2025

University of Kent

ANNUAL REVIEW AND FINANCIAL STATEMENTS

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Introduction by the Acting Vice-Chancellor and President

This year has been one of transformation, resilience and renewed momentum for the University of Kent. Across our Canterbury and Medway campuses, communities and partnerships, we have continued to focus on what matters most: delivering an outstanding student experience, producing impactful research and strengthening the civic role we play within our local communities, across our region and beyond.

Throughout the year, we have continued to evolve our academic and organisational structures to ensure we are best placed to meet the changing needs of students, employers and society. Our focus on putting students at the heart of all we do has shaped decisions across every part of the University, from curriculum innovation and support services to campus investment and academic delivery. These developments build on the ambitions of our Kent 2025 strategy, and guide our commitment to inclusive education, research excellence and civic impact.

Kent's community has continued to make significant research and innovation contributions nationally and internationally. Our academics are addressing some of the most pressing challenges facing society today, across areas including sustainability, health and wellbeing, social justice, digital innovation and culture. We have strengthened interdisciplinary collaboration and expanded partnerships with industry, government and community organisations, ensuring our research and scholarship delivers real-world impact and opportunities for students and the wider region.

Partnership has been central to our progress this year. We have deepened relationships with schools, colleges, businesses, civic organisations and international institutions, helping to widen participation, support regional growth and create new opportunities for our students and staff. Our long-standing commitment to collaboration continues to underpin the University of Kent's role as an anchor institution for the South East, contributing socially, culturally and economically to the communities we serve.

A defining moment for the University this year has been the announcement of our work towards creating the London and South East University Group (LASE) from 1 August 2026. This exciting new partnership represents a bold and innovative step for higher education and creates a powerful platform for Kent's future development. The Group is founded on five key pillars:

- Student-centred education without boundaries
- Employability at the heart of our student experience
- World-class and impactful research
- Positive regional economic impact
- Innovative and collaborative high-performance culture.

Together, these ambitions build directly on the foundations of our Kent 2030 strategy and position Kent to thrive in an increasingly dynamic and competitive higher education landscape. By working collaboratively at scale while retaining the University of Kent's distinct identity and strengths, we are creating new opportunities for our students, staff and partners while shaping an exciting future for the University and the wider region.

As we look ahead, we do so with confidence in the creativity, commitment and determination of our community. I would like to thank our staff, students, alumni and partners for their continued dedication and support throughout the year. Together, we are building a university that is ambitious in its outlook, deeply connected to its communities and focused on delivering meaningful impact for generations to come.

Highlights of the year

Over the past year, the University of Kent has continued to deliver against its strategic priorities through achievements in education and student experience, research and innovation, and partnership and civic engagement. Across the institution, activity has been focused on creating an outstanding student experience, strengthening the impact of research and scholarship, and deepening partnerships that support communities, employers and the wider region.

Student-centred education

Transforming the student experience

A major focus during the year was the continued implementation of Education Modernisation, Kent's ambitious programme to reshape teaching and learning around student needs and future employability. Informed directly by student feedback, the programme introduced earlier timetable publication, a new academic advising system, revised assessment patterns and improved access to student support and employability services. Together, these changes have created a more flexible and student-focused academic experience while helping students better balance study, work and wellbeing.

The programme also strengthened the University's focus on graduate outcomes by embedding employability more clearly across academic programmes and staff development initiatives. The University's work in this area received national recognition through its shortlisting for 'University of the Year' at the national Employability Awards.

Inclusion, belonging and widening participation

The University continued to strengthen its commitment to widening participation, inclusion and belonging throughout the year. Kent was awarded University of Sanctuary status in recognition of its support for refugees and asylum seekers and its work to create a welcoming, compassionate and inclusive environment for all members of its community. The award reflected the impact of initiatives including sanctuary scholarships, community partnerships and events such as the Sanctuary Dinner on a Stage in the Gulbenkian, which brought together sanctuary scholars, staff and regional partners to celebrate inclusion and raised funds to support students seeking sanctuary. The University of Kent's widening participation activity was also recognised nationally through commendations and award shortlisting from the National Education Opportunities Network (NEON), highlighting the University's evidence-based outreach work, support for underrepresented students, and commitment to removing barriers to higher education and graduate success.

Strengthening academic communities and opportunity

The University also continued to invest in the development of its academic community and student opportunities. The launch of new academic School structures supported greater interdisciplinary collaboration and clearer pathways for students, while the Kent and Medway Medical School celebrated important milestones in training the next generation of healthcare professionals for the region including GMC accreditation. Across the University, students benefited from research-informed teaching, expanded employability initiatives and opportunities to shape institutional decision-making through student voice and partnership activities, including the Widening Participation Student Advisory Panel and the Wellbeing Advisory Board. These developments reinforce Kent's commitment to delivering a connected, inclusive and future-focused student experience.

Impactful research and innovation

Research and innovation addressing global and regional challenges

Research and innovation at Kent continued to address major global and regional challenges through interdisciplinary collaboration and strong external partnerships. The University expanded work across sustainability, health and wellbeing, digital innovation, culture and social justice. During the year, the University secured significant external funding to support postgraduate research and collaborative doctoral training, helping to develop the next generation of researchers while strengthening partnerships with cultural and research organisations across the region and beyond.

Delivering social and community impact

University of Kent researchers continued to deliver work with direct social and community impact. Projects undertaken through the Centre for Child Protection and health research collaborations across Kent, Surrey and Sussex contributed to improved professional practice, public policy and regional health outcomes. Partnerships with local authorities, NHS organisations, charities and industry strengthened the University's role as a driver of innovation and evidence-led change, while ensuring research activity translated into practical benefits for communities and public services.

Partnership and regional impact

Building the London and South East University Group

A defining moment during 2025 was the announcement of the London and South East University Group with the University of Greenwich. This pioneering collaboration creates a new model for higher education partnership, enabling both institutions to strengthen resilience, expand opportunities for students and staff, enhance research and innovation activity and increase regional impact while retaining their distinct institutional identities. The development represents a significant step forward in Kent's ambitions to shape the future of higher education across London and the South East.

Supporting regional growth and regeneration

The University continued to demonstrate its importance as a regional anchor institution through partnerships that support economic growth, regeneration and skills development across the South East. Independent analysis recognised Kent as one of the UK's leading universities for driving local growth and regeneration activity. Partnerships with businesses, schools, local authorities, cultural organisations and community groups continued to support innovation, social mobility and economic resilience across Kent and Medway, reinforcing the University's civic role within the region.

Celebrating 60 years of impact

Throughout the academic year 2025-26, Kent celebrates its 60th Diamond anniversary, recognising six decades of education, research, scholarship, creativity and civic contribution. Anniversary activities will highlight the lasting impact of the University's students, staff, alumni and partners, while also looking ahead to an ambitious future built on collaboration, inclusion and innovation. From pioneering research and cultural engagement to community partnerships and widening participation initiatives, these celebrations reflect the strong connections Kent has built locally, nationally and internationally over the past six decades.

Despite a challenging and fast-changing environment, the commitment, resilience and ambition of our staff, students and partners have continued to shape and strengthen our university community. I would like to thank everyone who has contributed to our success over the past year. Together we remain focused on building a university that is academically strong, financially sustainable and equipped to meet the needs of generations of future students.

Professor Georgina Randsley de Moura

Acting Vice-Chancellor and President,
University of Kent
(23 May 2024 to 31 July 2026)

Highlights of the year

Supporting innovation and growth, regionally and beyond

An external review has estimated the University of Kent's significant regional economic impact as £911 million[1] for the South East along with 13,000 jobs dependent on our activities, leaving no doubt over our role as an economic force within the region, alongside our social, creative and cultural contributions.

Our world-leading research and innovation activity continues to drive collaboration and growth both regionally and on an international scale. Our new £8.2 million Centre for Advanced Diagnostics Development and Application, established in partnership with the University of Manchester and UCL, is fulfilling the need for a nationwide diagnostics network and channelling funding and support towards collaborative projects that will transform how we diagnose and treat disease. Meanwhile, a new state-of-the-art experimental ballistics facility on our Canterbury campus is enabling students, researchers and industry partners to advance forensics and wound care.

In Medway, construction began on the transformation of the Grade II listed Police Station House into our pioneering digital hub, Docking Station; a cutting-edge, creative production facility for teaching and commercial use due to open in Spring 2027. As a signatory of the One Medway Charter, this is one aspect of our work with local councils, trusts and other education providers to exploit opportunities and address challenges in priority areas identified by the community and support the national industrial strategy.

> "This dynamic facility will enable local businesses, students, and the broader community to develop new skills in immersive technologies. It will also strengthen the thriving digital creative industries in Medway and the wider region. For Medway businesses, residents and students this will mean opportunities for education and training in these exciting new technologies, and the creation of new jobs in the area."
>
> **David Sefton,**
> Director of the Institute of Cultural and Creative Industries at University of Kent

Fit for the future

With increasing cost-of-living pressures and an evolving job market, student life is changing, and we're ensuring we are preparing for the future. Our Education Modernisation project is transforming how students will get access to learning and opportunities at Kent, and is the cornerstone of how we put students at the heart of all we do. We're creating a progressive approach to higher education with a new academic year structure, redesigned curriculum and a radically improved approach to assessment, timetabling and employability. With study and assessment more evenly spread over the academic year, students will have more opportunities to combine study with work and other activities, and be better equipped to express the skills they've gained and developed during their studies, in job applications and interviews.

Becoming a University of Sanctuary

We have been working to become a safe and welcoming place for refugees, asylum seekers, and others who are displaced or forced to migrate, and have this year been recognised with official 'University of Sanctuary' status.

Our undergraduate Sanctuary scholarships are fundamental to this work. We stand firmly by the principle that everyone has the right to education, and higher education must be accessible to all based on merit. Our scholarship scheme, open to asylum seekers and students from forced migration backgrounds, is breaking down barriers to higher education to ensure that displaced students can thrive.

> "We are proud to be part of a movement that stands for compassion, dignity, and inclusion. As a university, we are committed to creating a place of safety and belonging for all. Our work inspires us to look beyond the classroom and into our wider role as a civic institution, with universities not just centres of learning but also active contributors to our wider communities."
>
> **Georgina Randsley de Moura,**
> Acting Vice Chancellor & President

Themes of migration and movement extend beyond the classroom into our research, outreach and public engagement activities. A project led by Kent Business School has been exploring the employability of refugees locally, whilst Projekt ENCOUNTER has seen a series of interactive arts workshops help first-generation migrants, refugees and asylum seekers in Kent express themselves and develop skills for careers in the creative industries.

> "Studying at Kent has helped me adapt socially, culturally and introduced me to a way of life."
>
> **Makomborero Haruzivishe,**
> Sanctuary Scholar

Right to Food

In February, Kent celebrated two years of being the World's first Right to Food University by bringing together students, researchers and the public to debate how big brands and the media are manipulating our diets. This is just one example of how we're promoting food justice, tackling food poverty and transforming our food systems. The introduction of voluntary gleaning sessions, cookery classes, £3 meals on campus, food-focussed research and links between our catering services and the Kent Community Oasis Garden are some of the other activities that contributed to our winning the 'Benefitting Society' Award at the 2024 Green Gown Awards for the initiative, which is growing year on year.

Greener campuses

We have unique strengths as a university in tackling climate change and are determined to bring together the talent and energy of staff, students and the wider community to make a tangible impact. This includes developing an estate which is fit for the future, embracing modern technology and external partnerships where they can act as a catalyst to delivering our mission.

Our partnership with Siemens Energy to deliver infrastructure improvements across our estate is central to our commitment to embed carbon reduction across our operations and meet our ambitious goals to reduce Scope 1 & 2 emissions to net zero by 2040 and Scope 3 emissions to net zero by 2050.

Our partnership with the Warp-it scheme continues to reap benefits for us and the environment, as does our switch to a carbon-neutral shuttle service and activities which fall under our Sustainable Food Plan, which our new catering suppliers, Chartwells, have committed to align with. We have also been recognised for the positive action we are taking to restore our green spaces through projects such as The River and the Kent Community Oasis Garden, a partnership with East Kent Mind which in June 2025 celebrated its 5th anniversary.

1 £911 million for the South East in the academic and financial year 2022-23, based on a report produced by independent analysts Viewforth Consulting.

Major events by month

August

Latest analysis shows that the University of Kent is a major economic force for the region, generating a total of £911 million for the South East (SE) in the academic and financial year 2022/23. This includes £303 million generated by the personal (non-fee) expenditure of our students. Additionally, almost 13,000 jobs across the SE for this period were dependent on the University's activities, including 3,879 created by student expenditure.

September

Kent achieves a ranking of 40th out of 131 institutions nationally in *The Times/Sunday Times Good University Guide 2025.*

October

Kent joins the 'Golden Circle' of universities across the South East to develop a distinctive shared Technology Transfer Office model with aims to boost the number and success of spin-out companies in the region. The Golden Circle will harmonise new and best practice in spin out creation, raise capability and pool access to investment by working with local supply chain collaborations, specialised skilled workforces and investor networks, helping to create a more powerful and robust platform for innovation beyond the 'Golden Triangle' of Oxford, Cambridge and London.

November

Kent takes home the 'Benefitting Society' Award at the Green Gown Awards in recognition of its work as the world's first Right to Food University. The Right to Food civic mission sees Kent, in partnership with the Food Foundation, our academic experts, catering and sustainability teams bring about change in the food system and work with our students, staff and wider local community to tackle food inequality and insecurity.

December

Kent's partnership with Siemens to deliver a new carbon reduction strategy gets underway, with ambitions to cut emissions by 50% across our Canterbury and Medway campuses.

January

Kent is awarded £1.6 million by the National Institute for Health and Care Research (NIHR) Policy Research Programme to assess the value for money social care services provide to people receiving care and to their families.

Kent's School of Natural Sciences opened a new experimental ballistics facility for teaching and research, adding to its unique portfolio of specialist forensics facilities.

February

Work begins on the construction of Docking Station; the transformation of the Grade II listed Police Station House at The Historic Dockyard Chatham, into a cutting-edge digital creative production facility.

PROJEKT ENCOUNTER, a free community engagement programme for refugees, asylum seekers, and first-generation migrants in Kent, returns to the University for a second year.

March

School pupils in Canterbury gave up their smartphones as part of the Social Experiment, a research project at the forefront of debate around how social media is shaping young people's lives, led by Dr Lindsey Cameron and Dr Katie Goodbun in the School of Psychology. The initiative, supported by the verbatim play Generation FOMO, aims to encourage conversations about smartphone use between young people, parents/carers and teachers, with plans for a tour across twelve schools in Kent.

April

Kent launches the Centre for Advanced Diagnostics Development and Application with £3.8m of funding from Research England, in partnership with the University of Manchester and UCL, to unite England's world-class diagnostics expertise to accelerate the development and application of tools to improve disease diagnosis.

May

Kent hosts its 8th Kent and Medway Business Summit, welcoming businesses and policymakers to our Canterbury campus for a day of discussion around the big issues shaping Kent and Medway's economy, including regional devolution and the advance of AI.

Kent was shortlisted for the 'University of the Year' award at the inaugural Academic Employability Awards, recognising innovative approaches to embedding employability within higher education. The nomination recognised Kent's work through Education Modernisation 2025, part of the wider Kent 2030 initiative, which is placing employability at the heart of academic life.

June

Kent Community Oasis Garden (KentCOG) celebrates another successful year – and five years of a partnership with East Kent Mind. KentCOG was established in 2018 as a sustainable food project. Since then, the project has grown into a wellbeing hub centred around food growing; reconnecting with nature; sustainability education; and community engagement.

Kent is awarded 'University of Sanctuary' status in recognition and celebration of our values and the work we do to exemplify a commitment to welcome people seeking sanctuary. The Sanctuary Award means we joined a list of other prestigious Universities of Sanctuary – including our partners in Eastern ARC.

Kent was commended at the National Education Opportunities Network (NEON) Awards 2025 in the 'Higher Education Institution of the Year' category. The University was recognised for its commitment to widening access for underrepresented groups throughout the student lifecycle, from senior management actions and support through to outreach activities with young people.

July

The first ever cohort of students from the University of Kent and Canterbury Christ Church University joint Kent and Medway Medical School (KMMS) graduate, with indications that nearly half will be staying in the Kent, Surrey and Sussex area as resident doctors via their postgraduate foundation programme.

Kent's Parkinson's Centre for Integrated Therapy (PCIT) receives the Outstanding Achievement in Community Outreach Award at the Global Health Awards 2025. In a ceremony at the House of Commons chaired by The Lord Loomba CBE, PCIT was recognised for its 'exceptional commitment to engaging and supporting the Parkinson's community through innovative, person-centred care.'

Merger with the University of Greenwich

On 10 September 2025, the University announced its intention to merge with the University of Greenwich, creating the London and South East University Group (LASE). After carrying out the required due diligence, this intention was formalised through the signing of a Merger Deed on 23 January 2026, committing the University to the transaction. Completion of the merger took place on 1 August 2026.

The merger is driven by a shared ambition to create a university that delivers education without boundaries and places students firmly at its centre. By combining the strengths of two established institutions, LASE will expand opportunity, enhance student support, and provide a wider range of high-quality, employer-focused courses.

The combined scale will enable the new institution to deliver more impactful research in areas such as health and wellbeing, sustainability, and the creative industries, while strengthening its civic role through deeper regional engagement and positive economic impact. LASE will also foster an innovative, collaborative and high-performing culture for staff, creating an environment where colleagues can thrive.

Together, these benefits will support the new Group's vision to transform lives, energise communities, and equip graduates with the skills, confidence and connections needed to succeed.

FINANCIAL AND STRATEGIC REPORT

Financial highlights for the year to 31 July 2025

Financial performance and investment:

	2024/25	2023/24	Movement
Total Comprehensive Income	-5.6	49.9	-55.5
as % total income	-2.1%	18.6%	
Underlying financial performance (see Financial performance)	**0.6**	**-6.3**	6.9
Adjusted Net Operating Cashflow (ANOC)[1]	13.7	0.7	13.0
as % total income	5.1%	0.3%	
Total income	268.7	268.4	0.3
Tuition fee income	149.0	158.6	-9.6
Residences and catering income	44.5	44.6	-0.1
Staff expenditure for the year[2]	142.2	147.2	-5.0
as % total income	53.0%	54.8%	
Capital expenditure	7.2	11.5	-4.3

Liquidity, debt and financial viability:

	2024/25	2023/24
Current asset ratio[3]	1.13	0.91
'Available cash reserves'[4] as days' expenditure	88 days	51 days
Net debt (Outstanding loans less cash held)	66.3	78.6
Net assets	244.3	249.9

1 A measure of cash received in the year that could be used to meet future commitments, (Net cash inflow from operating activities plus cash received from investment & endowments, less interest paid on borrowing).
2 Total staff costs less the movements in provisions for pension deficit recovery plans and redundancy payments in relation to restructuring schemes.
3 A liquidity measure of ability to pay short term debts, calculated as the ratio between current assets and current liabilities.
4 Measured as cash in hand, short-term deposits and 90% of the market value of current asset investments.

As described on page 8 the University merged with the University of Greenwich on 1 August 2026. As a result, the 2024/25 financial statements are prepared on a basis other than a going concern. The statutory financial results included in this financial and strategic report are therefore prepared on a basis other than a going concern. Further details in respect of the basis of preparation can be found in the accounting policies to these financial statements.

Summary of the year

In 2024/25 the University continued to work with stakeholders to deliver the Kent 2030 transformation process in order to secure future performance and delivery of first class education. Operational financial performance for the year is better than 2023/24, with an underlying deficit of £0.7m, improved from a prior year deficit of £6.3m, largely as a result of continued cost management in response to static income levels. Student tuition fee income decreased, compared to 2023/24 by £9.6m, in a challenging recruitment environment. The shortfall to our budgeted tuition fee income target was lower, at £4.9m. Cost-control and strategic cost reduction measures, under Kent 2030, have been in place throughout the year, including managing our non-pay expenditure and staff recruitment carefully. This ensured that pay spend, after adjusting for pension provision movements, was £4.9m lower in the year than in 2023/24 and non-pay costs decreased by £0.9m despite inflationary pressures.

