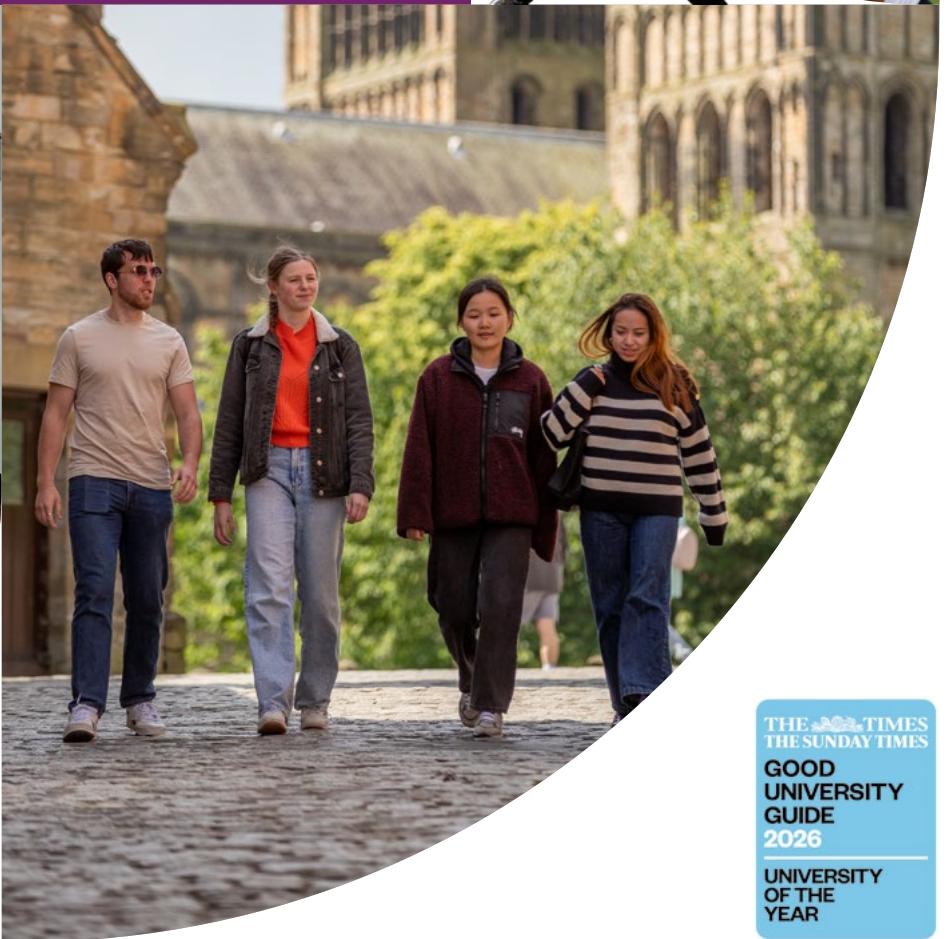
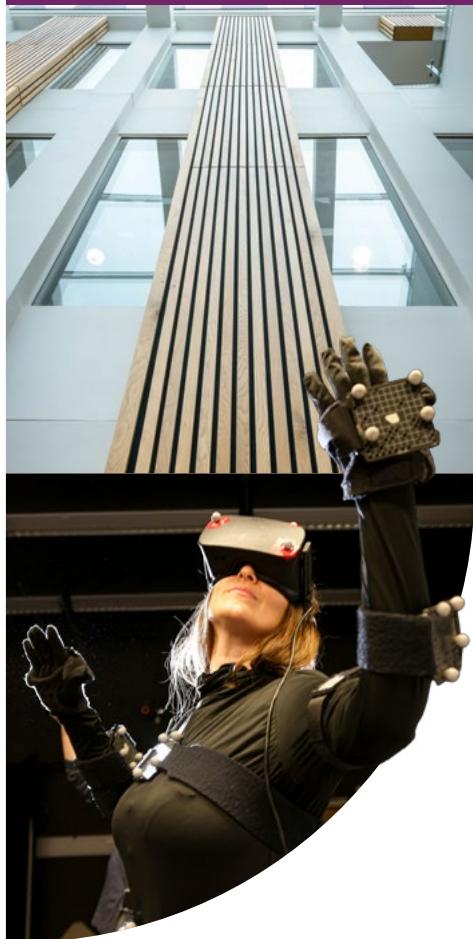


Inspiring the extraordinary

Annual report
and financial statements
for the year ended 31 July 2025



THE SUNDAY TIMES
GOOD
UNIVERSITY
GUIDE
2026
UNIVERSITY
OF THE
YEAR



Team Durham volleyball players
celebrate their performance

CUR/12/25/425

A globally outstanding centre of teaching and research excellence, a collegiate community of extraordinary people, a unique and historic setting – Durham is a university like no other.

We believe that inspiring our people to do outstanding things at Durham enables Durham people to do outstanding things in the world.

We carry out innovative and impactful research which improves lives across the world. We challenge our students and value a wider student experience that fosters participation and leadership at Durham and beyond. Our supportive approach enables our people to achieve extraordinary things. And our loyal and devoted worldwide community, wherever they go, whatever they do, are always inspired by Durham University.

We are proud of the extraordinary people we have at Durham. We offer the inspiration, they deliver remarkable achievements.



A student stood in front of angel wings wall art in Durham making the heart sign with her hands

Integrated reporting

This report was developed in consultation with our Executive team. In approving the report, our Council (trustees) acknowledges its overall responsibility for the accuracy and integrity of the document.

This report considers the concepts of the Integrated Reporting Framework published by the International Financial Reporting Standards Foundation. As such, this report provides a concise communication about how our strategy, governance, performance and prospects, in the context of the external environment, lead to the creation of value over the short, medium and long term.

We continue to improve our integrated thinking, drawing on enhanced data to refine our annual planning process and considering the impact and interdependencies of the capitals (inputs) on decision-making so we can respond to our stakeholders.

Contents

Foreword from the Chair of Council	6
Welcome from the Vice-Chancellor	8
Overview	10
Annual review	20
Financial review	42
Statement of corporate governance	48
Independent Auditors' Report to the Council of Durham University	56
Statement of Principal Accounting Policies	59
Financial statements	66

Foreword from the Chair of Council

Introduction

I have always been aware of the reputation of Durham University – it drew me to the role of Chair of Council after a career in industry and professional services as well as previously sitting on the board of two other Russell Group universities. What I've seen during my induction period since March 2025 is a laser focus on delivering an outstanding and unique student experience, evidenced by exceptional levels of employability and great student feedback, and world-renowned research addressing real-world issues - from how to turn sewage into sustainable fuels to providing academic expertise to influence public policy. Durham University is genuinely a very special experience.

Along with the Vice-Chancellor and senior colleagues, I was delighted when Durham was named University of the Year 2026 by the Times and Sunday Times. Durham is also in the top five in every major UK league table. Everyone is hugely proud of this and other awards, but there is no complacency. I want to recognise all our students and every member of staff, both academic and professional services, for the demanding research undertaken and for the teaching, care and support provided to our students. These are the most challenging of times for the sector and I am inspired by our students and colleagues who remain dedicated and resilient.

This report shares how Durham delivered on its purpose and provided value to the local and global community in the year ended 31 July 2025. Great strides have been made in a number of areas. As well as the research highlights mentioned above, we have had a record year for research awards, including £10m from the Leverhulme Trust to explore artificial intelligence (AI). We have a number of important international collaborations to develop research and reaching excellence such as the UK-Japan Renkei partnership and the Coimbra Group. As someone from a working-class background, I was particularly pleased to learn of the updated Access and Participation plan for the University to welcome and support more students from less fortunate backgrounds with targeted support and scholarships. I encourage you to read more on these and many other successes in this report.

The positive results from this year's National Student Survey and Graduate Outcomes Survey demonstrate that the University listens and understands the needs of our students and of employers to continue to provide a positive and unique student experience and graduate career prospects. Durham

also continues to be an attractive destination for international students, with additional international postgraduate student scholarships - we were pleased to retain our place in the top 100 QS world rankings.

Over the year, the topic of free speech has been (and continues to be) hotly debated both within the higher education sector and across the UK. In advance of the implementation of the Higher Education (Freedom of Speech) Act on 1 August 2025, Council confirmed that Durham had robust and relevant policies and processes in place and assures itself that this remains the case on an annual basis. The University is committed to free speech within the law and is supporting staff and students to listen to each other, disagree well and maintain academic freedom.

Financial performance

The UK higher education sector is facing unprecedented financial challenges, due to long-term underfunding of home undergraduate students and research, rising costs, high inflation and ongoing volatility in international student recruitment. Durham is not immune from these pressures.

Management responded promptly to these challenges, with the support of Council, and implemented in-year cost-saving measures, including a staff voluntary severance scheme. These very difficult decisions were taken after much debate and consideration by Council – they were not taken lightly.

Our financial performance underpins our investment in our people, our students, our research, our services and our estate. There will be continuing demands to invest in areas such as AI, our estate and student support. A key focus of management and Council is the long-term sustainability of the University and there is ongoing consideration of the business model as well as income-generating activities to ensure long-term financial sustainability. We successfully completed our periodic tendering of banking arrangements in September 2025, signalling the strength of our reputation and balance sheet as we move forward. Following the completion of several projects this year, we don't intend to start any major capital projects in the near term.

Governance

The Council has the ultimate responsibility for the affairs of the University and I thank members of Council for their commitment over the past year. My predecessor, Joe Docherty, stepped down as Chair in July 2025 at the end of 16 years' service to the University and I thank him for his generous support during my induction period. A number of other Council members (lay, non-executive members James Grierson and Jonathan Bewes as well as staff members Amir Michael and Nic Johnston) either stepped down or came to the end of their term in July 2025 and we thank them all for their varied and valuable contributions. We also said goodbye to our student members of Council, Dan Lonsdale and



Anthony Jones – their insight and input to Council and to the workings of the University have been critical to ensuring the student perspective is always reflected in Council decisions.

New members of Council are already bringing their expertise and experience to the discussions and we will continue good practice of regularly assessing the skills we need on Council and undertaking regular effectiveness reviews of Council and its committees. The Senior Independent Lay member, Terry Toney led a full and independent search leading to my appointment, involving other members of Council in making the decision.

Alongside my Council colleagues, I look forward to engaging with staff, students, alumni and other local partners. It has been a pleasure getting to know Karen O'Brien (Vice-Chancellor) and her executive team – they are rightly ambitious for the University and are addressing the sector challenges in a professional way. The Council will continue to

monitor and challenge our executive team on important areas of opportunity and risk, with a particular focus on the student and staff experience and developing our international links and research profile. We must also continue to strengthen our financial position and redouble efforts to deliver a long-term, sustainable funding model, allowing us to continue to invest in and develop key areas of strategic focus.

We are focused on protecting and nurturing the unique experience that Durham can provide in the 21st century. Alongside the challenges, what is clear are the huge opportunities to build on the University's reputation and potential.

Caroline Johnstone
Chair of Council



Welcome from the Vice-Chancellor

Our strategy sets out our purpose and aims to conduct world-leading research and engagement, inspire our students to create and translate knowledge, and provide an inclusive education that promotes social wellbeing and prosperity for the benefit of present and future generations.

We were delighted to be awarded The Times and The Sunday Times University of the Year 2026. This award recognises our outstanding teaching and research work, our high student satisfaction rates thanks to our unique college system and student enrichment opportunities, and our strength in preparing students for graduate careers and the exceptional contribution of our staff.

We had our best year yet for many years in terms of research grant success and are leading or collaborating on several exciting research projects. During the year, our Department of Archaeology and Archaeological Services made headlines across the world with the discovery of the Iron Age Melsonby Hoard and colleagues from our Department of Theology and Religion received widespread coverage for their response to the death of Pope Francis and the election of Pope Leo XIV.

Our Access and Participation Plan sets clear and ambitious goals to improve diversity, close achievement gaps, and create an even more inclusive university. The launch of our Inclusive Durham Framework provides a roadmap to help realise our vision of creating a welcoming and inclusive environment where our people feel supported and valued, enabling them to thrive. I take pride in the progress we have made in recent years and am determined we will go further.

Our students continue to excel in their studies and their enrichment activities, with fantastic results in sports and the arts this year. Our alumni team won the festive series of University Challenge that aired over Christmas and alumna Dr Rosemary Coogan became the UK's newest astronaut.

I was privileged to meet with alumni in China and London and welcomed alumni back to Durham to share their experiences with current students. With Durham Cathedral, we marked a truly historic and joyous occasion with the visit of Their Majesties King Charles III and Queen Camilla for the Royal Maundy Service, colleagues and I were proud to be invited to participate in the service.

We will continue to work with our campus trade unions and to listen to our staff and student community as we progress efforts to consolidate a firm financial base to enable us to

remain a world-class centre of research and education. In addressing the current financial challenges that we and the sector face, we have prioritised our excellent education, research and frontline student support and our capability for ongoing income generation. We identified required savings in staff costs and achieved them through voluntary means which helped minimise the industrial action and its impact on students. We appreciate the dedicated service and contribution of staff who accepted voluntary severance and those working through this time of change.

I welcome the appointment of Caroline Johnstone as our new Chair of Council. Her experience of working with large global organisations during periods of change and understanding of the higher education sector will be invaluable.

I would also like to thank Joe Docherty for his calm demeanour, support and dedication to Durham during his time as a member and Chair of Council, up to 31 July 2025.

Professor Karen O'Brien
Vice-Chancellor and Warden

Professor Karen O'Brien, Professor Simon Cornish and a visitor from the European Research Council Scientific Council.



A decorative copper alloy finial from the Melsonby Hoard.



Two students at their Congregation ceremony.

Overview

Introduction

Durham is one of the world's great universities and one of the most distinctive.

Founded in 1832, we are England's third oldest university. Today, we're an international family of extraordinary people comprising 26 departments across four faculties, with over 4,800 staff and almost 21,000 students. All our students belong to one of 17 colleges, which provide a unique, supportive environment to inspire them to become the best they can be, in their studies and beyond.

We are a member of the Russell Group of leading, research-intensive UK universities. We appoint academics and thought-leaders to conduct innovative and impactful research that makes a difference globally and locally. According to the Research Excellence Framework (REF), which last reported in 2021, 90% of our research is classed as world-leading or internationally excellent.

We offer a broad range of undergraduate and postgraduate courses covering the Arts and Humanities, Business, Sciences and Social Sciences. Our degree programmes are informed by research undertaken by our staff in partnership with policymakers, industry, the public sector and communities around the world.

We combine academic excellence with a commitment to provide our students with the opportunity to develop as highly motivated, well-rounded and socially engaged leaders of tomorrow. Through our departments and colleges, our students get all the benefits of an enabling, supportive and diverse community, which provide a great source of friendship, wellbeing and pastoral care. Our strong commitment to excellence in sport, music, drama, enterprise and volunteering means that we offer a host of opportunities and produce outstanding performances in all these areas.

Located in the North East of England, we are proud to be part of Durham and of the positive contribution we make to the city, county and wider region.

We are governed by a board of trustees, our Council, supported by a range of sub-committees, with day-to-day management overseen by a University Executive Committee, led by our Vice-Chancellor.

As a charity, we operate for the public benefit and manage our income and costs cautiously. We are committed to responsible and sustainable financial planning and performance, supporting the University's strategic and operational plans within a changing funding landscape and wider financial environment.

Several Durham University Business School students eating lunch in the Waterside building cafe.



League table performance

League tables provide an assessment of our standing in relation to other Higher Education Institutions (HEIs) and are used by applicants and the wider community to judge performance.

The presentation of league table results aligns with other publications and reflects that the rankings, while published in one year (eg 2024), are held by the institution for the following year (eg 2025).

League Table	2026	2025	2024
Complete University Guide	5th	7th	8th
The Times and Sunday Times Good University Guide	3rd	5th	7th
The Guardian	5th	6th	7th
Quacquarelli Symonds (QS) World University Rankings	=94th	89th	78th
Times Higher Education (THE) World University Rankings	175th	172nd	174th
Times Higher Education (THE) Impact Rankings	n/a*	34th	=36th
QS Sustainability Rankings	24th	22nd	19th
Academic Ranking of World Universities (ARWU)	n/a*	201-300	301-400

*These rankings will be published during 2026.

Purpose and value

Our purpose

We enrich lives and change the world through the advancement of learning. We achieve this by:

- Inspiring and supporting staff and students to create and translate knowledge and enhance understanding, locally and globally.
- Promoting inclusivity, civic responsibility, sustainability, social wellbeing and prosperity for the benefit of present and future generations.



Our core lived values

We also have a number of core lived values that set out the principles by which we will act:



Inclusivity

Together we celebrate difference, value one another, and are each responsible for creating an inclusive community that is respectful and fair to all.



Integrity

We are open, honest, ethical, lead and manage by example and follow through on our commitments.



Collaboration

We listen to each other, disagree well with a commitment to academic freedom, are compassionate, and work as a team to achieve our goals.



Commitment to excellence

We strive for the highest standards of achievement in everything we do with an enthusiasm to learn, succeed, and flourish.



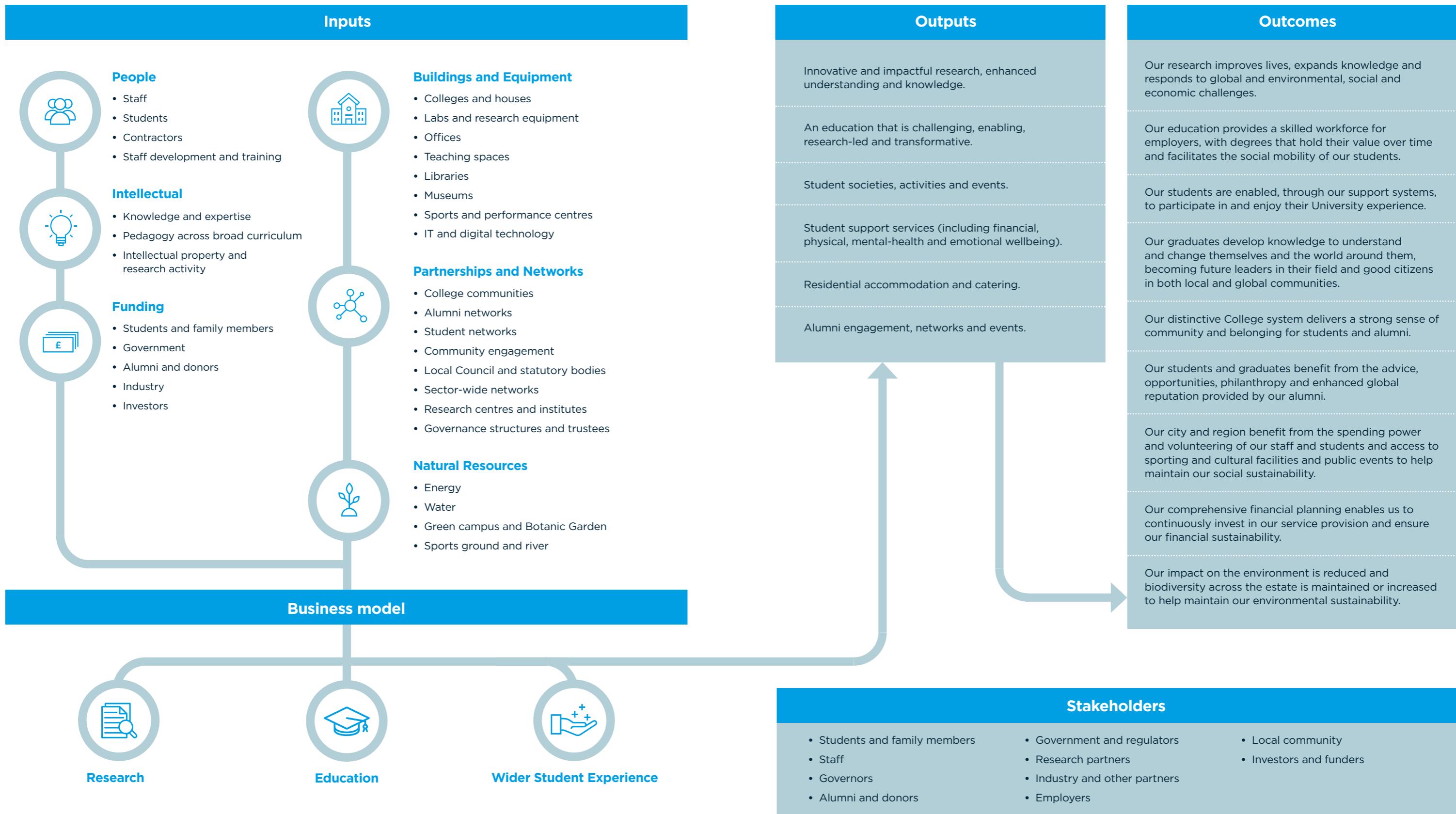
Citizenship

We develop well-rounded people who make a positive difference to local, national, and international communities and change the world.



Value Model

Our value model illustrates how, through our activities, we transform inputs into outputs and outcomes that fulfil our purpose and demonstrate adding value for our stakeholders.





Public benefit

As a charity, we operate for the public benefit through providing education and enhancement through research for the wider community, in line with our purpose and values.

We are a public benefit entity, as described by the Charities Act 2011, our trustees review our aims, strategy and activities on an annual basis to ensure they remain focused on our charitable objectives. In this review, we have due regard to the Charity Commission's published guidance on public benefit. We conduct our business in a fair, proper, transparent and ethical manner; in accordance with the seven principles identified by the Committee on Standards in Public Life. We have adopted the core values and six key elements in the Committee of University Chairs, Higher Education Code of Governance (2020).

In line with our responsibilities under section 13 of the Charities (Protection and Social Investment) Act 2016, we make the following disclosures in respect of our fundraising activities:

- We are registered with the Fundraising Regulator and adhere to the Code of Fundraising practice. We have specific internal policies governing the acceptance of gifts and donor recognition, to which all our fundraising team abides. We are not aware of any failures to comply with either the Fundraising Regulator's standards, or our own policies.
- Our fundraising work includes face to face individual fundraising, legacies, events, Trust and Foundations, corporates, telephone, direct mail and email appeals.
- We do not employ external fundraisers.
- We received no complaints in the year to 31 July 2025 regarding our fundraising activities.
- Our fundraising team adheres to high professional standards and is actively supported and managed accordingly. These standards include avoiding behaviour interpreted as unreasonably persistent or pressured, with all contacts.

Value for money statement

We offer opportunities for educational and personal development that provide graduates with the qualities they need to succeed over the course of their lives in a changing and uncertain world. The fundamental value of a Durham education is therefore to be seen in terms of the sustained long-term benefits provided to graduates and society.

For students, the value of a Durham degree will be reflected in outstanding metrics for further study, for salary and for highly skilled and long-term employment. Exceptional performance in national league tables and international rankings will continue to provide our graduates with significant reputational benefits.

The wider public benefit of the University is reflected in our commitment to enhance social mobility, in the contributions our scholars and graduates make to regional and national economies, and in the community partnerships and engagement of our students, staff and alumni.

Value for money will be enhanced by our ongoing efforts to strengthen the effectiveness and efficiency of our operations, including the development of student-centred processes, the intelligent use of IT systems and controlled incorporation of Artificial Intelligence (AI) into processes. This will be complemented by the prioritisation of staff time and role allocation in relation to the core academic objectives of the University.

We are committed to actively engaging students as partners and will ensure they are informed of the costs that they may be expected to incur during their studies. The University Council ensures that value for money is addressed in key institutional decisions, in the scrutiny of proposals for investment, in the annual review of institutional performance, and in seeking assurance on the University's academic, operational and financial management.

Freedom of expression

Always curious, we challenge ourselves and each other to answer the big questions and create a positive impact in the world.

We promote the right of everyone to freely express views and ideas that are within the law, without fear of interference or persecution, through respectful debate and conversation, to challenge discrimination and build strong, positive communities.

We have a duty to protect free speech and we respect UK law and government guidance in this area as outlined in our Freedom of Speech Code of Practice.

United Nations' Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) are a framework of 17 goals and 169 targets to measure progress towards a more sustainable future. Our UN SDG Group is responsible for the stocktaking of SDG-related research and academic activities and incentivises the implementation of the SDGs in the academic dimension. Activities that contribute towards the SDGs are highlighted throughout the Annual review section of this report.

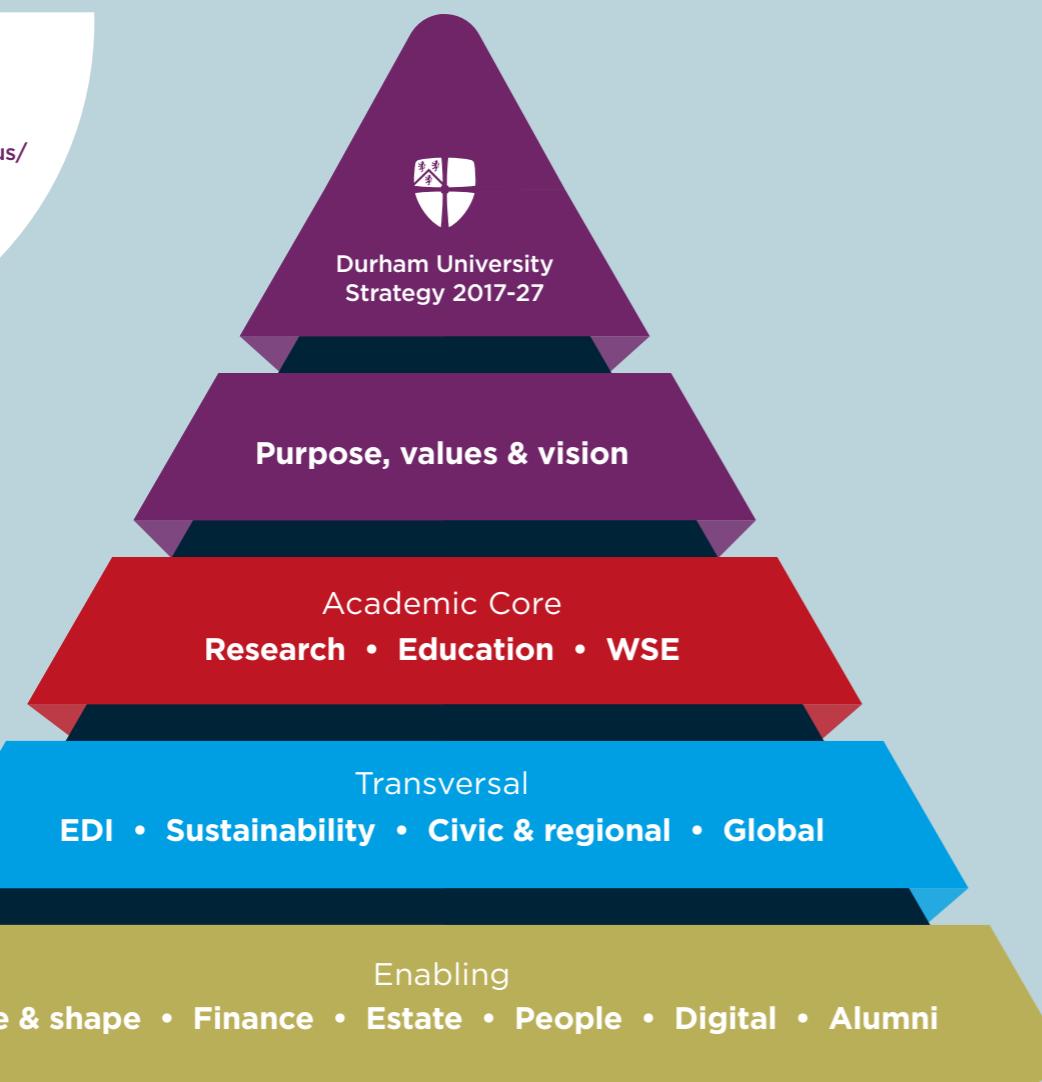


Strategy

Our University Strategy 2017-2027 is built on the three pillars of research, education and wider student experience, but also on our keen sense of community and place, and of inspiring others to achieve their potential.

Since refreshing our Strategy in 2023, we have monitored progress against a renewed set of objectives and actions across all strategy areas overseen by executive leads. Our high-level Strategic Performance Indicators (SPIs) clearly track performance against key metrics over time and these are referenced throughout the Annual review section.

Read our Strategy here:
durham.ac.uk/about-us/university-strategy/



The Strategy informs the planning priorities and parameters for the integrated planning process during the year, so that planning is conducted in the context of the strategic changes needed, particularly around the size and shape of our student population, research income goals and finances.

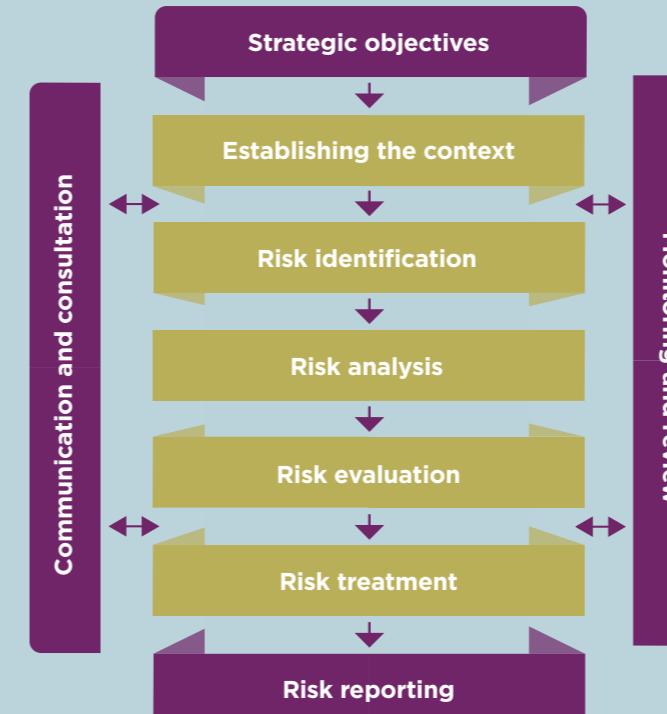
As a central pillar of the University's business model, we are transforming science at Durham to enable improved research income generation and performance, facilitate new opportunities for interdisciplinary working and strategic collaborations with industry partners. Our Science Transformation programme spanning ten years builds on our existing strengths. It will deliver world leading basic, interdisciplinary and translational science and greater impact in areas of regional, national and international importance, working with government, industry and public sector partners.

