zone (CHI-Zone) to drive innovation and investment in health technologies across the Liverpool City Region; £7.3m from EPSRC for the National Hub for Advanced Long-acting Therapeutics (HALo), advancing UK leadership in long-acting therapeutics; and a £6.85m Creative Cluster award for MusicFutures, funded by AHRC, to stimulate growth and innovation in the region's music sector.

We continue to perform well within metrics which gauge the citation impact of research publications – well above the sector average and Russell Group average. Postgraduate research completion provides an indication of the health of the research environment, and the University has a consistent, above sector average completion rate of 92.5%.

Education and Experience

The University of Liverpool has seen fantastic improvements across all areas of the 2025 National Student Survey (NSS), outperforming both the Russell Group and the wider higher education sector across the survey.

Building on last year's success, the results move Liverpool from 3rd to 2nd in the Russell Group, with a 3% increase on last year's average score. For the specific KPI related to satisfaction with teaching, the positivity score increased again to 87.7%. Similar to the 2024 results, the positive performance is evident across all three faculties with notable achievements in many key areas.

For the graduate employment KPI which reflects those graduates in high skill work or further study, we saw a fall this year to 78.8%. However, our result is in line with the sector which saw a general fall in performance.

We also have an ambition to attract a diverse student body, including a strong international student population. The proportion of international students continues to be a challenge not only at Liverpool but right across the UK higher education sector. However, the University continues to benefit from its key strategic partnership with Xi'an Jiaotong-Liverpool University.

The proportion of entrants from the most deprived areas, as measured by the Index of Multiple Deprivation (IMD), has remained stable over recent years. As this measure is now an agreed institutional target within the Access and Participation Plan, the proportion of students from these areas is expected to increase over time, supported by enhancements to our contextualised admissions approach.

Global Engagement

This year the University advanced the global engagement pillar of its strategy through a series of high-level international partnerships, reinforcing its reputation as a globally connected institution driving research, innovation, and education. Strategic collaborations in India included new Memoranda of Understanding with the Saveetha Institute of Medical and Technical Sciences, Garden City University, and the Government of Karnataka, alongside the announcement of plans to launch a new campus in Bengaluru in August 2026 — marking a major step in strengthening UK–India academic and research links.

The University also deepened its international reach through

Researcher in the Centre of Excellence for Long-acting Therapeutics

strengthened ties with Indonesia, Canada, the United Arab Emirates and Iraq. Engagements with the President of Indonesia supported the development of a UK university consortium to advance education and innovation, while Liverpool's partnership with McMaster University continued to deliver impactful research across sustainability, health, and engineering. A new agreement with Iraq's Higher Committee for Education Development will further expand academic cooperation and postgraduate training opportunities. An agreement with the University of Al Dhaid has quickly moved into delivery of a curriculum for a new vet school in the United Arab Emirates. Collectively, these initiatives exemplify the University's commitment to global collaboration, mutual learning, and addressing shared challenges through world-class partnerships.

Also, we continue to collaborate within our research internationally, with consistent performance of around two thirds of our publications having an international collaboration, a much higher rate than the UK sector average and higher than the Russell Group average.

Place and Innovation

In the fifth iteration of the Knowledge Exchange Framework (KEF), announced September 2025, the University was placed in the top 20% in the sector (quintile 5) for Research Partnerships, IP and Commercialisation, and Working with the Public and Third Sector. As well as being in the top 20%, the University's performance in Research Partnerships exceeded the average score for its cluster (peer institutions of similar size, focus and research strength). We remain in line with the cluster average score in IP and Commercialisation and Working with the Public and Third Sector. The University improved its performance in Local Growth and Regeneration, where we are recognised as having high engagement (quintile 4), exceeding the average score for the cluster. The results also recognised our high engagement in Working with Business, and Public and Community Engagement, where our score is in line with the cluster average.

The University has seen improvements in several of the underpinning metrics which inform the KEF results, due to investment and growth in areas of strategic focus. External investment in spin-outs increased significantly over the KEF 5 period (2021/22 – 2023/24). Other metrics which have increased include income from regeneration and development programmes, cash contributions to collaborative research, co-authored outputs with non-academic partners, and the number of graduate start-ups.

As the KEF methodology normalises performance for institution size using HEI income (tuition fees and education contracts; funding body grants; and research grants and contracts), KE activity will need to increase in line with Strategy 2031 ambitions to maintain this strong performance.

People & Culture

The results of the 2024 Staff Survey were published in Autumn 2024, showing improvements against all the sections identified as KPIs, compared to the 2019 staff survey. Robust action plans will be developed at a local and institutional level to ensure we continue to progress in all areas.

Financial and Environmental Sustainability

The year-end operating surplus of £4.0m (0.6%) was better than in-year forecasts, but below the planned surplus of 2.6%. Cost control has been implemented together with the completion of a Voluntary Leavers Scheme. Operating surplus excluding the cost of the Voluntary Leavers Scheme was £17.1m (2.4%) suggesting the planned operating surpluses in plan are achievable.

Future efficiency gained through both a review of professional services leading to greater functional alignment and a finance systems transformation project will further eliminate duplication and enhance effectiveness.

The University advanced its sustainability agenda through a series of significant initiatives this year. Sustainability Week was delivered across campus in February this year capped by the formal launch of Sustainability 2031, which articulates the University's long-term commitment to embedding environmental sustainability at the heart of its values and strategic vision. In addition, the establishment of the Interdisciplinary Centre for Sustainability Research created a new institutional focal point for cross-disciplinary collaboration, supporting research aligned with the United Nations Sustainable Development Goals and reinforcing the University's leadership in addressing global sustainability challenges. Aligned to specific KPI performance, we have maintained our ranking with the Top 50 in the QS Sustainability Rankings.

Strategy Aims and Linked Indicators

Pillar	Key Success Measure	2023/24 Progress	2024/25 Progress
Overall	We will achieve a Top 100 University ranking	On track	On track
Pillar 1 **Research & Impact**	We will substantially increase our research income to above the median of the Russell Group	Progress needed	Progress needed
Pillar 2 **Education & Student Experience**	Our students will report excellent levels of student satisfaction as measured by the annual National Student Survey	On track	On track
	Recent graduates will be in highly skilled employment at or above target levels as measured by the Graduate Outcomes Survey	On track	On track
	Attracting and retaining a diverse student body across all disciplines as measured by (i) ethnicity, (ii) UK/non-UK and (iii) Low Participation Neighbourhoods	Progress needed[1]	Progress needed[1]
Pillar 3 **Place & Innovation**	We will achieve strong economic and social impact as measured by KEF and other key indicators	On track	On track
Pillar 4 **Global Engagement**	We will develop a range of strategic partnerships focused on increasing the global impact and reputation of our research and education	Progress needed	On track
Theme 1 **People & Culture**	Our staff will report excellent overall levels of staff satisfaction as measured by the Staff Survey	On track	On track
	Equality, diversity and inclusion will be demonstrably valued	On track	On track
Theme 2 **Sustainability**	We will achieve the targets set out in our sustainability strategy	Progress needed	On track
Resources	We will achieve our target for increasing the University's annual surplus to enable re-investment in our priorities	Progress needed	Progress needed

1 (ii) UK/Non-UK not on track

Risk Management

Risk management ensures the University is able to deliver on its key strategic objectives by mitigating potential negative outcomes and increasing its ability to focus on success. The University's Risk Framework continues to focus on and analyse the most critical risk areas associated with the delivery of the ambitions set out within our strategy, Liverpool 2031. The Strategic Risk Register lists these as a set of 12 strategic risks, both internal and external.

All strategic risks are reviewed regularly by nominated risk leads to monitor any changes to the nature of the risk and ascertain if any further mitigations or controls should be implemented to reduce the risk.

Strategic Risk Management

The external risks affecting the University include the risk of cyber-attack, risk to our global reputation, and risk to environmental sustainability. Whilst the institution cannot affect whether these risks will occur, it can be alert to the changing environment and prepare for the risk and any potential impact. To this end, the institution undertakes regular environment scans and keeps abreast of policy developments to ensure early notification of emergent changes to these risks.

In addition to these three external risks and opportunities, nine internal risks have been identified, aligned to Liverpool 2031. These are described in more detail on the next page.

STRATEGIC RISK	DESCRIPTION AND RESPONSE
Global reputation	This is the external risk to the University's ability to leverage our global reputation, key partnerships and league table position to protect the institution from damaging impacts of geopolitical events. The institution has established a Global Engagement & Partnership Steering Group to look at this risk from an international perspective.
Cyber attack	This is the external risk to the University of a prolonged loss of business operations as a result of a cyber-attack targeting or taking advantage of technical vulnerabilities. The institution has strategies and investment in place to keep pace with external threats as well as constantly reviewing its technical solutions, processes and management of its IT infrastructure.
Environmental sustainability	This is the external risk to the University's ability to respond to the impact of climate and other external environmental factors on our activities. The institution's Climate Plan provides the framework upon which a detailed roadmap to decarbonisation will be built, aligned with the University's Estates Strategy.
Research and impact quantity and quality	This is the risk to the institution's ability to deliver ground-breaking research which achieves the maximum benefit for our stakeholders, staff and students, and enhances our global reputation. Regular scans of the research environment to identify new opportunities and action plans are aligned to the strategy to support developments to build diverse, inclusive and sustainable research at all points in a researcher's career.
Student recruitment	This risk is the institution's ability to recruit high quality students which enable the institution to meet its strategic objectives. Effective planning and governance processes enable subjects to align plans to overarching recruitment strategies. In an increasingly competitive marketplace, action plans with marketing and communication activity are in place to support recruitment of specific cohorts.
Staff recruitment, retention and performance	This risk is the institution's ability to recruit and retain excellent staff as an enabler of our strategic ambitions as well as our ability to deliver an ambitious staff culture embodying an entrepreneurial and innovative mindset. Strategies to retain and attract staff use surveys and focus groups to identify areas for development then introduce actions plans where relevant. For example, a review of academic promotions is ongoing. Staff are kept informed through regular communications and opportunities for engagement.
Infrastructure – digital and estates	This risk is the institution's ability to deliver both physical and digital campuses which support our strategic ambitions. The institution's Estate Strategy and Capital Plan provide the framework for the planning and maintenance of the physical estate, whilst Planning Groups for both Capital and Digital provide oversight and strategic alignment.
Financial capacity and sustainability	This risk is the institution's ability to deliver the financial investment required underpin the delivery of Liverpool 2031. The planning cycle sets out budgetary parameters and there is scenario-planning to understand the impact of changes in the environment. Opportunities for growth are identified in the planning cycle and aligned to strategy. Reviews identify areas where cost efficiency and value for money could be improved and targeted actions are undertaken where appropriate.
Capacity to deliver transformation	This risk is the institution's ability to realise our strategic ambitions measured against our key success measures. The University is revising its operating model for professional support which, through aligning functions, processes and systems as well as levering new technologies, will deliver the operational efficiencies required to provide the capacity to deliver our ambitions.
Regional profile and engagement	This risk is the institution's ability to leverage progress made with key partners across the Liverpool City Region as an enabler of our strategic ambitions. The University has built and continues to refresh a portfolio of fundable proposals to ensure we can respond in a timely manner, thereby building our opportunities and capacity to collaborate with key strategic partners.
Student satisfaction and wellbeing	This is the risk to the institution's ability to meet the needs of students and deliver a competitive student experience. The University has a planning process that ensures appropriate investment to ensure the wellbeing and satisfaction of students in line with the Education Strategy. Close working with the Student Guild identifies priorities and supports development of action plans for implementation.
Compliance	This is the risk to the institution's ability to comply with statutory and/or legislative requirements. A significant number of controls manage this risk ensuring policies, procedures and committees provide the required oversight.

Sustainability

We are committed to driving forward environmental and social equity through our research, education and operations as outlined in the University's strategic framework, Liverpool 2031.

A new Sustainability Strategy was published in February 2025 which sets out how we will deliver on these commitments, and a new Sustainability Committee has also been established to monitor progress against our ambitious success measures. The Sustainability Strategy is available at **www.liverpool.ac.uk/media/livacuk/sustainability/University,of,Liverpool,Sustainability,Strategy,2031.pdf**

Other achievements over the past 12 months include a rise of 8 places in the QS Sustainability Rankings, placing us 42nd out of 1,744 institutions worldwide. We achieved Fairtrade Accreditation recognising our whole-university approach to embedding Fairtrade principles into leadership, operations and the student experience. We reported a 48.07% reduction in general waste sent for incineration with energy recovery since 2021, and our annual Sustainability Week was the biggest ever, reaching hundreds of staff and students through our sustainability fair, film screenings, guided tours and workshops.

Research

Throughout 2025 our new Interdisciplinary Centre for Sustainability Research has conducted sandpit events to scope topics to take forward into bid development. The Centre's mission is to support teams of researchers who can collectively tackle the United Nations Sustainable Development Goals.

As signatories to the Concordat for the Environmental Sustainability of Research and Impact we are committed to ensuring that the way we conduct our research aligns with our environmental policy, and those of our funders. We are prioritising emissions from business and academic travel, and the implementation of the Laboratory Efficiency Assessment Framework (LEAF). We are proud to have 99% of our laboratories signed up to the framework, with 37% of those awarded silver and 8% gold.

Education

In 2025, the University launched the new Liverpool Learning Framework, which set a benchmark for all programmes to include sustainability, with specific requirements that drive forward more ambitious transformation of our formal and extra-curricular offer. We also launched an array of new sustainability-focused programmes, including an MSc in Sustainable Business, MSc Green Finance & Sustainability Accounting and MSc Sustainable Civil & Structural Engineering.

Our Careers and Employability team ran their annual Sustainable Innovation Challenge, giving students the chance to collaborate with peers and industry professionals to tackle real-world sustainability challenges. We also launched our Living Lab programme, which aims to connect education and research to campus sustainability challenges.

Operations

Scope 1 and 2 carbon emissions

Decarbonising the University's energy supply and operations is a key priority for achieving a transition to net zero in scope 1 and 2 emissions by 2035. A new and more comprehensive baseline for these emissions was reported to the Sustainability Committee in 2025, based on the Standardised Carbon Emissions Framework (SCEF), which includes categories we

Table 1: Scope 1 and 2 emissions based on the academic year 1st Aug-31st July

Type of Emissions	Emission Sources	2022/23 tCO2e	2023/24 tCO2e
Scope 1	Gas consumption	26,526	27,911
	Fuel used in vehicle fleet	83	80
	Refrigerant gases	295	326
	Land related emissions & livestock	1,063	767
Scope 2	Purchased electricity	8,383	6,905
	Total scope 1 and 2 emissions	**36,350**	**35,989**

Table 2: Scope 3 emissions based on the academic year 1st Aug-31st July

Type of Emissions	Emission Sources	2022/23 tCO2e	2023/24 tCO2e
Scope 3	Capital goods and purchased goods and services	129,027	142,105
	Waste inc. wastewater	127	71
	Business travel	1,467	7,411
	Employee commuting	4,590	3,414
	Upstream leased assets	160	355
	Downstream transportation and distribution	3,366	4,134
	Total scope 3 emissions	**138,737**	**157,490**

have not reported historically e.g. refrigerants from estates activities, and land and livestock. To ensure we are on track to meet this target, development of a new Energy Strategy has been prioritised and this will be published in 2026 along with new interim net zero targets.

Scope 3 carbon emissions

Confirming a full scope 3 baseline is a complex activity and will evolve over time. The scope 3 emissions reported above cover the academic years 2022/23 (baseline year) and 2023/24, and include all SCEF categories except investments. This is due to us not having a complete picture of the carbon footprints of investments made via our fund managers, at the point of finalising our most recent annual carbon reports. It should be noted that our carbon reporting has a year's lag to account for collation of supplier data, and to align with the reporting window of the HESA Estates Management Return. We plan to report a fuller picture of our scope 3 footprint, including investments, for the reporting period 2024/25.

Biodiversity

In February 2025 we published a Biodiversity Plan which sets out our principles, commitments and actions in relation to addressing biodiversity loss and the ecological crisis. To support this we recently completed a survey and mapping exercise of habitats across the University using the UK Habitat methodology, the only methodology compatible with Biodiversity Net Gain requirements. This will inform our actions going forward to target biodiversity gains across major capital developments and to inform estates regimes to protect and support identified priority habitats across our estate.

Waste, Recycling and Circular Economy

In 2021 an ambitious target was set for the University to halve domestic general waste sent for incineration with energy recovery by the end of the academic year 2024/25. Throughout 2025, we made strong progress towards delivering the Waste Management Plan and associated actions, resulting in a reduction of 67.12 tonnes of general waste compared to the previous year, achieving a total reduction in general waste of 650.87 tonnes. This was supported through the launch of Warp It, which has saved £117,095 to date, preventing 14 tonnes of waste and 52 tonnes of CO2e and Uni Green Scheme which collected 1.7 tonnes of redundant laboratory equipment for reuse and resale.

Public Benefit

The University's Charter states: 'The objects of the University shall be to advance education, learning and research for the public benefit'.

The University is an exempt charity under the terms of the Charities Act 2011, regulated by the Office for Students. The members of Council are charitable trustees, subject to the obligations this imposes under charity law.

- Ensure the charity is carrying out its purposes for the public benefit, and that its assets are applied solely for its charitable purposes
- Comply with the charity's governing document and the law
- Act in the charity's best interests, including by managing conflicts of interest
- Ensure the charity is accountable
- Manage the charity's resources responsibly, including by managing risks and protecting its assets and people
- Act with reasonable care and skill.

In exercising their powers and duties, members have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. Working for public benefit is core to the University's Strategy and to its founding mission – for advancement of learning and ennoblement of life. The University's core teaching and research activities benefit regional, national and international communities. In addition to this, the University undertakes many other activities directly for public benefit.

These include:

- Increasing educational opportunities for those from backgrounds which are typically under-represented in higher education
- Advising civic partners on programmes related to economic growth and the development of regional research and development assets
- Providing volunteering and work placement opportunities for students
- Organising series of free events for members of the public to attend
- Providing direct employment opportunities for thousands of people across the Liverpool City Region and thousands more indirect opportunities through procurement, partnerships, and purchasing power
- Targeting business support services such as Knowledge Transfer Partnerships with Liverpool businesses
- Undertaking joint activities with key local partners such as Tate Liverpool and National Museums Liverpool.

Access and Participation Plan: Social Mobility and Student Support

Entry 2024

We are committed to improving the social mobility of our students and those across the Liverpool City Region and nationally, providing support for students at each stage of their learning journey, and maintaining our position as one of the top recruiters of Widening Participation students within the Russell Group (based on Office for Students Dashboard Data).

Over the last year the Widening Participation and Outreach team has continued to work closely with partners across the University to offer opportunities to local students, and endeavour to meet the stretching targets set out in our Access and Participation Plan 2025/26 – 2028/29. The Plan represents a five-year commitment as an institution to ensure prospective students with the potential to study at University can do so, and that those who choose to study with us are given the support they need to succeed.

In 2024/25, 6,800 students engaged in our programmes, representing 173 engagements with our partner schools. 1,600 of these students participated in long-term programmes, visiting the

Liverpool Scholars graduation event

University multiple times and receiving intensive support – including increasing the size of our flagship supported access project, Liverpool Scholars, to a record cohort of 400.

