



University of
Reading

**ANNUAL
REPORT AND
FINANCIAL
STATEMENTS**

2024/25



ANNUAL REPORT AND FINANCIAL STATEMENTS

2024/25

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PRESIDENT'S FOREWORD

Helen Gordon

The University's *Annual Report and Financial Statements* for 2024/25 reflects another year of progress with our strategic aims, delivered against a backdrop of significant challenges facing the higher education sector across the UK.

Financial sustainability remains a fundamental issue for all universities. Rising operational costs, constrained funding, and intense competition for students have created an environment that demands robust governance and careful planning. University Council, as our governing body, has a responsibility to ensure that the University of Reading meets these challenges strongly while maintaining resilience for the future, while also supporting the ambition and creativity that makes this University special.

I am encouraged by the progress being made. We continue to perform strongly in national and international rankings, including our global reputation across several key subject areas in the UK and globally, and winning two *Times and Sunday Times* awards in successive years for our innovative and impactful work on environmental sustainability and scholarships.

We also achieved a University Mental Health Charter Award, recognising our commitment to supporting the wellbeing of our students and staff, and our plans to continually improve our services.

These and other achievements show that being efficient and being a force for good can go hand in hand. Our institutional goal to achieve excellence is vital to our overall mission, as well as supporting our global reputation, strong student recruitment, and ultimately our financial stability.

We continue to invest in our campuses, our teaching and research, in academic collaborations and partnerships with external organisations. Financial stability cannot be achieved without spending, and by doing this wisely we will benefit the University for decades to come.

We are therefore in a strong position as we embark on our centenary year in 2026. I am proud and excited to see projects beginning to get under way that will celebrate this milestone and strengthen the University's legacy for the next century to come. I am particularly eager to see new outdoor learning spaces developed to allow schoolchildren to connect with nature on our already beautiful Whiteknights campus, making the natural environment even more of a feature of life at Reading for our staff and students.

Combatting challenges facing the sector means adapting and evolving. I am keen to see the University continue to foster an environment of openness, support, and constructive challenge. We must all ask difficult questions, test assumptions, and ensure that every decision serves the long-term interests of our institution and delivers value to students. We must be prepared to change, to innovate and to make strategic choices about how we direct our resources and energies.

None of this can be achieved without our hard-working staff and students, the good will of the broader community in which we work, and the support of my fellow Council members. Our success and achievements yet to come will be built upon the strength of our community and our principles, which are evident throughout this report.

Helen Gordon

President of the Council

27 November 2025

VICE-CHANCELLOR'S FOREWORD

Professor Robert Van de Noort

Universities exist to shape futures: the futures of our students, of our communities, and of the world we all share. As the University of Reading approaches its centenary in 2026, I am proud to reflect on a year in which we have continued to build our community of colleagues and students, deliver excellence in education and research, and strengthen our work on environmental sustainability and being a university actively engaged with the wider world.

This year saw the launch of our Global Sustainability Leaders Scholarships, a landmark £34 million initiative that embodies our determination to nurture the next generation of change-makers. These scholarships support outstanding students from all disciplines, who are committed to addressing the climate and environmental crises. In September, we welcomed more than 200 recipients of the scholarship, who will benefit from funding and development opportunities that will empower them to make a genuine positive difference to help our planet.

Our partnerships continue to be a source of tremendous strength, enabling us to help tackle some of the world's biggest challenges through collaboration. The construction of the new headquarters for the European Centre for Medium-Range Weather Forecasts on our Whiteknights campus is now underway, creating the environment for the largest cluster of weather and climate scientists in the world. Work on the Natural History Museum's new centre is also underway at our Thames Valley Science Park, and we continue to work closely with the British Museum and Royal Berkshire Hospital. These collaborations demonstrate how universities can serve as catalysts for discovery, cultural enrichment, and efficient public services.

The University's role in the social, cultural, and economic life of Reading and the Thames Valley remains central to our identity. This year, our Community Festival welcomed 8,000 people to campus, our Community Engagement Fund supported vital local projects, and we are continuing our Charity of the Year scheme for a second year. As we look ahead to the changes in local government structures in the region, I am keen for the University to play a leading role in these conversations. We continue our work with the leaders and MPs to ensure that the University of Reading can support a prosperous, green and healthy Thames Valley.

Financial challenges have been an ongoing issue for the higher education sector. These are national and global issues from which Reading is not immune. While we must work to eliminate our deficit, we are in a strong position to handle these challenges. With the University Council, we are working to ensure a financially sustainable future for the University.

The current University Strategy, launched in 2020, had our centenary year as a natural milestone. I am proud that we have achieved much of what we set out to do. Work is now underway to develop our strategy further, helping to guide our plans through to 2040. This represents an opportunity to build on our achievements, learn from our experiences, and set ambitious goals for our second century. The new strategy will continue to reflect our values and principles and ensure we remain at the forefront of teaching, research, and civic engagement for generations to come.

Ambition for the future and reflection on the past are important, but our primary efforts must always remain in doing the best we can in the present. We are an ambitious institution that puts people at the heart of everything we do. I am excited to see the unfolding of what is to come and take the journey alongside every member of our community.

Professor Robert Van de Noort CBE DL

Vice-Chancellor

27 November 2025

STRATEGIC REPORT

The University of Reading traces its origins to University College Reading, founded in 1892, and was awarded its Royal Charter in 1926. Today, it is a global institution recognised for excellence in teaching, research and enterprise.

Our operations

We operate three UK campuses and maintain an international presence, including campuses in Malaysia and South Africa. With over 26,000 students and over 3,800 staff, our community is diverse, with significant international representation among both academics and professional services staff. Our facilities provide extensive teaching space and laboratories to support world-class research and learning.

Our strategy

Since the appointment of Professor Robert Van de Noort as Vice-Chancellor in 2019, the University has been guided by the current strategy, designed to take us towards our centenary in 2026. As we approach the end of this strategic period, work is now underway – in collaboration with the University Council – to develop a new strategy that will guide us through to 2040. Our four core principles continue to shape our work and priorities.

OUR FOUR PRINCIPLES

1. Community

We are an inclusive, supportive community.

Our strategy reflects input from students, colleagues, alumni and external partners. We aim to strengthen the student voice, improve change governance, and invest in staff development to foster a people-focused culture.

2. Excellence

By 2026, we aspire to be in the top quartile of UK universities for teaching and research.

We've been creating an environment where staff and students can thrive, enhancing research influence and income, and working with government, business and charities to maximise impact. Progress is tracked through student satisfaction (KPI 3) and global rankings (KPI 4).

3. Sustainability

We are committed to environmental and financial sustainability.










Our goal is carbon neutrality by 2030, supported by a strong financial base. Actions include portfolio reviews, a new commercial strategy, and sustainable investment planning. Performance is measured through environmental and financial KPIs (5 and 6).

4. Engaged University

We play an active role in the social, cultural and economic life of Reading and the Thames Valley.

We support local causes, opening our facilities to the community and applying research to regional development. Globally, we leverage partnerships to strengthen teaching and research impact. Engagement is assessed through knowledge exchange (KPI 7), international outlook (KPI 8) and economic contribution (KPI 9).

OUR MEASURES OF SUCCESS

KPI	Measure	Previous	Current	Target	Status
KPI-1	Staff Survey: 'employer of choice' score (which brings together multiple measures including diversity and inclusion)	Third quartile (53rd percentile)	A new provider was used for the 2025 Employee Engagement Survey, which contained a new set of questions to measure employee engagement. The University scored 77% for employee engagement overall.	Top (fourth) quartile (i.e. 75th percentile or above)	
KPI-2	National Student Survey: 'I feel part of a community of staff and students' (Question 21)	Third quartile (57th percentile)	This question was removed from the 2023 survey. The University Executive Board agreed to suspend KPI-2 for the time being, with a view to establishing a better way to measure community for both students and staff in the future.	Top (fourth) quartile (i.e. 75th percentile or above)	
KPI-3	National Student Survey: average of education-specific questions (Questions 1–25)	Fourth quartile (80th percentile)	Second quartile (45th percentile)	Top (fourth) quartile (i.e. 75th percentile or above)	
KPI-4	Rank amongst UK universities in THE World University Rankings	Equal 26th	Equal 27th	Top 25	
KPI-5	Cashflow from operating activities as a percentage of income	-0.7%	1.9%	10%	
KPI-6	People & Planet University League ranking	1st (1st class award)	4th (1st class award)	Top 5	
KPI-7	Knowledge Exchange Framework metrics	29% Perspectives in top quintile, 19% Metrics in top quintile	14% Perspectives in top quintile, 19% metrics in top quintile	43% Perspectives in top quintile, 50% Metrics in top quintile	
KPI-8	THE World University Rankings international outlook – UK universities	Fourth quartile (75th percentile)	Third quartile (72nd percentile)	Top (fourth) quartile (i.e. 75th percentile or above)	
KPI-9	Economic impact on UK economy (Gross Value Added)	£0.8bn	£1bn	£1bn	

In the top
20%
of world
institutions for
10 years in a row¹



27,330
students from
around 150 countries



86%
of our research
is world leading
or internationally excellent²



17,190
undergraduate
students and
10,140
postgraduate students³



¹ The University of Reading was ranked equal 194th out of 1,503 institutions in the QS World University Rankings 2026. We have been ranked in the top 20% in the 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024 and 2026 rankings.

² Based on our submissions judged to be world leading and internationally excellent in overall quality by the Research Excellence Framework (REF) 2021.

³ HESA 2024/25 Student Record and Aggregate Offshore Record, figures rounded to the nearest five.

Across all levels of study

52% of our students are **women**

39% of our students are from a **Black, Asian and Minority Ethnic (BAME)** background

18% have declared a **disability**⁴

86.5% of graduates in full-time work are in **professional or managerial roles** (defined as Standard Occupation Classification groups 1, 2 and 3), 15 months after graduation⁵



⁴ HESA 2024/25 Student Record and Aggregate Offshore Record, figures rounded to the nearest five.

⁵ Graduate Outcomes Survey 2022/23, based on first degree/other undergraduate, postgraduate (taught), and postgraduate (research) responders.

DEVELOPMENT AND PERFORMANCE

The University continues to grow. More than 17,190 undergraduate and over 10,140 postgraduate students now study at Reading, both in the UK and abroad.

We are among the top 20% of world institutions ranked in the QS World University Rankings 2026, a position we have held for 11 consecutive years. Reading is ranked at 201–250 overall in the 2026 Times Higher Education (THE) World University Rankings, and retains its position among the top 30 UK institutions ranked in the THE tables. Reading was also ranked 36th nationally in the Complete University Guide 2026.

Consistent with both our world-leading academic credentials in climate science and our institutional commitment to sustainability, we hold a 'First Class' rating in the 2024/25 People & Planet University League. Our environmental and ethical performance saw the University ranked 4th out of 154 institutions assessed in the scheme. Our 134-hectare Whiteknights campus also won its 15th consecutive Green Flag Award in 2025, recognising it as one of Britain's top green spaces.

Henley Business School

Henley Business School (Henley) is among an elite group of global business schools to hold triple accreditation from AACSB, EQUIS and AMBA – recognised by all three major international bodies for the quality and high standards of its programmes and faculty. It has maintained this status for over 20 years.

For the eighth consecutive year, Henley Business School South Africa has been named South Africa's leading MBA provider, receiving the prestigious Diamond Arrow Award from PMR.africa. This accolade reflects the consistently high rating its graduates receive by employers.

Henley's commitment to excellence is also evident in its world-class rankings. Ranked among Europe's top 35 business schools by the Financial Times in 2024, Henley's Executive MBA achieved its highest-ever global position in the FT 2025 EMBA rankings, placing at number 33 worldwide. In separate FT 2025 rankings, Henley's Executive Education and Masters in Finance programmes placed fifth and sixth in the UK consecutively, reinforcing Henley's reputation for world-leading education.

Henley is also at the forefront of leading research, including pioneering work in healthcare innovation. Research projects in this area combine AI, machine learning, information systems, medical science and social science to address real-world challenges and improve outcomes.



University of Reading Malaysia

University of Reading Malaysia (UoRM) has been delivering undergraduate degrees in Malaysia since 2014. Its EduCity@Iskandar campus opened in 2015, followed by the Inaugural Opening Ceremony in 2016 and the first group of students graduated in 2017.

The modern, purpose-built campus provides flexible space to teach students in a range of subjects, including business, real estate, quantity surveying, law and psychology. The campus currently has a student population exceeding 1,000 across its foundation and undergraduate programmes, with plans to develop the campus into a regional hub for Southeast Asia and expand student numbers further. Graduates of UoRM receive the same University of Reading degree as their counterparts in the UK, following identical curriculum and quality standards.

All programmes offered at UoRM are accredited both in the UK and Malaysia. With flexible mobility and transfer, students at UoRM can spend part of their studies at the Reading UK campus, and/or participate in the UK Summer School.

In recognition of its growing reputation, UoRM was recognised as one of the top brands in the Education & Learning category at the prestigious 2024 Putra Aria Brand Awards, Malaysia's leading brand awards that measure consumer preference and brand excellence across industries. Furthermore, UoRM received the Employers' Choice Award from Talentbank for its Quantity Surveying programme in 2024 and 2025, which was specially highlighted by top employers for producing career-ready graduates.



Nanjing University of Information Science and Technology (NUIST)

The University of Reading has a long-established relationship with Nanjing University of Information Science and Technology (NUIST), China's premier university in meteorology. The NUIST Reading Academy jointly established by the two institutions in 2015 enables Chinese students to work towards one of seven UK undergraduate degrees. Since 2018/19, the Academy has operated a model whereby undergraduate students can complete the final year of their four-year degree in Reading or in Nanjing, under China's Ministry of Education (MoE) rule.

In 2020/21, two new postgraduate programmes, MSc Data and Decision Analysis (DDA) and MSc Data Science (DS), were approved by China's MoE, with MSc DDA starting in 2021/22 and MSc DS starting in 2022/23. The annual MoE quota across both the UG and PGT programmes is 460.

The Academy was rated Excellent by a Chinese MoE group in 2025, confirming it as a leading joint education institute (JEI) both in Jiangsu Province and in China.



Campus enhancements

Work to enhance our campuses continues in line with strategic objectives and ambitions for our estate.

Projects completed in the last 12 months include refurbishment projects on Whiteknights and London Road campuses to provide modern new teaching, study and social spaces. Among these is a large new computer lab, a model building room for Architecture students, and upgraded Students' Union facilities, which now feature a new games room.

Construction of a new headquarters for the European Centre for Medium-Range Weather Forecasts (ECMWF) on our Whiteknights campus began in 2025, with the building set to be completed in early 2027. Located next to our Department of Meteorology, the government-funded building will create the largest cluster of weather and climate researchers in the world.



As we move into our centenary year of 2026, additional campus projects are planned, such as adding a new outdoor learning space and creating a Nature Park on campus to allow young people to learn about the world and strengthen our environmental leadership.

This campus development is supported by investment in digital infrastructure, with upgraded network technology installed across our campuses in the last year.

We continue to progress with our ambitious net zero carbon plans, having already achieved a 60% reduction in our carbon emissions since 2008/09. An air source heat pump at our SportsPark is now operational, replacing the building's gas boilers. New and upgraded electric vehicle charging points have also been installed in car parks at all three of our UK campuses.



PROVIDING VALUE FOR MONEY

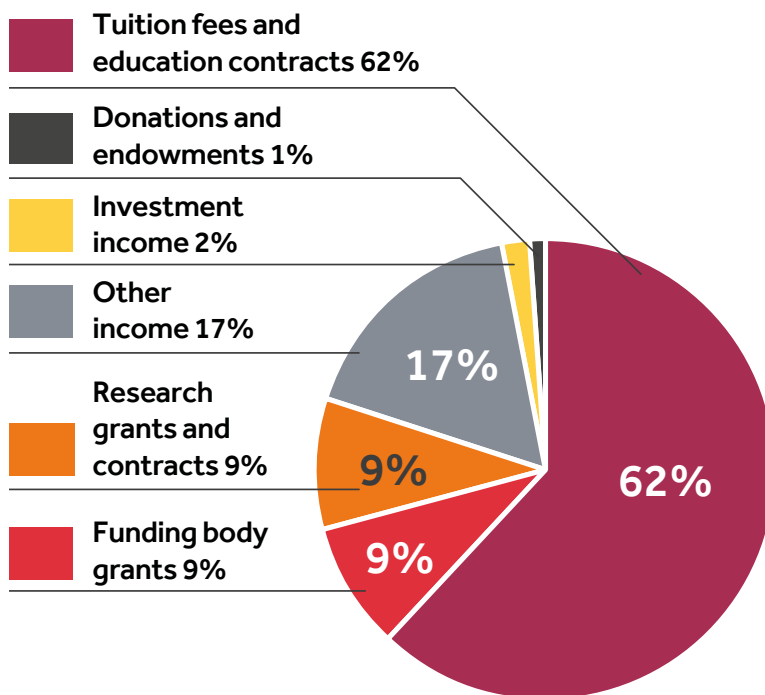
In this section we outline how we create, sustain and improve value for our stakeholders.

The Office for Students (OfS) has included value for money as a key regulatory objective, and the Higher Education and Research Act 2017 gives OfS the power to ensure that universities monitor how they provide value for money. In achieving this, we need to recognise the close interrelationships between our education and research activities, and demonstrate value for money for both students and the taxpayer.

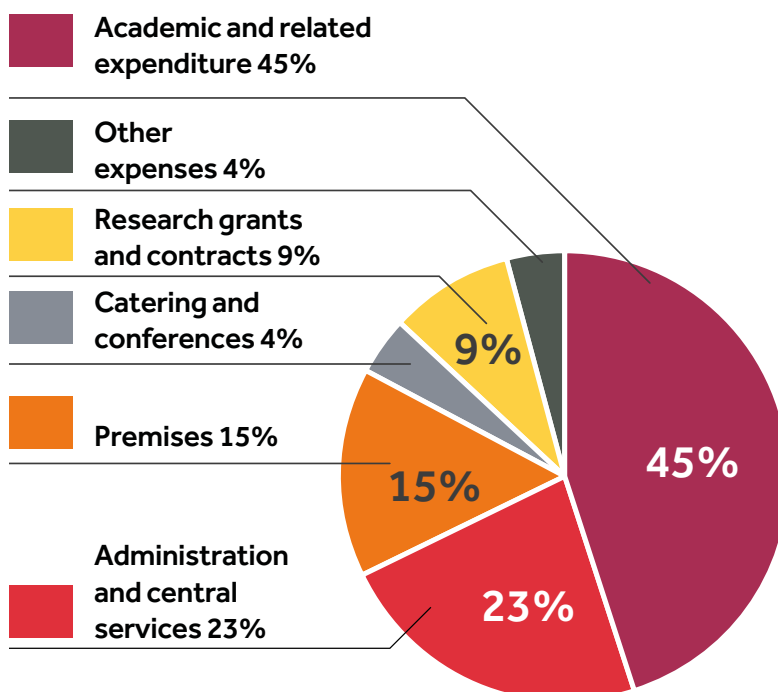
By attending university, our students are making a considerable investment in their future, both in time and money. University is a hugely personal experience and there is a range of ways that the University provides value for money. This will vary from person to person, based on their course of study, individual needs and interests, and the services and facilities they access.

The higher education sector in the UK makes a major contribution to society and the economy and contributes enormously to a student's personal development. It is also one of the most respected higher education systems in the world, and one that international students strive to access.

Income streams



Breakdown of expenditure





There are four main ways that the University of Reading offers value for money.

- The value that our students get from their experience of university – both now and in the long term – as alumni of a well-respected university with global presence.
- The wider benefit that studying provides, including the acquisition of transferable skills and career prospects.
- The way that higher education institutions benefit society as a whole – economically, socially and culturally – through the education of our students and the contribution of our research to solving global challenges.
- The efficiency and effectiveness with which finances are managed, with financial sustainability being one of the principles underlying the University's strategy.



We are a major employer in the Thames Valley region.

In addition, our international sites provide benefits to the host country through employment, skilled development and knowledge exchange. They also generate benefits for Reading, the Thames Valley and the UK through export earnings, international networks, and an enhanced profile for Reading.



We also work closely with Reading Students' Union – run by students, for students, to represent our student community – to ensure that the student perspective is reflected in our decision making. This covers the full range of university life, including teaching, welfare, diversity initiatives, our environment, and life after university.

Examples include:

- access to learning resources and online teaching materials
- dedicated welfare and wellbeing support services
- targeted support for those from low-income households
- ongoing career support after graduation.



At the University of Reading, our students benefit from:

- comprehensive student support services, e.g. accommodation, hardship, academic tutoring, counselling, welfare, disability, recreational and co-curricular, a global university and cultural events
- course-related resources – including teaching and materials, one-to-one supervision, and investment in continual teaching and technological improvement
- the wider university experience – including services and facilities like the library and study space, the SportsPark, placement opportunities, our award-winning Careers Service, and relaxing parkland and grounds.

FULFILLING POTENTIAL

We are committed to providing our diverse community of students and staff with what they need to fulfil their potential.

Providing the best academic support

Our enhanced Academic Tutor system provides all undergraduate and postgraduate taught students with personalised support for the duration of their studies. Tutors work in partnership with students and the University's wider support services to support academic, personal and professional development. Graduate Outcomes data shows 77.5%¹ of graduates reaching positive destinations of work or further study within 15 months of the end of their course.

Student Wellbeing Services

The University's Student Wellbeing Services department is here to support students with a wide range of needs.

The department consists of four teams.

- The Welfare Team is made up of professional welfare staff who can advise and support students on a wide range of personal and wellbeing issues – from settling in and adjusting to university life, to crisis support, managing money, drug, or alcohol issues, and more.
- The Counselling and Wellbeing Team provides short-term emotional support. They provide each assessed student with support recommendations, and ensure students understand and engage in self-support techniques.

- The Disability Advisory Service advises on adjustments in order to access learning, creating a holistic approach to student wellness. In 2024/25, we introduced a new onboarding approach which prioritises students telling us what reasonable adjustments they have had to date and what they feel they need. This has streamlined the registration process which meant that 300% more students had their reasonable adjustments in place for the start of the teaching semester.
- The Residential Support and Discipline Team comprises part-time wardens, who provide a service on behalf of the University to students in our halls of residence. Their role is to provide pastoral support and oversee the discipline process of students residing in the 11 halls situated both on campus and locally off site. The wardens work closely with hall mentors who also aid with pastoral support.

Recently we've introduced the Student Support Service phone line, and a live chat function available via the Wisdom app. Together these provide access to information, advice and support on a range of issues, 24 hours a day, 365 days of the year, and are accessible from anywhere in the world. It also provides a language translator service covering more than 200 languages.

In addition to these four teams, Student Wellbeing Services runs a Life Tools programme which equips students with key skills to support their time at University and future career skills. It is designed to help students focus on their studies and gain an understanding of the psychological issues that may arise due to pressure.

Our wide range of student support initiatives includes:

- producing printed and digital wellbeing guides
- creating videos to help students and promote inclusion
- reviewing our advice for staff and creating guidance on supporting student wellbeing.

Diverse and inclusive

- We were shortlisted in the Times Higher Education (THE) Awards 2024 for Outstanding Contribution to Equality, Diversity and Inclusion, and our Decolonising the Curriculum project team has won the Collaborative Award for Teaching Excellence (CATE) from Advance HE.
- We hold a Silver Athena Swan Award at university level, one of only 41 universities to do so out of 123 institutions. Our Technical Services team are national leaders – the only professional service team in Higher Education to have achieved the Silver Athena Swan award.
- We hold a Bronze Race Equality Charter Award, one of 68 of the 97 signatories to do so, with 5 other member HEIs holding a Silver Award.
- We have five Equity, Diversity and Inclusion Staff Networks on race equity, for LGBTQIA+ staff, parents and carers, disabled colleagues and women, who provide feedback on, and raise awareness of, diversity and inclusion issues.
- Our work is supported by our University Executive Board as Executive Champions, our networks, and Diversity and Inclusion Leads from each School and Directorate to help drive forward the implementation of diversity and inclusion strategies and sharing best practice.

Preparing for employment

The University of Reading ranks among the UK's top 10 universities for work experience, partnering with local and regional employers to offer students exclusive opportunities. In June 2025, the Careers team received the Association of Graduate Careers Advisory Services (AGCAS) Green Careers Award for its commitment to promoting sustainable career pathways. We continue to deliver careers events and one-to-one support through a flexible hybrid model. Key initiatives include the Reading Internship Scheme, which places students in local SMEs and charities, and the Thrive mentoring scheme, which connects students with professional mentors to support student development.

Enriching opportunities

The University of Reading encourages our students to study abroad and experience life in another country as part of their degrees. Studying abroad provides students with a global outlook and multicultural awareness. It equips them with intercultural competence, the ability to collaborate effectively and adapt to different work or study contexts, and an appreciation of diversity and multiple perspectives. National research shows that students who study abroad can be more likely to achieve top grades, secure professional-level roles, and earn higher salaries than their non-mobile peers – with mature students and those from less advantaged backgrounds seeing some of the biggest benefits.* Furthermore, Study Abroad can be a valuable opportunity to learn a new language and gain the skills and life experiences that employers are looking for.