Managing our risks

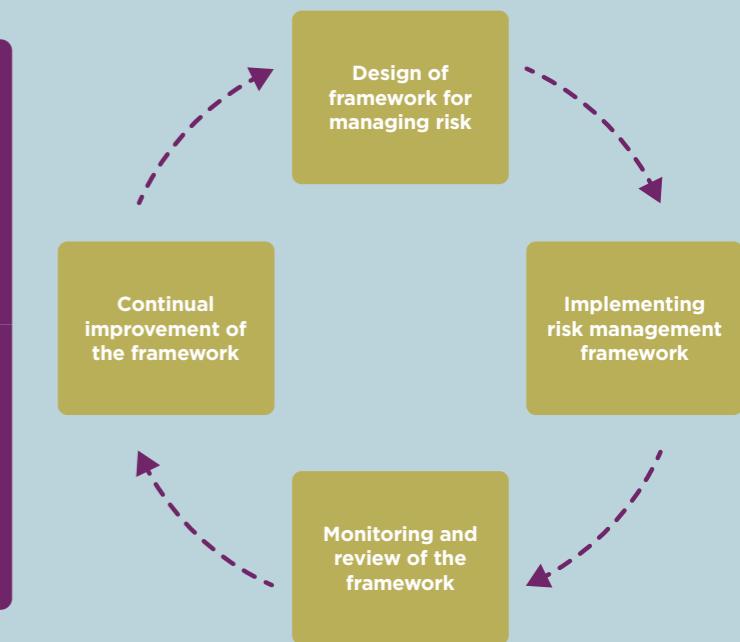
Effective risk management, through continuous improvement and review, is integral to the University's success.

We adopt a "risk aware" approach, considering uncertainties that could impact our value creation. Our framework, based on ISO 31000: Enterprise Risk Management (ERM), involves all management levels and employees, enhancing decision-making, planning, and prioritization to achieve our objectives.

Risk management framework



Continuous improvement cycle



Principal risks and uncertainties

Our annual audit plan addresses the strategic risks and internal audit outcomes are referenced in strategic risk update reports, linking risk management, audit, and assurance. The University Strategy's aims and objectives are mapped to our strategic risk register, showing how strategic priorities help manage risks. A Risk Management Hub offers training resources, literature, and risk reporting solutions.

The Head of Risk Management leads the development of our risk framework and procedures for identifying, managing, and monitoring key risks. This role includes horizon scanning to identify and communicate major external threats and uncertainties.

In 2025/26, we aim to enhance the accessibility and application of our risk management reporting software and risk appetite statements. This will improve visibility of university-wide trends, significant exposures, and emerging issues, supporting evidence-based decision-making.

In 2024/25, we updated our risk appetite statements, adding categories for Change and transformation, Data, Estate and infrastructure, and Partnerships. These statements guide Risk Owners on acceptable risk levels. An independent audit of the Strategic Risk Management framework was found to provide significant assurance with minor improvement opportunities.

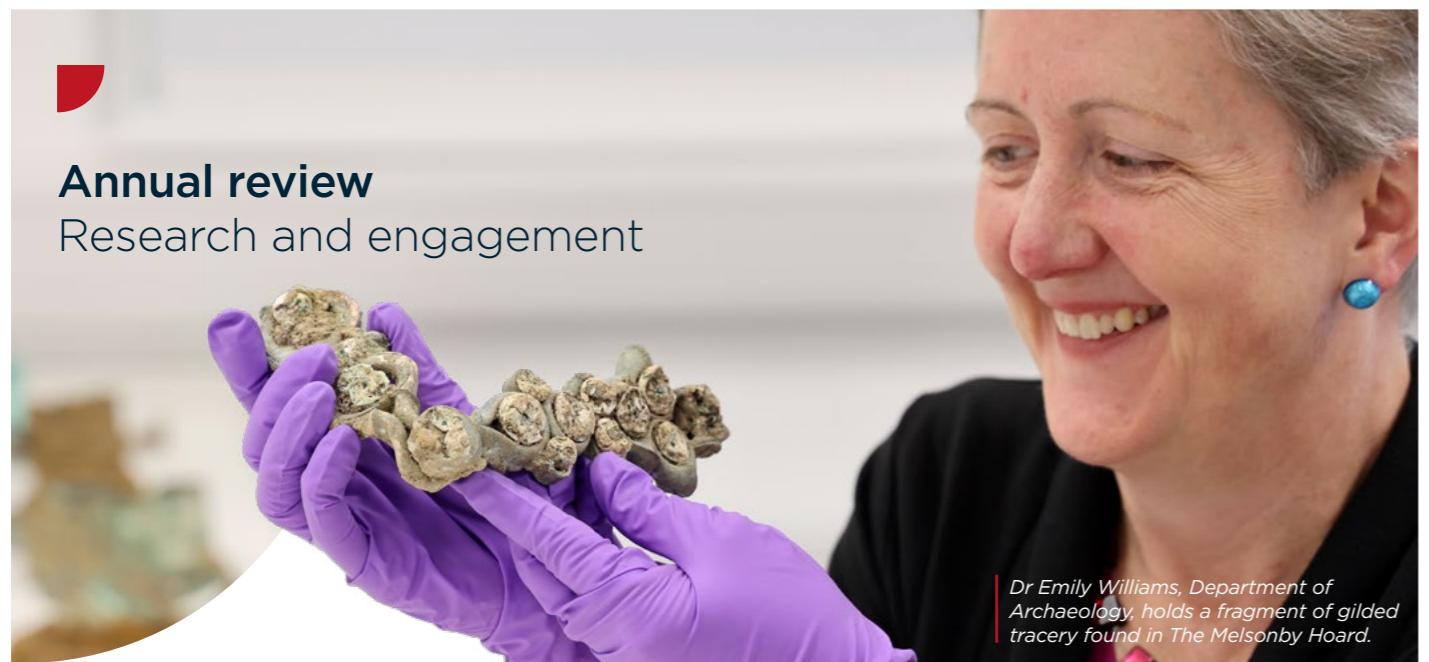
We established a new strategic risk (SR) related to our research and engagement strategy SR13 and three risks increased in residual risk scores: SR02 Business model and financial sustainability, SR03 People and culture, and SR04 Infrastructure - Estate. These increases reflect the challenging operating environment, particularly in student recruitment, operational expenditure, and financial resilience. However, the residual risk score for SR08 Student wellbeing decreased due to the successful implementation of a new Student Support Information Management System.

We remain aware of significant uncertainties that could impact our strategic objectives. Changes to government policy, such as immigration focus, visa entitlements and potential international tuition fee levies, could introduce volatility. Incidents in the retail sector and the rise of generative AI highlight the importance of robust cybersecurity. Council and Audit and Risk Committee scrutinise risk mitigation activities termly, supporting proactive mitigation in line with risk appetite.

The table below shows the key strategic risks and mitigations as of July 2025, with arrows indicating changes in risk scores during the academic year. Within the Annual review section of this report, we have identified where our activities impact on these strategic risks.

Strategic Risk (SR)	Rank	Change in risk score during year	Main mitigations
SR01 Brand and value proposition Risk that there is a disconnect between our value proposition and the needs and expectations of key stakeholders.	=2	↔	<ul style="list-style-type: none"> Enhancing research reputation and profile. Public affairs and policy engagement. Bicentenary fundraising and alumni engagement campaign. Development of international partnerships and programmes. Development of global reputation campaigns and regional strategies to diversify our international student base. Delivery of access and participation plan. International Security working group.
SR02 Business model and financial sustainability Risk that we are unable to generate sufficient income to thrive in the global higher education sector and deliver our mission.	1	↑	<ul style="list-style-type: none"> Business Realignment Group and voluntary severance schemes across both professional and academic services. Increased focus on programme development. Quarterly financial forecasting. Revolving credit facility. Covenant compliance reporting. Integrated planning process including scenario planning. Income generation and diversification in area of research, commercialisation, and digital learning. Provision and scrutiny of monthly management accounts.
SR03 People and culture Risk that we fail to support our people to realise their potential, threatening our ability to deliver world-class research, education, and wider student experience	=4	↑	<ul style="list-style-type: none"> Attractive and evolving total reward package, including terms and conditions, relocation and retention policies, targeted support for international staff. Hybrid working and working principles. Ways to Improve, Streamline, Empower, and Reduce initiative People and Organisational Development Committee. Staff survey and associated action plan. Learning and development opportunities. Inclusive Durham framework. Equality, Diversity and Inclusion strategic framework.
SR04 Infrastructure - Estate Risk that our physical estate is not developed and maintained to a compliant, high standard, impacting on our ability to deliver a world-class environment for students and staff.	=2	↑	<ul style="list-style-type: none"> Integrated Workplace Management System project. Estates Capital Planning Sub Committee Estates Portfolio Group. Sustainability ambition statement and action plan. Space Management Policy. Delivery of Boldon House and Business School at the Waterside projects.
SR08 Student wellbeing Risk that student(s) come to serious harm as a result of health and wellbeing issues, with a particular focus on mental health.	9	↓	<ul style="list-style-type: none"> Student support information management system. Health and Wellbeing Strategy. Suicide: A Strategy for a Safer Durham. Pan-institutional student support project. Student Financial Support service. Counselling and Mental Health service. Student enrichment opportunities.

Strategic Risk (SR)	Rank	Change in risk score during year	Main mitigations
SR09 Information security Risk that the University suffers a compromise to the confidentiality, integrity, or availability of its IT systems or information.	=4	↔	<ul style="list-style-type: none"> Digital Strategy. Cybersecurity Strategy. Information security management system. IT Sub-Committee. Information Governance Oversight Group. Management security operations centre. Cloud governance framework. Continued roll out of the Distributed IT Operating Model.
SR10 IT delivery Risk that the University's IT infrastructure and systems are not appropriately delivered, maintained, developed, and enhanced.	=4	↔	<ul style="list-style-type: none"> Technical debt programme. IT Advisory group. Creation of IT architecture principles. Continued roll out of the Distributed IT Operating Model. Pivot towards agile project management. Student Journey Futures programme.
SR11 Legal and regulatory compliance Risk that we are unable to maintain effective systems of internal control to avoid regulatory non-compliance.	10	↔	<ul style="list-style-type: none"> Annual assurance statements. Anti-Bribery and Fraud Prevention Policy. Governance and Nominations Committee. Academic Governance Oversight Group. Competition and Markets Authority Working Group. Office for Students Co-ordination Group.
SR12 Effective data-led decision making Risk that decision making processes limit our agility and capacity for effective implementation and responding to emerging opportunities.	=7	↔	<ul style="list-style-type: none"> Data Strategy. Risk Management Policy and procedures. Risk Oversight Committee. Governance Review Implementation Group. Portfolio Management Office oversight of strategic projects. Portfolio Review Group. Power BI dashboards/catalogue. Research Data Management Policy.
SR13 Research and engagement Risk that we fail to deliver the aims of our Research and Engagement Strategy.	=7	New	<ul style="list-style-type: none"> Research and Engagement Strategy. Departmental research visibility plans. University Research Institutes. Research Excellence Framework Strategy Group. Strategic research fund. Flourish at Durham. Wellcome Trust Reimagining Governance project.
H&S01 Health and Safety management system Risk of failure of (or weakness within) our Occupational Health and Safety Management System and the potential for staff, students, visitors, or members of the public to come to harm.	11	↔	<ul style="list-style-type: none"> Demonstrable Occupational Health and Safety Management System in place. Health and Safety Committee. British Safety Council 5* Audit. Local and University level risk management and risk assessment registers. Launch of Incident Reporting Information System.



Annual review

Research and engagement

Goal

To strengthen Durham's role at the leading edge of research and innovation, inspiring extraordinary change across the world and in our region.

Current position

Research is at the heart of our mission to create knowledge that transforms lives and shapes the future. As a globally recognised institution, we're proud to foster a vibrant research culture that spans disciplines, drives innovation, and addresses the most pressing challenges of our time.

This strategy depends on attracting and retaining high-calibre researchers, securing funding, providing appropriate facilities and infrastructure, and building strong partnerships and networks.

Through our Research Institutes and Centres, we bring together academics from across disciplines to collaborate, share ideas and approaches, and find innovative solutions. In November, we launched the Durham University Space Research Centre building on our world-renowned expertise in

Link to strategic risks:

- SR01 Brand and value proposition
- SR02 Business model and financial sustainability
- SR03 People and culture
- SR13 Research and engagement



space technology. The centre includes researchers from our departments of Physics, Law, Government and International Affairs, Computer Science and Durham's Business School, and has been recognised as a European Space Agency Laboratory and will lead in scientific advancement, business development, space law and the sustainable exploration of space.

We are leading the professional-development strand of the Universities Policy Engagement Network, a UK-wide network of organisations that support the use of academic expertise and evidence in public policy-making, which has been awarded £5.9m of funding over four years from UK Research and Innovation. Examples of research at Durham that influence policy change include:

- The Durham University Evidence Centre for Education, which provides insights into how poverty affects educational attainment and informs policies to tackle disadvantage.
- Biosciences researchers developing methods to assess the effectiveness of fish routes past river barriers, influencing UK and EU policies to improve river connectivity for more species.

This year we launched a first-of-its-kind Centre for Classics Education Research and Engagement, led by Professor Arlene Holmes-Henderson MBE, aiming to make classics education more accessible and inclusive.

2025 marked 50 years of our involvement in Knowledge Transfer Partnerships (KTPs), helping organisations to grow through collaborative research and development. We've supported over 140 KTP-funded projects with industry partners including:

- Atom Bank, using mathematical models to guide business decisions.
- Evergreen Life, applying machine learning to improve cancer outcomes.
- AGMA, developing more resilient pipelines.

The Durham-led regional initiative, Northern Accelerator, that supports the commercialisation of university research through spin-outs won the Place-Based Knowledge Exchange Initiative of the Year at the PraxisAuril Awards 2024. We also received an £8.9m grant from Research England for the Strategic

Commercialisation Ecosystem North East project. This five-year programme, involving five regional universities and partners, will boost support for research-led businesses, attract investment, and help innovative companies grow locally.

Tracking external research income helps us measure progress. Major awards this year include:

- £10m from the Leverhulme Trust to establish the Leverhulme Centre for Algorithmic Life, led by Professor Louise Amoore, exploring how humans interact with machine learning and AI, and how AI decision-making will impact lives.
- Two Engineering and Physical Sciences Research Council Programme Grants, £12m for quantum research and £8m for molecular solid solutions work.
- Four European Research Council awards for projects exploring: Children as Agents of Culture Evolution; Symmetries and Spectra; Centring Care in International Law; and Building body image resilience in populations undergoing rapid economic development.
- £3m from the Arts and Humanities Research Council as part of a collaborative regional bid to create three "Green Corridors" in the North East, connecting communities with nature, history, and culture, boosting biodiversity and wellbeing.
- £3.8m for a new Durham-led skills initiative to train and support digital research technology professionals to exploit the latest computing technologies, accelerating research and solving real-world problems.

Research highlights from the year

- Abuse crisis in Catholic Church has led to a drop in Mass attendance www.durham.ac.uk/news-events/latest-news/2024/10/abuse-crisis-in-catholic-church-has-led-to-drop-in-mass-attendance/
- Turning sewage into sustainable fuels for transport and carbon products for agriculture and industry www.durham.ac.uk/news-events/latest-news/2025/05/115m-project-to-turn-sewage-into-sustainable-fuels/

Strategic Performance Indicator

Research income



Annual review

Educational excellence

Goal

Education that is challenging, enabling, research-led and transformative.

Current position

Our education develops intellectual capabilities, provides the capacity for independent learning and problem-solving, and supports our students to gain the skills they need to succeed in future employment and further study. This approach enables us to break down barriers to opportunity through educational provision.

We offer a range of undergraduate and postgraduate degrees across our 27 academic departments, providing the best education, built on the principles of innovative teaching and a research-led curriculum. Our students value this approach, as evidenced by our best results for some years in the National Student Survey 2025 where we were ranked in the top 10% of non-specialist universities for teaching, academic support, and organisation and management.

We consistently evolve the content and delivery of courses to ensure our education remains relevant to students. A current focus is on improving digital teaching skills and fostering sector-leading programmes through the Durham Centre for Academic Development. This year, we launched a series of new Masters courses with a focus on employability.

The value of a Durham education is evidenced through our positive performance in the Graduate Outcomes survey, which all graduating students from England, Wales and Northern Ireland are asked to complete. The most recent figures showed that 82.7% of our 2022 graduates were in highly skilled employment or study 15 months after completing their studies. This places us in the Top 10 of UK non-specialist universities, and the top 5% of all higher education providers, with a figure that is materially above our Office for Students (OfS) regulatory benchmarks.

We are committed to fostering an inclusive and diverse community, where everyone can excel and contribute to a vibrant intellectual culture. Through targeted outreach, contextual offers, improved support systems, and innovative teaching strategies, we seek to ensure equitable access, success, and progression for all our students.

21

of our subjects in the World
Top 100 QS World University
Rankings by Subject 2025

This year, we launched our new four-year Access and Participation Plan. Through this plan we've identified particular groups of students facing extra challenges in accessing and participating in higher education, and have developed targeted support:

- Increased access to Durham for students from low participation neighbourhoods and lower-income backgrounds.
- Increased enrolment of students from groups underrepresented in higher education.
- Expanded support for care-experienced students.
- Closing attainment gaps for disabled students and mature learners.

Acknowledging our location in the North East, which has one of the lowest participation rates in the country for higher education, we are committed to raising aspirations through an early focus in individual development, including programmes with regional schools, our science festivals, and activities by our museums and libraries. One in five of our current UK undergraduate students comes through a project designed to widen access to university.

We offer a range of financial support packages including scholarships and bursaries, funded by external organisations and philanthropy, to support students during their studies, to enable involvement in extra-curricular activities and the uptake of work placements and internships. This year we launched several new scholarships that support local students from lower income households and with care experience.

We provide a professional, comprehensive and accessible careers service to students, graduates and employers, offering advice and guidance, work experience opportunities, support to develop entrepreneurial skills, and recruitment events. Our Careers and Enterprise team were shortlisted for an Educate North Award as a result of their programmes to facilitate employability right across our student community. Over the last five years, our Venture Lab, providing support and resources to aspiring entrepreneurs, has helped 140 startups that have collectively raised over £25m in external funding and created over 200 jobs. www.durham.ac.uk/venturelab

Educational highlights during the year include:

- The Durham Learning Alliance, formed in September 2024, a groundbreaking partnership with four local Further Education colleges to expand employment and apprenticeship opportunities and drive economic growth in the region.
- Stargoi, scooped the award in the Partnering with Schools category at the Odgen Trust Outreach Awards. The project provides young people with the opportunity to learn more about physics while taking part in interactive activities and exercise.



Future plans

For 2025/26:

- Launch our Durham Doctoral School, with enhanced coordination and support for our research degree students.
- Working with feedback from the student body, develop new principles and detailed information on academic advice and guidance.
- Continue our Academic Student Experience Review with a focus on how we support students whose academic studies are affected by unforeseen adverse circumstances.

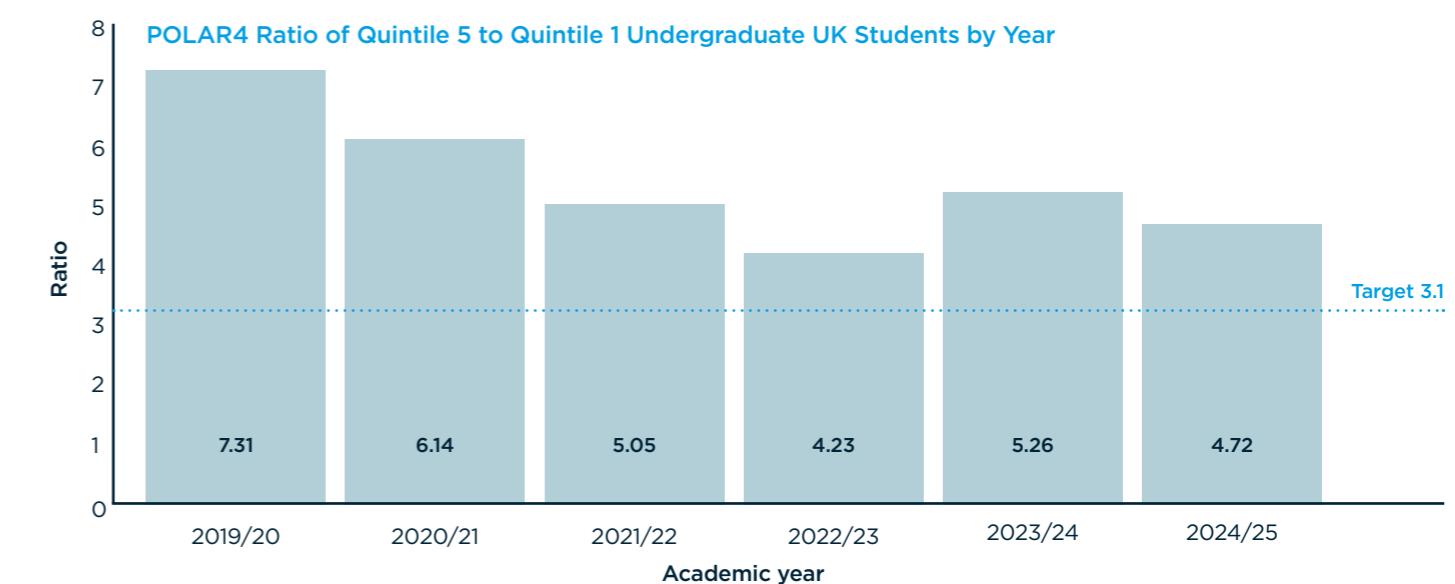
Strategic Performance Indicator

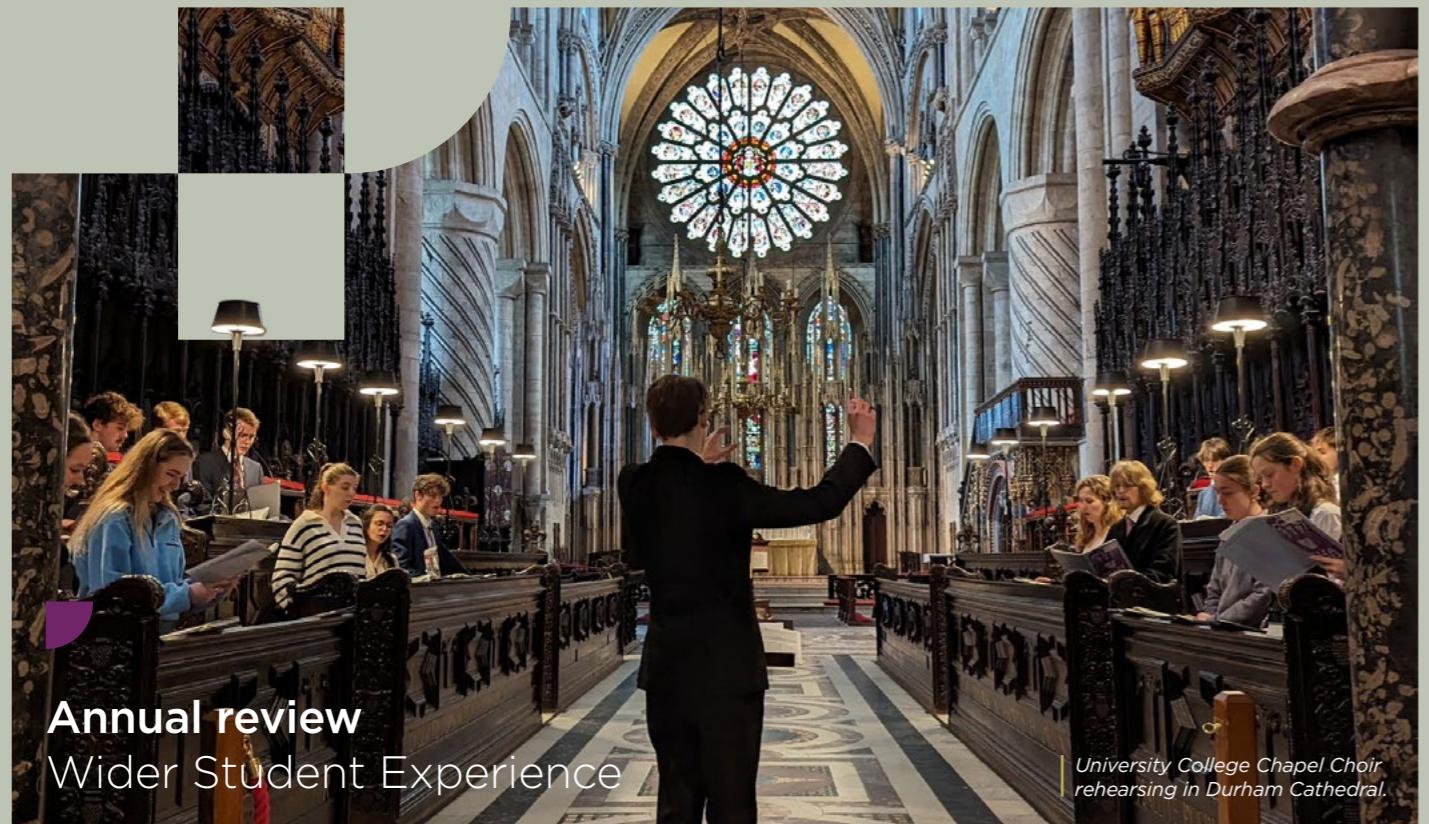
POLAR4* ratio of Quintile 5 to Quintile 1 undergraduate UK students by year

*POLAR4 measures the likelihood of young people in a particular area attending higher education. Quintile 5 relates to areas where it is most likely that young people will attend higher education and quintile 1 is least likely. Our target of 3:1 aims to increase recruitment from the low participation neighbourhoods and is impacted by multiple internal and external factors creating a fluctuating picture but an overall positive trend over the last five years.

Link to strategic risks:

- SR01 Brand and value proposition
- SR02 Business model and financial sustainability
- SR03 People and culture





Annual review Wider Student Experience

Goal

A transformative Wider Student Experience delivering long-lasting benefits for graduates and society.

Current position

We invest in our students to equip them with enhanced life skills and broader perspectives to complement their world-class degree, so they are able to make a positive and purposeful difference in an ever-changing and challenging world.

We provide a unique collegiate model where students become a member of one of our 17 colleges for their entire time at Durham and remain a member for life. Each college incorporates students from a mix of subjects, encouraging engagement with different perspectives, assisted by a dedicated student support and enrichment team.

This year we celebrated the 60th anniversaries of Ustinov College and Van Mildert College, the 65th anniversary of Grey College, and the 125th anniversary of St Mary's College. Hundreds of alumni returned to their colleges to celebrate,

Link to strategic risks:

- SR01 Brand and value proposition
- SR03 People and culture
- SR08 Student wellbeing



and fundraising efforts generated hundreds of thousands of pounds for flagship student projects and new scholarships and bursaries for students from lower-income backgrounds.

Through the colleges, our students can access a wide variety of enrichment activity, examples this year include:

- **Arts and culture** – University College Chapel Choir sang in cathedrals across the UK and Scandinavia, were invited to sing at St Peter's Basilica in the Vatican, and recorded a new album; Hatfield College held the All One Hatfield Film Festival; and the South College Drama Society performed Monty Python's Spamalot with a nine-piece jazz band.
- **Links with the local community** – Josephine Butler College welcomed members of the Durham Area Disability Leisure Group and their families into college for relaxed social activities with students; John Snow College students led talks and taster sessions provided by the Linacre Institute, an educational charity helping students in the North of England gain the confidence to apply to university; St Chad's College's Schools Outreach Programme welcomed over 500 young people from North East schools; and Ustinov College's SPARK (Students Providing Access to Research and Knowledge) initiative brought postgraduate research to life in schools across County Durham.
- **Global activities** – students from Stephenson College went on exchange to California State University, Los Angeles, for a creative writing workshop programme; Ustinov College's Global Citizenship Programme attracted nearly 1,000 participants; a joint online cultural exchange session was held between Grey College and Henry Fok Pearl Jubilee College, University of Macau; and Trevelyan College held a lecture series on "Democracy and the tale of five elections", exploring the significant elections held worldwide in 2024.
- **Intercollegiate sport** remained the largest competitive participation programme in the UK higher education sector.



Across the wider University, enrichment activity highlights include:

- An institution-wide project, bringing together staff and students, to embed Graduate Attributes across academic and co-curricular activities to help students recognise, develop and articulate the skills, behaviours and mindset attained at Durham, to enhance employability and support life transitions.
- Achieving third position in the British Universities and College Sport league table - maintaining our top 3 position since 2012.
- Northern Lights, our premier a cappella vocal group, placed third in the finals of the International Championship of Collegiate A Cappella in New York - our best position yet.
- Celebrating 50 years of Durham Drama Festival, the annual student playwriting competition, with nine plays and an exhibition.

Responses to our annual Wider Student Experience survey shows 85% student participation rate in extracurricular activities, significantly surpassing national averages. This high level of engagement not only enhances skills acquisition but also promotes student wellbeing and a strong sense of belonging. We continue to monitor trends and seek to understand the reasons behind any change in behaviour.

Alongside enrichment activity, we provide outstanding student support:

- We secured the prestigious University Mental Health Charter Award.
- We introduced a revised policy on student drug use, developed with students and experts, and in response to new Universities UK guidance, which focuses on harm reduction and the appropriate balance between support and discipline.
- We implemented a Student Support Information Management System to make it easier for staff to record and access student support information.
- Our new student reporting process for fraud and scams, along with preventative communications, was identified as best practice by the National Fraud Protect Network.