We know that young people face many barriers in accessing higher education and so, ensuring we continue to deliver our successful outreach programmes to a high standard is at the heart of what we do. We also continue to innovate, improving each programme year on year with new or updated initiatives, including: Easter study sessions for Year 13 students about to sit their A Levels; academic mentoring delivered in local community settings; and work experience sessions at the University's Central Teaching Laboratory for post-16 students with an interest in Science, Technology, Engineering and Mathematics careers. In May 2025, as recognition for their work in this area and the significant contributions they have made to the lives of young people in the community, several members of the Widening Participation and Outreach Team were invited to Buckingham Palace to attend one of the annual Royal Garden parties.

As a university we also continue to offer Contextual Admissions, providing alternative offers for students who have overcome difficult educational barriers.

For entry 2024, we are proud that over 870 students from neighbourhoods with historically low levels of participation in higher education joined the University, – representing 15.3% of our total UK undergraduate intake. Of these, 190 students entered the University having previously been part of one, or more, of the Supported Access programmes offered through the Widening Participation and Outreach Team. These students have been offered ongoing support through a range of initiatives, such as the Liverpool Advocate programme detailed below, and the pilot of 'Liverpool Plus', which will provide pastoral support and opportunities for Widening Participation students during their transition into, and first year of, study.

Scholarships and Outreach

2024 saw the University offer a range of scholarships to support students from widening participation backgrounds. The Bloomberg Scholarship, Genesys Life Sciences Scholarship, Nolan Scholarship, ROLABOTIC Scholarship, Bracken Data Science Scholarship, Technetix Broadhurst Engineering Scholarships, Holt Awards and Rigby Enterprise Awards have provided over £95,000 of additional funding for students, easing the pressure of the cost-of-living crisis and enabling them to take up additional opportunities at university.

The impact of donor scholarships goes beyond financial benefits, with Genesys Life Sciences Scholarship students also being offered work experience placements with the company, improving their employability early in their degree, while the recipient of the Bracken Data Science Scholarship received mentoring support from the donor.

Our strong relationship with the Cowrie Scholarship Foundation continues to make a real difference, with our first Cowrie Scholar graduating in July 2025 with a First Class Honours degree.

Our Asylum Seeker Scholarship also remains an important part of our offer, with tuition and maintenance support for exceptional students who have sought protection in the UK, so they may continue with their education and receive the support they need to succeed.

The University recognises the importance of early educational attainment for future success. Through our partnership with IntoUniversity, the LFC Foundation, Everton in the Community and The Steve Morgan Foundation, we have supported 2,300 students this academic year, across both the IntoUniversity North Liverpool and Kirkby Centres, and over 5,000 individuals since the partnership began. Through programmes such as Academic Support, Mentoring and Primary FOCUS, we see a range of positive outcomes, including improved school attendance and performance, improved engagement with school and progression to higher education. This work is made possible by generous donors, who are passionate about education and the difference higher education makes to the lives of young people.

Relationships with key partners like IntoUniversity, the Brilliant Club and the Children's University have seen us host over 30 mini graduation ceremonies during the year, providing a positive experience of higher education for thousands of young people and their supporters.

Our support for educational attainment has also seen the University provide hundreds of hours of one-to-one mentoring support. A level students on our Liverpool Scholars, Realising Opportunities and Pathways to Banking and Finance, Law and Engineering programmes have all benefited, as have GCSE students on schemes like Fast Trackers, which has supported students from the local Somali, Yemeni and Black British heritage communities.

Fast Trackers is part of our commitment to support students from Black, Asian and Minority Ethnic backgrounds, an important and growing area of work, as showcased through our piloting the 'against the odds' mentoring scheme in community centres in the Liverpool 8 area.

This year, the Widening Participation and Outreach team has continued to work in collaboration with the Centre for the Study of International Slavery and the US Embassy to offer a programme of events to local schools exploring Liverpool's connections to the slave trade. The team also collaborated with colleagues in the Faculty of Health and Life Sciences to co-deliver the third annual 'Black Science Boot Camp', aiming to promote degree programmes and careers across the faculty to local Black British students, who are typically under-represented in these disciplines. 50 Year 10 students took part in two days of hands-on tasters, while Year 11 students who attended last year returned for a reunion event after finishing their GCSEs.

The Liverpool Advocate programme continues to improve and expand, providing an important opportunity for current University students to work flexibly alongside their studies, supporting the Widening Participation and Outreach, UK Recruitment and Shaping Futures teams. With 200+ students on the scheme, many of our Liverpool Advocates have entered the University through our outreach programmes, or are from disadvantaged backgrounds themselves, and so provide fantastic role models for the young people we engage with, as well as increasing their own sense of belonging as University of Liverpool students.

Events and Cultural Activities

The University's Victoria Gallery & Museum (VG&M) houses the University's fine art and museum collections. Free to the public, its special exhibitions programme, showcasing both local and

Liverpool Literary Festival Presents: An Evening with Lord Heseltine

University of Liverpool Symphony Orchestra students outside the Yoko Ono Lennon Centre

international artists, is extremely popular and, in an average year, the VG&M welcomes more than 70,000 visitors.

Highlights this year have included *Indian Perspectives with Tony Phillips and Jasmir Creed,* an exhibition exploring the legacies of British colonial rule of India and the experiences of people of Indian heritage living in Britain, through more than 100 works. Meanwhile, *J.M.W. Turner & his Contemporaries - Watercolours from the University of Liverpool Collection* commemorated the 250th anniversary of Turner's birth. Turner worked at a time now considered the 'golden age' of British watercolour painting when a generation of major talent emerged. This exhibition investigated the links between Turner, Thomas Girtin, John Sell Cotman, David Cox Snr, Samuel Prout and many others.

The annual Liverpool Literary Festival took place in October 2024 and began with international best-selling author, Sarah Perry, discussing her latest novel, *Enlightenment.* Other highlights included the Sunday Times Number One best-selling author, Adele Parks MBE, discussing her book *First Wife's Shadow* and an exclusive discussion about the acclaimed BBC drama, Mother's Day, which is based on the true events and aftermath of the IRA bombing in Warrington town centre, on the eve of Mother's Day 1993. The atrocity took the lives of twelve-year-old Tim Parry and three-year-old Johnathan Ball and injured a further fifty-four people. Tim's father, the peace campaigner Colin Parry OBE was joined by BAFTA winning actress Anna Maxwell Martin, actor Daniel Mays and writer Nick Leather to discuss the challenges of making a tragedy into a powerful drama. Colin also discussed the book he wrote with Wendy, *Tim: An Ordinary Boy,* about Tim's life and their family's journey.

March saw a special Liverpool Literary Festival Presents event as Lord Michael Heseltine returned to Liverpool to reflect on his memoir *From Acorns to Oaks: An Urgent Agenda to Rebuild Britain.* Organised by the University of Liverpool's Heseltine Institute for Public Policy, Practice and Place, the event saw Lord Heseltine in a thought-provoking conversation with Professor Michael Parkinson CBE about Liverpool's re-birth, regeneration and renaissance from the 1980s to the present day.

The Tung Auditorium continues to play an important role in the City's music scene and hosted a full programme of interesting and engaging events. The diverse programme included a spectacular array of genres and exceptional live performers, ranging through classical, jazz, electric-folk, pop, acoustic and experimental music.

Collaborations with BlackFest and Milap were hugely successful with the former seeing performances from BBC Young Musician of the Year finalist, Elodie Chousmer-Howelles and British Jazz legend, Courtney Pine. The Milap partnership saw the Tung host world-renowned maestro of the veena, Rajhesh Vaidhya and the captivating vocals of Dr. Vijay Rajput, in a spotlight on classical north Indian Hindustani music.

The Tung Auditorium's longstanding partnership with the Royal Liverpool Philharmonic Orchestra also continues. This year saw two performances of *Serenades,* conducted by Domingo Hindoyan; a collaboration with sitarist Jasdeep Singh Degun; and the final recital before retirement from acclaimed pianist, Kathryn Stott.

Corporate Governance

The following is provided to enable readers of the financial statements to understand key aspects of the governance of the University.

The University is committed to best practice in all aspects of corporate governance and conducts its business:

- In line with the relevant general ongoing conditions of registration that applied from the date the University was first registered with the Office for Students (OfS)
- In accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership)
- In compliance with the guidance on corporate governance which has been provided for the sector by the Committee of University Chairs (CUC), including the Higher Education Code of Governance.

The University's statutory framework upholds the public interest governance principles outlined by the OfS.

Legal Status

The University is a corporate body established by Royal Charter dated 1903. Our objects, powers and framework of governance are set out in the Charter, Statutes and Ordinances.

The University is an exempt charity under the terms of the Charities Act 2011, and is regulated by the OfS. Members of the University Council are the charitable trustees and are responsible for ensuring compliance with charity law.

The University is registered with the OfS as a higher education provider with degree awarding powers. The address of the registered office is the Foundation Building, 765 Brownlow Hill, Liverpool, L69 7ZX.

The Responsibilities of Council

The Council is the governing body of the University. The Charter identifies the Council as being responsible for 'the management and administration of the whole revenue and property of the University and the conduct of all the affairs of the University'. The powers and duties of the Council are defined in Statute 9. The primary responsibilities of the Council may be defined as being to:

- Appoint a Chancellor, a President who shall act as Chair of the Council and a Vice-President of the Council
- Appoint a Vice-Chancellor as chief executive, and to put in place suitable arrangements for monitoring their performance
- Delegate authority to the Vice-Chancellor, as chief executive, for the academic, corporate, financial, estate and human resource management of the institution. And to establish and keep under regular review the policies, procedures and limits within such management functions as shall be undertaken by and under the authority of the head of the institution
- Approve the mission and strategic vision of the institution, long-term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders
- Ensure that processes are in place to monitor and evaluate the performance and effectiveness of the institution against the plans and approved key performance indicators, which should be – where possible and appropriate – benchmarked against other comparable institutions
- Ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment, and procedures for handling internal grievances and for managing conflicts of interest
- Be the employing authority for all staff in the institution and to be responsible for establishing a human resources strategy
- Oversee the academic endeavours of the University; to ensure that there is an effective framework in place to

manage the quality of learning and teaching and to maintain academic standards; and to ensure that the welfare of students, as far as is reasonably practicable, is secured

- Be the principal financial and business authority of the institution, to ensure that proper books of account are kept, to approve the annual budget and financial statements, and to have overall responsibility for the institution's assets, property and estate
- Be the institution's legal authority and, as such, to ensure that systems are in place for meeting all the institution's legal and regulatory obligations, including those arising from contracts and other legal commitments made in the institution's name
- Conduct its business in accordance with the best interests of the University, and in as open and transparent fashion as appropriate, safeguarding the University's good name, values and sustainability
- Conduct its business in accordance with best practice in Higher Education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life, as well as to ensure the OfS public interest governance principles are upheld and delivered
- Appoint a Clerk to the Council. Irrespective of other duties an individual appointed as Clerk might have in the University, in their capacity as Clerk they shall act on the instructions of, and be responsible to, the Council alone
- Ensure that the institution's constitution is followed at all times and that appropriate advice is available to enable this to happen
- Act as trustee for any property, legacy, endowment, bequest or gift in support of the work and welfare of the institution
- Establish processes to monitor and evaluate the performance and effectiveness of the governing body itself.

As of 1 August 2025, Council has a membership of 22, the majority of whom are lay members (external to the University and outside the day-to-day executive management).

Membership comprises: the President, the Vice-President, 11 other lay members, the Vice-Chancellor, the Provost and Deputy Vice-Chancellor, the Chief Operating Officer, the President of the Guild of Students, three members of the academic staff drawn from the Senate, one member of staff drawn from the Professional Services, and one member of the student body. Compliance with the CUC's Higher Education Code of Governance requires institutions to consider whether a Senior Independent Governor should be appointed. As part of its approach to continuous improvement, the University is currently reviewing whether such a role should be adopted, informed by sector insight.

The Council meets four times per year and unreserved minutes of its meetings are published on the University's website. The formal business meetings are supplemented by two away days. Emails sent by the Senior Leadership Team to all staff and a daily media digest including links to University and sector media coverage are also circulated to Council members to ensure they are kept abreast of ongoing developments. Lay members are involved in many aspects of University life which ensures that they are part of the wider community of the University and are appropriately briefed on activities and challenges, e.g. by attending key events such as degree ceremonies, by serving on several committees including the strategic committees (Education Committee and Research and Impact Committee), and by being involved in recruitment and disciplinary panels etc. All new members of the Council are provided with appropriate induction and attend relevant training sessions.

Following approval by the Charity Commission, the President of Council is remunerated. Other lay members do not receive payment for the work they do for the University, apart from the reimbursement of expenses which are disclosed in the financial statements. Ordinance 20 provides for lay members of the Council to be appointed for a term of office of three years and they may be re-appointed for up to two further three-year terms.

If appointed as the President or the Vice-President of the Council, the maximum continuous period of service that a lay member may serve on the Council may be 12 years in exceptional circumstances.

Independent reviews of the Council's effectiveness are conducted and these are supplemented by periodic reviews undertaken by the Council itself. Action plans are developed in response to the recommendations arising from all governance effectiveness reviews and progress in implementing the actions is monitored.

The most recent independent review of the Council was undertaken in late 2020/21 by Halpin Partnership Limited. Halpin concluded: 'Our assessment is that Liverpool has a good governance culture with a clear desire to be open and transparent and a willingness to challenge. The trajectory is also viewed positively with recent changes welcomed by both Council members and executives alike. This establishes an excellent foundation for the future. With many examples of good practice and by adopting the recommendations in this report, Council can be assured that it is meeting its governance obligations and is continuing on its journey to be at the leading edge of governance practice'. Good progress has been made in implementing the various recommendations made by Halpin.

In addition, members' opinions on the effectiveness of the Council are sought regularly, including through annual meetings held between individual members and the Clerk to Council and President and post-meeting surveys.

Committees of the Council

The Council has several committees, the key ones being Audit Committee, Finance and Resources Committee, Nominations Committee and Remuneration Committee. These

Committees are formally constituted with terms of reference and contain significant lay member representation

Council membership of these committees is shown on page 3.

The Council is also supported in the fulfilment of its statutory responsibilities by the Health and Safety Governance Committee and the Committee on Research Ethics. Regular reports are submitted to the Council by all of its committees.

The Council operates a Scheme of Delegation which delegates specific matters to its committees or senior members of staff. This is reviewed periodically. The matters reserved to the Council are set out in the Statutes.

Audit Committee

It is the role of the Audit Committee to advise and assist the Council in respect of the entire assurance and control environment of the institution.

The responsibilities of the Audit Committee are to:

- Advise the Council on the appointment of the external auditor, the audit fee, the provision of any non-audit services by the external auditor, and any questions of resignation or dismissal of the external auditor
- Discuss with the external auditor, before the audit begins, the nature and scope of the audit
- Discuss with the external auditor problems and reservations arising from the interim and final audits, including a review of the management letter, incorporating management responses, and any other matters the external auditor may wish to discuss (in the absence of management where necessary)
- Consider and advise the Council on the appointment and terms of engagement of the internal audit service (and the head of internal audit if applicable), the audit fee, the provision of any non-audit services by the internal auditor, and any questions of resignation or dismissal of the internal auditor
- Review the internal auditor's audit risk assessment, strategy and programme and annual report; consider major findings of internal audit investigations and management response; and promote coordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are enough to meet the institution's needs (or make a recommendation to the Council as appropriate)
- Monitor annually the performance and effectiveness of the external and internal auditors, including any matters affecting their objectivity, and make recommendations to the Council concerning their reappointment, where appropriate
- Monitor the implementation of agreed audit-based recommendations from whatever source
- Keep under review the effectiveness of the arrangements for risk management, culture, control and governance arrangements
- Advise the Council on the arrangements in place for identifying, evaluating and controlling risks, and to monitor such arrangements
- Oversee the institution's policy on fraud and irregularity, including being notified of any action taken under that policy
- Ensure that all significant losses have been thoroughly investigated and that the internal and external auditor – and where appropriate the regulator – have been informed
- Satisfy itself that suitable arrangements are in place to ensure the sustainability of the institution and to promote economy, efficiency and effectiveness (Value for Money). This may include consideration of arrangements that:
    - support the culture and behaviour that is prevalent within the institution
    - ensure the effective management of conflicts of interest
    - enable the appointment of 'fit and proper persons' to the governing body and senior executive positions
- Satisfy itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies
- Receive any relevant reports from the National Audit Office, the regulator and other organisations
- Monitor other relevant sources of assurance, for example other external reviews
- Consider elements of the annual financial statements in the presence of the external auditor, including:
    - the auditor's formal opinion
    - the statement of members' responsibilities
    - the statement of internal control, in accordance with the regulator's accounts directions
- In the event of the merger or dissolution of the institution, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

The Audit Committee received the Audit Planning Report from the external auditor in April 2025 and has considered and discussed the risks identified within this document. The Independent Auditor's Report from Ernst & Young starting on page 37 of this document provides further information on their audit approach and findings for the period.

Finance and Resources Committee

On behalf of the Council, the Finance and Resources Committee provides strategic oversight of the University's planning, performance, finances and resources, staff, capital and investment strategy. The Committee's responsibilities and decision-making powers are as follows:

Financial Strategy

- To review institutional budgets, activity plans, and frameworks, and to recommend them for approval to the Council. To oversee longer-term financial plans for the University and to review and recommend the framework within which planning and resource allocation should take place
- On behalf of the Council, to oversee financial sustainability through monitoring high-level delivery of financial performance. To also consider regular financial

performance reports in advance of submission to the Council

- To review the financial elements of the University's annual financial statements prior to their consideration by the Council
- To review and recommend to Council the University's Financial Regulations
- To receive and assess compliance with the University's annual Transparent Approach to Costing (TRAC) Statement of Requirements
- Under delegated authority, to approve policies and procedures relating to financial management, and oversee the effective implementation of such policies
- On behalf of the Council, to monitor compliance with regulatory requirements (e.g. relevant OfS conditions and funding requirements)
- On behalf of the Council, to receive reports on the financial performance and operations of the University's Subsidiary Companies

Planning and Performance

- To approve plans for the annual planning and performance cycle, including the proposed planning parameters
- To monitor the achievement of strategic plans through regular assessment of performance
- To oversee the strategic planning governance framework and recommend to Council new strategic frameworks (institutional strategy)

People

- To review and recommend to the Council People strategies and major new policy developments
- On behalf of the Council, to approve People related policies and procedures, and oversee the effective implementation of such policies; providing general oversight of the University's compliance with relevant regulations, standards and codes of practice
- To monitor and report to the Council on progress in achieving improvements to key Human Resource metrics
- To receive reports on decisions taken by the University's Pensions Sub-Group

Capital and Estates

- To monitor performance and delivery against the Estates Strategy
- To monitor performance of the Capital Plan, including financial and non-financial elements and post-project completion
- To approve, under delegated authority, capital schemes of a value between £5m–£15m
- To review and recommend to the Council approval of capital schemes in excess of £15m

Digital Technologies

- To monitor performance and delivery against the Digital Strategy
- To monitor performance of investment in Digital Technologies, including financial and non-financial elements and post-project benefits analysis
- To approve, under delegated authority, capital investment in technology infrastructure schemes of a value between £5m–15m
- To review and recommend to the Council approval of digital technology capital schemes in excess of £15m

Investments

- Through twice yearly reporting from the Investments Sub-Committee, to oversee the implementation of the University's Investment Strategy, monitor the performance of investments and to advise the Council on any matters of concern
- On the advice of the Investments Sub-Committee, to consider and make recommendations to the Council on the University's overall Investment Strategy and objectives, including in relation to the University Ethical Investment Policy, and Environmental, Social and Governance (ESG) considerations generally
- On the advice of the Investments Sub-Committee, to approve, under delegated authority, decisions related to the University's Investment Portfolio of a value up to £15m
- To review and recommend to Council approval of Investment Portfolio decisions in excess of £15m
- To monitor and keep under review the effectiveness and the activities of the Investments Sub-Committee.