*UUKi (2025) Gone international: a new generation

UNDERSTANDING OUR RISKS

In common with all organisations, we are affected by a large number of different risks. Risk can simply be defined as the potential effects of uncertainty on achieving our objectives. There are risks associated in everything we do; however, informed risk taking is essential if the University is to innovate, succeed and realise opportunities.

Effective risk management is about ensuring that all significant risks are understood and prioritised as part of business as usual to increase the probability of successful outcomes, whilst protecting the reputation and sustainability of the University.

Our approach to risk management

The University has a responsible approach to risk management, seeking to recognise and manage exposure to risks. The pursuit of knowledge, innovation, strategic aims, and implementing strategic developments will always have risks. Risk also has to be balanced against the University's obligations to use charitable funds and public money responsibly and prudently. Effective risk management increases the probability of successful outcomes, whilst promoting the reputation and sustainability of the University. A balanced assessment of risks has to be taken; there will be occasions when taking calculated risks will be appropriate if commensurate with potential reward. There are also risks involved in doing nothing.

Process

The University's approach to the management, oversight and monitoring of risks has been to build risk management into its structures and processes through a framework comprising:

- governance
- risk appetite statement
- identification, evaluation and management of significant risks
- policy
- audit and review.

The University has a very low (averse) appetite for risk where there is a likelihood of:

- a cyber security or information security incident
- significant negative impacts to its league table performance
- illegal or unethical activity
- negative impacts to the environment and poor sustainability performance
- loss of life or harm to students, staff and visitors
- breaches of regulatory obligations.

The University will endeavour to manage and reduce such risks to the lowest practical level by putting in place effective mitigation.

The University has a high (open) appetite for risk in the context of:

- encouraging and promoting critical enquiry, academic freedom, and open debate
- development of our digital services to meet the future needs of staff and students
- development of the campus facilities to meet the future needs of staff and students
- the development and implementation of innovative solutions to improve our sustainability and reduce our carbon footprint
- the commercialisation of our intellectual property and land/physical assets
- undertaking research activities where the outcomes would be of significant scientific, economic or social value.

Effective risk management is built on continuous review and improvement.

Council reviews the risk process bi-annually and Risk Management Group monitors and reviews emerging and changing risks throughout the year. It reports to both the University Executive Board and to the Audit Committee. Each year an annual report on its work is produced. Risk Appetite is also reviewed periodically.

Risk owners assess risk regularly, and risk registers are reviewed by the Risk Management Group. In addition, School and Function risk registers form part of the

yearly submission to the University's planning process. All major projects have individual risk registers, and risk assessment is incorporated into planning and decision-making processes.

Each year Internal Audit base their audit plan around the Risk Register, undertaking reviews of key areas according to a rolling plan.



Summary of the University's structure of corporate governance and responsibility pertaining to risk management

Committee	Role	Responsibility
Council	Oversight	<ul style="list-style-type: none"> To ensure that the University has established and is operating appropriate risk management systems To set the tone and influence the risk culture within the University To review the Risk Appetite Statement biannually.
Audit Committee	Challenge and oversight	<ul style="list-style-type: none"> To keep under review the effectiveness of the risk management structures and processes.
University Executive Board	Ownership	<ul style="list-style-type: none"> The monitoring and management of such risks as may be assigned to it within the University's Corporate Risk Register To agree risk appetite To implement policies on risk management.
Risk Management Group	Implementation, coordination and advice	<ul style="list-style-type: none"> To keep under review the Corporate Risk Register To maintain and develop the systems that support risk management To keep risk appetite under constant review.
Internal Audit	Assurance and testing	<ul style="list-style-type: none"> To report on the effectiveness of the University's risk management processes.

Corporate Risk Register

The University's Corporate Risk Register is formally reviewed by the Audit Committee. The 2025/26 Risk Register was approved at the Audit Committee on 22/5/2025. The 2026/27 Risk Register is currently being prepared.

The list below sets out those risks considered the most material, drawn from the risk register. The list is not exhaustive and is in no particular order.

- **Financial risks** – failure of institution to maintain financial sustainability, failure to recruit sufficient numbers of students, failure to maintain or improve research income, failure of government to raise tuition fees in line with inflation.
- **Physical and digital risks** – Failure to have enough suitable physical space and safe, secure and appropriate digital systems
- **Cyber risks** – loss of service due to cyber attack
- **Staffing risks** – Failure to recruit/retain/develop staff and capacity/demand imbalances
- **Failure to adhere to existing and rapidly increasing regulatory and compliance requirements** – The list of regulations that Universities must comply with continues to grow each year.

Professor Robert Van de Noort CBE DL

Vice-Chancellor

27 November 2025

Mr V Wijeratne

Chief Financial Officer

27 November 2025

FINANCIAL PERFORMANCE IN THE YEAR

The financial year 2024/25 remained challenging for both the University and the wider UK higher education sector. Whilst the external environment remains complex, the University has demonstrated resilience by continuing to grow its income streams and maintaining disciplined cost control. As part of a five-year program, the University commenced delivering a series of initiatives that will transform the way it operates and position itself strongly for the future. 2024/25 has seen the start of introducing these initiatives including the launch of the Global Sustainability Leaders Scholarship Scheme and the initiation of scoping for a Professional Services Transformation Programme.

Overall, a deficit of £10.8m was reported in 2024/25 (2023/24 surplus £81.5m). The University internally assesses its underlying performance for the year as the surplus/(deficit) per the statement of comprehensive income adjusted for any movement in pension provisions, gains/(losses) on disposal and revaluation of all investment assets, and material impacts of one-off items unrelated to our core activities. This approach allows meaningful assessment of the underlying performance of the University on a consistent basis year on year.

2024/25 marked the first year with no movement in the Universities Superannuation Scheme (USS) pension provision following the March 2023 valuation which showed the scheme in surplus. As a result, the provision is recorded at £nil on the balance sheet, with no impact on the Statement of Comprehensive Income.

The University's investment asset portfolio reduced in value and recorded a £9.1m loss during the year (loss of £7.8m in 2023/24). The University has started a programme of divestment of some of its residential properties in order to rebalance its overall investment portfolio away from property to more liquid assets, and thereby unlock greater value. In addition its commercial land values fell slightly, mainly due to a lower valuation for the Natural History Museum site, which was let on a long lease during the year, with receipt of a large upfront premium.

Underlying cash generation from operations was £6.8m (cash outflow of £2.4m in 2023/24) with an increase in cash and cash equivalents of £26.8m (decrease of £8.2m in 2023/24). This was mainly due to the profiling of capital projects, the receipt of a lease premium and fully drawing down the Revolving Credit Facility. During the year, the University successfully retendered its £50m Revolving Credit Facility, extending it until 2030, supported by the strength of its balance sheet and associated strategic plan.

Total income increased by £9.9m to £363.6m (2023/24: £353.7m), despite ongoing sector-wide competitive pressures. Group expenditure was £377.1m, broadly consistent with the prior year if USS pension provision movements are excluded.

The University remains committed to growing academic surpluses to reinvest in its strategic priorities and ensure long-term financial sustainability. Cost control remains a key focus, with continued efforts to maximise value and deliver efficiency savings.

Other comprehensive income also included a re measurement gain of £3.1m on the University-sponsored UREPF pension scheme which remains in surplus by £33.3m (2023/24 £29.0m) and during the year a number of actions were put in place to further de-risk the scheme.

Group income

Income from all sources totalled £363.6m, a 2.8% increase from the previous year (2023/24 £353.7m). The main driver was an increase in tuition fees and education contracts by £14.8m, representing another year of significant growth, despite an intensely competitive recruitment market. Funding body grants decreased marginally to £31.1m from the previous year (2023/24 £32.0m) however these grants still make up only 8.6% of total income. Total research income remained static at £34.0m, reflecting a competitive and challenging funding landscape post-pandemic, with sources of

EU funding suspended post-Brexit. Other income reduced to £63.6m from the previous year (2023/24 £64.8m). Other income arises from a number of different sources, including executive education, property rental, catering, conferences, the SportsPark, consultancy and enterprise activities.

Income from investments, donations and endowments totalled £9.8m which was £2.9m lower than 2023/24. 2024/25 was a turbulent year for investment performance and donations were lower than the previous year as the University received several major new donations and endowments during 2023/24, which were not repeated in the current year.

Group expenditure

Overall group expenditure remained stable at £377.1m, excluding the movement in the USS pension provision from 2023/24. This reflects the University's continued focus on cost control and the actions being taken to return to a sustainable financial surplus.

Staff costs increased marginally to £209.8m (2023/24: £203.2m) with a 1.2% increase in staffing levels and the additional costs of the increase in Employers National Insurance contributions from April 2025. Staff costs were controlled by the very difficult decision to defer the implementation of the 2024/25 pay award until July 2025.

Other operating expenses remained static at £129.7m (2023/24: £131.3m).

Depreciation on tangible fixed assets remained consistent with the prior year at £29.3m while interest payable and finance charges were £8.2m (2023/24: £11.6m).

Financial position

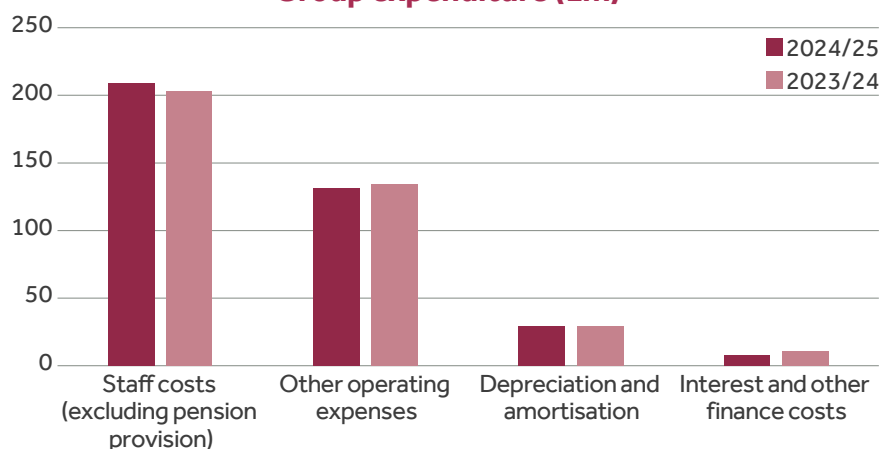
As at 31 July 2025, consolidated net assets totalled £533.8m on 31 July 2025 (2023/24: £544.7m) while net current assets stood at £66.1m (2023/24: £39.7m).

Fixed assets and our infrastructure

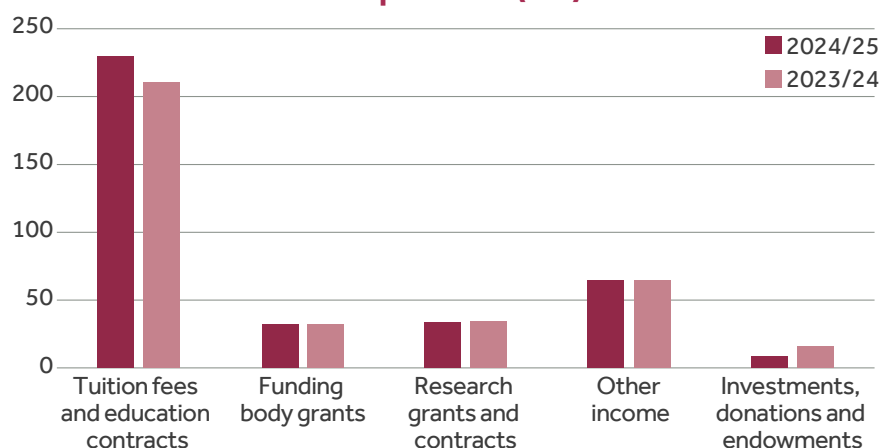
The University continues to invest in the future, having already invested over £350m in teaching, research and student accommodation projects over the last decade. Plans are in place to further enhance facilities, to support both current and future students and staff through

continuing to provide a high-quality environment for our teaching, learning and research. Our long-term programme of infrastructure development is designed to enhance the University's academic activity and ensure that it continues to maintain its reputation as a world-class university both in the UK and internationally. The University has embarked on a new cycle of capital investment, themed around digital transformation for students and staff, campus improvements and sustainability investment projects designed to meet its target of net zero carbon by 2030. The new investment cycle projects Group level capital investment of up to £300m over the

Group expenditure (£m)



Group income (£m)



next decade. The University also continues to offer a wide range of accommodation options to its students in partnership with its accommodation provider University Partnerships Programme (UPP).

Investments and investment properties

The University is fortunate to hold a number of investments that allows it to operate effectively, and will generate long-term value. As at 31 July 25, monetary investments held by the University and its Trusts were valued at £120.5m (2023/24: £120.7m), showing a significant in-year market value gain after £7.2m of net withdrawals from its investment funds, reflecting solid performance in the volatile global market. The returns generated from these investments have helped fund specific research activity during the year as well as supporting a range of prizes for achievement, scholarships and bursaries.

The University publishes its investment policy on its website and annually publishes a list of the investments held. The policy reflecting feedback from our student community is set and monitored by the University's Investments and Development Committee and was last reviewed in June 2025. The current policy can be found on our [investment policy page](#), and the University also annually publishes the individual investments it holds at each balance sheet date on our [University accounts page](#).

Day to day management of the monetary portfolio is undertaken by a professional investment manager, Cazenove Capital. As well as targeting income returns and capital growth, the manager is required to consider the social, environmental and ethical issues of the companies in which investments are held. We continue to work closely with the Student Union to ensure this aspect of our approach to investment. In addition, the University engages with external bodies (such as People and Planet) to refine our investment policy, reinforcing our strong performance in relevant sustainability league tables. We work with Cazenove Capital to put in place sector-leading screens and tolerances that ensure that our portfolio not only avoids obvious harm but has a positive impact, exercising influence through active ownership and engaging with management.

The University and its Trusts hold significant land and properties for their investment potential. Their combined market value on 31 July 2025 was £187.0m

(2023/24: £193.3m). The reduction in value is mainly due to the disposal of residential properties, which is planned to continue through 2025/26, and a reduction in the value of land held for the Natural History Museum due to the receipt of a lease premium during the year.

The total of investment assets has now reached £307.6m and the University continues to manage them as a unified "investment fund" with enhanced governance and clear return targets on all asset classes. The strategy has progressed in 2024/25 and has included:

- ongoing divestment from certain property assets into monetary assets
- allocating a defined portion of the fund to be allocated to impact investments, under the guidance and methodology of Cazenove Capital
- allocating a defined portion of the fund into an Innovation Fund. In 2024/25 the University has invested in two spin-out companies.

Pensions surplus/deficit

The University reports the financial position of the University of Reading Employees' Pension Fund (UREPF) in accordance with FRS 102. As at 31 July 2025, the scheme showed a surplus of £33.3m (2023/24: £29.0m), following the 2023 actuarial valuation. As part of this valuation it was agreed that the University would no longer make cash contributions and the scheme would assume responsibility for ongoing expenses. The 2023 valuation focused on derisking the scheme to such an extent that the scheme has a high probability of remaining in surplus as it meets its obligation in the coming years. The scheme is closed to new entrants and in July 2025 there were approximately 100 active members.

The University also contributes to the Universities Superannuation Scheme (USS), a multi-employer scheme. The University has recognised a provision of £nil for its share of the additional contributions in accordance with the absence of a deficit funding plan within the 2023 actuarial valuation.

Cash flow and borrowings

The Group generated a net cash inflow from operating activities of £6.8m in 2024/25 (2023/24: outflow of £2.4m) and sees this measure as a key indicator of year-on-year financial performance, hence it is a university-level KPI.

The net increase in cash and cash equivalents for the year was £26.8m (2023/24: decrease of £8.2m). The increase was in part due to the receipt of a lease premium of £18.2m, and drawing down £20.0m more from the University's revolving credit facility than at 31 July 2024.

The University's treasury policy sets out the key controls placed on the treasury management function at the University. It contains guidance on a number of key areas and focuses on the risks that the University faces in its day-to-day activities. The policy includes details about the delegations surrounding the investment of surplus cash funds and sets firm limits in regard to the creditworthiness of potential counterparties. The Scrutiny and Finance Committee receives reports on treasury management including an annual strategy and plans for the coming year. The University's non-endowment cash balances are held primarily in the form of interest-bearing deposits with financial institutions. The University also has several unsecured borrowings including a £70.0m corporate bond, a £43.5m sterling long-term loan facility, and a £50.0m revolving credit facility (£50.0m drawn down at 2024/25 year end).

Going concern

The financial statements have been prepared on a going concern basis supported by regular and detailed going concern monitoring. Whilst the UK higher education sector continues to face pressures, the University benefits from a strong balance sheet and is an attractive destination for students. Financial planning has sufficient check points in place to balance cash levels with the need to invest in the future.

Numerous, prudent scenarios have been forecast over a multi-year cycle and consideration given to the cash flow implications and also the impact on any loan and covenant arrangements. Whilst income pressures are anticipated, the University, through various mitigations, is well placed to respond to this. In addition, the University has access to funds through its investment assets. Taking all of this into consideration, the University is able to meet all obligations including loan repayments and can meet its covenants. The University is therefore considered a going concern.

ENVIRONMENTAL MATTERS

The University maintained its top five placing of the People & Planet University League, ranking 4th nationally, one of the few research-intensive universities to feature at the top of the league.

This reflects the University's ongoing leadership in climate action and ethical practices.

In the *Times Higher Education (THE) Global Impact Rankings 2025*, which assess universities' progress towards UN's Sustainable Development Goals (SDGs), the University ranked joint 50th globally out of more than 2000 participating institutions. The University achieved top 30 positions in three SDGs, reflecting the breadth and consistency of its impact:

SDG 12 – Responsible Consumption and Production: 9th globally. Recognising the Menus of Change programme and strong performance in waste reduction and recycling.

SDG 13 – Climate Action: 76th globally. With particular recognition for the Climate Ambassador Scheme, set up by the University and now operating nationally to connect climate experts with schools to build climate knowledge and skills among young people.

SDG 10 – Reduced Inequalities: 36th globally. Reflecting the strength and impact of Reading's active and inclusive diversity networks.

The Times and The Sunday Times Good University Guide named Reading as Sustainable University of the Year for 2025, recognising its commitment to tackling climate change and promoting environmental sustainability. The Guide recognised Reading had "made an impressive headway towards its ambition of being one of the greenest universities in the world".

The University recognises the interconnected global crises of climate change, biodiversity loss, and pollution and in response, has developed a new long-term, Environmental Sustainability Strategic Action Plan, which identifies nine strategic pillars around which the University aims to expand its positive impact. This evolving Plan aims to position Reading as a leader in sustainability, actively shaping a more resilient, equitable, and environmentally secure future – locally and globally.



Queen's Anniversary Prize
for climate research
and action



4th in the
People & Planet
University League 2024/25



Awards
2023

Winner of Outstanding
Contribution to
Environmental Leadership

THE TIMES
THE SUNDAY TIMES
GOOD
UNIVERSITY
GUIDE
2025

SUSTAINABLE
UNIVERSITY
OF THE YEAR

The Plan's core areas of focus are:

Education and Engagement, to equip future leaders with the knowledge and skills to address global challenges

Research and Influence, using the University's global leadership in climate science, biodiversity, and sustainable agriculture to drive innovation and policy change

A Green University, managing resources and campus operations sustainably, minimising our environmental footprint and showcasing our research and expertise.

The University's approach to climate resilience and adaptation is embedded into the design of our estate procedures and environmental management systems. The University will be looking to further strengthen its resilience to climate change in order to guide mitigation and adaptation efforts across infrastructure, operations, and academic activity.

Complementing this, the University leads on local engagement through the Reading Climate Change Partnership and the annual Reading Climate Festival, including #ShowYourStripes Day showcasing Professor Ed Hawkins' powerful climate stripes graphic.

The 134-hectare Whiteknights campus received its 15th consecutive Green Flag Award, recognising it as one of the UK's best-managed green spaces. The University also achieved the highest Fairtrade award (3-star) for its commitment to ethical and sustainable practices - the only university to receive this rating, and was named Fairtrade Foundation's Campaigner of the Month in June 2024.

ENERGY AND CARBON REPORTING

The University has measured and reported its carbon emissions for many years. Using 2008/09 as its baseline year, it publishes annual emissions data in the Annual Environmental Sustainability Report.

Since the 2008/09 baseline year, the University has achieved a 63.8% reduction in carbon emissions.

In July 2025, we published an updated and more comprehensive Net Zero Carbon Plan including for the first time our complete scope 1, 2 and 3 emissions. The Plan's updated headline targets are for the University to:

- reduce its existing carbon emissions scope to net zero by 2030 (against a 2008/09 baseline)
- reduce all scope 1 and 2 emissions to net zero by 2035 (against a 2008/09 baseline)
- reduce all scope 3 emissions by at least 40% and 70% by 2035 and 2040 respectively (against a 2023/24 baseline).
- To ensure the targets stand up to scrutiny, we have sought to align with the principles of the Science Based Targets initiative (SBTi)¹ wherever possible. The Plan also brings us in line with the Standardised Carbon Emissions Framework (SCEF) for the higher education sector, published by the EAUC² following sector consultation.

As a large, unquoted company incorporated in the UK, the University has a mandatory obligation under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 to disclose its UK energy and greenhouse gas emissions. As a minimum, the University is required to report its UK energy use relating to gas, electricity and transport, and associated greenhouse gas emissions.

The University has taken guidance from the UK Government

Environmental Reporting Guidelines (March 2019), the GHG Reporting Protocol – Corporate Standard, and the UK Government GHG Conversion Factors for Company Reporting document for calculating carbon emissions.

This is the University's first year of needing to comply with the Streamlined Energy and Carbon Reporting (SECR) requirements. The 2024/25 reporting year therefore serves as our baseline for SECR, and future reports will include year-on-year comparisons against this baseline. The figures in the table follow the standard SECR reporting scope. This scope is more limited than the University's established carbon emissions reporting referred to above, which includes a broader range of emission sources. Energy efficiency consultants, B:SSEC, have been employed by the University to advise on the required scope and approach for SECR reporting, and the data reported has been audited on a prioritised sampling basis³.

Projects completed during the year 2024/25

- In March 2025, we completed a major retrofit of air source heat pumps at the SportsPark, eliminating gas usage, which is expected to reduce our carbon emissions by 94 tonnes annually. This project is supported by partial funding from the Public Sector Decarbonisation Scheme, delivered by Salix Finance on behalf of the Department for Energy Security and Net Zero (DESNZ).
- We completed significant roof space insulation improvements to multiple buildings on the Whiteknights and Greenlands campuses, expected to save 137,467 kWh and 26 tCO₂ annually.
- We reduced the physical space of one of our major server rooms, enabling a significant reduction in air conditioning energy demand, expected to save 150,000 kWh and 30 tCO₂ annually.

Details of our Net Zero Carbon Plan and Annual Environmental Sustainability Report including a full list of projects completed in 2024/25 can be found on [our sustainability website](#).

1 Standard for setting emissions reduction targets in line with best-practice.

We have sought to align with the updated version 2.0 standard, to ensure alignment with the latest principles.

2 Standardised Carbon Emissions Framework (SCEF) | EAUC

3 SECR limited assurance review 2024/25

Our annual Streamlined Energy and Carbon Reporting (SECR) disclosure

Base year for emission disclosure: Current year 2024/25 is the baseline year

Reporting period: 01/08/2024 to 31/07/2025

Methodology used: GHG protocols – Corporate standards

Emissions factors used: UK Government conversion factors for company reporting

Included Scope 3 emissions: Grey fleet emissions

Scope 2 emissions: Location based

Report Year Scope 1 emissions			
Report Year Scope 1 emissions	Fuel Source	Units (kWh)	tCO ₂ e
Heating	Gas	24,403,707	4,464
	Oil	1,386,650	342
Transport	Emissions from combustion of fuel for transport purposes, stationary machinery and engines		249
Fugitive Emissions	HF gases		131
Scope 1 Sub-Total			5,186
Report Year Scope 2 emissions			
Location Based Power	Electricity	14,719,908	3,061
Solar PV	Electricity (No emissions)	1,046,004	
CHP	Electricity (Note: CHP gas consumption is included in Scope 1 emissions for Gas)	2,692,618	
Scope 2 Sub-Total			3,061
Report Year Scope 3 emissions			
Business Travel	Emissions from business travel in employee-owned vehicles, hired cars		109
Scope 3 Sub-Total			109
Gross tCO ₂ e pre offset			8,356
Offsets			-
Net tCO ₂ e			8,356

Energy Intensity Ratios	Units	Intensity Ratio (tCO ₂ e / unit)
Staff FTE	3,415	2.4457
Floor area m ²	234,062	0.0357

PARTNERING FOR **THE PLANET**

The University is working to engage our whole community, locally and globally, to empower and inspire greater commitment and action to address climate change, working towards a more sustainable future for us all.