The University acknowledges that continuing with an underlying deficit position is not sustainable over the long-term. In order to improve financial sustainability the University has continued with its transformation work under its 'Kent 2030' vision. This substantial programme of work aims to transform Kent and place it on a path to financial sustainability through targeted opportunities for student growth, alongside portfolio review and improvements in operating efficiency and service delivery. Kent 2030 seeks to ensure that Kent remains a leading destination for students and maintains vibrant world-leading research credentials. Our February 2024 refinancing arrangements with our lenders and a further lease and leaseback transaction in July 2025 have provided financial headroom while this transformation takes effect.

The University has a reported statutory deficit for the year ended 31 July 2025 of -£5.6m. However, this includes the impact of impairment adjustments and losses on the sale of buildings of £2.8m. It also includes the impact of one-off redundancy and restructuring costs of £6.0m and specific capital grants received of £2.6m. Excluding these adjustments the annual result is a surplus for the year of £0.6m which is better than the budget for the year, largely due to improved income generation and restraint in operational spend.

Cash balances increased by £20.7m during the year, largely due to the net retained proceeds arising from the lease and leaseback transaction of the University's Parkwood student flats. This transaction, giving rise to a new finance lease liability, was completed in July 2025 and generated gross proceeds of £29.4m, of which £14.5m was used to repay existing loan debt and the balance was retained to fund the investment in our transformation. This has helped to improve short-term liquidity and forms part of the year-end cash balance of £56.6m, equivalent to 80 days of expenditure, above the University's financial framework minimum threshold of 40 days, and ahead of our budgeted year-end position. Our balance sheet position has remained steady, with a current asset ratio of 1.13 (July 2024 (restated):0.91), reflecting the higher level of cash at year-end as offset by the higher level of borrowing.

Looking beyond July 2025, for 2025/26 the University set a cautious budget, in expectation of a challenging student recruitment round. The budget was for an expected operating deficit of £11.5m. This included an anticipated reduction in tuition fee income of £12m, compared to the 2024/25 result, due to increased competition for recruiting UK students. The budget also made provision for the delivery of further cost reduction measures under the Kent 2030 transformation programme, particularly the rightsizing of academic school structures and the realignment of professional service divisions in an updated target operating model. The budget included in-year costs of organisational restructuring of £4.6m and one-off transformation investment of £3.3m. The underlying operating performance budgeted for the year was therefore a forecast £3.6m deficit. As at June 2026, we forecast an operating deficit of £5.7m, with underlying performance of a £4.9m surplus. The main drivers of improvement are improved student recruitment with tuition fees £10.3m ahead of budget and further caution in spend contributing additional savings of £6.4m. These improvements are part-offset by pressures on student costs of living with accommodation income and guarantee costs being £3.9m worse than budgeted due to lower accommodation occupancy, and further financial impacts from reduced catering activity on campus.

In January 2026 the University agreed to merge with the University of Greenwich to create a first of its kind new entity, the London and South East University Group (LASE). This arrangement, taking effect from 1 August 2026, will see both universities retain their separate academic identities within one single legal entity. Under these arrangements the trade, assets and liabilities of Kent transferred to the new entity on 1 August 2026, with an agreement that the current legal structure for the University will be wound down over the next few years. As preparation for the merger activities, we set aside budget of £8.5m in 2025/26, in addition to the operational budget, to fund the necessary due diligence and legal work to effect this transfer.

Financial performance

The University has a reported statutory deficit for the year ended 31 July 2025 of -£5.6m. However, this includes the impact of impairment adjustments to fixed assets totalling £0.7m and a loss of £2.1m realised on the sale of surplus buildings at the Medway Campus. It also includes the impact of one-off redundancy and restructuring costs of £6.0m and capital grants received of £2.6m. The annual result excluding these adjustments is a surplus of £0.6m, which is £8.1m better than the budget for the year, largely due to improved income generation and restraint in operational spend. The table below shows the calculation of this underlying financial performance of £0.6m surplus which compares well to 2023/24's underlying financial performance for the year of a deficit of -£6.3m, reflecting the impact of cost reduction measures in the year.

The reconciliation of these two amounts is shown below:

	2024/25	2023/24	Change
	£000	£000	
Total underlying income	**266,125**	**267,284**	↓ -0.4%
Total underlying expenditure	**(265,609)**	**(273,684)**	↓ -3.0%
Unrealised gain on investments	**35**	**65**	
Underlying financial operational performance	**551**	**(6,335)**	108.7%
In-year movements in pension scheme deficit provision (release against contributions paid plus finance cost)	-	4,735	
Cost of redundancy arising from major restructuring	(5,951)	(4,385)	
One-off capital grants & donations recognised in year	2,585	1,128	
Deficit from operations	**(2,815)**	**(4,857)**	↑ -42.0%
One-off movement in pension scheme deficit provision following completion of 2020 valuation & changes to discount rates	-	61,422	
Impairment loss on Fixed Assets	(734)	(6,624)	
Sale of tangible assets	(2,059)	-	
Statutory (Deficit)/ Surplus for the Financial Year	**(5,608)**	**49,941**	

The underlying financial performance shown in the table, is a surplus equivalent to 0.2% of underlying income (2023/24: -2.4%).

This is an improvement on 2023/24 as a result of a reduction in pay expenditure with targeted improvements in pay spend relating to academic right-sizing and a reform of management structures as well as ongoing enhanced controls on non-pay expenditure. Performance as measured by EBITDA as a percentage of income is reported as 11.4% (2023/24: 3.1%) but this is distorted by the reversal of a service concession asset unwinding in the year. The underlying EBITDA is 3.0% and therefore remains below the 11% target level set out in the University's Financial Framework, which aims to ensure that sufficient cash is generated for the maintenance of the estate and new capital investment to meet the estates strategy. The associated Adjusted Net Operating Cashflow as a percentage of income (see Financial Highlights, earlier) of 5.1% (2023/24: 0.3%) also falls below our internal target of 9%, despite being boosted by positive working capital movements. The University is working to improve both financial sustainability and the offering to students as core aims of the Kent 2030 transformation plan.

Income

Total income increased by £0.3m (0.1%) in the year to £268.7m, with reductions in the level of student tuition fees offset by increased income across most other areas of Kent's operation, most notably research grants and contracts income.

Income from tuition fees and education contracts decreased by £9.6m overall during the year. Student recruitment continues to be challenging with increased competition for UK undergraduate students affecting the in-year intake and reducing tuition fees by £1m compared to 2023/24. The most challenging area of recruitment, though, remains the international student population and the situation was intensified by the changes made by Government to international study visas which have made the UK less competitive compared to other destinations. Tuition fees from international students were £8.3m lower than in 2023/24 as a result of these challenges, particularly in the overseas postgraduate market and the introduction of new scholarship packages for students from seven international target markets which have resulted in lower average tuition fee levels. The University is continuing to track and respond to evolving UK and international student markets and to ensure it remains an attractive and competitive place to study and achieve. Work to improve student retention through new student engagement and attendance monitoring processes has resulted in improved levels of returning students.

Recurrent grants from Funding Councils were £2.9m higher than 2023/24, despite most funding streams being static in cash terms. This increase solely relates to teaching grant from the Office for Students.

Although the grant itself has not increased, the sharing mechanism agreed with our partner in the Kent and Medway Medical School has been re-set in 2024/25 to better align with the partnership agreement. This has resulted in an increased share for Kent including re-settlement in respect of prior years. In addition, capital grants of £1.0m (2023/24: £1.0m) were received from the Office for Students (OfS) and Research England (RE) to support the provision of new and improved teaching and research facilities through the University's capital programme.

Income from Research Grants and Contracts increased by £4.6m (27.6%) in the year to £21.5m, increasing as anticipated as Research and Innovation growth forms one of the key pillars of the University Strategy. Income was elevated due to increased activity and grant levels and the close-out and final reconciliation of a number of historic grants. Income from consultancy and innovation grants and contracts of £4.7m is lower than last year by 8%. Work is on-going to monitor performance and ensure that the activity continues to grow in the future and is supported by school-based teams.

Income from Residences and Catering operations remained static during the year. This was due to a reduction in occupancy levels at the Canterbury Campus which offset the annual inflationary increase in rental prices. Student trends are evolving in response to cost of living pressures and we are seeing an increased number of students choosing to commute from home. Kent's residential strategy is adapting, offering increased numbers of rooms to returning students and also offering a number of short-term lets to staff and students wishing to stay in university accommodation on an irregular basis. Catering income reduced by £0.7m since last year, back down to the levels seen in 2022/23. The University has now entered into a partnership with Chartwells to refresh the catering proposition and menu, commencing from June 2025. Across the residences and catering stream, effective cost controls have been in place to offset static income levels.

Income from all other activities (excluding Consultancy and Innovation) has increased by £1.9m during the year to a total of £13.4m. This is largely due to the recognition of an increased value of capital grants in the year as work commenced on the conversion and construction work for the Docking Station at Medway with capital spend incurred (as noted in the 'Capital Expenditure and Long-term borrowing' section).

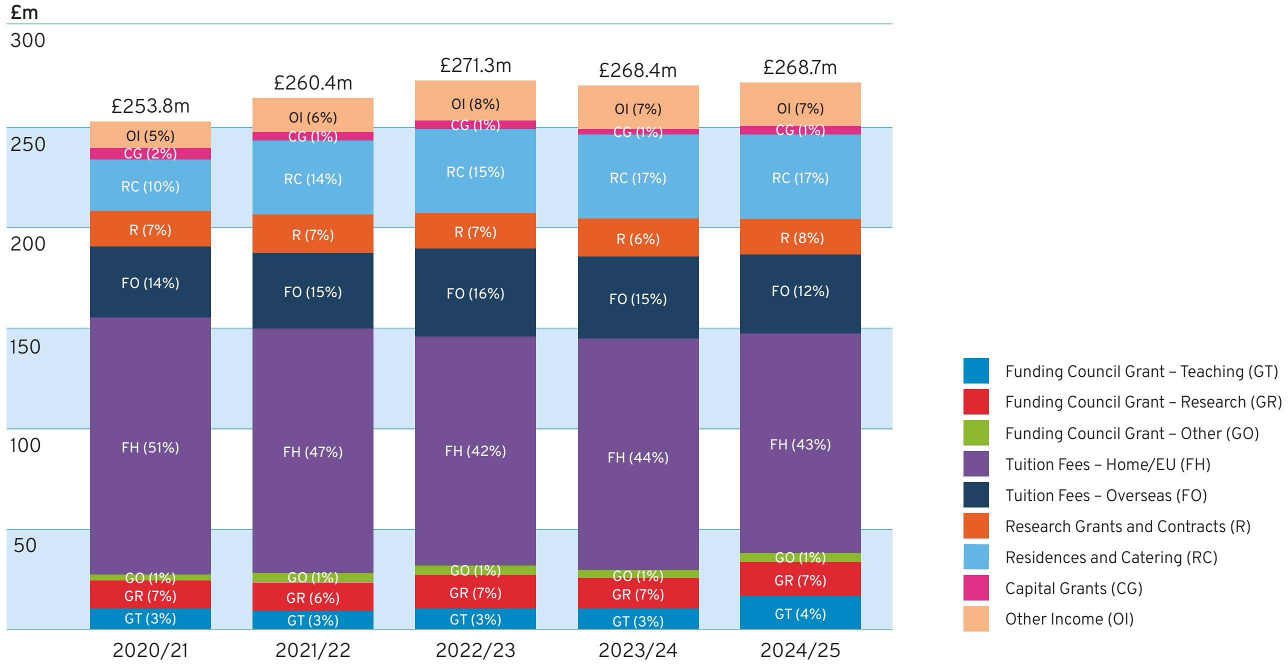
This exciting regeneration and construction project will deliver a centre of creative digital production, education and community engagement, wholly-funded by external grants and donations, and will be completed in late 2026. Construction work on this facility commenced in January 2025, following a detailed planning and design period. The underlying trend in Other Income, aside from the movement in capital grants, has been an increase of 4.2%.

Expenditure

Staff pay expenditure, excluding exceptional costs relating to major restructuring and movements in the pension provision, decreased by 3.3% in the year to £142.2m. This reduction was achieved through targeted work to manage academic costs and ensure they were right-sized for delivery, alongside a reform of management structures. This was coupled with effective cost control processes including the staging of the inflationary pay increase during the year and an ongoing pause in the promotions process. Further work to manage staff pay expenditure took place in 2025/26 with a targeted review of all professional service staffing to ensure close alignment with the University's target operating model. Staff costs in Academic Divisions have reduced by £11.9m as a result of both the academic right-sizing of activity and the centralisation of some embedded support services, resulting an increase in Administration and Central Services staff costs. This latter area has also been impacted by spend on staff to deliver the Kent 2030 restructuring project. Staff costs in relation to Research Grants and Contracts increased by £1.8m in the year with increased activity corresponding to increased income levels in this area.

Total average staff numbers have reduced during the year, with a decrease of 229 (8.3%) Full Time Equivalents (FTE).

Analysis of income 2020/21 – 2024/25



The cost of pension contributions for staff has reduced in the year, as a result of lower staff numbers but also with a reduction in the employers' contribution rate for the Superannuation of the University of London (SAUL) scheme, which reduced from 21% to 19% from September 2024 due to improved scheme funding levels.

The University's other major pension scheme, the Universities Superannuation Scheme (USS), had seen its rate of employer contributions decrease part-way through 2023/24 financial year with a reduction to 14.5% in January 2024 from 21.6% previously. The full year effect of this has had further impacts for the 2024/25 results. (See Note 30 for more details).

The University monitors its staff expenditure (excluding movements in pension provisions and costs of major restructuring) as a percentage of income, targeting an upper limit of 50% within its financial framework to ensure sustainability. During the year, this measure reduced from 54.8% to 53.0% assisted by the reduction in pension scheme contribution rates and the savings delivered through the planned restructuring. Anticipated increases in income, over the longer-term, and, more particularly, ongoing reductions to staff costs in future years through delivery of the Kent 2030 Transformation Plan are expected to reduce the staff expenditure to income ratio further, with the eventual aim of returning this to levels at or below the targeted level of 50%.

Underlying Other Operating Expenses have decreased by £0.8m (-0.8%) during the year to £99.1m after adjusting for the unwinding of a service concession asset in the 2024/25 financial year.

Direct non-pay expenditure on running Academic Divisions has decreased by £0.3m to £5.8m during the year, due to the continued centralisation of many activities supporting these areas, resulting in an increase in spend shown as Administration and Central Services. This latter area has increased by £1m, also as a result of increased spend to deliver the Kent 2030 restructuring and with preliminary costs incurred on merger evaluation activity.

There has also been an overall reduction of £0.2m in bursary payments to students, as, with the ongoing financial sustainability pressures being seen across the sector, it has been necessary to target awards at those students most in need of support. Notwithstanding this, the total amount disbursed through scholarship and bursary payments to students remained significant at £9.3m, including those funded by Research grants. This reflects the continued commitment of the University to widening access to higher education.

The underlying depreciation charge for the year has fallen by £2m to £18.9m, compared to 2023/24 adjusting for the unwinding of a service concession asset in the 2024/25 financial year. This reduction reflects the lower levels of capital spend in recent years.

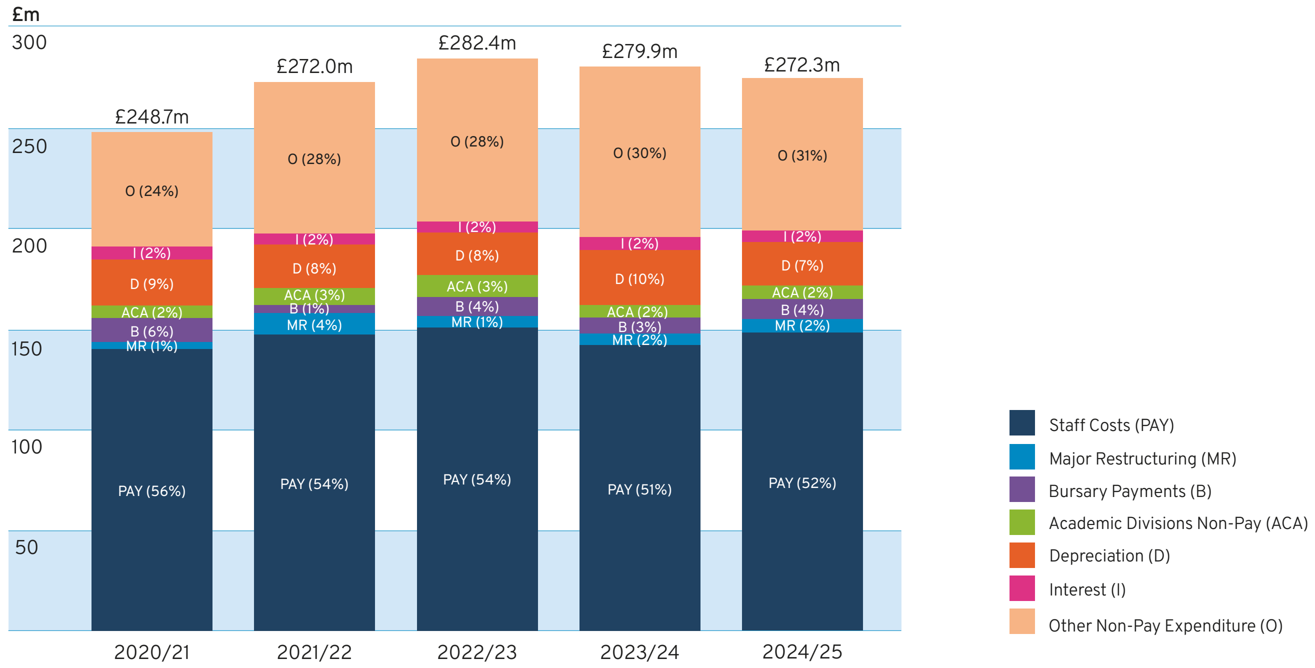
In 2024/25 we also made reductions to the carrying value of assets totalling £2.8m. This relates to a reduction of £0.7m in the book value of various buildings on the Canterbury campus based on their current non-utilisation, as well as a loss on sale of £2.1m from the sale of the Rochester and Gillingham buildings at the Medway Campus.

Interest paid on borrowing has decreased by £1.1m during the year due to reductions in loan balances outstanding with lenders.

Cash flow

Net cash received from Operating Activities during the year was £16.8m, an increase of £10.9m from 2023/24. £6.9m of this was attributable to the improved underlying financial performance, leaving aside movements in the pension provision and accounting adjustments relating to impairment of assets. The residual improvement was due to working capital movements at year-end. Overall cash balances at the year-end increased by £20.6m to £56.6m, with cash outflows from financing activities and investing activities largely offset by the retained net proceeds arising from the Parkwood lease and leaseback transaction which provided a fresh injection of liquidity to fund the Kent 2030 transformation activity that is being undertaken over the next few years.

Analysis of operating expenditure* 2020/21 – 2024/25



*Excluding movements to the pension provision arising from changes to the deficit recovery plan and the impact of service concession asset unwinding in 2024/25.

The University monitors its available liquid reserves and aims to ensure cash levels held are equivalent to a minimum of 40 days' worth of expenditure, excluding depreciation, at any time; as at 31 July 2025 these liquid reserves represented around 80 days' expenditure (2024: 51 days), which is above this minimum level.

As at 31 July 2025 the University had net debt of £66.3m (2024: £78.6m) meaning that the cash and cash equivalents held were lower than the outstanding value of loans. This measure improved during 2024/25 as a result of the higher operating cashflow.

Balance sheet

The University's and Consolidated Financial position has reduced during the year, due to the reported deficit for the year of £5.6m. As at 31 July 2025, there were Net Assets of £244.3m (2024: £249.9m) and there are net current assets of £9.5m (2024: £6.8m – net current liabilities) resulting in a current asset ratio of 1.13 (2024: 0.91). This improvement in net current assets is due to the higher cash balance which has increased as a result of the lease and leaseback financing transaction agreed in July 2026 for the Parkwood flats residences.

Further information on the pension schemes and their annual funding position can be found in Note 30 to the financial statements.