Nominations Committee

The Nominations Committee makes recommendations regarding potential lay members of the Council, Council-appointed Senate and Professional Services representatives on the Council and Council-appointed members of University committees and bodies.

In making its recommendations, the Committee seeks to ensure: that the Council is able to discharge its duties effectively through an engaged membership that has an appropriate mix of skills, knowledge, experience and diversity; that robust and appropriate procedures are in place around the Council's appointments to University committees and bodies; that there is an appropriate allocation of workload amongst members; and that due consideration is given to succession planning. The Committee also oversees the arrangements for the induction, development and annual appraisal of Council members.

Recruitment to the Council is either ex officio (for example in terms of senior managers such as the Vice-Chancellor), appointment or election (for other staff members), or by external advertisement (for lay members). Recruitment of lay members is undertaken in line with sector guidance with a view to attracting as wide a range of candidates as possible.

Remuneration Committee

The Remuneration Committee has the following remit:

- To approve and annually review the Senior Staff Remuneration Policy (SSRP) which is the policy framework for managing senior staff remuneration and conditions (including non-pay benefits) at the University
- To be responsible, on behalf of the Council, for setting the policy for and agreeing remuneration and reward for members of the Senior Leadership Team (SLT) in accordance with the SSRP

- To consider and determine the overall remuneration and objectives of the Vice-Chancellor. The Chair of Council will:
  - report on their assessment of the Vice-Chancellor's performance against the Professional Development Review (PDR) objectives that were agreed
  - propose to the Committee any increase in remuneration in accordance with the SSRP
  - propose to the Committee PDR objectives for the coming year

  The Committee's recommendations are then presented to the Council for consideration
- To receive reports on the remuneration of staff above Grade 9 who are not members of SLT in accordance with the SSRP
- To consider and determine upon proposals for voluntary severance or the early retirement of members of the SLT (the determination of such matters with regard to the Vice-Chancellor shall be restricted to the lay members of the Committee)
- To ensure robust succession plans are in place for the Senior Leadership Team, other critical senior roles, and role holders identified as a potential 'risk of flight'
- To approve policy on the outside earnings of members of the SLT
- To review and note remuneration trends across the University sector using benchmarking data
- To agree the policy for claims for expenses from the Vice-Chancellor and receive regular reports on expense payments made
- To provide an annual remuneration report to the Council on the business of the Committee that shall be produced in accordance with the CUC Higher Education Senior Staff Remuneration Code/OfS guidance
- To ensure compliance with the CUC Higher Education Senior Staff Remuneration Code/OfS guidance in all relevant matters before the Committee.

The annual report of the Remuneration Committee submitted to the Council in November 2025 is available at: www.liverpool.ac.uk/governance/universitycommittees/remuneration-committee/

Senate

Under its Charter, the University is required to have a Senate which, subject to the oversight of the Council, is responsible for promoting research, promoting and regulating learning and teaching and maintaining the quality and standards of the University's academic provision. Senate's primary role is to act as the key forum for debate, development and testing of institutional academic policy, but it also has the right to discuss and declare an opinion on any matter relating to the University.

For 2024/25 Senate had 87 members, including the Vice-Chancellor, Provost and Deputy Vice-Chancellor, Chief Operating Officer, Policy and Executive Pro-Vice-Chancellors, Associate Pro-Vice-Chancellors, Deans, nominated Heads of Department, elected Faculty representatives and student representatives. Senate is chaired by the Vice-Chancellor and normally meets four times per year. Senate's powers and duties are detailed in Ordinance 19 of the University's Statutory Framework.

Senate has recently been subject to an external governance effectiveness review, undertaken by Advance HE. The review found that 'the overall academic governance and oversight of quality and standards for teaching and learning are effective and meet the needs of the University Council', with a number of recommendations for further improvement.

Leadership

The principal academic and administrative officer of the University is the Vice-Chancellor, who has overall responsibility for the executive management of the University and for its day-to-day direction, being accountable to the Council for the exercise of these responsibilities and, as the designated accountable officer, to OfS/Research England for the use of the public funds the University receives. The Vice-Chancellor exercises primary influence on the development of institutional policy and strategy, the identification and planning of new developments and in shaping the institutional ethos.

Senior Leadership Team

The Vice-Chancellor is supported in the role by the other members of the Senior Leadership Team (SLT), namely: the Provost and Deputy Vice-Chancellor, Pro-Vice-Chancellor for Global Engagement and Partnerships, Pro-Vice-Chancellor for Education, Pro-Vice-Chancellor for Research and Impact, Pro-Vice-Chancellor and Head of the Faculty of Health and Life Sciences, Pro-Vice-Chancellor and Head of the Faculty of Humanities and Social Sciences, Pro-Vice-Chancellor and Head of the Faculty of for Science and Engineering, Chief Financial Officer, Chief Operating Officer, and University Secretary and General Counsel. They lead the management of the University which is organised into three academic Faculties and the Professional Services.

SLT meets regularly and provides strategic leadership and direction. Within the parameters set by the overarching strategy approved by the Council and the University's statutory framework, it takes decisions on major operational matters that have institutional reach, and strategic issues where doing so is time critical.

It also reviews proposals relating to the development of, or major changes to, institutional strategies, major policies, frameworks, and other governance documentation to ensure a coordinated management response before these are submitted to the formal governance structure for scrutiny and approval. The terms of reference are available at: www.liverpool.ac.uk/about/the-university/reports-policies-and-governance/governance/university-committees/senior-leadership-team/

Internal Control

The Council is responsible for maintaining a sound system of internal control that supports the achievement of the University's, aims and objectives, while safeguarding public and other funds and assets for which it is responsible, in accordance with the University's statutory framework and the requirements of the OfS and Research England.

The system of internal control is designed to identify and manage, rather than eliminate, the risk of failure to achieve policies, aims and objectives; it can therefore provide only a reasonable and not an absolute assurance of effectiveness.

Detailed review and monitoring of the system of internal control is carried out on behalf of the Council by the Audit Committee, from which the Council receives periodic reports.

The Committee received regular reports from the University's internal auditor, PwC, which provided an independent opinion on the adequacy and effectiveness of the University's arrangements for internal control, risk management, governance, and securing value for money, together with recommendations for improvement where appropriate and timescales for implementation.

PwC's methodology was aligned to the requirements of the OfS's Terms and Conditions for Funding.

The internal auditor provides an annual report, which includes an opinion on the adequacy and effectiveness of governance, risk management and control, and economy, efficiency and effectiveness arrangements (value for money). The internal auditor's opinion for 2024/25 was generally satisfactory with some improvements required relating to a small number of weaknesses in control which are currently being addressed.

The Council's review of the effectiveness of the system of internal control for the year ended 31 July 2025 and up to the date of approval of the audited financial statements is informed by the Audit Committee, the work of the internal auditor, the work of the senior managers who have responsibility for the development, maintenance and continual review of the internal control framework, comments made by the external auditor in their management letter and other reports, and comments made by Halpin Partnership Limited during their 2020/21 Governance Review.

The University's current contract for the provision of Internal Audit and Assurance services with PwC expired on 31 July 2025. Following a competitive tendering process, KPMG has been appointed as the University's new internal auditors on a three-year contract.

Risk Management

The system of internal control is based on an ongoing process designed to identify the principal business, operational, compliance and financial risks to the achievement of the University's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically.

The University's approach to risk management aims to mitigate risks and to maximise opportunities to increase the probability of successful short, medium and long term outcomes, whilst protecting the reputation and sustainability of the University.

The University considers risk management a key part of decision making and strategic planning and that effective risk management is essential for effective governance and realisation of strategic ambitions.

Risk management processes are undertaken at all levels of the organisation, from project through to institutional level. A revised risk management framework, which integrates risk and mitigation activities as part of the University's Planning and Performance Cycle, was approved by the Council in Spring 2020. Additionally, processes have been put in place for colleagues to manage risks at both local and operational level across the institution including a risk escalation process to enable risk owners to effectively manage and further mitigate high scoring risks. Risks are assessed in terms of their likelihood and consequence, supported by tools that enable users to assess risk consistently across the institution. With regard to the institutional risk appetite, the framework has moved away from a risk appetite statement to include three categories of risk appetite: open, balanced and cautious. This is to allow greater agility in the tolerance of risk, provide a tool for the monitoring of risk status and allow the facilitation of more timely responses to opportunities.

The University's risk framework is based on the good practice set out in the Treasury Orange book complying with OfS requirements.

Council has overall responsibility for risk management within the University including routine review, conducting deep dives into priority risk areas, and setting risk appetite. The Audit Committee advises Council on the arrangements in place for identifying, controlling and evaluating risks and to monitor such arrangements. SLT is responsible for establishing, operating and monitoring the system of risk management and factoring it into resourcing decisions.

As part of the process, the Council regularly considers the strategic direction of the University and institutional plans, and receives regular reports on progress against key performance indicators, strategic initiatives and other significant projects and risk factors.

PwC constructed their internal audit plan in consultation with management in order to ensure that it was based on the University's strategic risk register so that assurances can be gained that risks are properly managed, and to allow the auditor to fulfil their responsibility to give the Audit Committee an assurance on the system of internal control. KPMG will continue with this approach.

The Council is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks and that this process has been in place for the year ended 31 July 2025 and up to the date of the approval of the audited financial statements.

Public Interest

The University is committed to conducting its affairs in accordance with the highest standards of integrity, and appropriate policies and procedures are in place to enable concerns to be raised regarding malpractice, corruption, wrongdoing and any form of impropriety. The Public Interest Disclosure Policy has been designed to enable individuals to raise concerns at an appropriate level and is in line with the legal requirements contained within the Public Interest Disclosure Act.

Register of Interests

A Register of Members' Interests is maintained in which the primary interests of all members of the Council and the Senior Leadership Team are held. This information is publicly available online. Disclosure of interest is a standing item on agendas for formal governance committees and at the first meeting of each academic year members receive the Policy and Procedure on Disclosure of Interest.

Council Responsibilities for Financial Control and the Annual Report

The Council is responsible for preparing the *Review of the Year* and the financial statements and ensuring that: the University's group and parent financial statements give a true and fair view of the state of the group's and of the institution's state of affairs as at 31 July 2025, and of the group's and parent institution's income and expenditure, gains and losses and changes in reserves and of the group's cash flows for the year; the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and the financial statements have been properly prepared in accordance with the Statement of Recommended Practice: Accounting for Further and Higher Education, relevant legislation and Office for Students requirements.

In preparing each of the group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Council is responsible for keeping proper accounts and proper records in relation to the accounts. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- funds provided by the OfS and Research England have been applied in accordance with the terms and conditions attached to them
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- securing the economical, efficient and effective management of the University's resources and expenditure.

The Council is responsible for the maintenance and integrity of the corporate and financial information included on the University's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The key elements of the University's system of internal financial control, which are designed to discharge the responsibilities set out above, include the following:

- Clear definitions of the responsibilities of, and the authority delegated to, all heads of departments
- A comprehensive short and medium term planning and performance cycle process, supplemented by detailed annual income, expenditure, capital and cash flow budgets
- Updates detailing institutional performance against relevant KPIs and highlighting the key risks related to delivery of Liverpool 2031, alongside reviews of financial results involving variance reporting and updates of forecast outturns
- Clearly defined and formalised requirements for approval and control of expenditure
- A formalised treasury management policy
- Comprehensive Financial Regulations detailing financial controls and procedures, approved by the Audit Committee, Finance and Resources Committee and the Council
- A professional independent internal audit team whose programme of work is approved annually by the Audit Committee and endorsed by the Council.

It is critical that the University demonstrates value for money to its stakeholders. The University's reporting to the Audit Committee and the Council in this area focuses on the issues identified by the OfS but is supplemented by other areas in which the University adds significant impact both locally and globally.

The Council's review of the effectiveness of the system of internal financial control is informed by the work of the internal auditor, the Audit Committee, the individual members of staff with responsibility for the development and maintenance of the financial control framework and comments made by the external auditor in the management letter and in other reports.

The Council is satisfied that the system of internal financial control described above has been in place throughout the year ended 31 July 2025 and up to the date of the approval of the audited financial statements.

The Council is satisfied that the University is a going concern and the financial statements are prepared on that basis. Further detail is given on page 51

Independent Auditor's Report to the Members of the Council of the University of Liverpool

Opinion

In our opinion:

- **the University of Liverpool's** Group financial statements and Parent Institution financial statements (the "financial statements") give a true and fair view of the state of the Group's and of the Parent Institution's affairs as at 31 July 2025 and of the Group's and of the Parent Institution's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been properly prepared in accordance with the requirements of the Office for Students' Accounts Direction.

We have audited the financial statements of University of Liverpool (the 'Parent Institution') and its subsidiaries (the 'Group') for the year ended 31 July 2025 which comprise:

Group	Parent Institution
Consolidated statement of financial position as at 31 July 2025	Institution Statement of financial position as at 31 July 2025
Consolidated statement of comprehensive income for the year then ended	Institution Statement of comprehensive income for the year then ended
Consolidated statement of changes in reserves for the year then ended	Institution Statement of changes in reserves for the year then ended
Consolidated statement of cash flows for the year then ended	
Related notes 1 to 38 to the financial statements, including a summary of significant accounting policies	

The financial reporting framework that has been applied in the preparation of the Group and Parent Institution financial statements is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the Council's assessment of the Group and Parent Institution's ability to continue to adopt the going concern basis of accounting included:

- Reading the Review of the year report and Financial Statement disclosures in relation to the financial statements being prepared on a going concern basis to ensure that they were consistent with our knowledge of the Group and Parent Institution's financial position.
- Assessing the information used in the Group and Parent Institution's going concern analysis for consistency with management reporting, and information obtained through auditing other areas of the Parent Institution. We also obtained an understanding of the business planning process and challenged the underlying assumptions, for the going concern period to 31 July 2027. This included reviewing for evidence of bias and for consistency with our knowledge of the Parent Institution.
- Comparing actual performance for the year to the budget for that period to assess the accuracy of historical data.
- Challenging management's assumptions against historic financial performance and assessed the level of available reserves against plans to apply those reserves to meet any future requirements.
- Assessing the levels of current borrowing and confirmed that the Group and Parent Institution is compliant with loan covenants and forecasts through the going concern period.
- Undertaking reverse stress testing on the possible downside scenario performed by management, to understand the potential circumstances required and likelihood of those circumstances that could result in liquidity and covenant compliance shortages within the going concern period.
- Challenging the financial forecast position of the Group and Parent Institution as set out in the central and downside scenarios prepared by management to ensure that it has sufficient liquidity to maintain its position through to 31 July 2027, as well as forecasting compliance with all loan covenants through to 31 July 2027.
- Assessing management's going concern disclosures in the Financial Statements to ensure they are appropriate based on our knowledge and in conformity with FRS 102 "The financial reporting standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice.

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 Parent Institution's ability to continue as a going concern for a period to 31 July 2027.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Overview of our audit approach

Audit scope	• The Group comprises six components and we have performed the audit of complete financial information for one component, carried out specific procedures on two components, and conducted central procedures—including testing of cash and cash equivalents, overall analytical reviews, and a review of consolidation adjustments—on the remaining three components.
Key audit matter	• Risk of Fraud in Revenue Recognition
Materiality	• Overall Group materiality of £7.0 million which represents 1% of total Group Income.

An overview of the scope of the Parent and Group audits

Tailoring the scope

In the current year our audit scoping has been updated to reflect the new requirements of ISA (UK) 600 (Revised). We have followed a risk-based approach when developing our audit approach to obtain sufficient appropriate audit evidence on which to base our audit opinion. We performed risk assessment procedures to identify and assess risks of material misstatement of the Group financial statements and identified significant accounts and disclosures. When identifying components at which audit work needed to be performed to respond to the identified risks of material misstatement of the Group financial statements, we considered our understanding of the Group and its business environment, the applicable financial framework, the Group’s system of internal control at the entity level, the existence of centralised processes, applications and any relevant internal audit results.

We determined that centralised audit procedures can be performed on 6 components in the following audit areas.

Key audit area on which procedures were performed centrally	Component subject to central procedures
Cash and Cash Equivalents Overall Analytical Review of the Financial statements Review of consolidation adjustments	• University of Liverpool • University of Liverpool Energy Company Limited • ULCCO (Special Projects) Limited • University of Liverpool Construction Company Limited • Liverpool University Press • Agnes Lois Bulley Trust

We then identified 3 components as individually relevant to the Group due to relevant events and conditions underlying a significant risk and an area of higher assessed risk of material misstatement of the Group financial statements being associated with the components and due to materiality or financial size of the component relative to the Group.

For those individually relevant components, we identified the significant accounts where audit work needed to be performed at these components by applying professional judgement, having considered the Group significant accounts on which centralised procedures will be performed, the reasons for identifying the financial reporting component as an individually relevant component and the size of the component’s account balance relative to the Group significant financial statement account balance.

We then considered whether the remaining Group significant account balances not yet subject to audit procedures, in aggregate, could give rise to a risk of material misstatement of the Group financial statements. We selected not identified any components of the Group to include in our audit scope to address these risks.

Having identified the components for which work will be performed, we determined the scope to assign to each component.

Of the 6 components selected, we designed and performed audit procedures on the entire financial information of 1 component (“full scope component”). For 2 components, we designed and performed audit procedures on specific significant financial statement account balances or disclosures of the financial information of the component (“specific scope components”). We have not identified any component for which we have to perform specified audit procedures.

Involvement with component teams

In establishing our overall approach to the Group audit, we determined the type of work needed to be undertaken at each of the components by us, as the Group audit engagement team, or by component auditors operating under our instruction.

All audit work performed for the purposes of the audit was undertaken by the Group audit team.

Climate change

Stakeholders are increasingly interested in how climate change will impact Group. The Group has determined that the most significant future impacts from climate change on its operations will be from its Sustainability Strategy which aims to achieve key targets such as becoming Net Zero Carbon by 2035. These are explained on pages 24 and 25 in the Sustainability Report. All of these disclosures form part of the “Other information,” rather than the audited financial statements. Our procedures on these unaudited disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated, in line with our responsibilities on “Other information”.

In planning and performing our audit we assessed the potential impacts of climate change on the Group’s business and any consequential material impact on its financial statements.

There are no significant judgements or estimates relating to climate change in the notes to the financial statements.