Climate education

The University of Reading continues to develop new opportunities for students to learn about climate and sustainability, through embedded content in many courses, additional online courses and a range of extra-curricular initiatives.

In 2025, the University launched the Global Sustainability Leaders Scholarship programme. Aimed at high-performing undergraduates across all disciplines who show a commitment to becoming future sustainability leaders, the scheme will offer up to 400 scholarships per year, each offering £6,000 per year of study, and a comprehensive programme of additional learning and experiential opportunities.

The Climate Ambassadors programme, created by the University of Reading and funded by the government, links experts working on climate and sustainability with education professionals to provide them with free advice on developing a Climate Action Plan. The Minister for Early Years, Stephen Morgan MP, who leads on sustainability at the Department for Education, recently became the UK's 1,000th Climate Ambassador. The 1,000 Climate Ambassadors have already engaged with more than 1,600 education settings – more than 1 in 15 of all the education settings in England.

The University approved plans for a new Learning Garden to be created on the Whiteknights campus, to launch in 2026 as part of celebrations to mark our centenary. The garden will be for the benefit of our own students as well as visiting groups from local schools and colleges, ensuring learners of all ages can access nature-based sustainability-themed learning at the University.

Local climate strategic action

As a lead partner in the Reading Climate Change Partnership, we helped deliver a 'Year of Climate Engagement' over 2024/25, which involved workshops, facilitated discussions, surveys and activities with stakeholder groups across the local community to gather their insights, opinions, hopes and suggestions that will shape the climate priorities for a refreshed Reading Climate Emergency Strategy launching in 2025.

The University also engaged with Wokingham Borough Council and other local authorities across Berkshire, working to support their strategies towards Net Zero, climate adaptation and engaging their resident communities in climate action.

The University played a lead role in delivering the Reading Climate Festival in June 2025, which featured two weeks of events and opportunities to involve thousands of local residents with the challenges of climate change



and Reading's evolving climate strategy. Key events led by the University focused on enabling householders to green their home, a public lecture on how the legal system can tackle climate misinformation, school events on climate action planning and improving air quality, and the Reading Community Energy Summit.

Show Your Stripes Day

Show Your Stripes (SYS) Day on 21st June was our annual global campaign to raise awareness of the urgency for climate change action, represented by the climate warming stripes developed by Professor Ed Hawkins MBE. SYS Day was championed by organisations including the Formula E racing team Envision, Henley Women's Regatta, the fashion house Tammam, the London to Brighton EV Rally, and London Climate Action Week. Thousands of people shared the stripes to show their concern about the changing climate, and they were featured in numerous broadcasts and news stories.

www.reading.ac.uk/planet

THE FUTURE OF FOOD AND FARMING

The University aims to transform the future of food and farming through research.

In July 2024, the University agreed an ambitious plan to transform the future of food and farming.

The circa £16m purchase of Tanners Farm, Farley, alongside the adoption of the University's Agrifood Futures Strategy, are significant events that will extend the University's farming resources, marking a milestone in more than a century of agricultural research and education.

The 635-acre site is around five miles south of the University's Whiteknights campus, and close to the University's existing farming facilities at Hall Farm, near Arborfield.

The funds for the purchase came from the University's long-term capital investment funds. The University's overall investment asset capital remained broadly unchanged.

The new farm is an addition to the University's existing agricultural facilities around Reading, which include mixed farmland and facilities in Arborfield, Shinfield and Sonning.

The future of food

The Agrifood Futures Strategy looks to position Reading to address some of the most important and complex challenges facing the global food system of 2050.

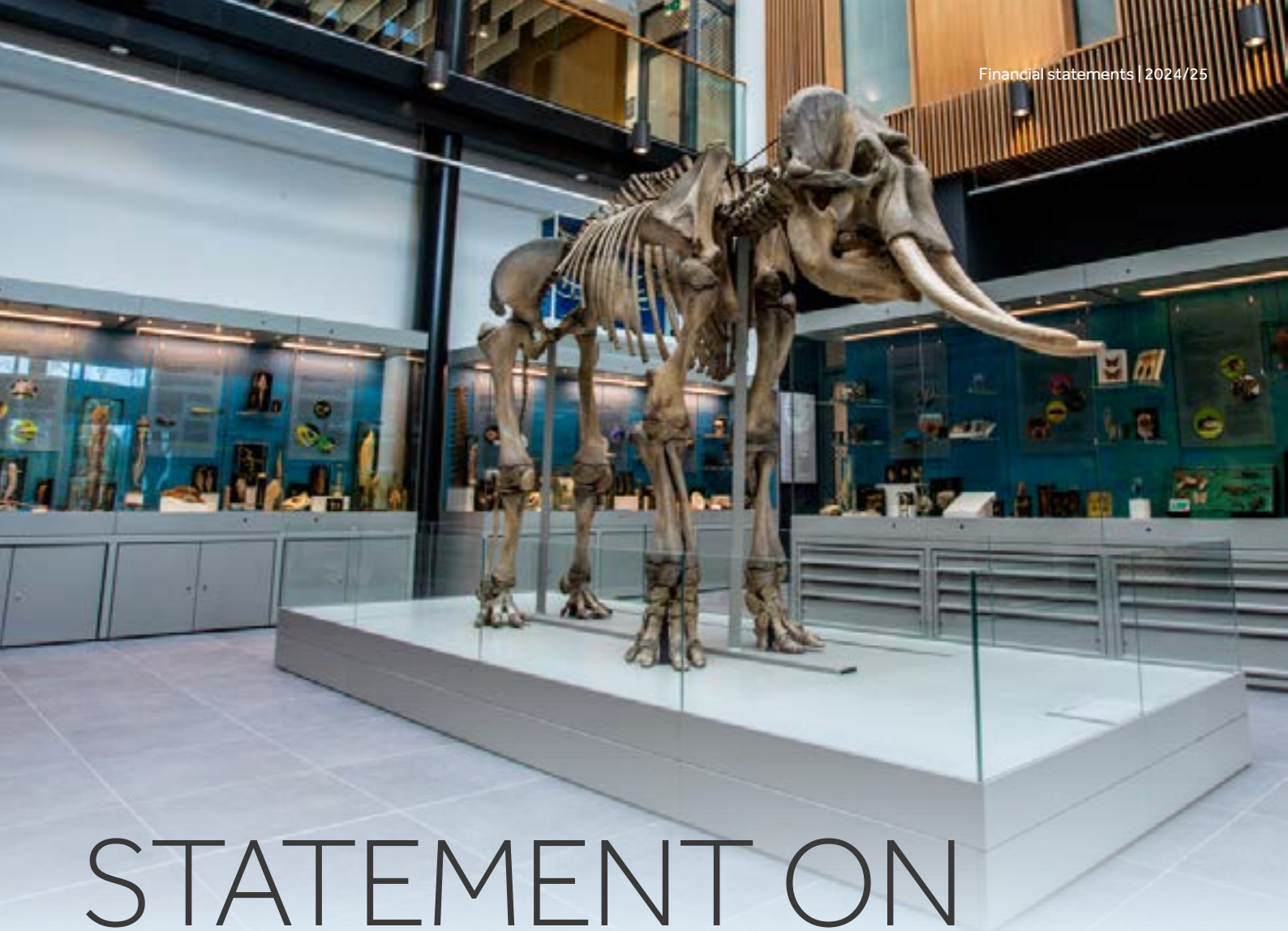
It aims to align the University's research with a vision for everyone globally to be able to consume a sufficient, healthy, sustainable and affordable diet that leaves the lightest possible footprint on the planet.

The University of Reading is ranked at number 1 in the UK and among the top 20 universities in the world for the study of Agriculture and Forestry (QS World University Rankings by Subject 2025).

"This is another important step to raise Reading's position among the world's best for agricultural research. In time, this strategy and additional farmland will give our researchers the ability to find answers to critical questions of food security and sustainability. It will provide our students with hands-on experience as they train to become our future food growers and the stewards of the countryside."

Professor Robert Van de Noort
Vice-Chancellor of the University of Reading





STATEMENT ON **PUBLIC BENEFIT**

The University is an independent corporation with charitable status, established by a Royal Charter granted in 1926. Its objects, powers and framework of governance are defined in the Charter and supporting Ordinances. It is an exempt charity within the meaning of Schedule 3 of the Charities Act 2011 and is a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010.

The University is not required to be registered with the Charity Commission but is subject to the Charity Commission's regulatory powers, which are monitored by the Office for Students (OfS) since its replacement of the Higher Education Funding Council for England (HEFCE). The University's Council has due regard to the Charity Commission's public benefit guidance.

All charities must have charitable purposes and apply them for the public benefit. The University's core charitable purposes are the delivery of higher education teaching and research. The University seeks to achieve excellent standards in these areas to the benefit of the local, national and international communities. We encourage people of all backgrounds to

participate in, and benefit from, our teaching, research and other activities.

The policy of equal opportunities for all is a key part of the University's strategy in ensuring that it delivers its core purposes for the public benefit.

The University and its subsidiaries also carry out teaching and research of a more commercial nature, for example in some of the executive education programmes run by Henley Business School, and in research carried out for private sector organisations.

The University is careful to ensure that the extent of these activities does not conflict with, or detract from, its core charitable purposes.

Supporting students

The University has admissions policies to attract and admit the most able and motivated undergraduate and postgraduate students with the greatest potential to contribute to, and benefit from, the education provided, irrespective of their background. The admissions procedures, outreach activity and the provision of bursaries are designed to support this policy.

The University promotes – among all students – excellence in their studies and the other activities they pursue at Reading, such as sporting, cultural and voluntary engagements. It also encourages the opportunities these activities provide for personal development and the wellbeing of the community. When students complete their studies, they can use the academic and non-academic skills acquired in their lives and careers beyond the University. The University aims to offer programmes that are attractive to a diverse range of potential students, have fair and transparent admissions policies, and provide financial support to students from low-income households.

The Reading Bursary scheme ensures that students from the least advantaged backgrounds can access programmes and are supported to succeed throughout their studies.

The University is committed to widening access to higher education – and demonstrating the benefits of a degree – to a diverse body of students, particularly those in under-represented groups. Its Access and Participation plan identifies students most at risk of inequalities of opportunity and outlines specific strategies to address these. Strategies include attainment activities with school pupils at Key Stage 4, dedicated guidance on higher education opportunities and the application process, targeted support to help students complete their studies, and professional development opportunities to support future careers.



Research

The University aims to deliver outstanding research with meaningful impact on knowledge, people and the economy that enhances or changes society for the better. We are committed to supporting researchers to engage, consult and collaborate with business, public and third-sector organisations to ensure that the knowledge and expertise arising from our world-class research contributes to solving the biggest challenges facing society locally, nationally and internationally.

We have been investing in local growth and regeneration, in part through investment in the Thames Valley Science Park. Our performance is evaluated by the Knowledge Exchange Framework (KEF) which provides external audiences with information about how we work with external partners, from businesses to community groups.



Community

The University is proud to play a key role locally and regionally and works hard to ensure that our economic, cultural and educational benefits are shared beyond our campuses. Our award-winning grounds are open to the local community in many ways, including our SportsPark, three museums, pubs and cafes.

Our Whiteknights campus, a 134-hectare parkland, was named among the most popular green spaces in the UK in the 2025 Green Flag People's Choice Awards for the 15th year running. Whiteknights campus is a beautiful, green oasis situated within a residential area bordering Reading and Wokingham boroughs. With its distinctive woodland walks, conservation meadows and large lake, its appeal stems from both the natural beauty of the landscape and the University's architectural diversity. The campus provides a natural environment for visitors of all ages to enjoy and benefit from.

Thousands of people have also attended our public events, such as lectures, music concerts and exhibitions, and we have received more than 1.5 million enrolments from as many as 190 countries for our free-to-join online courses.



A UNIVERSITY FOR READING

Community projects

The Community Engagement Fund enables staff members to apply for funding to support community projects they are involved with across the Thames Valley, either as part of their job or on a voluntary basis. Projects supported so far include sports teams, a homelessness charity, a project on air pollution in schools and a multilingual project with local nurseries, plus many more.

In March 2024, the University launched its Charity of the Year scheme. Led by a team of volunteers working across the University, the scheme allows a charity partner to engage with and be supported by the University in a variety of ways across an academic year. Daisy's Dream was chosen to be our charity partner for 2025/26. The charity provides vital support to children, young people and their families in Berkshire who have experienced bereavement or are preparing for loss.

Community Festival

The Community Festival invites members of the local community to join a free, one-day, family-friendly festival hosted on the Whiteknights campus each May. It includes a variety of activities for people of all ages to enjoy, including live music, theatre, research talks, interactive workshops and activities, plus a range of fantastic street food. Around 8,000 people joined us for our third Community Festival this year.

Volunteering

In 2024/25, 415 students volunteered their time to community projects through the University's Reading Experience and Development (RED) Award, which are designed to help them make the most of their extra-curricular experiences.

Our Students in Schools scheme has been running successfully for 35 years, with our students volunteering thousands of hours every year to help children of all ages in local schools. In particular, they have provided reading, numeracy and language support. Children whose home languages include Albanian, Arabic, Cantonese, Farsi, Mandarin, Nepali, Polish, Portuguese, Tamil, Turkish, Russian, Urdu and Ukrainian have benefitted from one-to-one language support from our multilingual volunteers.

The University's Time to Make a Difference policy encourages the University's 4,500 staff members to take up to two days of paid time off work, per year, to volunteer in the local community. This is in addition to current holiday allowances.

The Celebration of Volunteering Awards, now an annual event, recognise and showcase the incredible volunteering efforts of our students, staff, alumni and supporters who go above and beyond to help their community.

The economic, cultural and educational benefits of the University reach beyond our campuses into Reading, Wokingham and the wider Thames Valley.

University of Sanctuary

The University of Reading was recognised as a University of Sanctuary in June 2023. The award recognises “universities that have gone above and beyond to provide an understanding, compassionate, and safe experience that would enable people seeking sanctuary to thrive and recognise their potential”. Initiatives such as the Sanctuary Scholarship Scheme and the Sanctuary Coffee Bank form just a part of the University’s sanctuary activity. The University also works closely with local and international partners to provide ongoing support to sanctuary seekers.

Business

The University of Reading’s engagement with business continues to strengthen. The Knowledge Exchange and External Partnerships (KEEP) team supports small to medium-sized employers, large organisations and charities to address innovation challenges and improve performance. They do this by enabling collaborations with academic experts through Knowledge Transfer Partnerships, collaborative research, consultancy, new spin-out companies, and our Front Door contact point for external partners. They have supported partnerships in sectors including agriculture, architecture, AI, electronics, food manufacturing and retail.

Meanwhile, the Careers team has met employer needs through student placements, internships and graduate roles.

We remain committed to upskilling the business community through Continuing Professional Development (CPD) at Henley Business School and in specialist areas like degree apprenticeships. Our Ofsted-rated “good” apprenticeship programmes support the government’s productivity goals via the apprenticeship levy.

We also launched the CMDA BA Management Practice Degree Apprenticeship Programme for young learners entering the workforce.

Over eight years, Henley has welcomed over 3,000 apprentices from more than 350 employers, with over 90% achieving distinctions and merits. Employers include major organisations such as the Civil Service, Lloyds Banking Group, Vodafone, Nokia, Capgemini and BUPA.

Museums

The University of Reading has three museums open to the general public: the Ure Museum of Greek Archaeology, the Cole Museum of Zoology, and the Museum of English Rural Life.

Our online portal is a remarkable resource for collections-based learning and research across the University and includes websites for our Special Collections and Art Collections.

Throughout the University’s history, our collections and museums have served vast numbers of researchers, students, and members of the general public, at all levels and ages. We are delighted to welcome more than 50,000 visitors annually, and tens of thousands more across our websites and social media channels.

TEACHING

The University of Reading has a long and rich heritage of delivering teaching and learning with excellence at its heart. Students appreciate the quality of teaching and academic support and feel challenged to achieve their best work¹.

We are dedicated to staying at the forefront of teaching and learning developments, inspiring inclusive and creative approaches by working in partnership with staff and the student community. This partnership builds a supportive environment where learners at all stages can fulfil their intellectual and personal potential.

Our goal is to equip graduates with valuable skills, including mastery of their discipline, research and enquiry, personal effectiveness, self-awareness, global engagement and multicultural awareness. The University's Pro-Vice Chancellors for Education and Student Experience oversee educational quality, student experience and student achievement, working closely with four Associate Pro-Vice-Chancellors. These leaders support Schools to enhance teaching, improve feedback, and address awarding gaps, while leading University-wide teaching and learning projects.

The Portfolio Review has streamlined our programmes and modules, ensuring our portfolio is distinct, relevant and sustainable. It will also create more manageable staff workloads and an improved learning experience.

Providing an improved learning experience includes ensuring the curriculum covers topics important to students. Sustainability, woven into our strategic priorities, is being embedded into teaching through the Education for Sustainable Development project.

Academic success is reliant upon good mental health amongst both students and staff. The University has been recognised for its commitment to supporting the wellbeing and mental health of our community with a University Mental Health Charter (UMHC) Award.



The University recruits and develops well-qualified staff, encourages innovative approaches to teaching, and makes use of technological developments in learning methods. Our culture recognises and rewards teaching excellence. The Advance HE-accredited FLAIR Continuing Professional Development (CPD) scheme allows colleagues to gain recognition for good practice, with pathways for doctoral researchers, new staff, and experienced staff. It has made 1,149 awards. We also have 14 National Teaching Fellows and 52 University Teaching Fellows making significant contributions.

¹ National Student Survey, 2025: 92.5% of students responded positively to Question 1 ("How good are the teaching staff at explaining things"); 87.1% of students responded positively to Questions 16 ("How well have teaching staff supported your learning?"); 85.6% of students responded positively to Question 4 ("How often does your course challenge you to achieve your best work?").

RESEARCH

With 86% of our research judged as “world-leading” or “internationally excellent” in the Research Excellence Framework 2021, the University of Reading has a global reputation for the quality of its research.¹

In 2025 we were again placed among the world’s top 200 universities in the QS World University Rankings, putting us in the top 13% of global universities.²

Action and research on environmental sustainability have also seen us maintain our position among the world’s top 50 universities in the Times Higher Education (THE) Global Impact Rankings 2025, which highlight the contribution of universities in supporting the United Nations Sustainable Development Goals.³

Our research is structured around four themes:

- Agriculture, Food and Health
- Environment
- Heritage and Creativity
- Prosperity and Resilience.

Each theme is led by an Associate Pro-Vice-Chancellor who supports the Pro-Vice-Chancellor for Research and Innovation in implementing the University’s research and innovation strategy.

Research highlights

- We are participating in a groundbreaking £6.5m consortium – the Land Use for Net Zero (LUNZ) Hub – aiming to understand the impact of changing land use in order to reach net zero by 2050.
- Our agricultural scientists co-authored a new guide, *Tree Species Guide for UK Agroforestry Systems*, published by Forest Research, to help UK farmers reap the benefits of agroforestry – a type of sustainable farming that involves planting trees and shrubs among crops or livestock.⁴
- A new book by Professor Nicola Wilson (English Literature), *Recommended! The Influencers Who Changed How We Read*, about Britain’s first celebrity book club and its impact on national reading tastes, received widespread media coverage, including on BBC Radio 4’s Free Thinking programme.
- Law lecturer Dr Naomi Lott is a leading academic expert on children’s right to play. Her work has shaped national and international policy, including the UN Committee on the Rights of the Child. She recently co-presented the Raising the Nation Play Commission report to the House of Lords, calling for a National Play Strategy.
- Our PROMOTE project (Progressing Earth System Modelling for Tipping Point Early Warning Systems) is a five-year, multi-million pound project funded by The Advanced Research and Invention Agency (ARIA). It aims to improve scientists’ ability to assess the risk and consequences of crossing tipping points in the North Atlantic and Greenland.



¹ Full results available at [Research Excellence Framework](#).

² Full results at [Top Universities world university rankings](#).

³ Full results at: [Times Higher Education impact rankings](#).

⁴ Available to download at: [Forest Research](#).



RESEARCH FOR A BETTER WORLD

Through our world-leading research and collaborations, we aim to advance knowledge and make a positive difference in the world. Our research is changing lives, increasing our understanding of the world, and helping to tackle some of the complex challenges we face in the twenty-first century.

Protecting the UK's screen industries

Researchers in the Department of Film, Theatre and Television are shaping national debate on the UK film and TV industry. Our academics have given parliamentary evidence to highlight legal gaps around AI-generated performer imitations and contributed to major reports on the challenges facing UK cinemas, creatives and freelance workers - challenges that risk undermining the UK's global leadership in screen production.

Medical spinouts to tackle technology challenges

Two pioneering medical technology spinouts from Reading research – HaemAnalytica and Astratus – are set to transform cardiovascular care and the £3.6bn global antibiotic susceptibility testing market. HaemAnalytica's technology identifies patients who will truly benefit from blood thinners, reducing unnecessary prescriptions. Astratus offers a rapid, customisable platform to pinpoint the most effective antimicrobial treatment for individual patients.

AI-powered improvements in health and independent living

Henley Business School is leading two groundbreaking AI research projects: one using machine learning to detect early-stage arthritis which will be piloted in Reading and Oxford hospitals, the other exploring smart sensor technologies to support independent living. With over £2m in funding, both projects aim to enhance healthcare and quality of life through innovative, people-focused AI solutions.

Making clean heating more accessible

A University-led initiative is aiming to make clean heating more accessible to communities, especially in deprived areas. As part of a £5.7m project, it explores how to expand decarbonised heat networks across the Reading area by using major institutions – like hospitals and council buildings – as foundation points to reach surrounding neighbourhoods, particularly those areas facing fuel poverty.

CELEBRATING EXCELLENCE AND INNOVATION

We are proud to celebrate the remarkable achievements of our researchers, whose groundbreaking work achieves national and international recognition. Their innovative work spans diverse fields, highlighting our commitment to advancing knowledge and making a real-world impact.



Honouring outstanding achievements

Professor Andrew Charlton-Perez was appointed Officer of the Order of the British Empire (OBE) for his exceptional contributions to climate science and education.

Professor Rhona Stainthorp was appointed OBE for her significant contributions to education, particularly in early reading development.

Dr Karen Henderson, Director of Research and Innovation, was appointed Member of the Order of the British Empire (MBE) for her leadership in establishing benchmark professional standards and commitment to excellence and inclusion.

Professor Sue Grimmond FRS was elected a Fellow of one of the world's most distinguished scientific bodies, the Royal Society, reflecting her pioneering research in urban climatology.

Professor Julie Lovegrove, Hugh Sinclair Chair in Human Nutrition, received the Venus International Women's Award for Distinguished Woman Researcher in Science for her contributions to health and medical sciences.

Professor Richard Bennett has been awarded a Fellowship of the Royal Agricultural Societies (FRaGS), recognising his contributions to animal health and welfare in British agriculture.

Professor Simon Chandler-Wilde received the Frank J. Rizzo Award of the International Association for Boundary Element Methods (IABEM) for his lifelong contributions to the study of waves.

Professor Nicolas Bellouin won the 2024 Institute of Physics Edward Appleton Medal and Prize for pioneering the use of satellite observations and simulations to quantify climate impacts of atmospheric pollution.

Committed to nurturing exceptional early career talent

We are exceptionally proud to host five UK Research and Innovation Future Leaders Fellows. These prestigious fellowships develop the next wave of world-class research and innovation leaders. **Dr Rowena Kasprovicz** leads research on how children aged 7 to 11 develop skills in French, German and Spanish, exploring factors impacting language learning. **Dr Peter Bray**, with the British Museum, analyses ancient metal alloys to uncover new insights into history. **Dr Luke Barnard** collaborates with the Met Office to enhance space storm forecasting through advanced data techniques. **Dr Miriam Sorace** works with partners including the UK Labour Party and Meta to address economic inequality and reduce polarisation, aiming to strengthen democracies globally. In June 2025, **Dr Ellen Pilsworth** was awarded a Future Leaders Fellowship for the "Nation of Refuge" project, which will explore Britain's record of offering a home to refugees and asylum seekers.

Six emerging researchers, including two from Henley Business School, have been awarded fellowships by The Leverhulme Trust, winning over £580,000 in funding. These awards allow recipients to undertake major publishable work on diverse challenges. **Dr Xiaocen Shen** blends AI and physics to improve long-term climate forecasts; **Dr Jamie Thompson** explores plant diversity evolution; **Dr Cédrik Michel** studies identity in Late Roman and Sasanian empires; **Dr Hyei Jin Kim** investigates post-World War II publishing monopolies; **Dr Anna Molnár** researches medieval nuns' financial influence; and **Dr Jakob Hauter** analyses Russia's conflict behaviours since 1999.



ECONOMIC IMPACT

The University of Reading is an important anchor institution, making a significant economic, social and cultural contribution to Reading and the Thames Valley region, as well as other places around the world.