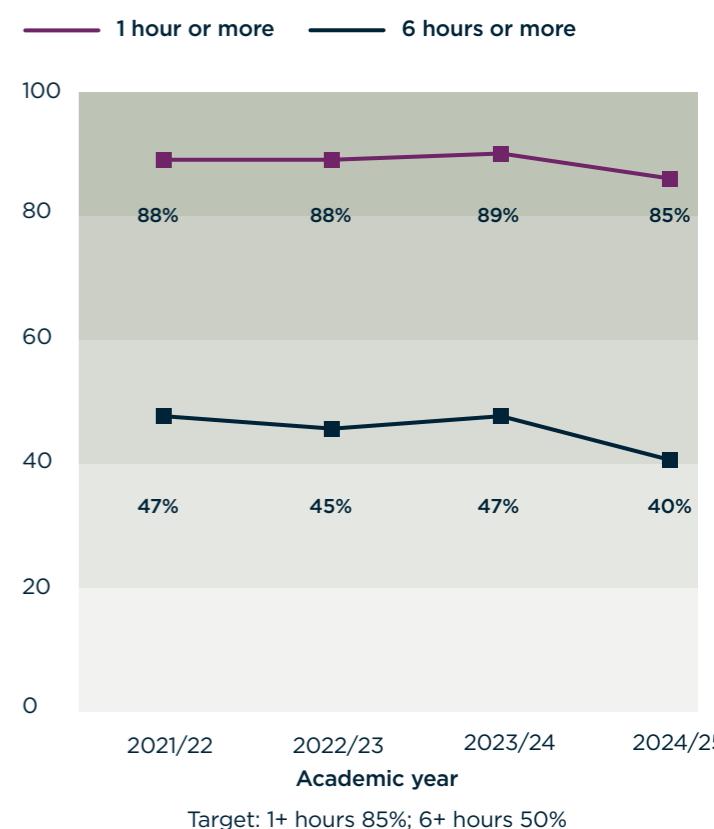
Future plans

For 2025/26:

- Develop and implement a new Accommodation Management System.
- Reintroduce Durham Venture School, a six-month startup creation programme for Durham graduates, and launch a new student innovation competition.
- Review and refresh a range of policies and strategies relating to student health and wellbeing.
- Launch phase two of Durham's Graduate Attributes Implementation project.

Strategic Performance Indicator

Student engagement in extra-curricular activities



Annual review

Global Durham

Current position

We are a globally significant university, framed by our international outlook, composition of our staff and student body, the reach and impact of our research and the influential and socially impactful work of our alumni community across the world.

Being a global brand brings students, staff, visitors and inward investment to the region and fosters collaboration with powerful economies throughout the world.

We carry out international recruitment, cultivate student exchanges, provide support for outstanding careers for students from all over the world, engage in collaborative research initiatives, partnerships and networks to share knowledge, increase our global presence, reputation and impact. This was celebrated through March's Global week, with over 70 events in Durham and worldwide, to celebrate our international impact through our students, staff and connections.

During 2024/25, 32% of our student body came from outside the UK (2023/24: 31%). International students enhance the learning experience for all students, their spending supports the regional economy, and they help to establish and maintain relationships based on goodwill and friendship to the longer-term benefit of Durham and the UK.

Our reputation is critical to sustain our success in a highly competitive global higher education market. As an institution, we are ranked within the top 100 in the prestigious QS World University Rankings. The 2025 QS Subject Rankings demonstrate our strongest-ever performance with 21 top 100 subjects, up from 19 the previous year. This defines the extraordinary standard of our teaching and learning and the high employability prospects of our graduates. Eight subjects are ranked in the global top 50, with 3 in the top ten:

- 6 – Archaeology.
- 6 – Theology and Religion.
- 9 – Classics and Ancient History.
- 11 – Geography.
- 29 – Anthropology.
- 31 – Philosophy.
- 33 – English studies.
- 36 – History.

We have partnerships and affiliations with many institutions and organisations worldwide and encourage staff to work internationally, to collaborate and to build global networks to enhance our excellence in research and teaching, and raise our profile overseas. At the same time, we carefully monitor our international collaborations to ensure security of information, legislation compliance and changes in geopolitical environment.

Our partnership with Zaporizhzhia National University in Ukraine continues, with online law lectures for students from both institutions, sharing of educational resources by our academics in Biosciences and Chemistry, hosting students and visits from staff to explore research collaborations and share best practice in areas such as student wellbeing, energy efficiency and leadership development.

Global events and connections during the year:

- We celebrated the first year of our memorandum of understanding with Smithsonian's National Museum of American History by launching our internship and fellowship programmes supporting Durham staff and students to engage with the museum's unique collections.
- In November, we became an associate member of the Arqus European University Alliance, a partnership of nine research-intensive universities, part of the EU's flagship European Universities initiative that seeks to transform European higher education and research.
- In December, we established the North Sea University Partnership with seven universities in the North of England and Norway, to foster research collaboration relating to energy, green transitions, marine research, cultural heritage, the arctic and health.
- In March, we proudly hosted the Coimbra Group Climate Symposium marking the official adoption of the Durham Declaration on Climate Change and Sustainability by the group and kickstarting the Coimbra network's 40th anniversary.
- In May, we hosted a workshop with over 70 researchers and senior representatives from the 11 UK-Japan RENKEI member universities, on sustainable and just solutions for accelerated decarbonisation of economies and to achieve lasting societal wellbeing.



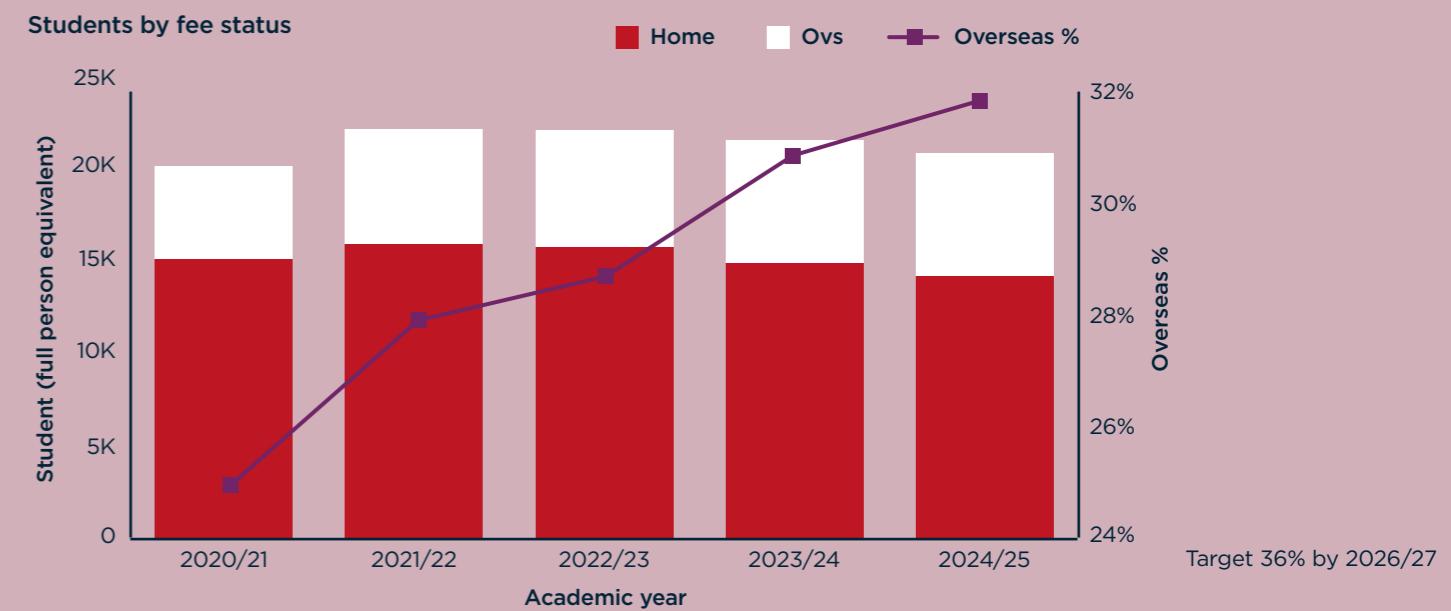
Students and visitors throwing different coloured paint powders at a Holi Festival of Colour event.

Future plans

- To develop flagship transnational education programmes to widen access to our world-class educational offer.
- To transform the international applicant journey through the development of capabilities, processes and systems, supported by data and market insight.
- To deepen relationships with key partners and networks to raise our reputation and grow the impact of our research.
- To grow opportunities for students from disadvantaged backgrounds to gain international experiences and the transformative impact these have.



Strategic performance indicator





Our Vice-Chancellor pictured with the Vice-Chancellors of Newcastle, Northumbria, Sunderland and Teesside Universities at the Universities for North East England launch at Westminster.

Annual review

Civic and regional partnerships

Current position

As a world-leading university, we contribute to the success of our city, county and region through initiatives and partnerships that are driving economic and social growth, improving health and wellbeing, creating and conserving culture and heritage, helping our region become more sustainable, and advancing education and skills. This broad strategy spans public engagement, research and innovation activity, public and private sector partnerships, culture, heritage, volunteering and political affairs.

This year saw the launch of Our Durham Story and the Durham Champions Network, bringing together businesses, organisations and individuals from across the region to promote County Durham on a global scale and generate opportunities for growth and development.

In June, we launched REACH County Durham, a partnership with Durham County Council and Durham Community Action, which aims to examine ways to tackle the unfair and avoidable differences in health experienced by communities in our area.

In December, we partnered with Sunderland Football Club's Foundation of Light charity to work on initiatives aimed at improving communities within the region. The first project is establishing a Youth Health Hub in Stanley, one of our most disadvantaged communities, that will address educational attainment, health challenges and social care.

We celebrated the establishment of the Durham Learning Alliance in September, formalising a groundbreaking partnership with four local further and higher education colleges to expand education opportunities and drive economic growth in the region.

Universities for North East England (UNEE), is a new partnership with the universities of Newcastle, Northumbria, Sunderland and Teesside, to collectively promote the region's higher education offering and increase our cultural, social, and economic impact through engagement with schools and businesses in the area. The formal launch event at Westminster in May brought together politicians, policy makers, business leaders, universities and other partners. With significant funding from Research England, we are leading a UNEE project, the Strategic Commercialisation Ecosystem North East (SCENE) project, to scale up support for our research-led spin-out businesses, attract international investment, and help ensure new innovations stay and grow in the region.

From raising aspiration and attainment in local schools to ensuring that local communities can access culture, events and sport, the full impact of our civic and regional engagement is hard to overstate. Our annual Science Festival in 2025 saw 648 students from 21 schools engage in interactive science activities. Our museums, galleries and botanic garden are open to the public and this year the Shakespeare Recovered Exhibition told the story of the theft of our First Folio copy and our conservation team's work to restore it. Our sports facilities host many local sports clubs and run school holiday camps. We are also a major partner in local festivals and events including the Durham Book Festival, the City Run and the Durham Fringe. In addition, our staff and students engaged in almost 30,000 volunteering hours making a positive difference to local communities and personal wellbeing.

One measure of our regional contribution is evidenced through the London Economics report that revealed the N8 universities – Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York – generate £18.8 billion to UK economy, with £9 billion concentrated in the North of England. Our institution, provides £1.9 billion GVA (Gross Value Added) and supports more than 17,000 jobs.



"Our work with Durham University has demonstrated how it is successfully breaking down the barriers to opportunity, using its global leadership to benefit the region. At the heart of its community, it is fostering a pipeline of talent, raising standards and aspirations through its extensive outreach work in schools and providing a nurturing and stimulating academic and social environment for its students."

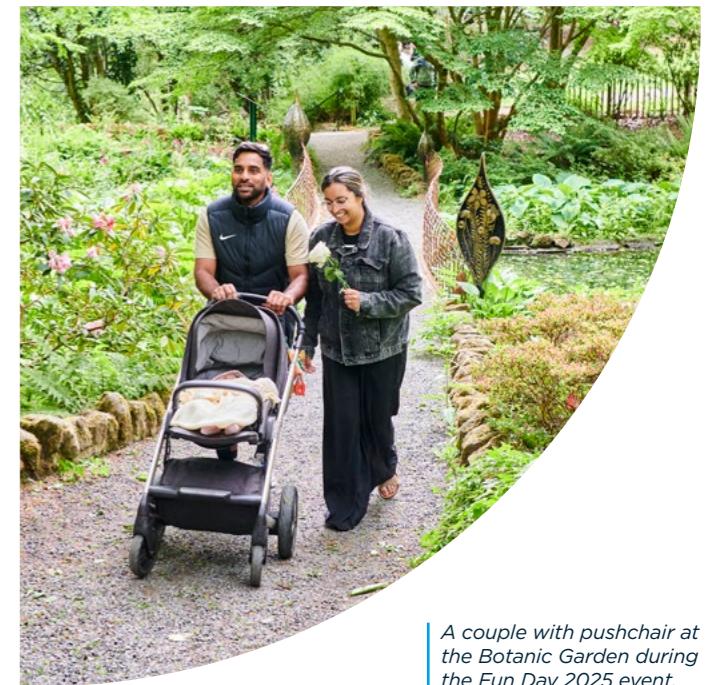
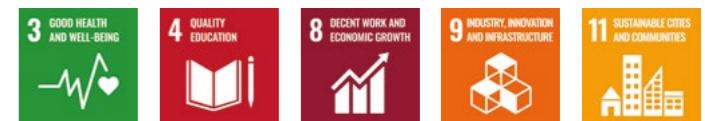
Breaking Down Barriers report, Purpose Coalition 2024

Future plans

- Continue engagement with Our Durham Story and the Durham Champions network.
- Play an active role in the refresh of the County Durham Inclusive Economic Strategy starting from September 2025.
- Build our impact across County Durham, driving forward our relationships with key partners.
- Explore the expansion of our Learning Alliance, bringing lessons to bear on the work of UNEE.
- Provide opportunities for staff and students to develop joint public policy connections with local policymakers and regional MPs.

Link to strategic risks:

- SR01 Brand and value proposition
- SR13 Research and engagement





Annual review

Inclusive Durham

Current position

The university's commitment to Equality, Diversity, and Inclusion (EDI) is fundamental to delivering our purpose as a university: "We enrich lives and change the world through the advancement of learning" and is now an integral part of the Inclusive Durham brand.

Our Inclusive Durham Framework, launched in July 2024 following engagement with students and staff, provides a coherence to our approach and a structured roadmap for embedding inclusivity across all aspects of university life. Across our activities, resources, training programmes and networks, we aim to foster strong relationships and mutual understanding to ensure that everyone feels part of a unified and supportive university culture.

The Athena Swan Charter continues to guide our progress in advancing gender equity across the University. Our current recognitions include:

- Institutional bronze award (silver level application submitted).
- Faculty silver award for the Business School and Arts and Humanities.
- 12 department silver awards.
- 5 department bronze awards.

Our Bronze Race Equality Charter award, supported by an institutional action plan 2022-2027, aims to improve the representation, progression and success of racially minoritised communities. Our mid-term review in 2025, assessed progress and challenges, leading to revised actions, and highlighted key areas of impact including:

- A targeted plan to increase representation of UK racially minoritised professional services staff resulting in an increase in applicants from 15% in 2020/21 to 28% in 2022/23 and a steady increase in appointments.
- EDI Staff Survey 2023/24 found that 62% felt confident their department could discuss race-related behaviours and challenge inappropriate conduct.
- A cross-institutional mentoring initiative (with North East institutions and led by Durham) for over 40 racially minoritised PhD students and 82 academic staff showed improved wellbeing and academic flourishing among participants.

Link to strategic risks:

- SRO3 People and Culture



EDI staff hosting a stall promoting Inclusive Durham at a staff conference.

We run various programmes targeted at different under-represented groups in higher education including the Space to Explore Potential programme to support young Black-heritage students into and through higher education and the Women in Technology programme to empower female students into careers in technology.

Our Disability Confident Leader status reflects our strategic progress in embedding inclusive practices, including the roll out of our Workplace Passport providing a record of workplace adjustments between an employee and their line manager. Staff disability disclosure rates remain above the Russell Group average, indicating trust and awareness. We continue to ensure that all disabled staff feel safe and supported in sharing their identity.

The increase in the gender pay gap for the period ending 31 March 2024 (the latest available figures) reflects the higher proportion of male promotions to Professorial Band 3 in that period. In addition, some lower graded staff were given vouchers in December 2021 as a thank you during the cost-of-living crisis and noting that many had been on campus throughout the pandemic. In summer 2022 all staff received a thank you payment (between £500-£1,000) for their hard work during Covid. No such payments have subsequently

been made. Nevertheless, progress since 2020, in both median and mean, reflects an overall improved trajectory. We remain committed to addressing these gaps through our Inclusive Durham Framework.

EDI highlights during the year include:

- The launch of an updated EDI required learning module for employees, completion rate at 97.8% by August 2025.
- The UK's first WE (women entrepreneurs) Innovate National network with five leading UK universities to support women-led business teams.
- A pioneering career mentoring programme, pairing industry professionals who graduated within the past five years, with students just beginning their academic journey. Providing real-world insight, fostering confidence, and equipping undergraduates with the tools to navigate university life and the future world of work.

- Commitment to the Gypsies, Travellers, Roma, Showmen and Boaters into Higher Education Pledge.

Future plans

- Further embed our Inclusive Durham Framework, delivering five key strategic projects under one action plan created by the community, for the community.
- Embed the use of Equality Impact Assessment as a tool for identifying and mitigating potential adverse impact of policies, practices and activities on marginalised communities.
- Further embed the Workplace Passport to share a confidential record of adjustments agreed between an employee and their line manager.

Strategic Performance Indicators

Proportion of staff from underrepresented groups

	Professional Services Staff			Academic Staff		
	2022/23	2023/24	Target	2022/23	2023/24	Target
Known disability	9.9%	10.6%	7.3%	5.2%	10.1%	6.0%
Racially Minoritised*	4.6%	5.4%	7.0%	20.7%	23.5%	25.9%

*Excluding unknown

Data source: Higher Education Statistics Agency (HESA) (2024/25 data to be published during 2025/26)

Gender pay gap





Annual review Sustainability

Current position

Our Sustainability Ambition Statement (2023) sets out our mission to deliver excellence in education, research and wider student experience in the most sustainable way possible. The statement outlines targets for the way we manage and care for our estate, including:

- Achieving Net Zero by 2035.
- Achieving Biodiversity Net Gain from a 2018 baseline by 2032.
- Increasing our recycling rate to 70% by 2042.

These commitments are reflected in policies, plans, procedures, and networks which seek to make the most effective and efficient use of resources, encouraging all members of the University community to develop an ecologically sound approach to their work, studies, and lives as well as sharing our knowledge with partners locally, regionally, nationally and internationally.

In May 2025, we hosted a Climate Symposium to celebrate the 40th Anniversary of the COIMBRA network of 39 European universities. The event culminated in the signing of the Durham Declaration on Climate Change, which commits signatories to

Link to strategic risks:

- SR04 Infrastructure - estate



seven key principles, including the responsibility to educate our students and prepare them with the skills needed to address the climate crisis and biodiversity loss.

We have made a major investment in sustainability research through our Strategic Research Fund, which includes four projects that contribute to the SDGs:

- Space Research Centre – to help shape a responsible, resilient and globally competitive space sector.
- SMART Soils programme – to design soil and plant restoration technologies.
- Heritage 360 – bringing together research at the interface of cultural and natural heritage.
- JusTNow – to research sustainable and just solutions for accelerated decarbonisation of economies.

www.durham.ac.uk/research/current/strategic-research-fund/

We are directly involved in international climate change negotiations under the UN Framework Convention on Climate Change, with an annual delegation to the Conference of Parties. Staff shared their research at the conference followed by a public debrief event in Durham.

In February 2025, we signed the UK cross-sector Concordat for the Environmental Sustainability of Research and Innovation Practice, to reaffirm our commitment to sustainable practices in research and to promote wider solutions to environmental challenges.

We are playing our part in making North East England a sustainability leader through research and skills development, as well as practical delivery. Two green energy projects in which we are a partner have secured a combined total of £16.8m in financial support from the North East Investment Zone via the North East Combined Authority. The North East Technology Park (NETPark) at Sedgefield, County Durham, project will focus on vehicle electrification, battery technology and clean energy systems while the Energy Central Campus at Blyth, Northumberland will focus on offshore renewable energy and clean energy workforce development.

A workshop taking place at the Coimbra Group Climate Symposium held at Durham University.

We continue to improve the sustainability of our campus and this year we increased our installed solar panel capacity, across over 30 buildings, to 1MW. This low carbon electricity will reduce emissions in Durham by approximately 200 tonnes each year. We have expanded our food waste minimisation project and continued the Green Move Out recycling scheme for the 21st year. We also promote public access to our greenspaces including supporting projects for local children affected by the criminal justice system who come to experience outdoor learning and wellbeing activities.

Our efforts to address sustainability issues are validated through external recognition:

- Ranked 22 out of 1,751 universities in the QS World University Rankings for Sustainability 2025.
- Maintained our EcoCampus Platinum status following an external audit in 2025.
- Shortlisted for two UK and Ireland Green Gown awards, in the 'Student Engagement' and 'Benefitting Society' categories.
- Winning three County Durham Environment awards.
- Winning the NBV Group Award 2024 at the National Biodiversity Network Conference for our MammelWeb project on tracking populations of wild mammals in the UK and Europe.

Future plans

- Expand our approach to sustainable procurement.
- Establish a new Waste Reduction Group.
- Refresh our Integrated Sustainability Travel Plan.

Net zero key metrics

The figures in the table have been produced using the methodology of previous years to ensure continuity and comparability of year-on-year data for trend analysis. In reviewing the methodology, we have identified that the calculations used for Scope 3 (voluntary) emissions, particularly Business Travel, do not fully align with best practice via recognised methodologies such as the Greenhouse Gas (GHG) protocol or the Standardised Carbon Emissions



World Top 30 university for sustainability

(QS World University Rankings 2026)



Reporting Framework (SCEF). We have committed to a review to include benchmarking against recognised standards and sector good practice, integrating with a Business Travel Policy, and strengthening governance and validation processes for future years. This approach balances timely compliance and transparency with a clear pathway towards more robust carbon reporting in future submissions.

Whilst the outlook for reaching our Net Zero target remains challenging, national emissions factor changes this year mean our emissions profile has broadly reduced. Although activity responsible for Scope 2 and Scope 3 emissions has remained static or increased from previous years, we have seen a real reduction in gas consumption and associated Scope 1 emissions following energy conservation work.

Activity	2018/19 (baseline year) emissions in tCO ₂ e	2023/24 emissions in tCO ₂ e	2024/25 emissions in tCO ₂ e	Reduction year on year	Reduction against baseline	2034/35 Science based target reduction (%)
Scope 1 Estate – gas, fleet, fuel and F-gas	13,831	12,802	11,702	9%	15%	67%
Scope 2 Electricity use	10,179	8,156	6,931	15%	32%	100%
Scope 3*						
Business travel	5,732	4,149	3,856	7%	33%	40%
Waste	59	12	10	20%	84%	40%
Water	412	130	123	5%	70%	40%
Total	30,213	25,249	22,622	10%	25%	73%



Annual review

Size and shape

Current position

Our strategy sets out the optimal size and shape of our institution to support wider strategic goals.

During 2024/25, we employed over 4,800 staff across teaching, research, technical, support and professional roles. Almost 21,000 students were enrolled with us on undergraduate and postgraduate degree programmes.

Following the voluntary severance scheme in 2025, our total staff numbers fell by around 5%. This reduction will reduce overall staff costs going forward, with minimal impact on student support as we adopt more efficient ways of working.

The great majority of our students continue to be based in and around Durham. We also have a small number of partially or fully online programmes and have agreed plans to take forward a modest increase in this part of our education portfolio and a small number of partnerships with high calibre international institutions.

In line with our Strategy, our aim is to revise student numbers to ensure we maintain a balanced and diverse mix between undergraduate, postgraduate, home and international. The profile of our students is influenced by several external factors, most notably last year by a decline in international recruitment

Link to strategic risks:

- SR01: Brand and value proposition
- SR02: Business model and financial sustainability
- SR03: People and culture
- SR04: Infrastructure - estate

Annual review

Digital

Current position

Our Digital Strategy aims to embrace the opportunities offered by digital technology to support and enable the University to change and develop at the scale and pace required, through careful investments that deliver real value.

We continue to explore the opportunities AI brings, with a comprehensive and proactive approach to its adoption in teaching, learning and assessment. Building on our “Educate, Embrace, Enhance” framework established in 2023, we have delivered workshops and online resources to equip staff and students with skills and confidence to use AI in their work. We have funded projects such as AI tutors in biosciences, chatbots in physics labs, and exploring how AI might benefit neurodivergent students. This work is founded on AI policies covering ethics, assessment, literacy, and accountability.

Our focus on building and enhancing digital skills more broadly, continues to bring significant benefits to our people. Our community of Digital Champions and Student Digital Leaders have helped support over 1,000 individual digital capability self-assessments, over 3,000 webinar registrations, and a 91% satisfaction score from participants in the Champion Programme.

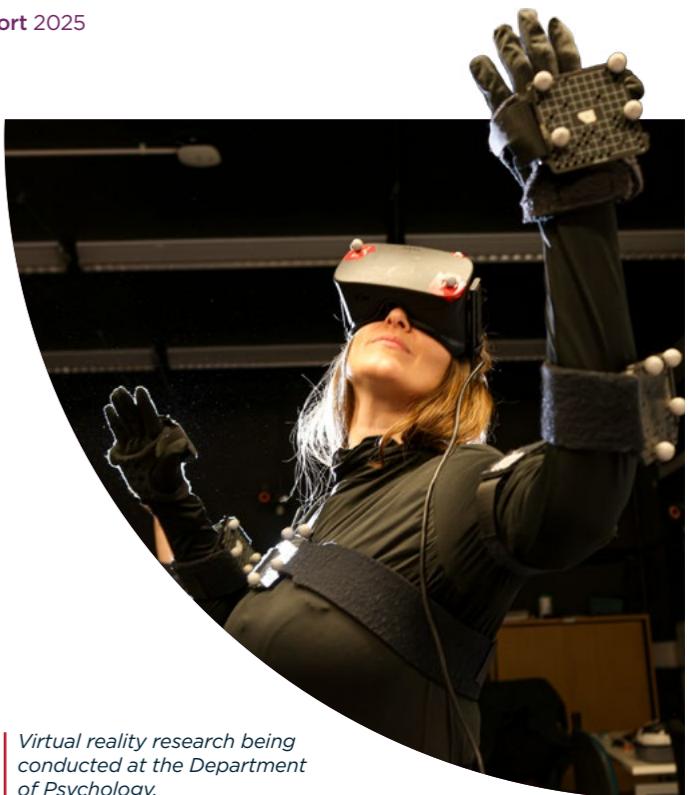
We installed smart technology into our newly refurbished buildings (at Waterside and Boldon House) providing monitoring and reporting on occupancy levels and usage trends, and options to support different approaches to learning, teaching, and working that offer seamless connectivity for communication, collaboration and engagement. These advanced capabilities are now being used as a blueprint for other buildings as part of our annual refresh cycle.

We need to ensure our digital investments deliver value and support long-term financial resilience. Projects such as firewall replacement and storage technology upgrades have delivered cost savings while improving energy efficiency and sustainability. Simultaneously we are embedding agile practices and automation into service delivery, enabling more responsive, lower-cost operations.

Incorporating T-Level placement students into our technical teams continues to deliver strategic benefits. This provides a pipeline of emerging talent, brings fresh perspectives into our teams and strengthens our engagement with local education providers. Furthermore, we are contributing to the regional skills agenda by helping to address skills shortages, promote inclusive economic growth, and ensure the long-term resilience of the digital sector.

Link to strategic risks:

- SR09 Information security
- SR10 IT delivery



Cybersecurity remains a significant risk, given the need to balance open access to support our educational and research responsibilities with protecting our information and the delivery of our service. Our cyber strategy targets all aspects of cyber resilience, including protective controls, round-the-clock monitoring for suspicious activity, incident readiness, response plans and recovery capabilities. Our approach is based on international standards and an Information Security Management System, combining appropriate policies and procedures, risk management, cybersecurity technologies and training for members of our community.

Future plans

During 2025/26, emphasis will be placed on continuous improvement and evolution of the digital estate, including:

- Introducing an MSc in Advanced Computer Science with a focus on AI and an additional AI specialisation within our existing Masters programme in Scientific Computing and Data Analysis.
- Launching a major new national skills initiative, with partners, to support researchers using supercomputers and AI resources.
- Enhancing and augmenting practical laboratory equipment training with 2D and 3D immersive simulations using virtual reality.
- Enabling colleagues across the University to drive their own productivity and efficiency and that of their teams, through the adoption of Generative AI and low-code/no-code applications.
- Enhancing many of our back-office administration systems, such as student admissions and staff recruitment, and additional tools to support remote and flexible working, learning and researching.
- Maintaining our focus on cybersecurity and improving our detection and response capabilities.
- Developing our IT operating model to increase customer satisfaction and emphasise how information technology creates value within the organisation.

Staff members meeting in the Palatine Centre.



Annual review

People

Current position

Our staff undertake a wide range of roles to collectively enable delivery of our world-class research, education and wider student experience. Our staff are at the heart of establishing a supportive community to deliver our core values and create a positive working environment to provide excellent opportunities for colleagues and students.

Like the majority of the higher education sector, we carefully consider every financial commitment and, where possible, recruit to roles internally but where this is not possible, we continue to recruit in the marketplace. To ensure we remain attractive as an employer, we offer high quality facilities, support, training and development, and maintain our national and international reputation.

Link to strategic risks:

- SRO3 People and culture
- H&SO1 Health and safety management system



In response to feedback from staff, we developed a new framework to set academic workload allocation across the institution for the 2025/26 academic year, adopting principles to reflect our values and ideas about reasonable working practices. Alongside this we continue to deliver the actions from the WISER initiative (Ways to Improve, Streamline Empower and Reduce workload) to support the workload of all colleagues.