Our audit effort in considering the impact of climate change on the financial statements was focused on evaluating management’s assessment of the impact of climate risk, physical and transition, their climate commitments, the effects of material climate risks disclosed on pages 23 and 24 and have been appropriately reflected in asset values where these are impacted by future cash flows, and in the timing and nature of liabilities recognised. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

We also challenged the management's considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

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. These matters included 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 our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	**Our response to the risk**
Risk of fraud in revenue recognition (£726.3 million value of risk, PY comparative £708.3 million) *Refer to Accounting policies (page 51-57); and Note 2 of the Consolidated Financial Statements (page 58)* Revenue is recognised in accordance with FRS 102 and sections 16, 17 and 18 of the Statement of Recommended Practice: Accounting for Further and Higher Education. The number of revenue streams increases the risk of inappropriate revenue recognition. Under ISA (UK) 240 there is a presumed risk that revenue may be misstated due to improper recognition of revenue. We identified a specific risk of fraud and error in respect of inappropriate revenue recognition around the material revenue streams, particularly the amount and timing of income to be recognised in respect of tuition fees and other income around the financial yearend, and the recognition of research income, capital grant income and some "other" income streams in line with performance conditions As there is no material judgement associated with the recognition of the Institution's core funding council grant income, we have determined that the risk of revenue recognition does not materialise within this area. We consider this risk to be relevant to the Group (and Institution as a single entity) and all of the subsidiary entities consolidated into the Group depending on their respective material revenue streams.	Our audit procedures included: • Understanding the revenue processes for each material revenue stream. Identification and walkthrough of key controls over revenue processes for each material revenue stream, including assessing design and implementation of key controls. ***Research income*** • Tested a sample of research income, deferred income and accrued income, verifying that judgment applied in recognising income was in accordance with the performance related conditions. This included verification to source documents such as contracts, awards or agreements with funders, project budgets performance to date and verification that expenditure incurred on the projects was eligible. • For each research project tested, confirmed that where income recognition to date is in excess of budgeted that this is appropriate and supportable to contract variations with funders where applicable. • Independently inquired with the Institution's Research Office and Group Finance as applicable to understand the outcome of audits performed by grant funding bodies during the period, cross referring responses and the results of our substantive testing and challenging whether the University's assessment of clawback risk is correctly valued in the financial statements.

<table>
<tr><th>Risk</th><th>Our response to the risk</th></tr>
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Research income (£126.2* million; *PY £123.3* million*):

- Recognition of research income may require judgement, in particular where there are unusual performance conditions attached to grants, at year end in recognising accrued and deferred income which could result in recognising income in the year incorrectly either by recognising the incorrect value or recognising income that should be deferred until any performance related conditions are met.

Tuition fees (£371.4* million; *PY £367.1* million*):

- Where there are courses spanning the financial year end the risk lies in recognising revenue in the correct financial year.

Other income (£115.6* million; *PY £102.4* million*):

- There is a risk that revenue is recorded incorrectly around the year end date.

Funding body grants – Recurrent grants (£78.5 million; PY £77.4 million):

- Since there is no material judgement associated with the recognition of the Institution's funding council grant income, we have determined that the risk of revenue recognition does not materialise within this area.

Funding body grants – Specific grants (£15.0 million; PY £16.0 million):

- There is the potential for judgement to be required in the recognition of this income stream as grants often come with performance conditions which must be met in order to earn entitlement to the income.

Investment income (£15.0 million; PY £15.8 million):

- Revenue is not an individually material income stream in the context for the University income overall in the current year. We do not consider there to be a risk of material manipulation for the year.

We consider this risk to be relevant to the Group (and the Institution as a single entity).

</td><td>

Tuition fees

- For full-time courses we performed substantive audit procedures, reperforming the recognition of fee income and investigating any unusual transactions, comparing this to the income recognised in the income statement.
- Performed substantive testing over deferred income, confirming that income has been recognised in the correct financial year.
- Substantively tested student fees and course fees, verifying the amounts back to evidence of student records and cash.

Other income

- Substantively tested a sample of other income back to source documents, such as invoice, contracts, grant agreements or receipt of cash as applicable.

Procedures across all revenue streams:

- Performed an overall analytical review on revenue compared to prior year on an individual sub-stream basis to identify, understand and corroborate any unusual fluctuations, considering any contradictory evidence.
- Performed cut off testing for a sample of transactions around the year end to confirm that they were recorded in the correct financial year.
- Undertook risk-based procedures to identify journals specifically raised to increase income and corroborated their purpose back to underlying evidence. This included both system generated and manual journals.

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Key observations communicated to the Audit Committee

Based upon the audit procedures performed, we conclude that revenue has been appropriately recorded in the period in accordance with the requirements of FRS 102 and sections 16, 17 and 18 of the Statement of Recommended Practice: Accounting for Further and Higher Education.

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How we scoped our audit to respond to the risk:

We performed full and specific scope audit procedures over this risk in 3 locations, which covered 99.5% of the risk amount.

All audit work performed to address this risk was undertaken by the Group audit team.

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Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Group to be £7.0 million (2024: £6.7 million), which is 1% (2024: 1%) of total income of the Group. We believe that income provides us with most appropriate basis for understanding the Group's activity.

We determined materiality for the Parent to be £7.0 million (2024: £6.7 million), which is 1% (2024: 1%) of total income of Group.

During the course of our audit, we reassessed initial materiality and we determined that this remained appropriate.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Group's overall control environment, our judgement was that performance materiality was 75% (2024: 75%) of our planning materiality, namely £5.3 million (2024: £5.0 million). We have set performance materiality at this percentage due to lack of issues identified through our audit planning procedures, including our walkthrough of key controls.

Audit work was undertaken at component locations for the purpose of responding to the assessed risks of material misstatement of the Group financial statements. The performance materiality set for each component is based on the relative scale and risk of the component to the Group as a whole and our assessment of the risk of misstatement at that component. In the current year, the range of performance materiality allocated to components was £1.4 million to £5.2 million (2024: £1.0 million to £5.0 million).

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.3 million (2024: £0.3 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Office for Students

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

- the requirements of the Office for Students accounts direction for the relevant year's financial statements have been met;
- funds from whatever source administered by the Parent Institution have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by the Office for Students, and UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education have been applied in accordance with the applicable Terms and conditions attached to them.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Office for Students require us to report to you whether:

- the Parent Institution's grant and fee income, as disclosed in note 2 to 4 to the financial statements, has been materially misstated; and
- the Parent Institution's expenditure on access and participation activities for the financial year, as disclosed in note 10b, has been materially misstated.

Responsibilities of Council

As explained more fully in the Council's responsibilities statement set out on pages 30 and 31, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the Group and Parent Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Council either intend to liquidate the Group or the Parent Institution 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the Parent Institution and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and determined that the most significant are FRS 102 and the Statement of Recommended Practice for Further and Higher Education, the Office for Students Terms and conditions of funding for higher education Institutions and the Higher Education and Research Act 2017.
- We understood how the Group and Parent Institution is complying with those frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquires through our review of the Council minutes and papers provided to the Audit Committee at a Group level, as well as consideration of the results of our audit procedures to either corroborate or provide contrary evidence.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage financial performance. Where this risk was considered higher, we performed audit procedures to address the risk of fraud and management override. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved enquiries of management, those charged with governance, internal audit and those responsible for legal and compliance procedures; journal entry testing with a focus on journals indicating large or unusual transactions triggered based on our understanding of the business and regulatory environment; review of Council and Audit Committee minutes to identify any non-compliance with laws and regulations, and inspection of any correspondence between the Group and Parent Institution and its regulators.

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

Other matters we are required to address

- Following the recommendation from the Audit Committee we were appointed by University of Liverpool on 28 June 2021 to audit the financial statements for the year ended 31 July 2021 and subsequent financial periods.
- The period of total uninterrupted engagement including previous renewals and reappointments is 5 years, covering the years ended 31 July 2021 to 31 July 2025.
- Non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Institution and we remain independent of the Group and the Parent institution in conducting the audit.
- The audit opinion is consistent with the additional report to the Audit Committee.

Use of our report

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

Ernst & Young LLP

Stephen Reid (Senior statutory auditor for and on behalf of Ernst & Young LLP, Statutory Auditor)
London
Date: 22 January 2026

Annual Financial Statements

for the year ended 31 July 2025

Consolidated and Institution Statement of Comprehensive Income - Year Ended 31 July 2025

	Notes	Year ended 31 July 2025 Consolidated £m	Year ended 31 July 2025 Institution £m	Year ended 31 July 2024 Consolidated £m	Year ended 31 July 2024 Institution £m
Income					
Tuition fees and education contracts	2	**371.4**	**371.4**	367.1	367.1
Funding body grants	3	**93.5**	**93.5**	93.4	93.4
Research grants and contracts	4	**126.2**	**126.2**	123.3	123.3
Other income	5	**115.6**	**111.7**	102.4	98.8
Investment income	6	**15.0**	**15.5**	15.8	16.4
Donations and endowments	7	**4.6**	**4.6**	6.3	6.3
Total income		**726.3**	**722.9**	708.3	705.3
Expenditure					
Staff costs	8	**432.4**	**430.5**	399.3	397.5
Changes in USS deficit recovery plan	8	**-**	**-**	(199.2)	(199.2)
Total staff costs	8	**432.4**	**430.5**	200.1	198.3
Other operating expenses		**233.0**	**234.4**	246.1	245.5
Depreciation, impairment and amortisation	12,13	**48.2**	**48.0**	59.4	57.2
Interest and other finance costs	9	**11.4**	**10.6**	15.5	14.8
Total expenditure	10a	**725.0**	**723.5**	521.1	515.8
Surplus / (loss) before other gains and share of operating deficit of joint ventures and associates		**1.3**	**(0.6)**	187.2	189.5
Gain on investments	15	**11.2**	**11.2**	13.6	13.6
Share of operating deficit in joint ventures and associates	16	**(0.1)**	**-**	(0.1)	-
Surplus before tax		**12.4**	**10.6**	200.7	203.1
Taxation	11	**(0.2)**	**-**	0.4	-
Surplus after tax		**12.2**	**10.6**	201.1	203.1
Other comprehensive income					
Actuarial gain in respect of University of Liverpool Pension Fund	33	**2.7**	**2.7**	2.7	2.7
Total comprehensive income for the year		**14.9**	**13.3**	203.8	205.8
Represented by:					
Endowment comprehensive income for the year		**9.3**	**9.3**	11.2	11.2
Unrestricted comprehensive income for the year		**5.6**	**4.0**	192.6	194.6
		14.9	**13.3**	203.8	205.8

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 50 to 87 form part of these financial statements.

Consolidated and Institution Statement of Financial Position – Year Ended 31 July 2025

		As at 31 July 2025		As at 31 July 2024	
	Notes	**Consolidated**	**Institution**	Consolidated	Institution
		£m	**£m**	£m	£m
Non-current assets					
Intangible assets	12	**3.1**	**2.9**	1.2	1.1
Fixed assets	13	**817.6**	**806.2**	811.1	799.7
Heritage assets	13/14	**17.0**	**17.0**	17.0	17.0
Investments	15	**242.5**	**242.5**	294.0	294.0
Investment in subsidiaries	15	**-**	**3.8**	-	3.8
Investment in joint ventures and associates	16	**3.5**	**-**	3.6	-
		1,083.7	**1,072.4**	1,126.9	1,115.6
Current assets					
Stock	17	**1.3**	**0.9**	1.9	1.5
Trade and other receivables	18	**89.1**	**93.3**	88.4	93.9
Assets classified as held for sale	19	**2.0**	**2.0**	-	-
Investments	20	**1.1**	**1.1**	1.1	1.1
Cash and cash equivalents	25	**180.1**	**179.0**	106.5	105.1
		273.6	**276.3**	197.9	201.6
Less: Creditors - amounts falling due within one year	21	**(163.9)**	**(164.4)**	(146.5)	(146.2)
Net current assets		**109.7**	**111.9**	51.4	55.4
Total assets less current liabilities		**1,193.4**	**1,184.3**	1,178.3	1,171.0
Creditors - amounts falling due after more than one year	22	**(300.4)**	**(285.4)**	(300.4)	(285.4)
Provisions					
Other provisions	23	**(1.1)**	**-**	(0.9)	-
Total net assets		**891.9**	**898.9**	877.0	885.6
Restricted reserves					
Income and expenditure reserve - endowment reserve	24	**202.9**	**202.9**	193.8	193.8
Unrestricted reserves					
Income and expenditure reserve - unrestricted		**689.0**	**696.0**	683.2	691.8
Total reserves		**891.9**	**898.9**	877.0	885.6

The financial statements were approved by the Council on 26 November 2025 and were subsequently signed on its behalf on 21 January 2026 by:

Professor Tim Jones	**Carmel Booth**	**Nicola Davies**
Vice-Chancellor	President of Council	Chief Financial Officer

Consolidated and Institution Statement of Changes in Reserves - Year Ended 31 July 2025

Consolidated		**Income and expenditure reserve**		**Total**
	Notes	**Endowment**	**Unrestricted**	
		£m	**£m**	**£m**
At 1 August 2023		**182.7**	**490.5**	**673.2**
Surplus from the income and expenditure statement		11.2	189.9	201.1
Other comprehensive income	33	-	2.7	2.7
Release of restricted funds in the year		(0.1)	0.1	-
Total comprehensive income for the year		**11.1**	**192.7**	**203.8**
At 1 August 2024		**193.8**	**683.2**	**877.0**
Surplus from the income and expenditure statement		9.3	2.9	12.2
Other comprehensive income	33	-	2.7	2.7
Release of restricted funds in the year		(0.2)	0.2	-
Total comprehensive income for the year		**9.1**	**5.8**	**14.9**
Balance at 31 July 2025		**202.9**	**689.0**	**891.9**

Institution		**Income and expenditure reserve**		**Total**
		Endowment	**Unrestricted**	
		£m	**£m**	**£m**
At 1 August 2023		**182.7**	**497.1**	**679.8**
Surplus from the income and expenditure statement		11.2	191.9	203.1
Other comprehensive income	33	-	2.7	2.7
Release of restricted funds in the year		(0.1)	0.1	-
Total comprehensive income for the year		**11.1**	**194.7**	**205.8**
Balance at 1 August 2024		**193.8**	**691.8**	**885.6**
Surplus from the income and expenditure statement		9.3	1.3	10.6
Other comprehensive income	33	-	2.7	2.7
Release of restricted funds in the year		(0.2)	0.2	-
Total comprehensive income for the year		**9.1**	**4.2**	**13.3**
Balance at 31 July 2025		**202.9**	**696.0**	**898.9**

Consolidated Statement of Cash Flows - Year Ended 31 July 2025

	Notes	**Year ended 31 July 2025 £m**	Year ended 31 July 2024 £m
Cash flow from operating activities			
Surplus for the year before tax		**12.4**	200.7
Adjustment for non-cash items			
Depreciation and impairment	13	**47.9**	59.2
Amortisation of intangibles	12	**0.3**	0.2
Gain on investments	15	**(11.2)**	(13.6)
Decrease / (increase) in stock	17	**0.6**	(0.2)
(Increase) / decrease in trade and other receivables	18	**(1.2)**	8.0
Increase / (decrease) in creditors falling due within one year	21	**17.8**	(32.8)
Increase in creditors falling due after one year	22	**-**	-
Non-cash pension FRS102 movements	33	**2.7**	(192.0)
(Decrease) / increase in other provisions	23	**0.2**	(0.4)
Share of operating deficit in joint ventures and associates	16	**0.1**	0.1
Adjustment for investing or financing activities			
Investment income	6	**(9.2)**	(9.1)
Interest payable	9	**11.4**	11.0
Endowment investment income	6	**(5.6)**	(6.5)
Capital grant income		**(9.4)**	(13.3)
Cash flows from operating activities		**56.8**	11.3
Taxation	11	**(0.2)**	0.4
Net cash inflow from operating activities		**56.6**	11.7
Cash flows from investing activities			
Proceeds from sales of tangible assets		**-**	0.6
Capital grants receipts	21	**10.2**	13.6
Non-current asset investment disposal	15	**119.5**	113.5
Disposal of current asset investments	20	**-**	45.1
Investment income	6	**9.2**	9.1
Endowment investment income	6	**5.6**	6.5
Payments made to acquire tangible assets	13	**(57.1)**	(70.4)
Payments made to acquire intangible assets	12	**(2.2)**	(0.6)
New non-current asset investments	15	**(59.8)**	(80.0)
New current investments	20	**-**	(25.4)
Non-current investment cash movements	15	**3.0**	0.5
		28.4	12.5
Cash flows from financing activities			
Interest paid	9	**(11.4)**	(11.0)
		(11.4)	(11.0)
Increase / (decrease) in cash and cash equivalents in the year		**73.6**	13.2
Cash and cash equivalents at beginning of the year	25	**106.5**	93.3
Cash and cash equivalents at end of the year	25	**180.1**	106.5

Notes to the Financial Statements

for the year ended 31 July 2025

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

1 Statement of Principal Accounting Policies

a Accounting convention

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

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

b Basis of preparation

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

The Institution's activities, together with the factors likely to affect its future development, performance and position, are set out in the front half of this report which forms part of the Council's report. The Council's report also describes the financial position of the Institution, its cash flows, liquidity position and borrowing facilities.

The Institution and group financial statements have been prepared on a going concern basis. The Council consider this to be appropriate for the reasons set out below.

At 31 July 2025 the Institution had net current assets of £109.7m, including cash of £180.1m of which £174.9m was unrestricted funds, and further liquid investments of £1.1m. The Institution also had long term loans of £300.4m for which all covenants had been complied with at the reporting date.

Cash flow forecasts were prepared for the period up to 31 July 2027 to support management's assessment of going concern. The Institution's base case scenario for the period forecast compliance with all loan covenants to 31 July 2027 and liquidity headroom no lower than £96.1m through the going concern period.

The going concern assessment covered associated risks under the following headings:

- Customer perspective - risks to student fee income
- Supply chain perspective - risks to research funding, risks to partnerships and risks to infrastructure and maintenance services suppliers.

The Institution has forecast a plausible downside scenario based on these risks, in which it retains liquidity headroom through the going concern period. Tuition fee and research income were all subject to stress testing, as well as the impact of inflationary pressures on both pay and non-pay expenditure. The University's Treasury Management Policy is to maintain a cash balance of at least £60m. Under the plausible downside scenario, cash remains above the treasury minimum of £60m at all points in the going concern assessment period.

In the event of further downside risks materialising there are additional mitigations within its control that the Institution can implement, such as reducing uncommitted future spend on capital and IT programmes and managing staff vacancies more strictly. Should it be needed this could provide additional liquidity up to £65m through the going concern period.

The Institution has considered a scenario to reverse stress test the model under which it either utilises all cash and liquid investments or breaches loan covenants. This scenario would require a further significant reduction in both forecast overseas student recruitment, and an immediate, sustained and significant inflationary uplift in both pay and non-pay for the going concern period. Management is satisfied that it is sufficiently remote that such a scenario would occur, particularly given the mitigating actions management is committed to undertaking in this event.

After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period to 31 July 2027.

The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £m.

c Exemptions under FRS102

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.

d Basis of consolidation

The consolidated financial statements include the financial statements of the Institution and all its subsidiaries together with the share of results of joint ventures and associates for the financial year to 31 July 2025. The results of subsidiaries acquired or disposed of during the period are included in the Consolidated Statement of

Comprehensive Income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the Institution and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity, the part relating to the Institution's share is eliminated.

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

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

Where necessary, adjustments are made to the financial statements of subsidiaries, associates and joint ventures to bring their accounting policies into line with those used by the Institution.

e Income recognition

Income from the sale of goods or services is credited to the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customers or the terms of the contract have been satisfied.

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

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

Investment income is credited to the Consolidated Statement of Comprehensive Income on a receivable basis.

Funds the Institution receives and disburses as paying agent on behalf of a funding body 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.