An independent report commissioned by the University from economic consultants Hatch Regeneris¹ in 2023 estimated that the University, including its commercial operations, generates approximately £1bn² in gross value added (GVA)³ for the UK economy, of which just under half is retained in the local area.

This GVA contribution is equivalent to 2.9% of all GVA in the local area. Hatch also estimated that the University, including its commercial operations, supports a total of 12,300 full-time equivalent (FTE) jobs nationally. To put this into context, around one in every 26 jobs in the whole of Reading and Wokingham can be traced back to the University. In addition, for every direct job at the University, a further 2.8 jobs are supported across the UK economy. Beyond these quantitative economic measures, the report also found that the University supports the local, regional, national and global economies by:

- **supplying highly skilled graduates:** more than 20% of graduates stay locally, and most contribute to the future growth of London and the south-east; around 86% of graduates go into highly skilled occupations shortly after graduating; just under 40% of graduates go into the education and health sectors, plugging vital skills gaps
- **continuing professional development:** the University is a major supplier and supporter of continuing professional development (CPD) for both businesses and key public services like schools and healthcare
- **driving business productivity,** through knowledge exchange, particularly for businesses located on the University estate at Whiteknights and the Thames Valley Science Park
- **driving research enterprise:** in 2021/22, the University of Reading generated £38m in research income, which Hatch estimates generated around £270m in private sector income.

1 University of Reading Economic Impact.

2 In the academic year 2021/22.

3 Gross value added (GVA) is the key measure of the value of goods and services produced by an organisation, sector or region. It is measured as the difference between income and the value of bought-in goods and services, or the sum of gross profits before interest costs, taxes, depreciation and amortisation, and total employment costs.

REGIONAL PARTNERSHIPS



WEATHER SCIENCE HEADQUARTERS COMING TO CAMPUS

The University of Reading will become home to the largest cluster of weather and climate scientists in the world, following an agreement to build a state-of-the-art headquarters for the European Centre for Medium Range Weather Forecasts (ECMWF) at the University's Whiteknights campus.

The new building will create a modern, inspirational and energy-efficient home for ECMWF's headquarters and its forecasting, research and training functions. Together with the University's Department of Meteorology, and parts of the UK Met Office, Natural Environment Research Council (NERC) National Centre for Atmospheric Sciences and NERC National Centre for Earth Observation, this will create the largest cluster of weather and climate research and operational forecasting in the world. The international headquarters building will have a prominent location at the Earley Gate entrance to Whiteknights campus. Planning approval was given in February 2024, and construction is now underway. The building is expected to be ready for occupation in early 2027. The site of the building was formerly home to the Reading School of Art, which has moved into new space closer to the heart of campus. The new headquarters for ECMWF will be fully funded by the UK Government through the Department for Business, Energy and Industrial Strategy.



OPENING UP THE BRITISH MUSEUM'S COLLECTION

The University and the British Museum have built a new home for archaeological collections in Reading, in a first-of-its-kind partnership between a national museum and a UK university. Based in Shinfield, the British Museum Archaeological Research Collection (BM_ARC) now houses objects from the British Museum's world-renowned archaeological collections, offering the opportunity for collaborative research and community engagement. Joint funding from the University and the British Museum will strengthen the partnership by supporting innovative scientific and historical research on the collections.





FURTHERING NATURAL SCIENCES RESEARCH WITH THE NATURAL HISTORY MUSEUM

In May 2022, the Natural History Museum announced plans to develop a global and sustainable base for high-end natural sciences research and international collaboration with the University of Reading. The new centre will be located at the University-owned Thames Valley Science Park. It will help ensure the Museum's collections and the vast data contained in them are safe, accessible and digitally available for researchers all over the world, strengthening the UK's position in finding solutions to the planetary emergency. The new centre will house more than 27 million specimens, as well as more than 5,500 metres of accompanying library and archive material, equating to around a third of the Museum's collections. The relocation will be its largest collections move since the 1880s. Planning permission for the new facility was granted in March 2024. Construction has started this year, with completion expected in 2027.



WORKING WITH WOKINGHAM BOROUGH COUNCIL ON A VISION FOR THE FUTURE

Through Wokingham Borough Council's updated Local Plan, the University of Reading is supporting proposed allocation of land for:

- new homes, designed using the principles of a garden village
- a riverside open greenspace
- space for employment opportunities.

We believe that the proposals offer an opportunity for the University to support the creation of sustainable, employment-led development that brings together diverse communities, businesses and talent from across the region. We have consulted with the local community, councillors and neighbourhood groups about these plans. The feedback was incorporated into our outline planning application, which was submitted this year. With our partners, the University is committed to creating a long-lasting legacy of investment that will benefit our students, our academic work and the community, and which reflects the values of the University.



DEVELOPING A UNIQUE DESTINATION IN THE THAMES VALLEY

The University is delivering ambitious plans to further develop our Thames Valley Science Park, creating a unique destination for businesses, students and the local community. The University's project to create a film and TV production hub will provide a range of jobs and opportunities in the region, attract inward investment to the UK and help the British TV and film sectors to expand and diversify their talent pool. University tenant Shinfield Studios completed construction of its 18 sound stages last year, with some major film productions and TV shows having already been filmed there.

The University is also a key partner of Screen Berkshire, a British Film Institute-funded training programme designed to fill skills gaps and increase diversity within the film industry in the region.





MEETING THE HEALTHCARE CHALLENGES OF THE REGION

The University's partnerships with the Royal Berkshire NHS Foundation Trust (RBFT) and Berkshire Healthcare NHS Foundation Trust (BHFT) continue to bring tangible benefits to patients and our communities. We continue to grow the number of students and teaching programmes, with another cohort of RBFT staff taking the Henley Business School degree apprenticeship in Management and our postgraduate certificate in Healthcare Education. With RBFT and BHFT, we launched an MSc Dietetics course, which received HCPC (Health and Care Professions Council) approval and saw its first cohort starting in September 2025.

Our Charlie Waller Institute (CWI), founded by the Charlie Waller Trust, the University and BHFT, continues to be at the forefront of evidence-based psychological therapies. It is developing courses to support senior mental health leaders (for schools), eating disorder focused parent-carer peer support worker training, and transformational leadership courses. CWI is facilitating two NHS leadership communities of practice for Black, Asian and Minority Ethnic leaders and White allies.

Through the Health Innovation Partnership (HIP), a strategic partnership with RBFT, we are supporting over 50 novel projects across research, education and innovation, spanning academic disciplines and professional services.

Our partnership is generating externally-won research funds through research councils and commercial funding. Our researchers have come together to form the Reading Pain Network and the Cardiology Network and we promote collaboration by supporting the Reading Pathological Society. The RBFT Department of Ophthalmology successfully gained University

Recognition of Excellence status in 2025, making a total of 10 University Departments of Excellence¹ in the Trust.

Together, we officially opened our £2.63m Clinical Simulation and Training Suite, located on Whiteknights campus. The suite is being used to enable students and staff to practice and learn in a variety of clinical scenarios, helping prepare them for their placements and their practice, and to support interprofessional learning opportunities.

Building on our joint success in securing external funds to support AI initiatives, we launched a Health Data Institute (HDI) to harness and optimise the value and use of the health data generated at the trust to drive innovation and improve healthcare outcomes. Over the next three years, our HDI vision is to become nationally recognised with evidential impact of the use of advanced analytics in health care to improve clinical outcomes and productivity.

Our Annual Partnership event in May 2024 focused on health inequalities, bringing together over 100 regional leads. The Berkshire Health Inequalities Group, which the University convened in August 2023, now receives co-funding from RBFT and BHFT to take actions to address health inequalities in our region. This work was instrumental in securing our leadership of a theme on addressing social and commercial determinants of health in the new NIHR Applied Research Collaboration, which will start in April 2026.

1 Currently, the University Departments of Excellence are: Cardiology, Emergency Medicine, Radiology, Stroke, Renal, Critical Care, Rheumatology, Elderly Care, Urology, Ophthalmology.



GOVERNANCE STATEMENT

Responsibilities of the University's Council and structure of corporate governance

The University is committed to the highest standards of governance and continues to review its processes and framework to refine its governance arrangements. In developing its approach, the University has drawn on the Combined Code on Corporate Governance. In addition, the University has referred to guidelines published by, among others, the Office for Students (OfS), Research England, the British Universities Finance Directors Group (BUFDG) and the Committee of University Chairs (CUC) including the Higher Education Code of Governance (the CUC Code). This statement sets out how the University has applied the relevant corporate governance recommendations during the year and the period up to the date of the approval of the audited financial statements.

The University has reviewed and continues to review its governance arrangements and is satisfied that the University has fully complied with OfS guidelines and others' throughout the financial year. Specifically this covers the requirements around regularity and propriety in the use of any public funding. As part of good governance, the Council reviews its conduct at the end of each meeting and had a dedicated item on its effectiveness at its July meeting. It has specific meetings where it focuses on particular matters of governance, including education (March) and research (November).

The Charter and Ordinances determine the primary high-level governance structure of the University, the key constituent parts of which are the Council and the Senate. Each has defined and discrete responsibilities and functions which are described in further detail in this statement.

The Council

The Council is the University's governing body, meeting five times during the academic year. It sets the University's strategic direction, ensures compliance with statutory requirements, and approves constitutional changes. The Council is ultimately responsible for managing the University's estate, finance and staff, promoting teaching, learning and research, and making provision for the general welfare of students, with much of the detailed work falling to sub-committees. Here, broad majority representation by lay members, drawn from a diverse range of backgrounds, provides a valuable perspective. The primary responsibilities of the Council are set out in Ordinance A2, Statement of Primary Responsibilities of the Council, which can be viewed on the University website.

The Council has also:

- monitored the implementation of the new University Strategy for the period up to 2026
- approved the annual report of the Audit Committee
- approved the annual Learning and Teaching Report
- assured itself that the University is meeting its academic quality and standards
- approved the approach taken by the Remuneration Committee in setting senior staff pay
- endorsed the conclusion of the Audit Committee that it is compliant with the CUC Code
- received briefings, and provided decisions or advice to the University, on such matters as the University's approach to freedom of speech and academic freedom, and the University's progress with its student access and participation plan
- ensured that it has heard from students, academic staff and professional staff in formal and informal settings.

Lay members of the Council receive no remuneration for their roles in these bodies, although they are reimbursed for expenses incurred in attending meetings.

The role of President of Council is separate from the role of the University's Chief Executive, the Vice-Chancellor. The Vice-Chancellor is an ex-officio member of the Council and the principal academic and administrative officer of the University. They are the accountable officer as required by the OfS as part of its regulatory framework. They exercise considerable influence upon the development of institutional strategy, the identification and planning of new developments and the shaping of the institutional ethos. The Deputy Vice-Chancellor, Pro-Vice-Chancellors, Deans, Heads of School and Heads of Directorate all support and contribute to this work.

The Senate

The Senate is the University's main academic administrative body, providing assurance to the Council on matters of academic governance. Reporting to the Council and meeting at least three times a year, the Senate advises on areas such as academic quality and standards, student entry, assessment, and awards. With around 70 members, the Senate includes associate Pro-Vice-Chancellors, heads and elected representatives of Schools/Departments, representatives from teaching and research, as well as students. University boards are responsible for developments in research, in teaching and learning, and in global engagement report to the Senate.

Senate devotes time at each of its meetings to one or two major items of strategy as well as to necessary items of governance. It is led by senators who are not members of the Executive Board.

Committees of Council

The Council has six principal committees, each of which reports to the Council on a regular basis. These committees have formally prescribed terms of reference and specified membership, including a majority of lay members. The principal committees are:

- The Scrutiny and Finance Committee which meets at least four times a year and, inter alia, advises the Council on key strategic, policy and operational issues including the financial management of the University. This Committee considers financial plans, monitoring reports and proposals with financial implications recommended by the University Executive Board.
- The People and Remuneration Committee which determines the pay and conditions for the University's senior executive management, including the Vice-Chancellor, the Professoriate and equivalent professional staff. It is comprised solely of lay members. It has oversight of the University's employment policies and the power to make recommendations to the Council on remuneration and contractual arrangements. A report from the People and Remuneration Committee is included within the financial statements.

- The Audit Committee, which is independent and advisory, and reports directly to the Council. This Committee is responsible for considering the findings of internal and external audits, the management responses, and progress against implementation plans. It has an overview of the internal and external audit functions. It also has oversight of the internal control system, risk management arrangements and the framework for ensuring economy, efficiency and effectiveness, including governance arrangements. The Audit Committee monitors compliance with regulatory requirements. It meets four times a year and has the right of access to information it considers necessary. While senior executives have the right to attend meetings of the Committee, they are not members of the Committee. The Committee meets with both the internal and external auditors for independent discussions.
- The Appointments Committee, which meets termly and discharges the Council's responsibilities in respect of non-financial aspects of senior appointments. It also operates as the Nominations Committee in seeking and recommending persons to serve on the Council and other committees.
- The Student Experience Committee, which has oversight of non-academic services policy and advisory oversight of student services in general. It also discharges the Council's responsibility in respect of formal student complaints and disciplinary matters.
- The Investments and Development Committee, which meets four times a year, and is responsible for oversight and governance of the University's investment assets.

Management and strategic direction of the University is undertaken by the University Executive Board comprising the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro-Vice-Chancellors and the heads of service. The Board meets weekly throughout most of the year and reports routinely to the Senate and to the Scrutiny and Finance Committee.

Supply of information

Papers summarising financial and non-financial performance, major events, and key indicators of performance are presented to the Council, Scrutiny and Finance Committee and University Executive Board on a regular basis. Papers explaining topics on the agenda for the various Council and committee meetings are issued in advance. The Council monitors performance and various key areas on a regular basis including operating and financial performance, annual operating plans and budgets, strategic proposals, student recruitment, changes in the operational environment including those due to funding, regulatory or legal changes, staff recruitment and retention, remuneration and risk management arrangements.

Risk management and internal controls

The University acknowledges the risks inherent in its activities, and is committed to managing those risks that pose a significant threat to the achievement of its academic and business objectives and financial health. The systems for risk management and internal controls exist to manage and control the risk of failure to achieve academic and business objectives. They can provide reasonable but not absolute assurance against material misstatement or loss. There is a continuous process for identifying, evaluating and managing the significant risks faced by the University, which is reviewed regularly by the University Executive Board, Scrutiny and Finance Committee, Audit Committee and the Council. This process was in place throughout the year under review and up to the date of approval of the financial statements.

In accordance with the University's Charter and Ordinances and the Memorandum of Assurance and Accountability with OfS, the University's Council is ultimately responsible for the management of the University's affairs, advancing its interests, promoting teaching and research and providing an excellent student experience.

A key responsibility of the Council is to ensure an effective system of internal and financial controls to support the achievement of the University's objectives, while safeguarding the public and other funds.

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

The Council, through the Audit Committee, has overall responsibility for reviewing the effectiveness of the systems of internal control and risk management. The University has developed and adopted a formal and structured risk management policy and system to ensure that key risks are identified, prioritised and managed consistently across the University. The policy and system are reviewed and updated on a regular basis. Reports documenting the policy, system, procedures and issues arising are reported to the Scrutiny and Finance Committee on a regular basis. A comprehensive set of policies and procedures designed to manage and monitor risks is in place. The key elements of these systems are:

- The Council meets five times a year to consider the University's strategic direction, decisions and progress against its strategic plans and is advised by various committees. The Council, through the Audit Committee, is responsible for reviewing the effectiveness of the internal controls of the University.
- The University has developed a system of internal control in line with best practice. This system is designed to identify the principal risks which may prevent or inhibit the achievement of the University's aims and objectives, to evaluate the nature and extent of those risks and manage them efficiently, effectively and economically.
- The Audit Committee receives regular reports from the Director of Internal Audit Services, together with recommendations for improvement. These reports comment on the arrangements for internal control, risk management and governance.
- A Risk Management Group reporting to the University Executive Board and Audit Committee, led by a Pro-Vice-Chancellor, oversees risk management at the University. The University has developed its strategic plans with specific reference to the key risks identified for the University. The Risk Management Group also oversees work on major incident and business continuity planning.
- A framework for managing risk is in place and it includes a risk register. Each key risk is assigned to named members of the University Executive Board. Each risk has also been assigned to the appropriate committee to monitor the operation of the associated controls within their broader remit. The risks are prioritised based on the likelihood of an event arising and an assessment of the anticipated impact. The assigned priority helps focus resources on critical areas. All risks are assigned to the most relevant committee of the Council; each committee determines which of the risks assigned to it will be given particular attention each year, and a report on the findings made by each Committee is reported to the Council.
- Corporate and subsidiary risk registers, held at School and central services level, document controls, mitigating actions and early-warning mechanisms in place to manage each risk. The corporate risk register is assessed by the Risk Management Group, which considers the risks identified, the interactions and interdependencies, the exposure and the proposed processes for managing these risks. Schools and Functions report on their risk management arrangements to the Risk Management Group. The registers are directly linked to, and inform, the strategic and operational plans.

- Internal audit reviews the system of risk management and internal controls on an ongoing basis. The internal audit programme is driven by the strategic, operational and financial risks potentially affecting the University. Each risk is reviewed by internal audit on a three-year rolling programme. In discharging its plan, internal audit gives assurance on the quality and reliability of the risk management framework and the controls which protect the University against exposure to risk. It also reviews compliance with policies and procedures.

No significant internal control weaknesses or failures arose during the financial year or have arisen up to the date these financial statements are signed.

The University and one of its connected Trusts, the National Institute for Research in Dairying Trust (NIRD), have been in discussions to resolve some legacy governance issues that were self-reported to OfS and the Charity Commission. These discussions reached a resolution in principle prior to the current year, but awaits ratification by the Charity Commission. To date, they have not raised any issues that would have a material impact on the University. The University is the sole Trustee of NIRD and NIRD is accounted for as part of the University.

Register of interests

The Secretary to the Council maintains a register of interests for Council members, lay members of University committees and senior members of staff.

Preparation of the financial statements

The Council is responsible for keeping proper accounting records that disclose, with reasonable accuracy at any time, the financial position of the Group. The financial statements are prepared in accordance with the University's Charter of Incorporation, the Statement of Recommended Practice: Accounting for Further and Higher Education and applicable accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability agreed between OfS and the University, the Council, through its designated office holder, is required to prepare financial statements for each financial year. These financial statements give a true and fair view of the state of affairs of the Group and University, and of the surplus or deficit and cash flows for that year.

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

- suitable accounting policies are selected and applied consistently
- judgements and estimates are made that are reasonable and prudent
- applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- financial statements are prepared on a going concern basis unless it is inappropriate to presume that the University will continue in operation. The Council is satisfied that it has adequate resources to continue in operation for the foreseeable future; for this reason, the going-concern basis continues to be adopted in the preparation of these financial statements.

The Council has taken reasonable steps to:

- ensure the University's funds have been applied in accordance with the University's Ordinances, the Memorandum of Assurance and Accountability and the funding agreement with the National College for Teaching and Leadership as appropriate
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources
- safeguard the assets of the University, prevent and detect fraud and other irregularities
- secure the economical, efficient and effective management of the University's resources and expenditure
- ensure that material risks are identified, carefully considered and properly managed and that appropriate risk management procedures and processes are in place across the University.

Internal financial controls

The key elements of the University's system of internal financial controls and the associated process for monitoring the effectiveness of these controls include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic Schools, central services and other staff to whom such authority and responsibility is from time to time delegated
- a comprehensive corporate planning process supported by key strategic and financial resource plans and a robust investment appraisal process
- regular reviews of academic, operational and financial performance undertaken on an ongoing basis using operational performance information and financial monitoring reports
- clearly defined and formalised requirements for approval and control of expenditure, with capital expenditure being subject to formal detailed appraisal and review, according to approval levels set by the Council
- comprehensive financial regulations reviewed and developed by the Scrutiny and Finance Committee, with amendments subject to approval by the Council
- an annual programme of work undertaken by the internal audit team which is reviewed and approved by the Audit Committee
- reviews by the Audit Committee of the effectiveness of risk management, control and governance arrangements.
- The Director of Internal Audit Services is responsible for providing reasonable assurance on the adequacy and effectiveness of risk management, control and governance arrangements.

Information held on the University's website

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.

PEOPLE AND REMUNERATION COMMITTEE

Introduction

This report summarises the business of the People & Remuneration Committee for the academic year and financial year to 31 July 2025 and sets out how the Committee has discharged its responsibilities.

The People & Remuneration Committee is one of six principal committees of the University's Council.

The People & Remuneration Committee is responsible for providing assurance to Council that the University's people, organisation and remuneration policies, practices and outcomes:

- align with the University's values, strategy, performance and approach to risk
- contribute to achieving the relevant objectives of the University strategy
- comply with legal and regulatory requirements
- remain relevant to good practice and changing market conditions.

The Committee consider the University's approach to and success in a range of people related matters, including staff wellbeing, development and support; workforce planning; employee engagement; change management and organisational capability; leadership, talent development and succession planning.

The Committee also determines, on the authority of the Council, the remuneration of each individual member of the University's senior executive and academic leadership and management, specifically the Vice-Chancellor, the other members of the University Executive Board (UEB), Deans, Heads of School, the Professoriate and Grade 9 Professional and Managerial Staff.

Reports to the Committee highlight any staff whose pay exceeds £100k. The Committee also approves severance payments for any staff whose pay exceeds £100k and approves all severance payments in excess of £90k. The Committee also approves any out-of-cycle salary increases, such as where retention cases are agreed.

It has the power to make recommendations to the Council on the contractual arrangements and the terms and conditions of employment for such staff.

In discharging its responsibilities the Committee is informed by, and adheres to, the requirements of the Higher Education Senior Staff Remuneration Code as set out by the Committee of University Chairs (CUC) and the Office for Student (OfS).

The Committee has five members, all of whom are lay members of the Council. Members are nominated to the Council by the Appointments Committee

with due regard to the skills and experience required for the good running of the People & Remuneration Committee.

Members of the Committee for the reporting period were:

- **Mrs Helen Gordon** (President of Council)
- **Mrs Kate Owen** (Vice-President of the Council and Chair of the People and Remuneration Committee)
- **Mrs Sue Maple** (Lay member of the Council)
- **Mr Kevin Corrigan** (Lay member of Council)
- **Mrs Sian Butler** (Lay member of Council)

It is chaired by a Vice-President of the Council. The Vice-Chancellor, the University Secretary, Head of Governance and the Director of Human Resources are in attendance at its meetings. No employees of the University are present when their own remuneration or expenses are under consideration.

The Committee has met on three occasions in 2024/2025 on the following dates:

- 15 October 2024
- 30 January 2025
- 3 June 2025

Attendance at the meeting was as follows:

	Eligible to attend	Actual attendance
Mrs Helen Gordon	3	3
Mrs Kate Owen	3	3
Mrs Sue Maple	3	3
Mr Kevin Corrigan	3	3
Ms Sian Butler	3	3

No declarations of interests were made by Committee members in the reporting period.

The Committee reports directly to the Council and receives reports and recommendations from its Professorial Staff Salaries Advisory Group, its Senior Staff Salaries Advisory Group, and from the Vice-Chancellor in respect of his direct reports respectively. These Advisory Groups, the Vice-Chancellor and the Committee itself, have regard to the annual University & Colleges Employers Association (UCEA) Remuneration Survey in the course of their deliberations and are mindful at all times of such guidance as, CUC and OfS, may from time to time provide.

The Committee is committed to having a transparent and consistent approach to its work. There has been continued interest by stakeholders, regulators and the Government regarding remuneration of university

leaders and Vice-Chancellors in particular. The Committee has taken steps to improve transparency and accountability through the provision of additional information. The Committee has increased further the information which it reports about the University's remuneration policies and approach toward senior post holders' reward.

Institutional context

In 2026 the University of Reading will celebrate the 100th anniversary of its university status. Since that time, we have grown enormously in size and stature.

The University has approximately 4,000 staff from more than 90 nations and more than 25,000 students from around 160 countries.

We offer a wide range of programmes from the pure and applied sciences to languages, humanities, social sciences, business and arts. New research and the latest thinking continually feed into our teaching, with academic staff working at the forefront of their fields of expertise.

We are a research-intensive university recognised for our expertise in areas such as climate science, business, agriculture, and food science. Our research is divided into four broad themes: Agriculture, Food and Health; Environment; Heritage and Creativity; and Prosperity and Resilience.

We have a global presence, with our Whiteknights and London Road campuses in Reading, our Henley Business School campus at Greenlands, Henley Business School (South Africa) in Johannesburg, and the University of Malaysia in Iskandar. The University also has a number of international partnerships and collaborations with institutions in China, India, USA, Canada, Italy, Switzerland, Malta, Ireland, Australia, Thailand, Philippines, Japan, Malaysia, Brazil and Colombia.

We are ranked 229th in the QS World University Rankings 2023, continuing to perform among the top 20% of world institutions ranked by QS. We are ranked 29th in the UK according to the THE World University Rankings 2022, 34th in the UK in the Times and Sunday Times Good University 2022, and 36th in the UK in the Complete University Guide 2022.

