



University of
Sheffield

Annual Report and Financial Statements

2024–25





Independent thinking.
Shared ambition.

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President and Vice-Chancellor's introduction



“This report shows our University has all the ingredients to be among the very best in the UK and we are now progressing work to build our global reputation as a place where independent thinkers unite in pursuit of shared ambitions.”

Professor Koen Lamberts,
President and Vice-Chancellor of the University of Sheffield

This annual report marks a period of significant progress in delivering our vision and strategy as we continue to navigate the ongoing challenges facing the UK higher education sector.

The achievements and highlights reflected in this document are a testament to the exceptional dedication and hard work of our University community, and so I would like to begin by saying thank you. Your collective efforts make a real impact – from providing an outstanding education to our students and leading research and innovation that addresses global challenges, to helping us build an inclusive and welcoming community.

In this report you can read more about the work that has taken place across each of the four pillars of our vision – Research, Innovation, Education and One University – and how the University is continuing to make a difference for people and communities in our region and beyond.

In June, we were proud to be named 92nd in the QS World University Rankings, recognising our place among the best universities in the world. This position not only reflects how our research and innovation is changing lives and influencing policy, but how our education is challenging and inspiring our students, as well as our commitment to an international outlook and sustainable future. Our focus now is building on this momentum to maintain, and improve, our place in the global top 100 in the years to come.

In March, we were delighted to announce that former Bank of England Chief Economist and University of Sheffield alumnus Andy Haldane will become our ninth University Chancellor in November 2025. We are honoured that Andy has agreed to serve as an ambassador for the University on a national and global stage, and we look forward to his official installation in the role as part of a graduation ceremony in January 2026. I would like to take this opportunity to thank our previous Chancellor Dame Anne Rafferty, who has been an exceptional Chancellor to the University for the past ten years.

Earlier this year, we published a report demonstrating why universities like ours are so critical to regional and national prosperity. An Economic Impact Assessment by London Economics showed that for every £1 of operating expenditure, the University generated £6.40 of economic impact in 2022-23 – a total of £4.82 billion for the UK. The government has been clear that it wants universities to make an even stronger contribution to driving regional growth, and we are committed to working with our partners to achieve this.

An example of this is Runway Park, which we announced in May. Building on the impact of our growing innovation district and the South Yorkshire Investment Zone, companies will be able to locate next to our leading research and development centres, including the Advanced Manufacturing Research Centre, Energy Innovation Centre and Gene Therapy Innovation and Manufacturing Centre, and collaborate with our researchers to advance technology and manufacturing. I look forward to seeing this project progress over the coming years.

It undoubtedly remains a challenging time for UK higher education, and we are continuing to speak to the government about how we can bring stability, and opportunity, to the sector. However, we are also having to make some difficult decisions to protect the excellent work that takes place across the University. The resilience we have built over many years means we have been able to take actions in a thoughtful and considered way, and I am confident that we will emerge from this period as a successful and sustainable institution. However, I recognise that this has been a difficult time for colleagues, and I would like to thank them for their ongoing commitment to our research, innovation and education. We will continue to engage constructively with our staff and trade unions as we navigate the challenges ahead.

This report shows our University has all the ingredients to be among the very best in the UK and we are now progressing work to build our global reputation as a place where independent thinkers unite in pursuit of shared ambitions. Our University is a special place, and it is more important than ever that we boldly and confidently tell our story to drive our future success. We will continue to build on this momentum in the year ahead.

Foreword by the Chair of Council



“Through our collective efforts we will continue to deliver on our global mission to provide an excellent education and student experience and world-leading research with a positive impact on the city, region, and global stage.”

Mr Martin J. Temple CBE,
Chair and Pro-Chancellor

It is my pleasure to introduce the Annual Report and Financial Statements on behalf of the University Council. The continued successes that the University has enjoyed over the last year reflect the collective commitment, strength and calibre of our students, staff, alumni and partners. On behalf of the Council, I record my sincere thanks and gratitude for all of their contributions and efforts.

Against a challenging backdrop and increasing financial pressures for the higher education sector, difficult choices and decisions must be made to ensure that the University can continue to thrive. Through our collective efforts we will continue to deliver on our global mission to provide an excellent education and student experience and world-leading research with a positive impact on the city, region, and global stage. Our commitment to student success remains unwavering, and we are proud to see our graduates going on to make remarkable contributions in their chosen fields, equipped not only with knowledge but with a strong sense of social responsibility. We have continued to pursue our ambitions for excellence in research, with a diverse range of groundbreaking achievements and major funding awards from clean energy to digital technologies to life sciences. Notable highlights have included the official opening of the Gene Therapy Innovation Centre, developing life-changing treatments for patients; the start of work to expand our Sheffield Institute for Translational Neuroscience; and completion of the construction of our Composites and Speed and Scale facility, strengthening our collaborations with the aerospace industry and our regional partners. Our postgraduate research students have been recognised with awards for excellence in multiple disciplines, testament to their dedication, the quality of their work and that of their supervisors.