The Institution had no significant income or operating surplus from activities other than its principal activity or from activities outside the United Kingdom and, as a result, no segmental reporting is required.

Grant funding

Grant funding including Office for Students and Research England recurrent grants, research grants from government sources and grants (including research grants) from non government sources are recognised as income when the Institution is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the Statement of Financial Position and released to income as the conditions are met.

Donations and endowments

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

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

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

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the Institution.
3. Restricted expendable endowments - the donor has specified a particular objective in respect of the endowment and the endowment may be spent in full.
4. 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.

Total Return Accounting

Total return accounting allows the spending of permanent endowment investment gains regardless of whether they are realised/unrealised capital gains or dividend/interest income.

As required by UK Charity Law, the Institution will maintain the charitable benefit of all permanent endowments in perpetuity, this will be achieved by annually adjusting the value of the donation by the Consumer Price Index (CPI) to maintain the value in real terms. The donation and inflationary increases form the Investment Fund.

All investment gains are recorded in the Unapplied Total Return account. This account is used to fund the CPI increases to the donation and the in year return given to individual endowment income accounts to fund expenditure in line with the terms of the endowments.

The income return given to endowments is 4% of the projected capital balance (Investment Fund and Unapplied Total Return).

The same accounting treatment has been introduced for expendable endowments, however there are no restrictions on using capital balances for expendables.

Capital grants

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

f Accounting for retirement benefits

The two principal pension schemes for the Institution's staff are the Universities Superannuation Scheme (USS) and the University of Liverpool Pension Fund (ULPF). These schemes are defined benefit schemes, which are externally funded, with the assets of the schemes held separately from those of the group, in separate trustee administered funds. Each fund is valued every three years by professionally qualified independent actuaries.

Defined benefit plan

The University of Liverpool Pension Fund is accounted for as a defined benefit plan under FRS 102.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Under defined benefit plans, the Institution's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the Institution.

The Institution should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method.

Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the Institution is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Multi-employer schemes

The Institution participates in the Universities Superannuation Scheme, which is a multi-employer pension scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not attributed to individual institutions and scheme-wide contribution rates are set. The Institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a reasonable and consistent basis. Therefore, as required by section 28 of FRS 102 "Employee benefits", the Institution therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Statement of Comprehensive Income represents the contributions payable to the scheme in respect of the accounting period.

g Employment benefits

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

All staff employed for at least two years are entitled to statutory redundancy pay. The amount of benefit is calculated based on length of service, age and salary. Payment in lieu of notice will also be paid where agreed.

All such payments are recognised as an expense in the year in which the payment is made.

Termination benefits are recognised only when the Institution is demonstrably committed to either terminate the employment of an employee before the normal retirement date or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. In the case of an offer made to encourage voluntary redundancy, termination benefits are measured at the best estimate of the expenditure required to settle the obligation at the year end, based on the number of employees expected to accept the offer.

h Finance leases

Leases in which the Institution assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease. Assets acquired on a finance lease are depreciated over the life of the lease.

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

i Operating leases

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

j Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Institution entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit [except for differences arising on the retranslation of a financial liability designated as a hedge of the net investment in a foreign operation that is effective, or qualifying cash flow hedges, which are recognised directly in Other Comprehensive Income]. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the Institution's presentational currency, Sterling, at foreign exchange rates ruling at the reporting date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of Other Comprehensive Income.

When the Institution disposes of only part of its interest in a subsidiary that includes a foreign operation while still retaining control, the relevant proportion of the accumulated amount is re-attributed to non-controlling interests. When the Institution disposes of only part of its investment in an associate or joint venture that includes a foreign operation while still retaining significant influence or joint control, the exchange differences shall be recognised in other comprehensive income and accumulated in reserves.

k Property, plant and equipment

Property, plant and equipment are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Land is stated at deemed cost as at 1 August 2014. Buildings are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and costs attributable to bringing the asset to its working condition for its intended use. Costs incurred in relation to land and buildings after initial purchase or construction are capitalised to the extent that they increase the expected future benefits to the Institution.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives of between 30 and 50 years.

Infrastructure assets were depreciated over 15 years in the prior year. During the year the Institution reviewed its policy of applying a 15-year useful economic life across infrastructure assets and changed its estimate to depreciating infrastructure assets over 20 years.

Leasehold buildings are depreciated over the life of the lease up to a maximum of 50 years.

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

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Equipment

Equipment, including computers, costing less than £25,000 per individual item is recognised as expenditure. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life. Equipment funded by research grants is depreciated over the remaining life of the grant, which on average is between 1 and 5 years. Non-research grant funded equipment is depreciated over 4 years.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

All assets are depreciated from the month they are brought into use.

Impairment

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

Repairs and maintenance

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the Consolidated Statement of Comprehensive Income in the period in which it is incurred.

Borrowing costs

Borrowing costs which are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised.

l Heritage assets

Heritage assets are individual objects, collections, specimens or structures of historic, scientific or artistic value that are held and maintained principally for their contribution to knowledge and culture.

The Institution owns a considerable collection of works of art and museum objects, which were donated or bequeathed to the Institution during the last 120 years, and nearly all prior to 1970. The vast majority of these items are not included in the financial statements. The Institution considers that in many cases it would not be practical to obtain a meaningful valuation. Very few heritage assets could be sold by the Institution due to the restrictive nature of their acquisition. Further information is provided in note 14. The cost of conservation and restoration of the heritage collection is reported in the Consolidated Statement of Comprehensive Income in the year it is incurred.

Heritage assets are stated at deemed cost and are not depreciated as their long economic life and high residual value mean that any depreciation would not be material.

The assets are subject to an annual impairment review in accordance with applicable accounting standards.

m Intangible assets

Intangible assets are amortised over 5 years representing the remaining estimated economic life of the assets.

Intangible assets are subject to an assessment whether there are any indicators of impairment at each reporting date in respect of intangible assets. If such indicators exist, the Institution will perform an impairment review.

n Investments

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

Listed non current asset investments are held on the Statement of Financial Position at fair value with movements recognised in arriving at the surplus before tax.

Listed current asset investments are held at fair value with movements recognised in the surplus before tax.

o Stock

Stock is valued at the lower of cost and net realisable value, and is measured using an average cost formula, with the exception of stock at Wood Park Farm which has been valued at market value.

p Cash and cash equivalents

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

Cash equivalents are short term (less than 3 months from the placement date), highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

q Provisions, contingent liabilities and contingent assets

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

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

A contingent liability arises from a past event that gives the Institution a probable obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Institution. 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 Institution 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 Institution.

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed in the notes.

r Accounting for joint ventures and associates

The Institution accounts for its share of joint ventures and associates using the equity method in the Consolidated Statement of Comprehensive Income.

The Institution accounts for its share of transactions from joint ventures and associates in the Consolidated Statement of Comprehensive Income.

To the extent that the Institution's share of losses of a joint venture or associate equals or exceeds the carrying amount of its investment in the joint venture or associate, the Institution discontinues recognising its share of further losses. After the Institution's interest is reduced to zero, the Institution shall recognise additional losses by a provision but only to the extent that the Institution has incurred legal or constructive obligations or has made payments on behalf of the joint venture or associate.

s Taxation

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

Deferred tax is provided in full on timing differences that exist at the reporting date and that result in an obligation to pay more tax, or a right to pay less tax in the future. The deferred tax is measured at the rate expected to apply in periods in which the timing differences are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

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

The Institution receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on expenditure (revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The Institution's subsidiaries are liable to Corporation Tax and VAT in the same way as any other commercial organisation.

t Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the Institution, are held as a permanently restricted fund which the Institution must hold in perpetuity.

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

u Financial instruments

The Institution has elected to adopt sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and liabilities are recognised when the Institution 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 offset the recognised amounts and an intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Institution's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102 section 11.8. All financial assets and liabilities are initially recognised at the transaction price plus any additional attributable transaction costs. They are subsequently measured as follows:

Investments

Investments within the scope of section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value which is normally the transaction price.

Subsequently, they are measured at fair value if the investment is publicly traded or their fair value can otherwise be measured reliably with the changes in fair value recognised in the Consolidated Statement of Comprehensive Income.

All other investments are measured at cost less impairment.

Short term debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the Consolidated Statement of Comprehensive Income in other operating expenses.

Loans

Loans which are basic financial instruments are initially recorded at the transaction price, net of transaction costs. Subsequently they are measured at amortised cost using the effective interest method. Loan notes that are receivable within one year are not discounted.

Derivatives

Derivatives are held on the Statement of Financial Position at fair value with movements in fair value recognised in arriving at the surplus.

v Critical accounting estimates and judgements

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The critical accounting estimates and judgements used in the preparation of the financial statements are as follows:

Critical accounting estimates

Provisions

Management apply judgement to arrive at the best estimate for any obligation required. The amount recognised as a provision is management's best estimate of the present value of the amount required to settle the obligation. To arrive at this amount management assess the likelihood and extent of any future settlement and make judgements based on these. Further information is given in note 23.

Retirement benefit obligations

The Institution operates it own defined benefit scheme, the University of Liverpool Pension Fund and participates in the Universities Superannuation Scheme (USS). Actuarial valuations are carried out as determined by the trustees at intervals of not more than three years.

The cost of defined benefit pension plans (and other post-employment benefits) are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty.

The University of Liverpool Pension Fund costs under FRS 102 are calculated by the University actuary based upon the latest actuarial valuation and assumptions agreed by management following actuarial advice. The assumptions are documented in note 33.

Significant judgements

Impairments

Management make judgements as to whether any indicators of impairment are present for any of the Institution's assets.

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss as a result of any indications. If there is an indication of impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in surplus or deficit in the period it arises.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in surplus or deficit in the period it arises.

		Notes	Year Ended 31 July 2025 Consolidated £m	Year Ended 31 July 2025 Institution £m	Year Ended 31 July 2024 Consolidated £m	Year Ended 31 July 2024 Institution £m
2	**Tuition fees and education contracts**					
	Full-time home and EU students		**179.4**	**179.4**	169.6	169.6
	Full-time international students		**161.0**	**161.0**	166.8	166.8
	Part-time students		**7.8**	**7.8**	7.5	7.5
	Special courses		**12.1**	**12.1**	12.2	12.2
	Research Training Support Grant		**11.1**	**11.1**	11.0	11.0
			371.4	**371.4**	367.1	367.1
3	**Funding body grants**					
	Recurrent grant					
	Office for Students		**38.7**	**38.7**	37.6	37.6
	Research England		**39.8**	**39.8**	39.8	39.8
	Specific grants					
	Capital Investment Funds		**6.6**	**6.6**	4.7	4.7
	Higher Education Innovation Fund		**5.8**	**5.8**	5.7	5.7
	Other specific grants		**2.6**	**2.6**	5.6	5.6
			93.5	**93.5**	93.4	93.4
4	**Research grants and contracts**					
	Research councils		**54.2**	**54.2**	52.6	52.6
	Research charities		**18.9**	**18.9**	16.3	16.3
	Government (UK and overseas)		**35.4**	**35.4**	33.7	33.7
	Industry and commerce		**6.8**	**6.8**	8.0	8.0
	Other		**10.9**	**10.9**	12.7	12.7
			126.2	**126.2**	123.3	123.3

The source of grant and fee income, included in notes 2 to 4 is as follows:

		Notes	Year Ended 31 July 2025 Consolidated £m	Year Ended 31 July 2025 Institution £m	Year Ended 31 July 2024 Consolidated £m	Year Ended 31 July 2024 Institution £m
	Grant and fee income					
	Grant income from the OfS		**39.0**	**39.0**	38.2	38.2
	Grant income from other bodies		**180.7**	**180.7**	178.4	178.4
	Fee income for research awards		**15.3**	**15.3**	14.3	14.3
	Fee income from non-qualifying courses		**26.6**	**26.6**	26.2	26.2
	Fee income for taught awards		**329.5**	**329.5**	326.7	326.7
			591.1	**591.1**	583.8	583.8
5	**Other income**					
	Residences, catering and conferences		**33.4**	**33.4**	29.8	29.8
	Health authorities		**23.0**	**23.0**	21.4	21.4
	Other services		**32.2**	**32.2**	31.9	28.4
	Other income		**27.0**	**23.1**	19.2	19.1
	Specific capital grant		**-**	**-**	0.1	0.1
			115.6	**111.7**	102.4	98.8
6	**Investment income**					
	Investment income on endowments		**5.6**	**5.6**	6.5	6.5
	Other investment income		**9.2**	**9.7**	9.1	9.7
	Net return on ULPF pension scheme	33	**0.2**	**0.2**	0.2	0.2
			15.0	**15.5**	15.8	16.4

	Year Ended 31 July 2025 Consolidated £m	Year Ended 31 July 2025 Institution £m	Year Ended 31 July 2024 Consolidated £m	Year Ended 31 July 2024 Institution £m
7 Donations and endowments				
New endowments	**1.4**	**1.4**	2.4	2.4
Unrestricted donations	**3.2**	**3.2**	3.9	3.9
	4.6	**4.6**	6.3	6.3
8 Staff costs				
Staff costs:				
Salaries	**335.9**	**334.4**	315.3	313.8
Social security costs	**37.4**	**37.2**	31.6	31.5
Changes in USS deficit recovery plan	**-**	**-**	(199.2)	(199.2)
Other pension costs	**46.1**	**45.9**	52.4	52.2
Movement on annual leave provision	**(0.1)**	**(0.1)**	-	-
Sub-total	**419.3**	**417.4**	200.1	198.3
Restructuring Costs	**13.1**	**13.1**	-	-
Total	**432.4**	**430.5**	200.1	198.3

A further breakdown of pension costs is included in note 33.

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Total remuneration of the Vice-Chancellor		
Basic salary	**297.6**	294.0
Allowance in lieu of pension contribution	**35.3**	42.1
Total remuneration for the Vice-Chancellor	**332.9**	336.1
Taxable benefits:		
Medical insurance	**4.8**	4.1
Relocation costs	**20.3**	-
Total remuneration including benefits	**358.0**	340.2

The Vice-Chancellor serves as the Head of the Institution, reporting directly to the President of the University Council. The Vice-Chancellor holds overarching responsibility for strategic leadership, defining its mission and values, and ultimately accountable for delivering:

- An outstanding and inclusive student experience
- World-leading global academic research and innovation
- A financially sustainable, efficient, and high-performing organisation
- A vibrant, inspiring, and inclusive University culture

Professor Tim Jones is the University's current Vice-Chancellor, having taken up the role on 1 January 2023.

The Vice-Chancellor's base salary is adjusted annually in line with the national pay award through the New Joint Negotiating Committee for Higher Education Staff (New JNCHES) process as negotiated by Universities and Colleges Employers Association (UCEA).

In addition, the Vice-Chancellor's overall remuneration package is subject to annual review by the Remuneration Committee. As part of this review, the Committee has discretion to apply an increase of between 1% and 3% to the Vice-Chancellor's base salary, in accordance with the University's framework for Non-Clinical Professorial and Senior Management Staff Salary Reviews.

The Institution undertakes both robust internal and external benchmarking analyses, which are reviewed annually by the Remuneration Committee to inform decision-making on the Vice-Chancellor's remuneration.

Each year, the Institution participates in a range of sector-wide salary benchmarking exercises conducted by UCEA, The Russell Group of Universities (administered by Korn Ferry International), and the Committee of University Chairs (CUC).

The Remuneration Committee receives detailed analysis of this data to assess how the Vice-Chancellor's remuneration package compares with a relevant group of comparator institutions. This includes The Russell Group of Universities; UK Higher Education Institutions (HEI's) with turnover exceeding £400 million, and equivalent size roles as determined by the Hay job evaluation methodology, using Korn Ferry's public and private sector client datasets.

In addition to external comparisons, the Committee also considers internal benchmarking data. This includes assessing the Vice-Chancellor's salary in relation to the median earnings of all staff, as well as analysing the potential impact of percentage increases typically up to 3%, based on the Institution's standard approach to reviewing senior staff pay.

This comprehensive benchmarking informs the Committee's assessment of whether the Vice-Chancellor's current level of remuneration remains fair, appropriate, and justifiable.

The President of Council undertakes the Vice-Chancellor's annual Performance and Development Review reporting the outcomes to the Remuneration Committee. This review assesses the Vice-Chancellor's performance against agreed objectives and contribution to the Institution's success, supported by data such as university league tables, teaching quality, research impact, academic awards and student survey results.

Drawing on the evidence from the review, the President of Council may propose a performance award for the Vice-Chancellor to the Remuneration Committee. The Committee then assesses the recommendation and determines the appropriate level of any award. This recommendation is submitted to the University Council, which makes the final decision following consideration of the Vice-Chancellor's achievements and the Institution's overall performance.

In 2024/2025 the Vice-Chancellor received a pay award of 2.5%, consistent with the national pay award for UK Higher Education Institutions (HEIs) for the 2024/2025 academic year. There was no additional performance related increase to the Vice-Chancellor's salary in this period.

Following government changes to National Insurance rates, effective from 1 April 2025, the Vice-Chancellor's allowance in lieu of employer pension contributions was adjusted to ensure it remains cost-neutral to the Institution.

As part of the Vice-Chancellor's appointment, it was agreed that relocation costs would be covered. Due to a shortage of suitable available properties, there was a delay in completing the relocation.

The Vice-Chancellor holds other roles as shown below, all of which are unpaid.

- Director, The Russell Group of Universities
- Director, N8 Limited
- Director, Sciontec Developments Limited
- Director, Knowledge Quarter Liverpool Board
- Member, Liverpool City Region Local Enterprise Board
- Member, Liverpool City Region Innovation Zone Management Board
- Chair, Liverpool Health Partners Board
- Trustee, Xi'an Jiaotong-Liverpool University
- Member, Liverpool-Manchester Railway Partnership Board
- Member, Universities UK (UUK) Board and Policy Lead for International for a term of 3 years from 1 August 2025

Head of Provider Pay Multiple

Basic Pay relates to contractual annual salary. Total Pay includes any benefits due.

	Year ended 31 July 2025		**Year ended 31 July 2024**	
	Basic Pay	**Total Pay**	**Basic Pay**	**Total Pay**
	£'000	**£'000**	**£'000**	**£'000**
Staff pay median	**41.7**	**46.7**	40.5	45.6
Vice-Chancellor pay	**297.6**	**358.0**	294.0	340.2
Pay multiple	**7.1**	**7.7**	7.3	7.5

Payment to the President of Council

Since 1 August 2020, the President of Council has received payment for their services to the Institution. The level of payment was based on research within the Higher Education sector and other charitable organisations and was set at £25,000 per annum. The decision to remunerate the role of President of Council reflects the growing demands and time commitments necessary and was approved by the Charity Commission, and will be reviewed in the light of prevailing circumstances.

In 2024/25, payment for the President of the Council's services was made to a Consulting company of which the President of Council is a Director. The University requested an extension in November 2024 to the Charity Commission's approval permitting the University to pay remuneration to the President of Council. Subsequent to the financial year end, the Charity Commission approved the decision to remunerate the position for the duration of the President's current term of office, which includes the prior year as well as the current financial year.