In light of the challenging financial situation, we opened a voluntary severance (VS) scheme in February 2025 with the aim to reduce staff costs by £20m over two years. The £15m savings target for professional service staff, and the majority of the £5m savings target for academic staff was achieved in the first year through VS and removing vacancies. Colleagues started leaving the institution from May 2025, with remaining staff adjusting to new ways of working. Throughout the year we promoted resources and programmes to support colleagues through this challenging period and are grateful for the efforts of our staff to continue to deliver high-quality work in difficult times.

Staff highlights during the year include:

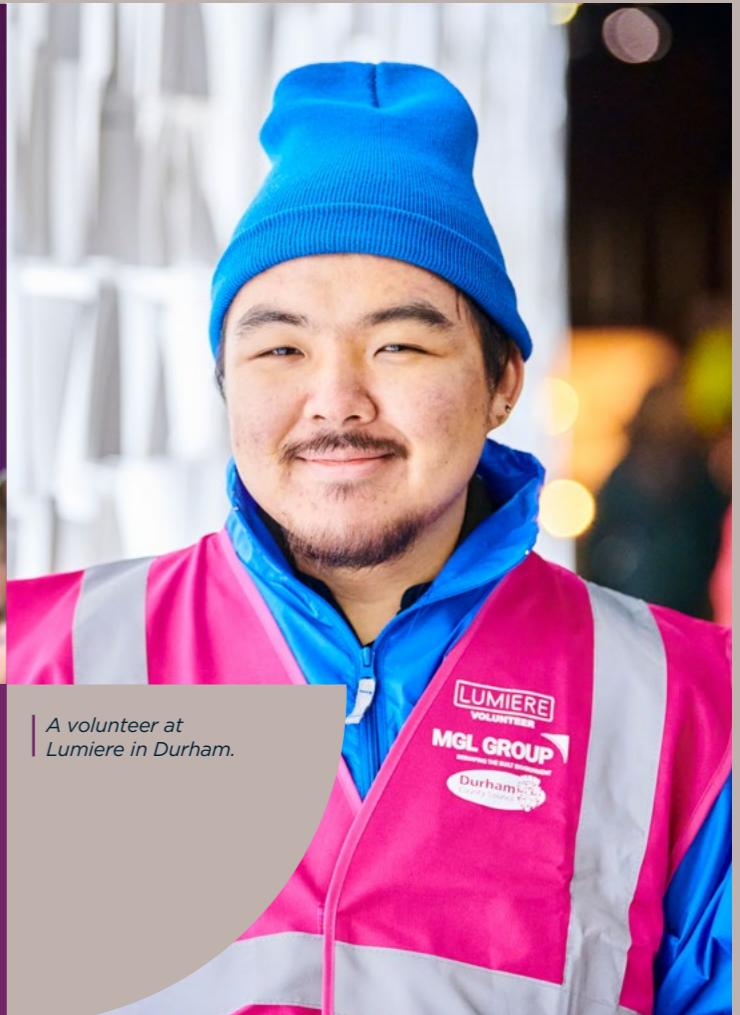
- In September we launched a new tool to encourage staff to check their mental health and held a staff conference for over 200 attendees, offering interactive sessions led by senior colleagues across strategic themes including Research, Education, Global Durham, and Sustainability.
- Introduction of the Durham University Retirement Savings Plan, a defined contribution pension scheme for new staff in grades 1 to 5, to encourage staff to pay into their pension pot.
- We received an incredible 554 nominations for our Inspiring the Extraordinary Awards for Professional Service staff, reflecting the outstanding effort and impact of colleagues.
- In April we completed the refurbishment of Boldon House providing a much-improved working environment for over 600 professional service staff.

Future plans

- Support the transition of additional professional service staff to new facilities at Boldon House.
- Continue to support new ways of working post-VS, including the roll out of new guidance on stress risk assessments.
- Pilot a new way of gathering staff feedback on their experience of working at Durham.



Chancellor Dr Fiona Hill and Professor Anoush Ehteshami talking on the panel at the Chancellor in Conversation event.



A volunteer at Lumière in Durham.

Annual review

Estates and accommodation

Current position

Our estate is one of the most architecturally significant and complex university environments in the UK. Developed over nearly two centuries, it features a blend of historic, listed buildings and modern, purpose-built facilities. Due to Durham's compact city layout, opportunities for physical expansion are limited, making strategic use of existing space essential.

In 2024/25, we completed several major capital projects:

- The Waterside, our SKA Gold-rated Business School site, opened in the city centre, offering a sustainable and modern learning environment.
- Boldon House, located on the outskirts of Durham, was renovated to become our first fully decarbonised building, providing contemporary office space for professional services staff.
- Rushford Court was redeveloped as part of a 40-year Purpose-Built Student Accommodation agreement, including constructing a new two-storey building with solar panels and enhanced biodiversity measures, exceeding regulatory requirements. The College of St Hild and St Bede is its first temporary resident while we continue to explore redevelopment options for the College's historic Leazes Road site.
- The Chemistry Refurbishment Project to bring laboratories to a nationally leading standard, supporting teaching and research, improving security and reducing maintenance and energy costs.

We completed the first phase of a significant heritage conservation project at the Norman Chapel in Durham Castle, the city's oldest standing building. Supported by the Wolfson Foundation, a five-metre trench was excavated to address damp issues, revealing original stonework and buried windows. These improvements have enhanced natural light and accessibility. The Chapel will be left to dry over five years, with interpretive materials now available to visitors.

We secured additional bed spaces in Purpose Built Student Accommodation, annexed to colleges, for 2025/26 as part of our strategic project to increase college accommodation.

Alumni funding is enabling the revitalisation of the Fellows' Garden at University College, transforming it into a more accessible and enriching outdoor space that will support student wellbeing and community engagement. The work is planned for completion in winter 2025.

A key enabler of our digital estates strategy is the ongoing implementation of the Integrated Workplace Management System, providing a robust foundation for managing facilities, improving operational efficiency, and supporting data-driven decision-making.

Given current financial constraints, we have paused new estates initiatives and are focussed on essential maintenance, regulatory compliance, and ensuring value for money across



the estate. This creates challenges for attaining our building condition target, although this will be supported through progress with the disposal of surplus or under utilised assets.

We received three prestigious awards for improvements to our estates' safety and resilience:

- SafeZone Integrated Safety and Collaboration Award.
- University Safety and Health Association Achievement Award.
- British Safety Council Sword of Honour.

Additionally, our Botanic Garden was awarded Gold in the 2024 Northumbria in Bloom Competition in the Tourist, Visitor Attraction or Country Estate category, recognising its excellence in horticulture and community engagement.

Future plans

Planned developments for 2025/26 aim to enhance the estate's functionality, sustainability and support for academic and student life, including:

- Repurposing Mill Hill Lane to accommodate Social Sciences, Health, and remaining Business School staff.
- Advancing the Science Transformation Project, with the Mountjoy Centre becoming a hub for interdisciplinary scientific collaboration.
- Refurbishing student accommodation in Trevelyan College.
- Completing roof and stonework renovations at the historic Almshouses on Palace Green.

Link to strategic risks:

- SR04 Infrastructure – estate
- H&S01 Health and safety management system

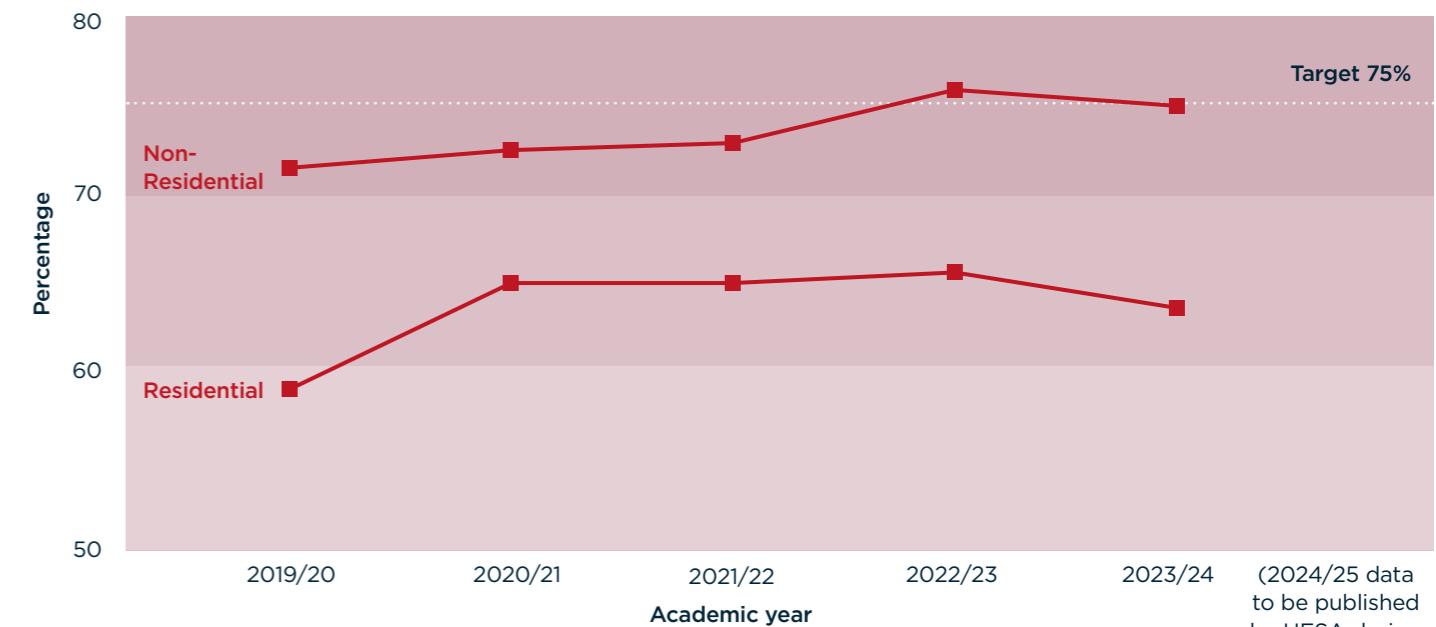


Strategic Performance Indicators

Delivering an innovative, compliant, high-quality and environmentally sustainable estate is central to our strategic goals, including:

- Increasing the proportion of buildings rated condition A (as new) or B (sound and safe with only minor deterioration), based on HESA standards.
- Enhancing the proportion of full-time, students living in college accommodation, fostering a strong sense of community and reducing pressure on city housing.

Buildings categorised as condition A and B



Rushford Court student accommodation.



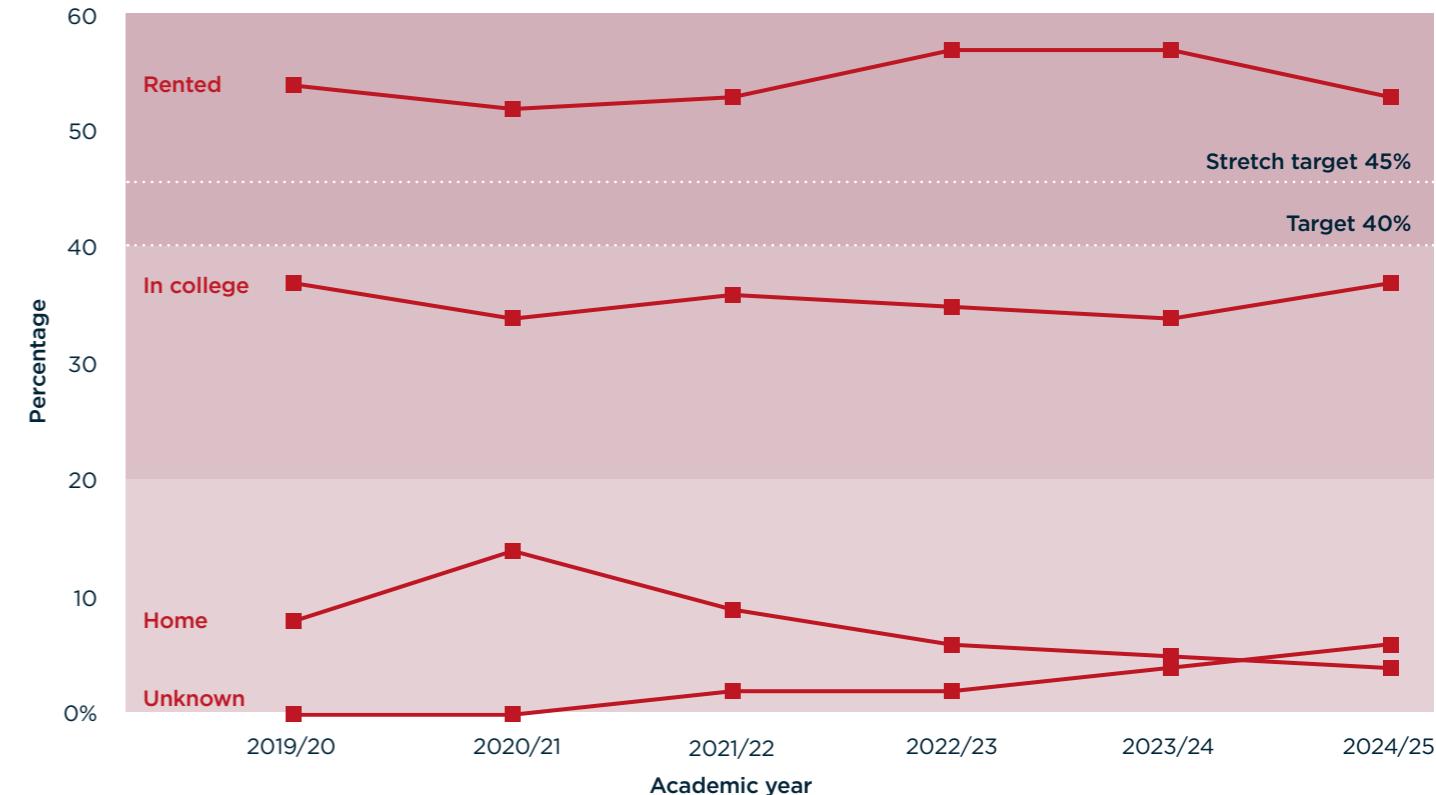
Target 75%

Non-Residential

Residential

2024/25 data to be published by HESA during 2025/26

Student accommodation



Stretch target 45%

Target 40%

Rented

In college

Home

Unknown

Annual review

Donor, alumni and supporter engagement

Current position

As our students graduate, they become members of our thriving global community of over 230,000 alumni. This community provides opportunities for graduates to build personal and professional networks, continue learning with discounts on postgraduate courses, attend events, and access journals as well as comprehensive careers advice, including a specialised service for those wishing to establish their own business.

Our alumni community are encouraged to support current students by sharing their professional journeys at careers events, providing mentoring opportunities and using their business contacts to offer work experience, placements or internships.

This community is supported through our network of global Chapters, a welcoming group of alumni who share a passion for Durham, organised by geographic location, industry, academic or other area of interest. These Chapters hold events throughout the year, providing opportunities for our alumni to stay connected to the University. In 2024/25, Durham Days were held in 42 countries, and over 110 events were held globally for and with our alumni.

We constantly refresh our communications with alumni to encourage continued engagement, with a newsletter issued to over 130,000 alumni each month and an annual alumni publication.

Survey feedback this year demonstrated exceptionally high levels of loyalty to Durham and a strong pride in being a Durham graduate.

Fundraising

We actively seek donations, sponsorship and legacy gifts from individuals, trusts and foundations, commercial and charitable organisations from around the world to support research, education and outreach activities consistent with our charitable mission. This year, we were delighted to receive a record £35.5m in philanthropic commitments. We are profoundly grateful to every donor who supported our work and to our Campaign Board, led by alumnus Guy Weldon, for its guidance in this.

Link to strategic risks:

- SRO2 Business model and financial sustainability



This year, among the many gifts so generously given, contributions included:

- Several £1m+ endowment donations to the Centre for Catholic Studies, creating a new Trust to support the Centre's work in perpetuity.
- A donation of £1.3m from alumni Graham and Joanna Barker supporting researchers at our Institute of Medieval and Early Modern Studies, using historical insights to address 21st century challenges.
- Alumnus Neil Hunt extended his generous support for Durham with a further commitment of £3.2m supporting student entrepreneurship, PhD scholarships, a Futures in STEM (Science, Technology, Engineering and Mathematics) initiative and Collingwood College.
- Charles Wilson and Rowena Olegario strengthened their commitment to the Institute of Hazard, Risk and Resilience with a £1.5m pledge, cumulatively bringing their support to Durham to an astounding £10m.

Guided by our Campaign Board, we have exceeded our fundraising target for this year, and have ambitious plans for a fundraising campaign to raise further significant funds in anticipation of our bicentenary in 2032.

We extend our thanks to every single donor over the year. In a time of financial pressure, philanthropic support is critical to the achievement of our research, education and outreach goals.

Future plans

Over 2025/26, our aims are to:

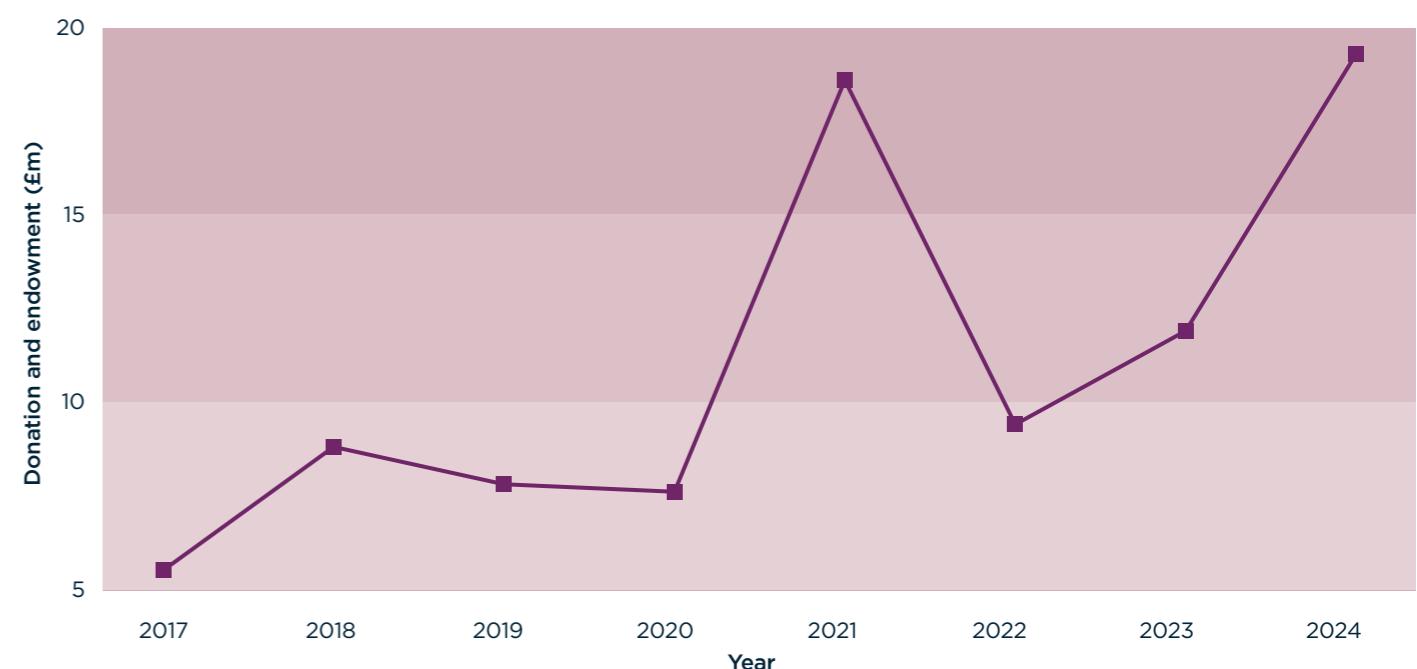
- Develop a new alumni strategy.
- Strengthen philanthropic relationships at all levels of support.
- Deepen alumni engagement in light of the results of the 2025 Global Alumni Survey.
- Continue to respond to alumni and donor needs and interests through a responsive, data-informed approach.

We will also:

- Drive the development of a new fundraising campaign for our 200th anniversary in 2032, underpinned by strategies that respond to the needs of our varied and growing supporter base. This will include continuing to secure philanthropic support to widen access to Durham for underrepresented student groups, strengthening the experience all students have when studying with us and enhancing our impact through research.
- Capitalise on the strength of alumni connection, enhancing support for those wishing to volunteer in student support, in advocacy on our behalf and in student recruitment.



Strategic performance indicator



2021/22 includes an exceptional item related to property given to the University.

Financial review



The global economic and political environment continues to present challenges for the UK higher education sector, challenges which have been widely reported in the national press. Despite these challenges the financial performance for the year was favourable to our budget, with the University committing to difficult strategic decisions around its cost base in 2024/25 in order to ensure financial sustainability for the future.

Despite these geopolitical and economic headwinds, the University continued to grow its income in 2024/25, with total income growing by 3.8%. The University continues to successfully diversify its income base with growth in Other Income of £10.8m versus 2023/24. The financial year also showed a significant growth in our endowment base with generous donations supporting the future of Colleges and Departments, particularly our Centre for Catholic Studies.

The University is mindful of the challenges to its cost base by inflationary pressures and continues to monitor opportunities to improve the efficiency and effectiveness of its operations.

These improvements continue to be coordinated through an internal programme of continuous improvement and are monitored by our Executive Committee.

Total Comprehensive Income for the year was £9.6m (2023/24: £133.2m). The Total Comprehensive Income position in both years is affected by extraordinary factors such as a significant gain in the Universities Superannuation Scheme (USS) in 2023/24 and by the costs relating to Voluntary Severance schemes in 2024/25. If the impact of these extraordinary items are removed, underlying operating performance before other non-operating gains or losses was a surplus of £3.6m (2023/24 a deficit of £(6.7)m).

Adjusted EBITDA and EBD are measures used by the University for evaluating the underlying financial performance during the year. They exclude certain items deemed to be 'non-operating' or 'non-cash' in nature which are set out separately above. Total Comprehensive Income has been impacted by valuations of assets and liabilities relating to fixed assets, investments, depreciation, pension scheme accounting and interest rate swaps. The collective impact of these non-cash items in the current year was unfavourable by £(31.8)m (2023/24: favourable by £94.7m). In 2024/25 EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) was £51.6m (2023/24: £53.4m). Earnings before Depreciation (EBD) was £41.4m (2023/24: £39.0m).

Results for 2024/25

The reconciliation of reported Total Consolidated Income for the year to adjusted EBITDA and EBD is described below:

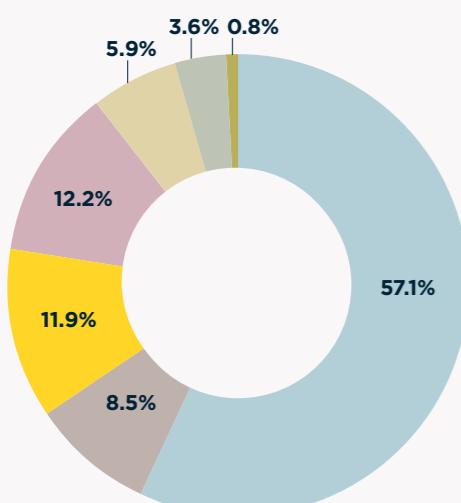
	Notes	2024/25 £m	2023/24 £m
Total Comprehensive Income for the Year		9.6	133.2
Depreciation and amortisation		(49.7)	(46.9)
Loss on disposal of fixed assets		3.6	(0.4)
USS Pension provision adjustments	1	-	128.3
Net Gain / (Loss) on investments	2	4.7	11.7
Pension adjustments – actuarial gain	3	7.6	2.9
Change in fair value of derivatives	4	1.9	(1.4)
EBD (earnings before depreciation)		41.4	39.0
Interest payable	5	(10.2)	(14.4)
Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and non-cash items)	6	51.6	53.4

1. This is the difference, year on year, of revisions to the estimated value of the provision for the USS pension scheme assets and liabilities. It is a non-cash movement.
2. An unrealised gain/(loss) which is subject to the volatility of investment movements. It is a non-cash movement.
3. This is the difference, year on year, of revisions to the estimated value of the DUPS and Aviva scheme assets and liabilities held by the University. It is a non-cash movement.
4. See Note 21 of the Financial Statements for details of our derivatives. This is a non-cash movement.
5. Interest element of future liability on USS and DU pension schemes. This is a non-cash movement
6. Adjusted EBITDA is a financial metric that has removed one-off, non-cash and non-recurrent items from EBITDA to show an EBITDA figure for the University that is not distorted by irregular gains or losses in one particular year. This is a non-GAAP measure which does not have a standardised meaning and therefore may not be comparable against other Universities.

Operating income and expenditure

The elements of operating income and expenditure giving rise to the EBITDA are summarised below.

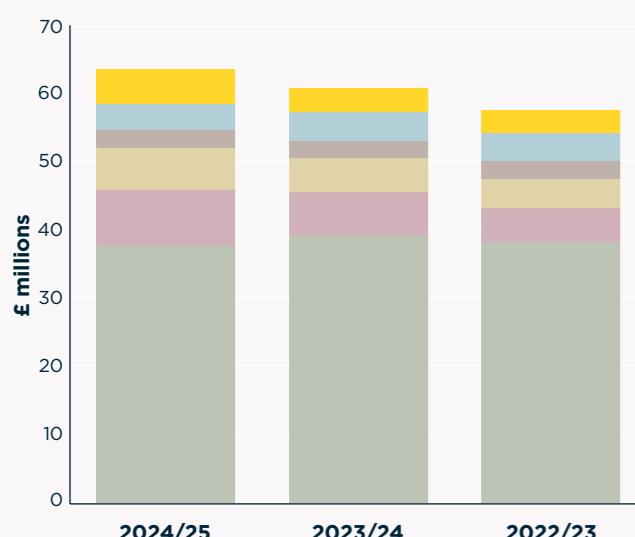
Income



Total income 2024/25 £534.2m

- Tuition fees and education contracts
- Other income
- Funding body grants
- Research income
- Residences, catering and conferences
- Donations and endowments
- Investment income

Total operating income, increased by 3.8% from £514.5m to £534.2m. Tuition fee income increased by 1.1% to £305.2m representing 57.1% of total income and when residence fees are included, income from students represented 69.3% of total income. Recognised income from work on our research grants increased by £2.7m (4.4%) in 2024/25, being 11.9% of total income.



Research income sources

- UK research councils
- UK industry
- UK-based charities
- EU Government bodies
- UK Government bodies
- Other

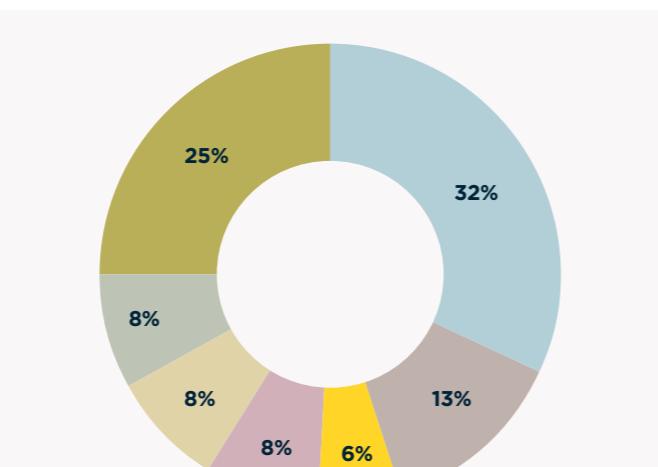
The value of research grant awards for the last three years are shown in the table below:

Year	Value (£m)
2024/25	74.9
2023/24	64.6
2022/23	85.4

Expenditure

Total operating expenditure, excluding the extraordinary amount of £128.3m relating to the unwinding of the USS pension provision in 2023/24 but including the £11.9m paid through the Voluntary Severance Schemes in 2024/25, increased by 3.8% on prior year. Depreciation and amortisation charges increased by 6.0%. Interest payable decreased by 29.4% to £10.2m (2023/24: £14.4m). There has been no material change to how operating expenditure is apportioned compared to the prior year.

The University's expenditure can be classified into these categories:



Total expenditure 2024/25 £542.5m

- Academic departments
- Academic services
- Administration and central services
- Research
- Other
- Premises

Student Numbers

The University's total student numbers have continued to decline from the increased numbers that were enrolled during the Covid period, with a reduction in Home students in undergraduate and postgraduate study partially offset by an increase in International undergraduate students. International postgraduate students on taught courses remained broadly static, while there was a rebalancing between Home and International students studying and conducting research.

The following chart presents the change in student numbers over the last three years.

	2024/25	2023/24	2022/23
Undergraduate Home	12,555	13,264	13,814
Undergraduate international	3,878	3,760	3,827
Total undergraduate	16,433	17,024	17,641
Postgraduate taught home	763	888	893
Postgraduate taught international	1,991	1,983	1,823
Research home	773	886	963
Research international	755	670	643
Total postgraduate	4,282	4,427	4,322
Distance learning	140	137	168
Total	20,855	21,588	22,131

Statement of Financial Position

The value of fixed assets increased to £742.6m (2023/24 £715.1m) with capital additions, including intangible assets, of £65.8m. Heritage assets grew by £30,000 following donated items during the year. Intangible assets decreased due to no new additions and depreciation of existing items.

Investments decreased by £37.7m driven by the transfer of a proportion of the medium-term securities into cash equivalents partially offset by new endowment investments received during the year.

The net liability (provision) in respect of the Durham University Pension Scheme (DUPS) decreased by £9.6m as a result of improved asset values and reducing liabilities with a number of DUPS members leaving under the severance schemes during the year.

Endowment reserves increased by £8.9m in 2024/25 as a result of new donations and restricted reserves likewise increased by £4.0m.