However, we continue to face significant challenges. We are addressing, in common with other HEIs, intensive competition for student recruitment, growing student expectations around facilities and teaching and learning quality and increasing staff costs. The need to ensure financial sustainability against a backdrop of competing demands for resources is a major priority.

These challenges are immediate and real, and must be addressed face on, but our long-term ambitions remain as set out in the 2020–26 Strategic Plan, built on the four principles of Community, Excellence, Sustainability, and Engaged University.

Approach to remuneration

The People & Remuneration Committee is guided by, and abides by, The Higher Education Senior Staff Remuneration Code, adapted as appropriate for local purposes (but with no diminution of its intent and purpose). The Committee is committed to ensuring fair, appropriate and justifiable levels of remuneration, and demonstrating procedural fairness, transparency and accountability.

Embracing equity, diversity and inclusion is critical to the success of the University of Reading. The People & Remuneration Committee fully supports the University's commitment to equity, diversity and inclusion, and is mindful of, and informed by, the University's stated targets for staff.

The majority of the University's staff are part of a pay and grading structure based on the national pay spine and enjoy automatic annual incremental progression until they reach the top of the relevant grade. There are further opportunities to recognise contributions above and beyond normal expectations, through a voucher reward scheme, lump sum payments and consolidated incremental increases. Senior staff have no expectation of automatic incremental progression but have analogous arrangements to recognise and reward contribution. The nationally agreed pay award determined annually via the Joint Negotiating Committee for Higher Education Staff (New JNCHES) is applicable to all substantive employees.

The University recommenced a series of reward processes during 2024/25 which had previously been suspended in the previous year.

The University participated in the national pay process, New JNCHES, during the year to 31 July 2025. However, the University did defer the implementation of the national pay award, in line with the deferral clause contained within New JNCHES. In making this decision, and throughout the year, the University engaged with the Trade Union and Staff Forum. University Executive Board and the People & Remuneration Committee were cognisant of the impact of this decision on all colleagues.

The Committee's normal approach to the remuneration and reward of senior staff is set out in full within its Senior Staff Remuneration Policy.

The Committee has developed a strong evidence-based ethos to its work and has agreed the following guiding principles:

- ensure that salaries, benefits and any proposed adjustments to those represent good value for money and a proper use of public monies, seeking appropriate advice and guidance where required
- require all proposals for salary adjustment to have been appropriately scrutinised and be evidence-based
- recognise the value of appropriately rewarding staff for contributions that are above and beyond the normal expectations of their role
- expect ratios of senior staff pay to all University staff to be contained within reasonable and defensible parameters
- operate in the most transparent and accountable manner possible
- seek explanation if it considers there has been significant or persistent under performance, whether or not a salary adjustment is being proposed.

The Committee has access to a range of benchmark information to best inform its decision-making in respect of senior staff remuneration. The primary source of information is the annual UCEA Senior Staff Remuneration Survey. This survey provides comprehensive salary benchmarking across the HE sectors. The Committee also has access to benchmarking reports from the Director of Human Resources as and when required, with particular attention drawn to comparator information relating to:

- Pre-1992 HEIs by income (£202m–£400m)
- HEIs within the London/South-East Region
- Russell Group HEIs

Records of Committee meetings and decisions taken demonstrate adherence to the Committee's agreed practice and the principles noted in this document.

Vice-Chancellor's remuneration

The Vice-Chancellor is *de facto* the University's Chief Executive Officer, and as such has overall responsibility for the effective management of the University. The Vice-Chancellor is the accountable officer (as set out in OfS Regulatory Advice 10) responsible for effective governance and the financial stewardship of the University. The Vice-Chancellor is responsible to and works closely with the President of the Council in these matters and in all other aspects of the work of the governing body.

Working alongside Council members, the Senate and the University Executive Board, the Vice-Chancellor leads the strategic development of the University, ensuring its academic and financial sustainability.

The University has a global presence, and the Vice-Chancellor is required to promote its interests at home and overseas and is expected to develop strong relationships with Government representatives, the Office for Students, the UUK and other key stakeholders.

The Vice-Chancellor role is highly visible, multi-faceted and very challenging. Leading the institution, ensuring its good governance and financial stability, and representing its interests across a complex matrix of settings is time-consuming and demanding of the post-holder.

With all of this in mind the Remuneration Committee considers arrangements for the Vice-Chancellors' remuneration and is acutely sensitive to general concerns in respect of Vice-Chancellor remuneration levels across the sector. The Committee utilises evidence from both inside and outside the HE sector to benchmark the Vice-Chancellor's pay. The President of Council sets the Vice-Chancellor's objectives on the Committee's behalf, ensuring they are aligned to the University strategy.

The Vice-Chancellor's appraisal is conducted by the President of the Council following consultation with the Remuneration Committee.

From the Academic Year 2018/19 onwards decisions regarding the Vice-Chancellor's salary and any additional reward (consistent with the arrangements for other senior staff) are normally taken at the Autumn Term meeting of the Remuneration Committee on the basis of proposals presented by the President. This arrangement allows the Committee the best opportunity to scrutinise senior staff performance in light of the objectives set, both collectively and individually, for institutional and personal performance during the whole of the relevant academic year.

In assessing personal and collective performance the Committee gives due regard to a series of institutional performance indicators:

- Financial performance – notably Academic Group Surplus and University Group Surplus.
- Student numbers – Undergraduate and Postgraduate.
- Research Income – grant and contract income.
- External Accreditation – notably the Annual Provider Review, the Teaching Excellence Framework and the Research Excellence Framework.
- League Tables (for the previous five years) – notably the National Student Survey (“Overall Satisfaction” rating), The Times and Sunday Times Good University Guide, The Guardian University Guide, The Complete University Guide, The Times Higher Education Student Experience Survey, The Times Higher Education World University Rankings, and the QS World Rankings.

Professor Robert Van de Noort was appointed as Vice-Chancellor with effect from 22 February 2019. The Remuneration Committee, for recruitment purposes, had agreed that the Vice-Chancellor’s salary would be contained within the £220–280k range. On appointment the Vice-Chancellor voluntarily limited his opening salary to £195k. People & Remuneration Committee members have reserved the right to make further salary adjustments to reflect contribution against agreed objectives, and to appropriately align salary to market expectations.

The following table illustrates the full-time equivalent payments made to the Vice-Chancellor for the relevant reporting period and previous year:

Emoluments of the Vice-Chancellor	2024/25	2023/24	2022/23
Salary	235,833	235,000	210,000
Performance related pay ¹	0	0	5,000
Benefits	0	0	0
Sub total	235,833	235,000	215,000
Pension costs	34,196	44,000	45,000
Total	270,029	279,000	260,000

The Vice-Chancellor also participates in the available salary sacrifice scheme in respect of his USS contributions; this opportunity is available to all staff across all the relevant pension schemes.

Pay ratios

Vice-Chancellor’s **Basic** Pay Ratio (as measured against basic median pay for all staff):

Date	Median University salary	VC Salary	Ratio
2024/25	36,130	241,227	6.7–1
2023/24	34,000	235,000	6.9–1

Vice-Chancellor’s **Total** Pay Ratio (as measured against total median pay for all staff):

Date	Median University salary	VC Salary	Ratio
2024/25	37,474	241,227	6.4–1
2023/24	35,000	235,000	6.7–1

Payments to members of the Governing Body

The Council is the University’s governing body. It sets the University’s strategic direction, ensures compliance with statutory requirements and approves constitutional changes. The Council is ultimately responsible for managing the University’s estate, finance and staff, promoting teaching, learning and research, and making provision for the general welfare of students, with much of the detailed work falling to sub-committees. Here majority representation by lay members, drawn from commercial, community and professional organisations, provides a valuable perspective. The primary responsibilities of the Council are set out in Ordinance. Lay members of the Council receive no remuneration for their role in these bodies although they are reimbursed for expenses incurred in attending meetings.

External appointments

The Remuneration Committee accepts that senior staff may from time to time be engaged in work for outside bodies which may be paid or unpaid, recognising the potential value to the individual but also to the University in terms of profile, relationship-building, and exposure to outside thinking and processes. The University’s general rules as set out within its Consultancy Policy apply equally to senior staff.

For senior staff, prior approval for outside work, not being undertaken in the individual’s private time, must be sought before any commitment is made. The President of Council will agree broadly the range

¹ Lump sum, non-consolidated payment.

of external commitments appropriate for the Vice-Chancellor, explicitly approving further activity on a case-by-case basis. The same principle applies for other senior staff, with approval to be granted by the Vice-Chancellor.

Approval will not be granted where there is a clear conflict of interest, there is no clear value to the individual's development or to the University, or where the time commitment is deemed inconsistent with the needs of the substantive University post. Senior staff must ensure that they meet all the reasonable requirements of their university employment.

Approved additional earnings, other than that classified as University Consultancy, may be retained by the individual member of senior staff. All such earnings should be disclosed and may be subject to audit from time to time.

Expenses

The University's rules as set out in its Travel and other Expenses, Benefits, Hospitality and Gifts policy apply equally to senior staff.

Senior staff are allowed to reclaim their proper and reasonable business expenses, but they are expected to apply sensible discretion.

All expenses of members of UEB are published openly. The Remuneration Committee have access to such reports and reserve the right to seek further details and explanation of particular items.

Details on compensation for loss of office

Severance payments made to university staff during the period comprise statutory redundancies (arising predominately from the natural cessation of fixed-term contracts) and occasional mutually agreed payments contained within a formal Settlement Agreement.

In total 58 employees received compensation for loss of office, at a total cost of £484,345.

Committee Activities during 2024–25

In addition, during 2024–25 the Committee has:

- (i) conformed with the Statement of the University's Remuneration Policy as approved by the Council
- (ii) monitored the approval processes that apply in respect of severance and early retirement arrangements and pronounced itself content

- (iii) had regard to the national and local context as it affects the remuneration of staff in the higher education sector
- (iv) had regard to pensions matters nationally and where applicable in relation to local University schemes
- (v) received verbal and written reports on the projects and progress within the HR Strategic Action Plan
- (vi) received an update on the approach for and results of an employee engagement survey
- (vii) discussed how best to hear the staff voice
- (viii) discussed change and transformation programmes and projects within the University
- (ix) agreed reward arrangements for members of University Executive Board in October 2024.

THE COUNCIL AND OFFICERS 2024–25

The Council

Class 1: Ex officio

The Vice-Chancellor: Professor R Van de Noort CBE DL, BA, Drs, PhD, FSA, PFHEA

The Deputy Vice-Chancellor: Professor P Yaqoob OBE, MA, DPhil, RNutr, FAfN, FHEA

Pro-Vice-Chancellor: Professor E McCrum, BA, PGCE, MA, EdD, PFHEA, NTF

Pro-Vice-Chancellor: Professor D Zaum, BA, MPhil, DPhil

Pro-Vice-Chancellor: Dr C Baylon, BA, MA, DBA

The Dean of the Henley Business School: Professor E Beleska-Spasova MBA, MSc, PhD

Class 2: Fifteen persons not being employees or registered students of the University to be appointed by the Council

Mr S Alexander, BA Hons (Chair of Student Experience Committee)

Mr S Ali, MA, ACA, CF

Mrs S Butler, BSc, MSc, FRSC

Mr K Corrigan, BA, FCCA (Vice-President of Council, Chair of the Investments and Development Committee, Chair of Scrutiny and Finance Committee)

Mrs P Egan, BA, CBE (to 31 December 2024)

Mrs H Gordon, MBA (President of Council)

Mr J Liu LLB, LLM, MPP (from 1 January 2025)

Ms S Maple, MBA

Mr A McCallum, BSc

Mr P Milhofer, BA (Chair of Audit Committee)

Mr P Milner, BSc, MRICS

Mrs K Owen, BA (Vice-President of Council, Chair of People and Remuneration Committee, Chair of Appointments Committee)

Mrs S Peck, BA, MA

Mrs S Plank, BA

Dr C Shaw, BSc, PhD

Dr J Young, BA, MRICS, PhD

Class 3: One member of the academic staff of the Leadership Group elected from among their own number in such a manner and under such conditions as are prescribed by the Council for the election of members of the academic staff to the Senate under Ordinance A1.

Professor K Strohfeldt, PhD, PGCAP, MRSC, PFHEA

Class 4: One member of the Senate not being a registered student of the University to be appointed by the Senate

Professor RA Frazier, BSc (Hons), PhD

Class 5: One member of staff who is employed in grades 6–9 at the time of his or her election shall be elected by and amongst his or her own number

Professor J Gibbins, BSc (Hons), PhD

Class 6: One member of staff who is employed in grades 1–5 at the time of his or her election shall be elected by and from amongst his or her own number

Mr J Jack BSc, BA, MPhil, MScT, FHEA

Class 7: Two Officers of the students' union and two alternates as determined from time to time by the Council after consultation with the students' union.

The President of the Students' Union

Education Officer of the Students' Union

The Officers of the University

Chancellor

P Lindley OBE

Vice-Chancellor

Professor R Van de Noort CBE DL, BA, Drs, PhD, FSA, PFHEA

President of the Council

Mrs H. Gordon, MBA

Vice-Presidents of the Council

Mr K Corrigan, BA, FCCA

Mrs K Owen, BA

Deputy Vice-Chancellor

Professor P Yaqoob OBE, MA, DPhil, RNutr, Fafn, FHEA

Pro-Vice-Chancellors

Dr C Baylon, BA, MA, DBA

Professor E McCrum, BA, PGCE, MA, EdD, PFHEA, NTF

Professor PM Miskell, BA, MA, PhD, FHEA

Professor P Yaqoob OBE, MA, DPhil, RNutr, FafN, FHEA

Professor D Zaum, BA, MPhil, DPhil

Heads of Service

Mr A Grice, Director of Finance, BA, FCA (to 30 April 2025)

Mr V Wijeratne, Chief Financial Officer, BSc, FCA, FIoD (from 1 May 2025)

Dr RJ Messer, Chief Strategy Officer and University Secretary, BA, PhD

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF THE UNIVERSITY OF READING

Opinion

We have audited the financial statements of the University of Reading (the 'University') and its subsidiaries ('the Group') for the year ended 31 July 2025 which comprise the Consolidated and University Statement of Comprehensive Income and Expenditure, the Consolidated and University Statement of Changes in Reserves, the Consolidated and University Statement of Financial Position, the Consolidated Statement Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) and the 2019 Statement of Recommended Practice: Accounting for Further and Higher Education

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the University's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Governors

As explained more fully in the Statement of Responsibilities of the Board of Governors set out on page 48, the Board of Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to

enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the University/Group and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: OfS requirements, UK tax legislation, pension legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud, and money laundering.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the University is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations
- inspecting correspondence, if any, with relevant licensing or regulatory authorities
- communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit
- considering the risk of acts by the Group and the University which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, and the OfS Accounts Direction.

In addition, we evaluated the Board of Governors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to defined benefit pension Scheme Assets, bad debt provisions, Investment in Joint Venture, investment property valuation, revenue recognition (which we pinpointed to the cut-off assertion in relation to research grants and other income) and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- inquiring of management and, where appropriate, those charged with governance, as to whether the Group and the University is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations
- gaining an understanding of the internal controls established to mitigate risks related to fraud
- discussing amongst the engagement team the risks of fraud
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities,

as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 required reporting

Opinion on other matters prescribed in the OfS Audit Code of Practice issued under the Further and Higher Education Act 1992

In our opinion, in all material respects:

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and University and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Board of Governors' Report.

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

- the provider's grant and fee income, as disclosed in the notes to the accounts, is materially misstated
- the provider's expenditure on access and participation activities, as disclosed in the accounts, has been materially misstated.

Use of the audit report

This report is made solely to the University's members as a body in accordance with paragraph 4(2) of the University's articles and section 124B of the Education Reform Act 1988. Our audit work has been undertaken so that we might state to the University's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest

extent permitted by law, we do not accept or assume responsibility to anyone other than the Group and University and the University's members as a body for our audit work, for this report, or for the opinions we have formed.

**David Hoose (Senior Statutory Auditor)
for and on behalf of Forvis Mazars LLP**

Chartered Accountants and Statutory Auditor
8th Floor, Assembly C, Cheese Lane, Bristol, BS2 0JJ,

Date: 27 November 2025

Signed:

KEY FINANCIAL STATEMENTS

Statement of comprehensive income

Year ended 31 July 2025

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Note Income				
1, 3 Tuition fees and education contracts	225,028	210,216	211,638	198,772
2, 3 Funding body grants	31,140	31,958	31,140	31,958
3, 5 Research grants and contracts	33,993	33,986	33,901	33,720
6 Other income	63,624	64,783	60,363	61,065
7 Investment income	6,886	8,184	8,428	9,623
8 Donations and endowments	2,882	4,528	2,285	4,076
Total income	363,553	353,655	347,755	339,214
Expenditure				
4, 9 Staff costs	209,764	203,215	203,405	197,351
9, 38 Staff costs - movement in pension provision	-	(104,833)	-	(104,833)
Other operating expenses	129,726	131,256	125,521	124,170
13, 14 Depreciation and amortisation	29,373	29,258	28,922	28,962
10 Interest and other finance costs	8,283	11,551	8,275	11,541
11 Total expenditure	377,146	270,447	366,123	257,191
Total income less total expenditure	(13,593)	83,208	(18,368)	82,023
(Loss) / gain on disposal of property, plant and equipment	(6,711)	2,684	(6,658)	2,700
17 Gain / (loss) on disposal of investment properties	392	(7)	392	(7)
Gain on disposal of investments	2,441	7,303	2,441	7,303
17 Loss on revaluation of investment properties	(9,054)	(7,802)	(9,054)	(7,802)
Gain on revaluation of investments	1,638	5,224	1,638	5,230
19 Share of operating deficit in associates	(159)	(55)	-	-
(Deficit) / surplus before tax	(25,046)	90,555	(29,609)	89,447
12 Taxation credit / (charge)	460	(988)	572	(943)
(Deficit) / surplus for the year (including decrease in pension provision)	(24,586)	89,567	(29,037)	88,504
14 Surplus on revaluation of property, plant and equipment	2,862	7,092	2,862	7,092
19 Surplus on revaluation of property, plant and equipment held by associate	7,900	3	-	-
38 Remeasurement losses in respect of pension schemes	3,057	(15,116)	3,057	(15,116)
Exchange differences on consolidation of overseas subsidiaries	(62)	(27)	-	-
Total comprehensive income for the year	(10,829)	81,519	(23,118)	80,480
Represented by:				
Endowment comprehensive (expense) / income for the year	(1,276)	9,572	(1,276)	9,572
Restricted comprehensive (expense) / income for the year	(663)	602	(421)	691
Unrestricted comprehensive (expense) / income for the year	(19,652)	64,250	(24,283)	63,125
Revaluation reserve comprehensive income for the year	10,762	7,095	2,862	7,092
	(10,829)	81,519	(23,118)	80,480

All items of income and expenditure arise from continuing activities.

Statement of changes in reserves

Year ended 31 July 2025

Consolidated (as restated)	Income and expenditure account				Total £'000
	Endowment (as restated) £'000	Restricted £'000	Unrestricted (as restated) £'000	Revaluation reserve £'000	
At 1 August 2023 (as restated)	133,599	4,797	262,551	62,203	463,150
Surplus for the year	8,979	602	79,986	-	89,567
Other comprehensive (expense) / income	-	-	(15,143)	7,095	(8,048)
Transfers between revaluation and unrestricted reserves	-	-	7,092	(7,092)	-
At 1 August 2024 (as restated)	142,578	5,399	334,486	62,206	544,669
Deficit for the year	(1,276)	(663)	(22,647)	-	(24,586)
Other comprehensive income	-	-	2,995	10,762	13,757
Transfers between revaluation and unrestricted reserves	-	-	-	-	-
At 31 July 2025	141,302	4,736	314,834	72,968	533,840

University (as restated)	Income and expenditure account				Total £'000
	Endowment (as restated) £'000	Restricted £'000	Unrestricted (as restated) £'000	Revaluation reserve £'000	
At 1 August 2023 (as restated)	133,599	3,738	279,935	35,893	453,165
Surplus for the year	8,979	691	78,834	-	88,504
Other comprehensive (expense) / income	-	-	(15,116)	7,092	(8,024)
Transfers between revaluation and unrestricted reserves	-	-	7,092	(7,092)	-
At 1 August 2024 (as restated)	142,578	4,429	350,745	35,893	533,645
Deficit for the year	(1,276)	(421)	(27,340)	-	(29,037)
Other comprehensive expense	-	-	3,057	2,862	5,919
Transfers between revaluation and unrestricted reserves	-	-	-	-	-
At 31 July 2025	141,302	4,008	326,462	38,755	510,527

Statement of financial position

At 31 July 2025

	Consolidated	as restated (see note 40)	University	as restated (see note 40)
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Note Non-current assets				
13 Intangible assets	7,193	5,907	7,193	5,907
14 Property, plant and equipment	324,339	330,213	323,834	329,597
15 Heritage assets	39,173	39,173	39,173	39,173
16 Biological assets	778	810	778	810
17 Investment properties	187,033	193,274	187,033	193,274
18 Non-current investments	35,862	33,463	35,682	33,286
19 Investments in associates	45,810	38,069	10,567	10,567
	640,188	640,909	604,260	612,614
Current assets				
Stock	1,554	1,522	1,537	1,514
20 Trade and other receivables	60,715	58,363	57,516	54,716
21 Current investments	84,656	87,279	84,656	87,279
Cash and cash equivalents	45,906	19,138	38,151	13,624
	192,831	166,302	181,860	157,133
22 Creditors: Amounts falling due within one year	(126,706)	(126,557)	(117,281)	(116,891)
Net current assets	66,125	39,745	64,579	40,242
Total assets less current liabilities	706,313	680,654	668,839	652,856
23 Creditors: Amounts falling due after more than one year	(190,051)	(145,639)	(190,051)	(145,639)
Provisions				
25 Pension provisions	33,315	29,042	33,315	29,042
26 Other provisions	(15,737)	(19,388)	(1,576)	(2,614)
Total net assets	533,840	544,669	510,527	533,645
Restricted reserves				
27, 40 Income and expenditure reserve - endowment	141,302	142,578	141,302	142,578
28 Income and expenditure reserve - other restricted	4,736	5,399	4,008	4,429
Unrestricted reserves				
40 Income and expenditure reserve - unrestricted	314,834	334,486	326,462	350,745
Revaluation reserve	72,968	62,206	38,755	35,893
Total reserves	533,840	544,669	510,527	533,645

The financial statements on pages 63 to 106 were approved by Council on 27 November 2025, and signed on its behalf by:

Mrs H Gordon
President of the Council

Prof R Van de Noort CBE DL
Vice-Chancellor

Mr V Wijeratne
Chief Financial Officer

Statement of cash flows

Year ended 31 July 2025

	Consolidated	
	2025 £'000	2024 £'000
Cash flow from operating activities		
(Deficit) / surplus for the year before tax	(25,046)	90,555
Adjustments for non-cash items:		
Depreciation and amortisation	29,373	29,258
Loss on revaluation of investment properties	9,054	7,802
Gain on revaluation of investments	(1,638)	(5,224)
Gain on revaluation of biological assets	(4)	(146)
Exchange differences	(49)	(8)
(Increase) / decrease in stock	(32)	34
Increase in receivables	(13,856)	(6,195)
Increase in creditors	8,770	1,386
Increase / (decrease) in pension provisions	211	(105,817)
Decrease in other provisions	(3,651)	(1,413)
Share of operating deficit in associates	159	55
Adjustments for investing or financing activities:		
Investment income	(6,886)	(8,184)
Capital grant income	(1,770)	(3,770)
New endowments	(501)	(1,321)
Interest payable	8,283	11,551
Loss / (gain) on disposal of property, plant and equipment	6,711	(2,684)
(Gain) / loss on disposal of investment properties	(392)	7
Gain on disposal of investments	(2,441)	(7,303)
	6,295	(1,417)
Tax received / (paid)	460	(988)
Net cash inflow / (outflow) from operating activities	6,755	(2,405)
Cash flows from investing activities		
Proceeds from sales of property, plant and equipment and investment properties	3,533	
Proceeds from sales of land in previous years	8,774	18,268
Net receipts for investments	4,303	15,637
Investment income	5,459	6,066
Capital grants received	1,770	3,770
Payments made to acquire property, plant and equipment	(31,927)	(26,278)
Net receipt for lease premium granted	18,207	-
Net receipts for biological assets	36	(9)
Payments made to acquire investment properties	(360)	(16,413)
	9,795	1,041
Cash flows from financing activities		
New endowments	501	1,321
Interest paid	(8,283)	(9,207)
New unsecured loans	70,000	5,000
Repayments of amounts borrowed	(52,000)	(4,000)
	10,218	(6,886)
Decrease in cash and cash equivalents in the year	26,768	(8,250)
Cash and cash equivalents at beginning of the year	19,138	27,388
Cash and cash equivalents at end of the year	45,906	19,138

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

The University of Reading is registered with the Office for Students (OfS) in England. The address of the registered office is Whiteknights House, Whiteknights, Reading, RG6 6UR.