The number of staff with a basic salary of over £100,000, excluding employer's pension contributions (subject to relevant accounts direction and shown before any salary sacrifice):

	Year ended 31 July 2025 No	Year ended 31 July 2024 No.
£100,000-£104,999	**33**	23
£105,000-£109,999	**24**	27
£110,000-£114,999	**14**	39
£115,000-£119,999	**63**	37
£120,000-£124,999	**22**	13
£125,000-£129,999	**8**	5
£130,000-£134,999	**21**	63
£135,000-£139,999	**6**	23
£140,000-£144,999	**12**	3
£145,000-£149,999	**63**	1
£150,000-£154,999	**2**	1
£155,000-£159,999	**2**	1
£160,000-£164,999	**-**	2
£165,000-£169,999	**2**	1
£170,000-£174,999	**1**	1
£175,000-£179,999	**2**	2
£180,000-£184,999	**3**	4
£185,000-£189,999	**3**	-
£195,000-£199,999	**-**	2
£200,000-£204,999	**2**	-
£215,000-£219,999	**1**	-
£220,000-£224,999	**-**	1
£225,000-£229,999	**1**	-
£235,000-£239,999	**-**	2
£245,000-£249,999	**2**	-
£255,000-£259,999	**-**	1
£265,000-£269,999	**-**	1
£270,000-£274,999	**1**	-
£285,000-£289,999	**-**	1
£290,000-£294,999	**-**	1
£295,000-£299,999	**1**	-
£300,000-£304,999	**1**	-
£375,000-£379,999	**-**	1
£385,000-£389,999	**1**	-
	291	**256**

The number of employees with total remuneration exceeding £100,000 was 291 (2024: 256). This reflects usual movements in staffing and remuneration linked to cost of living pay increases. A backdated NHS pay award relating to prior-year negotiations was paid during the year, which moved some clinical staff into higher bands, particularly impacting £145,000–£149,999. All remuneration decisions are made in accordance with approved policies and subject to appropriate governance oversight.

Average staff numbers by major category	**Year ended 31 July 2025 Full time equivalent**	Year ended 31 July 2024 Full time equivalent
Academic	**2,129**	2,069
Research	**876**	820
Technical	**600**	613
Professional Services	**2,984**	2,937
	6,589	6,439

Severance payments

During the year there were £13.1m restructuring costs (2024 - none) paid to 320 employees (2024 - none) relating to the Voluntary Leavers' Scheme. In addition, the Institution incurred £1.1m (2024 - £1.0m) in locally agreed compensation for loss of office paid to 161 employees (2024 - 111).

All severance payments including compensation for loss of office in respect of higher paid staff are approved by the Institution's Remuneration Committee. Amounts for compensation for loss of office and redundancy for all other staff are approved by Institution management in accordance with delegated authority.

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Institution. Staff costs includes all forms of consideration paid to key management personnel in exchange for services to the Institution. Key management personnel are defined as those being a member of the Senior Leadership Team which is comprised of the Vice-Chancellor, the Provost & Deputy Vice-Chancellor, the Pro Vice-Chancellors for Global Engagement & Partnerships, Education and Research & Impact, Pro-Vice-Chancellors for each of the Academic Faculties, the University Secretary and General Counsel, the Chief Financial Officer and the Chief Operating Officer who was appointed on 7 October 2024.

	Year ended 31 July 2025	Year ended 31 July 2024
Number of key management personnel	**11**	11
Key management personnel compensation in £'000	**2,875**	2,749

The year-on-year increase of 4.6% reflects the cost of living pay award along with a full year cost for two new members who joined in 2023/24.

			Year Ended 31 July 2025		Year Ended 31 July 2024	
			Consolidated	**Institution**	Consolidated	Institution
			£m	**£m**	£m	£m
9	**Interest and other finance costs**	Note				
	Loan interest		**11.4**	**10.6**	11.0	10.3
	Net charge on USS pension scheme	33	**-**	**-**	4.5	4.5
			11.4	**10.6**	15.5	14.8

			Year Ended 31 July 2025		Year Ended 31 July 2024	
			Consolidated	**Institution**	Consolidated	Institution
			£m	**£m**	£m	£m
10a	**Analysis of total expenditure by activity**	Notes				
	Academic and related expenditure		**344.1**	**344.1**	324.2	324.2
	Administration and central services		**17.2**	**17.2**	17.3	17.3
	Premises		**82.6**	**85.4**	92.5	91.0
	Residences, catering and conferences		**25.8**	**25.3**	24.9	24.5
	Directly incurred on research grants and contracts		**95.8**	**95.8**	97.0	97.0
	Net credit on USS pension scheme provision	8, 9	**-**	**-**	(194.7)	(194.7)
	Other expenses		**159.5**	**155.7**	159.9	156.5
			725.0	**723.5**	521.1	515.8

	Year Ended 31 July 2025		Year Ended 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Operating expenses include:				
Operating lease rentals				
Land and buildings	**3.6**	**3.6**	3.4	3.4
Other	**0.8**	**0.8**	3.2	3.2

	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
External auditor's remuneration in respect of audit services		
Fees payable to the auditor for the audit of the University's financial statements	**457.0**	330.6
Audit of the financial statements of subisidiaries	**45.0**	42.8
Non-audit services: assurance related	**11.1**	10.7
	513.1	384.1

10b **Access and Participation**	Year Ended 31 July 2025 £'000	Year Ended 31 July 2024 £'000
Access investment	**1,644**	1,590
Financial support	**10,447**	10,827
Disability support	**1,142**	942
Research and evaluation	**303**	268
	13,536	13,627

Staff costs intrinsic to the delivery of the access and participation activities totalled £3.0m (2024 - £2.6m) and are already included in the overall staff costs figures included in note 8 to the financial statements.

Cost apportionment methodologies have been used when preparing the note in relation to the allocation of £3.0m staff costs (2024 - £2.6m) and recruitment costs of 0.1m (2024 - £0.1m).

The published Access and Participation Plan can be found at: www.liverpool.ac.uk/media/livacuk/about/APP2020-25.pdf

11 **Taxation**	**Year Ended 31 July 2025**		Year Ended 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Recognised in the Statement of Comprehensive Income				
Deferred tax				
Origination and reversal of timing differences (charge) / credit	**(0.2)**	**-**	0.4	-
Deferred tax (expense) / credit	**(0.2)**	**-**	0.4	-

12 Intangible assets

	Year Ended 31 July 2025			Year Ended 31 July 2024		
	Software	**Assets in the course of construction**	**Total**	Software	Assets in the course of construction	Total
	£m	**£m**	**£m**	£m	£m	£m
Consolidated						
At 1 August 2024	**1.0**	**0.2**	**1.2**	0.5	0.3	0.8
Additions in the year	**0.3**	**1.9**	**2.2**	-	0.6	0.6
Transfers	**0.3**	**(0.3)**	**-**	0.7	(0.7)	-
Amortisation charge for the year	**(0.3)**	**-**	**(0.3)**	(0.2)	-	(0.2)
At 31 July 2025	**1.3**	**1.8**	**3.1**	1.0	0.2	1.2
Institution						
At 1 August 2024	**0.9**	**0.2**	**1.1**	0.4	0.3	0.7
Additions in the year	**0.2**	**1.9**	**2.1**	-	0.6	0.6
Transfers	**0.3**	**(0.3)**	**-**	0.7	(0.7)	-
Amortisation charge for the year	**(0.3)**	**-**	**(0.3)**	(0.2)	-	(0.2)
At 31 July 2025	**1.1**	**1.8**	**2.9**	0.9	0.2	1.1

13 Fixed assets

Consolidated

	Freehold land and buildings	Leasehold land and buildings	Finance lease	Infrastructure	Equipment	Assets in the course of construction	Heritage assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 August 2024	815.5	31.8	0.2	239.8	109.7	51.9	17.0	1,265.9
Additions	-	-	-	3.9	4.5	48.0	-	56.4
Transfers	(5.3)	-	-	22.2	8.0	(30.2)	-	(5.3)
Disposals	-	-	-	(0.3)	(7.1)	-	-	(7.4)
At 31 July 2025	**810.2**	**31.8**	**0.2**	**265.6**	**115.1**	**69.7**	**17.0**	**1,309.6**
Depreciation								
At 1 August 2024	290.3	12.8	0.1	70.5	64.1	-	-	437.8
Charge for the year	17.9	0.6	-	13.0	16.0	-	-	47.5
Transfers	(3.3)	-	-	-	-	-	-	(3.3)
Impairment	0.4	-	-	-	-	-	-	0.4
Disposals	-	-	-	(0.3)	(7.1)	-	-	(7.4)
At 31 July 2025	**305.3**	**13.4**	**0.1**	**83.2**	**73.0**	**-**	**-**	**475.0**
Net book value								
At 31 July 2025	**504.9**	**18.4**	**0.1**	**182.4**	**42.1**	**69.7**	**17.0**	**834.6**
At 31 July 2024	525.2	19.0	0.1	169.3	45.6	51.9	17.0	828.1

Institution

	Freehold land and buildings	Leasehold land and buildings	Finance lease	Infrastructure	Equipment	Assets in the course of construction	Heritage assets	Total
	£m	£m	£m	£m	£m	£m	£m	£m
Cost								
At 1 August 2024	828.6	31.8	0.2	239.8	63.8	51.0	17.0	1,232.2
Additions	-	-	-	3.9	4.5	47.8	-	56.2
Transfers	(5.3)	-	-	22.2	6.6	(28.8)	-	(5.3)
Disposals	-	-	-	(0.3)	(7.1)	-	-	(7.4)
At 31 July 2025	**823.3**	**31.8**	**0.2**	**265.6**	**67.8**	**70.0**	**17.0**	**1,275.7**
Depreciation								
At 1 August 2024	290.3	12.8	0.1	70.5	41.8	-	-	415.5
Charge for the year	19.9	0.6	-	13.0	13.8	-	-	47.3
Transfers	(3.3)	-	-	-	-	-	-	(3.3)
Impairment	0.4	-	-	-	-	-	-	0.4
Disposals	-	-	-	(0.3)	(7.1)	-	-	(7.4)
At 31 July 2025	**307.3**	**13.4**	**0.1**	**83.2**	**48.5**	**-**	**-**	**452.5**
Net book value								
At 31 July 2025	**516.0**	**18.4**	**0.1**	**182.4**	**19.3**	**70.0**	**17.0**	**823.2**
At 31 July 2024	538.3	19.0	0.1	169.3	22.0	51.0	17.0	816.7

At 31 July 2025, freehold land and buildings included £44.2m (2024 - £44.2m) in respect of freehold land that is not depreciated. At 31 July 2025, leasehold land and buildings included £1.5m (2024 - £1.5m) in respect of leasehold land that is not depreciated. During the year the Institution reviewed its policy of applying a 15-year useful economic life across infrastructure assets and changed its estimate to depreciating infrastructure assets over 20 years. This resulted in a credit to depreciation of £7.0m in the year.

14 Heritage assets

The Institution holds its heritage assets in three collections; the Heritage collection, the Fine and Decorative Art collection and the Garstang Museum of Archaeology collection.

A record of these collections and Collections Development Policy which applies is maintained by the Libraries, Museums and Galleries department of the Institution.

The Heritage collection consists of 25,000 museum objects which have been collected over many years by academic departments of the Institution, and has been brought together into the Victoria Gallery & Museum. Many of the objects may originally have had value for teaching purposes, but this is no longer the case. 10,000 items are geological specimens, while the dental collection also contains around 10,000 and the remainder come from a wide range of departments of the Institution. The majority of the collection has never been valued, and, given the wide range of objects, such a valuation is not considered to be practical and as a result has not been recognised in the Statement of Financial Position. Notable items from the dental collection were valued in 2022.

The Fine and Decorative Art collection consists of 7,000 items of metalware, fine furniture, ceramics, paintings, drawings, prints and sculptures. It is held in the Victoria Gallery & Museum in the Institution’s iconic redbrick Victoria Building, which is open to the public.

The Garstang Museum of Archaeology collection consists of two overlapping collections: its various collections of objects derived from archaeology fieldwork and the paper and photographic archive which in the main relates to much of that fieldwork. The greater part of the collection consists of Egyptian and Nubian material (around 6,000 objects) with the remainder of the collection consisting of material from the Near East, the Mediterranean and Britain.

The Institution revalued some of its heritage assets on a fair value basis as at 31 July 2014, taking advantage of the transitional provisions of FRS 102 section 35.10. The Institution appointed Christies, an independent external valuer.

An appropriately qualified assessor at Christies confirmed in 2013 that the insurance valuation for this collection was £115.6m. Of the £115.6m, £34m related to two items, pictures by Freud and Turner at £14m and £20m respectively. Both of these paintings were brought onto the Statement of Financial Position at 31 July 2014 at half of their insurance value at £7m and £10m respectively, totalling £17m. In accordance with the FRS 102 transitional provisions these values are used as the deemed cost of these heritage assets.

In July 2021, an appropriately qualified assessor at Christies confirmed that the insurance valuation for the pictures by Freud and Turner were £16m and £24m respectively.

The insurance valuation for the collection at 31 July 2025 is £125.1m.

Heritage assets held at cost or valuation are not depreciated due to their indefinite life and high residual value.

During the reporting period 1 August 2024 to 31 July 2025 there has been no impairment of these assets. More specifically there has been no physical deterioration, breakage or doubts as to their authenticity.

15 Non-current investments

Consolidated	Subsidiary companies	Other fixed assets investments	Endowment investments	Total
	£m	£m	£m	£m
At 1 August 2024	-	100.1	193.9	294.0
Additions	-	41.9	17.9	59.8
Disposals	-	(100.8)	(18.7)	(119.5)
Cash movement	-	(2.9)	(0.1)	(3.0)
Change in market value	-	1.3	9.9	11.2
At 31 July 2025	**-**	**39.6**	**202.9**	**242.5**
Institution				
At 1 August 2024	3.8	100.1	193.9	297.8
Additions	-	41.9	17.9	59.8
Disposals	-	(100.8)	(18.7)	(119.5)
Cash movement	-	(2.9)	(0.1)	(3.0)
Change in market value	-	1.3	9.9	11.2
At 31 July 2025	**3.8**	**39.6**	**202.9**	**246.3**

Change in market value is net of fees.

Other fixed asset investments and endowment investments are held at market value with the exception of the corporate bonds which are held at amortised cost. The investments in the subsidiary companies are held at cost.

Details of shares in subsidiary companies are disclosed in note 31.

The fair value of investments has been determined using the following hierarchy:

Level 1 – The unadjusted quoted price in an active market for identical assets or liabilities which the Institution can access at the year end.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity.

Level 3 – Unobservable inputs for the asset or liability. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available.

All assets held in pooled investment vehicles are disclosed as Level 2 assets, however the majority of these assets held in each fund relate to listed equities and bonds which individually would be considered Level 1 assets.

	Consolidated				**Institution**			
	2025	**2025**	**2025**	**2025**	**2025**	**2025**	**2025**	**2025**
	Level 1	**Level 2**	**Level 3**	**Total**	**Level 1**	**Level 2**	**Level 3**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Quoted Equities	106.4	-	-	**106.4**	106.4	-	-	106.4
Pooled Bond Funds	-	99.3	-	**99.3**	-	99.3	-	99.3
Property Fund	-	-	14.5	**14.5**	-	-	14.5	14.5
Private Equity and Debt	-	-	20.0	**20.0**	-	-	20.0	20.0
Private Placements	-	-	2.3	**2.3**	-	-	6.1	6.1
	106.4	**99.3**	**36.8**	**242.5**	**106.4**	**99.3**	**40.6**	**246.3**

The Institution holds shares in the following companies, none of which are considered to be material, and are therefore not consolidated in these financial statements:

	% Holding		**% Holding**
Provexis IBD Limited	25.0	Sulantrix Limited	15.0
Q Technologies Limited	24.9	Ocuwell Limited	30.0
Polymer Mimetics Ltd	20.0	Atomik AM Limited	20.0
Intellihep Limited	18.0	TrophiCell Limited	30.1
Nidor Diagnostics Ltd	22.6	SenseAI Vision Limited	20.0
Porous Liquid Technologies Limited	14.0	Plasma Fresh Limited	24.9
Robotiz3D Limited	10.0	Plasma2X Limited	25.0
Innotive Diagnostics Ltd	22.5	GaLyTx Limited	25.0
CVCP Properties Plc	1.3	Intellegri Limited	10.8
Renewvax Limited	29.6	Liverse Technologies Limited	10.0
AI Sight Limited	20.0	Voyant Innovations Limited	20.0

16 Investment in joint ventures and associates

The Institution holds a 50% share of the issued ordinary capital of Xi'an Jiaotong-Liverpool University (XJTLU) which is registered in the People's Republic of China. This is a joint venture company owned equally by the University of Liverpool and Xi'an Jiaotong-Liverpool University and is accounted for using the equity method.

The Institution holds an effective 25% interest in Sciontec Developments Ltd, Liverpool Science Park Ltd and Sensor City Liverpool Ltd. The entities are treated as associates and accounted for using the equity method.

	Year ended 31 July 2025					Year ended 31 July 2024				
	XJTLU	**Sciontec Developments Ltd**	**Liverpool Science Park Ltd**	**Sensor City**	**Total**	XJTLU	Sciontec Developments Ltd	Liverpool Science Park Ltd	Sensor City	Total
	£m	**£m**	**£m**	**£m**	**£m**	£m	£m	£m	£m	£m
Income and expenditure account										
Income	**145.8**	**0.3**	**0.4**	**-**	**0.7**	111.2	0.2	0.6	-	0.8
Surplus / (deficit) before tax	**22.4**	**0.1**	**(0.2)**	**-**	**(0.1)**	(2.8)	-	(0.1)	-	(0.1)
Balance sheet										
Non-current assets	**243.8**	**-**	**4.0**	**-**	**4.0**	244.7	-	4.1	-	4.1
Current assets	**88.2**	**0.9**	**0.6**	**-**	**1.5**	82.8	1.2	0.4	-	1.6
	332.0	**0.9**	**4.6**	**-**	**5.5**	327.5	1.2	4.5	-	5.7
Creditors: amounts due within one year	**(31.4)**	**(0.2)**	**(1.0)**	**-**	**(1.2)**	(30.0)	(0.5)	(0.7)	-	(1.2)
Creditors: amounts due after more than one year	**(244.7)**	**-**	**(0.8)**	**-**	**(0.8)**	(262.6)	-	(0.9)	-	(0.9)
	(276.1)	**(0.2)**	**(1.8)**	**-**	**(2.0)**	(292.6)	(0.5)	(1.6)	-	(2.1)
Share of net assets	**55.9**	**0.7**	**2.8**	**-**	**3.5**	34.9	0.7	2.9	-	3.6

The Liverpool Science Park Ltd figures have been adjusted to reflect the Institution group accounting policy with respect to capital grants. On 10 March 2025, the Institution transferred all of its 50% interest in Sensor City Liverpool Ltd to Sciontec Developments Ltd for £nil consideration.

The Institution's share of XJTLU's net assets as at 31 July 2025 was £55.9m (2024 - £34.9m). Following an impairment review which considered the uncertainties in relation to future cash flows which could support this valuation, the investment has been impaired to a carrying value of £nil.

17 Stock

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
General consumables	**1.3**	**0.9**	1.9	1.5

18 Trade and other receivables

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Amounts falling due within one year:				
Research grants receivables	**38.9**	**38.9**	38.5	38.5
Other trade receivables	**6.2**	**5.5**	8.0	7.4
Other receivables	**12.6**	**12.2**	12.2	11.7
Prepayments and accrued income	**31.4**	**28.4**	29.7	26.7
Amounts due from subsidiary companies	**-**	**8.3**	-	9.6
	89.1	**93.3**	88.4	93.9

19 Assets classified as held for sale

The University has committed to a plan to sell the freehold land and buildings at its disused residential estate Carnatic. The estate has been actively marketed, a buyer found and the sale was completed in October 2025. Therefore the University reclassified the assets to current assets as held for sale as at 31 July 2025. No impairment loss was recognised on reclassification.