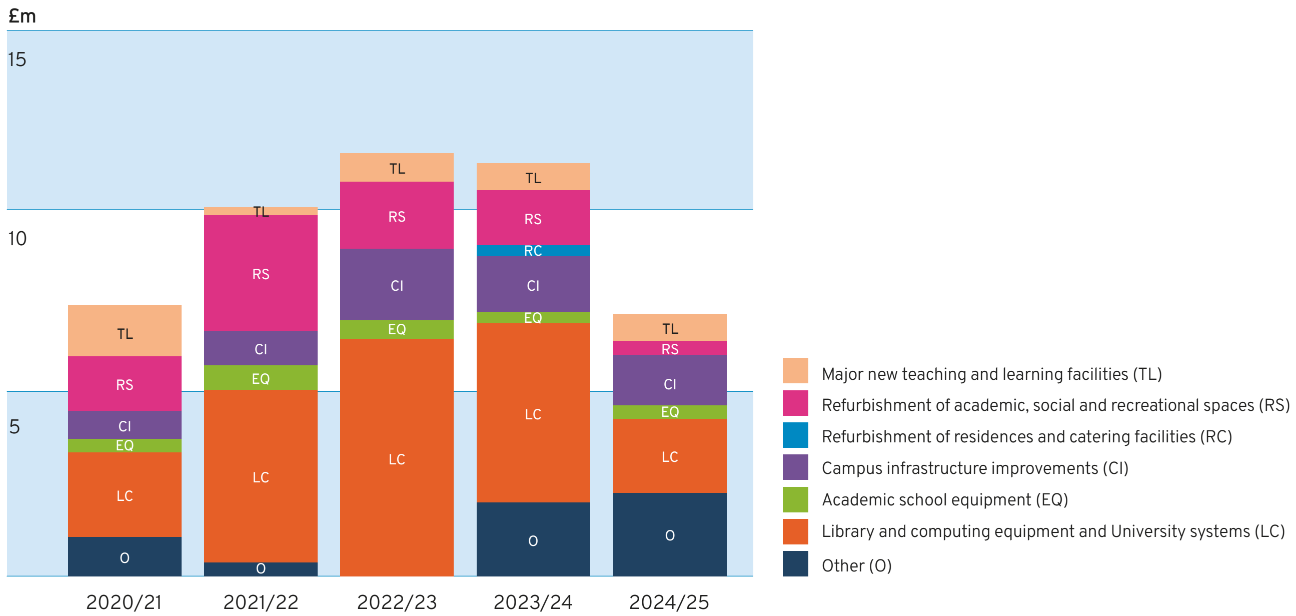
Capital expenditure and long-term borrowing

Capital expenditure has continued to be constrained in order to preserve cash levels and, with the exception of externally funded investment projects, is therefore being focused on ensuring compliance with Health & Safety regulations, addressing backlog maintenance or being targeted on projects that aim to improve student experience or support future income generation. Although reported expenditure for the year is £23.1m this does include the recognition of a net £17.7m of Right to Use assets which arise where Kent has guaranteed occupancy of third-party accommodation for 2025/26. These are short term commitments which will expire in July 2026. Underlying spend on assets for the year is therefore £5.4m (2023/24: £11.5m), with £3.6m of this being funded from external grants and donations. This included upgrades to campus infrastructure (£0.6m); development of new teaching facilities (£0.3m) and enhancements to information systems (£0.8m). In January 2025 construction and conversion work commenced on the long-planned Docking Station development in Medway, a project in collaboration with Medway Council and the Chatham Historic Dockyard Trust. This project aims to restore and regenerate a derelict Scheduled Ancient Monument known as the Police Section House and will provide a new centre for creative digital production, educations and community engagement. These capital works are wholly funded by external grants and donations. The chart overleaf provides a breakdown of expenditure against different elements of the capital programme over the past five years.

The capital programme for the five-year period to July 2030 totals £90.7m, including the grant funded Docking Station project and, if forecast performance is met, a substantially increased investment in long-term maintenance and the recommencement of a cyclical student accommodation refurbishment programme. This compares to the £47.6m spent in the past five years to July 2025, a period where capital activity was impacted by COVID lockdowns and capital scarcity. This increased investment has been enabled by the merger with the University of Greenwich to create the London and South East University Group (LASE). The combined entity is mindful that the operating environment for Higher Education remains challenging and will be focusing only on developments that will enable academic growth, improve the staff and student experience as well as addressing areas of backlog maintenance and improving efficiency. During the year, we continued and extended our partnership with Siemens Energy to provide and operate energy efficiency improvements to lighting in high-usage University buildings and the installation of rooftop solar PV arrays for which we will make annual operating payments only. This work will enable us to improve our energy efficiency and reduce our carbon footprint while preserving our capital funds.

Outstanding bank loan debt has decreased by £20.7m during the year, to £60.7m, mainly as a result of a significant repayment enabled by the new Park Wood student accommodation lease and leaseback transaction as well as other repayments to lenders, as part of a strategy of deleveraging with banks. As at 31 July 2025 the University had loans with only one bank lender counterparty, the European Investment Bank. We have recognised in full our commitments under the new lease and leaseback transaction resulting in the increase of unsecured loans from £30.4m to £60.3m. Under this latter arrangement the University has signed a lease agreement for 50 years in exchange for an upfront capital sum of £29.3m, which is repaid by way of an annual rental charge, which increases in line with CPI. As at July 2024 the outstanding balance is £29.4m; this increase reflecting accrued interest which builds up over the earlier years of the lease term. Further detail is given in Note 18.

Capital Expenditure 2020/21 – 2024/25



Risks, future outlook and going concern assessment

External environment and risks

The University, along with the wider UK Higher Education sector, has, for many years, been experiencing a period of significant challenge, with strong global competition for students, exacerbated by UK Government policy which has affected overseas recruitment and particularly the demand for postgraduate study, and a general decline in demand in some subject areas; this has affected its ability to recruit students and grow its fee income. The Government has provided an uplift to the 2025/26 UK Undergraduate tuition fee and has set out intentions to increase the fee for two further years to 2027/28, which will give rise to an annual fee of £10,050. This decision is welcomed as the real value of this fee, originally set at £9,000 in 2012 and having remained broadly static, will have fallen to less than £6,100 at 2027's values. This being the main source of income for the University, has put considerable pressure on its ability to operate in a financially sustainable way.

This effective decline in the value of the fee, combined with unprecedented high inflation on running costs, particularly in high-cost and specialist operational areas, such as information technology and in the costs of consultancy, has given rise to challenging operating conditions over the last few years. The impact of the economic environment on our students has also been profound with students impacted by cost-of-living pressures. An increasing number of our students are choosing to commute from their family homes and for 2024/25 this resulted in an unexpectedly high number of student bedrooms remaining vacant, with £3.5m of income foregone at Canterbury. This has also resulted in lower levels of catering and activity spend on campus.

Increasingly, Kent and other HEIs are looking to the overseas markets to balance these income risks and to help mitigate the impact of the declining UK tuition fee. Government policies around access to family and post-study visas have, however, made the UK less attractive to international students and more difficult to gain access.

This has continued to impact the overseas student intake and particularly the international postgraduate market. The Government's proposals to introduce the International Student Levy from August 2028, which will result in an additional cost to universities in respect of the volume of their overseas students may put further strain on university finances. It remains to be seen whether some or all of the levy will be able to be passed on to students in an internationally competitive market.

The risks outlined above are those most significant to the University of Kent. Other risks and issues faced by the wider sector and have persisted for some time, include ongoing and increased compliance burdens due to UK Visa and Immigration requirements, Data Futures reporting, Competition and Markets Authority guidance and requirements of the sector regulator, the Office for Students (OfS). This increased level of regulation adds an overall administrative burden and operating cost, without leading to immediate tangible benefits to the student experience. A further risk from the continuation of the challenging operating environment is that the University will be unable to contribute as fully as we would wish to the government's objectives that Higher Education providers should make a stronger contribution to economic growth and to play a greater civic role in their communities. At the University the impact and our mitigation of these risks is monitored regularly and whilst we make all efforts to ensure ongoing compliance, prioritising resources in these areas means that cutbacks will be required across other activities that may have brought more direct benefit to our students and their experience.

The University has been actively developing its response to these risks and challenges and, in February 2024 approved a bold and radical transformation plan (the 'Kent 2030' transformation plan). This plan lays out how we will address the additional challenges affecting income generation and to provide a means for the University to right-size its operations and deliver a higher level of cost savings in order to return to a financially sustainable position. The majority of planned Kent 2030 cost reduction initiatives were delivered by the end of 2025/26 and has resulted in a more efficient cost base.

Future outlook

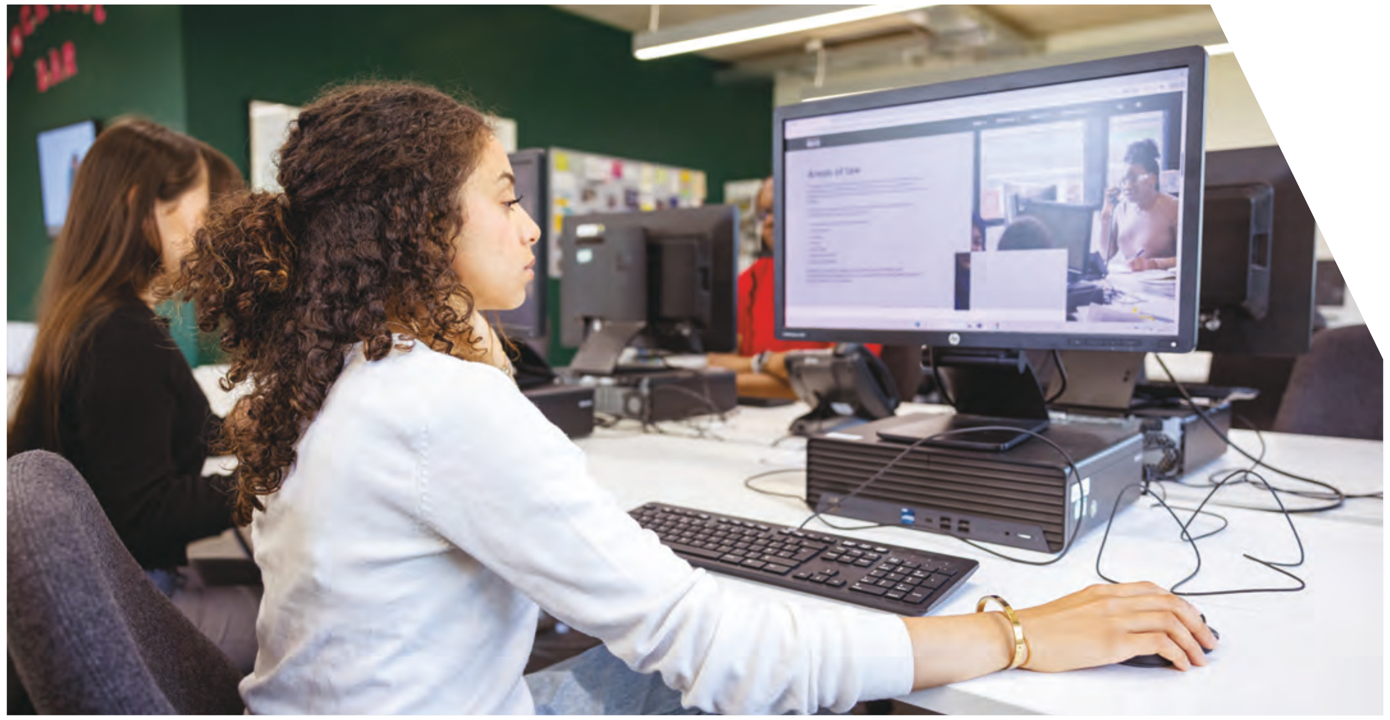
During the 2024/25 year and as a result of the ongoing income generation challenges seen in this time and expected to persist in 2025/26, a 'Rebased Kent 2030 Plan' was approved and agreed with stakeholders in April 2025. A cautious budget for 2025/26 was subsequently set, building in further staff cost reductions, to right-size our cost base, as well as one-off in-year non-pay savings. These staff pay reductions were significant and higher than previously planned in the original Kent 2030 Plan, targeting a recurrent saving of over £25m, but were considered necessary given the lower levels of income generation. This was enabled by a consolidated approach to the delivery of professional services, under the leadership of a new interim Chief Operating Officer and informed by benchmarking data. Much of this was achieved through a strategy of adopting 'lean' spans and layers principles across our organisational structures and via a combination of the crystallisation of vacancies and a university-wide voluntary severance scheme, together with the broader restructuring of all our activities, including a comprehensive review of the academic workforce requirements. Overall, this aimed to deliver £23m of the eventual target in-year, a target, that at the time of signing these accounts, we expect to have exceeded.

Implementation of these changes, alongside strategic investment to stimulate growth in key subject areas, was aimed at stabilising core income streams and, eventually, targeting some modest but sustainable growth. Delivery of this would be achieved through strengthened leadership, a transformational modernisation of the curriculum with greater emphasis on employability-focused course content and a major change to the academic year structure.

The transformation plans for 2025/26 were also able to be enhanced through the successful conclusion in July 2025 of a further lease and leaseback transaction of the Parkwood Flats student accommodation, delivering c£14.5m of additional net funding (after repayment of some existing long-term secured debt). This provided the means to increase the budgeted revenue expenditure in 2025/26 by £3.3m as well as enabling a pathway through to planning and implementing some essential systems improvements to be delivered over the next few years, aimed at unlocking further efficiencies. Taking all this into account, an eventual operating budget of £11.5m deficit was approved for the year, meeting all agreed covenant thresholds. This included in-year costs of organisational restructuring of £4.6m and one-off transformation investment of £3.3m. The underlying operating performance budgeted for the year was therefore a forecast £3.6m deficit. As at June 2026, the quarter three forecast underlying operating performance (on a like-for-like basis) was a £4.9m surplus, reflecting a significantly improved student recruitment round in September 2025 and lower than planned expenditure, although after planned restructuring costs and one-off expenditure associated with the proposed merger, the overall forecast deficit for the year stood at £5.7m. Cash at this time was also forecast to be c£30m ahead of the budgeted position and equivalent to 73 'expenditure days', as calculated using the OfS definition.

On 10 September 2025, the University announced its intention to merge with the University of Greenwich, creating the London and South East University Group ('LASE'). After carrying out the required due diligence, this intention was formalised through the signing of a Merger Deed on 23 January 2026, committing the University to the transaction. As a result of the additional and significant work requiring to be undertaken together with specialist legal and professional advice needed during the pre-merger completion phase, a one-off budget of £8.5m was approved. This was funded using the proceeds from the lease and leaseback transaction, recognising that, in a successful merger scenario, the planned systems upgrades and developments would take place as part of a wider integration across the two institutions. Completion of the merger took place on 1 August 2026.

The merger is driven by a shared ambition to create a university that delivers education without boundaries and places students firmly at its centre. By combining the strengths of two established institutions, LASE will expand opportunity, enhance student support, and provide a wider range of high-quality, employer-focused courses. The combined scale will enable the new institution to deliver more impactful research in areas such as health and wellbeing, sustainability, and the creative industries, while strengthening its civic role through deeper regional engagement and positive economic impact. LASE will also foster an innovative, collaborative and high-performing culture for staff, creating an environment where colleagues can thrive. Together, these benefits will support the new Group's vision to transform lives, energise communities, and equip graduates with the skills, confidence and connections needed to succeed.



At merger completion, substantially all assets and liabilities of the University, as at 31 July 2026 were transferred at fair value to LASE on 1 August 2026, along with the continuing business and operations of the University. This included the transfer of all staff and other contracts with the exception of the outstanding debt balance and associated loan agreement with the European Investment Bank, which was, however, repaid in full by LASE as a condition of the Merger Deed, triggering an agreed release of all security over the University of Kent's land and buildings. As a consequence, these fixed assets transferred to LASE unencumbered. Further to the merger, the residual legal entity of the registered charity, 'The University of Kent' now holds minimal assets and liabilities, but with sufficient cash and a Transitional Services Agreement with LASE in place, to ensure a solvent winddown and dissolution. The ongoing trade and business of the University now continues within LASE under the 'University of Kent' brand as an academic division of LASE.

Going concern statement

Basis other than a going concern

As described above the University merged with the University of Greenwich on 1 August 2026. As a result, the 2024/25 financial statements are prepared on a basis other than a going concern. The statutory financial results included in this financial and strategic report are therefore prepared on a basis other than a going concern. Further details in respect of the basis of preparation can be found in the accounting policies to these financial statements. In preparing these financial statements on a basis other than a going concern, Management has exercised judgement in concluding that the University's operations will continue in their current form up to the date of transfer and will thereafter be carried on by a successor entity.

Management has determined that assets and liabilities should continue to be measured in accordance with the University's existing accounting policies, and that no measurement adjustments are required as a result of the change in the basis of preparation.

Management of performance and risks

The University measures its performance against peers and internal targets and reports regularly on relevant key performance indicator (KPI) data to the University's Council. Our KPI measures focus on five key areas to track delivery against the University's strategy. These are Education, Research and Innovation, Engagement and Civic Mission, Sustainability and Governance. Monitoring is performed over baskets of individual KPIs. Specific areas of sustainability assessed include student recruitment, income generation, cash reserves and adequacy of the estate.

Other indicators monitored within this process include sector positioning, student satisfaction, completion and employability, research income generation and research impact as well as a range of measures of social and environmental impact. Each individual KPI is reported using a traffic light system to determine whether performance is on target or whether intervention or remedial action is required to improve performance. This information is consistent with data reported in returns submitted to the Office for Students in the Annual Accountability process. Throughout the year, Council members received reports across the range of the University's activity, summarising performance in these areas. These included updates on student applications and registration, national and international league table rankings, research awards and partnerships and equality, diversity and inclusivity. The University also reports progress made against objectives set out in the Institutional Plan.

Conclusion

The operating environment for Higher Education Institutions continues to present significant challenges across the sector. Whilst these conditions have required the University to take difficult decisions throughout the period, the Kent 2030 transformation programme has delivered substantial progress in reshaping the University's operating model, strengthening its financial position and preparing it for the future. Through disciplined financial management, major cost reduction initiatives and continued investment in strategic priorities, the University has improved its underlying financial performance whilst maintaining its commitment to delivering an excellent student experience.

The University's Council wishes to recognise the exceptional dedication, resilience and professionalism of our staff throughout this period of significant change. Their commitment to delivering outstanding education, research and professional services, whilst supporting the transformation programme and preparing for the merger, has been fundamental to the progress achieved.

A defining milestone in the University's history was reached on 1 August 2026 with the completion of its merger with the University of Greenwich to form the London and South East University Group (LASE). This creates a stronger and more resilient institution, combining the strengths of both universities while preserving the distinctive academic identity of the University of Kent. It provides a stable platform for long-term sustainability together with exciting new opportunities for collaboration, innovation and growth, enhancing the experience of students, creating wider opportunities for colleagues and increasing the University's impact across the region.

The higher education sector will undoubtedly continue to face financial, regulatory and competitive pressures. However, the Council is confident that the actions taken over recent years, culminating in the formation of LASE, have established a sustainable foundation for the future. The University of Kent's academic mission will continue to thrive within the new Group, ensuring that its long tradition of excellence in education, research and civic engagement continues for generations to come.