Accounting convention

The Group and University financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (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, the Accounts Direction issued by the OfS, the terms and conditions of funding for higher education institutions issued by OfS and the terms and conditions of the Research England grant.

The University 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 University in its separate financial statements.

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

Basis of preparation

The financial statements have been prepared in accordance with the historical cost convention modified by the revaluation of certain assets including investment properties, biological assets and certain investments.

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the Strategic Report which also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities.

The accounts have been prepared on a going concern basis and regular formal and detailed going concern monitoring has taken place since March 2020. It is anticipated that the main impacts on the University in 2025–26 will continue to be international student recruitment, the freezing of domestic tuition fees and commercial income streams generated through on-campus activities such as halls of residences and catering. Inflation, utility costs and higher interest rates continue to be current risks. Our financial planning going forward has sufficient check points in place to ensure we maintain cash levels and invest

in our infrastructure by generating sufficient cash from operations on an annual basis. Numerous, prudent scenarios have been forecast over a three-year cycle and consideration given to the cash flow implications and also the impact on any loan and covenant arrangements. Whilst income loss impacts are anticipated, the University is well placed to respond to this through a series of planned and tested mitigations. In addition, the University has access to funds through its investment assets. Taking all of this into consideration, the University is able to meet all obligations, including loan repayments, and can meet its covenants. The University is therefore considered a going concern.

The financial statements are prepared in sterling which is the functional currency of the Group and rounded to the nearest £'000.

Basis of consolidation

The consolidated financial statements include the University, the University's subsidiary companies and the University's trusts. 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.

Non-company charitable subsidiaries, including trusts, are aggregated into the University accounts where they meet the definition of a "special trust" a trust does not meet the definition of a special trust, but control can be demonstrated by the University, it is consolidated.

Intra-Group transactions, gains and losses are eliminated on consolidation. Intra-Group amounts receivable and amounts payable are also eliminated on consolidation.

The consolidated financial statements also include the Group's share of the total comprehensive income of associated undertakings using the equity method.

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

Income recognition

(i) Goods and services

Income from the sale of goods or services is credited to the statement of comprehensive income when the goods or services are supplied or the terms of the contract have been satisfied.

(ii) Fee income

Fee income is credited to the statement of comprehensive income over the period in which students are studying. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount.

(iii) Revenue grants

Revenue grants from both government and non-government sources, including all teaching and research grants, are recognised within the statement of comprehensive income when the University is entitled to the income and any performance-related conditions have been met. Income received in advance of performance-related conditions is deferred in the statement of financial position and released in line with such conditions being met.

(iv) Capital grants

Capital grants from both government and non-government sources are recorded in the statement of comprehensive income when the University is entitled to the income subject to any performance-related conditions being met.

(v) Investment income

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

(vi) Donations and endowments

Donations and endowments are types of non-exchange transactions which are recognised within the statement of comprehensive income when the University is entitled to the income and any performance-related conditions have been met.

Where donations and endowments include donor-imposed restrictions, income is retained within a restricted reserve until such time as it is utilised in line with the restrictions at which point the income is released to general reserves through a reserve transfer.

Investment income from endowments and changes in the fair value of endowments are recorded in the statement of comprehensive income in the period in which they arise and as either restricted or unrestricted income according to the terms applicable to the

individual endowment fund.

The main types of endowment are given below.

- Unrestricted permanent endowments are funds where the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
- Restricted expendable endowments are funds where the donor has specified a particular objective, other than the purchase or construction of property, plant and equipment, and the University can convert the donated sum into income.
- Restricted permanent endowments are funds where the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Donations of tangible assets are included within income. Paragraph PBE 34.73(b) of FRS 102 requires income from donations of fixed assets to be measured at the fair value of the fixed asset. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

The University's trusts are excluded from University endowments and are included on consolidation.

(vii) Agency arrangements

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

Accounting for retirement benefits

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Reading Employees' Pension Fund (UREPF) and the University of Reading Pension Scheme (URPS).

USS is a multi-employer hybrid scheme which has both defined benefit and defined contribution elements. 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 hypothecated to individual institutions and a scheme-wide contribution rate is set. The University 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 and therefore, as required by Section 28 of FRS 102 "Employee benefits", it accounts for the scheme as if it were a defined contribution scheme. As a result, contributions are recognised as an expense in the period during which services are rendered by employees.

UREPF is a defined benefit scheme which closed to new

members on 31 July 2011. The assets of the scheme are held in a separate trustee-administered fund. The scheme is valued every three years by a professionally qualified independent actuary using the projected unit credit method, the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. The Group's net obligation is calculated by discounting to present value the estimated amount of future benefit that employees have earned in return for their service in the current and prior periods less the fair value of any plan assets. The statement of comprehensive income is charged with the current service cost, any past service costs, the net financing cost attributable to the pension liabilities and return on assets, and administrative expenses paid from plan assets. Actuarial gains and losses on the scheme, including the differences between expected and actual return on scheme assets, are recognised in other comprehensive income. When the calculation results in a surplus, the asset recognised is limited to the total of any unrecognised past service costs and the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan. It takes into account the adverse effect of any minimum funding requirements.

URPS is a defined contribution scheme which was established on 1 August 2011 and is available to staff not eligible to join the USS scheme. Contributions are recognised as an expense in the period during which services are rendered by employees.

A small number of staff remain in other pension schemes.

Employee benefits

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

Leases

(i) Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Assets held under finance leases are stated 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, less accumulated depreciation and impairment losses. Minimum lease payments are apportioned between a finance charge and a 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.

(ii) 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.

(iii) Service concession arrangements

Items of property, plant and equipment held under service concession arrangements are recognised in the statement of financial position at the present value of the minimum lease payments when the assets are brought into use with a corresponding financial liability. Payments under each service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

(iv) Lessor accounting

Where the University acts as a lessor under an operating lease, the leased asset is recognised within property, plant and equipment and lease income is recognised on a straight-line basis over the lease term. Where the University acts as a lessor under a finance lease, an amount receivable is recognised in the statement of financial position and lease payments are split between crediting the principle amount and finance income.

Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are

recognised in the statement of comprehensive income in the period in which they arise. 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 into sterling at foreign exchange rates ruling at the reporting date. Income and expenditure of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the date of the transaction. Exchange differences arising from the translation of foreign operations are reported in other comprehensive income.

Taxation

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011 and is therefore a charity within the meaning of Paragraph 1 of Schedule 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from UK corporation tax in respect of income or capital gains received within categories covered by sections 478–488 of the Corporation Tax Act 2010 or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes. Non-charitable subsidiary companies are liable to corporation tax.

The University is partially exempt in respect of Value Added Tax, so that it can only recover a minor element of VAT charged on its expenditure. Irrecoverable VAT is included in the costs of such expenditure. Any irrecoverable VAT allocated to an item of property, plant and equipment is included in its cost.

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 in respect of all timing differences that have originated but not reversed at the reporting date where transactions or events that result in an obligation to pay more tax in the future or less tax in the future have occurred at the reporting date. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are not discounted.

Intangible assets

Intangible assets acquired or developed are initially recognised at cost. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment. Intangible assets are amortised on a straight line basis over their estimated useful lives as follows:

Software acquired or developed	4–10 years
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A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of an intangible asset may not be recoverable.

Property, plant and equipment

Property, plant and equipment (PPE) is stated at cost less accumulated depreciation and accumulated impairment losses. On transition to the FE HE SORP, the University has performed a one-off revaluation of its freehold land and buildings to fair value as at 31 July 2014. Where parts of a single item of PPE have different useful lives, they are accounted for as separate items of PPE. Costs incurred in relation to PPE after its initial purchase or production are capitalised to the extent that they increase the expected future benefits to the University from the existing PPE beyond its previously assessed standard of performance. The costs of any such enhancements are added to the carrying amount of the PPE concerned.

Assets under construction are not depreciated until they are brought into use.

Where material, the anticipated useful economic life of PPE is reviewed annually and the accumulated and future depreciation adjusted.

Expenditure to ensure that PPE maintains its standard of performance is recognised in the statement of comprehensive income when it is incurred. The University has a comprehensive planned maintenance programme, which is reviewed on an annual basis.

(i) Land and buildings

Freehold land is not depreciated as it is considered to have an indefinite useful life. The components of freehold buildings are depreciated on a straight-line basis over their expected useful lives. The expected useful lives of these components are shown below, although where it is expected that an individual asset will have a shorter or longer useful life, its life is adjusted accordingly.

Fabric – construction	20–50 years
Fabric – improvements and extensions	10–30 years
Mechanical and electrical	20 years

(ii) Plant, machinery and equipment

The purchase of equipment costing less than £10,000 per individual item or group of related items is charged to the statement of comprehensive income in the year of acquisition. All other equipment is capitalised and depreciated over its expected useful life. The expected useful lives by class of asset are shown below, although where it is expected that an individual asset will have a shorter or longer useful life, its life is adjusted accordingly.

Plant and machinery	4–10 years
General equipment	4–10 years
Computers	4 years
Motor vehicles	4 years
Equipment acquired for specific research projects	3 years

(iii) Impairment

A review for impairment is carried out if events or changes in circumstances indicate that the carrying amount of an item of PPE may not be recoverable.

(iv) Borrowing costs

Borrowing costs directly relating to expenditure on the construction, development or major refurbishment of qualifying PPE are capitalised. The amount capitalised is calculated using the University's weighted average cost of borrowings over the period from the commencement of the work until the date of practical completion. The capitalisation of finance costs is suspended if there are prolonged periods when development activity is interrupted. All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

Heritage assets

Heritage assets are books, manuscripts, specimens, artworks, objects or other assets that have historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture.

Heritage assets are stated at cost less accumulated impairment losses. Heritage assets are capitalised where information on their cost or value is available.

Where this information is not available without undue cost, the assets are not capitalised. Heritage assets are not depreciated due to their long economic life and high residual value.

Agriculture

Biological assets are living animals or plants held as non-current assets from which economic benefits flow to the University. Agricultural produce is the harvested product of a biological asset. The University's farming operations include dairy cattle which are classified as biological assets. Dairy cattle are stated at fair value less costs to sell. Changes in fair value less costs to sell are recognised in the statement of comprehensive income. The associated agricultural produce, milk, is stored only for a short time before onward sale and hence the value held is not considered material and is not included in the statement of financial position.

The University's operations also include arable farming from which economic benefits are derived. The plants and their harvested crops are treated as current assets within stock.

Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the statement of comprehensive income. Properties are not depreciated but are revalued annually according to market conditions as at the reporting date.

Investments in associated undertakings

Associated undertakings are those entities in which the University has significant influence, but not control, over the financial and operating policies. In the consolidated financial statements, investments in associated undertakings are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the surplus or deficit and other comprehensive income of the associate.

For the purposes of presenting a fair view of the University's investment in its associate, the University makes several adjustments to the values disclosed in the audited financial statements of UPP (Reading I) Limited for the preceding year ended 31 August, and its forecast results for the 11 months to the current University year end date.

Stock

Stock is stated at the lower of cost and net realisable value after making due provision for obsolete and slow moving items.

Financial instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Group has chosen 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 Group becomes a party to the contractual provisions of a financial instrument and they are classified according to the substance of the contractual arrangements entered into.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

i) Cash and cash equivalents

Cash includes cash in hand, cash at bank, deposits repayable on demand and overdrafts. Deposits are repayable on demand if they are available within 24 hours without penalty. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

ii) Investments

Investments which are publicly traded, or where their fair value can be measured reliably, are subsequently measured at fair value with movements recognised in the statement of comprehensive income. Other investments, including investments in subsidiaries and associates, are subsequently measured at cost less any provision for impairment in their value in the University's statement of financial position.

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

iii) Debt instruments

Debt instruments payable or receivable which meet the conditions in paragraph 11.8(b) of FRS 102 are subsequently measured at amortised cost using the effective interest method. Other debt instruments not meeting these conditions are measured at fair value with movements recognised in the statement of comprehensive income.

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

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, is cancelled or expires.

Financial assets and liabilities are only offset in the statement of financial position when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Provisions, contingent liabilities and contingent assets

Provisions are recognised when the University has a present legal or constructive obligation as a result of a past event, it is probable that an outflow 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 rate that reflects risks specific to the liability.

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

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

Contingent assets and liabilities are disclosed by way of note where there is a possible rather than actual or probable asset or obligation arising from a past event or where it is not possible to measure the asset or obligation.

Reserves

Reserves are allocated between restricted and unrestricted reserves.

Restricted reserves include endowment reserves and other restricted reserves. Where the terms of an endowment indicate a restriction on the use of the fund, the balance is held within restricted endowment reserves. Other restricted reserves include amounts received for which a donor has designated a specific purpose for the use of these funds.

All other reserves are treated as unrestricted.

NOTES TO THE FINANCIAL STATEMENTS

1 Tuition fees and education contracts

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Full-time home and EU students	117,611	114,350	117,611	110,397
Full-time international students	82,418	70,476	77,317	70,476
Part-time students	11,774	12,385	5,475	6,734
Research training support grants	4,888	4,593	4,888	4,593
Short course fees	1,773	1,700	34	-
Education contracts	6,564	6,712	6,313	6,572
	225,028	210,216	211,638	198,772

2 Funding body grants

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Recurrent grants				
Office for Students	6,494	6,307	6,494	6,307
Research England	18,276	18,315	18,276	18,315
Capital grants	1,770	1,928	1,770	1,928
Specific grants				
OfS and UK Research and Innovation	1,573	1,912	1,573	1,912
Higher Education Innovation Fund	3,027	3,496	3,027	3,496
	31,140	31,958	31,140	31,958

The University receives its main grant funding from the Office for Students (OfS) and UK Research and Innovation (via Research England).

3 Grant and fee income

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Grant income from the OfS	8,264	6,387	8,264	6,387
Grant income from other bodies	22,876	25,570	22,876	25,570
Fee income for research awards (exclusive of VAT)	33,993	33,986	33,901	33,720
Fee income from non-qualifying courses (exclusive of VAT)	6,661	6,293	4,922	4,593
Fee income for taught awards (exclusive of VAT)	218,367	203,924	206,716	194,180
	290,161	276,160	276,679	264,450

This note provides a breakdown of the income shown in the Statement of comprehensive income under the headings: Tuition fees and education contracts, Funding body grants, and Research grants and contracts.

4 Access and participation

	University	
	2025 £'000	2024 £'000
Access investment	2,493	2,558
Financial Support	3,701	3,498
Disability support (in addition to above)	921	861
Research and evaluation	345	327
	7,460	7,244

Included in the above are the following staff costs, further information on staff costs is given in note 9.

	University	
	2025 £'000	2024 £'000
Access investment - permanent staff	1,681	1,388
Access investment - student ambassadors	-	165
Disability support	646	676
Research and evaluation	330	311
	2,657	2,540

The costs of student ambassadors for the current year are included within staffing costs of £1,681k above.

Details of the university's current access and participation plan can be found here: [**Student Access and Participation Plans**](#)

5 Research grants and contracts

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Research Councils	19,255	18,965	19,255	18,967
Charities	2,757	2,848	2,757	2,848
Industry and commerce	4,639	4,600	4,616	4,344
Government (UK and overseas)	7,342	7,573	7,273	7,561
	33,993	33,986	33,901	33,720

6 Other income

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Residences, catering and conferences	12,243	11,368	12,230	11,366
Other revenue grants	835	1,145	835	1,145
Other capital grants	-	1,842	-	1,842
Other income	50,546	50,428	47,298	46,712
	63,624	64,783	60,363	61,065

Other income arises from a number of sources including executive education, property rentals, catering, conferences, the SportsPark, consultancy and enterprise activities.

During the year 2023/24 a capital grant of £2.2m was awarded from the Green Heat Network Fund managed by the Department for Energy Security and Net Zero. In the year, £nil (£927k 2023/24) was claimed and received. The grant is in support of an innovative open-loop water source heat pump installation in our central Energy Centre, helping to deliver the first phase of decarbonising supplies to our campus district heating network.

7 Investment income

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Income from short-term investments	5,303	5,345	6,845	6,784
Interest receivable on the deferred proceeds of sale of land	156	721	156	721
Net return on pension scheme	1,427	2,118	1,427	2,118
	6,886	8,184	8,428	9,623

8 Donations and endowments

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
New endowments	501	1,321	501	1,321
Donations with restrictions	1,656	2,656	1,448	2,399
Unrestricted donations	725	551	336	356
	2,882	4,528	2,285	4,076

9 Staff costs

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Analysis of staff costs				
Salaries	160,130	152,998	154,837	148,206
Social security costs	18,640	16,341	18,151	15,985
Pension costs	29,035	33,348	28,692	32,685
Other staff costs	1,959	528	1,725	475
	209,764	203,215	203,405	197,351
Movement in USS pension provision (note 38) excluding pension interest charge (note 10)	-	(104,833)	-	(104,833)
	209,764	98,382	203,405	92,518

Vice-Chancellor's remuneration

The Vice-Chancellor is de facto the University's Chief Executive Officer, and as such has overall responsibility for the effective management of the University. The Vice-Chancellor is the accountable officer responsible for effective governance and the financial stewardship of the University. The Vice-Chancellor is responsible to and works closely with the President of the Council in these matters and in all other aspects of the work of the governing body. Working alongside Council members, the Senate and the University Executive Board, the Vice-Chancellor leads the strategic development of the University, ensuring its academic and financial sustainability.

The University has a global presence and the Vice-Chancellor is required to promote its interests at home and overseas, and is expected to develop strong relationships with Government representatives, the Office for Students, the UUK and other key stakeholders. The Vice-Chancellor role is highly visible, multi-faceted and very challenging. Leading the institution, ensuring its good governance and financial stability, and representing its interests across a complex matrix of settings is time-consuming and demanding of the post-holder. With all of this in mind, the Remuneration Committee considers arrangements for the Vice-Chancellor's remuneration. The Committee utilises evidence from both inside and outside the HE sector to benchmark the Vice-Chancellor's pay.

The President of Council sets the Vice-Chancellor's objectives on the Committee's behalf, ensuring they are aligned to the University strategy. The Vice-Chancellor's appraisal is conducted by the President of the Council following consultation with the Remuneration Committee. In assessing personal and collective performance the Committee gives due regard to a series of institutional performance indicators including financial performance, student numbers, research income, external accreditation, league tables and staff survey outcomes.

9 Staff costs (continued)

Prof Robert Van de Noort		
From:	1 Aug 2024	1 Aug 2023
To:	31 Jul 2025	31 Jul 2024
	£000	£000
Salary	236	235
Bonus	-	-
Performance-related pay	-	-
Living accommodation provided	-	-
	236	235
Pension contributions to USS	34	41
	270	276

University pension contributions to USS are paid at the same rate as for other academic staff. The Vice-Chancellor also participates in salary sacrifice schemes in respect of his USS contributions; such opportunities are available to all staff.

The current Vice Chancellor's basic salary is 6.7 times the median pay of staff (2024: 6.9), where the median pay is calculated on a full-time equivalent basis. His total remuneration is currently 6.4 times the median total remuneration of staff (2024: 6.7).

Higher paid staff

Remuneration of other higher paid staff, excluding employer's pension contributions:

	2025 Number	2024 Number
£100,000 to £104,999	20	9
£105,000 to £109,999	9	9
£110,000 to £114,999	7	5
£115,000 to £119,999	7	12
£120,000 to £124,999	9	4
£125,000 to £129,999	5	3
£130,000 to £134,999	5	5
£135,000 to £139,999	2	4
£140,000 to £144,999	5	3
£145,000 to £149,999	2	1
£150,000 to £154,999	1	2
£155,000 to £159,999	3	1
£160,000 to £164,999	1	1
£165,000 to £169,999	1	1
£175,000 to £179,999	1	1
£180,000 to £184,999	3	1
£185,000 to £189,999	-	1
£195,000 to £199,999	-	1
£200,000 to £204,999	1	-
£235,000 to £239,999	1	1
	83	65
	2025 £'000	2024 £'000
Compensation for loss of office to 62 employees (2024: 63)	714	396

9 Staff costs (continued)

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. The University has identified its key management personnel as being the members of the University Executive Group consisting of the Vice-Chancellor, the Deputy Vice-Chancellor, the Pro-Vice-Chancellors, the Director of Finance and the Chief Strategy Officer & University Secretary. This covers 9 posts (2024: 9).

	2025 £'000	2024 £'000
Salary and benefits of key management personnel (including pension contributions)	1,351	1,359
Average staff numbers by major category:	Number	Number
Academic	1,097	1,054
Research	262	268
Management and specialist	1,028	1,035
Technical	138	137
Other	1,084	1,070
	3,609	3,564

10 Interest and other finance costs

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Loan interest	8,355	9,657	8,188	9,013
Net interest charge on pension schemes	-	2,344	-	2,344
Exchange differences	54	144	54	142
Other	(126)	(594)	33	42
	8,283	11,551	8,275	11,541

11 Analysis of total expenditure by activity

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Academic and related expenditure	168,756	169,285	162,288	162,697
Administration and central services	85,278	77,657	86,861	76,695
Premises	58,833	59,805	56,863	57,988
Catering and conferences	14,459	14,633	13,954	14,116
Research grants and contracts	35,217	34,269	35,153	34,145
Other expenses	14,603	19,631	11,004	16,383
Movement in USS pension provision	-	(104,833)	-	(104,833)
	377,146	270,447	366,123	257,191

11 Analysis of total expenditure by activity (continued)

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Other operating expenses include:				
Operating lease rentals				
- land and buildings	3,235	3,099	1,742	1,742
- other	715	628	312	353
External auditor's remuneration				
- audit services	335	339	234	228
- non-audit services	25	73	17	20

12 Taxation charge

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Overseas - current tax	(460)	988	(572)	943
	(460)	988	(572)	943

Most of the University's activities in the UK are exempt from corporation tax.

13 Intangible assets

	Consolidated and University		Total £'000
	Software £'000	Software under development £'000	
Cost or valuation			
At 1 August 2024	16,618	3,002	19,620
Additions	827	6,218	7,045
Disposals	(186)	(4,451)	(4,637)
Transfers between categories	104	(104)	-
At 31 July 2025	17,363	4,665	22,028
Amortisation			
At 1 August 2024	13,713	-	13,713
Charge for the year	1,140	-	1,140
Disposals	(18)	-	(18)
At 31 July 2025	14,835	-	14,835
Net book value at 31 July 2025	2,528	4,665	7,193
Net book value at 31 July 2024	2,905	3,002	5,907

14 Property, plant and equipment

	Land and buildings £'000	Plant and machinery £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
Consolidated Cost or valuation					
At 1 August 2024	535,431	48,619	116,138	8,498	708,686
Additions	2,101	6,496	8,351	7,934	24,882
Revaluation	2,862	-	-	-	2,862
Transfers between categories	609	1,930	549	(3,088)	-
Transfers to investment properties	(2,862)	-	-	-	(2,862)
Transfer to prepaid costs	-	-	-	(191)	(191)
Disposals	(3,769)	(1,670)	(1,975)	(1,172)	(8,586)
Exchange differences	(7)	-	101	(1)	93
At 31 July 2025	534,365	55,375	123,164	11,980	724,884
Depreciation					
At 1 August 2024	246,332	38,461	93,680	-	378,473
Charge for the year	16,822	2,419	8,992	-	28,233
Disposals	(3,085)	(1,286)	(1,896)	-	(6,267)
Exchange differences	(2)	-	108	-	106
At 31 July 2025	260,067	39,594	100,884	-	400,545
Net book value at 31 July 2025	274,298	15,781	22,280	11,980	324,339
Net book value at 31 July 2024	289,099	10,158	22,458	8,498	330,213

Total aggregate capitalised finance costs within property, plant and equipment for the year ending 31 July 2025 were £472.1k (2024: £310.5k) the costs were capitalised at an average rate of 6.11% (2024: 6.71%).

	Land and buildings £'000	Plant and machinery £'000	Equipment £'000	Assets in the course of construction £'000	Total £'000
University Cost or valuation					
At 1 August 2024	534,944	48,620	112,457	8,498	704,519
Additions	2,003	6,496	8,031	7,932	24,462
Revaluation	2,862	-	-	-	2,862
Transfers between categories	609	1,930	549	(3,088)	-
Transfers to investment properties	(2,862)	-	-	-	(2,862)
Transfer to prepaid costs	-	-	-	(191)	(191)
Disposals	(3,672)	(1,670)	(1,951)	(1,172)	(8,465)
At 31 July 2025	533,884	55,376	119,086	11,979	720,325
Depreciation					
At 1 August 2024	246,057	38,460	90,405	-	374,922
Charge for the year	16,789	2,419	8,574	-	27,782
Disposals	(3,044)	(1,286)	(1,883)	-	(6,213)
At 31 July 2025	259,802	39,593	97,096	-	396,491
Net book value at 31 July 2025	274,082	15,783	21,990	11,979	323,834
Net book value at 31 July 2024	288,887	10,160	22,052	8,498	329,597

14 Property, plant and equipment (continued)

Included in land and buildings above is land which is not depreciated as follows:

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Land not depreciated	18,640	20,974	18,640	20,974

15 Heritage assets

Heritage assets include many unique items and collections which the University has accumulated since incorporation. These are held and maintained principally for their contribution to knowledge and culture. The University conserves these assets and augments the collections where appropriate in order to enable use of the assets for teaching and research and access to the assets for engagement with members of the public. The items and collections are carefully catalogued and custodianship is given to specific areas and persons for their care and maintenance.