20 Current investments

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Short term deposits	**1.1**	**1.1**	1.1	1.1

Deposits are held with banks and building societies operating in the London market and authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and have more than three months maturity from the initial deposit date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

At 31 July 2025 the weighted average interest rate of these fixed rate deposits was 4.2% per annum. The fair value of these deposits was not materially different from the book value.

21 Creditors: amounts falling due within one year

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Deferred capital grants	**0.2**	**0.2**	-	-
Trade payables	**19.9**	**19.5**	23.0	22.1
Amounts due to subsidiary companies	**-**	**9.1**	-	6.0
Social security and other taxation payable	**13.2**	**12.3**	9.8	9.4
Accruals and deferred income	**72.0**	**64.7**	63.7	58.7
Research grants received on account	**58.6**	**58.6**	50.0	50.0
	163.9	**164.4**	146.5	146.2

Deferred income

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

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Grant income	**13.8**	**13.8**	11.1	11.1
Other income	**30.6**	**30.6**	30.2	30.2
	44.4	**44.4**	41.3	41.3

22 Creditors: amounts falling due after more than one year

	As at 31 July 2025		As at 31 July 2024	
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Obligations under finance leases	**-**	**-**	0.1	0.1
Unsecured loans	**300.4**	**285.4**	300.2	285.2
Other creditors	**-**	**-**	0.1	0.1
	300.4	**285.4**	300.4	285.4
Analysis of unsecured loans:				
Due within one year or on demand (note 21)	**-**	**-**	-	-
Due between one and two years	**-**	**-**	-	-
Due between two and five years	**15.0**	**-**	15.0	-
Due in five years or more	**285.4**	**285.4**	285.2	285.2
Due after more than one year	**300.4**	**285.4**	300.2	285.2
Total unsecured loans	**300.4**	**285.4**	300.2	285.2
Bond repayable by 2055	**245.4**	**245.4**	245.2	245.2
Unsecured loans repayable by 2036	**40.0**	**40.0**	40.0	40.0
Unsecured loans repayable by 2028	**15.0**	**-**	15.0	-
	300.4	**285.4**	300.2	285.2

Included in loans are the following:

Lender	**Amount**	**Term**	**Interest rate**	**Borrower**
	£m		**%**	
Public bond	245.4	2055	3.375	Institution
Private placement	40.0	2036	4.99	Institution
	285.4			
Lloyds Bank	15.0	2028	4.975	Subsidiary
Total	**300.4**			

In June 2015 an unsecured fixed rate public bond was issued for the sum of £250 million over a 40 year term with a coupon rate of 3.375%. It is listed on the London Stock Exchange. There are no capital payments to be made over the term, with the bond maturing in 2055. There are no plans for early repayment.

The bond transaction costs of £5.3m are being amortised over the life of the bond and charged to interest costs.

The Institution may, at its option, redeem some or all of the bond at the Redemption Price with interest accrued to the date of redemption. The 'Redemption Price' shall be the higher of:

(a) the principal amount of the bond to be redeemed and

(b) the product of the principal amount of the bond to be redeemed and the price, expressed as a percentage, at which the Gross Redemption Yield on the bond is equal to the sum of the Gross Redemption of the benchmark gilt (currently the 4.25% UK Treasury Gilt December 2055) plus 0.15%.

The £40m private placement loan carries financial covenants, all of which have been complied with at the Statement of Financial Position date and are assessed at each re-forecast. The Institution has reviewed all of its covenants as part of its going concern review as detailed in part b of the Statement of Principal Accounting Policies.

Obligations under finance leases are due between two and five years.

23 Provisions for liabilities

Consolidated	Other provisions	Total
	£m	£m
At 1 August 2024	0.9	0.9
Utilised during the year	-	-
Charged to the Statement of Comprehensive Income	0.2	0.2
At 31 July 2025	**1.1**	**1.1**

Institution	Other provisions	Total
	£m	£m
At 1 August 2024	-	-
Utilised during the year	-	-
Charged to the Statement of Comprehensive Income	-	-
At 31 July 2025	**-**	**-**

Other provisions

Other provisions comprise an obligation of £1.1m (2024 - £0.9m) for deferred tax payable on timing differences between accumulated depreciation and capital allowances.

24 Endowment reserves Institution and Consolidated

Restricted net assets relating to endowments are as follows:

		Restricted permanent endowments	Restricted expendable endowments	2025 Total	2024 Total
		£m	£m	£m	£m
Balances at 1 August 2024					
Investment Fund		99.7	20.9	**120.6**	113.9
Unapplied Total Return		40.8	11.9	**52.7**	49.7
Total capital		140.5	32.8	**173.3**	163.6
Accumulated income		16.6	3.9	**20.5**	19.1
		157.1	36.7	**193.8**	182.7
New endowments		0.6	0.8	**1.4**	2.4
Investment income		4.7	0.9	**5.6**	6.5
Expenditure		(5.0)	(2.0)	**(7.0)**	(6.5)
Increase in market value of investments		7.5	1.8	**9.3**	8.8
Total endowment comprehensive income for the year		7.8	1.5	**9.3**	11.2
Release to general reserves		(0.2)	-	**(0.2)**	(0.1)
Balances at 31 July 2025		164.7	38.2	**202.9**	193.8
Represented by:					
	Investment Fund	104.7	21.6	**126.3**	120.6
	Unapplied Total Return	43.3	12.0	**55.3**	52.7
	Total Capital	148.0	33.6	**181.6**	173.3
	Accumulated income	16.7	4.6	**21.3**	20.5
		164.7	38.2	**202.9**	193.8
Analysis by type:					
	Chairs	80.0	-	**80.0**	75.6
	Scholarships and Fellowships	51.5	17.8	**69.3**	65.8
	Prizes	5.6	1.8	**7.4**	7.3
	Lectureships	9.6	7.2	**16.8**	16.1
	Other	18.0	11.4	**29.4**	29.0
		164.7	38.2	**202.9**	193.8

		2025 Total	2024 Total
Analysis by asset:		£m	£m
	Current and non-current asset investments	**202.9**	193.7
	Cash and cash equivalents	**-**	0.1
		202.9	193.8

There were no accumulated income balances in deficit at 31 July 2025 (2024 - none).

The opening capital balance has been analysed between the investment fund (the original donation revalued for inflation) and the unapplied total return (investment returns above the rate of inflation) to facilitate the introduction of total return accounting.

25 Cash and cash equivalents

	At 1 August 2024 £m	Cash flows £m	At 31 July 2025 £m
Consolidated	**106.5**	**73.6**	**180.1**

26 Consolidated reconciliation of net debt

	At 31 July 2025 £m
Net debt 1 August 2024	(193.9)
Movement in cash and cash equivalents	73.6
Other non-cash changes	-
Net debt 31 July 2025	**(120.3)**
Change in net debt	**(73.6)**

Analysis of net debt:	At 31 July 2025 £m	At 31 July 2024 £m
Cash and cash equivalents	**180.1**	106.5
Borrowings: amounts falling due after more than one year		
Obligations under finance lease	-	(0.1)
Unsecured loans	(300.4)	(300.3)
	(300.4)	(300.4)
Net debt	**(120.3)**	(193.9)

27 Capital and other commitments

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

	As at 31 July 2025		As at 31 July 2024	
	Consolidated £m	**Institution £m**	Consolidated £m	Institution £m
Commitments contracted for	**35.1**	**34.0**	48.0	47.3

28 Contingent liabilities

The Institution has given written undertakings to support University of Liverpool Energy Company Ltd, University of Liverpool Construction Company Ltd, ULCCO (Special Projects) Ltd and Agnes Lois Bulley Trust for the period from the date of approval of these financial statements up to 31 July 2027.

29 Lease obligations Consolidated and Institution

Total rentals payable under operating leases:

	Land and buildings £m	Plant and machinery £m	Other Leases £m	31 July 2025 Total £m	31 July 2024 £m
Payable during the year	**3.6**	**0.1**	**0.7**	**4.4**	6.5
Future minimum lease payments due:					
Not later than 1 year	**3.7**	**-**	**4.5**	**8.2**	5.9
Later than 1 year and not later than 5 years	**11.5**	**0.1**	**18.2**	**29.8**	12.4
Later than 5 years	**13.7**	**-**	**-**	**13.7**	15.1
Total lease payments due	**28.9**	**0.1**	**22.7**	**51.7**	33.4

30 Events after the reporting period Consolidated and Institution

No events after the reporting period have had a material effect on the financial statements.

31 Subsidiary undertakings

The subsidiary companies, wholly-owned or effectively controlled by the Institution are as follows:

Company	Principal Activity	Ownership	Status
University of Liverpool Energy Company Ltd	Provision of energy supplies to the Institution	100% owned	Active
University of Liverpool Construction Company Ltd	Provision of construction service to the Institution	100% owned	Active
ULCCO (Special Projects) Ltd	Provision of construction service to the Institution	100% owned	Active
Liverpool University Press (2004) Ltd	Publication of books and periodicals	100% owned	Active
Tandem Nano Ltd	Biotechnology spin out	55% owned	Active
Thiotech Limited	Technology spin out	50% owned	Active
Liverpool International College	Provision of education	100% owned	Dormant
University of Liverpool Mathematics School	Provision of education	Member	Active

The Institution's subsidiary companies are all registered in England and Wales. The active companies have been consolidated if material into the group financial statements . The principal purpose of these companies is to support the activities of the Institution.

University of Liverpool Mathematics School is a state funded sixth form college. The School commenced its teaching activities in September 2020. The Institution is a founding sponsor and member of the School which has been formed as a company limited by guarantee. The Institution does not control the activities of the School and has no long term interest in the assets of the School. The School has therefore not been consolidated into the Institution group financial statements.

32 Linked charity

The Institution administers the Agnes Lois Bulley Trust which was established through a Declaration of Trust in 1948. The University of Liverpool is the appointed Trustee. The duties of the Trustee are delegated to the Officers of the Institution and members of the Senior Leadership Team.

The Trust endowed land to the Institution at Ness Botanic Gardens together with a fund to provide financial support for the maintenance and operation of the Gardens.

The Agnes Lois Bulley Trust is separately registered with the Charities Commission (Registration No 505721). Its funds are managed on its behalf by the Institution as part of the Institution's endowments portfolio.

The Trust is consolidated based on the Institution's effective control as appointed Trustee.

The movement in the year on the funds of the Agnes Lois Bulley Trust included within the Consolidated and Institution financial statements was as follows:

	As at 31 July 2024 £m	Investment income and gain £m	Expenditure £m	As at 31 July 2025 £m
Agnes Lois Bulley Trust				
Investments	8.5	0.5	(0.3)	**8.7**

33 Pension schemes

Different categories of staff were eligible to join one of three different schemes:

- Universities Superannuation Scheme (USS)
- University of Liverpool Pension Fund (ULPF)
- National Health Service Pension Scheme (NHSPS)

The two main schemes, being USS and ULPF, are both defined-benefit schemes the assets of which are held in separate trustee administered funds.

The National Health Service Pension Scheme (NHSPS), is a multi-employer defined benefit scheme where the contributions are not put aside into a separate fund, and nor are additional contributions thereafter required by central government in relation to those benefits.

According to the requirements of FRS102 (28), the net pension costs within the year, and movement within the pension schemes in the year are as follows:

		Year Ended 31 July 2025		Year Ended 31 July 2024
	Consolidated	**Institution**	Consolidated	Institution
	£m	**£m**	£m	£m
Statement of Comprehensive Income - net pension cost in year				
USS	**34.6**	**34.4**	38.5	38.3
ULPF including FRS 102 adjustments	**8.3**	**8.3**	11.1	11.1
NHSPS	**3.2**	**3.2**	2.8	2.8
Pension costs within ongoing staff costs (note 8)	**46.1**	**45.9**	52.4	52.2
Change in USS deficit recovery plan	-	-	(199.2)	(199.2)
Net pension costs shown separately on the face of the Statement of Comprehensive Income	**-**	**-**	(199.2)	(199.2)
Interest income on ULPF defined pension asset (note 6)	**(0.2)**	**(0.2)**	(0.2)	(0.2)
Unwinding of USS deficit pension deficit funding (note 9)	**-**	**-**	4.5	4.5
Total pension costs	**45.9**	**45.7**	(142.5)	(142.7)
Other comprehensive income - actuarial gain in respect of pension scheme				
University of Liverpool Pension Fund	**2.7**	**2.7**	2.7	2.7
Statement of Financial Position - Pension scheme asset / (liability)				
University of Liverpool Pension Fund	**-**	**-**	-	-
Universities Superannuation Scheme	**-**	**-**	-	-
	-	**-**	-	-

(i) The Universities Superannuation Scheme

The Institution participates in the Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

USS is a multi-employer scheme. Given the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The Institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the Institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme.

The total cost charged to the Consolidated Statement of Comprehensive Income is £34.6m (2024 - £38.5m excluding the impact of the change in the deficit recovery plan), as shown in note 8.

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 to 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 Comprehensive Income 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 £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

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

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

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

	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 0.4% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa 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

(ii) NHS Pension Scheme (NHSPS)

The Institution also participates in the NHSPS. The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the Government.

The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1 April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permitted individuals who on 1 April 2012 were within ten years of normal pension age to continue participating in the old 'final salary' NHS Pension Scheme arrangements (the 1995 and 2008 sections). From 1 April 2022, all members accrue benefits in only the new section of the scheme.

The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

The Government Actuary's Department carried out a scheme valuation for funding purposes as at March 2020. The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health and Social Care, with the consent of HM Treasury, and consideration of the advice of the scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The contribution rate payable by the Institution until 31 March 2024 was equal to 20.68% of the total pensionable salaries, 4.5% of which was settled centrally by NHS England. From 1 April 2024, the contribution rate payable by the Institution increased to 23.78% of the total pensionable salaries, 7.14% of which is settled centrally by NHS England. This is in accordance with the conclusion of the Government Actuary's report on the scheme.

The total pension cost for the Institution was £3.2m (2024 - £2.8m).

(iii) University of Liverpool Pension Fund (ULPF)

The University operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. The Final Salary Section of the fund closed to new entrants with effect from 31 July 2011 and, from 1 August 2011, new members joined the CARE Section of the fund. A full actuarial valuation was carried out at 31 July 2024 and this most recent full valuation showed a surplus of £322m for all members and a funding level of 213%.

Following the results of the 2021 actuarial valuation the University agreed with the Trustee that it would continue to pay 23.5% of earnings for Final Salary members and 22.5% of earnings for CARE members less contributions payable by contributing members. The contributions included an allowance of 2.2% for the management and administration expenses of running the scheme, including Pension Protection Fund levies and insurance premiums. Member contributions were 7.5% of earnings for Final Salary members and 6.5% earnings for CARE members.

During the year and following the completion of the latest statutory full actuarial valuation of the fund, a new schedule of contributions was agreed suspending employer contributions for a 3 year period from 1 April 2025 to 31 March 2028. Employer contributions will recommence after the contribution suspension at a rate as defined in the schedule of contributions which is 15.7% of earnings for Final Salary members and 14.7% of earnings for CARE members, less contributions payable by contributing members which are 6.5% of earnings for Final Salary members and 5.5% of earnings for CARE members. The contribution rates remain unchanged for the year commencing 1 August 2025.

The full actuarial valuation was updated to 31 July 2025 on an FRS 102 (28) basis by a qualified actuary, independent of the scheme's sponsoring employer.

Assumptions

The financial assumptions used by the actuary to calculate scheme liabilities under FRS 102 are detailed below.

	At 31 July 2025	At 31 July 2024
	%pa	%pa
Discount rate	**5.85%**	4.90
Price inflation (RPI)	**3.05%**	3.35
Price inflation (CPI)	**2.80%**	3.05
Salary growth	**2.80% (plus promotional salary scale)**	3.05% (plus promotional salary scale)
Allowance for revaluation of CARE benefit (for service for new joiners after 1 August 2011)	**2.80%**	3.05
Deferred pension revaluation - pre April 2009 (CPI max 5%)	**2.80%**	3.05
Deferred pension revaluation - post April 2009 (CPI max 2.5%)	**2.50%**	2.50
Allowance for pension in payment increases of CPI max 5%	**2.65%**	2.90
Allowance for pension in payment increases of RPI max 2.5%	**1.95%**	2.05
Allowance for pension in payment increases of CPI max 2.5%	**1.85%**	1.95
Allowance for commutation of pension cash at retirement	**80% of Post A Day**	80% of Post A Day

The mortality assumptions adopted imply the following life expectancies:

Implied life expectancy at age 65 years	**At 31 July 2025**	At 31 July 2024
Male currently aged 65	**24.0**	24.8
Male currently aged 45	**25.8**	26.4
Female currently aged 65	**27.4**	27.0
Female currently aged 45	**29.0**	28.6

Contributions by the University were suspended for 3 years from 1 April 2025 to 31 March 2028, therefore no contributions will be paid by the University to the scheme during the year 2025/26.

The assets and liabilities within the scheme at 31 July were as follows:

	Fair value hierarchy	**31 July 2025**	31 July 2024
		£m	£m
Equity instruments	Level 2	**242.8**	243.5
Debt instruments	Level 2	**130.0**	111.5
Real estate and infrastructure	Level 3	**89.6**	88.1
Multi asset fund	Level 2	**64.3**	59.2
Diversified Growth Fund	Level 3	**17.3**	39.5
Senior Private Debt	Level 3	**72.0**	33.4
Net current assets		**0.5**	6.4
Fair value of scheme assets		**616.5**	581.6
Present value of defined benefit obligation		**(276.9)**	(334.2)
Surplus in scheme		**339.6**	247.4
Effect of asset ceiling		**(339.6)**	(247.4)
Defined benefit asset recognised		**-**	-

The fair value of investments has been determined using the hierarchy as set out in note 15.

All assets held in pooled investment vehicles are disclosed as Level 2 assets, however the majority of these assets held in each fund relate to listed equities and bonds which individually would be considered Level 1 assets.

The scheme has not invested in any of the Institution's own financial instruments or in properties or other assets used by the University of Liverpool.

In accordance with paragraph 28.22 of FRS 102 if the present value of the defined benefit obligation at the reporting date is less than the fair value of scheme assets at that date, the scheme has a surplus. An entity shall recognise a scheme surplus as a defined benefit scheme asset only to the extent that it is able to recover the surplus either through reduced contributions in the future or through refunds from the scheme.

The Institution is of the view that it is unable to recognise the majority of the scheme surplus as a defined benefit scheme asset as it does not believe it will be able to recover the surplus on the death of the last member. The Trust Deed provides for the Institution to unilaterally wind up the University of Liverpool Pension Fund, in which event any residual amounts after settling all scheme obligations are repayable to the Institution. As a result the Institution has determined that it has an unconditional right to a refund on wind-up. However, the Trust Deed also provides for the Fund Trustees to transfer annuity policies into individual members' names without requiring the Institution's consent which means that the Institution does not have a right to a refund from the scheme, as set out by the accounting standard.