Professor Georgina Randsley de Moura

Acting Vice-Chancellor and President,
University of Kent
(23 May 2024 to 31 July 2026)
13 August 2026

Membership of the Council

Chair of the Council:	Mark Preston (to 31 July 2026)
Deputy Chair of the Council / Chair of the Finance and Resources Committee:	Andrew Newell (to 31 July 2026)
Vice-Chancellor & President:	Professor Georgina Randsley de Moura (Acting) (to 31 July 2026)
Deputy Vice-Chancellor & Provost	Professor Claire Peppiatt-Wildman (Acting) (to 31 July 2026)
Deputy Vice-Chancellor for Education and Student Experience:	Professor Richard Reece (to 30 September 2025)
President of Kent Students' Union:	Lulu Collins (to 31 July 2025)
	Himadri (from 1 August 2025 to 31 July 2026)
External members:	Nicola Berry (from 3 December 2025 to 31 July 2026)
	Sarah Dance (to 21 July 2025)
	Jason Davies (from 3 December 2025 to 31 July 2026)
	Dr Mark Downs (to 20 September 2025)
	Tom Hyner (to 30 January 2026)
	Philip Jordan (from 26 June 2025 to 31 July 2026)
	Julie Kelly (from 5 December 2024 to 31 July 2026)
	Mayuri Lakhani (to 2 October 2025)
	Kim Lowe (from 11 October 2025 to 31 July 2026)
	Daniel Mensah (from 3 December 2025 to 31 July 2026)
	Carolyn Morgan (from 9 September 2025 to 27 January 2026)
	Dr Sam Parrett CBE (to 4 July 2025)
	Paul Pugh (to 31 July 2026)
	Nick Ratcliffe (from 26 June 2025 to 31 July 2026)
	Graham Razey OBE (to 4 July 2025)
	Jonathan Steel (from 26 June 2025 to 31 July 2026)
	Victoria Wilson (to 21 July 2025)
	Daniel Cook (to 23 January 2025)
	Michael Crick (to 7 October 2024)
	Ben Bradley (to 1 August 2024)
Staff and Student representatives:	Jahanara Ahmed (from 1 August 2024 to 31 July 2026)
	Daniel Cope (from 20 October 2025 to 31 July 2026)
	Dr Daniel Knox (from 1 August 2024 to 31 July 2026)
	Professor Shujun Li (from 1 August 2024 to 31 July 2026)
	Dr Balihar Sanghera (from 1 August 2023 to 31 July 2026)
	Lewis Sawyer (to 14 September 2025)
Total Membership:	19 (carrying 5 Lay member vacancies)
University Secretary:	Dr Jo Wright (Interim from 12 August 2024 to 5 December 2025)
University Secretary and Chief Operating Officer:	John Duffy (from 1 December 2025 to 31 July 2026)
The Chairs of Council committees were as follows:	
Audit Committee:	Graham Razey OBE (to 4 July 2025)
	Nick Ratcliffe (from 9 August 2025 to 31 July 2026)
Ethics Committee:	Sarah Dance (to 21 July 2025)
Finance and Resources Committee:	Andrew Newell (to 31 July 2026)
Honorary Degrees Committee (Joint Committee with Senate):	Professor Georgina Randsley de Moura (to 31 July 2026)
Nominations Committee:	Mark Preston (to 31 July 2026)
Remuneration Committee:	Dr Sam Parrett CBE (to 4 July 2025)
	Julie Kelly (from 26 August 2025 to 31 July 2026)
People Committee:	Dr Sam Parrett CBE (to 4 July 2025)
	Paul Pugh (from 1 October 2025 to 31 July 2026)
Council for Dissolution (from 1 August 2026):	Andrew Newell (Chair)
	Gabriel MacGregor
	Neil Oliver

Statement of responsibilities of University Council

In accordance with the University's Royal Charter, the Council is responsible for the administration and management of the affairs of the University.

The Council is responsible for preparing the Financial and Strategic Report and the financial statements in accordance with applicable law and regulations.

The Council is required to prepare and publish financial statements for each financial year. The Council is required to prepare the financial statements in accordance with the 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 addition, the Council is required to prepare the financial statements in accordance with the OfS Regulatory advice 9: Accounts direction (issued October 2019) (the 'OfS Accounts direction'), the OfS Terms and conditions of funding for higher education institutions (issued July 2023), any requirements of UK Research and Innovation (including Research England), the Education and Skills Funding Agency and the Department for Education and other financial reporting regulations relating to the constitution and activities of the University which are relevant to its financial affairs.

Under applicable law, the Council must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the University and the Group and of the surplus or deficit, gains and losses, changes in reserves and cash flows of the University and the Group for that year.

The Council is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and enable it to ensure that the financial statements are prepared in accordance with the University's Charter and Statutes, the Statement of Recommended Practice : Accounting for Further and Higher Education 2019 edition, Accounts Direction issued by the Office for Students (OfS), and other relevant accounting standards.

The Council is required to prepare and publish financial statements for each financial year which give a true and fair view of the state of affairs of the University and Group as at 31 July 2025 and of the Group's and University's income and expenditure, gains and losses, changes in reserves and of the Group's and University's cash flows for that year.

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

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's transactions and disclose with reasonable accuracy at any time the financial position of the University. They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The members of the Council have taken reasonable steps to:

- ensure that funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with the relevant legislation;
- ensure that funds provided by the OfS, UK Research and Innovation (including Research England), the Education & Skills Funding Agency 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), the Education and Skills Funding Agency and the Department for Education, and any other terms and conditions attached to them;
- ensure that the University has a robust and comprehensive system of risk management, control and corporate governance, which includes the prevention and detection of corruption, fraud, bribery and irregularities;
- ensure that there is regular, reliable, timely and adequate information to monitor performance and track the use of public funds;
- plan and manage the University's activities to remain sustainable and financially viable;
- 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 an effective framework – overseen by the University's Council, academic board or equivalent – to manage the quality of learning and teaching and to maintain academic standards;
- consider and act on the OfS' assessment of the University's risks specifically in relation to these funding purposes; and
- ensure that there are appropriate financial and management controls in place to safeguard public funds and from other sources.

The Council confirms that:

- so far as each Member is aware, there is no relevant audit information of which the auditor is unaware; and
- the Members have 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.

Principal Officers and Honorary Degrees

Visitor:	The Lord/ Lady Archbishop of Canterbury (to 31 July 2026)
Chancellor:	YolanDa Brown (to 31 July 2026)
Chair of the Council:	Mark Preston (to 31 July 2026)
Vice-Chancellor and President:	Professor Georgina Randsley de Moura (Acting from 23 May 2024 to 31 July 2026)
Deputy Chair of the Council:	Andrew Newell (to 31 July 2026)
Deputy Vice-Chancellor & Provost:	Professor Claire Peppiatt-Wildman (Acting from 23 May 2024 to 31 July 2026)
Deputy Vice-Chancellor, Education and Student Experience:	Professor Richard Reece (to 30 September 2025)
Deputy Vice-Chancellor, Research & Innovation:	Professor Shane Weller (to 30 September 2025)
Chief Financial Officer:	Lisa-Jane Crudgington-Higham (to 31 July 2026)
Executive Director People & Culture:	Martin Atkinson (to 31 July 2026)
Chief Operating Officer:	John Duffy (Interim from 10 February 2025 to 30 November 2025)

Following an academic restructuring the University moved away from the previous six academic Divisions to ten academic Schools, effective from 1 January 2025.

Heads of School

School of Computing	Janet Carter (to 31 July 2026)
School of Engineering, Mathematics and Physics	Dr Silvia Ramos (to 31 July 2026)
School of Architecture & Arts	Chloe Street-Tarbatt (to 31 July 2026)
School of Psychology	Professor Tim Hopthrow (to 31 July 2026)
School of Economics & Political Science	Dr Amanda Gosling (to 31 July 2026)
School of Social Sciences	Dr Balihar Sanghera (to 31 July 2026)
Kent Law School	Lisa Dickson (to 31 July 2026)
School of Humanities	Dr Sarah Dustagheer (to 31 July 2026)
Kent Business School	Vicky Knight (to 31 July 2026)
School of Natural Sciences	Professor Mark Wass (to 31 July 2026)
Director of the Graduate Researcher College:	Professor Ben Hutchinson (from 1 August 2024 to 30 September 2025) Dr Rebecca Hall (from 9 February 2026 to 31 July 2026)
Dean of the Kent and Medway Medical School:	Professor Christopher Holland (to 31 July 2026)
University Secretary:	Dr Jo Wright (Interim from 12 August 2024 to 1 December 2025)
University Secretary and Chief Operating Officer:	John Duffy (from 1 December 2025 to 31 July 2026)

Honorary degrees

At the November 2024 Degree Congregations, the following honorary degrees were conferred.

Rochester
- Namron Yarrum OBE, Doctor of Arts

Canterbury
- Stephen Harris – Doctor of The University
- Alex Perkins – Doctor of The University
- Jayne Ozanne – Doctor of The University

At the July 2025 Degree Congregations, the following honorary degrees were conferred.

Rochester
There were no honorary degrees awarded at the Rochester ceremonies.

Canterbury
- Angela Cohen MBE – Doctor of Arts
- Prashant Baluja – Doctor of the University
- Sir Michael Morpurgo OBE – Doctor of Letters
- Angela Arnold – Doctor of Arts
- Pink Pantheress – Doctor of Arts
- Iain Dale – Doctor of the University
- Giles Clark – Doctor of Science
- John Platt – Doctor of the University

The University also hosted our Golden Graduation ceremonies in July 2025 for those alumni who graduated in 1975, with 19 alumni attending.

Statement of corporate governance and internal control

The Statement which follows is provided to enable readers of the Annual Review and Financial Statements of the University to obtain a better understanding of its governance and legal structure and applies to the 2024/25 financial year and to the date of the approval of the audited financial statements.

Values

The University of Kent is committed to providing high quality teaching, scholarship and research for public benefit. The University's values, published in its Kent 2025 Strategy, are as follows:

'We have always been a university that equally values education and research, believing that one enhances the other. We work as a community, based on collegiality. Freedom of speech within the law and freedom of inquiry are fundamental. We are outward looking, we embrace change and are willing to do things differently and see things differently. We value excellence and we support potential, wherever it may be found. Our university is based on equality, diversity, respect and we value each other. We are international in outlook.'

The University conducts its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership), with the guidance to universities given in The Higher Education Code of Governance published by the Committee of University Chairs (CUC) in December 2014 (updated September 2020), and in accordance with the University Ethics Code (May 2019). The University conducts its affairs in an open and transparent manner. Its constitutional documents, its financial statements (including the corporate governance statements) and details of its governance structures (including membership of the Council and all related committees) are publicly available on the University's website Governance – University of Kent. The agendas and minutes of Council meetings are published on the University's website and are available to all staff and students of the University. The University is committed to achieving best practice in all aspects of Corporate Governance.

Constitution

The University is an exempt charity whose legal status derives from a Royal Charter originally granted in 1965 and subsequently updated in 2010. The University's objects, powers and framework of governance are set out in the Charter and supporting Statutes and Ordinances.

The Charter and Statutes require the University to have three separate bodies, each with clearly defined functions and responsibilities, to oversee and manage its activities, as follows:

The Council is the supreme governing body, responsible for the exercise of the University's powers, oversight of the management and administration of the revenue and property of the University and its affairs. Council is responsible for ensuring the sustainability of the University and the protection of its reputation. It has overall responsibility for the mission and strategic vision of the institution and for ensuring that the interests of key stakeholders are met.

Council membership consists of staff, students and lay members who are external to the University. The majority is held by the lay membership and the Chair and Deputy Chair must be lay members. Members do not receive any payment for their work in relation to the Council. Members may, however, claim reimbursement of associated travel costs and expenses.

A Statement of the Council's Primary Responsibilities may be found on the University's website at: Primary Responsibilities.pdf (kent.ac.uk)

The Senate is the academic authority of the University and draws its membership (36 members in 2024/25) mostly from the academic and research staff and students of the University. Senate is responsible for the teaching and research work of the University. The Vice-Chancellor and President is ex officio Chair of Senate. The Senate has a range of boards to undertake much of the detailed work including the Academic Strategy, Planning and Performance Board, Education and Student Experience Board, Research and Innovation Board, Graduate and Researcher College Board, and the Research Ethics and Governance Committee. It has two Joint Committees with Council, the Honorary Degrees Committee, which considers nominations for the award of Honorary Degrees, and the Standing Committee for Academic Freedom and Freedom of Expression.

The Court is a large formal body comprising about 450 members, chaired ex officio by the Chancellor. Many members of the Court are external, representing the regional community and other bodies with an interest in the work of the University. Other members include professorial staff and representatives of academic and non-academic staff and the student body. It provides an opportunity for the region to have an association with the University and provides a forum where members can be briefed and comment on key University activities and developments. The Court meets once a year and receives an annual review of the University and the annual accounts.

The Vice-Chancellor and President, the University's principal academic and administrative officer, has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. The Vice-Chancellor and President is the Accountable Officer of the University and in that capacity can be required to appear before the Public Accounts Committee. The Vice-Chancellor and President is required to provide regular reports to Council on matters delegated by the Council and those arising from the Statutes.

As chief executive of the University, the Vice-Chancellor and President advises the Council on the development of institutional plans, policies and strategy, the identification and planning of new developments and shaping of the institutional ethos. The Deputy Vice-Chancellors, Chief Financial Officer and other senior academic and administrative officers all contribute in various ways to aspects of this work but Council, as the University's governing body, has ultimate responsibility for University activities, for determining its future direction and for fostering an environment in which the University's mission is achieved.

The University Secretary is appointed by the Council under the provisions of the University Statutes. The Secretary has a key role in ensuring good governance. The Secretary maintains a Register of Interests of members of the Council and other staff which is available for consultation.

The Work of the Council and its Committees

Council holds at least five business meetings and one strategy meeting each academic year. In the 2024/25 academic year there were twelve business meetings. While the main focus for Council was on strategic collaboration, financial sustainability and oversight of the Kent2030 Plan, other key areas of discussion included the National Student Survey and Graduate Outcomes, Student Recruitment data, the approval of the Code of Practice on Academic Freedom and Freedom of Speech and the updated Student Protection Plan and plans for the University's 60th Anniversary. The Council also considered the outcome of the Governance Effectiveness Review undertaken in the summer of 2024 and monitored progress of the recommendations made. Council also received a number of annual reports including on Sustainability and Student Complaints and Appeals, and undertook the annual approval of the Degree Outcomes Statement. Council has continued with the oversight of major projects and has maintained oversight of the University's implementation of its duties under the Counter Terrorism and Security Act, Prevent Duty, the Modern Slavery Act and its responsibilities to protect free speech within the law.

Council has monitored institutional performance through Key Performance Indicators and league tables. Council is committed to equality, diversity and inclusivity and it has approved an annual report on the University's EDI strategy and operation. It continues to work with Senate in regards to the oversight of academic governance and assurance. It has received regular reports of the meetings of Senate in addition to reports on the Access and Participation Plan, the Education Modernisation initiatives that have been developed in 2024/25 for launch in September 2025, NSS Improvement plans and the academic workload allocation framework.

Council continued to devote time to discussing the challenges facing the wider higher education sector in 2024/25, most notably the financial pressures that the sector is experiencing, including at Kent, but also the implications of government policy on international student recruitment. The Council has continued to monitor progress against the University's Kent 2030 Plan, including the actions taken to address the future size and shape of the University, and Council discussions have helped challenge and support the University in its strategic vision for the future, whilst reaffirming its values and mission in looking forward to 2030 and beyond. As part of overseeing the strategic vision for the future, during 2024/25 Council endorsed the negotiations and necessary work to develop the strategic merger of the University with the University of Greenwich, a first of its kind for the UK Higher Education sector.

Much of Council's detailed work is delegated to committees. These committees, listed below, have written terms of reference and specified membership, including external members (from whom Council generally appoints chairs), designated quorums, and a meeting schedule of no less than twice per year.

The Finance and Resources Committee oversees all financial matters of the University and reports regularly to Council. It uses an agreed Financial Framework to guide its deliberations. It is responsible for scrutinising the University's budgets and financial forecasts and makes recommendations to Council for approval. It reports on the financial performance of the University on a quarterly basis and scrutinises the end of year financial statements in the light of comments from the External Auditors and the Audit Committee before making a recommendation to Council. University expenditure is governed by a scheme of delegation. The Finance and Resources Committee considers proposals for large items of expenditure and makes recommendations for items over £2m to Council for approval.

The Audit Committee has responsibility for making recommendations to Council for the appointment of the External and Internal Auditors. The Committee regularly considers reports from Internal Audit and the views of the External Auditors. It considers the annual update of the Corporate Risk Register and reviews the Risk Register each term. It considers regular reports on Value for Money and oversees the University's Corporate Standards for Data Quality. The minutes of the Committee are received by Council. On the basis of its work throughout the year, the Committee makes an Annual Report to Council where it provides an opinion on the adequacy and effectiveness of the University's arrangements for risk management, control and governance; for promoting economy, efficiency and effectiveness (value for money) and the arrangements for the management and quality assurance of data returned to the Higher Education Statistics Agency (HESA), The Student Loans Company, and other bodies. The Audit Committee undertook a procurement exercise in spring 2025 for the appointment of new Internal Auditors from 1 August 2025 onwards.

The Nominations Committee is responsible for making recommendations to Council for the appointment of lay members. In fulfilling this responsibility, it takes account of the balance of skills across the membership and the need for Council to be effective as the governing body. It also takes account of the University's policy on equality, diversity and inclusivity and has made a particular effort to improve the gender balance of Council membership. Five new lay members were recruited to Council in 2024/25, with a further four joining in autumn 2025. The Council had a number of lay member resignations during the year.

The Remuneration Committee is responsible for considering and approving the remuneration of the University's Vice-Chancellor and President, Deputy Vice-Chancellors, Pro Vice Chancellors, Chief Financial Officer, Director of Human Resources & Organisational Development and Chief Operating Officer. In fulfilling this responsibility, it considers performance against objectives set and benchmarking information from peer group institutions. The Committee reports to Council and provides a note of its methodology and the rationales for its decisions. The Committee also oversees the senior pay and reward policies for the University.

The Ethics Committee has approved an overarching Ethics Code for the University which was first published in the 2018/19 year. The Committee maintains oversight of ethical matters the Code of Practice for the Protection and Freedom of Speech and the work of other bodies concerned with ethical matters including: the Development Office regarding fundraising; the Research Ethics and Governance Committee; and the International Partnerships Approval Panel. In 2024/25 the Committee received the Code of Practice on Academic Freedom and Freedom of Speech for consideration ahead of final approval by Senate and Council.

The People Committee was established by Council at its meeting in October 2022 with the purpose to ensure Council are sighted on, and can receive assurance on, matters related to the University's people and culture. The Committee has oversight of the University's People & Culture Strategy and its implementation to support the overall University Plan, including assurance to Council that a comprehensive framework of people policies and practices are in place which are regularly reviewed and adhered to. The People Committee met three times in 2024/25 and received reports on the 2024 Staff Survey, the Equality Pay Gap report and the strategy for cultural transformation. The Committee also received KPIs in support of the People & Culture Strategy along with data and statistics in relation to health and wellbeing.

Joint Committee for Academic Freedom and Freedom of Expression

Following the approval of the new Ordinance on Academic Freedom in 2022/23, the University established a Joint Council and Senate Committee for Academic Freedom and Freedom of Expression. The new Committee met for the first time in early summer 2024 and spent much of the year working on the new Code of Practice for Academic Freedom and Freedom of Expression to take account of the both the HE (FoS) Act 2023 and the regulatory requirements from the Office for Students. The new Code was approved by Senate and Council in June 2025.

Effectiveness of Council and its Committees

The most recent Council Effectiveness Review was undertaken in summer 2024 with a final report being received in autumn 2024. Following the Review an action plan was formulated with many of the recommendations being actioned by the end of the 2024/25 academic year with longer-term ones in train.

Any enquiries about the constitution and governance of the University should be addressed to the Chief Operating Officer & University Secretary.

Merger with the University of Greenwich

As described on page 8 the University merged with the University of Greenwich on 1 August 2026.

Following completion, LASE operates within a combined multi-university structure, as a company limited by guarantee.

Whilst within the new governance structure, each institution will operate as an equal and separate academic division under its existing trading name, overseen by a unified governing body and a central academic board. Local operational management structures within each division will report through an agreed scheme of delegation, supported by consolidated service functions where appropriate.

Statement of Internal Control

The University Council is responsible for ensuring the maintenance of a sound system of internal control that supports the achievement of the University's mission and strategic aims and objectives while safeguarding the public and other funds and assets for which the University is responsible, in accordance with the responsibilities assigned to the Council in the University's Charter and Statutes and the requirements of the Office for Students.