The University's collections span museum, archive and library holdings of regional, national and international significance. These include the University's Library and archive Special Collections, the Art Collection, the Museum of English Rural Life, the Cole Museum of Zoology, the University Herbarium, the Ure Museum of Greek Archaeology, and the Lettering, Printing and Graphic Design Collections. These collections can be viewed by members of the public (some collections can only be viewed by appointment).

The University's Special Collections include rare books (pre-1851), private press books, modern literary first editions and other printed material. They also include over 300 archive collections, notably the Samuel Beckett Collection and the Archive of British Publishing and Printing, both of which are designated as outstanding collections by Arts Council England. Other collections cover a wide range of subjects from manuscripts dating back to the 12th century to modern records of the University.

The University's Art Collection comprises around 1000 works of painting, drawing, sculpture and graphic art and includes many pieces of national and international significance.

The Museum of English Rural Life (MERL) tells the story of rural England through interactive and immersive galleries. The collection has over 25,000 objects and the museum library has the most comprehensive collection of books related to rural England with around 50,000 volumes. The collection also contains hundreds of hours of historic film and over 1 million photographs, including material from prominent agricultural publications and organisations. The archives cover more than 4.5 kilometres of shelving.

The Cole Museum of Zoology was established in the early 20th century by Francis J. Cole, Professor of Zoology from 1907 to 1939. It contains around 4,000 specimens. The museum illustrates the relationship between form and function in the animal kingdom and houses one of Britain's most important zoological collections. The Museum is located in the new Health and Life Sciences Building.

The University Herbarium was founded in 1900 and contains over 260,000 dried plant specimens. The collection is rich in specimens from Europe, North Africa, Macaronesia, the Middle East, temperate South America and the Falkland Islands. Ferns and fern allies are also represented on a worldwide scale. There are very significant British lichen and bryophyte holdings.

The Ure Museum of Greek Archaeology was formed in the early 1920s and contains the fourth largest collection of ancient Greek ceramics in Britain. The collection primarily consists of material from the Greek and Greco-Roman civilisations of the Mediterranean, most notably Greek and Etruscan ceramics and terracottas. Other artefacts include prehistoric pottery and an important collection of Egyptian antiquities, the total size of the collection is over 2,000 objects.

The collections were valued in 2012 by an external antique and fine art dealer and valuer and this has been adopted as the deemed cost of the assets held at that date. A subsequent 2019 valuation exercise included assets on long-term loan to and insured by the University but these have not been included in the statement of financial position. The University discloses its heritage assets at cost rather than valuation as this class of asset is rarely exchanged by the University and valuations can fluctuate for individual items from year to year.

15 Heritage assets (continued)

Subsequent major acquisitions have been recorded at cost. It can be expected that a small number of individual items may have been received by donation and these have not been included in the statement of financial position.

Consolidated and University Cost	2025 £'000	2024 £'000	2023 £'000	2022 £'000
Acquisitions purchased with specific donations	-	-	-	-
Acquisitions purchased with University funds	-	-	-	-
Value of acquisitions by donation	-	-	-	-
Transfers out of collections	-	-	-	-
Net movement	-	-	-	-
At 1 August	39,173	39,173	39,173	39,173
Revaluations	-	-	-	-
At 31 July	39,173	39,173	39,173	39,173

The split of heritage assets by type of asset is:

	Consolidated and University	
Cost	2025 £'000	2024 £'000
Books & manuscripts	25,534	25,534
Artworks	3,938	3,938
Natural history	2,156	2,156
Agricultural	4,176	4,176
Other	3,369	3,369
	39,173	39,173

16 Biological assets

Consolidated and University Fair value less costs to sell	Dairy cattle £'000	Total £'000
At 1 August 2024	810	810
Net increase in livestock	(36)	(36)
Increase in fair value less costs to sell	4	4
At 31 July 2025	778	778

17 Investment properties

Consolidated and University Fair value	Total £'000
At 1 August 2024	193,274
Additions	360
Investment properties under construction	2,654
Transfers from property, plant and equipment	2,862
Disposals	(3,063)
Decrease in value of properties in year	(9,054)
At 31 July 2025	187,033

The University and its trusts hold a number of commercial and residential investment properties. All properties are valued at least once every three years. The most recent valuations have been carried out by Savills, a firm of independent valuers based in Reading, with considerable experience of the local residential and commercial property market. Savills are members of the Royal Institution of Chartered Surveyors (RICS).

Disposal at Didcot

In 2019, the University sold some land to the north east of Didcot in Oxfordshire to a housing developer. The University had owned the land for a number of years, during which time it had received income from farm-based tenants. The University has retained some land adjacent to the land disposed and will continue to let this.

Under the terms of the planning permission granted, the University is obliged to carry out a first phase of Section 106 improvement works associated with the site. Once these primary works have been completed, longer term Section 106 works will be undertaken by the developer and a party to a neighbouring development. The University will act as a guarantor over this second phase of works.

Proceeds from the sale were received in five instalments from the point of completion until 30 November 2024. Proceeds associated with future Section 106 works have been included in deferred income within creditors.

The net income and gains recognised in the consolidated and University statement of comprehensive income in the year is shown below.

	£'000
Proceeds relating to Section 106 works	113
Expenditure relating to Section 106 works	(128)
	(15)
Adjustment to disposal costs expensed	12
Movement in discounting of receivable	156
Net income and gains recognised	153

Included within the original total proceeds recognised in 2019 was an amount of £4,048k which was contingent on additional planning consent being obtained for a particular part of the site. The timeline associated with this agreement has now lapsed and so the income was removed in 2021/22 and treated as a cost of disposal. This piece of land has now been valued as Investment Property at a valuation of £6.3m (2024: £6.8m) and is included within investment property above.

18 Non-current investments

Consolidated	Listed	Other	
Cost or valuation	investments	investments	Total
	£'000	£'000	£'000
At 1 August 2024	33,240	223	33,463
Additions	500	453	953
Withdrawals	(500)	-	(500)
Sale of investments at book cost	(6,317)	-	(6,317)
Purchase of investments	6,404	-	6,404
Other net income and realised gains reinvested	868	-	868
Changes in market value	992	(1)	991
At 31 July 2025	35,187	675	35,862

University	Listed	Other	
Cost or valuation	investments	investments	Total
	£'000	£'000	£'000
At 1 August 2024	33,240	46	33,286
Additions	500	450	950
Withdrawals	(500)	-	(500)
Sale of investments at book cost	(6,317)	-	(6,317)
Purchase of investments	6,404	-	6,404
Other net income and realised gains reinvested	868	-	868
Changes in market value	992	(1)	991
At 31 July 2025	35,187	495	35,682

	Consolidated and University	
	2025	2024
	£'000	£'000
Listed investments comprise:		
Cazenove Capital Portfolio	35,082	33,163
Genus plc	105	77
	35,187	33,240

Listed investments are stated at market value using widely published bid prices. Other investments are stated at cost less amortisation.

On 17 December 2020, the University of Reading entered into a series of contracts with Shinfield Studios Limited, under which Shinfield Studios Limited subsequently developed land owned by the University at Thames Valley Science Park into a film studio complex. Also on this date, the University of Reading subscribed and purchased one B Class share in Shinfield Studios Limited for consideration of £1. This B Class share entitles the holder to the same rights as 6% of the Ordinary Share Capital of Shinfield Studios Limited.

19 Investments in associates

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Share of operating deficit retained by associates	(159)	(55)	-	-
Surplus on revaluation of property, plant and equipment	7,900	3	-	-
Total comprehensive income in the year for associates	7,741	(52)	-	-
At 1 August	38,069	38,121	10,567	10,567
At 31 July	45,810	38,069	10,567	10,567

The University is party to an arrangement with UPP in respect of the provision and operation of its student residential accommodation. The accommodation is operated by UPP (Reading I) Limited, a wholly-owned subsidiary of UPP (Reading I) Holdings Limited. The University has granted long leasehold interests to UPP (Reading I) Limited in respect of the accommodation. The University has a 20% holding in both the equity and loan notes of UPP (Reading I) Holdings Limited and has accounted for its interest as an investment in an associated undertaking.

	Shares £'000	Loan notes £'000	Total £'000
At 1 August 2024 and at 31 July 2025	441	10,126	10,567

The loan notes are interest-bearing, secured and subordinate to the senior lender's security. They are transferrable subject to certain restrictions.

Under the arrangement with UPP, the associate and its wholly-owned subsidiaries have responsibility for the provision and operation of the accommodation. The University continues to provide certain soft facilities management services in respect of the accommodation.

For the purposes of presenting a fair view of the University's investment in its associate, the University makes a number of adjustments to the values disclosed in the audited financial statements of UPP (Reading I) Limited for the year ended 31 August 2024 and its forecast results for the 11 months ended 31 July 2025. These adjustments are to accord with University accounting policies and to give a fair view of the loan note interest the University is expected to receive from UPP. The adjustments are explained below.

	2025 £'000	2024 £'000
University 20% share of UPP operating result		
Loss before tax for the year ended 31 July 2025	(4,675)	(3,215)
Add back of goodwill amortisation for period above	14	14
Add back of loan note interest not expected to be payable	4,502	3,146
Share of operating deficit retained by associates	(159)	(55)

UPP (Reading I) Limited prepares accounts for the year ended 31 August, so the result for the year ended 31 July 2025 is a combination of the audited financial statements for the prior year and a forecast return from UPP of their results for the 11 month period ending 31 July 2025. Goodwill amortisation is adjusted here as it is University policy to write off goodwill. The UPP loan notes have a high coupon rate and the University has the opinion that the loan note interest will not be fully receivable so makes an adjustment to the value that the University considers will be receivable.

19 Investments in associates (continued)

	2025 £'000	2024 £'000
University 20% share of UPP net assets		
Share Capital per UPP (Reading I) Limited accounts year ended 31 August 2024	441	441
Revaluation reserve per UPP (Reading I) Limited accounts year ended 31 August 2024	34,211	26,312
Profit & Loss account per UPP (Reading I) Limited accounts year ended 31 August 2024	(18,578)	(14,195)
Expected loss for the period ended 31 July 2025 per UPP return	(2,956)	(2,666)
Adjustment for goodwill expected at 31 July 2025 per UPP return	(1,407)	(1,421)
Adjustment for loan note creditor not expected to be payable	23,974	19,472
Loan Notes (20% share)	10,126	10,126
Investment in associate	45,811	38,069

Goodwill is removed from the University's share of net assets in accordance with university policy. The loan note creditor is adjusted to a value that the University considers will be receivable. The University includes the property revaluations performed by UPP within the net assets of UPP as the properties will revert to the University at the end of the agreement. By recognising the property at the revalued balance, it reflects the substance of the transaction.

Consideration has been made as to whether the arrangement meets the criteria for classification as a service concession arrangement under Section 34 of FRS 102. Under the arrangement with UPP, the University has some, but not complete, control over the use and pricing of the accommodation units. The contract specifies a maximum price which may be charged, but UPP (Reading I) Limited are able to set a lower price. The University requires the rooms to be let primarily to students, but UPP (Reading I) Limited are able to fill any remaining rooms with non-students if the University consistently fails to fill the places.

The University takes on the risk of students defaulting on rental payments and some of the void risk for students not taking up assigned places. However, the University does not guarantee any particular level of occupancy or nominate a certain number of rooms. It also considers its involvement to be more akin to an agency arrangement rather than acting as principal. For these reasons, there is no minimum lease payment figure under the arrangement and therefore no asset or liability has been accounted for.

Included in the statement of comprehensive income are amounts receivable from / (payable to) the associate and its subsidiaries in respect of the following services.

Consolidated & University	Income £'000	Expenditure £'000	2025 £'000	Income £'000	Expenditure £'000	2024 £'000
Rent collection	1,158	(15)	1,143	1,100	(1)	1,099
Facilities management services	2,289	-	2,289	2,205	-	2,205
Utilities	1,707	-	1,707	2,569	-	2,569
Estates service charge and infrastructure fees	609	-	609	586	-	586
Vacation residence and conferencing	283	-	283	277	-	277
Interest receivable on loan notes	829	-	829	582	-	582
Other income	16	-	16	18	-	18
Other expenditure	-	(194)	(194)	-	(128)	(128)
	6,891	(209)	6,682	7,337	(129)	7,208

The University charges and receives rents from students. Payments are then made to UPP (Reading I) Limited with reference to the number of units of student accommodation rental amounts during the year. Payments made to UPP (Reading I) during the year totalled £37.8m (2024: £36.0m) and have been netted with the income received from students in the statement of comprehensive income.

20 Trade and other receivables

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Amounts falling due within one year:				
Research grants receivables	13,389	12,559	13,389	12,559
Trade receivables	13,461	13,418	11,037	11,228
Proceeds due on the sale of land at Didcot	-	8,619	-	8,619
Other receivables	6,021	5,073	5,464	4,209
Prepayments and accrued income	27,012	17,735	26,031	16,707
Amounts due from subsidiary undertakings	-	-	763	435
Amounts due from associated undertakings - UPP (Reading I) Limited	750	829	750	829
	60,633	58,233	57,434	54,586
Amounts falling due after more than one year:				
Other receivables	82	130	82	130
	60,715	58,363	57,516	54,716

Included in University amounts due from subsidiary undertakings is £44.7m due from RUMAL Reading Sdn. Bhd. against which a full provision has been made (2024: £43.1m). This has resulted in a charge for the year of £1.5m in the University's statement of comprehensive income (2023: £1.6m). The amount of this provision will be reviewed from time to time as circumstances change.

21 Current investments

Consolidated & University Cost or valuation	Total £'000
At 1 August 2024	87,279
Additions	4,777
Withdrawals	(11,956)
Sales of investments at book cost	(20,847)
Purchase of new investments	16,116
Other net income and realised gains reinvested	8,640
Changes in market value	647
At 31 July 2025	84,656

	Consolidated & University	
	2025 £'000	2024 £'000
Listed investments comprise:		
Segregated portfolios managed by Cazenove Capital	84,656	87,279
	84,656	87,279

Listed investments are stated at market value using widely published bid prices. The University's listed investments are managed by Cazenove Capital.

22 Creditors: amounts falling due within one year

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Unsecured loans	2,000	2,000	2,000	2,000
Trade payables	8,956	6,968	8,553	6,773
Social security and other taxation payable	4,780	4,035	5,166	4,126
Other payables	9,285	8,974	7,467	8,211
Accruals and deferred income	92,136	95,545	83,435	85,371
Amounts due to subsidiary undertakings	-	-	1,111	1,375
Amounts due to associated undertakings - UPP (Reading I) Limited	9,549	9,035	9,549	9,035
	126,706	126,557	117,281	116,891

23 Creditors: amounts falling due after more than one year

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Unsecured loans	161,500	143,500	161,500	143,500
Deferred income	28,526	1,910	28,526	1,910
Other payables	25	229	25	229
	190,051	145,639	190,051	145,639

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.

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Tuition fees	19,024	18,250	13,549	13,506
Research grants received on account	29,389	23,693	29,351	23,655
Site servicing arrangements	4,760	6,918	4,760	6,918
Other income	44,859	25,843	43,179	23,858
	98,032	74,704	90,839	67,937

Deferred income on site servicing arrangements

In recent years the University has disposed of a number of landholdings around Shinfield and Didcot. The scale of these disposals has required the University to undertake significant obligations in respect of infrastructure works in the local areas. A proportion of the original income on disposal was deferred and is being recognised when the associated works are carried out.

Included within other income above is £18.2m received from the Natural History Museum and £8.8m from Shinfield Studios for the granting of long term leases.

24 Loans

	Consolidated & University	
	2025 £'000	2024 £'000
Analysis of loans:		
Due within one year or on demand	2,000	2,000
Due between one and two years	2,000	32,000
Due between two and five years	56,000	6,000
Due in five years or more	103,500	105,500
Due after more than one year	161,500	143,500
Total loans	163,500	145,500

The University issued a bond for £70m through a private placement facilitated by The Royal Bank of Scotland in May 2007. This loan is unsecured and is repayable in 2047 by a single payment of £70m. Interest is payable half yearly in arrears at a coupon rate of 5.42%.

The University has a sterling loan from Barclays Bank plc. There was a repayment holiday until July 2019 after which the loan is repayable at £500k per quarter until April 2047. The interest rate on this loan is at a set margin of 1.52% above SONIA.

In July 2025 the University entered into a £50m revolving credit facility with HSBC, available for five years, at a set margin of 1.1% over SONIA for amounts drawn. Non-utilisation fees apply at 35% of the applicable margin in respect of amounts undrawn. At 31 July 2025, £50m of this facility had been drawn down. The University has flexibility to draw down and repay any amount up to the facility limit during its term. Ultimately it is repayable in full in July 2030. This facility replaces the Santander revolving credit facility which was settled when the HSBC credit facility was drawn down (2024: £30m).

	Bond £'000	Barclays loan £'000	RCF £'000	Total £'000
Consolidated & University				
At 1 August 2024	70,000	45,500	30,000	145,500
New borrowing	-	-	70,000	70,000
Repayments	-	(2,000)	(50,000)	(52,000)
At 31 July 2025	70,000	43,500	50,000	163,500

25 Pension provisions

	UREPF scheme surplus £'000	Total £'000
Consolidated & University		
At 1 August 2024	(29,042)	(29,042)
Net credit to statement of comprehensive income	(3,232)	(3,232)
Contributions paid in year	(1,041)	(1,041)
At 31 July 2025	(33,315)	(33,315)

The Group's net surplus in respect of the University of Reading Employees' Pension Fund (UREPF) has been calculated by discounting to present value the estimated amount of future benefits that employees have earned in return for their service in the current and prior periods less the fair value of any plan assets.

More information on the Group's pension schemes is given in note 38.

26 Other provisions

	TVSP £'000	RUMAL £'000	Total £'000
Consolidated			
At 1 August 2024	16,947	2,441	19,388
Utilised in year	-	(1,003)	(1,003)
Charged / (credited) to statement of comprehensive income	(2,648)	-	(2,648)
At 31 July 2025	14,299	1,438	15,737

	RUMAL £'000	Total £'000
University		
At 1 August 2024	2,614	2,614
Utilised in year	(1,038)	(1,038)
Charged / (credited) to statement of comprehensive income	-	-
At 31 July 2025	1,576	1,576

During the year ending 31 July 2018 the University commissioned a detailed financial review of its operations in Malaysia which are carried out by its subsidiary, RUMAL Reading Sdn Bhd, and this concluded that the subsidiary would continue to make losses for a number of years. Following the review, a restructuring took place in the year ending 31 July 2019 and revised business plans were prepared. Significant changes were negotiated to the terms of the main building lease at the campus. The activities will continue to make losses for the next few years but these are expected to reduce year by year. In accordance with FRS 102, the main building lease at RUMAL and a number of other contracts have been accounted for as onerous contracts and a provision has been made for contractual obligations which are estimated to extend to 2026. These obligations have been discounted to present value. The University has recognised its own obligation arising from its guarantee of all contractual amounts due under the building lease at RUMAL.

During the year ending 31 July 2019, Thames Valley Science Park Limited (a subsidiary company) completed a detailed review of its lease obligations. This review concluded that several of the company's leases should be accounted for as onerous contracts, in particular the Enterprise Centre lease, as such a provision for onerous lease contracts has been provided. This onerous lease provision was reviewed in the current year which has resulted in a decrease of the lease provision to £14.3m.

27 Endowment reserves

As restated
(see note 40)

Consolidated and University	Unrestricted permanent	Restricted permanent	Restricted expendable	2025	2024
	£'000	£'000	£'000	£'000	£'000
At 1 August					
Capital	2,752	10,596	119,464	132,812	128,192
Accumulated income	1,825	7,282	659	9,766	5,407
	4,577	17,878	120,123	142,578	133,599
New endowments	-	1	500	501	1,321
Income	102	420	7,145	7,667	8,733
Expenditure	(185)	(224)	(11,443)	(11,852)	(6,112)
Profit on disposal of property, plant and equipment	-	-	-	-	336
Gain on disposal of investment properties	-	-	464	464	-
Gain on disposal of investments	57	197	1,791	2,045	1,749
Increase in value of investment properties	-	-	296	296	(123)
Increase / (decrease) in value of investments	134	529	(1,060)	(397)	3,075
At 31 July	4,685	18,801	117,816	141,302	142,578
Represented by:					
Capital	2,697	10,459	116,987	130,143	132,812
Accumulated income	1,988	8,342	829	11,159	9,766
	4,685	18,801	117,816	141,302	142,578
				Consolidated & University	
				2025	2024
				£'000	£'000
Analysis by asset					
Land and property				11,589	12,195
Investment properties				12,789	12,856
Investments				41,541	48,134
Funds held by the University				76,461	76,029
Other				(1,078)	(6,636)
				141,302	142,578

The bulk of the assets are held by the National Institute for Research in Dairying Trust. See note 37 for further details of this trust and the nature of the restrictions.

28 Restricted reserves - donations

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
At 1 August	5,399	4,797	4,429	3,738
New donations	1,656	2,656	1,448	2,399
Expenditure	(2,319)	(2,054)	(1,869)	(1,708)
At 31 July	4,736	5,399	4,008	4,429

Restricted income relates to donations received where the terms of the donation place restrictions on the way in which the funds can be spent.

29 Reconciliation of net debt

	Consolidated
	£'000
Net debt at 1 August 2024	126,362
Movement in cash and cash equivalents	(26,768)
New loans	70,000
Loan repayments	(52,000)
Net debt at 31 July 2025	117,594

Analysis of net debt

	Consolidated	
	2025 £'000	2024 £'000
Unsecured loans: amounts falling due within one year	2,000	2,000
Unsecured loans: amounts falling due after more than one year	161,500	143,500
Less: cash and cash equivalents	(45,906)	(19,138)
Net debt	117,594	126,362

30 Financial instruments

The carrying values of the Group and University's financial assets and liabilities are summarised by category below:

	Note	Consolidated		University	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets					
Cash and cash equivalents		45,906	19,138	38,151	13,624
Measured at fair value through income and expenditure					
Managed investment funds - segregated	21	84,656	87,279	84,656	87,279
Managed investment funds - common	18, 21	35,082	33,163	35,082	33,163
Other listed investments	18	105	77	105	77
Debt instruments measured at amortised cost					
Trade and other receivables	20	44,258	50,081	41,618	47,047
Bank deposits		180	179	-	-
Equity instruments measured at cost less impairment					
Non-current investments in unlisted equity instruments		45	45	45	45
		210,232	189,961	199,657	181,235

	Note	Consolidated		University	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial liabilities					
Measured at amortised cost					
Loans payable	24	163,500	145,500	163,500	145,500
Trade and other creditors	22	21,919	46,047	19,301	43,057
		185,419	191,547	182,801	188,557

The Group's and University's income, expenditure, gains and losses in respect of financial instruments are summarised below:

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets measured at fair value through income and expenditure	6,942	5,345	8,484	6,784
Financial assets measured at amortised cost - interest receivable	156	721	156	721
Financial liabilities measured at amortised cost - interest payable	(8,355)	(9,657)	(8,188)	(9,013)
Impairment losses on trade and other receivables	(211)	(787)	(8,044)	(7,572)
	(1,468)	(4,378)	(7,592)	(9,080)

31 Capital commitments

Provision has not been made for the following capital commitments:	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Commitments contracted for	8,448	11,182	8,448	11,182

These commitments arise from contracts included in the ongoing capital programme.

32 Contingent liabilities

As part of its development of the Shinfield Eastern Relief Road and related bridge over the M4, the University provided performance guarantee bonds to Wokingham Borough Council and National Highways. A bond for £0.8m in favour of National Highways was released in the year. A total of £0.2m of bonds remain outstanding in favour of National Highways. A smaller bond of £0.1m remains outstanding with Oxfordshire County Council, and in the year the University took out an additional bond of £0.5m in favour of Wokingham Borough Council in relation to infrastructure at Thames Valley Science Park.

In connection with its sale of land at Didcot to a housing developer in May 2019, the University will act as guarantor to the local authority for long-term site improvement works to be carried out by the developer and a party to a neighbouring development. The University's maximum potential liability under this guarantee during the first five years is set at £10m and then reduces to zero over the following four years. No provision has been made for this amount due to the University's view that a liability is very unlikely to crystallise given the financial strength of the developers undertaking these works.

The University has undertaken to provide continued support to its trusts and subsidiary companies for a period of at least 12 months from the date of approval of those undertakings' financial statements.