The University's success and achievements have again been recognised this year, reflecting the dedication and resilience of our students and staff and continuing our positive trajectory in institutional rankings. Sheffield was named University of the Year for Student Experience 2026 by the Times and Sunday Times, also placing in the top 100 higher education institutions globally in the QS World University Rankings 2026. For the third year running we were ranked top in the Russell Group for student experience, according to the National Student Survey (NSS), and best university in the north of England by the Daily Mail.

Building on the highly positive outcome of the 2023-24 review of the University's Council effectiveness, we have implemented the small number of recommendations in the spirit of continuous improvement and continue to actively reflect on how to strengthen the effectiveness of the University's governance arrangements. We continued this year to supplement Council meetings with information and briefing sessions to increase the understanding of members. These have included: Academic Success and Challenges in the Faculties of Science and Social Sciences; Access and Participation; Advanced Manufacturing; Commercialisation; Estates Masterplan; Student Recruitment Strategy and Actions; Philanthropic Campaign, *Forged in Sheffield, Shaping the Future*; Risk Management; and Reputation. It is my great privilege to work alongside countless excellent colleagues and I would like to take this opportunity to thank the chairs, members and support teams of Council's various committees, which provide vital and high calibre support for Council across the full range of its responsibilities as governing body.

The challenges facing our sector and our world require universities to be more agile, collaborative, and impactful than ever before. The University of Sheffield's history is a proud one of discovery, innovation, and positive social change. My Council colleagues and I have every confidence that, through sustained, proactive and collective effort, the University can look forward to a long term, sustainable future of excellence, innovation and contributing to positive global change.

Highlights of the year



Her Royal Highness, The Princess Royal

August 2024

We became one of the first 20 universities in the UK to commit to new sustainability standards set out in the Concordat for the Environmental Sustainability of Research and Innovation Practice.



Our students launched a new record label, managed entirely by students, to help aspiring student musicians break into the music industry.

We were announced as co-leads of a new £38 million centre to develop planet-friendly alternatives to animal proteins that could soon be a sustainable and nutritious part of our diets.

September 2024

The University was ranked as the top university in the Russell Group for student experience and support by the Daily Mail University Guide.

In the same month, we were ranked among the top in the UK in The Guardian University Guide 2025, and named runner-up for University of the Year 2025 by The Times and Sunday Times Good University Guide 2025.

We were recognised as one of the top universities in the country for working with businesses in the latest Knowledge Exchange Framework.

October 2024

Her Royal Highness, The Princess Royal, officially opened the Gene Therapy Innovation and Manufacturing Centre (GTIMC) at the University of Sheffield. The GTIMC marks a significant milestone in accelerating the development of life-changing treatments.

The University was placed 12th in the UK and 98th in the world in the Times Higher Education World University Rankings 2025, reinforcing our position as a leading global institution, providing academic and teaching excellence, as well as innovative research.

November 2024

We launched a new collaboration with John Crane, a global leader in rotating equipment solutions and energy transition technologies and services, to advance high-performance sealing technologies that are crucial for the transition to low-carbon and clean energy.



Dr Julie Hyde, School of Mathematics and Physical Sciences, won the Royal Society of Chemistry's Excellence in Higher Education Prize in recognition of brilliance in chemistry education.

The University was selected to join the NIHR Challenge Maternity Disparities Consortium. This UK-wide initiative aims to transform research and drive meaningful action to reduce maternity inequalities.

December 2024

In the QS World Rankings for sustainability, the University was ranked 27th globally, 16th in Europe, and 10th in the UK out of 1,751 institutions, maintaining our position as one of the most sustainable universities in the world.



New research revealed a secret tribute to a US president hidden in the festive film favourite, *White Christmas*.



John Crane and Professor Koen Lamberts



Better understanding AI

January 2025

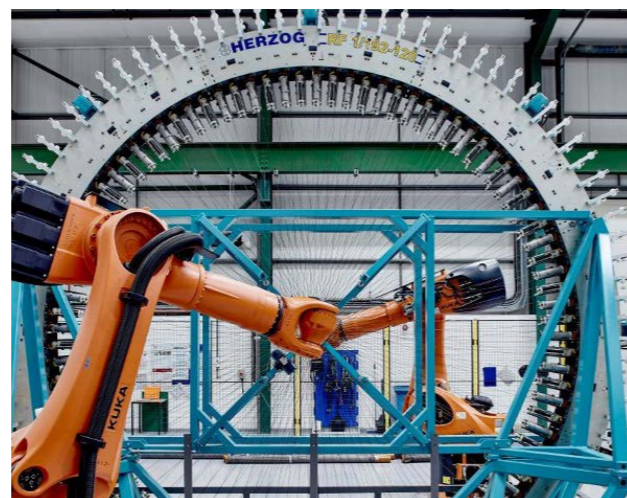


We were recognised for the quality of our apprenticeship programmes and close links to industry by Ofsted. The report also praised our apprentices for displaying outstanding behaviour and attitudes.