The University's system of risk management and internal control is designed to manage rather than eliminate the risk of failure to achieve institutional mission, strategic aims and objectives. It is an ongoing process which seeks to identify the principal risks to the achievement of the University's mission, strategic aims and objectives, to evaluate the nature and extent of those risks and to manage them by appropriate controls and mitigation. The profile and exposure to risk and the level of assurance over risk and internal control given by internal audit activity are monitored regularly so that any necessary remedial action can be taken. This process was in place for the year ended 31 July 2025 and up to the date of approval of the Financial Statements for 2024/25 and it accords with the guidance from the Office for Students.

The University's Risk Management Strategy and Framework was reviewed in 2024/25 following the internal audit conclusion in summer 2024 that the model was too complex and as a result there was insufficient staff engagement. The Corporate Risk Register has since been simplified and records the strategic risks associated with the achievement of the University's strategy, delivery of its services and compliance with its statutory obligations. Each corporate risk is underpinned by a Risk on a Page which records risk ownership, the inherent, current and target risk scores for likelihood, impact and overall maximum financial impact, risk strategy and appetite, progress towards achieving the target level of risk, and the related mitigations and controls. The Executive Group routinely review the Corporate Risk Register and regularly report to Audit Committee and Council.

During 2024/25, a programme of internal audit was completed, across a range of financial, operational and strategic internal controls. For the year ended 31 July 2025, and at the time of reporting, the internal auditors provided limited assurance that the University maintained adequately designed and effective arrangements for risk management, control and governance and economy, efficiency and effectiveness.

The key areas of focus that have been drawn to the Council's attention as underpinning this judgement:

- The pressing requirement for the University to make financial savings has continued to impact upon every element of activity at the University and has led to further restructuring
- There are recognised challenges around the prioritisation of resources, although the emphasis is now clearly on improving processes to require less resource
- There has been evidence of a lack of investment in the resources required to implement controls in a number of audit areas, mostly clearly demonstrated in the audits on the condition of the physical estate and IT legacy systems maintenance
- The internal auditors have continued to experience delays to the completing of audit actions, often cited as being due to lack of resource and continued organisational changes. In addition, management responses have continued to be delayed
- Assurance opinions given on internal audits were as follows:
  - Five limited assurance (including Student Visa Compliance arrangements; Business Continuity; IT legacy systems maintenance and Condition of Physical Estate).
  - Six satisfactory assurance (including the Delivery of Kent2030 Plan, Student Recruitment, Staff Engagement, Staff Resourcing and Retention and Teach Out Plans and Arrangements).

In summary, key aspects of the University's overall system of internal control, for which the Council has overall responsibility, are as follows:

- Every three or five years Council approves a new University Plan. Council approved the Kent2030 plan during 2022/23 and has continued to monitor progress towards its objectives. However, running alongside this, Council have also taken the strategic decision to pursue a merger with the University of Greenwich and create a new Multi-University Group structure which is ground-breaking for the sector and seeks to address the fundamental challenges and headwinds that UK Higher Education operates under and that have been experienced by Kent in recent years;
- A Financial Strategy underpins the planned activity set out in the University Plan, with resource planning and the monitoring of performance being measured against an agreed Financial Framework set out within this. This Framework defines a range of measures and indicators which are set to target performance at or above a minimum threshold level. A Financial Improvement Plan is currently in operation to bring performance back above these thresholds;
- Council meets regularly to consider strategic, policy and oversight matters. These include the status of risks in the Corporate Risk Register and annual reports from the Audit Committee, which include an evaluation of the assurance provided by internal controls;
- The Vice-Chancellor and President and Executive Group are responsible for the management of the University, including oversight of risk management and consideration of monitoring against risk and value for money (VfM);
- Internal Audit's work, focusing on areas considered to be high risk, plays an important role in providing assurance on the adequacy and effectiveness of risk management, control and governance arrangements and VfM. The Internal Audit Strategic Plan is regularly reviewed and flexed to address any issues that may arise;
- The Audit Findings Report of the External Auditors includes recommendations on improvements to internal controls identified during the course of the audit work. These are reviewed by management and actions taken where appropriate;
- The Audit Committee meets at least four times a year and receives regular reports from the Head of Internal Audit which include an independent opinion on the University's system of control and recommendations for improvement, the termly monitoring reports on risk management and annual consideration of VfM. It also reviews progress on implementing Internal Audit and External Audit recommendations;
- The University's system of risk management focuses on reviewing the most important risks, and the actions taken to mitigate them, via routine monitoring updates and reports. Council has undertaken an overall assessment of the effectiveness of risk management and internal control, informed by reports from the Audit Committee, the External Auditors in their Management Letter, the Internal Auditor, from the Vice-Chancellor and President, and from other executive officers.

Council considered evidence of the University's internal controls including the observations of the External Auditors on the Financial Controls and the outcomes of Internal Audit reviews over recent years. Council noted the overall 'limited assurance' provided by Internal Audit in the University's arrangements for risk management alongside the range and scope of internal audit activities, the balance between satisfactory and limited opinions and the challenging environment within which Universities are currently working. In response to the weaknesses identified through internal audit activities, Council has already taken steps to improve and streamline its risk management framework and has appointed a new Internal Audit provider from August 2025 with a wider understanding of the sector. In addition, both the Audit Committee and Council now gain assurance from a wide array of sources which has reduced the over-reliance on internal and external audit and strengthened the control environment. These measures have enhanced the assurance mechanisms for Council in order to ensure that it can annually present a true and fair view of the control environment within the University and performance against that.

Signed on behalf of the University of Kent on 13 August 2026 by

Andrew Newell

Chair of the Council for Dissolution

Independent auditors report

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Opinion

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group and 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 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.

Emphasis of matter – basis of preparation of the financial statements

We draw attention to note B to the financial statements, which describes the basis of preparation of the financial statements. As described in that note, the University merged with the University of Greenwich on 1 August 2026 to form London and South East University Group (LASE). Upon merger, the operations (including assets, staff and liabilities) of the University have been transferred to LASE. As a result, the University's existing legal shell will no longer house an operational university and accordingly the Trustees have prepared the financial statements on a transfer basis. Our opinion is not modified in this respect of this matter.

Other information

The other information comprises the information included in the Annual Review and Financial Statements other than the financial statements and our auditor's report thereon. The Council is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

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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 notes 1, 2 and 3 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 Council

As explained more fully in the Statement of Responsibilities of the Council set out on page 21, 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 applicable to the University and the sector in which the University operates through our sector experience, discussions with management and inspection of legal expenditure accounts. We determined that the following laws and regulations were most significant:
  - FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland';
  - Statement of Recommend Practice (SORP): Accounting for Further and Higher Education 2019;
  - OFS framework, Terms and Conditions of Funding, OfS Accounts Direction (October 2019), Relevant OfS regulatory notices and advices; and
  - Research England Terms and Conditions of Funding.
- We understood how the University is complying with these legal and regulatory frameworks by making inquiries to management, internal legal counsel and those charged with governance whether there were any instances of non-compliance with laws and regulations, litigation and claims, and actual or suspected fraud.
- Our work performed to identify any non-compliance with laws and regulations included corroborating the results of our inquiries through our legal and professional expenses review, inspection of information and consideration of consistency of information provided.
- We assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. Audit procedures performed by the engagement team included;
  - Identifying and assessing the design effectiveness of certain controls management has in place to prevent and detect fraud;
  - Challenging assumptions and judgements by management in its significant accounting policies;
  - Identifying and testing journal entries;
  - Identifying and testing related party transactions; and
  - Assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - The University's operations, including the nature of its revenue sources, services and its objectives and strategies to understand the classes of transactions, account balances,

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expected financial statement disclosures and the business risks that may result in risks of material misstatement; and
  - The University's control environment, including:
    - Management's knowledge of relevant laws and regulations and how the entity is complying with those laws and regulations;
    - The adequacy of procedures for authorization of transactions and review of management accounts; and
    - Procedures to ensure that possible breaches of laws and regulations are appropriately resolved.
- 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;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's;
  - Understanding and practical experience with audit engagement of a similar nature and complexity through appropriate training and participation;
  - Knowledge of the industry in which the client operates; and
  - Understanding of the legal and regulatory requirements specific to the entity.
- No matters of non-compliance with laws and regulations and fraud were communicated with the engagement team.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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
Statutory Auditor, Chartered Accountants
Liverpool

Date:

Financial statements

Consolidated statement of comprehensive income year ended 31 July 2025

	Note	Consolidated and University 2024/25 £000	2023/24 £000
Income			
Tuition fees and education contracts	1	**148,983**	158,570
Funding council grants	2	**31,501**	28,732
Research grants and contracts	3	**21,508**	16,855
Other income	4	**62,671**	61,231
Investment income	5	**2,030**	1,200
Donation and endowments received	6	**2,017**	1,824
Total income		**268,710**	268,412
Expenditure			
Staff costs	7	**142,179**	141,595
Restructuring costs	7	**5,951**	4,385
Decrease to pension provision	7	**-**	(61,422)
Other operating expenses	9	**83,373**	99,912
Depreciation and amortisation	11, 12	**34,618**	20,926
Loss on impaired fixed assets	12	**734**	6,624
Interest and other finance costs	8	**5,439**	6,516
Total expenditure		**272,294**	218,536
(Deficit)/ surplus before other gains / losses		**(3,584)**	49,876
Gain on investments		**35**	65
Loss on sale of tangible assets		**(2,059)**	-
(Deficit)/ surplus and total comprehensive income for the year		**(5,608)**	49,941
Represented by:			
Endowment comprehensive expenditure for the year		**(253)**	(178)
Restricted comprehensive income for the year		**383**	973
Unrestricted comprehensive (expenditure)/ income for the year		**(5,738)**	49,146
		(5,608)	49,941

All income and expenditure relate to continuing activities.

Consolidated and University statement of changes in reserves year ended 31 July 2025

Income and expenditure reserve

	Endowment £000	Restricted £000	Unrestricted £000	Total £000
Consolidated				
Balance at 1 August 2023 – restated – Note 13	**3,526**	**1,179**	**195,281**	**199,986**
Surplus for the year	279	1,515	48,147	49,941
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(457)	(542)	999	-
Total comprehensive income/(expenditure) for the year	(178)	973	49,146	49,941
Balance at 1 August 2024 – restated – Note 13	**3,348**	**2,152**	**244,427**	**249,927**
(Deficit)/ Surplus for the year	143	1,742	(7,493)	(5,608)
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(396)	(1,359)	1,755	-
Total comprehensive income/(expenditure) for the year	**(253)**	**383**	**(5,738)**	**(5,608)**
Balance at 31 July 2025	**3,095**	**2,535**	**238,689**	**244,319**

Income and expenditure reserve

	Endowment £000	Restricted £000	Unrestricted £000	Total £000
University				
Balance at 1 August 2023 – restated – Note 13	**3,526**	**1,179**	**195,246**	**199,951**
Surplus for the year	279	1,515	48,147	49,941
Additional Distribution from Kent Enterprise Limited	-	-	35	35
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(457)	(542)	999	-
Total comprehensive income/(expenditure) for the year	(178)	973	49,181	49,976
Balance at 1 August 2024 – restated – Note 13	**3,348**	**2,152**	**244,427**	**249,927**
(Deficit)/ Surplus for the year	143	1,742	(7,493)	(5,608)
Other comprehensive income	-	-	-	-
Release of restricted funds spent in year	(396)	(1,359)	1,755	-
Total comprehensive income/(expenditure) for the year	(253)	383	(5,738)	(5,608)
Balance at 31 July 2025	**3,095**	**2,535**	**238,689**	**244,319**

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

	Note	Consolidated and University 2025 £000	Restated – Note 13 2024 £000
Non-Current Assets			
Intangible fixed assets	11	**12,344**	13,287
Tangible fixed assets	12	**349,182**	363,565
Fixed asset investments	14	**1,516**	1,485
		363,042	378,337
Current Assets			
Stocks		**538**	678
Trade and other receivables	15	**24,638**	30,391
Current asset investments	16	**854**	843
Cash and cash equivalents	23	**56,601**	35,949
		82,631	67,861
Creditors: amounts falling due within one year	17	**(73,096)**	(74,702)
Net current asses/(liabilities)		**9,535**	(6,841)
Total assets less current liabilities		**372,577**	371,496
Creditors: amounts falling due after more than one year	18	**(127,195)**	(120,372)
Provisions			
Pension provisions	19	**(50)**	(50)
Other provisions	19	**(1,013)**	(1,147)
		(1,063)	(1,197)
Net assets		**244,319**	249,927
Restricted Reserves			
Endowment reserves	21	**3,095**	3,348
Restricted reserves	22	**2,535**	2,152
		5,630	5,500
Unrestricted Reserves			
General reserve		**238,689**	244,427
Total Reserves		**244,319**	249,927

The financial statements on pages 32-63 were approved by the Council for Dissolution on 13 August 2026 and signed on its behalf by:

Andrew Newell
Chair of the Council for Dissolution

Professor Georgina Randsley de Moura
Acting Vice-Chancellor and President
(23 May 2024 to 31 July 2026)

Consolidated statement of cash flows for the year ended 31 July 2025

	Note	2025 £000	2024 £000
Cash flow from operating activities			
(Deficit)/ Surplus for the year		**(5,608)**	49,941
Adjustment for non-cash items			
Depreciation	12	**15,908**	17,599
Amortisation of intangibles	11	**3,005**	3,327
Impairment in value of fixed assets	12	**734**	6,624
Gain on investments		**(35)**	(65)
Decrease in stock		**141**	5
Decrease/(increase) in debtors	15	**5,639**	(1,125)
Decrease in creditors	17/18	**(5,328)**	(6,442)
Decrease in pension provision	19	**-**	(66,157)
(Decrease)/increase in other provisions	19	**(134)**	18
Adjustment for investing or financing activities			
Investment income	5	**(2,030)**	(1,200)
Interest payable	8	**5,439**	5,687
Endowment income	21	**(44)**	(139)
Loss on the sale of tangible fixed assets		**2,059**	-
Capital grant income	2/4	**(3,641)**	(2,132)
Net cash inflow from operating activities		**16,105**	5,941
Cash flows from investing activities			
Proceeds from sales of tangible assets		**2,900**	-
Capital grant receipts		**3,641**	2,132
Payments made to acquire tangible assets	12	**(4,741)**	(11,247)
Payments made to acquire intangible assets	11	**(2,062)**	(981)
Investment income	5	**2,030**	1,200
New deposits		**(11)**	(10)
Disposal of non-current asset investments		**4**	1
		1,761	(8,905)
Cash flows from financing activities			
Interest paid	8	**(5,163)**	(6,563)
Interest element of finance lease and service concession payments		**(167)**	(182)
Endowment cash received	21	**44**	139
New lease premium		**-**	3,015
Approved capital repayment profile		**-**	8,679
New unsecured loans		**29,450**	30,489
Repayments of amounts borrowed		**(20,863)**	(19,620)
Capital element of finance lease and service concession payments		**(515)**	(1,008)
		2,786	14,949
Increase in cash and cash equivalents in the year		**20,652**	11,985
Cash and cash equivalents at start of the year		**35,949**	23,964
Cash and cash equivalents at end of the year		**56,601**	35,949

Note that the impact of the unwinding of the service concession arrangement is excluded from the cash-flow statement to represent the underlying position.

Statement of principal accounting policies

A General information

The University of Kent was established by Royal Charter in 1965. It is an exempt charity in accordance with Schedule 3 of the Charities Act 2011. The University is registered with the Office for Students. The address of the registered office is:

University of Kent
The Registry
Canterbury
Kent CT2 7NZ
United Kingdom

B Basis of preparation

These financial statements have been prepared in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition). They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017, the Royal Charter, the Accounts Direction issued by the Office for Students (OfS), the Terms and conditions of funding for higher education institutions issued by the Office for Students and the Terms and conditions of Research England Grant.

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

The financial statements have been prepared under the historical cost convention modified by the revaluation of certain fixed assets and investments.

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

Going concern

These financial statements have been prepared on a basis other than a going concern.

In assessing whether the going concern assumption is appropriate, Management must take into account all available information about the future, which is at least, but is not limited to, 12 months from the date when the financial statements are authorised for issue.

As described on page 8 the University merged with the University of Greenwich on 1 August 2026. Upon merger, the operations (including assets, staff and liabilities) of the University have been transferred to LASE for £nil consideration. Following completion, the University's existing legal shell will no longer house an operational university. In light of these circumstances, Management has concluded that it is no longer appropriate to prepare the financial statements on a going concern basis.

Whilst FRS 102 is clear that financial statements must not be prepared on a going concern basis when that assumption is no longer appropriate, the standard does not specify what alternative basis should be used.

Management has therefore adopted a basis of accounting that reflects the expected future use of the University's activities, namely that operations will continue in their current form up to the date of transfer and will subsequently be carried on in LASE. A transfer basis therefore seems the most appropriate. This reflects the economic reality that the University's assets and liabilities will be transferred voluntarily to the newly merged entity as part of a continuation of activity.

The transfer basis has not resulted in any changes to the University's accounting policies under FRS 102.

In considering this basis of preparation management has undertaken a detailed review of the carrying values of assets and liabilities and concluded that no adjustments are required as a result of the change in basis.

The most significant judgements applied in reaching this conclusion are disclosed in Accounting Policy R to these financial statements.

C Basis of consolidation

The consolidated financial statements include the University and all of its subsidiary undertakings. Intra-group transactions are eliminated fully on consolidation. In accordance with FRS102, the activities of Kent Students' Union have not been consolidated because the University does not exert control or dominant influence over those activities.

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS102) to not produce a cash flow statement for the University in its separate financial statements.

D Income recognition

Tuition fees

Income from tuition fees is stated gross and recognised over the related study period. Where the tuition fee has been reduced by a payment discount or University fee waiver, the income receivable is shown net of the discounted amount. University funded bursaries and scholarships paid to students are accounted for gross as expenditure.

Revenue grants

Grants funding, including funding council block grant, research grants from government sources, and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors in the Statement of Financial Position and released to income as the conditions are met.

Donations and endowments

Non-exchange transactions without performance related conditions are accounted for as donations or endowments.

Donations and endowments with donor imposed restrictions on the use of the funds (which do not amount to performance conditions) are recognised as income within the Consolidated Statement of Comprehensive Income when the University becomes entitled to them. Income is retained within a restricted reserve until such time that expenditure is incurred in line with the restrictions. This income is then released to general reserves through a reserve transfer.

Income in respect of donations and endowments without donor imposed restrictions is recognised in income when the funds are receivable and recorded within unrestricted reserves.

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

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

1 Restricted donations – the donor has specified that the donation must be used for a specific purpose;
2 Unrestricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University;
3 Restricted expendable endowments – the donor has specified a particular purpose, other than the purchase or construction of tangible assets and the University has the power to use the capital;
4 Restricted permanent endowments – the donor has specified that the fund is to be permanently invested to generate an income stream to be used for a specific purpose.

Investment Income

Income from cash deposits and investments is credited to income in the period in which it is earned.

Capital grants

Grants or Donations received from any source for the purpose of purchasing or constructing fixed assets are recognised as income as performance conditions are met. This will normally be at the point the asset is brought into use, or in line with phased completion of large construction projects, depending on the terms of the grant.

Other income

All other income for the sale of goods and services, including Residences and Catering, is recognised within the Consolidated Statement of Comprehensive Income when the goods or services are supplied to the external customer, or the terms of the contract have been satisfied.

E Agency arrangements

Any funds that the University receives and disburses whilst acting as agent on behalf of a funding body and where the University is exposed to minimal risk or enjoys minimal economic benefit in relation to the transaction, such as externally funded bursaries and scholarships where the funder determines the recipient, are excluded from the Consolidated Statement of Comprehensive Income. Any commissions received in this respect are credited to the Consolidated Statement of Comprehensive Income as earned.

F Foreign currency translation

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated into sterling either at year end rates or, where there are related forward foreign exchange contracts, at contract rates. All resulting exchange differences are taken to the Consolidated Statement of Comprehensive Income in the period in which they arise.

G Employee benefits

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 (such as holiday allowances) are accrued within staff costs and measured as the additional amount the University expects to pay as a result of unused entitlement.

Post-employment benefits (pensions)

Retirement benefits for most employees of the University are provided by the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

From 1 October 2016 USS changed from a defined benefit only scheme to 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. Due to the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by section 28 of FRS102 'Employee benefits', the University therefore accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme.