33 Future lease obligations and receivables

The total future minimum lease payments due under non-cancellable operating leases are as follows:

Consolidated	Land and buildings £'000	Other £'000	2025 £'000	2024 £'000
Future minimum lease payments due:				
Not later than 1 year	3,686	544	4,230	3,568
Later than 1 year and not later than 5 years	9,461	732	10,193	11,274
Later than 5 years	11,000	4	11,004	12,911
	24,147	1,280	25,427	27,753

University	Land and buildings £'000	Other £'000	2025 £'000	2024 £'000
Future minimum lease payments due:				
Not later than 1 year	1,823	384	2,207	1,882
Later than 1 year and not later than 5 years	7,642	569	8,211	7,689
Later than 5 years	11,000	4	11,004	12,911
	20,465	957	21,422	22,482

Included in the University and consolidated totals for land and buildings is £19.6m in respect of the Enterprise Centre on the Whiteknights campus (2024: £21.2m). The lease runs until 2036.

Included in the consolidated total for land and buildings are commitments of £1.6m in respect of the campus in Malaysia (2024: £2.9m). These amounts are also included in other provisions (see note 26).

In addition, under the terms of the arrangement with UPP, the University makes payments with reference to the number of units of student accommodation sold during the year. At 31 July the University was committed to making payments in respect of those students who had accepted offers of accommodation for the forthcoming year. Further details of the arrangement are given in note 19.

33 Future lease obligations and receivables (continued)

The group also acts as lessor in a number of lease agreements. The total future minimum lease payments receivable under non-cancellable operating leases are as follows:

Consolidated	Land and buildings	Other	2025	2024
	£'000	£'000	£'000	£'000
Future minimum lease payments receivable:				
Not later than 1 year	8,537	-	8,537	7,757
Later than 1 year and not later than 5 years	19,295	-	19,295	18,443
Later than 5 years	520,030	-	520,030	534,509
	547,862	-	547,862	560,709
University	Land and buildings	Other	2025	2024
	£'000	£'000	£'000	£'000
Future minimum lease payments receivable:				
Not later than 1 year	9,829	-	9,829	9,296
Later than 1 year and not later than 5 years	29,850	-	29,850	29,393
Later than 5 years	614,648	-	614,648	633,006
	654,327	-	654,327	671,695

The University receives lease income from its wholly-owned subsidiary undertaking, Thames Valley Science Park Limited (TVSP), in respect of the properties operated by that company. TVSP sublets these properties to a number of tenants. Lease agreements are in place between the University and TVSP with lease terms and payments determined on a commercial basis. In respect of the science park operated by TVSP, there is a 125 year ground lease and a 25 year building lease. The leases make provision for a rent-free period for the first 18 months. The ground lease payments are contingent on floor space occupied.

On 14 March 2022, the University granted a long lease to Shinfield Studios Ltd. The lease runs for 199 years and has no break clause. This accounts for £505.6m (2024: £508.3m) of lease payments receivable. The lease is indexed linked to a measure of inflation and the amounts disclosed are the unindexed values.

34 Amounts disbursed as agent – Consolidated and University

National College for Teaching and Leadership (NCTL) bursaries

The University acts only as a paying agent in relation to NCTL bursaries, distributing them to students and nurseries. The funds received and related disbursements are therefore excluded from the statement of comprehensive income.

	2025 £'000	2024 £'000
Excess of income over expenditure at 1 August	114	29
Income		
Funding Council grants	2,645	2,332
Expenditure		
Disbursed to students and nursery settings	(2,629)	(2,247)
Excess of income over expenditure at 31 July	130	114

Student accommodation

The University generates charges and receives rents from students. Payments are then made to UPP (Reading I) Limited which manages the student accommodation. See note 19 for more details of this arrangement.

Supplementary Schedule for the United States Department of Education

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University 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 £'000.

The schedules set out how each amount disclosed has been extracted from the financial statements. Lines with a nil value have been excluded. 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: Expendable Net Assets		2025 £'000	2024 £'000
Net Assets without donor restrictions	Statement of Financial Position – Unrestricted Income and Expenditure reserve and Revaluation reserve	387,802	427,837
Net Assets with donor restrictions	Note 27 (Endowment Reserves) and Note 28 (Restricted Reserves)	146,038	116,832
Restricted in perpetuity	Note 27 (Endowment Reserves)	(23,486)	(22,455)
Other intangible assets	Note 13 (Intangible assets)	(7,193)	(5,907)
Property, Plant and Equipment	Note 14 (Tangible assets) NBV at 31 July	(324,339)	(330,213)
Post Employment pension liability	Note 25 (Pension Provisions)	(33,315)	(29,042)
Line of credit for long term purposes	Note 24 (Loans)	163,500	145,500
Related party receivable	Note 20 (Trade and other receivables)	(750)	(829)
		308,257	301,723

34 Amounts disbursed as agent - Consolidated and University (continued)

		2025 £'000	2024 £'000
Total Expenses and Losses without Donor Restrictions			
Total Operating Expenses	Note 11 (Analysis of total expenditure by activity)	377,146	270,447
Other components of net periodic pension costs	Consolidated Statement of Comprehensive Income and Expenditure - Actuarial gains / (losses) in respect of pensions schemes	3,057	(15,116)
Other gains / (losses)	Statement of Comprehensive Income		
	- Revaluation of Investment Properties	(9,054)	(7,802)
	- Share of operating result of associate	(159)	(55)
	- Taxation charge	460	(988)
	- Exchange difference on consolidation	(62)	(27)
	- Disposal of heritage assets	-	-
	- Surplus on Revaluation of property, plant and equipment held by associate	7,900	3
		379,288	246,462
Equity Ratio:			
Modified net assets			
Net Assets without donor restrictions	Statement of Financial Position - Unrestricted Income and Expenditure reserve and Revaluation reserve	387,802	427,837
Net Assets with donor restrictions	Note 27 (Endowment Reserves) and Note 28 (Restricted Reserves)	146,038	116,832
Related party receivable	Note 20 (Trade and other receivables)	(750)	(829)
		533,090	543,840
Modified assets			
Total assets	Statement of Financial Position – Current and Non-Current Assets	833,019	807,211
Related party receivable	Note 20 (Trade and other receivables)	(750)	(829)
		832,269	806,382
Net Income Ratio:			
Change in net assets without donor restrictions			
Change in net assets without donor restrictions	Consolidated Statement of Comprehensive Income and Expenditure – Unrestricted comprehensive income and expenditure for the year	(19,652)	64,250
		(19,652)	64,250
Total revenues and gains without donor restriction			
Total operating revenue and other additions	Consolidated Statement of Comprehensive Income and Expenditure – Total Income	363,553	353,655
Investment return appropriated for spending	Note 7 (Investment Income)	(6,886)	(8,184)
(Loss) / gain on disposal of fixed assets	Consolidated Statement of Comprehensive Income and Expenditure – (Loss) / gain on disposal of property plant and equipment	(6,711)	2,684
		349,956	348,155

35 Disclosure of related party transactions

Council members are the trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted in accordance with the University's Financial Regulations and usual procurement procedures.

Council members do not receive remuneration or fees in respect of their services as Council members. The expenses of Council members incurred and claimed in the performance of their duties including attendance at Council meetings are reimbursed by the University. All such reimbursements are subject to approval by the Secretary to the Council. The total expenses paid to or on behalf of members of Council was £1.8k (2024: £1.8k) which related to travel and subsistence expenses incurred.

The University's financial statements include the following balances due from Reading Students' Union (RSU):

	2025 £'000	2024 £'000
Due from RSU	152	190
The University paid the following grants to RSU:	2025 £'000	2024 £'000
Core block grant	1,738	1,727
Specific grants	-	-
	1,738	1,727

Transactions with the University's 20%-owned associate, UPP (Reading I) Holdings Limited, and its wholly owned subsidiary, UPP (Reading I) Limited, are set out in note 19.

36 The University and its subsidiary undertakings

As described in the statement on public benefit, the University of Reading is an independent corporation with charitable status established by Royal Charter granted in 1926. It is primarily based in the UK with some operations overseas. Its principal place of business is Whiteknights House, Whiteknights, Reading, RG6 6UR, UK.

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

Name of company	Country of registration	Principal activity	Status
Henley Business Angels Limited	England & Wales ¹	Business launch support	Limited by guarantee
Henley Business School Limited	England & Wales ¹	Management education	100% owned
Reading Real Estate Foundation	England & Wales ¹	Advancement of real estate education	Limited by guarantee
Thames Valley Science Park Limited	England & Wales ¹	Property letting business	100% owned
Henley Business School Germany GmbH	Germany ²	Management education	100% owned
RUMAL Reading Sdn. Bhd.	Malaysia ³	Overseas campus	100% owned
Henley Business School Limited (Incorporated in the United Kingdom)	South Africa ⁴	Management education	100% owned
Whiteknight Edu Private Limited	India ⁵	Marketing support and operational services	100% owned

Registered office addresses

- 1 Whiteknights House, PO Box 217, Whiteknights, Reading, RG6 6AH
- 2 Maximilianstrasse 40, 80539 Munich, Germany
- 3 Suite 1301, 13th Floor, City Plaza, Jalan Tebrau, 80300 Johor Bahru, Johor, Malaysia
- 4 Kirstenhof Office Park, 1 Witkoppen Road, Paulshof, 2056, South Africa
- 5 OFF-1201 CTS-330(PT), Hubtown Viva, MTR Room-2, Jogeshwari East, Mumbai-400060, Maharashtra, India

37 Connected charitable institutions

A number of charitable institutions are administered by or on behalf of the University and have been established for its general or special purposes. As a result, under paragraph 28 of Schedule 3 to the Charities Act 2011, these connected institutions are exempt from registration with the Charity Commission. These connected institutions are included in the consolidation and within the University amounts since the University is the sole trustee of each and exercises control over each one's activities. The movements in the year on the total funds of all connected institutions, as reported in their own accounts, were as follows:

	At 1 August 2024 £'000	Total income £'000	Total expenditure £'000	Other gains and losses £'000	At 31 July 2025 £'000
National Institute for Research in Dairying Trust	99,407	6,879	(10,319)	1,153	97,120
Hugh Sinclair Trust	5,069	136	(185)	158	5,178
Beckett International Foundation	17	1	-	-	18
Greenlands Trust	11,091	17	(811)	-	10,297

The National Institute for Research in Dairying Trust (NIRD) aims to promote and develop high quality research into agriculture or food (whether its production or otherwise) at the University of Reading.

NIRD holds significant assets. See note 27 for fuller details of the Group's endowment assets.

The Hugh Sinclair Trust promotes research into human nutrition at the University of Reading.

The Beckett International Foundation provides seminars and exhibitions on, and promotes research into, the works of Samuel Beckett. It also contributes to the preservation and cataloguing of the Samuel Beckett Archive held by the University of Reading.

The Greenlands Trust aims to advance education and learning in business and management studies, which it does through the provision of specific grants to Henley Business School at the University of Reading.

38 Pension schemes

The principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the University of Reading Employees' Pension Fund (UREPF) and the University of Reading Pension Scheme (URPS). USS provides benefits based on career average earnings for academic and related employees for all UK universities. The UREPF and URPS schemes provide benefits for other members of University staff. Contributions are also paid to other pension schemes in overseas jurisdictions.

	Consolidated		University	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Total pension costs for the year				
USS contributions	25,328	29,775	25,164	29,319
UREPF cost arising from employee service	810	846	804	830
URPS	2,741	2,576	2,724	2,537
Other pension schemes	155	152	-	-
	29,035	33,348	28,692	32,685
Movement on USS provision	-	(104,833)	-	(104,833)
Total pension costs	29,035	(71,485)	28,692	(72,148)

Included in other creditors are unpaid pension contributions of £3,571k (2024: £2,703k).

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS), a multi-employer hybrid scheme which has both defined benefit and defined contribution elements. The assets of the scheme are held in a separate trustee-administered fund.

The University contributed 21.6% of payroll costs until 31 December 2023, this changed to 14.5% from 1 January 2024. Members contributed 9.8% to 31 December 2023 and 6.1% from 1 January 2024.

For members earning below a salary threshold, currently £71,484 per annum (£70,296 prior to 1 April 2025), all of these contributions are made to the defined benefit part of the scheme (Retirement Income Builder). The salary threshold will rise annually in line with official pensions but subject to a cap of 10% (2.5% prior to 1 April 2024). For those members earning above the salary threshold, a combined member employer contribution of 20% of salary above the threshold are invested in the defined contribution part of the scheme (Investment Builder). Prior to 1 April 2022, 20% of the University's contribution and all of the member's contribution above that threshold was invested in the defined contribution part of the scheme. Under the defined benefit arrangements, until 31 March 2024 members accrued a pension of 1/85 for each year of service along with a 3/85 lump sum under a career average earnings arrangement. From 1 April 2024 onwards members accrue a pension of 1/75 for each year of service and a lump sum worth 3/75 of salary each year up to the salary threshold.

Members can also make additional voluntary contributions (AVCs) into the defined contribution element of the scheme.

Salary sacrifice arrangements exist for those members wishing to participate. Under these arrangements, participating members agree to a reduction in salary in return for the University paying the 6.1% contribution on their behalf (9.8% to 31 December 2023).

The latest available completed actuarial valuation of the defined benefit part of the scheme was at 31 March 2023 ("the valuation date"), which was carried out using the projected unit method.

Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University 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. Therefore, the University accounts for the scheme as if it were a defined contribution scheme. Institutions within the scheme share the liabilities, running costs and risks associated with the scheme. The individual liabilities from all institutions are pooled into a single liability for which all institutions are collectively liable.

38 Pension schemes (continued)

The following disclosures reflect those relevant to the scheme as a whole.

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 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The university was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account in the prior year.

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

	2025	2024
Scheme assets	£73.1bn	£73.1bn
Total scheme liabilities	£65.7bn	£65.7bn
FRS 102 total scheme deficit	£7.4bn	£7.4bn
FRS 102 total funding level	111%	111%

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

CPI assumptions	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 0.03% 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 0.03%
RPI/CPI gap	1.0% pa to 2030, reducing to 0.1% pa from 2030
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% pa Post retirement: 0.9% pa

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

	2025	2024
Mortality base table	101% of S2PMA "light" for males 95% of S3PFA for females	101% of S2PMA "light" for males 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 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 Years	2024 Years
Males currently aged 65	23.8	23.7
Females currently aged 65	25.5	25.4
Males currently aged 45	25.7	25.6
Females currently aged 45	27.2	27.2

38 Pension schemes (continued)

University of Reading Employees' Pension Fund (UREPF)

The University is the sponsoring employer to the UREPF, which is a funded UK defined benefit pension scheme where contributions are held in a separate trustee-administered fund. It was closed to new members in 2011 and replaced by URPS, a defined contribution scheme.

The University paid contributions at a rate of 23.8% of pensionable salaries and members were required to contribute 6.25% of pensionable salaries during the year. Salary sacrifice arrangements exist for those members wishing to participate. Under these arrangements, participating members agree to a reduction in salary in return for the University paying the 6.25% contribution on their behalf.

From 1 August 2025 University contributions will remain at 23.8% and member contributions will remain at 6.25%.

A full actuarial valuation was carried out as at 31 July 2020 by a qualified independent actuary. The actuary has reviewed the progress of the scheme since the valuation date in determining the net surplus at 31 July 2025. The service cost has been calculated using the projected unit credit method. The discount rate is one of the key assumptions used in calculating the value of the liabilities and is based on AA rated corporate bond yields. The expected return on plan assets is also based on the discount rate.

	2025 £'000	2024 £'000
Analysis of movement in benefit obligation		
At 1 August	123,702	110,978
Cost arising from employee service in the year	810	846
Loss on curtailments/changes/introductions	-	-
Past service costs	-	-
Interest expense	6,040	5,593
Benefits paid from plan assets	(7,403)	(6,437)
Plan participants' contributions	6	7
Premiums paid	(13)	(14)
Remeasurements - Effect of changes in assumptions	(13,473)	1,908
Remeasurements - Effect of experience adjustments	1,036	10,821
At 31 July	110,705	123,702
Analysis of movement in plan assets		
Fair value at 1 August	152,744	152,033
Interest income	7,467	7,711
Employer contributions	1,041	2,192
Plan participants' contributions	6	7
Benefits paid from plan assets	(7,403)	(6,437)
Administrative expenses paid from plan assets	(442)	(361)
Premiums paid	(13)	(14)
Remeasurements - Return on plan assets	(9,380)	(2,387)
Fair value at 31 July	144,020	152,744
Amounts recognised in the statement of financial position		
Defined benefit obligation	(110,705)	(123,702)
Fair value of plan assets	144,020	152,744
Net defined benefit asset	33,315	29,042

38 Pension schemes (continued)

	2025 £'000	2024 £'000
Components of pension cost		
Cost arising from employee service in the year	810	846
Loss on curtailments/changes/introductions	-	-
Past service costs	-	-
Interest expense on defined benefit obligation	6,040	5,593
Interest income on plan assets	(7,467)	(7,711)
Administrative expenses paid from plan assets	442	361
Total cost recognised in deficit before tax	(175)	(911)
Remeasurements	(3,057)	15,116
Total cost recognised in the statement of comprehensive income	(3,232)	14,205
Fair value of plan assets		
Cash and cash equivalents	13,554	36,822
Equity instruments	-	-
Debt instruments	102,712	88,219
Property	27,754	27,703
	144,020	152,744
Actual return on plan assets		
Interest income	7,467	7,711
Remeasurements - Return on plan assets	(9,380)	(2,387)
	(1,913)	5,324
Experience gains and losses		
Remeasurements - Return on plan assets		
Amount	(9,380)	(2,387)
Percentage of plan assets	(6.5%)	(1.6%)
Remeasurements - Effect of experience adjustments		
Amount	(1,036)	(10,821)
Percentage of present value of plan liabilities	(0.9%)	(7.9%)

38 Pension schemes (continued)

Weighted average assumptions used to determine benefit obligations	2025	2024
Discount rate	5.00%	5.00%
Rate of salary increases	2.90% fixed for first year 4.05% thereafter	4.50% fixed for first year 4.20% thereafter
Rate of RPI price inflation	3.05%	3.20%
Rate of CPI price inflation	2.70%	2.80%
Assumed life expectancy on retirement at age 65:		
Male member aged 65 (current life expectancy)	21.4	21.1
Male member aged 45 (life expectancy at age 65)	23.0	22.7
Female member aged 65 (current life expectancy)	23.8	23.8
Female member aged 45 (life expectancy at age 65)	25.6	25.5

Weighted average assumptions used to determine cost relating to defined benefit plans	2025	2024
Discount rate	5.00%	5.15%
Rate of salary increases	4.50% fixed for first year 4.20% thereafter	6.75% fixed for first year 4.20% thereafter
Rate of RPI price inflation	3.20%	3.20%
Rate of CPI price inflation	2.80%	2.70%

The University offers membership in URPS, which is a funded defined contribution pension scheme in the UK. The University pays contributions at a rate of 7% of pensionable salaries for those who have been continuous scheme members for 5 years and 5% for the remaining members. Members are required to contribute 4% of pensionable salaries. Salary sacrifice arrangements exist for those members wishing to participate. Under these arrangements, participating members agree to a reduction in salary in return for the University paying the 4% contribution on their behalf. The costs of the Chair of the Trustee for the UREPF and URPS schemes are borne by the University £34.5k (2024: £30.6k) and apportioned 65% to UREPF and 35% to URPS.

39 Critical accounting judgements and key sources of estimation uncertainty

In preparing these financial statements, judgements have been made in determining the most appropriate methods of applying the University's accounting policies to the economic transactions which have arisen during the year. It has also been necessary to make assumptions about the future in determining the values of assets and liabilities at the end of the financial year. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical accounting judgements

We have reviewed the Shinfield Studios lease agreement and concluded that it should be treated as an operating lease rather than a finance lease. This is because in the context of the land's indefinite useful life; the 199-year lease term over which the lessee has the right to use the asset is deemed to be substantially short and the land is expected to substantially appreciate in value over the term of the lease in real terms, all of which benefit will accrue to the University at the end of the lease.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed opposite.

39 Critical accounting judgements and key sources of estimation uncertainty (continued)

Income deferred in respect of site servicing commitments

In recent years the Group has disposed of a number of landholdings in the Shinfield and Didcot areas. The scale of these disposals has required the University to undertake significant obligations in respect of infrastructure development and maintenance in the local areas. In accounting for these disposals, estimates have been made of the total obligations in order to calculate the amount of income to be deferred until these obligations are met. The obligations are reassessed annually.

UPP – Share of operating surplus in associates and investments in associates

The University is party to an arrangement with UPP in respect of the provision and operation of its student residential accommodation. The accommodation is operated by UPP (Reading I) Limited, a wholly-owned subsidiary of UPP (Reading I) Holdings Limited. The University has granted long leasehold interests to UPP (Reading I) Limited in respect of the accommodation. The University has a 20% holding in both the equity and loan notes of UPP (Reading I) Holdings Limited and has accounted for its interest as an investment in an associated undertaking. The subsidiary prepares its accounts for the year ended 31 August so a large proportion of the results for the year ended 31 July 2025 are based on estimates provided by the management of the company. In addition, as explained in Note 19, the University makes a number of adjustments to the accounts of the company before the figures are consolidated. In particular, Goodwill amortisation and Goodwill balances are adjusted as it is University policy to write off Goodwill on acquisition. The UPP loan notes have a high coupon rate and the University has the opinion that the loan note interest will not be fully receivable, so makes an adjustment to reduce to the value that the University considers it will receive.

Defined benefit pension scheme

The overall surplus on the UREPF scheme has been included in pension provisions. A number of actuarial assumptions have been made in estimating the surplus which have been set out in note 38. The net scheme asset at 31 July 2025 was £33.3m (2024: £29.0m).

Provisions in respect of RUMAL

In 2018/19, a restructuring of the University's subsidiary in Malaysia, RUMAL Reading Sdn Bhd, was carried out as a result of its ongoing loss-making position. Revised business plans were prepared and significant changes were negotiated to the terms of the main building lease at the campus. RUMAL is expected to continue to make losses for the next few years. An onerous contracts provision has been made in the consolidated financial statements based on the University's commitment to continue operations at the campus until at least 2026, the point at which the new lease will expire. The new lease was signed in 2019/20 and the lease provision has reflected this. Other onerous costs have been estimated based on forecast information.

Provisions in respect of TVSP Ltd

In 2018/19, Thames Valley Science Park Limited (a subsidiary company) completed a detailed review of its lease obligations. This review concluded that several of the company's leases should be accounted for as onerous contracts, in particular the Enterprise Centre lease, as such a provision for onerous lease contracts has been provided. This onerous lease provision was reviewed in the current year which has resulted in a decrease in the lease provision to £14.3m (2024: £16.9m).

40 Prior Year Adjustment - reclassification of reserves

A review of endowment reserves was undertaken to ensure the appropriate presentation of reserves within the University's financial statements. This review concluded that the reserves of the Greenlands Trust are more appropriately classified as endowment reserves rather than unrestricted reserves. As a result, endowment reserves have been increased by £10.3m (2024: £11.1m, 2023: £11.6m).

The review also identified a further reclassification of £20.1m (2024: £20.1m, 2023: £20.1m) relating to the closure of the Research Endowment Trust (RET) in the year ended 31 July 2021. This balance was previously classified as unrestricted reserves instead of being recognised as endowment reserves. When RET existed, the consolidation adjustments included an amount related to RET's unrestricted reserves. However when RET closed the transfer to unrestricted reserves comprised the entirety of RET reserves thereby overstating the movement to unrestricted reserves. RET provided funds for specific research and education projects at the University of Reading. The Charity Commission granted permission to transfer the assets of RET to the University. The assets and liabilities were distributed to the University at their carrying values on 31 July 2021 and on the same date RET ceased to exist. There was no effect on the Statement of Comprehensive Income.

These reclassifications represent a correction of a classification error due to an error in interpreting the higher education SORP definition of endowment reserves and have therefore been accounted for as a prior year adjustment. Comparative figures have been restated accordingly. The adjustments increase endowment reserves and reduce unrestricted reserves by corresponding amounts, with no impact on total reserves or the reported (deficit)/surplus for any year presented.

Statement of changes in reserves

	Endowment £'000	Restricted £'000	Unrestricted £'000	Revaluation reserve £'000	Total £'000
Consolidated					
At 1 August 2023 (as previously reported)	101,861	4,797	294,289	62,203	463,150
At 1 August 2023 (as restated)	133,599	4,797	262,551	62,203	463,150
	31,738		(31,738)		
At 1 August 2024 (as previously reported)	111,433	5,399	365,631	62,206	544,669
At 1 August 2024 (as restated)	142,578	5,399	334,486	62,206	544,669
	31,145		(31,145)		
University					
At 1 August 2023 (as previously reported)	101,861	3,738	311,673	35,893	453,165
At 1 August 2023 (as restated)	133,599	3,738	279,935	35,893	453,165
	31,738		(31,738)		
At 1 August 2024 (as previously reported)	111,433	4,429	381,890	35,893	533,645
At 1 August 2024 (as restated)	142,578	4,429	350,745	35,893	533,645
	31,145		(31,145)		

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