Cash Generation, Liquidity, Financing and Covenant Compliance

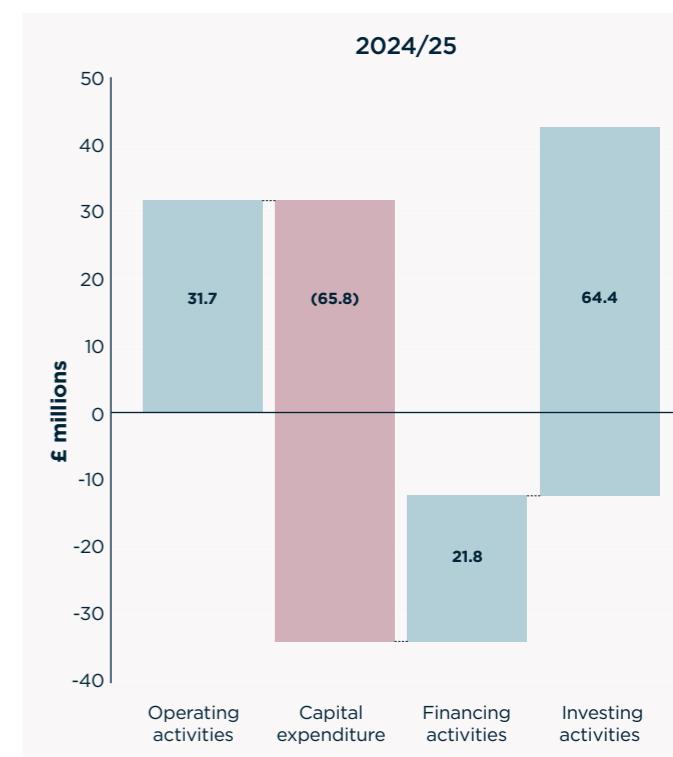
Cash Balances

Consolidated cash balances increased by £52.0m to £71.5m driven by the conversion of medium-term investments into liquid cash equivalents. The University manages its liquid resources closely to minimise interest costs and maximise interest income from our investment portfolio.

Debt collection continues to be effectively managed. The bad debt written off in the year was £179,985 (2023/24: £25,818). As a reflection of the current economic climate and the increase in age of debts outstanding, the bad debt provision remains at a similar level to that of 2023/24, standing at £4.2m (2023/24: £4.3m). All debts are actively chased by the credit control team and third-party debt collection agencies and in 2024/25 £100,227 of debt previously provided for, was collected.

Capital expenditure during the year has been funded by grants, internally generated funds, benefactions and existing loan funding. The Revolving Credit Facility remained at £75.0m during 2023/24 to support in-year working capital requirements. There was £36.0m drawdown of this facility at 31 July 2024 (2023/24 nil drawdowns).

The following waterfall chart compares the sources and applications of operating cash generated for 2024/25.



Covenant Compliance

There have been no issues during the year with respect to covenant compliance. The University has conducted robust modelling across a horizon of 24 months with respect to its going concern status and is satisfied that the risk of a significant financial impact affecting its covenant compliance is remote. The Basis of Preparation accounting policy provides further information with respect to the University's going concern considerations.

Monitoring financial performance

The financial strategy performance indicators, by which financial performance is measured, focus on the following:

- Total annual income – to monitor performance against the targets set-out in the ten-year strategy (2017 – 2027).
- Staff costs as a percentage of income – to maintain parity with the sector.
- EBD and EBITDA – specifically relating to generation of cash from operating activities, as well as compliance with our financial covenants.



For the last 3 financial years, these metrics have been:

	2024/25	2023/24	2022/23
Total Annual Income (£'000)	534,200	514,466	484,223
Staff Costs as a Percentage of Income (%)	56.7	54.9	54.0
EBD (£'000)	41,400	39,000	34,100
EBITDA (£'000)	51,600	53,400	49,200

Going Concern

Council has assessed its going concern status over a period of two years to July 2027. In addition, Council reviews and approves five-year financial forecasts, including cash flow forecasts, annually to be fully satisfied that it can meet its working capital needs from its forecast cash balances.

The University's latest budget was approved in July 2025 and the five-year forecast in November 2025. The University has reviewed these forecasts as well as its scenario modelling to reflect the challenges facing the higher education sector, including ongoing inflationary pressures resulting from ongoing geopolitical events. It has updated its stress tests and reverse stress test as part of its sensitivity analysis work. The reverse stress test is designed to understand what it would take for the University to breach its contractual covenants and explores plausible scenarios that would cause such a breach to occur.

The contractual covenants used within the reverse stress test relate to those already in existence under the University's private placements together with those subsequently agreed post-2024/25 resulting from the reprofiled financing referred to in the Post Balance Sheet Events disclosure note.

The University's base case scenario projects compliance with all loan covenants to 31 July 2027 and liquidity headroom (excluding liquid investments but including the revolving credit facility), no lower than £97m through the going concern assessment period.

A plausible down-side scenario has been run on the baseline forecast to stress test the cash position, as well as the ability to remain compliant with covenant restrictions. This exercise modelled risks to student recruitment and associated accommodation income, increases in staff costs and increased inflation on goods and services.

The scenarios assumed that immediate mitigating actions could be taken to offset the impact on cash and covenants. These actions centre around a structured set of actions it could take, including the introduction of progressively more stringent cost controls and reductions, as well as reductions in capital spending and asset disposals as well as a renegotiation of the Revolving Credit Facility. The University has clearly demonstrated its ability to successfully take rapid mitigating actions during 2024/25 which can be repeated in the event of further stress.

Under the plausible downside scenario, cash equivalents remain well above the internal treasury minimum of a 50 day requirement at all points in the going concern assessment period and also above the OfS required minimum of 30 days at all points in the same assessment period.

Further, the University has considered scenarios to reverse stress evaluate the model under which it either utilises all cash and liquid investments or breaches loan covenants should all risks highlighted under the plausible downside scenario become crystallised. These assumptions included, but were not limited to:

- A fall in international student recruitment – whether due to UK or foreign government policy changes, league table position changes or other market factors.
- Higher goods and services cost inflation than planned.
- Higher staffing costs whether due to national pay arrangements or pension scheme changes.

The outputs of these tests were then reviewed against the Group's current and projected future net cash/debt and liquidity position. This assessment enabled the University to understand how it could mitigate against these risks and meet its liabilities as they fall due.

The results of this testing show that a significant financial impact against the Council-approved financial forecasts must occur before any covenants are breached. The University has assessed the gross impact of such factors singly and in combination and assessed its approach to mitigating such changes through reprioritisation of resources, structural and policy changes, within the context of its overall strategy for the forthcoming period. It has assessed and identified the extent of reductions to spending and slowdown of investments in infrastructure as well as staffing to avoid any breach occurring. This reverse stress test shows that the University would require a further significant reduction in forecast income, with no mitigating actions, to be in breach of its covenants and cash requirements. The reverse stress testing modelled in this scenario does not include any mitigating actions and we consider the likelihood of this occurring to be implausible.

At 31 July 2025, the University had £71.5m in immediate cash and access to a £75.0m revolving credit facility, of which £36.0m was drawn down. Its non-current investments totalled £109.1m (see Note 15).

Council, having considered its forecasts together with the sensitivity analysis included within the reverse stress testing exercise, is confident that the University will be able to deliver its Strategic Plan whilst continuing to meet all its future financial obligations as they fall due over the period to 31 July 2027. The University foresees that it will operate within its financial covenants to July 2027 with a firm expectation to continue to do so into the foreseeable future. As a result, these financial statements have been prepared on a going concern basis.

Outlook

As in recent years, the UK higher education sector continues to be affected by numerous factors outside its control, namely the eroding value of the static Home Undergraduate fees despite the recent increase in 2024/25, a challenging student recruitment market both within the UK and globally, significant changes in its operating environment as a result of deepening conflicts in the Middle East and Ukraine together with continued global increases in costs. Following a successful realignment of its costs following an intensive process in 2024/25, the University is focused now on continued improvements to identify efficiencies and stabilise the organisation for the future.

Durham University is confident that it remains well placed reputationally and financially to withstand these challenges. Its going concern outlook remains strong, with its continuing reputation for world-class research and educational achievements placing it above many of its peers both nationally and internationally. Student recruitment is projected to remain strong particularly in the UK market with the international student market outlook showing stability.



Statement of corporate governance

Framework

Durham University was founded in 1832 by an Act of Parliament, for the advancement of learning. Its legal status derives from a Royal Charter dated 1837 and the Universities of Durham and Newcastle upon Tyne Act 1963 when King's College became the independent University of Newcastle. It is also a charity exempt from registration under Schedule 3 of the Charities Act 2011. It is regulated by the Office for Students (OfS) and was approved as a registered provider of higher education by the OfS in September 2018.

The University's objects, powers and framework of governance are set out in its charter, statutes and ordinances: www.durham.ac.uk/about-us/governance/governance-documentation/statutes-ordinances-and-regulations/

The governance and management arrangements are set out below. The effectiveness of these arrangements are regularly evaluated through periodic internal and external reviews and an annual review of the terms of reference of committees.

Management

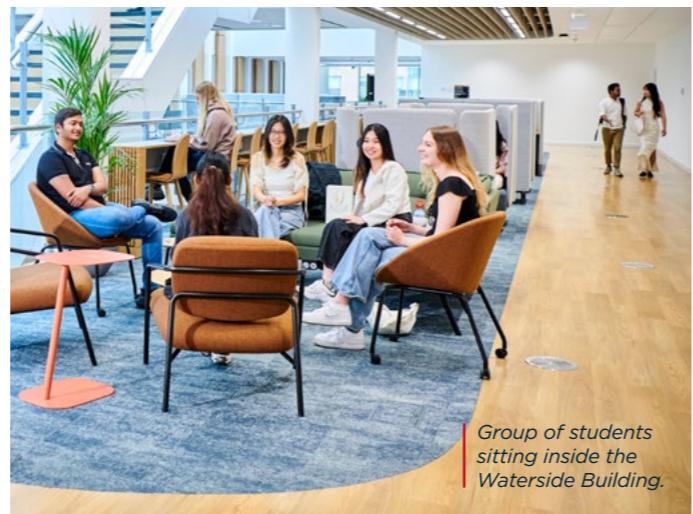
The principal academic, administrative and Accountable Officer of the University is the Vice-Chancellor, who is responsible to Council (the University governing body) for the overall strategic direction and performance of the University, and as Warden has overall responsibility for Durham's colleges. The Vice-Chancellor and Warden is supported by a senior leadership team, including:

- The University Secretary, responsible for the University's overall governance, assurance and legal compliance and reports directly to the Chair of Council and the Vice-Chancellor.
- The Chief Financial Officer, responsible for the University's Financial Strategy, including financial planning and reporting, treasury management policy, procurement, and value for money.

Council

Council is the governing body and Trustee Board of the University with overall responsibility for its affairs and sustainability.

As outlined in the Primary Responsibilities below, Council is responsible for setting the strategic vision and values of the University, for the organisation of teaching and research, and control of the University's property and finances. It ensures the establishment and monitoring of systems of control and accountability, including financial and operating controls, risk assessment, value for money and other regulatory responsibilities including compliance with the OfS's ongoing conditions of registration and terms and conditions of funding.



The key financial controls to ensure the regularity and propriety in the use of public funds are managed through the Financial Regulations, Scheme of Delegation for Financial Business and associated policies and procedures. Council ensures the adequacy of these arrangements through periodic review via internal and external audit.

Council comprises up to twelve lay members, including the Chair, drawn from outside the University; seven appointed members of University staff; and ex officio members that include the Vice-Chancellor and Warden, Deputy Vice-Chancellor and Provost, Dean of Durham, and President of Durham Students' Union. The Council's gender balance during 2024/25 was 66% male to 33% female (2023/24: 61% male to 39% female).

The appointment process for Council members is overseen by the Governance and Nominations Committee (GNC). Lay member vacancies are advertised externally and independent search companies are used to help widen the pool and diversity of candidates. Staff member vacancies are advertised widely within the University. A skills register of Council members is maintained by the University Secretary and regularly updated and reviewed by GNC to support the appointment process and ensure there is an appropriate mix of skills and experience to enable Council to fulfil its responsibilities.

An induction programme is provided to new Council members, with ongoing development training delivered to all members through presentations to Council on topical issues from staff and external providers.

Lay members do not receive payment for their work on Council or its committees but may claim reimbursement of reasonable expenses that are disclosed in the financial statements. A Register of Interests of Council members is retained by the University Secretary to help manage conflicts of interest.

Lay Council members are encouraged to be involved in aspects of University life to cultivate a wider understanding of the University and engage with stakeholders. This includes: reviewing student academic appeals; joining recruitment panels for senior posts; and attendance at graduation ceremonies.

In 2024/25, Council met on seven occasions and confirmed minutes of meetings are published at: www.durham.ac.uk/about-us/governance/council/council-minutes-/

The following key items were considered by members during the year.

The economic challenges that the entire higher education sector faced were a backdrop to the work of Council, particularly as Michaelmas Term 2024 came to a conclusion and Council agreed to support the Executive's plans to reduce expenditure.

The existential crisis that the sector faces has resulted in Council Members making difficult decisions in ensuring that they discharge their responsibilities as Trustees, and also meeting regulatory requirements. This included support for the launch of a voluntary severance scheme and the reduction in the Capital Plan to reduce overall expenditure in working towards returning the University to a surplus position.

Council welcomed Andrew Baldwin, Anthony Jones, Nic Johnston and Cheryl McEwan as new members and paid tribute to its 16-year association with Joe Docherty, who as Chair and Lay Member of Council stepped down on 31 July 2025. Council were delighted to undertake a successful recruitment campaign, which saw Caroline Johnstone appointed as the new Chair on 1 August 2025.

Council was also involved in the recruitment of a new Chief Operating Officer and the appointments of Executive Faculty Deans in the Faculty of Social Sciences and the Business School. During this period Council also approved the renaming of the Faculty of Social Sciences, removing the inclusion of health in the title to reflect the recent pan-university and inter-disciplinary delivery of health-related activity beyond the Faculty.

Council received reports on key staffing matters, remuneration and diversity pay. Members agreed to close-down the conclusion to the recommendations culminating from the Council and Senate Effectiveness Reviews and the Statutes Review, renaming the University's Standing Orders as Ordinances in further improving understanding of what constitutes the governance documentation of the University.

The next external Council effectiveness review will be conducted during 2025/26, following a pause prior to the commencement of the new Chair of Council.

The Durham Students' Union President gave regular updates, focussing on the launch of the University's Access and Participation Plan, the relationship between the Students' Union and the Durham Union Society and revisions to the University's Student Drugs Policy.

Council membership 2024/25

Lay members

- Joe Docherty (Chair)
- Jonathan Bewes
- Richard Dale
- Leslie Ferrar (Deputy Chair)
- Oliver Foster
- James Grierson
- Denise Lievesley
- Cheryl Millington
- Nigel Perry
- Robert Senior
- Jairaj Thakkar
- Terry Toney (Senior Independent Governor)

Ex officio members

- Karen O'Brien - Vice-Chancellor and Warden
- Mike Shipman - Deputy Vice-Chancellor and Provost
- Philip Plyming - Dean of Durham
- Dan Lonsdale - President of Durham Students' Union

Staff members

- Rebecca Askew
- Andrew Baldwin
- Nic Johnston
- Cheryl McEwan
- Amir Michael
- Ari Sadanandom
- Corinne Saunders

Postgraduate member

- Anthony Jones

The University Secretary and Chief Financial Officer are standing attendees at Council meetings.



Primary responsibilities of Council

Mission, vision and strategy

- a. To approve the mission, vision and strategy of the University, long term academic and business plans and key performance indicators, and to ensure that these meet the interests of stakeholders.

Appointment of officers and other posts

- b. To appoint the Vice-Chancellor and Warden, including as the Accountable Officer, and to put in place suitable arrangements for monitoring their performance.
- c. To appoint the Deputy Vice-Chancellor and Provost, Vice-Provosts, Pro-Vice-Chancellors, Chief Operating Officer and Executive Deans of Faculty.
- d. To appoint the University Secretary and the Chief Financial Officer.

Teaching and research

- e. To be responsible for the organisation of teaching and research, including the organisation of Faculties, Boards of Studies and other groupings.

Collegiate system

- f. To be responsible for the recognition of the Recognised Colleges.

Students

- g. To regulate the relations between the Council and the students, and for the maintenance of student discipline.

Reputation and academic freedom

- h. To safeguard the good name and values of the University and to be responsible for the ethical governance of the University.
- i. To represent the University in all negotiations for obtaining grants from public bodies in aid of the work of the University.
- j. To consider the University's performance in relation to Equality, Diversity and Inclusion.
- k. To take steps to ensure that freedom of speech and expression within the law is secured within the University.

People

- l. To be the ultimate employing authority for all University staff and staff in the Maintained Colleges.
- m. To be responsible for establishing a human resources strategy and for the maintenance of discipline.

Health and safety and welfare

- n. To receive assurance that adequate provision has been made for the general health, welfare and safety of students, University staff and those visiting the University.
- o. To receive assurance that adequate provision has been made for the safeguarding of young people and vulnerable adults.

Oversight of performance

- p. To ensure that processes are in place to monitor and evaluate the performance and effectiveness of the University against the plans and approved key performance indicators, which shall, where possible and appropriate, be benchmarked against other comparable institutions.
- q. To delegate authority to the Vice-Chancellor and Warden, as chief executive, for the effective academic, corporate, financial, estate and human resource management of the University and the execution of their responsibilities.

Risk and controls

- r. To establish and keep under regular review the policies, procedures and limits within which management functions are undertaken by and under the authority of the Vice-Chancellor.
- s. To ensure the establishment and monitoring of systems of control and accountability, including financial and operational controls and risk assessment.
- t. To ensure there are clear procedures for handling internal grievances and for managing conflicts of interest.
- u. To appoint the University's auditors, bankers and investment managers.
- v. To be responsible for effective planning, ongoing control, monitoring and review of the University's health and safety management mechanisms.

Finance and resources

- w. To be the ultimate financial and business authority of the University, including:
 - i. Ensuring the proper books of account are kept.
 - ii. Approving the annual budget, financial statements and financial forecasts.
 - iii. Establishing budget centres within the University for the efficient management of resources.
 - iv. Appointing budget officers for each budget centre.
 - v. The approval of fees.
 - vi. Having overall responsibility for the University's assets, property and estate.

- x. To ensure that there are adequate and effective arrangements in place so that public funds are managed appropriately, in line with the conditions of grant and the principles of regularity, propriety and value for money, and to protect the interests of taxpayers and other stakeholders, including providing transparency about value for money for students and for taxpayers.

Legal and regulatory compliance

- y. To be the University's ultimate legal authority and, as such, to ensure that systems are in place for meeting all the University's legal obligations, including those arising from contracts and other legal commitments made in the University's name.
- z. Subject to final approval by the Privy Council to approve changes to statutes.
- aa. To ensure that the University's constitutional arrangements are followed at all times and that appropriate advice is available to enable this to happen.
- ab. To make regulations for the custody and use of the seal.

Governance

- ac. To establish processes to monitor and evaluate the performance and effectiveness of the governing body itself and the University's system of governance.
- ad. To receive and test assurance that academic governance overseen by the Senate is adequate and effective.
- ae. To ensure that all students have opportunities to engage with the governance of the University and that this allows for a range of perspectives to have influence.
- af. To ensure its business is conducted in accordance with good practice in higher education corporate governance and with the principles of public life drawn up by the Committee on Standards in Public Life.

Responsibilities of Council in the preparation of the financial statements

Council is responsible for the administration and management of the affairs of the University and is required to present audited financial statements for each financial year.

Council is responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy, at any time, the financial position of the University and, which enable Council to ensure that the financial statements are prepared in accordance with the University's Statutes, the Statement of Recommended Practice: Accounting for Further and Higher Education 2019 edition, Accounts Direction issued by the OfS, and other relevant accounting standards. In addition, Council through its Accountable Officer is required by the OfS to prepare and publish financial statements for each financial year which give a true and fair view of the University's state of affairs and of the surplus or deficit and cash flows for that year.

In the preparation of the financial statements and in accordance with the exercise of its powers under the statutes, Council is responsible for ensuring:

- Suitable accounting policies are selected and applied consistently.
- Judgements and estimates which are made are reasonable and prudent.



- Applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

- The University 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 the financial statements.

Council has taken reasonable steps to:

- Ensure funds from the OfS, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2023), the funding agreement with UK Research and Innovation (including Research England) and the Department for Education, and any other terms and conditions attached to them.
- Ensure funds from the National College for Teaching and Leadership (NCTL) are used only for the purposes for which they have been given and in accordance with the agreement between the NCTL and the University and any other conditions, which the NCTL may from time to time impose.
- Ensure that it informs the OfS of any material change in its circumstances, including any significant developments that could impact on the mutual interests of the University and the OfS.
- Ensure that there are adequate and effective arrangements for the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England and other funding or regulatory bodies.
- Ensure there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- Safeguard the assets of the University and to prevent and detect fraud and other irregularities.
- Secure the economical, efficient and effective management of the University's resources and expenditure.

In so far as the Council is aware:

- There is no relevant audit information of which the auditor is unaware.
- The Council has taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Council sub-committees

The work of Council is supported by several committees which exercise delegated authority in accordance with terms of reference approved by Council and whose decisions and recommendations are formally reported to Council.

Audit and Risk Committee

Membership 2024/25

Lay members of Council

- Richard Dale (Chair)
- Nigel Perry
- Philip Plyming

Co-opted members

- Alison Alden
- Jenny Goldie-Scot (from January 2025)

Audit and Risk Committee provides the primary source of assurance to Council on the adequacy of the University's arrangements for risk management, control and governance; economy, efficiency and effectiveness; and the management and quality assurance of data submitted to HESA, the Student Loans Company, the OfS, Research England, and other bodies. The Committee advises Council on the appointment and performance of the internal and external auditors, agrees the audit programme, and sets the policy on the use of auditors for non-audit work. Any incidents that may affect the performance and reputation of the University are reported to the Committee, which ensures management takes appropriate action to mitigate risks.

The Committee reviews the draft annual report and financial statements including the external auditor's formal opinion, the statement of members' responsibilities, the statement of internal control and any relevant issues raised in the external auditors' management letter. No significant issues were identified in relation to the financial statements for the year ended 31 July 2025.

The external and internal auditors are appointed by Council, on the recommendation of Audit and Risk Committee. During the year, internal audit provision was provided by KPMG and external audit provision was provided by Grant Thornton.

The Committee has mapped its activities against the requirements of the Committee of University Chairs (CUC), Higher Education Audit Committees Code of Practice 2020, and is satisfied that it is fully compliant.



Member of the audience asking a question at the Chancellor in Conversation event.

Finance Committee

Membership 2024/25

Members of Council

- Jonathan Bewes (Chair, until December 2024)
- Leslie Ferrar (Chair, from January 2025)
- Rebecca Askew
- James Grierson
- Nic Johnston
- Amir Michael

Co-opted member

- Robert Senior

Ex officio members

- Joe Docherty - Chair of Council
- Karen O'Brien - Vice-Chancellor and Warden
- Mike Shipman - Deputy Vice-Chancellor and Provost
- Dan Lonsdale - President of Durham Students' Union

Finance Committee advises Council on the financial position of the University budgets and financial forecasts. The Committee plays an important role in ensuring the long-term sustainability of the institution through advising Council on the use of accounting policies and changes to accounting treatment, approving the University's policies on investment and borrowing, monitoring implementation of the strategy for the estate and overseeing the University's employee pension arrangements. The Committee also monitors the effective and efficient procurement and use of resources in accordance with the objectives of the University.

Governance and Nominations Committee

Membership 2024/25

Members of Council

- Ari Sadanandom
- Terry Toney

Staff members

- Jane Macnaughton
- Lara Small

Ex officio members

- Joe Docherty (Chair) - Chair of Council
- Karen O'Brien - Vice-Chancellor and Warden
- Dan Lonsdale - President of Durham Students' Union

Governance and Nominations Committee is responsible for keeping under review and advising Council on the University's governance arrangements and ensuring the University pursues governance good practice and complies with external governance requirements. The Committee reviews the role description for Council members, oversees a systematic and transparent selection process, and makes recommendations to Council for the appointment and succession planning of members for Council and its committees. The Committee is responsible for ensuring there is an appropriate mix of skills, knowledge and experience to enable Council to fulfil its responsibilities. The Committee reviews annually the Council Register of Interests, develops processes for the periodic review of Council's effectiveness and oversees the action plan for addressing proposed recommendations and suggestions.

The Committee receives reports on the University's compliance in relation to governance codes and OfS registration and advises Council on these matters.

People and Organisational Development Committee

Membership 2024/25

Lay members of Council

- Denise Lievesley (Chair)
- Oliver Foster
- Jairaj Thakkar

Staff members

- Rebecca Askew
- Clive Roberts
- Nathan Sempala-Ntege
- Nicole Westmarland

Ex officio members

- Joe Docherty - Chair of Council
- Karen O'Brien - Vice-Chancellor and Warden
- Mike Shipman - Deputy Vice-Chancellor and Provost
- Shaid Mahmood - Pro-Vice-Chancellor (Equality, Diversity and Inclusion)
- Joanne Race - Director of Human Resources and Organisational Development

Postgraduate nominated by the Students' Union

- Qiandong Zhou

People and Organisational Development Committee assists Council in fulfilling its primary responsibility for being the employing authority for all University staff, being responsible for establishing a human resources strategy, and for the maintenance of discipline. It also provides guidance on the performance management reward practices, monitors compliance with relevant legal and regulatory frameworks, and the employee relations culture and climate.

Remuneration Committee

Membership 2024/25

Members of Council

- Cheryl Millington (Chair)
- Jonathan Bewes
- Denise Lievesley
- Nigel Perry

Ex officio member

- Joe Docherty - Chair of Council

The Committee comprises four lay members of Council, one of whom is appointed Chair, plus the Chair of Council. The Vice-Chancellor is not a member and may attend meetings, by invitation, but is not present when their own remuneration is under discussion.

Remuneration Committee determines the annual remuneration of senior staff (Executive Committee members including the Vice-Chancellor, professors and equivalent level senior posts within the Grade 10 pay range) in line with its policy to encourage enhanced performance and reward staff for their contribution to the success of the University in a fair and responsible manner. Decisions take account of market data (provided by UCEA, Korn Ferry, CUC and other survey information) as well as the public interest, the safeguarding of public funds, the University's interests and the need to remain competitive. The Committee also approves, cognisant of the use of public funds, any termination arrangements for senior staff. Council receives an annual statement on the work of the Committee during the year.

The Committee recognises the need to offer competitive salary packages to attract and retain outstanding staff in senior leadership roles. Remuneration is set in the context of the institution, and the expected contribution and attributes required of these roles. Note 7 of the Financial statements provides further details of the remuneration of the Vice-Chancellor and senior staff. The policies around income derived from external activities and the staff expenses are available to staff on the internal University web pages.

The Remuneration Committee has mapped its activities against the requirements of the CUC, Higher Education Senior Staff Remuneration Code 2021 and is satisfied that it is fully compliant.

Senate

Senate provides assurance to Council on academic quality and standards and is responsible for promoting, directing and regulating teaching and research, which are key components of the business model. Senate is supported by the Education, Research, and Wider Student Experience Committees. Membership of Senate is drawn from across University staff plus representatives from Durham Students' Union and is chaired by the Vice-Chancellor.

University Ethics Committee

University Ethics Committee is a joint committee of Senate and Council and chaired by a lay member of Council. The Committee is responsible for fostering an environment in which ethics and integrity are firmly embedded in the University's ethos and culture. The Committee provides advice on the development of institutional policies and guidelines relating to ethical issues arising from research and advises on other ethical issues as requested.

University Executive Committee

University Executive Committee is a joint committee of Senate and Council and chaired by the Vice-Chancellor. Membership comprises the Deputy Vice-Chancellor and Provost, the Pro-Vice-Chancellors, the Executive Deans of Faculty, the Chief Financial Officer, the Chief Operating Officer, the Director of Human Resources and Organisational Development, the University Secretary and the Executive Director, Communications and External Relations. The Committee oversees the development and delivery of the University Strategy and monitors the achievement of its performance objectives. The Committee coordinates the University's integrated planning and budgeting process and recommends the annual budget and longer term financial forecasts, manages key risks and makes recommendations to Senate and Council on important policy initiatives.



System of internal control

Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which Council is responsible.

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

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

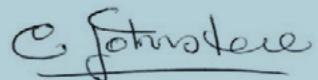
- Clear definitions of the matters reserved for Council and Senate (the University's senior governance committee for academic matters) and the authority delegated to individual managers.
- A medium and short-term planning process, supplemented by detailed annual income, expenditure and capital budgets.
- Regular reviews of financial results involving variance reporting and updates of forecast out-turns.
- Financial Regulations detailing financial controls and procedures approved by Council and Finance Committee. University Regulations, Guidelines and Codes of Practice approved by Senate provide similar structure and guidance on academic matters.
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions being subject to formal detailed appraisal and review according to delegated authorities.
- A risk-based approach to design and implementation of internal control.
- Unambiguous strategic risks owned by members of the University Executive Committee, who are responsible for alerting the Committee of significant matters.
- Routine reporting of matters concerning risk management and internal control to Council and Audit and Risk Committee or as significant matters arise.
- Strategy performance indicators, business operation and compliance risks and financial performance are monitored by the University Executive Committee.
- There is an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives including the risk of corruption, fraud, bribery and other irregularities.

The process has been in place throughout the year ending 31 July 2025, and up to the date of approval of the financial statements and is in accordance with the responsibilities assigned with OfS guidance and the University's ongoing conditions of registration.

The internal auditors undertake a planned programme of assurance reviews (covering business, operational, compliance and financial risks) as part of a risk-based strategic and annual assurance plan and report their findings to the University's management and Audit and Risk Committee. These are summarised in the annual report, which includes an independent opinion on the adequacy and effectiveness of the University's arrangements for the provision of adequate internal control, corporate governance, risk management, quality of data to the OfS, Higher Education Statistics Agency and other public bodies and the achievement of value for money.