The University had entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit. Therefore, a provision was recognised for the contributions payable which arise from the agreement, to the extent that they relate to the deficit, with related expenses being recognised through the Consolidated Statement of Comprehensive Income.

SAUL is a multi-employer defined benefit scheme. The assets of the scheme are held in separate trustee administered funds. The University is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of the insolvency of any of the participating employers, the amount of any pension funding shortfall (which cannot otherwise be recovered) in respect of that employer will be spread across the remaining participating employers and reflected in the next actuarial valuation. Informal reviews of the position of the schemes are carried out between formal valuations. The University is unable to identify its share of the underlying assets and liabilities of the schemes on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme.

Employee termination benefits

Termination benefits are recognised as an expense when the University is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

H Tangible fixed assets

Land and buildings

Land held was valued as at 31 July 2014 by an external valuer, Gerald Eve LLP, a regulated firm of Chartered Surveyors. A valuation was prepared in accordance with the requirements of the RICS Valuation – Professional Standards, April 2015, and FRS 102. The valuation was undertaken on a Fair Value basis and has been reported under the special assumptions to exclude any value of development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced.

In keeping with the transitional rules set out in FRS102 this land valuation is retained to be used as its 'deemed cost' going forward. Land purchased since 1 August 2014 is shown at cost. Freehold land is not depreciated.

Buildings are included in the Balance Sheet at cost less accumulated depreciation. Finance costs which are directly attributable to the purchase or construction of land and buildings are capitalised as part of the cost of those assets.

Buildings under construction are accounted for at cost, based on the value of architects' certificates and other direct costs incurred to 31 July each year. They are not depreciated until they are brought into use. Once a building is brought into use any elements with significant value and a materially different life are depreciated separately from the main structure.

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

Depreciation on buildings is provided on a straight-line basis over their expected useful economic lives as follows:

Building structure	80 years
Roofing and windows	30 years
Mechanical and electrical systems	25 years
Refurbishment of general facilities	15 years
Refurbishment of residential facilities	10 years
Refurbishment of dining and trading facilities	5 years

Where assets are recognised in respect of finance leases they are valued at the present value of future minimum lease payments. These assets are depreciated over the length of the lease term, or where lower, the useful economic life of the asset as above.

Where assets are recognised in respect of service concession arrangements they are valued at the present value of future minimum lease payments. These assets are depreciated over the length of the nomination agreements.

Where material, a depreciable asset's anticipated useful economic life is reviewed annually and the accumulated and future depreciation adjusted in accordance with the FRS102. A review for potential indicators of impairment is carried out at each year end, and if events or changes in circumstances indicate that the carrying amount of assets may not be recoverable, a calculation of the impairment is completed and the arising impairment values charged against the asset and to the Statement of Comprehensive Income and Expenditure.

Site works

Site works on University campuses, when capitalised, are depreciated over useful economic lives as follows:

Infrastructure works	30 years
Groundworks and landscaping	25 years
Roads, footpaths and car parks	15 years

Equipment

Equipment and software costing less than £20,000 per individual item or group of related items is written off in the year of acquisition. All other equipment and its associated systems developments are capitalised at cost. Costs relating to major system developments in progress are not depreciated until the system is brought into use.

Capitalised equipment and systems are depreciated over its useful economic life as follows:

General equipment and furniture	5 to 10 years
Computer equipment and systems	3 to 5 years
Equipment acquired for specific research or other projects	Project life (generally 3 years)

All depreciation charges are calculated annually from the year in which assets come into use.

Where Tangible Fixed Assets are acquired with the aid of specific grants, the cost is capitalised and depreciated in accordance with the above policy, with the related grant income recognised in line with Accounting Policy D.

Service concession agreements

Fixed assets held under service concession arrangements are recognised in the Statement of Financial Position at the present value of the minimum payments under nominations agreements with a corresponding financial liability. The assets are subsequently depreciated over the life of the nomination agreement and the liability released in line with the agreement which is currently one year.

I Intangible assets

Intangible assets purchased separately from a business are initially recognised at its cost.

Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortisation and accumulated impairment.

Purchased software costs

Software costs are capitalised if externally purchased and the wholly attributable external implementation costs as set out below exceed a £20,000 threshold.

External costs, associated with the application development and implementation phases are capitalised. This may involve the acquisition of computer equipment or third party software. Internal costs incurred in order to bring the software in to use are also capitalised where they can be reliably measured.

Costs to develop or obtain software that allows for access or conversion of old data by new information systems are also capitalised.

Software is amortised over its estimated useful life, as follows:

Major Management Information System developments	8 years
Software upgrades and systems	5 years

External costs and internal costs (where they can be reliably measured) in respect of upgrades and enhancements will be capitalised only if the expenditure results in additional functionality.

Internally generated software

Design and content costs relating to the development of internal software and websites to support specific teaching or training courses, or for specific research projects, as well as design and content costs for websites that are the general use of the institution and its staff are written off as incurred.

Impairment

If there are indicators that the residual value or useful life of an intangible asset has changed since the most recent annual reporting period previous estimates shall be reviewed and, if current expectations differ the residual value, amortisation method or useful life shall be amended. Changes in the expected useful life or the expected pattern of consumption of benefit shall be accounted for as a change in accounting estimate.

J Investments

Fixed asset investments that are not listed on a recognised stock exchange are carried at historical cost less any provision for impairment of their value.

Other investments are initially recognised at cost and subsequently measured at fair value at each reporting date. Where fair value cannot be reliably measured or investments are not publicly traded, they will be measured at cost less impairment.

Investments in funds intended to be held for the long term in order to generate ongoing income to fund activities are reported as fixed asset investments. All other funds are reported as current asset investments.

Any subsequent increase or decrease in value is recognised within the Consolidated Statement of Comprehensive Income and transferred to restricted or unrestricted reserves as appropriate.

K Stocks

Stock is held at the lower of their cost and net realisable value. Where necessary, provision is made for obsolete, slow moving and defective stocks.

L Taxation

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

In the event that non-primary purpose trading losses arise, the University treats the trades concerned as falling within Section 44 of the CTA 2010 as being carried out on a commercial basis with a view to realisation of gain within the larger undertaking of the University so that Section 37 of the CTA 2010 applies to allow the non-primary purpose loss to be offset against the surplus for which tax exemption is disapplied by virtue of the existence of the non-primary purpose trading loss.

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

As commercial organisations, the University's subsidiary companies are subject to corporation tax and VAT.

M Financial instruments

The University has applied the recognition, measurement and disclosure requirements of sections 11 and 12 of FRS 102 in relation to basic and complex financial instruments.

Financial assets are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment. Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the legal form. Financial liabilities are initially measured at transaction price (including transaction cost) and subsequently held at amortised cost.

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

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. These include term deposits (maturity generally being less than three months from the placement date) and other instruments held as part of the University's treasury management activities.

Cash and cash equivalents contains sums relating to endowment reserves which have restrictions on their use. Note 21 summarises the balances of restricted endowment funds.

Loans

Loans are measured at amortised cost using the effective interest method and are subject to an annual impairment review.

Short term debtors and creditors

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

N Provisions

General

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

Pension

Provisions are recognised in respect of the deficit recovery plan of the University's pension schemes as detailed in Accounting Policy G.

O Leases and service concession arrangements

Operating leases

An operating lease is defined as one where the lessor retains most of the risks and rewards of ownership of the asset.

All operating lease payments are included in the Consolidated Statement of Comprehensive Income in the period to which the payment relates. Future liabilities under such operating leases are disclosed as a financial commitment in the notes to the accounts.

Rental payments received are credited to the Consolidated Statement of Comprehensive Income in the period to which the income relates. Lease premiums received at the start of a lease are credited to the Consolidated Statement of Comprehensive Income as rental income over the minimum lease term.

Finance leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases.

Assets acquired by finance lease and the associated lease liability are reported at the lower of fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Service concession arrangements

Service concession arrangements are lease arrangements whereby the lessor also provides services (eg maintenance and operation) alongside provision of the assets and any significant residual value of the asset passes to the University at the end of the lease. Any service concession arrangement liability is valued at the present value of future minimum lease payments with a corresponding asset being created within Property, Plant and Equipment assets and depreciated in line with accounting policy H.

The University still has a liability for the rental value per room where the nomination is made. However whilst there is no liability, if the University continues to utilise these buildings significant future variable rents will be payable depending on nominations made.

Amounts do not meet definition of minimum fixed payment due to the variability in the occupancy rates of accommodation and there are no fixed occupancy rates. Therefore the liability arises when a nomination is agreed and this is estimated annually as a result. For further details see accounting policy R.

P Accounting for jointly controlled assets and operations

The University accounts for its share of joint ventures using the equity method.

The University accounts for its share of the transactions from joint operations and jointly controlled assets in the Statement of Comprehensive Income.

Q Reserves

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

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

R Significant estimates and judgements

The University considers the following areas to be significant areas of estimates or judgements which could have a significant impact on the financial statements.

Significant accounting estimates

Recoverability of debtors
The provision for bad and doubtful debts is based on our estimate of the expected recoverability of debts. The assumptions underlying our estimate for bad debt provision are driven by the nature of debtor (ie student, commercial and enterprise/ research debt), as well as by the age profile of the component debts.

The validity of the respective provision percentages applied to each category of debt is reviewed against recent historic trends for debt recoverability each year, following which the rates are prudently revised where appropriate. On that basis, we believe that our bad debt provision estimate each year closely aligns with the risk associated with the irrecoverability of outstanding debt.

Retirement benefit obligations
As at 31 July 2025 the USS pension scheme is in a surplus position and therefore this is not reported as a significant estimate in 2025.

Depreciation
The useful economic lives used in the calculation of depreciation charges are a significant area of estimate. The lives used in these financial statements for all groups of fixed assets are shown in accounting policy H and the impact can be seen in Note 12.

Significant judgements and assumptions

Income recognition
Judgement is applied in determining the value and timing of certain items of income to be included in the financial statements of certain material items such as large gifts and grants. This includes determining when performance conditions have been met, and determining the income associated with partially delivered services, where the delivery has not been fully completed at the end of the financial year.

Pension scheme assumptions
FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as that provided by USS and SAUL. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense is recognised in the surplus or deficit for the year in accordance with section 28 of FRS102. The University is satisfied that the schemes provided by USS and SAUL meet the definition of a multi-employer scheme. For USS the University has recognised the discounted fair value of the contractual contributions under the Recovery Plan in existence at the date of approving the financial statements.

Service concession arrangements – minimum lease payments
Contracts have been reviewed and judgement applied in determining whether they meet the criteria for Service Concession arrangement. The treatment of these arrangements is shown in accounting policy O, and information on these contracts and their impact in the financial statements is shown in Note 13.

The University has assessed a number of student accommodation agreements with third-party operators. Significant judgement is required in determining whether the University controls the residual interest in the accommodation and the nature of services provided to students.

Factors considered include nomination rights, rent-setting mechanisms, maintenance obligations, restrictions on alternative uses of the asset and the treatment of the asset at the end of the contract period.

In relation to the year ended 31 July 2025 the contracts contain no minimum lease liabilities, or any in substance minimum lease payments. Therefore no long-term liability has been recorded in relation to the minimum future lease payments given the liability is variable.

Service concession arrangements – nominated rooms
The student accommodation arrangements that the University holds with third party providers can have nominated room agreements attached to them. These agreements are separate from original agreements are made on an ad-hoc basis for one or a number of years.

As at 31 July 2025 the University held a nominated room agreement, which do not include fixed occupancy rates. Nominations are variable in nature, and accordingly the University has reported a fixed service concession arrangement asset and corresponding short term liability. See Note 13.

Impairment in carrying value of land
The value of land as deemed cost is based on an external valuation as at 31 July 2014 but is reviewed annually by management for any indication of impairment. Further information on the basis of the valuation and the impact on the financial statements can be seen in Note 12.

Financing arrangement
In relation to the year ended 31 July 2025 figures, the financing agreement signed in April 2025, modified the terms of the previously existing loan arrangements. Under FRS 102 s11, a substantial debt modification should be treated as if the original debt was extinguished, and a new liability recognised. The changes to all loans were therefore assessed to determine the level of change. Loans from the European Investment bank were previously unsecured, and have now been secured; this is in addition to the changes made to interest rates and capital repayment dates. These changes are deemed to have constituted a significant debt modification in accordance with FRS102 s11. Further information is provided in Note 18.

Basis other than a going concern

In preparing these financial statements on a basis other than a going concern, Management has exercised judgement in concluding that the University's operations will continue in their current form up to the date of transfer and will thereafter be carried on by a successor entity. Management has determined that the financial statements should be prepared on the transfer basis in doing so assets and liabilities should continue to be measured in accordance with the University's existing accounting policies, and that no measurement adjustments are required as a result of the change in the basis of preparation.

In reaching this conclusion, Management has made the following additional key judgements:

Current assets and liabilities
Current assets and liabilities are expected to be realised or settled in the University's normal operating cycle, this being within one year, under usual operating conditions.

Intangible fixed assets
Intangible fixed assets are expected to remain in use immediately following the merger. While future integration activities may, over time, affect the pattern of use of certain assets, at the balance sheet date no clear change in use has been identified. For further details please see Accounting Policy I.

Tangible fixed assets
Tangible fixed assets will continue to be used in operations following the merger. As the University of Kent and the University of Greenwich primarily operate across distinct geographical locations, Management does not expect the merger to have an impact on the intended use of tangible fixed assets in future periods. For further details please see Accounting Policy H.

Borrowings
Secured borrowings are expected to be repaid as part of the merger arrangements. As early repayment of the loan will be initiated by the University at its discretion, no provision has been recognised for potential prepayment costs. For the same reason, the non-current portion of the loan has not been reclassified as a current liability. For further details please see Accounting Policy M.

Obligations under finance leases and leasehold premiums
Obligations under finance leases and leasehold premiums received have not been remeasured, as the underlying arrangements are expected to transfer to the successor entity on their existing terms and conditions. For further details please see Accounting Policy O.

Multi-employer pension schemes
Participation in the USS and SAUL multi-employer pension schemes will transfer to LASE. The SAUL scheme will transfer via a Flexible Apportionment Arrangement ('FAA') which will avoid the University having to settle a potential liability arising under Section 75 of the Pensions Act 1995. The USS scheme will transfer either through an FAA or by settling a Section 75 liability, which is estimated at £nil. As both schemes will continue following the merger, albeit with LASE as the participating employer, no remeasurement of pension scheme assets or liabilities has been required.

Restructuring provisions
No restructuring provisions have been recognised in relation to the merger. While management expects cost-saving synergies to arise following completion, at the balance sheet date no formal plans had been announced that would give rise to a constructive obligation.

Onerous contracts
No onerous contract provisions have been recognised as a result of the merger commitment. Existing executory contracts will transfer to LASE on their current terms and conditions. Although certain service arrangements may be reassessed following the merger, at the balance sheet date, all existing contractual arrangements are expected to remain in force for the foreseeable future.

Notes to the accounts

1 Tuition fees and education contracts

	2024/25 £000	2023/24 £000
Full-time – home	**102,960**	103,974
Full-time – EU students	**3,410**	4,010
Full-time – international students	**32,801**	41,064
Part-time – students	**6,765**	6,966
Research training support grants	**2,008**	2,086
Short course fees	**1,039**	470
	148,983	158,570

2 Funding council grants

	2024/25 £000	2023/24 £000
Recurrent grant		
Teaching funding (OfS)	**10,036**	6,747
Research funding (RE)	**18,065**	18,379
Higher Education Innovation Fund (HEIF)	**1,460**	1,481
Capital grant (CIF)	**1,056**	1,004
Specific grants		
Education and Skills Funding Agency (ESFA)	**265**	57
All Other Grants	**619**	1,064
	31,501	28,732

3 Research grants and projects

	2024/25 £000	2023/24 £000
Research councils	**7,547**	5,299
UK based charities	**2,576**	2,160
UK industry and commerce	**551**	274
Government (UK & EU)	**7,684**	6,980
Other grants and contracts	**3,150**	2,142
	21,508	16,855

Note: The source of grant and fee income included in Notes 1-3 above is as follows:

Grant and fee income

	2024/25 £000	2023/24 £000
Grant income from the OfS	**10,297**	7,435
Grant income from other bodies	**28,486**	26,539
Fee income for taught awards (excluding VAT)	**145,936**	156,014
Fee income for research awards (excluding VAT)	**2,008**	2,086
Fee income from non-qualifying courses (excluding VAT)	**1,039**	470
	187,766	192,544

4 Other income

	2024/25 £000	2023/24 £000
Residences, catering and conferences	**44,534**	44,587
Other income generating activities	**5,912**	6,247
Other revenue grants	**3,678**	3,920
Other capital grants (non-funding council)	**2,585**	1,128
Other income	**5,962**	5,349
	62,671	61,231

'Other income' includes rental income on University owned properties, fees and charges received in relation to non-commercial activities and income received for the provision of non-standard services to students.

The balance of grant funding held within deferred income until performance conditions are met is reported in Note 17.

5 Investment income

	2024/25 £000	2023/24 £000
Investment income on endowments	**64**	67
Other investment income	**1,628**	706
Other interest receivable	**338**	427
	2,030	1,200

6 Donations and endowments

	2024/25 £000	2023/24 £000
New endowments	**44**	139
Donations with restrictions	**1,742**	1,515
Unrestricted donations	**231**	170
	2,017	1,824

7 Staff costs

The average number of persons (including senior post holders) employed by the University during the year expressed as full time equivalents (FTE) was:

	2024/25 £000 Avge FTE No	2023/24 £000 Avge FTE No
Academic Staff	**736**	872
Research Staff	**175**	208
Teaching only Staff	**24**	10
Academic Related Staff	**497**	513
Clerical Staff	**614**	636
Operational & Facilities	**308**	324
Technical	**171**	191
	2,525	2,754

*Teaching only staff relates to postgraduate students who are also paid a salary for the provision of teaching services to undergraduate students.

The above figures exclude 125 FTE (2023/24: 146 FTE) in relation to employees classified as Casual workers that are paid by timesheet.

7 Staff costs (continued)

	Note	2024/25 £000	2023/24 £000
Staff costs for the above persons:			
Wages and Salaries		**113,958**	117,146
Social Security Costs		**12,087**	10,267
Other Pension Costs	30	**16,268**	19,746
		142,313	147,159
Movement in Pension Deficit Recovery Plan		**(134)**	(66,986)
Restructuring Costs		**5,951**	4,385
		148,130	84,558

The movement in the pension provision includes the unwinding of existing provisions from changes in the discount rates and any contributions made toward deficit balances. In the 2023/24 year this included the full unwinding of the provision of £61.4m following the completion of the 2023 valuation in December 2023. This is shown separately from other staff costs on the face of the Statement of Comprehensive Income.

In the above split of staff costs by department under the Effectiveness and Efficiency structural change professional services staff were reallocated from Academic Divisions into Central Service areas.

	2024/25 £000s	2023/24 £000s
Staff costs by department:		
Academic Divisions	**59,703**	71,607
Academic Services	**10,054**	10,675
Research Grants and Contracts	**10,355**	8,538
Student & Staff Facilities	**9,446**	8,732
General Educational Expenditure	**12,924**	12,872
Administration & Central Services	**22,674**	18,256
Catering and Residences	**7,511**	7,789
Premises	**6,723**	6,289
Pension Provision Movements (excl. one-off)	**-**	(5,564)
Other	**2,789**	2,401
Sub Total	**142,179**	141,595
Decrease in pension provision arising from change in discount rate	**-**	(61,422)
Restructuring Costs	**5,951**	4,385
Total Costs	**148,130**	84,558
Total payments for loss of office within total staff costs above	**5,951**	4,330
Number of staff paid	**197**	146

Including the Acting Vice-Chancellor and President, in 2024/25 70 staff were paid full-time equivalent salaries over £100,000, compared to 64 in 2023/24. The increase is mainly due to the continued growth during 2024/25 of the Kent and Medway Medical School where there is a need to match NHS salaries, often at Consultant level, in order to attract appropriately qualified and experienced candidates.