The recognisable surplus at the year end is therefore taken to be the estimated difference between the total cost of subsequent years' accrual and total expected employer and employee contributions, in perpetuity. The total cost of subsequent years' accrual assumes a stable membership profile as at the latest census date, and the total contribution costs assume the certified rates remain unchanged. Both figures are calculated based on the assumptions and implied pensionable salary as at the year end.

As the total cost of subsequent years' accrual is expected to be lower than the employer and employee contributions in perpetuity, no surplus is recognised at the year end.

The amounts recognised in the Consolidated Statement of Comprehensive Income are analysed as follows:

	Year Ended 31 July 2025 £m	Year Ended 31 July 2024 £m
Recognised in the Statement of Comprehensive Income		
Current service cost	**6.1**	8.1
Past service cost	**0.6**	1.7
Administration expenses paid from scheme assets	**1.6**	1.3
Total operating charge	**8.3**	11.1
Net interest cost	**(0.2)**	(0.2)
Total cost recognised in surplus for the year	**8.1**	10.9

Taken to Other Comprehensive Income	**Year Ended 31 July 2025 £m**	Year Ended 31 July 2024 £m
Return on scheme assets (excluding interest income)	**14.0**	17.7
Experience gains and losses arising on the scheme liabilities	**22.8**	0.1
Effects of changes in the demographic and financial assumptions underling the present value of the scheme liabilities	**45.9**	(13.1)
Effects of changes in the amount of surplus that is not recoverable (excluding amounts included in net interest cost)	**(80.0)**	(2.0)
Total amount recognised in Other Comprehensive Income	**2.7**	2.7

Reconciliation of opening and closing balances of the defined benefit obligation	**Year Ended 31 July 2025 £m**	Year Ended 31 July 2024 £m
At start of year	**334.2**	306.3
Changes arising from employee service in period	**6.1**	8.1
Losses due to benefit changes	**0.6**	1.7
Administration expenses paid from scheme assets	**-**	-
Interest expense	**16.0**	15.6
Contributions by scheme participants	**3.3**	3.5
Effect of remeasurements in assumptions and experience adjustments	**(68.7)**	13.0
Benefits paid and expenses	**(14.6)**	(14.0)
At end of year	**276.9**	334.2

Reconciliation of opening and closing balances of the fair value of scheme assets	**Year Ended 31 July 2025 £m**	Year Ended 31 July 2024 £m
At start of year	**581.6**	539.7
Administration expenses paid from scheme assets	**(1.6)**	(1.3)
Interest income	**28.3**	27.7
Return on scheme assets (excluding interest income)	**14.0**	17.7
Contributions by the University and Participating Employer	**5.5**	8.3
Contributions by scheme participants	**3.3**	3.5
Benefits paid and expenses	**(14.6)**	(14.0)
At end of year	**616.5**	581.6

The actual return on the scheme assets over the period ended 31 July 2025 was £42.3m (2024 - £45.4m).

The English High Court ruling in Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank plc and others was published on 26 October 2018, and held that UK pension schemes with Guaranteed Minimum Pensions (GMPs) accrued from 17 May 1990 must equalise for the different effects of these GMPs between men and women. The case also gave some guidance on related matters, including the methods of equalisation. In line with last year's disclosure the previous GMP equalisation allowance for the additional liabilities as a result of this ruling has been retained but adjusted for the passage of time and to reflect the estimated impact of changes in market conditions 0.3% (£0.8m) is included within the defined benefit obligation.

Following the outcome of a High Court case on 20 November 2020, transfers out of the scheme between May 1990 and October 2018 need to be revisited and equalised for GMP (if applicable). No allowance has been made in the defined benefit cost for GMP equalisation in historic transfers out because it is assumed not to be material.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical rule amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by a Section 37 written actuarial confirmation. The judgment was upheld by the Court of Appeal in June 2024.

The University of Liverpool Pension Fund was a contracted out defined benefit scheme and rule amendments were made during the period April 1997 to April 2016 which could come under the scope of this judgement and impact member benefits. Work was performed to assess whether Section 37 confirmations were in place for all amendments. The initial assessment found two rule changes in the relevant period where confirmation statements were not readily available.

In June 2025, the Government advised that it would be introducing legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards. The announcement did not confirm expected timescales for when legislation would be introduced. The Scheme's Solicitor has advised that only when more is known can it then consider how this may impact the Scheme.

As a result, it is not possible to conclude whether there is any impact to the liabilities or if it can be reliability estimated. Consequently, the University does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

34 Accounting estimates and judgements

Bad debt provision

The recoverability of debtor balances is an area of uncertainty. The Institution provides for all debt greater than 365 days old at the year end date. The provision is adjusted for any post year end receipts and is extended to any items less than 365 days old where recovery is deemed to be a potential issue. The bad debt provision at 31 July 2025 is £6.4m (2024 - £6.0m). The Institution deems the provision to be adequate based on the aged profile of debt and the nature of the underlying discussions around recovery.

35 Related parties

Due to the nature of the Institution's operations and the composition of its Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that the Institution will enter into transactions in the normal course of business with Colleges, NHS Trusts, Research Councils, other grant-awarding bodies, and other private and public sector organisations in which members of the Council and Senior Leadership Team may have an interest. All transactions involving organisations in which members of the Council and Senior Leadership Team may have such an interest, including those summarised below, are conducted at arm's length and in accordance with the Institution's financial regulations and normal procurement procedures. A register of interests of the members of the Council and Senior Leadership Team is maintained.

The financial statements of the Institution include transactions with:

- entities over which a member of Council or of the Senior Leadership Team has control or joint control
- entities over which a member of Council or of the Senior Leadership Team has significant influence
- entities of which a member of Council or Senior Leadership Team is a member of the key management personnel

Such transactions over £0.1m are summarised below. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

	Individual Trustee or Key Management	Income	Expenditure	Balances at 31 July 2025 due to/(from) the Institution
		£m	£m	£m
Alder Hey Children's Hospital	Professor Fiona Beveridge	2.2	0.8	0.6
Liverpool Guild of Students	Othman Ibrahim	2.9	5.6	0.2
Liverpool International College	Ms Nicola Davies	-	1.2	-
Liverpool Science Park	Professor Tim Jones Ms Nicola Davies	-	0.6	-
Medical Research Council	Professor Louise Kenny	2.4	-	0.1
Mersey and West Lancashire Teaching Hospitals NHS Trust	Professor Hazel Scott	0.1	-	-
North West Universities Purchasing Consortium	Ms Nicola Davies	0.3	-	-
Northern Health Science Alliance	Professor Louise Kenny	-	0.1	-
N8 Research Partnership	Professor Tim Jones	-	0.1	-
Sensor City Liverpool Ltd	Professor Tim Jones Ms Nicola Davies Professor Anthony Hollander Professor Wiebe van der Hoek	-	0.1	-
Sciontec Developments Ltd	Professor Tim Jones Ms Nicola Davies	-	0.1	-
The Russell Group of Universities	Professor Tim Jones	-	0.1	-
University of Liverpool Pension Fund	Ms Lucy Everest Ms Nicola Davies	0.5	5.5	1.7
University of Liverpool Mathematics School	Professor Gavin Brown	0.1	-	0.1
Xi'an Jiaotong-Liverpool University	Professor Gavin Brown Ms Nicola Davies Professor Tim Jones	6.4	-	-

Related party transactions with the President of Council are disclosed in note 8 and 36.

Nature of transactions

Alder Hey Children's Hospital and Mersey and West Lancashire Teaching Hospitals NHS Trust
The majority of income relates to salary and research grant recharges. Expenditure relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

Liverpool Guild of Students
The University of Liverpool Guild of Students represents and supports students, and runs a wide range of services and entertainments. A charity and a company limited by guarantee, it has close links to the Institution, who contribute to the Guild's running costs. The President of the Guild of Students is an ex-officio member of the Council. Income relates to rent and service charge receivable from the Guild. Expenditure relates to the support grant made by the Institution to the Guild.

Liverpool International College
Progression payment made to Liverpool International College relating to students transferring to the Institution.

Liverpool Science Park
Expenditure paid to Liverpool Science Park relates to rent payable for tenanted office space.

Medical Research Council
The majority of income relates to research grant recharges.

North West Universities Purchasing Consortium
The income from the North West Universities Purchasing Consortium relates to salary recharges.

N8 Research Partnership
The N8 Research Partnership is a collaboration of the eight most research intensive Universities in the North of England. Expenditure paid to the N8 Research Partnership was the Institution's agreed contribution to N8 activities for the period 1 August 2024 to 31 July 2025.

Sensor City Liverpool Ltd
Expenditure paid to Sensor City Liverpool Ltd was in accordance with the Joint Venture Agreement funding of Sensor City Liverpool Limited.

Sciontec Developments Ltd
Expenditure payable to Sciontec Developments Ltd includes the Institution's subscription to the Knowledge Quarter.

University of Liverpool Pension Fund
The income from the University of Liverpool Pension Fund relates to the annual service charge for administration services provided by the Institution to the Fund. The expenditure relates to employer contributions payable during the year in respect of Fund members.

University of Liverpool Mathematics School
The income from the University of Liverpool Mathematics School represents rent and service charges payable by the University of Liverpool Mathematics School to the Institution.

Xi'an Jiaotong-Liverpool University
The majority of income from Xi'an Jiaotong-Liverpool University is for accreditation fees.

Other related parties
The expenditure to the Northern Health Science Alliance and the Russell Group of Universities relates to supplier invoices processed through the accounts payable system and payable in the normal course of business.

36 Trustees expenses

Expenses amounting to £2,997 (2024 - £4,660) were paid to Trustees during the year.

From 1 August 2020, the President of Council received payment for their services to the Institution as disclosed in note 8.

No other Council members received payments for services provided by the Trustee.

37 Financial instruments

Risk management

The Institution operates a centralised treasury management function which is responsible for managing the credit, liquidity, interest and foreign currency risk. These financial risks are managed within the parameters specified by the Finance and Resources Committee approved Treasury Management Policy. The Treasury Management Policy adopts the key recommendations of the Code of Practice on Treasury Management in Public Service as issued by Chartered Institute of Public Finance and Accountancy (CIPFA) as recommended by the Higher Education Funding Council for England (HEFCE) and is reviewed, updated and approved annually.

The Institution's principal financial instruments are the bond, cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the Institution's operations. Additionally, the Institution has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Institution.

The Institution's credit risk arises from bank balances, investments, student debtors and commercial organisations as customers. 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.

The credit risk of liquid funds and financial instruments is limited because the counterparties are banks with investment grade credit ratings assigned by international credit-rating agencies. The Institution's exposure and the credit ratings of its counterparties are monitored regularly. The credit exposure is limited by counterparty limits and minimum counter party credit ratings set within the Treasury Management Policy.

Student and commercial debtors are reviewed on an ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

Liquidity risk

Liquidity risk refers to the risk that the Institution 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.

Cash flow forecasts form part of both the Institutional monthly reporting and the Institutional 5 year planning process and are revised during the financial year when 2 re-forecasts are made. The Institutional Treasury Management Policy is to maintain an average annual on call cash balance of £60m. Excess funds are invested to maximise the return whilst observing the Treasury Management Policy limits.

The long-term financing of the Institution has been secured by the issue of a £250m public bond in June 2015. The capital amount will be paid at maturity in 2055 with the annual coupon of 3.375% paid bi-annually. The Institution may, at its option, redeem some or all of the bond at the Redemption Price with interest accrued to the date of redemption. The 'Redemption Price' shall be the higher of:

(a) the principal amount of the bonds to be redeemed and

(b) the product of the principal amount of the bonds to be redeemed and the price, expressed as a percentage, at which the Gross Redemption Yield on the bond is equal to the sum of the Gross Redemption of the benchmark gilt (currently the 4.25% UK Treasury Gilt December 2055) plus 0.15%.

Unless previously redeemed or purchased, the bonds will be redeemed at their principal amount on 25 June 2055.

Moody's downgraded the University in October 2020 from Aa3 to A1, this rating action follows the downgrade of the Government of the United Kingdom's rating and was applied across seven Institutions within the sector. Moody's carried out its annual credit opinion for the Institution in May 2025, whereby the rating remained unchanged as A1 stable.

Foreign currency risk

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the Institution. The Institution's principal foreign currency exposure is to the Euro and US Dollar. On an annual basis after satisfying the currency denominated liabilities, the Institution is left with a surplus of both. The operating level of for the holding is set at €750,000 & $750,000 and after accounting for any forecast liabilities any surplus amounts above this level are converted into sterling at spot rates or via forward contracts that are used to mitigate the risk of adverse exchange rate movements.

Interest rate risk

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

The Institution's main financing relates to 40 year £250m bonds. The interest rate attached to the bond is fixed over the term. The Institution cash deposits are held in a mix of instant access and on call or notice accounts as this allows for competitive returns whilst maintaining liquidity. Such deposits have limited re-investment risk.

Financial instruments

	Note	**Year ended 31 July 2025**		Year ended 31 July 2024	
		Consolidated	**Institution**	Consolidated	Institution
		£m	**£m**	£m	£m
Financial assets					
Measured at fair value through income and expenditure					
Non-current investments	15	**242.5**	**246.3**	294.0	297.8
Measured at undiscounted amount receivable					
Trade and other receivables	18	**18.8**	**17.7**	20.2	19.1
Amounts due from subsidiary undertakings	18	**-**	**8.3**	-	9.6
Measured at amortised cost					
Short term deposits	20	**1.1**	**1.1**	1.1	1.1
Cash and cash equivalents	25	**180.1**	**178.9**	106.5	105.1
		442.5	**452.3**	421.8	432.7

	Note	**Year ended 31 July 2025**		Year ended 31 July 2024	
		Consolidated	**Institution**	Consolidated	Institution
		£m	**£m**	£m	£m
Financial liabilities					
Measured at undiscounted amount payable					
Trade and other payables	21 & 22	**33.1**	**31.8**	32.8	31.5
Amounts due from subsidiary undertakings	21	**-**	**9.1**	-	6.0
Measured at amortised cost					
Unsecured loans	21 & 22	**300.4**	**285.4**	300.2	285.2
Obligations under finance leases	21 & 22	**-**	**-**	0.1	0.1
		333.5	**326.3**	333.1	322.8

38 US Department of Education Financial Responsibility Supplemental Schedule

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

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets;
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition);
- presented in pounds sterling.

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

Primary Reserve Ratio

Reference	Line item/related disclosures		**Year ended 31 July 2025** £m	**Year ended 31 July 2025** £m	Year ended 31 July 2024 £m	Year ended 31 July 2024 £m
		Expendable Net Assets				
SOFP Line 21	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	**-**	**689.0**	-	683.2
SOFP Line 20	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions	**-**	**202.9**	-	193.8
	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	**-**	**-**	-	-
	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	**-**	**-**	-	-
SOFP Lines 2, 3 & 10	Statement of Financial Position - Property, plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	**836.6**	**-**	828.1	-
Note 13 (sub total per US guidance)	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation	**-**	**493.6**	-	541.4
Note 13 (sub total per US guidance)	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation with outstanding debt for original purchase	Property, plant and equipment - post-implementation with outstanding debt for original purchase	**-**	**-**	-	-
Note 13 (sub total per US guidance)	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase	**-**	**379.0**	-	340.5
Note 13 (sub total per US guidance)	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress	**-**	**(36.0)**	-	(53.8)
	Statement of Financial Position - Lease right-of-use assets, net	Lease right-of-use asset, net	**-**	**-**	-	-
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	**-**	**-**	-	-

	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset post-implementation	Lease right-of-use asset post-implementation	**-**	**-**	-	-
	Statement of Financial Position - Goodwill	Intangible assets	**-**	**-**	-	-
SOFP Line 1	Statement of Financial Position -Other intangible assets	Intangible assets	**-**	**3.1**	-	1.2
	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities	**-**	**-**	-	(5.2)
SOFP Line 17 less Note 22 Lines 1 & 3	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	**300.4**	**-**	300.2	-
Note 21 2020 Line 2	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	**-**	**299.9**	-	299.9
	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes post-implementation	**-**	**0.5**	-	0.3
	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Line of Credit for Construction in process	**-**	**-**	-	-
	Statement of Financial Position - Lease right-of-use asset liability	Lease right-of-use asset liability	**-**	**-**	-	-
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	**-**	**-**	-	-
	Statement of Financial Position - Lease right-of-use asset liability post-implementation	Post-implementation right-of-use leases	**-**	**-**	-	-
	Statement of Financial Position - Annuities	Annuities with donor restrictions	**-**	**-**	-	-
	Statement of Financial Position - Term endowments	Term endowments with donor restrictions	**-**	**-**	-	-
	Statement of Financial Position - Life Income Funds	Life income funds with donor restrictions	**-**	**-**	-	-
Note 24 Line 15	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity	**-**	**148.0**	-	140.5
		Total Expenses and Losses				
SOCI Line 14 plus Note 24 Line 8	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities	**-**	**718.0**	-	514.6

Note 6 Lines 2 & 3 plus SOCI Lines 16,17 & 21 less Note 24 Line 9	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (gain) loss	**-**	**13.9**	-	16.7
Note 6 Lines 2 & 3 plus SOCI Line 16 less endowment investment gains Note 24 Line 9	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Net investment gains	**-**	**11.3**	-	14.1
	Statement of Activities - Pension related changes other than periodic pension	Pension-related changes other than net periodic costs	**-**	**-**	-	-

Equity Ratio

			Year ended 31 July 2025		Year ended 31 July 2024	
Reference	**Line item/related disclosures**		**£m**	**£m**	£m	£m
		Modified Net Assets				
SOFP Line 21	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions	**-**	**689.0**	-	683.2
SOFP Line 20	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions	**-**	**202.9**	-	193.8
SOFP Line 1	Statement of Financial Position -Other intangible assets	Intangible assets	**-**	**-**	-	1.2
	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	**-**	**3.1**	-	-
	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	**-**	**-**	-	-
		Modified Assets				
SOFP Lines 7 & 13	Statement of Financial Position - Total Assets	Total Assets	**-**	**1,357.3**	-	1,324.8
	Note of the Financial Statements - Statement of Financial Position - Lease right-of-use asset pre-implementation	Lease right-of-use asset pre-implementation	**-**	**-**	-	-
	Statement of Financial Position - Lease right-of-use asset liability pre-implementation	Pre-implementation right-of-use leases	**-**	**-**	-	-
	Statement of Financial Position - Goodwill	Intangible assets	**-**	**-**	-	-
	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	**-**	**-**	-	-

	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable	**-**	**-**	-	-

Net Income Ratio

			Year ended 31 July 2025		Year ended 31 July 2024	
Reference	**Line item/related disclosures**		**£m**	**£m**	£m	£m
SOCI Line 24	Statement of Activities - Change in Net Assets Without Donor Restrictions	**Change in Net Assets Without Donor Restrictions**	**-**	**5.6**	-	192.6
SOCI Line 7 less SOCI Line 5 less Note 7 Line 1	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	**Total Revenue and Gains**	**-**	**709.9**	-	690.1

References refer to the SOCI (Statement of Comprehensive Income) and the SOFP (Statement of Financial Position) which are on pages 46 and 47 respectively. Line number references count down from the SOCI, SOFP or the note, including subtotals.

All figures relate to the Institution's consolidated performance and position.

US Guidance refers to the 'Federal Regulations' and relates to Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

Copies of the report can be accessed at:

www.liverpool.ac.uk

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