From an assessment of the performance of the internal and external audit service by the Audit and Risk Committee, informed by the views of the Vice-Chancellor, it is considered that these arrangements were effective for the year ending 31 July 2025 and the period up to the date of approval of the audited financial statements.

Any internal control deficiencies identified during the course of either internal or external audit work were reported to the Executive risk owner and Audit and Risk Committee, and remedial actions were agreed in response to all recommendations made.



Caroline Johnstone
Chair of Council

Independent auditor's report

to the Council of Durham University

Opinion

We have audited the financial statements of Durham University (the 'parent 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, Consolidated and University Statement of Changes in Reserves, Consolidated and University Statement of Financial Position, Consolidated Cash flow statement and notes to the financial statements, including a summary of principal accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

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 parent 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

We are responsible for concluding on the appropriateness of the Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent University's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence

obtained up to the date of our report. However, future events or conditions may cause the group or the parent University to cease to continue as a going concern.

In our evaluation of the Council's conclusions, we considered the inherent risks associated with the group's and the parent University's business model including effects arising from macro-economic uncertainties such as inflationary pressures and industry risks including challenges associated with the recruitment of international students, we assessed and challenged the reasonableness of estimates made by the Council and the related disclosures and analysed how those risks might affect the group's and the parent University's financial resources or ability to continue operations over the going concern period.

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

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 parent University's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report². 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements 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.

Opinion on other matters prescribed by the Office for Students ('OfS') Accounts direction (issued October 2019) (the 'OfS Accounts direction')

In our opinion, in all material respects:

- funds from whatever source administered by the parent University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- funds provided by the OfS, UK Research and Innovation (including Research England) and the Department for Education have been applied in accordance with the OfS Terms and Conditions of funding for higher education institutions (issued July 2024), the funding agreement with UK Research and Innovation (including Research England) and the Department for Education, and any other terms and conditions attached to them; and
- the requirements of the OfS Accounts direction have been met.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the OfS Accounts direction requires us to report to you where:

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

Responsibilities of the Council

As explained more fully in the Statement of responsibilities of the Council on page 51, the Council is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Council 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 Council are responsible for assessing the group's and the parent 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 Council either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the university, and the sector in which it operates. We determined that the following laws and regulations were most significant:
 - financial reporting legislation (FEHE SORP 2019, United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 and the OfS Accounts Direction (October 2019));
 - regulatory environment (including the OfS framework and relevant OfS regulatory notices); and
 - the Higher Education Code of Governance published by the CUC.
- The engagement team remained alert to any indications of fraud and non-compliance with laws and regulations throughout the audit;
 - We understood how the University is complying with these legal and regulatory frameworks by making inquiries of management, internal audit, and those charged with governance. We enquired of management and those charged with governance whether there were any instances of non-compliance with laws and regulations, or whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of board minutes and papers provided to the Audit Committee, and through our legal and professional expenses review;
 - To assess the potential risks of material misstatement, including how a fraud might occur, we obtained an understanding of:
 - The University's operations, including the nature of its sources of income, expected financial statement disclosures and risks that may result in risk of material misstatement; and
 - The University's control environment including the adequacy of procedures for authorisation of transactions.
 - These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
 - We assessed the appropriateness of the collective competence and capabilities of the engagement team, including consideration of the engagement team's knowledge and understanding of the industry in which the University operates in, its understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
 - We communicated relevant laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud, or non-compliance with laws and regulations throughout the audit; and



- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Evaluating the processes and controls established to address the risks related to irregularities and fraud;
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - Challenging assumptions and judgements made by management in its significant accounting estimates;
 - Identifying and testing related party transactions; and
 - Completion of audit procedures to conclude on the compliance of disclosures in the financial statements with applicable financial reporting requirements.

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

Use of our report

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

Grant Thornton UK LLP

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants
Liverpool

Statement of principal accounting policies

1. Basis of preparation

The financial statements have been prepared under the historical cost convention, other than where land and certain heritage assets were revalued to their fair value at transition to FRS 102, with the revalued amount being treated as deemed cost. The financial statements have been prepared in accordance with both the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and the Financial Reporting Standard 102 (FRS 102). The University is a public benefit entity and has applied the relevant public benefit requirements of FRS 102.

The University has taken the accounting policy choice available in FRS 102 section 11.2 to recognise and measure financial instruments in accordance with the provisions of IFRS 9 Financial Instruments: Recognition and Measurement (IFRS 9). The presentation and disclosure requirements of FRS 102 sections 11 and 12 continue to apply to financial instruments.

2. Exemptions under FRS 102

The University has taken advantage of the exemptions available under section 3.3 of the SORP (1.12(b) of FRS 102) to not disclose the following in its financial statements:

- A separate cash flow statement for the University
- Transactions with other wholly owned group members

3. Going concern

Council has assessed its going concern status over a period of two years to July 2027. In addition, Council reviews and approves five-year financial forecasts, including cash flow forecasts, annually to be fully satisfied that it can meet its working capital needs from its forecast cash balances.

The University's latest budget was approved in July 2025 and the five-year forecast in November 2025. The University has reviewed these forecasts as well as its scenario modelling to reflect the challenges facing the higher education sector, including ongoing inflationary pressures resulting from ongoing geopolitical events. It has updated its stress tests and reverse stress test as part of its sensitivity analysis work. The reverse stress test is designed to understand what it would take for the University to breach its contractual covenants and explores plausible scenarios that would cause such a breach to occur.

The contractual covenants used within the reverse stress test relate to those already in existence under the University's private placements together with those subsequently agreed post-2024/25 resulting from the reprofiled financing referred to in the Post Balance Sheet Events disclosure note.

The University's base case scenario projects compliance with all loan covenants to 31 July 2027 and liquidity headroom (excluding liquid investments but including the revolving credit facility), no lower than £97m through the going concern assessment period.

A plausible down-side scenario has been run on the baseline forecast to stress test the cash position, as well as the ability to remain compliant with covenant restrictions. This exercise modelled risks to student recruitment and associated accommodation income, increases in staff costs and increased inflation on goods and services.

The scenarios assumed that immediate mitigating actions could be taken to offset the impact on cash and covenants. These actions centre around a structured set of actions it could take, including the introduction of progressively more stringent cost controls and reductions, as well as reductions in capital spending and asset disposals as well as a renegotiation of the Revolving Credit Facility. The University has clearly demonstrated its ability to successfully take rapid mitigating actions during 2024/25 which can be repeated in the event of further stress.

Under the plausible downside scenario, cash equivalents remain well above the internal treasury minimum of a 50 day requirement at all points in the going concern assessment period and also above the OfS required minimum of 30 days at all points in the same assessment period.

Further, the University has considered scenarios to reverse stress evaluate the model under which it either utilises all cash and liquid investments or breaches loan covenants should all risks highlighted under the plausible downside scenario become crystallised. These assumptions included, but were not limited to:

- A fall in international student recruitment – whether due to UK or foreign government policy changes, league table position changes or other market factors.
- Higher goods and services cost inflation than planned.
- Higher staffing costs whether due to national pay arrangements or pension scheme changes.

The outputs of these tests were then reviewed against the Group's current and projected future net cash/debt and liquidity position. This assessment enabled the University to understand how it could mitigate against these risks and meet its liabilities as they fall due.

The results of this testing show that a significant financial impact against the Council-approved financial forecasts must occur before any covenants are breached. The University has assessed the gross impact of such factors singly and in combination and assessed its approach to mitigating such changes through reprioritisation of resources, structural and policy changes, within the context of its overall strategy for the forthcoming period. It has assessed and identified the extent of reductions to spending and slowdown of investments in

infrastructure as well as staffing to avoid any breach occurring. This reverse stress test shows that the University would require a further significant reduction in forecast income, with no mitigating actions, to be in breach of its covenants and cash requirements. The reverse stress testing modelled in this scenario does not include any mitigating actions and we consider the likelihood of this occurring to be implausible.

At 31 July 2025, the University had £71.5m in immediate cash and access to a £75.0m revolving credit facility, of which £36.0m was drawn down. Its non-current investments totalled £109.1m (see Note 15).

Council, having considered its forecasts together with the sensitivity analysis included within the reverse stress testing exercise, is confident that the University will be able to deliver its Strategic Plan whilst continuing to meet all its future financial obligations as they fall due over the period to 31 July 2027. The University foresees that it will operate within its financial covenants to July 2027 with a firm expectation to continue to do so into the foreseeable future. As a result, these financial statements have been prepared on a going concern basis.

4. Basis of consolidation

The financial statements consolidate the financial statements of the University and its subsidiary undertakings for the financial year to 31 July 2025.

The consolidated financial statements include the results of student organisations that have elected to opt into a framework enabling them to operate within the organisational and governance structure of the University but do not include those of the student bodies which are separate entities, as the University has no significant control or influence over the policy decisions of those bodies.

The University has investment shareholdings in spin-out companies over which it has no significant influence on policy or strategy decisions. These companies are not consolidated but are accounted for as investments, see Note 15.

5. Recognition of income

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

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

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

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

Non-exchange transactions

Such transactions take place where income is received without approximately equal value being given in exchange and are accounted for using the performance model.

- Government grants (including funding council teaching, research grants from government sources and capital grants), grants from non-government sources (including research grants from non-government sources and capital grants) and donations are recognised within the Statement of Comprehensive Income and Expenditure 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 on the Statement of Financial Position and released to the Statement of Comprehensive Income and Expenditure as such conditions are met.
- Where grants or donations have no performance related conditions but have a restriction regarding how they may be spent, the income is retained within the restricted reserve until such time that it is utilised in line with the restrictions, at which point the income is released to general reserves through a reserve transfer.
- Endowments are donations where the donor has specified either that the gift must be invested and only the income spent against the donor's stated aims (which may be restrictive or for the general purposes of the University) or that the gift may be spent against the donor's stated restrictive aims, but any unspent funds are to be invested. Endowments are recognised when the University is entitled to the income and are recorded as permanent or expendable endowment reserves as appropriate.

6. Employee benefits

Post-employment benefits (pensions)

The University participates in the Universities Superannuation Scheme (USS) and in the Durham University Pension Scheme (DUPS), both of which are defined benefit schemes (DUPS in its entirety; USS is a hybrid scheme which also contains a defined contribution element), externally funded and until 31 March 2016 contracted out of the State Second Pension (S2P). The assets of the schemes are held in separate trustee-administered funds. The University also contributes to Aviva Pensions and the newly established Durham University Retirement Savings Plan (DURSP), both of which are defined contribution schemes in compliance with the government's automatic enrolment requirements.

The two funded defined benefit schemes are revalued every three years by professionally qualified independent actuaries using the projected unit method, the rates of contribution payable being determined by the trustees on the advice of the actuaries. In the intervening years, the actuaries review the progress of the schemes.

The USS scheme is a multi-employer scheme for which 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. As required by Section 28 of FRS 102 "Employee benefits", the scheme is accounted for as if it were a defined contribution scheme and the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme for the accounting period.

No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the Statement of Comprehensive Income and Expenditure in the prior year.

Defined benefit schemes

A defined benefit scheme is a post-employment benefit scheme other than a defined contribution scheme. The University's net obligation in respect of its defined benefit pension scheme (DUPS) is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value and the fair value of any scheme assets (at bid price) is deducted. The liability discount rate is the yield at the Statement of Financial Position date on AA credit rated bonds denominated in the currency of the scheme and having maturity dates approximating to the terms of the scheme's obligations. The calculation is performed by a qualified actuary using the projected unit credit method.

Defined contribution schemes

A defined contribution scheme is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the Statement of Consolidated Income and Expenditure in the periods during which services are rendered by employees.

Short-term employee benefits

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

Termination benefits

Termination benefits paid to employees are recognised as an expense in the year in which they are paid, or when the University is demonstrably committed either:

- To terminate the employment of an employee, or group of employees, before their normal retirement date, or
- To provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

7. 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.

8. Service concession arrangements

When the University enters into a service concession arrangement, the terms of the arrangement are considered, to inform management's judgements on how to account for the arrangement. The University has a service concession arrangement in place with Mount Oswald Colleges LLP for the use of two Colleges for the provision of accommodation to students.

Fixed assets held under service concession arrangements are initially recognised on the Statement of Financial Position at the present value of the lease payments when the assets are brought into use, with a corresponding financial liability. Subsequently, fixed assets are shown at valuation less accumulated depreciation.

Payments under the 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.

9. Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into sterling either at the rates at the date of the Statement of Financial Position or, where there are related forward exchange contracts, at contract rates. The resulting exchange differences are recognised in the Statement of Comprehensive Income and Expenditure.

10. Tangible fixed assets

a. Capitalisation

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

- Individually have a cost equal to or greater than £25,000; or
- Collectively have a cost equal to or greater than £25,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control; or
- Irrespective of their individual cost, form part of the initial equipping of a new building.

Expenditure on a tangible asset after its initial purchase is capitalised where it increases the expected future benefit to the University. The cost of such enhancement is added to the gross cost of the relevant asset. All capital expenditure initially held on the Statement of Financial Position as work in progress and is capitalised when fully available and ready for use.

b. Valuation

Tangible fixed assets are recognised and measured as follows:

Asset	Basis
Land	Deemed cost at 1 August 2014 (valuation at that date)
Freehold buildings	Cost or, in the case of buildings for which the cost cannot readily be ascertained, at valuation
Leasehold buildings	Cost
Equipment and other tangible fixed assets	Cost

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

c. Depreciation

Freehold land is not depreciated as it is considered to have an indefinite useful life. Other tangible assets are depreciated on a straight-line basis over their useful life as follows:

Asset	Basis
Freehold buildings	15 to 50 years according to the designated useful life of its components
Leasehold buildings	Over the term of the lease
General and scientific equipment, furniture and IT infrastructure	8 years
Motor vehicles and computer equipment and software	4 years
Equipment acquired for specific research projects	Project life (generally 3 years)

No depreciation is charged on assets in the course of construction. Borrowing costs attributable to the acquisition or construction of a fixed asset are not capitalised but are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

11. Intangible assets

Intangible assets are capitalised where they are capable of being used for a period which exceeds one year and which:

- Individually have a cost equal to or greater than £25,000; or
- Collectively have a cost equal to or greater than £25,000 where the assets are functionally interdependent or are purchased together and intended to be used as a group under common management control; or
- Irrespective of their individual cost, form part of the initial equipping of a new building.

Intangible assets are recognised at cost and amortised over 4-15 years (or as determined based on specific information). The assets are predominantly software which are amortised over 10 years.

Expenditure on an intangible asset after its initial purchase is capitalised where it increases the expected future benefit to the University. The cost of such enhancement is added to the gross cost of the relevant asset. All capital expenditure initially held on the Statement of Financial Position as work in progress and capitalised when fully available and ready for use.

No amortisation is charged on assets in the course of construction. Borrowing costs attributable to the acquisition or construction of an intangible asset are not capitalised but are recognised as an expense in the Statement of Comprehensive Income and Expenditure in the period in which they are incurred.

A review for potential indicators of impairment of an intangible asset is carried out if events or changes in circumstances indicate that the carrying amount of the intangible asset may not be recoverable. A calculation of the impact is completed and arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure.

12. Heritage assets

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

- Individually have a cost or value equal to or greater than £25,000; or
- When acquired as a collection with the intention that they remain as a collection have a cost or value equal to or greater than £25,000.

Heritage Assets are stated at cost for purchased items and valuation for donated items. Donated items are not included in the financial statements where a valuation cannot be obtained at a cost which is commensurate with the benefits to users of the financial statements.

The ongoing conservation of heritage assets plus the quality standards surrounding the keeping of our collections ensure that there is no impairment due to damage or deterioration.

Heritage assets are not acquired with a view to dispose but are held in perpetuity for the benefit of the University and the wider community. Many items are ancient at the time of acquisition and with the benefit of the University's ongoing conservation programme there is every reason to suppose that their lives will continue to survive for an indeterminate period (see Note 13). It is therefore not possible to either determine a useful economic life nor a residual value.

13. Investments

Non-current asset investments are held as follows:

- Investments in subsidiary companies, associates and joint ventures are stated at the original cost of the investment and reviewed for impairment where appropriate.
- Other investments comprise of:
 - Investment property is comprised of long-term holdings of land and buildings held for rental income or capital appreciation rather than for delivering services. Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure. Properties are not depreciated but are revalued or reviewed annually according to market conditions at the Statement of Financial Position date.
 - Market securities are comprised of long-term holdings of quoted investments held for income and capital growth and are included in the Statement of Financial Position at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure.

Current asset investments are included in the Statement of Financial Position at fair value with movements recognised in the Statement of Comprehensive Income and Expenditure.

14. Stock

Stock is stated at the lower of cost and net realisable value.

15. Cash and cash equivalents

Cash comprises cash on hand, demand deposits, and overdrafts. Deposits are considered repayable on demand if they can be accessed within 24 hours without penalty. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with minimal risk of value change. This includes certain liquidity funds, which can be accessed within 48 hours.

Cash and cash equivalents include amounts held in endowment reserves, which are subject to restrictions on their use.

16. Financial instruments

Financial assets and financial liabilities are recognised on the University's balance sheet when the University becomes a party to the contractual provisions of the instrument.

The University derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the University neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the University recognises its retained interest in the asset and an associated liability for any amounts it may have to pay. If the University retains substantially all the risks and rewards of ownership of a transferred financial asset, the University continues to recognise the financial asset.

The University derecognises financial liabilities when, and only when, the University's obligations are discharged, cancelled, or expire. The specific application of these principles in relation to the University's financial instruments means that:

- Trade, student and research debtors are classified as '*Financial assets that are debt instruments measured at amortised cost*'. They are initially recognised at fair value (transaction price), and are subsequently measured at amortised cost using the effective interest rate method, less any impairment losses. A provision is made using the Expected Credit Loss method prescribed under IFRS 9, utilising a provision matrix. Balances are written off when the probability of recovery is assessed as being remote. For trade, student and commercial receivables only, the University applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.
- Current asset investments represent investments with maturity dates of over three months and less than one year. Current asset investments are classified as '*Financial assets that are debt instruments measured at amortised cost*', are initially recognised at fair value, and subsequently measured at amortised cost using the effective interest rate method, less any impairment losses.
- Endowment investments classified as '*Financial assets at fair value through Statement of Comprehensive Income and Expenditure*' financial assets, are initially recognised at fair value and subsequently measured at fair value through Statement of Comprehensive Income.
- Cash and cash equivalents comprises cash in hand and short-term highly liquid deposits and investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value. These balances are held at current value which approximates to their fair value.

- Trade and other creditors are initially recognised at fair value (transaction cost), and are subsequently measured at amortised cost using the effective interest rate method. A financial liability is derecognised only when the obligation is discharged, cancelled or expires.

- Bank loans are initially recognised at fair value, less attributable transaction costs, and are subsequently measured at amortised cost using the effective interest rate method.

- Loan notes are assessed on issue as to whether they should subsequently be measured at amortised cost or fair value through profit and loss.

- Where the loan notes do not have an embedded derivative, or where they have an embedded derivative that is closely related to the host contract, they are initially recognised at fair value, less attributable transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

- Where the loan notes have an embedded derivative that is not closely related to the host contract, then the embedded derivative is separated out and subsequently measured at fair value through profit and loss. The host contract is subsequently measured at amortised cost using the effective interest rate method.

17. Provisions

Provisions are recognised in the financial statements where the University has a present financial obligation as a result of a past event and it is probable that a cost will arise on settlement of the obligation and a reliable estimate can be made of its value. The amount recognised is determined by discounting the expected future cash flows at a rate that reflects risks specific to the liability.

18. Taxation

The University is an exempt charity within the meaning of Schedule 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 taxation in respect of income or capital gains received within categories covered by Sections 478-486 of the Corporation Tax Act 2010 and Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes.

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the cost of such inputs, including tangible fixed assets.

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. A deferred tax liability is provided for if transactions or events giving rise to an obligation to pay more tax in the future, or less tax in the future, have occurred by the Statement of Financial Position date. Deferred tax assets are recognised to the extent that they are more likely than not to be recoverable in the future.

19. Accounting for joint operations, jointly controlled assets and jointly controlled operations

The University's share of income and expenditure in joint venture entities is reported in the Statement of Comprehensive Income and Expenditure and its share of assets and liabilities of joint venture entities is recognised in the consolidated Statement of Financial Position using the gross equity method.

20. Significant accounting estimates and judgements

The University prepares its consolidated financial statements in accordance with FRS 102, the application of which often requires certain estimates and judgements to be made by management when formulating the financial position and performance. In determining and applying accounting policies, judgement is often required where the choice of specific policy, accounting estimates or assumptions could materially affect the reported results or net asset position. These judgements, estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Valuations for investments (including investment properties and other securities) and pension funds rely on specialist third party, internal and other market valuations. These valuations are subject to inherent uncertainty as global markets are impacted by various macroeconomic and social issues, such as climate change, war, recession, and political policy and instability. The resulting accounting estimates will therefore, by definition, be unlikely to equal the related actual results and are reviewed regularly to identify any adjustments to the future carrying value of assets and liabilities.

The University recognises the importance of regularly reviewing these estimates and judgements and papers covering these are considered and prepared annually by management for scrutiny by the Audit and Risk Committee.

The judgements, estimates and assumptions that have a significant risk of causing a significant adjustment to the carrying amounts of assets and liabilities within the financial year are addressed below.

a. Judgements

i. Mount Oswald Campus Project (MOCP)

Judgements have been taken in accounting for amounts attributable to individual elements of the Mount Oswald Campus Project (MOCP).

The University holds 15% equity in Mount Oswald Colleges LLP, the special purpose vehicle set up to operate the residences. This investment is made through the University's wholly owned subsidiary, Durham Mount Oswald Ltd.

In 2018, the University issued a headlease to Mount Oswald Colleges LLP (MOC) in relation to land held on Mount Oswald, Durham. The premium linked to the headlease obligations has been determined at £19.8m and judgement has been taken in determining that the most appropriate treatment is the recognition of this income over the 53-year life of the lease. The annual amount released to the Income Statement is £373k. This value relating to the next financial year is held within current liabilities (Note 19) with the remaining balance held as a long-term creditor (Note 20).

Under the MOCP, the University has entered into an agreement with MOC for the provision of student accommodation in Durham, which is always in high demand. This agreement provides for an annual nomination charge based on contractually agreed terms each November for the following academic year, until the contract terminates in 2071. This arrangement is deemed to be a service concession arrangement under the terms of Section 34 of FRS 102 and the University recognises the assets and liabilities to the extent that the University is required to fulfil nominations commitments at each 31 July.

Future carrying values of assets and liabilities are therefore known with reasonable certainty.

ii. Impairments

The University makes judgements as to whether any indicators of impairment are present in relation to estate assets. Where there is a change of use or future capital plans, a calculation of the recoverable amount is undertaken and where required, the assets are impaired. The University has assessed the carrying value freehold land of buildings as reasonable.

b. Estimates

i. Useful economic lives of fixed assets (UEL)

The useful lives of the University's assets are determined by management at the time the asset is acquired. These lives are reviewed regularly and amended when necessary to reflect current estimates of where the carrying amount of that asset may not be recoverable. The lives are based on historical experience with similar assets and sector norms as well as anticipation of future events, which may impact their life, such as changes in technology. Nevertheless, some assets, including buildings, remain in use well beyond their useful life and to this extent there is no charge to depreciation in respect of fully written-off assets.

The depreciation charge for the year of £47.3m (2024: £45.1m) is calculated using consistently applied depreciation rates calculated from useful economic life estimates.

ii. Non-current asset investments

Valuations for investments (including investment properties and other securities) rely on specialist third party, internal and other market valuations. These valuations are subject to inherent uncertainty as global markets are impacted by various macroeconomic and social issues, such as climate change, war, recession, and political policy and instability. The resulting accounting estimates will therefore, by definition, be unlikely to equal the related actual results and are reviewed regularly to identify any adjustments to the future carrying value of assets and liabilities.

Investment properties

Investment properties are included at fair value which was determined by a property valuation expert on the date that the property was endowed to the University. After initial recognition, the properties enter a 3-year rolling programme of external valuations on a "Red Book" basis with a firm of national chartered surveyors, familiar with the University portfolio; the last valuation was in 2023. In the intervening years, an internal qualified (RICS) surveyor performs a desktop valuation using available local market data.

It is assumed that the properties are held on a long-term basis with no intention to sell on the open market in the foreseeable future and that they will continue to be used for their current purpose.

At year end the properties were valued at £2.9m (2024: £17.2m) after the most recent internal valuation, representing no change to the previous year valuation, however eight properties were reclassified to fixed assets in line with usage.

iii. Calculation of Durham University Pension Scheme (DUPS) provision

The University sponsors DUPS, which is a funded defined benefit pension scheme for qualifying University employees not eligible for membership of Universities Superannuation Scheme. The scheme is administered by a sole independent trustee company, Vidett, which is legally separate from the University.

The calculation of the defined benefit pension liability in the DUPS scheme is made using actuarial assumptions including future salary and general inflation and the expected longevity of scheme members. The estimates used for these assumptions are consistent with those used in creating the University's financial forecasts and in actuarial valuation of the scheme for the trustees.

The assumption having the largest impact is that of the discount rate.

The impact of a change in the discount rate of +0.5% on the FRS 102 liability would be a reduction of £7.6m.

The impact of a change in the discount rate of -0.5% on the FRS 102 liability would be an increase of £8.6m.

Despite FRS 102 "not requiring an entity to engage an independent actuary to perform the comprehensive actuarial valuation needed", this is a complex and specialised area and as such the University employs a specialist pension professional to calculate the provision and provide the detailed disclosure information required.

The provision at 31 July 2025 is £11.2m (2024: £20.9m). Further information is available in Note 21, Provision for liabilities and Note 28, Pensions.

iv. Recoverability of debtors provision

It is initially assumed that all debts will be recoverable unless there is evidence to suggest otherwise. The provision for doubtful debts is based on our estimate of the expected recoverability of those debts. Assumptions are made based on the level of debtors that have defaulted historically along with current economic knowledge. The provision is based on the current situation of the customer, the age profile of the debt and the nature of the amount due. The carrying value of the doubtful debt provision as at 31 July 2025 is £4.2m, a decrease of £87k from the previous year.

21. Change in accounting policy

During 2018, the University issued a private placement of loan notes, with three series - A, B and C. The Series A loan notes include a prepayment clause that would cause the loan notes to be classified as 'non-basic' in accordance with FRS 102 Sections 11 and 12, which would result in the Series A loan notes being measured at fair value through profit and loss, causing ongoing volatility. The Series B and C loan notes would be classified as 'basic' and measured at amortised cost.

As a result of this, the University has re-assessed the accounting policy choice available in accordance with FRS 102 paragraph 11.2, to recognise and measure financial instruments in accordance with the provisions of IFRS 9, rather than FRS 102 Sections 11 and 12.

The University considers that this change in accounting policy results in the financial statements providing reliable and more relevant information compared to the previous policy, in accordance with the requirements of FRS 102 paragraph 10.8(b).

As a change in accounting policy, this has been applied retrospectively. The impact of the change is not material and as such no adjustments have been made in the balance sheet as at 31 July 2024 or 1 August 2023 or changes in reserves or cash flow statement for the year ended 31 July 2024.

Financial statements



Graduands walking towards Durham Cathedral for Congregation.

Consolidated and University statements of comprehensive income and expenditure for the year ended 31 July 2025

	Note	Consolidated	University	Consolidated	University
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
Income					
Tuition fees and education contracts	1	305,245	305,245	301,877	301,877
Funding body grants	2	45,555	45,555	48,249	48,249
Research grants and contracts	3	63,410	63,410	60,715	60,715
Other income	4	96,612	96,612	85,848	84,774
Investment income	5	4,012	4,012	5,845	5,845
Donations and endowments	6	19,312	19,312	11,932	11,932
Total income		534,146	534,146	514,466	513,392
Expenditure					
Staff costs	7	302,913	302,913	282,630	281,818
USS provision	21	-	-	(128,319)	(128,319)
Total staff costs		302,913	302,913	154,311	153,499
Other operating expenses	9	179,655	179,757	178,480	178,153
Depreciation and amortisation	12,14	49,737	49,737	46,934	46,934
Interest and other finance costs	10	10,156	10,156	14,383	14,381
Total expenditure		542,461	542,563	394,108	392,967
(Deficit) / surplus before other gains and losses		(8,315)	(8,417)	120,358	120,425
Voluntary Severance Scheme					
USS Pension Provision	21	-	-	(128,319)	(128,319)
Surplus / (deficit) before Voluntary Severance & USS Pension Provision		3,593	3,491	(6,726)	(6,659)
Gain on investments	15	4,779	4,704	11,736	11,736
Change in fair value of derivatives	30	1,898	1,898	(1,363)	(1,363)
Gain/ (Loss) on disposal of fixed assets		3,587	3,587	(426)	(426)
Surplus Before Tax		1,949	1,772	130,305	130,372
Taxation	11	(9)	-	-	-
Surplus for the year		1,940	1,772	130,305	130,372
Actuarial gain in respect of pension schemes	28	7,626	7,626	2,917	2,917
Total comprehensive income for the year		9,566	9,398	133,222	133,289
Represented by:					
Endowment income	22	12,681	12,681	4,875	4,875
Restricted income	24	3,957	3,957	436	436
Unrestricted (expenditure) / income		(7,072)	(7,240)	127,911	127,978
		9,566	9,398	133,222	133,289

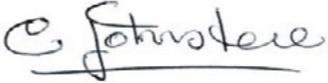
All items of income and expenditure relate to continuing activities. The accompanying notes and policies form part of these financial statements.