	Number of Staff	
	2024/25	2023/24
Senior Staff pay:		
Basic annual salary (per 1.0 FTE)		
£100,000 – £104,999	**4**	8
£105,000 – £109,999	**7**	12
£110,000 – £114,999	**10**	11
£115,000 – £119,999	**14**	10
£120,000 – £124,999	**10**	8
£125,000 – £129,999	**5**	3
£130,000 – £134,999	**8**	3
£135,000 – £139,999	**5**	4
£140,000 – £144,999	**2**	1
£145,000 – £149,999	**2**	1
£150,000 – £154,999	**-**	-
£155,000 – £159,999	**1**	2
£160,000 – £164,999	**1**	-
…		
£250,000 – £254,999	**1**	1

Key management personnel

Key management personnel, identified by the University as members of its Executive Group, are those persons having authority and responsibility for planning, directing and controlling the activities of the institution. Staff costs includes compensation paid to key management personnel consisting of salary and benefits including any employer's pension contribution and other equivalent payments.

	2024/25 £000	2023/24 £000
Key management personnel compensation	**1,535**	1,664

The Executive Group of the University of Kent consists of 9 (2023/24: 12) people including the Vice-Chancellor.

	2024/25 £000	2023/24 £000
Remuneration for the Vice-Chancellor and President:		
Professor Karen Cox (ended 22/05/2024)		
Basic salary (part year)	**-**	155
Payments in lieu of pension contributions	**-**	24
Pension contributions	**-**	5
Professor Georgina Randsley de Moura (started 23/05/2024)		
Basic salary	**255**	49
Pension contributions	**37**	7
Total Emoluments for the Year	**292**	240

During the 2023/24 financial year Professor Karen Cox took a voluntary salary reduction of 20% until her departure on 22/05/2024.

The Acting Vice-Chancellor and President's basic salary in 2024/25 was 7.79 times the median pay of all staff (2023/24: 8.39 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Acting Vice-Chancellor and President's total remuneration in 2024/25 was 8.12 times the median total remuneration of staff (2023/24: 8.22 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University of its staff.

Where the median pay ratio is calculated on a full time equivalent basis for all staff, the pay ratio is distorted by the inclusion of a high number of (mainly student) staff on flexible/atypical timesheet contracts where we aim to provide employment experience. Given the distorting effect of these contracts on the pay ratio, a ratio which excludes these staff is also given (below) for comparison purposes.

The Acting Vice-Chancellor and President's basic salary in 2024/25 was 6.57 times the median basic salary of all substantive staff (2023/24: 6.90 times). The former Vice-Chancellor and President's total remuneration in 2024/25 was 6.70 times the median total remuneration of all substantive staff (2023/24: 6.69 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its substantive staff.

According to the Committee of University Chairs (CUC) VC Remuneration Report published in January 2025, the average basic pay ratio across the HE sector in 2023/24 was 7.10:1 (2022/23 was 7.14:1) and the range was from 10.9:1 to 3.5:1 (11.7:1 to 2.3:1). The average total emoluments ratio in 2023/24 (if provided) was 7.5:1 (7.42:1) and the range was from 12.5:1 to 4.5:1 (12.8:1 to 4.0:1).

The ratio of the Acting Vice-Chancellor and President's salary compared to the median of all staff is higher than the average ratio for the sector. This is due to the fact that the median salary for all staff at Kent is relatively lower than in the sector because Kent directly employs front line staff in Commercial Services and Estates whereas many other institutions outsource such services.

Justification for salary of Vice-Chancellor and President

Value and performance of the Vice-Chancellor and President:
The remuneration of the Acting Vice-Chancellor, in post since May 2024, is in line with the target pay zone for the role, set by reference to sector-relevant market salary data (based on peer group market data[2]) and relative to skills and experience in the role. At £260,762, her basic salary is lower than sector according to the CUC average VC basic remuneration figure for the financial year salary 2023/24 of £283,101.

The Acting Vice Chancellor's salary is higher than the previous Vice-Chancellor, who, due to the challenging financial environment experienced by the wider Higher Education sector and specifically at Kent, had repeatedly declined pay awards since joining the University in 2017 and had also taken a 20% voluntary salary reduction in the year prior to leaving Kent.

The University has announced plans to merge with the University of Greenwich which is anticipated to take effect for the academic year 2026/27. It has been announced that the Vice-Chancellor of Greenwich, Professor Jane Harrington, will lead the new London and South East University Group[3] which will likely give rise to new leadership arrangements at the University of Kent.

Governance process:
The Remuneration Committee determines all aspects of the remuneration (base pay, performance-related payments and pensions) of the Vice-Chancellor and President, and all other members of the Executive Group, with delegated responsibility for decision-making on these matters from Council. Kent is a member of the Committee of University Chairs (CUC) and as such, has adopted the HE Senior Staff Remuneration Code. In addition, as part of its governance role, the Remuneration Committee monitors the application of Kent's reward policies across all staff groups, including other senior staff. The Committee consists of members of Council, including a student member and a staff member.

The Remuneration Committee has developed a Senior Reward Policy which is published on the University website. This policy is applicable to all members of the Executive Group, including the Vice-Chancellor. The policy incorporates requirements related to both University and individual performance assessment, including appraisal against detailed objectives. The Chair of Council prepares a detailed appraisal of the Vice-Chancellor's performance against objectives based on 360 degree feedback from internal and external stakeholders, which is submitted to the Remuneration Committee.

The Vice-Chancellor is not a member of the Remuneration Committee. No members of staff, including the Vice-Chancellor, are present at Remuneration Committee meetings during discussions about their own remuneration. A report of the Committee's decision is provided to Council each year. The University follows the requirements of the Office for Students on senior pay and the Committee Of University Chairs' Governance Code.

The Committee has agreed and maintains the External Activities and Retention of Income policy which sets out the circumstances in which members of the Executive Group may engage in external activities in a personal capacity and retain some income from those activities where appropriate. Income related to an agreed external activity may be retained by the individual only where the activity is carried out during an agreed period of annual leave. Otherwise, the income must be remitted directly to the University. Alternatively, where there is little by way of direct relevance to the business of the University, individuals are required to remit any income to an appropriate registered charity. Operation of the policy is monitored via an annual return to the Committee.

8 Interest payable

	2024/25 £000	2023/24 £000
Loan interest	**3,368**	5,535
Finance lease interest	**167**	152
Other finance costs	**1,904**	829
	5,439	6,516

2 For the purposes of pay comparison, the Committee refers to pay within a comparator group of universities which comprises Aston, Coventry, East Anglia, Essex, Exeter, Lancaster, Leicester, Reading, Surrey, Sussex and York plus a further review of pay in pre-92 Institutions with a turnover between £200m and £280m
3 name subject to consultation and confirmation

9 Other operating expenses

	2024/25 £000	2023/24 £000
Academic Departments	**5,813**	6,158
Academic Services	**10,758**	10,048
Research Grants and Contracts	**2,920**	3,284
Bursary Payments to Students	**9,289**	9,316
Student & Staff Facilities	**5,307**	5,724
General Educational Expenditure	**9,884**	9,930
Administration & Central Services	**8,122**	7,097
Residences & Catering	**8,039**	21,849
Premises	**18,409**	19,914
Other Expenses	**4,832**	6,592
	83,373	99,912
Other Operating Expenses include:		
Operating Lease Rentals:		
Land and Buildings	**539**	813
Other	**518**	529
Auditor's Remuneration – audit services for the year	**211**	211
Auditor's Remuneration – audit services for prior year recognised in year	**17**	(4)
Auditor's Remuneration – non-Audit Services for the year	**57**	14
Auditor's Remuneration – non-Audit Services for prior year recognised in year	**-**	-
	1,342	1,563

Auditors' remuneration for prior year audit services recognised in 2024/25 relate to additional fees charged in relation to the completion of the review of going concern up to the signing of the previous years' financial statements and 2023/24 relate to an over-accrual for remaining audit services.

	2024/25 £000	2023/24 £000
Access and Participation		
Access Investment	**2,011**	2,317
Financial Support	**2,822**	2,764
Disability Support	**1,290**	1,242
Research and Evaluation	**149**	153
	6,272	6,476

The total spend reported here includes £2,674k (2023/24: £2,861k) included in total staff costs and reported in Note 7.

The University's Access and Participation plan, agreed with the OfS, is available on the University website at: kent.ac.uk/applicants/policies/access-and-participation-plan

10 (Deficit)/surplus on operations for the year

The (deficit)/ surplus on operations for the year is made up as follows:

	2024/25 £000	2023/24 £000
University (deficit)/ surplus on operations for the year	**(5,608)**	49,941
	(5,608)	49,941

11 Intangible assets

	Consolidated and University			
		2024/25 £'000		2023/24 £'000
	Software	Assets under construction	Total	Consolidated and University
Cost				
At 1 August 2024	28,290	-	**28,290**	**27,854**
Additions	275	1,787	**2,062**	**981**
Disposals	(435)	-	**(435)**	**(545)**
At 31 July 2025	28,130	1,787	**29,917**	**28,290**
Amortisation				
At 1 August 2024	15,003	-	**15,003**	**12,221**
Charge for the year	3,005	-	**3,005**	**3,327**
Disposals	(435)	-	**(435)**	**(545)**
At 31 July 2025	17,573	-	**17,573**	**15,003**
Net book value				
At 31 July 2025	10,557	1,787	**12,344**	**13,287**
At 1 August 2024	13,287	-	**13,287**	**15,633**

Within software is our Kent Vision system which is our student record database as at 31 July 2025 this has a carrying value of £9.5m (2024: £12.3m). This is being amortised over 8 years and has a remaining amortisation period between 3-6 years.

12 Tangible fixed assets

					Consolidated and University
	Land and Buildings	Service concession arrangement assets (Note 13)	Assets under construction	Equipment and Systems	**Total**
	£000	£000	£000	£000	**£000**
Cost or valuation					
At 1 August 2024 – restated	581,232	15,705	2,068	38,684	**637,689**
Additions	1,693	17,694	-	1,040	**20,427**
Assets under construction	-	-	2,367	-	**2,367**
Transfers	726	-	(726)	-	**-**
Disposals	(14,180)	(15,705)	-	(876)	**(30,761)**
At 31 July 2025	569,471	17,694	3,709	38,848	**629,722**
Depreciation					
At 1 August 2024 – restated	242,268	-	-	31,856	**274,124**
Charge for the year	12,895	15,705	-	3,013	**31,613**
Disposals	(6,563)	(15,705)	-	(876)	**(23,144)**
Impairment release on disposal	(2,787)	-	-	-	**(2,787)**
Impairment charge	734	-	-	-	**734**
At 31 July 2025	246,547	-	-	33,993	**280,540**
Net Book Value					
At 31 July 2025	**322,924**	**17,694**	**3,709**	**4,855**	**349,182**
At 1 August 2024 – restated	338,964	15,705	2,068	6,828	**363,565**
Financed by:					
Capital grant	-	-	3,258	-	**3,258**
Other	322,924	17,694	451	4,855	**345,924**
	322,924	**17,694**	**3,709**	**4,855**	**349,182**

Equipment disposals in the year include the removal of fully depreciated assets, which are no longer in use, from both cost and accumulated depreciation. Within disposal are also the sale of the Rochester and Gillingham buildings on the Medway Campus.

The Impairment release relates to the disposal of the Rochester and Gillingham buildings. A further impairment loss has been incurred in the year relating to buildings where upon review it was deemed that the net book value of the assets was higher than market value and therefore an impairment provision was necessary. This is the impairment charge as shown above.

Land was acquired both by gift and purchase (historic cost of £5.8m) and is stated at a valuation of £130.0m (2024: £133.7m), the reduction is due to the land on which Rochester and Gillingham buildings are built on. A valuation was prepared by Gerald Eve LLP, a regulated firm of surveyors, in accordance with the requirements of RICS Valuation – Professional Standards April 2015, on a fair value basis as at 31 July 2014, and is reported under the special assumptions to exclude any development opportunities for which planning permission would be required and has not been granted or where development has not yet commenced. The land was included in the Balance Sheet at this valuation, which was taken forward as deemed cost under the exemption on transition to FRS102 and the excess of the valuation over original cost was taken to the General Reserve.

No interest has been capitalised in the year (Note 8). Total interest capitalised to date included in the cost of Land and Buildings, amounts to £2.7m at 31 July 2025 (2024: £2.7m).

The opening position as at 31 August 2024 has been restated to reduce the cost value of service concession assets and accumulated depreciation across the service concession and land and buildings headings. The overall reduction is a value of £8m of net book value under service concession category and £1m of net book value in Land and Buildings. For further information on the adjustment please see Note 13.

13 Service concession arrangements

The University has three service concession arrangements with University Partnerships Programme (UPP Limited) for the provision of student residential accommodation services.

These relate to the student accommodation at the Turing, Woolf and Keynes developments, built and operated by UPP Limited. For each of these properties the University has provided a nominations agreement whereby it has guaranteed occupancy of all rooms within the student accommodation for the 2025/26 financial year. A service concession asset has therefore been capitalised along with the corresponding liability in the Statement of Financial Position.

The nominated rooms and associated values are as follows:

	Number of nominated beds	£000s
Keynes	495	4,560
Turing	801	7,651
Woolf	544	5,483
Total		**17,694**

The assets relating to these agreements are held within tangible fixed assets and depreciated over the life of their respective agreements. As at 31 July 2025 the value of the service concessions are £17.7m. The respective liability relating to the service concessions as at 31 July 2025 are £17.7m.

The following table analyses the University's future commitments in relation to service concession arrangements:

	Payable in 1 year £000	Payable in 2-5 years £000	Payable later than 5 years £000	Total £000
Liability repayments	17,694	-	-	17,694
	17,694	**-**	**-**	**17,694**

Prior period adjustment

The University had also recognised service concession arrangements for nominated rooms during the transition to FRS102 in the 2015/16 financial statements for Keynes, Turing and Woolf. There had been guarantees for 2012/13, 2013/14 and 2014/15 after this point there were no further obligations as a minimum guarantee for the University to make payments to UPP Limited. As a result, any future rent is purely contingent on the future use of the asset by the University. This means that the liability is variable year over year. The University nominates the number of rooms based on student uptake, and is liable to pay for these rooms, as a result the University recognises a current liability equivalent for the number of rooms let, and the associated service concession asset is recognised and amortised over the nomination period.

A tangible fixed asset and corresponding liability were recognised in line with the obligation. These obligations to nominate rooms had ceased shortly after that year with the liability released correctly. The value of the service concession assets in 2014/15 was £11.7m. However, the tangible fixed asset remained on the Statement of Financial Position depreciated over the useful economic life for buildings of 40 years. In the 2024/25 financial year it was assessed that this asset should not have been carried forward after the minimum occupation guarantees had concluded. Therefore, a prior period adjustment has been made in the financial statements to release the carrying value of these assets back to the general reserve.

There was also a nominated room arrangement relating to the 2024/25 year that was agreed in 2023/24 for the Keynes, Turing and Woolf properties. The value of the arrangement was £15.7m and had not been included within the 2023/24 financial statements. This has also been included within the prior period adjustments with the asset being fully depreciated, the corresponding liability released and the disposal of the asset in the 2024/25 financial statements. This is due to the short term nature of the agreement with the asset value calculated each year dependent on the nomination agreement.

The prior period adjustments have impacted the financial statements in the following areas:

Area of Financial statements	Line in Financial statements	Amount in the 2023/24 financial statements (£000s)	Amount following prior period adjustment (£000s)
Statement of Changes in Reserves	Balance at 1 August 2023 (Consolidated)	204,322	195,281
Statement of Changes in Reserves	Balance at 1 August 2023 (University)	204,287	195,246
Statement of Changes in Reserves	Balance at 1 August 2024 (Consolidated)	253,468	244,427
Statement of Changes in Reserves	Balance at 1 August 2024 (University)	253,468	244,427
Statement of Financial Position	Tangible Fixed Assets – 2024	356,901	347,860
Statement of Financial Position	General Reserve	253,468	244,427
Note 12 – Tangible Fixed Assets	Cost Service concession arrangement assets – at 1 August 2024	10,172	15,705
Note 12 – Tangible Fixed Assets	Depreciation Service concession arrangement assets – at 1 August 2024	2,166	-
Note 12 – Tangible Fixed Assets	Net book value Service concession arrangement assets – at 1 August 2024	8,006	15,705
Note 12 – Tangible Fixed Assets	Cost Land and Buildings – at 1 August 2024	582,801	581,232
Note 12 – Tangible Fixed Assets	Depreciation Land and Buildings – at 1 August 2024	242,802	242,268
Note 12 – Tangible Fixed Assets	Net Book Value – Land and Buildings – at 1 August 2024	339,999	338,964
Note 17 – Creditors: Amounts falling due within one year	Creditors and accrued liabilities	16,197	31,902
Note 32 – US DoE Supplemental Schedule	Statement of Financial Position – Net assets without donor restrictions – 2024	253,468	244,427
Note 32 – US DoE Supplemental Schedule	Statement of Financial Position – Property, plant and equipment, net – 2024	356,901	363,565
Note 32 – US DoE Supplemental Schedule	Statement of Financial Position – Property, plant and equipment, pre-implementation – 2024	308,082	314,746
Note 32 – US DoE Supplemental Schedule	Total Assets – 2024	439,534	446,198
Note 32 – US DoE Supplemental Schedule	Supplemental note – PPE		
Pre-implementation PPE – 2024		308,082	314,746

14 Fixed asset investments

	Consolidated and University	
	2025 £000	2024 £000
Cost of Investment in other companies (including spin-out companies)	**65**	65
Investment in shares	**1,451**	1,420
	1,516	1,485

15 Trade and other receivable

	Consolidated		University	
	2025 £000	**2024 £000**	**2025 £000**	**2024 £000**
Amounts falling within one year:				
General receivables	**6,359**	12,203	**6,359**	12,203
Research grants and contracts	**8,375**	10,430	**8,375**	10,430
Prepayments and accrued income	**9,904**	7,758	**9,904**	7,758
	24,638	30,391	**24,638**	30,391

Within General receivables is £1,199k (2024: £643k) which is owed to the University to related parties as at 31 July 2025. See Note 28 for further details.

16 Current asset investments

	Consolidated and University	
	2025 £000	2024 £000
Short term deposits	**854**	843
	854	843

Deposits are held with banks and building societies operating in the London market and licensed by the Financial Services Authority with less than three months maturity at the balance sheet date. The interest rates for these deposits are fixed for the duration of the deposit at time of placement.

17 Creditors: amounts falling due within one year

	Consolidated		University	
	2025 £000	2024 (restated – Note 13) £000	**2025 £000**	2024 (restated – Note 13) £000
Bank loans due for repayment (Note 18)	**4,695**	2,929	**4,695**	2,929
Unsecured loans due for repayment	**(830)**	(379)	**(830)**	(379)
Obligations under finance leases	**579**	540	**579**	540
Research grants received on account	**11,432**	15,543	**11,432**	15,543
Deferred income	**18,212**	18,546	**18,212**	18,546
Creditors and accrued liabilities	**33,803**	31,902	**33,803**	31,902
Taxation and social security	**5,205**	5,621	**5,205**	5,621
	73,096	74,702	**73,096**	74,702

Bank loans due for repayment within one year relate to amounts due under the financing arrangement with lenders. Further detail is provided in Note 18. The unsecured loans due for repayment relate to the lease and leaseback transactions for Tyler Court and Parkwood flats. These arrangements are structured so that in the first part of the agreement the repayments do not cover the interest accumulated in the year, however they increase with an annual uplift through the duration of the lease and therefore they appear as negative amounts falling due within one year as a greater balance will be added rather than repaid. Within Creditors and Accrued liabilities is £114k (2024: £51k) which is owed by the University to related parties as at 31 July 2025. See Note 28 for further details.

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

	Consolidated		University	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Deferred income				
Other grant income	**827**	863	**827**	863
	827	863	**827**	863

18 Creditors: amounts falling after more than one year

	Consolidated		University	
	2025 £000	2024 £000	**2025 £000**	2024 £000
Borrowing secured on University land and buildings	**60,488**	81,483	**60,488**	81,483
Unsecured loans	**60,318**	30,489	**60,318**	30,489
Obligations under finance lease	**2,066**	2,580	**2,066**	2,580
Less: loans and finance leases repayable within one year	**(4,444)**	(3,090)	**(4,444)**	(3,090)
	118,428	111,462	**118,428**	111,462
Other long-term liabilities	**8,767**	8,910	**8,767**	8,910
	127,195	120,372	**127,195**	120,372
Payable as follows:				
Between one and two years	**3,242**	13,758	**3,242**	13,758
Between two and five years	**10,859**	22,140	**10,859**	22,140
After five years	**113,094**	84,474	**113,094**	84,474
	127,195	120,372	**127,195**	120,372

Lender	**Outstanding Amount**	**Interest rate (%)**	**Term (years)**	**Maturity date**
European Investment Bank	37,321	4.18	25	Mar-40
European Investment Bank	23,168	3.72	25	Sep-42
Canada Life	30,868	5.69	50	Jan-74
Deutsche Bank	29,450	7.34	50	Jul-75
TP Leasing	2,066	7.00	5	Jan-29
	122,873			

The above loans all meet the criteria for Basic Financial Instruments according to section 11 of FRS102.

The financial statements have been prepared based on the financial arrangement entered into in February 2024 and amended in April 2025. This included an agreement of further terms applying to all existing borrowing facilities, including revision to the suite of financial covenants, harmonised across all three lenders.

19 Provisions for liabilities

	Consolidated and University					
	Obligation to fund deficit on USS £000	Other pension £000	**Total pensions provisions £000**	Restructuring £000	Other £000	**Total Other £000**
At 1 August 2024	-	50	**50**	1,147	-	**1,147**
Utilised in the year	-	-	**-**	-	-	**-**
Additions/ (release) in year	-	-	**-**	(134)	-	**(134)**
At 31 July 2025	**-**	**50**	**50**	**1,013**	**-**	**1,013**

Pension deficit

During 2022/23 a new deficit recovery plan for the University's Superannuation Scheme (USS) was agreed. This new plan required deficit payments of 6.2% of salaries to 31 December 2023 after which the deficit recovery ends. As a result of change in the Schedule of Contributions agreed with the USS Trustee and the level of deficit contributions contractually committed to under the revised Schedule, the deficit provision has been fully released and shows a £nil balance as at 31 July 2025. This has resulted in the unwinding of the provision entirely. Further detail on the assumptions used to calculate the provision are provided in Accounting Policy Q (Significant estimates and judgements). See also Note 7 (Staff costs) and Note 30 (Pension schemes).

The Other Pensions Provision relates to amounts payable to part-time members of staff following decisions by the European Court of Justice, pending the outcome of UK Industrial Tribunal cases. The amount provided is based on assessment of individual cases based on prior claim experience.

Other provisions

Within Restructuring are the estimated costs relating to the remaining costs of closure of our Brussels site within the 2025/26 financial year.

The other provision relates to restructuring costs in connection with course closures.

20 Financial instruments

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

	Note	Consolidated		University	
		2025 £000	2024 £000	**2025 £000**	2024 £000
Financial assets					
Measured at fair value through Income and Expenditure					
Investments (including endowments)	14,16	**1,451**	1,420	**1,451**	1,420
Cash deposits	16	**854**	843	**854**	843
Cash and cash equivalents	23	**56,601**	35,949	**56,601**	35,949
Measured at amortised cost					
Trade and other receivables	15	**14,734**	22,633	**14,734**	22,633
Measured at cost less impairment					
Investment in subsidiary companies	14	**65**	65	**65**	65
		73,705	60,910	**73,705**	60,910
Financial liabilities					
Measured at undiscounted amount payable					
Trade and other creditors payable	17	**44,739**	31,901	**44,739**	31,901
Measured at amortised cost					
Loans payable	18	**62,800**	84,063	**62,800**	84,063
		107,539	115,964	**107,539**	115,964

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

	Note	Consolidated		University	
		2025 £000	2024 £000	**2025 £000**	2024 £000
Interest income / (expense)					
Interest receivable from financial assets measured at fair value through Income and Expenditure	5	**2,030**	1,200	**2,030**	1,200
Interest payable for financial liabilities measured at amortised cost	8	**(3,368)**	(5,535)	**(3,368)**	(5,535)
		(1,338)	(4,335)	**(1,338)**	(4,335)
Fair Value gains / (losses)					
Gain on financial assets measured at fair value through Income and Expenditure		**35**	65	**35**	65
		35	**65**	**35**	**65**

21 Endowment reserves

	Unrestricted permanent £000	Restricted permanent £000	**Total permanent £000**	Restricted expendable £000	Consolidated and University **2025 Total £000**	2024 Total £000
Balance as at 1 August						
Capital	413	828	**1,241**	1,733	**2,974**	3,138
Accumulated income	-	86	**86**	288	**374**	388
	413	914	**1,327**	2,021	**3,348**	3,526
New endowments	-	-	**-**	44	**44**	139
Investment income	5	34	**39**	25	**64**	67
Expenditure	(93)	(40)	**(133)**	(263)	**(396)**	(457)
Increase in market value of investments	15	20	**35**	-	**35**	73
Total endowment comprehensive income/ (expenditure) for the year	(73)	14	**(59)**	(194)	**(253)**	(178)
Balance as at 31 July	340	928	**1,268**	1,827	**3,095**	3,348
Represented by:						
Capital value	339	864	**1,203**	1,556	**2,759**	2,970
Accumulated income	-	60	**60**	273	**333**	378
	339	924	**1,263**	1,829	**3,092**	3,348
Analysis by type of purpose:						
Chairs and lectureships	-	794	**794**	128	**922**	956
Student financial support	-	43	**43**	1,238	**1,281**	1,404
Prize funds	-	-	**-**	203	**203**	202
Other	340	86	**426**	275	**701**	786
Capital initiatives	-	-	**-**	(15)	**(15)**	-
	340	923	**1,263**	1,829	**3,092**	3,348

22 Restricted reserves

Reserves with restrictions are as follows:

			Consolidated and University	
			2025	2024
	Revenue grants £000	Donations £000	**Total £000**	Total £000
Balance at 1 August	68	2,084	**2,152**	1,179
New grants	-	-	**-**	-
New donations	-	1,742	**1,742**	1,515
Expenditure	-	(1,359)	**(1,359)**	(542)
Balance at 31 July 2025	68	2,467	**2,535**	2,152

	2025 £000	2024 £000
Analysis by purpose:		
Scholarships and bursaries	**2,100**	1,835
Prize funds	**33**	32
Research support	**68**	68
Other	**334**	217
	2,535	2,152

23 Cash and cash equivalents

		Consolidated and University	
Consolidated	At 1 August 2024 £000	Cash Flows £000	**At 31 July 2025 £000**
Cash and cash equivalents	35,949	20,652	**56,601**
	35,949	**20,652**	**56,601**

24 Consolidated reconciliation of net debt

	Note	**2025 £000**
Net debt 1 August 2024		**78,603**
Movement in cash and cash equivalents	23	(20,652)
Other non-cash changes		8,320
Net debt 31 July 2025		**66,271**
Change in net debt		**(12,332)**

24 Consolidated reconciliation of net debt (continued)

	2025 £000	2024 £000
Analysis of net debt:		
Cash and cash equivalents	**56,601**	35,949
Borrowings: amounts falling due within one year		
Secured loans	**5,524**	3,308
Unsecured loans	**(830)**	(379)
Obligations under finance leases	**579**	540
	5,273	3,469
Borrowings: amounts falling due after more than one year		
Secured loans	**54,965**	78,175
Unsecured loans	**61,148**	30,868
Obligations under finance leases	**1,487**	2,040
	122,873	114,552
Net debt	**66,272**	78,603

25 Capital commitments

	Consolidated and University	
	2025 £000	2024 £000
Contractual Commitments at 31 July	**4,355**	2,123

26 Financial commitments

As at 31 July, there were commitments under non-cancellable operating leases as follows:

	Consolidated and University	
	2025 £000	2024 £000
Land and buildings:		
Expiring within one year	**545**	446
Expiring within two and five years inclusive	**698**	750
Expiring in over five years	**-**	3,724
	1,243	4,920
Other:		
Expiring within one year	**496**	500
Expiring within two and five years inclusive	**373**	803
	869	1,303

As at 31 July 2025 the University had entered into a fixed contract for energy. As at the 2024/25 financial year end this has a value of £7.2m (2023/24 £5.8m) which will fall due in the 2025/26 financial year.

27 Contingent liabilities

The University does not believe that it has any contingent liabilities as at 31 July 2025.

28 Related party transactions

Council members: expenses and related party transactions

During the 2024/25 financial year expenses totalling £1,875 (2023/24: £3,217) were paid to seven members of Council while acting in their role as Trustees (2023/24: 9 members). Council members do not receive remuneration in respect of their Trustee roles.

As the University's Council includes members drawn from public and private sector organisations, some transactions take place with organisations in which a member of Council may have an interest. However, all such transactions are conducted at arm's length and in accordance with the University's Financial Regulations and normal procurement procedures. There is no direct benefit to Members of Council.

The University maintains a Register of Interests and if a potential conflict of interest arises, the member concerned would identify this and not take part in any discussions and decision making on these matters. The table below shows transactions with related parties of the University, including members of Council (see page 20). All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length under normal market conditions and in accordance with the University's financial regulations and normal procurement procedures.

	Amounts receivable £000	Amounts payable £000	Balance due to/(from) the University £000
Year ended 31 July 2025			
Kent Union	5,707	3,430	957
Kent Union Trading Limited	-	18	(1)
KM Television Ltd	1	13	3
KMTV Creative Productions	-	-	150
Northeastern University	97	-	87
Department for Education	-	3	-
East Kent Colleges (EKC) Group	35	151	(113)
The Royal Society of Biology	-	5	-
Universities and Colleges Employers Association	-	25	-

29 Linked charities

The University has carried out a review and does not have any linked charities.

30 Pension schemes

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Superannuation Arrangements of the University of London (SAUL).

The total pension cost for the University and its subsidiaries are:

	2024/25 £000	2023/24 £000
Contributions to USS	**10,871**	13,612
Contributions to SAUL	**5,183**	6,004
Contribution to Other Schemes	**214**	130
Total pension cost	**16,268**	19,746

USS pension scheme

The total pension cost for the University charged to the Statement of Comprehensive Income in the year 2024/25 was £10,870,975 (2023/24: £13,611,519). This includes £896,032 (2024: £963,883) outstanding contributions at the balance sheet date.

The University is required to contribute a specified percentage of payroll costs to the pension scheme to fund the benefits payable to the University's employees. In 2024/25 the percentage was 14.5% (2023/24 : 21.6% to 31 December 2023 and 14.5% from 1 January 2024).

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2023 ('the valuation date'), which was carried out using the projected unit method. Since the University cannot identify its share of the USS Retirement 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 USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

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

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a.
Pension Increase (CPI)	CPI assumption with caps and collars
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.

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

	2023 valuation
Mortality base table	103% of S2PMA 'light' for males and 97% of S3PFA for females
Future improvements to mortality	CMI 2021

The current life expectancies on retirement at age 65 are:

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

Existing benefits	2025	2024
Scheme assets	**£73.0bn**	£74.8bn
Total scheme liabilities	**£62.9bn**	£65.6bn
FRS 102 total scheme surplus / (deficit)	**£10.1bn**	£9.2bn
FRS 102 total funding level	**116%**	114%
Key assumptions used are:		
Discount rate	**5.70%**	4.70%
Pensionable salary growth	**3.00%**	3.00%

The deficit recovery plan put in place as part of the 2023 valuation required payment of 6.1% salaries.

SAUL pension scheme

The University participates in the Superannuation Arrangements of the University of London ('SAUL'), which is a centralised defined benefit scheme within the United Kingdom and was contracted-out of the Second State Pension (prior to April 2016). SAUL is an independently-managed pension scheme for the non-academic staff of over 50 colleges and institutions with links to higher education. Pension benefits accrued within SAUL currently build up on a Career Average Revalued Earnings ('CARE') basis.

The University is not expected to be liable to SAUL for any other current participating employer's obligations under the Rules of SAUL, but in the event of an insolvency of any participating employer within SAUL, an amount of any pension shortfall (which cannot otherwise be recovered) in respect of that employer may be spread across the remaining participating employers and reflected in the next actuarial valuation.

SAUL's statutory funding objective is to have sufficient appropriate assets to meet the costs incurred by the Trustee in paying SAUL's benefits as they fall due (the 'Technical Provisions'). The Trustee adopts assumptions which, taken as a whole, are intended to be sufficiently prudent for pensions and benefits already in payment to continue to be paid and for the commitments which arise from Members' accrued pension rights to be met.

The Technical Provisions assumptions include appropriate margins to allow for the possibility of events turning out worse than expected. However, the funding method and assumptions do not completely remove the risk that the Technical Provisions could be insufficient to provide benefits in the future.

A formal actuarial valuation of SAUL is carried out every three years by a professionally qualified and independent actuary. The last actuarial valuation was carried out with an effective date of 31 March 2023. Informal reviews of SAUL's position, reflecting changes in market conditions, cash flow information and new accrual of benefits, are carried out between formal valuations.

The funding principles were agreed by the Trustee and employers in June 2024 and will be reviewed against at SAUL's next formal valuation in 2026.

At the 31 March 2023 valuation SAUL was 105% funded on its Technical Provisions basis. As a result the Trust and the Employers have agreed that the ongoing Employers' contributions will reduce from a rate of 21% of CARE salaries to 19% of CARE salaries from 1 September 2024.

The University is a Participating Employer in SAUL. The actuarial valuation applies to SAUL as a whole and does not identify surpluses or deficits applicable to individual employers. As a whole the market value of SAUL's assets at 31 March 2023 was £3,096m representing 105% of the liabilities. The market value of SAULs assets as at 31 March 2023 was £3,072m representing 107% of the estimated liabilities.

It is not possible to identify an individual Employer's share of the underlying assets and liabilities of SAUL. The University accounts for its participation in SAUL as if it were a defined contribution scheme and pension costs are based on the amounts actually paid (ie Cash amounts) in accordance with paragraph 28.11 of FRS102.

The SAUL pension cost for the University was £5,182,731 (2023/24: £6,003,746). This includes £389,921 (2024: £491,279) outstanding contributions at the balance sheet date.

31 Post balance sheet events

In March 2026, the University signed an amendment to an existing agreement for a short-term funding facility, the maximum draw-down in any one period being £20m to assist with operational cashflow seasonality. This amendment makes available up to £20m in March/ April 2026, up to £10m in August 2026, up to £12.8m in March/April 2027 and up to £22.8m in August 2027. At the merger date this facility was extinguished.

In January 2026 the University agreed an amendment to its loan agreement with the European Investment Bank. Under the terms of the amendment the University has deferred £4.5m of amortising payments that were due between January 2026 and July 2026 and deferred the delivery of outperformance data in respect of the year ended 31 July 2024 and any payments arising until October 2026. All deferred sums under this amendment were paid to the European Investment Bank on completion of the merger. At the date of the merger the loan was fully repaid extinguishing the liability.

Merger with the University of Greenwich

On 10 September 2025, the University announced its intention to merge with the University of Greenwich, creating the London and South East University Group ('LASE'). After carrying out the required due diligence, this intention was formalised through the signing of a Merger Deed on 23 January 2026, committing the University to the transaction. Completion of the merger took place on 1 August 2026.

The impact of the expected merger is described throughout these financial statements, primarily in the financial and strategic report and the statement of principal accounting policies.

Following completion, the University's existing legal shell shall no longer house an operational university, with the exception of some excluded assets and liabilities which were not be able to be fully novated at the time of completion. It is intended that all remaining net assets and liabilities will transfer to LASE over the period of the dissolution of the University of Kent.

At the date of these financial statements, it is not possible to estimate the financial effect that the merger will have on the University of Kent 'division' of the newly formed London and South East University Group ('LASE').

32 US Department of Education financial responsibility supplemental schedule

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

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

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

Primary reserve ratio

		2025		2024	
Line item/ related disclosures	**Expendable Net Assets:**	**£000**	**£000**	£000 Restated	£000 Restated
SOFP (Unrestricted reserves / General Reserve)					
Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		**238,689**		244,427
SOFP (Restricted reserves)					
Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		**5,630**		5,500
Note 28					
Statement of Financial Position – Related party	Secured and Unsecured related party receivable	**5,840**		5,574	
Note 28					
Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivable		**5,840**		5,574
Note 12					
Statement of Financial Position – Property, plant and equipment, net	Property, plant and equipment net (includes Construction in progress)	**349,182**		363,565	
See Supplemental Note PPE – A					
Statement of Financial Position – Property, plant and equipment, net – pre-implementation	Property, plant and equipment – pre-implementation		**305,726**		314,746
See Supplemental Note PPE – C					
Statement of Financial Position – Property, plant and equipment, net	Property, plant and equipment – post-implementation without outstanding debt for original purchase		**39,747**		46,751
See Supplemental Note PPE – B					
Note of the Financial Statements – Statement of Financial Position – Construction	Construction in process		**3,709**		2,068
Note 11					
Statement of Financial Position – Intangible fixed assets	Intangible Assets		**12,345**		13,287
Statement of Financial Position (Pension Provisions)					
Statement of Financial Position – Post employment and pension liabilities + Split of Pensions from short term creditors	Post-employment and pension liabilities		**2,025**		2,206
Note 18					
	Long-term debt – for long term purposes		**127,195**		120,371
	Long-term debt – for long term purposes pre-implementation		**127,195**		120,371
Note 21 – Restricted Expendable					
	Term endowments with donor restrictions		**1,829**		2,021
Note 21 – Restricted Permanent					
	Net assets with donor restrictions: restricted in perpetuity		**1,263**		914

Line item/ related disclosures	Total Expenses and Losses:	2025 £000	2025 £000	2024 £000 Restated	2024 £000 Restated
Statement of Comprehensive Income and Expenditure (Total expenditure not including pension provision and Endowment expenditure for the year and Restricted expenditure for the year)	Total expenses without donor restrictions – taken directly from Statement of Activities		**271,732**		211,912
Statement of Comprehensive Income and Expenditure (Loss on Investments – Gain on sale of tangible assets)	Non-operating and Investment (gain)		**-**		-
Statement of Comprehensive Income and Expenditure ((Gain)/ Loss on Investments)	Net investment (gain)/ loss		**(35)**		(65)
Statement of Comprehensive Income and Expenditure (Impairment loss)	Other (gain)/ loss		**734**		6,624
Statement of Comprehensive Income and Expenditure (Pension Provision)	Pension-related changes other than net periodic costs		**-**		-

Equity Ratio

Line item/ related disclosures	Modified Net Assets	2025 £000	2025 £000	2024 £000	2024 £000
SOFP (Unrestricted reserves / General Reserve)					
Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restrictions		**238,689**		244,427
SOFP (Restricted reserves)					
Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restrictions		**5,630**		5,500
Note 28					
Statement of Financial Position – Related party receivable and Related party not disclosure	Secured and Unsecured related party receivable	**5,840**		5,574	
Note 28					
Statement of Financial Position – Related party receivable and Related party not disclosure	Unsecured related party receivables		**5,840**		5,574

Line item/ related disclosures	Modified Assets:	2025 £000	2025 £000	2024 £000	2024 £000
SOFP – Non-current assets and Current assets					
Statement of Financial Position	Total assets		**445,673**		446,198
Note 28					
Statement of Financial Position – Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable	**5,840**		5,574	
Note 28					
Statement of Financial Position – Related party receivable and Related party note disclosure	Unsecured related party receivables		**5,840**		5,574

Net Income Ratio

Line item/ related disclosures		2025 £000	2025 £000	2024 £000	2024 £000
Statement of Changes in Reserves (Unrestricted/ Total comprehensive income for year)					
Statement of Changes in Reserves	Change in Net Assets Without Donor Restrictions		**(5,738)**		49,146
Statement of Comprehensive Income (Total Income – Investment Income + gain on sale of tangible assets)					
Statement of Comprehensive Income	Total Revenue and Gains		**268,710**		268,412

Supplemental note – PPE

	2025 £000	2024 £000
A Pre-implementation PPE	**305,726**	314,746
B Construction in progress	**3,709**	2,068
C Post-implementation PPE – with no outstanding debt	**39,747**	46,751

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DPC 136949 07/26