Consolidated statement of changes in reserves for the year ended 31 July 2025

University statement of changes in reserves for the year ended 31 July 2025

	Income and expenditure account			Total £'000	Income and expenditure account			Total £'000	
	Endowment	Restricted	Unrestricted		Endowment	Restricted	Unrestricted		
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Balance at 1 August 2023	101,696	8,884	299,319	409,899	Balance at 1 August 2023	101,696	8,884	300,371	410,951
Surplus from income and expenditure statement	4,875	436	124,994	130,305	Surplus from income and expenditure statement	4,875	436	125,061	130,372
Other comprehensive income	-	-	2,917	2,917	Other comprehensive income	-	-	2,917	2,917
Movement in reserves	-	-	66	66	Movement in reserves	-	-	66	66
Total comprehensive income / (expenditure) for the year	4,875	436	127,977	133,288	Total comprehensive income / (expenditure) for the year	4,875	436	128,044	133,355
Balance at 31 July / 1 August 2024	106,571	9,320	427,296	543,187	Balance at 31 July / 1 August 2024	106,571	9,320	428,415	544,306
Surplus/ (deficit) from income and expenditure statement	12,681	3,957	(14,698)	1,940	Surplus/(Deficit) from income and expenditure statement	12,681	3,957	(14,866)	1,772
Other comprehensive income	-	-	7,626	7,626	Other comprehensive income	-	-	7,626	7,626
Movement in reserves	(2,976)	-	4,709	1,733	Movement in reserves	(2,976)	-	3,516	540
Total comprehensive income for the year	9,705	3,957	(2,363)	11,299	Total comprehensive income for the year	9,705	3,957	(3,724)	9,938
Balance at 31 July 2025	116,276	13,277	424,933	554,486	Balance at 31 July 2025	116,276	13,277	424,691	554,244

Consolidated and University statement of financial position as of 31 July 2025

	Note	Consolidated	University	Consolidated	University		Note	Consolidated	University	Consolidated	University
		2025	2025	2024	2024			2025	2025	2024	2024
		£'000	£'000	£'000	£'000			£'000	£'000	£'000	£'000
Non-current assets											
Fixed assets	12	742,558	742,558	715,105	715,105		Restricted reserves				
Heritage assets	13	38,005	38,005	37,975	37,975		Endowment reserves	22	116,276	116,276	106,571
Intangible Assets	14	9,470	9,470	11,940	11,940		Restricted reserves	24	13,277	13,277	9,320
Investments	15	95,261	95,261	146,750	146,750		Unrestricted reserves				
Investment in subsidiaries	15	-	1,764	-	1,764		Income and expenditure reserve		424,933	424,691	427,296
Investment in associates	15	51	49	51	49		Total reserves		554,486	554,244	543,187
		885,345	887,107	911,821	913,583						544,306
Current assets											
Stock	16	366	366	276	276		The Financial Statements and the accompanying notes and policies that form part of these Financial Statements were approved by the Council on 16 December 2025 and signed on its behalf by:				
Trade and other receivables	17	54,236	53,184	53,399	53,366						
Cash and cash equivalents	18	71,523	70,562	19,544	18,838						
		126,125	124,112	73,218	72,480		C Johnstone				
Creditors: amounts falling due within one year	19	(171,361)	(171,352)	(140,215)	(140,120)		Chair of Council				
Net current liabilities		(45,236)	(47,240)	(66,997)	(67,640)						
Total assets less current liabilities		840,109	839,867	844,824	845,943						
Creditors: amounts falling due after more than one year	20	(272,844)	(272,844)	(279,787)	(279,787)						
Provisions							K O'Brien				
Pension provisions	21	(11,779)	(11,779)	(20,850)	(20,850)		Vice-Chancellor				
Other provisions	21	(1,000)	(1,000)	(1,000)	(1,000)						
Total net assets		554,486	554,244	543,187	544,306						

Consolidated cash flow statement for the year ended 31 July 2025

The University participates in a number of joint research contracts with other Universities, both as lead institution and in collaboration with another institution as lead. Income from such arrangements during 2025 amounted to £34.2m (2024: £30.5m).

Notes to the financial statements

1. Tuition fees and education contracts	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Full-time home and EU students	116,521	116,521	119,426	119,426
Full-time international students	168,997	168,997	164,187	164,187
Part-time students	4,895	4,895	4,489	4,489
Short courses	4,592	4,592	4,051	4,051
Research training support grants	9,967	9,967	9,372	9,372
Other fees	273	273	352	352

*The Grant income amounts stated in 2023/24 have been restated to more suitably allocate between categories, with £3.8m restated from 'grant income from other bodies' to 'grant income from OfS'. There is no change to the total amount of grant income received.

	305,245	305,245	301,877	301,877
2. Funding body grants	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Recurrent grant				
Office for Students	7,437	7,437	8,367	8,367
Research England	32,848	32,848	33,293	33,293
Capital grants				
Office for Students	2,215	2,215	3,793	3,793
Research England	3,055	3,055	2,796	2,796
	45,555	45,555	48,249	48,249

3. Research grants and contracts	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Research councils	37,476	37,476	39,145	39,145
UK charities	8,274	8,274	6,411	6,411
Central / Local Government	6,061	6,061	4,853	4,853
UK industries	2,566	2,566	2,452	2,452
EU Government	3,955	3,955	4,167	4,167
Other overseas	3,707	3,707	3,346	3,346
Other sources	1,371	1,371	341	341
	63,410	63,410	60,715	60,715

	Year ended 31 July 2025		Year ended 31 July 2024*		
	Consolidated	University	Consolidated	University	
	£'000	£'000	£'000	£'000	
Total grant and fee income					
Grant income from OfS	9,652	9,652	12,160	12,160	
Grant income from other bodies	45,870	45,870	45,361	45,361	
Fee income from taught awards	290,413	290,413	287,998	287,998	
Fee income from research awards	63,410	63,410	60,715	60,715	
Fee income from non-qualifying courses	4,865	4,865	4,607	4,607	
	414,210	414,210	410,841	410,841	
*The Grant income amounts stated in 2023/24 have been restated to more suitably allocate between categories, with £3.8m restated from 'grant income from other bodies' to 'grant income from OfS'. There is no change to the total amount of grant income received.					
4. Other income	Consolidated	University	Consolidated	University	
	2025	2025	2024	2024	
	£'000	£'000	£'000	£'000	
Residences, catering, and conferences	71,268	71,268	56,291	56,291	
Other services rendered	10,753	10,753	8,248	8,248	
Other income	14,591	14,591	21,309	20,235	
	96,612	96,612	85,848	84,774	
5. Investment income	Consolidated	University	Consolidated	University	
	2025	2025	2024	2024	
	£'000	£'000	£'000	£'000	
Investment income on endowments	2,271	2,271	1,889	1,889	
Interest income on restricted reserves	529	529	391	391	
Other investment income	1,212	1,212	3,565	3,565	
	4,012	4,012	5,845	5,845	
6. Donations and endowments	Notes	Consolidated	University	Consolidated	University
		2025	2025	2024	2024
		£'000	£'000	£'000	£'000
Capital grants and donations		651	651	1,799	1,799
New endowments	22	9,018	9,018	3,849	3,849
Donations with restrictions	24	5,741	5,741	1,945	1,945
Unrestricted donations		3,902	3,902	4,339	4,339
		19,312	19,312	11,932	11,932

7. Staff costs

	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Salaries	248,355	248,355	229,337	228,786
Social security costs	24,943	24,943	21,675	21,414
Other pension costs				
USS (See note 28a)	26,614	26,614	29,909	29,909
DUPS (See note 28b)	3,410	3,410	3,537	3,537
Aviva (See note 28c)	231	231	379	379
DURSP (See note 28d)	641	641	-	-
	304,194	304,194	284,837	284,025
Staff costs capitalised	(1,281)	(1,281)	(2,207)	(2,207)
Net staff costs charged to the SOCIE	302,913	302,913	282,630	281,818

a. Analysis of staff costs by activity

	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Academic and related expenditure	188,826	188,826	184,120	184,120
Administration and central services	23,246	23,246	22,439	22,439
Premises	9,867	9,867	10,135	10,135
Residences, catering and conferences	20,357	20,357	19,516	19,516
Research grants and contracts	29,945	29,945	25,696	25,696
Student and staff facilities and amenities	13,502	13,502	13,651	13,651
General educational expenditure	2,396	2,396	2,202	2,202
Miscellaneous expenditure	14,774	14,774	4,871	4,059
	302,913	302,913	282,630	281,818

b. Remuneration of the Vice-Chancellor

The Vice-Chancellor's salary is reviewed annually in accordance with our published pay policy by independent members of the Remuneration Committee. This includes external benchmarking and consideration of the scale, complexity, and performance of the University. Competitive salary packages are essential to attract and retain outstanding staff in senior leadership roles.

Professor Karen O'Brien has, throughout her tenure, donated any performance-related award to the student hardship fund. In 2024/25, Professor O'Brien chose to return the annual pay award therefore resulting in no pay increase for the year.

As well as their basic pay, the Head of Institution (HOI) is eligible to join the USS. Should the post holder not wish to be a member, the University will pay life assurance premiums (as per below table, contributions ceased in December 2023) and an Additional Remuneration Allowance (ARA) on the same basis as all other employees who opt out of pension scheme membership, to compensate for the loss of full employer pension contributions. Professor Karen O'Brien has been Vice-Chancellor throughout the year and is not a member of the USS pension scheme.

In addition, the postholder is provided with rent free accommodation to enable the better performance of their duties, this is deemed a taxable benefit. This accommodation is a flat within a larger University-owned building and has an estimated market rental value of £18,000 p.a. (2024: £18,000 p.a.)

There are no other emoluments paid to the postholder.

A summary of remuneration of Professor O'Brien is set out below:

			2025 £'000	2024 £'000
Salary			303	303
Additional remuneration allowance (ARA)			33	33
Life assurance contributions			-	8
Provision of accommodation			18	18
Total Remuneration			354	362

Ratio of Institution pay against median pay of all staff (see notes below)

	Basic Pay multiple	Total Pay multiple
2024/25 – Professor Karen O'Brien		
Including casual and agency workers	9.90	10.31
Excluding casual and agency workers	7.86	8.07
2023/24 – Professor Karen O'Brien		
Including casual and agency workers	10.32	10.70
Excluding casual and agency workers	8.18	8.36

i) Ratio of Head of Institution pay against median pay of all staff

The methodology used in this calculation has been that provided by the OfS Accounts Direction. For both the Head of Institution and the whole workforce, the method has been applied consistently. The pay multiples are calculated by comparing the Head of Institution pay with the median pay of the workforce across two dimensions – basic pay and total pay.

Basic pay – This includes all elements of pay excluding any allowance in substitution for employer pension contributions, expressed as a full-time equivalent (FTE) annual salary. The figure also excludes bonuses, market supplements, responsibility allowances, employer pension contributions, severance payments and any other benefits, including those in kind.

Total pay – Total earnings, including all elements of pay including market supplements, bonuses, responsibility allowances, employer pension contributions and any other benefits.

There is a direct correlation between the scale of income for the HEI and the pay multiple of the Head of Institution and it is typical for larger HEI's to have multiples higher than the sector average (which for Russell Group institutions in 2023/24 was 8.5 excluding casual and agency workers). Where some institutions outsource lower paid positions, for example cleaning and catering staff, Durham does not subcontract these roles which impacts on our pay ratios.

c. Remuneration of other higher paid staff

The figures exclude bonus payments, allowances, clinical excellence awards and other such payments, employer's pension contributions, employer's National Insurance and compensation for loss of office. They include any market supplements that are paid. Salary bandings are based on salaries at the end of the financial year.

	2025	2024 (restated*)
	No.	No.
£100,000 - £104,999	39	30
£105,000 - £109,999	36	27
£110,000 - £114,999	20	9
£115,000 - £119,999	10	9
£120,000 - £124,999	11	9
£125,000 - £129,999	10	7
£130,000 - £134,999	6	7
£135,000 - £139,999	9	11
£140,000 - £144,999	6	6
£145,000 - £149,999	5	4
£150,000 - £154,999	8	7
£155,000 - £159,999	3	1
£160,000 - £164,999	2	1
£165,000 - £169,999	2	-
£170,000 - £174,999	1	2
£175,000 - £179,999	1	-
£180,000 - £184,999	-	1
£185,000 - £189,999	1	1
£190,000 - £194,999	2	2
£195,000 - £199,999	1	0
£200,000 - £204,999	-	1
£210,000 - £214,999	1	-
£230,000 - £234,999	-	1
£300,000 - £304,999	-	1
£310,000 - £314,999	1	0
	175	137

*Prior year figures have been restated to include market supplements. 2024/25 figures have been presented including market supplements, therefore on a comparable basis.

d. Key management personnel (KMP)

Key management personnel remuneration

Number of staff	14	15
	3,004	2,939

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling. The remuneration disclosed above includes salary, benefits in kind, and employer's pension contributions and relates to the members of the University Executive Committee whose ex officio membership is comprised of Vice-Chancellor and Warden; Deputy Vice-Chancellor and Provost; Pro-Vice-Chancellor (Research); Pro-Vice-Chancellor (Education); Pro-Vice-Chancellor (Equality, Diversity

and Inclusion); Pro-Vice-Chancellor (Global); Executive Faculty Deans for Arts and Humanities, Business, Science and Social Sciences; Chief Financial Officer; Director of Human Resources and Organisational Development; University Secretary; and, Executive Director, Communications and External Relations.

No member of key management personnel received any compensation for loss of office during the financial year.

*Prior year figures have been restated to exclude employee's salary sacrifice pension contributions. 2024/25 figures have been presented excluding these contributions, therefore on a comparable basis.

e. Staff numbers

Full-time equivalent staff numbers by type

	2025	2024
	No.	No.
Academic	2,174	2,129
Professional and technical	1,361	1,339
Administrative and clerical	732	751
Facilities and other support	638	632
	4,905	4,851

f. Council members

The University's 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 at arms' length and in accordance with the University's Financial Regulations and usual procurement procedures and are disclosed within the information provided in Note 8.

No Council member has received any remuneration or waived payments during the year (2024: nil).

The total expenses paid to or on behalf of 15 of the Council members was £25,323 (2024: £14,032 to 11 of the Council members). This represents travel and subsistence expenses incurred in attending Council and Committee meetings in their official capacity.

g. Trade Union information

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require us to publish information on Trade Union facility time. The University recognises the following trade unions: University and College Union (UCU) (formerly AUT), Unite (formerly Amicus), G.M.B. and UNISON.

For the twelve month period April 2024 to March 2025

Relevant union officials	2024/25	2023/24
Number of employees who were relevant union officials during the relevant period	35	33
Full-time equivalent employee number	32.70	29.84

Percentage of time spent on facility time	Number of employees	Number of employees
0%	5	9
1-50%	29	23
51-99%	1	1
100%	-	-

Percentage of pay bill spent on facility time	2024/25	2023/24
Total cost of facility time	£53,316	£55,015
Total pay bill	£274,829,225	£277,255,622
Percentage of pay bill spent of facility time	0.02%	0.02%

Paid trade union activities		
Time spent on paid trade union activities as a percentage of total paid facility time hours	36.12%	30.81%

h. Compensation for loss of office

During the year the University incurred costs for compensation for loss of office in respect of 424 (2024: 119) employees totalling £11.9m (2024: £1.2m).

- i. Termination payments vary depending on the reason for the termination of employment. Each case is assessed on a case-by-case basis with legal advice being sought as and when required.
- ii. In some cases, it is not practical or desirable for an employee to work some or all of their contractual notice and in these instances, it may be deemed appropriate to make a Payment in Lieu of Notice (PILON).
- iii. An employee may have any or all the above categories in their final pay.
- iv. In 2024/25 a University-wide voluntary severance scheme was undertaken to make costs savings which accounts for the increase in compensation payments.

8. Related party transactions

The University maintains a Register of Interests for all members of Council and the University Executive Committee (UEC). The Registers are updated annually or when a new member starts. The Register of Interests for Council members is available for public scrutiny on the University website.

Following disclosure of organisations in which Council / UEC members are associated, a review is undertaken in accordance with FRS 102 s33.2 to identify any members or close family members who are in positions of control or significant influence in those organisations. For any members thus identified, a review is undertaken of that organisation's transactions with the University. For the current financial year, no such related party transactions were identified.

There are a number of organisations which are closely associated with the University. Where any member is involved with that organisation, their name and transactions, in the format prescribed by FRS 102 is set out below:

Organisation	Member	Receipts £	Debtors £	Payments £	Creditors £
Centre for Process Innovation LTD	Nigel Perry	38,000	321	-	-
Chartered Institute of Marketing	James Grierson	-	-	3,500	-
Durham Cathedral	Phillip Plyming	17,163	-	115,494	-
Durham Cathedral Schools Foundation	Phillip Plyming	7,000	-	-	-
Durham Students' Union	Dan Lonsdale	957	-	1,293,579	-
Fortify Electrical	Rebecca Askew	-	-	1,360,077	-
Mount Oswald LLP	Amanda Wilcox / James Grierson	279,979	1,092,897	7,504,358	-
N8 LTD	Karen O'Brien	-	-	94,740	-
National Centre for Social Research	Oliver Foster	1,600	-	-	-
NERC - Natural Environmental Research Council	Anthony Jones	469,092	324,520	26,805	-
Russell Group	Karen O'Brien	-	-	95,500	-
Ruth First Education	Cheryl McEwan	-	-	1,031	-
St Chad's College	Phillip Plyming	64,021	1,669	593,529	-
St John's College	Amir Michael	103,904	-	519,038	-
York Museums Trust	James Grierson	4,778	-	-	-
		986,494	1,419,407	11,607,651	-

Nigel Perry is a Director for the Centre for Process Innovation LTD. The University works closely with and receives funding from the CPI but has not made any payments to them in the year under review.

James Grierson and Amanda Wilcox are both representatives of the University on the Mount Oswald Campus Project, details of which can be found under Accounting Policy Note 20a. James Grierson is also the Chair of York Museums Trust and a financial appointee at the Institute of Marketing to whom the University made small payments during the year.

Philip Plyming is the Dean of Durham Cathedral. He is also a Trustee of Durham Cathedral Schools Foundation. The University and the Cathedral work in partnership in many areas of mutual interest.

Dan Lonsdale is the President of the Durham Students' Union. The University makes certain payments on behalf of and is reimbursed by Durham Students' Union but plays no part in its day-to-day operations.

Rebecca Askew has a spousal relationship to Fortify Electrical Services and payments were made by the University in relation to electrical works carried out.

Karen O'Brien is a director of N8 Limited, a University joint venture investment. Details of this investment can be found under Accounting Policy Note 15a. Karen O'Brien is also a board member of the Russell Group, comprising of 24 leading UK universities, and payments were made as part of the University's membership of this group.

Oliver Foster is a Trustee of the National Centre for Social Research.

Anthony Jones receives a NERC sponsored stipend, the University works closely with and receives funding from NERC and has also made smaller payments to NERC in the course of the working relationship.

Professor Cheryl McEwan is a Trustee of the Ruth First Educational Trust which works with the South African University of the Witwatersrand enabling students from Southern Africa to undertake postgraduate study at Durham University. A small number of support payments were made to RFET regularly throughout the year.

Amir Michael was a trustee of St John's College. Although associated and working closely with the University, St John's is a separate charity.

None of the balances above were provided for by the University as doubtful debts, and there have been no intercompany balances written off in the year.

One UEC member has a spouse who is a student at the University. The transactions with this student are at arm's length and at the year end there is £nil debtor/ creditor outstanding.

The University has no transactions with its subsidiary companies in the year, however there is an intercompany loan balance between Durham University (debtor) and Durham University Developments Limited (creditor) of £41,069.

There are many Durham Student Organisations (DSOs) that have opted-in, to a framework enabling them to operate in an autonomous manner within the University. Transactions for these DSOs form part of the financial statements. For the few DSOs that have opted-out, they manage their own finances and the University is not involved in their affairs, though certain costs incurred by the University, on their behalf, are recharged to them.

9. Other operating expenses	Consolidated	University	Consolidated	University	11. Taxation	Consolidated	University	Consolidated	University
	2025	2025	2024	2024		2025	2025	2024	2024
	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
Analysis of non-staff costs by activity									
Academic and related expenditure	51,897	51,897	56,319	56,319	Recognised in the statement of comprehensive income				
Administration and central services	7,105	7,207	8,123	8,123	Current Tax				
Premises	34,269	34,269	34,077	34,077	Current tax expense	9	-	-	-
Residences, catering and conferences	24,587	24,587	15,907	15,907	Foreign tax	-	-	-	-
Research grants and contracts	16,044	16,044	17,543	17,543	Adjustment in respect of previous years	-	-	-	-
Student and staff facilities and amenities	10,094	10,094	9,515	9,515	Current tax expense	9	-	-	-
General educational expenditure	31,609	31,609	29,836	29,836	Deferred tax				
Miscellaneous expenditure	4,050	4,050	7,160	6,833	Origination and reversal of timing differences	-	-	-	-
	179,655	179,757	178,480	178,153	Reduction in tax rate	-	-	-	-
					Recognition of previously unrecognised tax losses	-	-	-	-
					Deferred tax expense	-	-	-	-
Other operating expenses include:									
External auditors' remuneration in respect of audit services	330	330	391	391	Factors affecting the tax charge				
External auditors' remuneration in respect of non-audit services	13	13	10	10	The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:				
Operating lease rentals:									
Land and buildings	8,419	8,419	7,004	7,004					
Other	659	659	640	640	Consolidated	University	Consolidated	University	
					2025	2025	2024	2024	
					£'000	£'000	£'000	£'000	
10. Interest and other finance costs									
	Note	Consolidated	University	Consolidated	University	Consolidated	University	Consolidated	University
		2025	2025	2024	2024	2025	2025	2024	2024
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Loan interest		9,197	9,197	10,239	10,237	Surplus/(Deficit) before taxation	1,949	1,772	130,305
Net charge on USS pension scheme	28	-	-	2,875	2,875	UK Corporation tax @ 25% (2024 - 25%)	443	443	32,576
Net charge on DUPs pension scheme	21, 28	959	959	1,269	1,269	UK Corporate tax @ 19% (Small profits rate) (2024 - 19%)	34	-	130,372
		10,156	10,156	14,383	14,381	Effect of:			
						Surplus falling within charitable exemption	(443)	(443)	(32,576)
						Recognition of previously unrecognised tax losses	(10)	-	(32,593)
						Amounts intended to be donated under Gift Aid	(15)	-	-
						Other differences attributable to subsidiaries	-	-	-
						Deferred tax movement	-	-	-
						Total tax expense	9	-	-

12. Fixed assets

	Consolidated						University						
	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Service Concessions	Assets Under Construction	Total	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Service Concessions	Assets Under Construction	Total	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
At 31 July 2024	744,321	1,225	188,061	7,341	132,480	1,073,428	At 31 July 2024	744,321	1,225	188,061	7,341	132,480	1,073,428
Additions	-	-	-	7,707	57,623	65,330	Additions	-	-	-	7,707	57,623	65,330
Capitalisation	149,442	-	19,191	-	(168,633)	-	Capitalisation	149,442	-	19,191	-	(168,633)	-
Transfers	14,325	-	-	-	-	14,325	Transfers	14,325	-	-	-	-	14,325
Disposals	(12,108)	-	(2,103)	(7,341)	-	(21,552)	Disposals	(12,108)	-	(2,103)	(7,341)	-	(21,552)
At 31 July 2025	895,980	1,225	205,149	7,707	21,470	1,131,531	At 31 July 2025	895,980	1,225	205,149	7,707	21,470	1,131,531
Depreciation	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Service Concessions	Assets Under Construction	Total	Depreciation	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Service Concessions	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000	£'000	£'000
At 31 July 2024	220,366	1,136	136,821	-	-	358,323	At 31 July 2024	220,366	1,136	136,821	-	-	358,323
Charge for year	22,065	4	17,857	7,341	-	47,267	Charge for year	22,065	4	17,857	7,341	-	47,267
Adjustment	332	-	(111)	-	-	221	Adjustment	332	-	(111)	-	-	221
Disposals	(7,537)	-	(1,960)	(7,341)	-	(16,838)	Disposals	(7,537)	-	(1,960)	(7,341)	-	(16,838)
At 31 July 2025	235,226	1,140	152,607	-	-	388,973	At 31 July 2025	235,226	1,140	152,607	-	-	388,973
Net Book Value							Net Book Value						
At 31 July 2025	660,754	85	52,542	7,707	21,470	742,558	At 31 July 2025	660,754	85	52,542	7,707	21,470	742,558
At 31 July 2024	523,955	89	51,240	7,341	132,480	715,105	At 31 July 2024	523,955	89	51,240	7,341	132,480	715,105

Assets are held in the category of Assets Under Construction whilst capital projects are ongoing. Once projects are complete the costs are transferred to the relevant tangible fixed asset heading. Key projects completed and capitalised in the year relate to Waterside for Durham Business School, and Boldon House for professional service staff.

13. Heritage assets

The University holds world-class collections, including five collections with Arts Council Designation Status (Bishop Cosin's Library, the Sudan Archive, the Chinese and ancient Egyptian collections, and the Castle collections). These collections are housed and displayed across several buildings in the University including Palace Green Library, the Oriental Museum and Durham Castle. The collections are overseen by the Department of Library and Collections.

The collections include 40,000 items in the Oriental Museum collections, over 130 archive collections, 70,000 rare and early printed books, over 25,000 objects within the Archaeology and Biosciences collections, around 6,000 works in the Art Collection, and around 5,000 in the Durham Castle Collection. Collections are catalogued and records can be accessed via durham.ac.uk/departments/library.

The bulk of the collections were acquired many years ago. The information regarding their purchase price or value is not available. Items without a valuation are excluded from the financial statements. In addition, the University owns many of the World Heritage Site buildings surrounding Palace Green, such as Durham Castle. These buildings are still being used by the University for educational or related purposes and as such are also not included as heritage assets.

Movements	Consolidated	University								
	2025	2025	2024	2024	2025	2025	2025	2025	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August	37,975	37,975	37,975	37,975	37,975	37,975	37,975	37,975	37,975	37,975
Additions (purchased)	-	-	-	-	-	-	-	-	-	-
Additions (donated)	30	30	-	-	-	-	-	-	-	-
Balance at 31 July	38,005	38,005	37,975							

14. Intangible assets

	Consolidated	University	Consolidated	University	Consolidated	University	Consolidated	University	Consolidated	University
	2025	2025	2024	2024	2025	2025	2025	2025	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August	11,940	11,940	11,999	11,999	11,940	11,940	11,940	11,940	11,940	11,940
Additions	-	-	1,752	1,752	-	-	-	-	-	-
Amortisation charge for year	(2,470)	(2,470)	(1,811)	(1,811)	(2,470)	(2,470)	(1,811)	(1,811)	(1,811)	(1,811)
Balance at 31 July	9,470	9,470	11,940	11,940	9,470	9,470	11,940	11,940	11,940	11,940

15. Non-current investments

	Consolidated	University	Consolidated	University	Consolidated	University	Consolidated	University	Consolidated	University
	2025	2025	2024	2024	2025	2025	2025	2025	2024	2024
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Investment in joint ventures (a)	-	-	-	-	-	-	-	-	-	-
Investment in associates (b)	51	49	51	49	51	49	51	49	51	49
Investment in subsidiaries (c)	-	1,764	-	1,764	-	1,764	-	1,764	-	1,764
Other investments (d)	95,261	95,261	146,750	146,750	95,261	95,261	146,801	146,801	95,312	97,074
Balance at 31 July	95,312	97,074	146,801	146,750	95,261	95,261	148,563	146,750	95,312	97,074

(a) Investment in joint venture

The University holds a 12.5% share of N8 Limited, a company limited by guarantee, held at a cost of £1. This is a joint venture company owned equally by eight research intensive Northern Universities. The arrangement is treated as a joint venture, and results are not material to the University's operations.

Name	Registered number	Principal activities	Ownership
N8 Limited	05920709	Education and research	12.5% Ordinary shares

(b) Investment in associates

The University holds a number of small investments including its minority holding in Mount Oswald LLP, held through its wholly owned subsidiary company, Durham Mount Oswald Limited.

Name	Registered number	Principal activities	Ownership
CVCP Properties Plc	03029225	Property investment	0.8% Ordinary shares
Mount Oswald Colleges LLP	OC420040	Property investment	15% Membership interest

(c) Investment in subsidiaries

The companies in which the University has a major interest and whose results are consolidated in these statements are as follows:

Name	Registered number	Principal activities	Ownership
Durham Mount Oswald Limited	11327830	Property investment	100% Ordinary shares
Durham University Enterprise Limited	02830763	Intermediate holding company	100% Ordinary shares
Durham University Developments Limited*	02766904	Property (not active)	100% Ordinary shares
SmartBioFilm Limited**	13386079	No trade in year	100% Ordinary shares
Insync Labs Limited**	16581455	No trade in year	100% Ordinary shares
Conservation Ecology Consultancy Limited***	15850511	No trade in year	100% Ordinary shares
AIPEX Robotics Limited**	16336374	No trade in year	100% Ordinary shares

All subsidiary companies are incorporated in England and Wales. Durham University Enterprise Limited disposed of a 100% shareholding in Durham Women's Football Club during the year (an indirect holding of 100% by Durham University). The carrying value of this investment was £nil on disposal, therefore has not impacted investment valuation.

A parental guarantee has been provided by University of Durham for Durham Mount Oswald Limited, Durham University Enterprise Limited and Durham University Developments Limited. These subsidiary companies are exempt from the requirements of the Companies Act 2006 in relation to the audit of the individual subsidiary company financial statements.

* These shares are held indirectly through Durham University Enterprise Limited.

** Companies are spin-out shelf companies in the process of being activated and the registered office is Salvus House, Aykley Heads, County Durham, DH1 5TS.

*** Company is a spin-out shelf company in the process of being activated and the registered office is 'Orbit' Netpark, North East Technology Park, Sedgefield, County Durham, England, TS21 3FB.

	Consolidated 2025 £'000	University 2025 £'000	Consolidated 2024 £'000	University 2024 £'000
Balance at 1 August and 31 July	-	1,764	-	1,764

(d) Other investments

	Consolidated 2025 £'000	University 2025 £'000	Consolidated 2024 £'000	University 2024 £'000
Balance at 1 August	146,750	146,750	220,776	220,776
Additions	9,646	9,646	1,088	1,088
Disposals	(51,514)	(51,514)	(86,851)	(86,851)
Transfers to fixed assets	(14,325)	(14,325)	-	-
Fair Value Adjustments	4,704	4,704	11,737	11,737
Balance at 31 July	95,261	95,261	146,750	146,750
Other investments consist of:				
At fair value:				
Market securities	92,226	92,226	129,426	129,426
Investment properties	2,871	2,871	17,196	17,196
At cost:				
Group investment in spin-outs	164	164	128	128
Balance at 31 July	95,261	95,261	146,750	146,750

- i) The fair value of market securities is the stock market value at 31 July.
- ii) The calculation of the fair value of investment properties is detailed under Significant accounting estimates and judgements at 20(b) (ii). A reconciliation between the opening and closing carrying values is detailed below.
- iii) There are no restrictions with regard to the disposal or use of the investment properties, nor any contractual obligations associated with them. The University reclassified eight properties to fixed assets in line with usage.

Investment properties	£'000
As at 1 August 2024	17,196
Decrease in fair value	-
Change in use (reclassification to Fixed Assets - Note 12)	(14,325)
As at 31 July 2025	2,871

- iv) Investments in spin-outs are valued at cost.

The University held investments in the following companies which have been set up to carry out spin-out businesses. The results of these companies are not included in the consolidated statements.

Pepmotec Ltd	24.90% Ordinary Shares
GeoEnergy Durham Ltd	24.90% Ordinary Shares
Geospatial Research Ltd	24.00% Ordinary Shares
Olexsys Ltd	22.00% Ordinary Shares
Concept Analyst Limited	20.00% Ordinary Shares
Respiratone Ltd	18.00% Ordinary Shares
Geoptic Ltd	16.67% Ordinary Shares
InnerScape Limited	15.00% Ordinary Shares
Northern Light Optical Limited	15.00% Ordinary Shares
MYB Business Development	15.00% Ordinary Shares
Durham Magneto Optics Limited	13.56% Ordinary Shares
Nevrargenics Limited	11.55% Ordinary Shares
Gamble De Grussa Ltd	10.35% Ordinary Shares
Nascent Semiconductor Limited	9.75% Ordinary Shares
H2CHP Limited	9.58% Ordinary Shares
Magnitude Biosciences Ltd	8.85% Ordinary Shares
Snowfox Discovery Ltd	4.33% Ordinary Shares
Low Carbon Materials Limited	2.31% Ordinary Shares
Lightox Limited	1.60% Ordinary Shares
Kromek Limited	0.74% Ordinary Shares
Feasibility Limited	0.35% Ordinary Shares
Train Air Ltd	0.17% Ordinary Shares
P2I Ltd	0.00% Ordinary Shares

No spin-outs were consolidated as the University did not exercise effective control over these companies.

Surplus on investments	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
The surplus/(deficit) on investment comprises:				
Market securities	4,704	4,704	11,736	11,736
Gain on disposal of subsidiary	75	-	-	-
Total	4,779	4,704	11,736	11,736
16. Stock	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Goods for resale	366	366	276	276
17. Trade and other receivables	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Amounts falling due within one year:				
Research grant receivables	17,039	17,039	20,392	20,392
Other trade receivables	15,706	15,747	19,218	19,185
Amounts due from related parties	1,420	327	318	318
Prepayments and accrued income	20,071	20,071	13,471	13,471
	54,236	53,184	53,399	53,366
Credit risk is the risk that a counterparty does not settle its financial obligation with the University. At the year end, the University has assessed the credit risk on amounts due from commercial, research and student customers, based on historic experience.				
Trade receivables has an expected credit loss provision in place at year-end, being amounts due from customers not yet received and at risk of non-recovery. On the basis of historic experience, the expected credit loss is calculated to be £4.2m (2024: £4.3m).				
18. Cash and cash equivalents	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Cash at bank and in hand	22,904	21,943	19,544	18,838
Cash equivalents	48,619	48,619	-	-
	71,523	70,562	19,544	18,838

19. Creditors: amounts falling due within one year	Consolidated	University	Consolidated	University
	2025	2025	2024	2024
	£'000	£'000	£'000	£'000
Unsecured loans	40,760	40,760	4,780	4,780
Trade payables	22,122	22,122	20,813	20,813
Other creditors	4,017	4,017	4,120	4,084
Research grants received on account	41,509	41,509	42,637	42,637
Social security and other taxation payable	8,904	8,895	7,535	7,519
Accruals and deferred Income	46,342	46,342	52,990	52,947
Service Concession Arrangements	7,707	7,707	7,340	7,340
	171,361	171,352	140,215	140,120

The assets and liabilities relating to the service concession arrangements are recognised on the University's Statement of financial position to the extent that the University is required to fulfil nomination commitments at each 31 July. This commits the University to pay for these rooms in the following year only. It is anticipated that student rents received will fully fund this obligation.

The University has the right to nominate rooms each November for the following academic year. The current asset value of the service concession on the Statement of Financial Position as at 31 July 2025 is £7.7m (2024: £7.3m). The total liabilities relating to the service concession on the Statement of financial position as at 31 July 2025 are £7.7m (2024: £7.3m), representing the present value of lease obligations for the following academic year. All future commitments in relation to the service concession arrangements are payable within one year.

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	Consolidated*	University*
2025	2025	2024	2024
£'000	£'000	£'000	£'000

Donations and research grants 43,021 43,021 44,058 44,058

*The deferred income amounts stated in 2023/24 have been restated to include deferred research grant income of £42.6m. There is no change to the total amount of deferred income.

20. Creditors: amounts falling due after more than one year

	Consolidated 2025 £'000	University 2025 £'000	Consolidated 2024 £'000	University 2024 £'000
Derivatives	1,601	1,601	3,499	3,499
Mount Oswald headlease	16,868	16,868	17,240	17,240
Unsecured loans	254,375	254,375	259,048	259,048
Total non-current payables at 31 July	272,844	272,844	279,787	279,787

Analysis of unsecured loans

	Consolidated 2025 £'000	University 2025 £'000	Consolidated 2024 £'000	University 2024 £'000
Due within one year or on demand	40,760	40,760	4,780	4,780
Due between one and two years	4,739	4,739	4,759	4,759
Due between two and five years	12,154	12,154	13,699	13,699
Due in five years or more	237,482	237,482	240,590	240,590
Total secured and unsecured loans	295,135	295,135	263,828	263,828
Due within one year	40,760	40,760	4,780	4,780
Due after more than one year	254,375	254,375	259,048	259,048

Loans

Barclays Bank

On 22 August 2018, the University entered into a loan with Barclays Bank of £55m until 31 July 2034; this loan was repayable quarterly in line with the repayment schedule. Repayments vary over the life of the loan; instalments are between £0.83m and £0.92m. In line with this schedule, the University repaid £3.6m in 2024/25. The University has a Revolving Credit Facility agreement with Barclays for £75m. All Barclays' facilities bear interest at SONIA but are subject to interest rate hedging arrangements described below. The balance of the Barclays Bank loan at 31 July 2025 total was £30.1m and the amount drawn on the Revolving Credit Facility was £36m.

On 30 June 2014 loan funding was agreed with the North East Local Enterprise Partnership. The loan was for £10m to support IT infrastructure development including high-performance computing and data management facilities as phase one of a larger project to develop novel complex data handling and laboratory space. The rate of interest is fixed at 1.9% and the loan is repayable over ten years which commenced 30 June 2019. The value of this loan at 31 July 2025 is £4.0m.

In August 2018 the University entered into a private placement to secure funding of £225m to support the delivery of the University Strategy 2017 – 2027:

- Series A £80m is repayable in 2048 and charges annual interest at 2.66%
- Series B £70m is repayable in 2058 and charges annual interest at 2.72%
- Series C £75m is repayable in 2067 and charges annual interest at 2.67%

The Series A loan note has been assessed and has been determined to include an embedded derivative, which is not closely related to the host contract. This embedded derivative arises from the specific terms of the University's prepayment option in the loan notes. Therefore, the embedded derivative is measured at fair value through profit and loss. The underlying loan notes are measured at amortised cost.

The value of the derivative at 31 July 2025 is £nil (2024: £nil).

Interest rate hedging

Under the terms of a loan taken out in 2010 the University committed to hedging at least 60% of its loan balances and developed and implemented a hedging strategy to achieve this over the term of the loans with additional protection against interest rate fluctuations for an additional 25% of the outstanding balance until July 2020. The hedging instruments in place at 31 July 2025 were as follows:

- £1.2m amortising to nil by March 2027, fixed at 5.66%
- £13.7m amortising to nil by July 2034, fixed at 5.36%;
- £30.5m rising to £30.9m by July 2027 then amortising to £27m by July 2034 and then level until June 2040, fixed at 4.61%.

The fair value of the liability represented by these interest rate hedges is disclosed as Derivatives in the note above. These hedges are to remain in place even though some of the related loans were repaid in August 2018.

21. Provisions for liabilities

i. Pensions	2025 £'000	2024 £'000
Balance at 1 August 2024	20,850	151,741
Amounts charged to pension costs: non-cash items		
Current service cost	3,020	2,812
Administration costs	1,616	1,938
	4,636	4,750

Less:		
Employer contributions	(7,040)	(23,834)
Deficit contributions	-	(113,034)
	(7,040)	(136,868)

Amounts charged to interest and other finance costs : non cash items

Unwinding of USS pension provision discount	-	2,875
Net interest charge on pension scheme	959	1,269
	959	4,144
Actuarial gain in respect of pension schemes	(7,626)	(2,917)

Balance at 31 July 2025	11,779	20,850
--------------------------------	---------------	---------------

ii. Other liabilities	2025 £'000	2024 £'000
Fudan tax provision	1,000	1,000

Defined benefit obligations

The deficit on the University sponsored pension scheme (DUPS) is recognised as a liability. Details of this scheme, including the basis of the accounting valuation and the movement in assets and liabilities and the resulting deficit, are disclosed in Note 28.

Fudan tax provision

The £1m relating to the Fudan Tax Provision represents potential corporate, individual income tax liabilities and late payment surcharges arising from the joint DBA programme delivered between Durham University Business School and its partner Fudan University (Shanghai, China). The calculation represents liabilities relating to ongoing programme delivery.

22. Endowment reserves

Consolidated and University	Restricted Permanent	Unrestricted Permanent	Restricted Expendable	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August					
Capital	52,951	32,157	11,604	96,712	95,700
Accumulated income	9,403	-	456	9,859	5,996
	62,354	32,157	12,060	106,571	101,696
New endowments	7,432	-	1,587	9,019	3,849
Disinvestments	(1)	-	-	(1)	(80)
Investment income	1,956	-	315	2,271	2,218
Expenditure	(1,580)	-	(319)	(1,899)	(1,075)
Change in market value	2,791	-	500	3,291	(37)
Total endowment comprehensive income for the year	10,598	-	2,083	12,681	4,875
Transfer between reserves	-	(2,976)	-	(2,976)	-
Balance at 31 July	72,952	29,181	14,143	116,276	106,571

Represented by

Capital	62,439	29,181	13,079	104,699	96,712
Accumulated income	10,513	-	1,064	11,577	9,859
	72,952	29,181	14,143	116,276	106,571

Analysis by type of purpose:

			2025 Total	2024 Total
			£'000	£'000
Fellowships	8,688	-	8,688	20,134
Lectureships	1,160	-	3,759	4,919
Scholarships and bursaries	41,052	-	813	41,865
Research support	1,135	-	5,508	6,643
Prize funds	7,925	-	1	7,926
Student facilities	12,359	-	4,062	16,421
General	633	29,181	-	29,814
Balance at 31 July	72,952	29,181	14,143	116,276

Analysis by asset:

Fixed assets		12,275	-
Investment properties		1,945	17,196
Current and non-current asset investments		92,380	79,324
Cash and cash equivalents		9,676	10,051
		116,276	106,571

23. 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. The movements in the year on the total funds of all connected institutions were as follows:

	College Trusts	Fellowships	Prizes	Scholarships	Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2024	3,020	3,288	53	1,951	8,312
Additions	124	-	-	6,191	6,315
Income	93	114	1	293	501
Expenditure	(91)	(67)	(1)	(118)	(277)
Change in market value	97	209	2	390	698
Balance at 31 July 2025	3,243	3,544	55	8,707	15,549

Number of funds

5 2 2 12 21

24. Restricted reserves

Consolidated and University	Unspent Capital Grants £'000	Donations £'000	2025 Total £'000	2024 Total £'000
Balance at 1 August	89	9,231	9,320	8,884
New grants	651	-	651	-
New donations	-	5,741	5,741	1,945
Transfer to endowments	-	7	7	-
Transfer to capital grants	-	-	-	-
Transfer of previous year donations	-	52	52	(70)
Investment income	-	529	529	392
Capital grants utilised	-	-	-	-
Expenditure	(23)	(3,000)	(3,023)	(1,831)
Total restricted comprehensive income for the year	628	3,329	3,957	436
Balance at 31 July	717	12,560	13,277	9,320
Analysis by type of purpose:				
Fellowships	-	826	826	617
Scholarships and bursaries	-	4,041	4,041	3,332
Research support	-	2,055	2,055	1,584
Student facilities	717	4,677	5,394	3,644
Prize funds	-	115	115	143
Student experience	-	277	277	-
General	-	3	3	-
Staff	-	297	297	-
Conference/ Event/ Lecture	-	270	270	-
Balance at 31 July	717	12,560	13,277	9,320

25. Financial instruments

			Note	Consolidated 2025 £'000	University 2025 £'000	Consolidated 2024 £'000	University 2024 £'000
Financial assets							
<i>Financial assets at fair value through Statement of Comprehensive Income and Expenditure</i>							
Market securities (investments)	15	92,226	92,226	129,426	129,426	128	128
Other investments	15	164	164	19,544	19,544	18,838	18,838
Cash and cash equivalents	18	71,523	70,562	39,610	39,610	39,578	39,578
Other receivables	17	32,745	32,786	3,499	3,499	3,499	3,499
Financial liabilities							
<i>Financial liabilities at fair value through Statement of Comprehensive Income and Expenditure</i>							
Derivatives	20	1,601	1,601	263,828	263,828	263,828	263,828
Loans	20	295,135	295,135	7,340	7,340	7,340	7,340
Service concessions	19	7,707	7,707	17,240	17,240	17,240	17,240
Mount Oswald headlease	20	16,868	16,868	20,813	20,813	20,813	20,813
Trade creditors	19	22,122	22,122	11,655	11,655	11,655	11,655
Other creditors	19	12,921	12,912	11,603	11,603	11,603	11,603
Credit risk							
The majority of the University's debtors relate to tuition fees, the majority of which is underwritten by the Student Loans Company, or research funding which is covered by contractual arrangements. Any credit risk is deemed low.							
Market risk							
Listed investments are held at market value and as such are subject to market adjustments. The University portfolio is managed, and investments are held in short, medium and long-term envelopes to meet the planned needs of the University. The mix of investments in each envelope is selected to meet these identified term needs.							
Liquidity risk							
The University holds large cash balances and has credit arrangements to draw upon. Whilst there is no anticipated future requirement to liquidate the portfolio of listed investments, this could be achieved if required.							
Details of the loan requirements can be found in Note 20. Most of the interest is either fixed or covered by swaps. The majority of the loans relate to the private placement of £225m. There are covenants around financial performance, however any breach will result in a fine rather than a demand for repayment.							

26. Capital commitments

	Consolidated 2025 £'000	University 2025 £'000	Consolidated 2024 £'000	University 2024 £'000
Commitments contracted for	11,420	11,420	29,867	29,867

27. Lease obligations

	Land and Buildings £'000	Plant and Machinery £'000	2025 Total £'000	2024 Total £'000
Payable during the year	11,221	708	11,929	9,035
Not later than 1 year	11,221	450	11,671	8,721
Later than 1 year and not later than 5 years	31,265	220	31,485	18,224
Later than 5 years	64,696	-	64,696	33,170
Total lease payments due	107,182	670	107,852	60,115

28. Pensions**a. Universities Superannuation Scheme**

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

USS is a multi-employer scheme and is accounted for as set out in the accounting policies.

The total cost of contributions charged to the Consolidated Statement of Comprehensive Income and Expenditure is £26,614,277 (2024: £29,909,120). This includes £3,454,334 (2024: £3,702,756) of outstanding contributions at the Statement of Financial Position date.

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

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

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

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

Price Inflation - Consumer Prices Index (CPI) RPI / CPI gap	3.0% p.a based on a long term expected level of CPI, broadly consistent with long term market expectations 1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.50% p.a. Post retirement: 0.90% p.a.
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a "soft cap" of 5.0% (providing inflationary increases up to 5% then half of any excess inflation over 5.0% up to a maximum of 10.0%: CPI assumption minus 3bps

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

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

The current life expectancies on retirement at age 65 are:

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

b. Durham University Pension Scheme**Introduction**

The University sponsors the Durham University Pension Scheme (the Scheme) which is a funded defined benefit pension scheme for qualifying University employees not eligible for membership of Universities Superannuation Scheme. The Scheme is administered by a Sole Independent Trustee Company, Vidett, which is legally separate from the University. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets plus the day-to-day administration of the benefits.

Members currently build up an annual pension of 1/60th of their pensionable salary each year which will be revalued in line with CPI inflation subject to a cap of 2.5% p.a. This pension is payable from the later of, age 65, and a member's State Pension Age (under legislation applying when they joined the new benefit scale). Benefits will also be payable on death and following other events such as withdrawing from active service.

No other post-retirement benefits are provided to these employees.

The Scheme was closed to new entrants from 1 November 2024 but remains open for future accrual. Existing members can remain in the scheme and staff employed up to this date will retain a protected right to join at a future date.

Profile of the plan

The defined benefit obligation includes benefits for current employees, former employees and current pensioners. At the funding valuation date of 31 March 2023, 35.4% of the liabilities were attributable to current employees participating in the Scheme (active members), 29.4% to former employees (deferred members) and 54% to current pensioners.

Funding requirements

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Scheme was carried out by a qualified actuary as at 31 March 2023 and showed a deficit of £22.4m equivalent to a funding level of 82%. The deficit is expected to be removed by 29 February 2032 through an additional payment £2.289m per annum by the University increasing at 2% p.a. each 1 August. The Trustees will monitor progress against this target. The next funding valuation is due to be carried out as at 31 March 2026, at which time progress towards full funding will be reviewed. Over the accounting period the University paid contributions of 15.3% of Pensionable Salaries less member contributions in respect of accrual of benefits for current employees.

The University expects a charge of £4,524,000 for the year commencing 1 August 2025.

Risks associated with the Scheme

The Scheme exposes the University to a number of risks, the most significant of which are as follows:

Asset volatility	The liabilities for accounting purposes are calculated using a discount rate set with reference to corporate bond yields; if assets underperform this yield this will create a deficit. The Scheme holds growth assets (equities, property and multi asset credit) which, though expected to outperform corporate bonds in the long-term, create volatility and risk in the short-term. The allocation to growth assets is monitored to ensure it remains appropriate given the Scheme's long-term objectives.
Changes in bond yields	A decrease in corporate bond yields will increase the value placed on the Scheme's liabilities for accounting purposes, although this will be partially offset by an increase in the value of the Scheme's bond holdings.
Inflation	The majority of the Scheme's benefit obligations are linked to inflation and higher inflation will lead to higher liabilities (although in most cases caps on the level of inflationary increases are in place to protect against extreme inflation). The majority of the assets are either unaffected by or only loosely correlated with inflation, meaning that an increase in inflation will also increase the deficit.
Life expectancy	The majority of the Scheme's obligations are to provide benefits for the life of the members, so increases in life expectancy will result in an increase in the liabilities.

The University and Trustees have a long-term intention to reduce investment risk as and when appropriate. This could include an asset-liability matching policy which aims to reduce the volatility of the Scheme's funding level by investing in assets such as swaps which perform in line with the Scheme's liabilities so as to protect against inflation and interest being higher than expected. The Trustees insure certain benefits payable on death before retirement.

Reporting at 31 July 2025

The results of the latest funding valuation at 31 March 2023 have been adjusted to the Statement of Financial Position date taking account of experience over the period since 31 March 2023, changes in market conditions, and differences in the financial and demographic assumptions. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method.

Assumptions

The scheme's liabilities have been calculated using the following principal actuarial assumptions which reflect the nature and term of the scheme's liabilities:

Main financial assumptions

	2025 % per annum	2024 % per annum
RPI inflation	2.95%	3.10%
CPI inflation	2.70%	2.80%
Long term rate of salary increases	3.10%	3.25%
Rate of discount for Scheme liabilities	5.80%	4.90%
Increases to pensions in payment (RPI) - minimum 3%	3.59%	3.63%
Increases to pensions in payment (RPI) - maximum 2.5%	1.90%	1.94%

Non-financial assumptions

The most significant non-financial assumption is assumed longevity and the mortality assumptions adopted at 31 July 2025 imply the following life expectancies from age 65:

	2025 years	2024 years
Male currently aged 65	20.5	20.8
Female currently aged 65	23.1	23.1
Male currently aged 45	21.4	21.1
Female currently aged 45	24.3	23.8

Mortality table – base table

Non-pensioners: 124% of S3PMA (males) and 109% of S3PFA_middle (females)

Pensioners: 18% of S3PMA (males) and 105% of S3PFA_middle (females)

Future improvements

CMI 2023 with a long-term rate of improvement of 1.25% p.a., with core parameters i.e. a smoothing parameter (s-kappa) of 7.0, initial addition parameter of zero, half-life parameter of one year and a mortality data weighting of 100% for all years.

Scheme assets and expected rates of return

The assets of the Scheme were invested as follows:	2025 £'000	2024 £'000
Cash and cash equivalents	3,059	7,825
Equity instruments	13,603	13,732
Debt instruments	86,065	85,116
	102,727	106,673

	2025 £'000	2024 £'000
Present value of Scheme liabilities	(114,506)	(127,523)
Fair value of Scheme assets	102,727	106,673
Net liability	(11,779)	(20,850)

Reconciliation of opening and closing balances of the present value of Scheme liabilities

	2025 £'000	2024 £'000	Amount recognised in Other Comprehensive Income	2025 £'000	2024 £'000
Present value of Scheme liabilities at 1 August	127,523	125,317	Return on plan assets	(9,086)	1,553
Current service cost	3,020	2,812	Experience gains arising on plan liabilities	(153)	7,079
Interest cost	6,184	6,442	Change in financial and demographic assumptions underlying the plan liabilities	16,865	(5,715)
Contributions by members	526	389			
Actuarial gain	(16,712)	(1,364)			
Benefits paid and death in service insurance premiums	(6,035)	(6,073)			

Present value of plan liabilities at 31 July

114,506

127,523

Reconciliation of opening and closing balances of the fair value of Scheme assets

	2025 £'000	2024 £'000	
Fair value of Scheme assets at 1 August	106,673	99,020	
Interest income	5,225	5,173	Employer contributions are currently 3% and employees pay 5%. The cost to the University during 2025 was £230,582 (2024: £379,463).
Return on plan assets	(9,086)	1,553	
Contributions by employer	7,040	8,549	
Contributions by members	526	389	
Benefits paid and death in service insurance premiums	(6,035)	(6,073)	
Administration costs	(1,616)	(1,938)	

Fair value of Scheme assets at 31 July

102,727

106,673

Analysis of the charge to the income and expenditure account

	2025 £'000	2024 £'000
Analysis of operating charge		
Current service cost	(3,020)	(2,812)
Administration costs	(1,616)	(1,938)
Operating charge	(4,636)	(4,750)
Analysis of pension finance cost		
Interest income	5,225	5,173
Interest on plan liabilities	(6,184)	(6,442)
Pension finance cost	(959)	(1,269)
Total cost	(5,595)	(6,019)

c. Aviva Pensions

Aviva Pensions provides a defined contribution scheme which invests employer and employee contributions to provide a member specific fund (Mercers Master Trust) that will be converted into pension on the member's retirement. Previously this scheme was the auto-enrolment scheme for all employees Grade 5 and below, and casual employees. Following the introduction of DURSP in November 2024, the scheme remains in place for auto-enrolment for casual employees only.

Employer contributions are currently 3% and employees pay 5%. The cost to the University during 2025 was £230,582 (2024: £379,463).

d. Durham University Retirement Savings Plan (DURSP)

From November 2024, non-casual employees Grade 5 and below are auto enrolled into DURSP defined contribution scheme. This is administered by Aviva and invested into the Mercers Master Trust in line with the Aviva Pensions scheme.

Default employer contributions are 10% (the minimum contribution) and employees pay 5%. Where employees choose to pay an additional percentage, employee contributions will be increased by an additional percentage (to a maximum of 12%). The cost to the University during 2025 was £640,900 (2024: £nil).

29. Access and Participation

Expenditure	2025 £'000	2024 £'000
Access expenditure only	5,301	6,258
Financial support	8,110	7,433
Disabled students (incl. disability support & disability premium)	1,573	1,536
Research and evaluation related to Access Participation	141	135
	15,125	15,362

In the Access and Participation Plan for 2024/25, the target total spend for access, participation and success was £9.75m and the University's actual expenditure was £15.1m. This is a reduction from 2023/24 actual expenditure of £15.4m (target: £9.75m). This spend includes significant increases in key areas, most notably in financial support for students, which has grown by £0.7m compared to 2023/24 and £1.2m since 2022/23, reflecting our ongoing commitment to providing robust support to students. The access expenditure has reduced from £6.3m to £5.3m, primarily driven by a decrease in staff costs, partially caused by voluntary severance and hiring delays as a result.

This has not led to a reduction in planned activity as the University worked towards delivering the final activity of this version of the Access and Participation Plan. The stabilisation in expenditure is reflective of the broader range of activities now taking place, following the resumption of in-person engagement after the COVID-19 pandemic in calendar years 2022 and 2023. Activities such as residential summer schools and school visits have been successfully maintained, and the University continues to integrate effective elements of digital delivery alongside this, which has reduced costs, in areas such as travel. Inflationary pressures have contributed to some increased costs, particularly in average staff costs and financial support for students, though this was accounted for in 2024/25 financial planning. Staff costs remain a significant proportion of our expenditure, and at £3.95m constituting approximately 26% of the total access and participation plan spend. This represents a marginal decrease from the prior year in both percentage and monetary terms. In the area of research and evaluation related to access and participation, £141,000 was spent (2024: £135,000), largely directed towards academic research that informs the Access and Participation plan.

We continue to invest in supporting disabled students, with £1.57m allocated in 2024/25, up from £1.54m the previous year, ensuring that these students receive the necessary support and resources. In summary, the University has exceeded financial targets for access, participation, and success, while continuing to enhance both the range and quality of support available to our students.

The Access and Participation Plan (2025/26 to 2028/29) has been approved by the University and the Office for Students.

30. US Department of Education Financial Responsibility Supplemental Schedule

In satisfaction of its obligations to facilitate students' access to US federal financial aid, Durham 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 Pounds Sterling (GBP).

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

Primary reserve ratio			Year ended 31 July 2025	Year ended 31 July 2024
Page	Related Note		£'000	£'000
-	-	Net Assets without donor restrictions	424,933	428,781
-	-	Net Assets with donor restrictions	129,553	115,891
94	22	Funds restricted in perpetuity	(72,952)	(62,354)
94	22	Term endowments	(14,143)	(12,060)
94	22	Life income funds	(29,181)	(32,157)
84	12	Property, plant and equipment	(790,033)	(765,020)
98	-	Lease - right of use (net)	-	-
93	21	Pension liability	11,779	20,850
92	20	Placement loans	225,000	225,000
92	20	Lines of credit for long-term purposes	47,844	53,311
82	8	Related party receivables	(1,420)	(318)
			(68,620)	(28,076)
		Total operating expenses	542,561	394,108
		Other (gains) / losses	(1,898)	1,363
			540,663	395,471
Primary Reserve Ratio			(0.1269)	(0.0710)

Equity ratio

Page	Related note			Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000		
67	<i>SOCIE</i>	Net assets without donor restrictions		424,933	428,781
-	-	Net assets with donor restrictions		129,553	115,891
-	-	Goodwill		-	-
82	8	Related party receivables		(1,420)	(318)
				553,066	544,354
		Total assets		1,011,470	986,118
		Equity ratio		0.5468	0.5520

Net income ratio

Page	Related note			Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000		
67	<i>SOCIE</i>	Change in net assets without donor restrictions		424,933	428,781
		Net Assets with donor restrictions		129,553	115,891
8	Related party receivables			(1,420)	(318)
				553,066	544,354
-	-	Total operating revenue - unrestricted		534,146	514,465
-	-	Less investment return appropriated for spreading		-	-
67	<i>SOCIE</i>	Less sale of fixed assets		3,587	(426)
				537,733	514,039
		Net income ratio		1.0285	1.0590

31. Post Balance Sheet Events

In September 2025, the University negotiated a new £200m Revolving Credit Facility with NatWest, which comprised two tranches; a £100m facility for 7 years and a £100m facility for 12 years. This replaced the existing Barclays £75m Revolving Credit Facility, the Barclays loan of £30.3m and the NELEP loan of £4m, which were all repaid in full in September 2025.

23-26 Old Elvet has had commitment to be sold post year-end with a completion date in December 2025, being buildings previously used for Durham University Business School but recently held vacant. The sale will be accounted for in the 2025/26 financial statements.



Durham University
The Palatine Centre
Stockton Road
Durham
DH1 3LE
UK

Telephone +44 (0)191 334 2000
Visit durham.ac.uk

-  [DurhamUniversity](#)
-  [@durham_uni](#)
-  [@durhamuniversity](#)
-  [DurhamUniversity](#)

The University of Durham (trading as Durham University) an Exempt Charity noted in Schedule 3 of the Charities Act 2011.

Durham University and Durham University logo are registered Trade Marks of the University of Durham. Unless otherwise stated, all material in this publication is copyright of the University of Durham. The University makes every effort to ensure that the information contained here is accurate. This publication is intended as a general guide to Durham University's facilities and form no part of any contract between you and the University. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form, or by any means, electronic, mechanical, photocopying, recording or otherwise, without the permission of the University. Please note that the University's website is the most up to date source of information and we strongly recommend that you always visit the website before making any commitments.