Broadcaster Reverend Kate Bottley was awarded an honorary Doctor of Medicine, in recognition of her successful career and work to support inclusivity in society.

February 2025

Our researchers developed a new framework that could help businesses better understand and use AI. The guidance encourages businesses to shift from a technology-first mindset to a problem-first mindset to better understand how AI can help reach organisational goals.



Figures from the Higher Education Statistics Agency (HESA) showed that we attract more research income and investment in engineering than any other UK university.

March 2025

A new report, highlighting the Russell Group institution's crucial role in driving economic growth, revealed that the University generates £4.82 billion for South Yorkshire and UK economies.

Former Bank of England Chief Economist, Andy Haldane, was announced as the ninth Chancellor of the University of Sheffield.

April 2025

We announced that the University is pioneering 10 world-leading research studies that aim to accelerate understanding of cancer and find cures that will save lives in the region and beyond.

A satellite conceived at the University and developed by British academics and engineers became the first in the world to measure the condition of the Earth's forests from space.

May 2025



Sheffield was declared a 'City of Languages', in a new initiative aimed at promoting and helping the city's multilingualism to flourish.



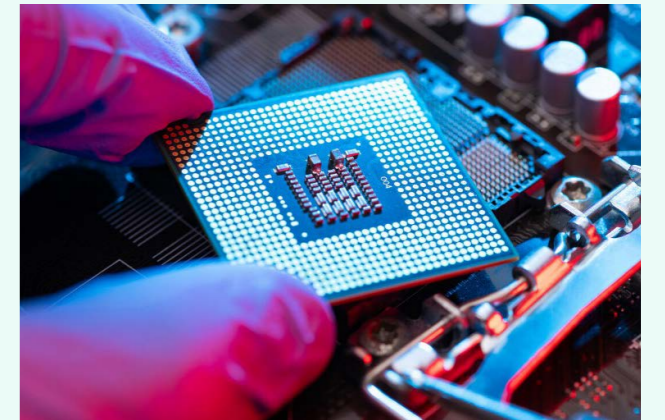
Artist's impression

We officially launched Runway Park - the proposed evolution of our existing Innovation District, already home to the AMRC's Factory 2050 and other translational research centres. Working with external partners and investors, the 100-acre development will link our world-class research with the real-world challenges faced by a wide range of businesses, from growing companies to household name multinationals.

June 2025

Professor Sue Yeandle was appointed OBE (Officer of the British Empire) in the King's Birthday Honours for her services to research into care and caring.

With a strong track record in delivering impactful innovation-led growth and providing the skills that businesses need, we demonstrated how we are playing a critical role in helping the UK government deliver its Industrial Strategy.



We partnered with a new semiconductor skills development course to enable more young people to pursue careers in the industry and help create a pipeline of talent to the UK's semiconductor sector.

Dr Johnathan Cooper-Knock was one of eight outstanding scientists nationwide to receive the 2025 Lister Award in recognition of his pioneering Motor Neurone Disease research.



We were ranked in the top 100 universities in the world in the QS World University Rankings 2026, reaffirming our place as a leading global university for teaching and research excellence.

July 2025

In a first-of-its-kind initiative, we announced our partnership with charities like The Brilliant Club and Frontline, to explore how we can support children under protection plans - those identified as at risk of significant harm - in accessing higher education.

For the third year in a row, we were named top of the Russell Group in the National Student Survey, reflecting the exceptional student experience we offer here at Sheffield.

Our vision and strategy 2020-27

Our vision

We will deliver life-enhancing research, innovation and education that not only transforms the lives of our graduates, but shapes the world we live in. We believe the best way to achieve this is by fostering an ambitious, inclusive, collaborative community.

Our values

We are, and will always be, guided by our values:

- We are ambitious and strive for excellence in all that we do.
- We believe in collaborative working.
- We champion an inclusive and diverse community.
- We are responsible – for our people and the wider world.
- We are open and transparent about the decisions we make.

Our pillars

Our University's core purpose is to deliver world-class research, innovation and education. We will do this by working as One University. These equally important four pillars underpin our vision.

Research

Our distinctive and innovative research will be world-leading and world-changing. We will produce the highest quality research to drive intellectual advances and address global challenges.

Innovation

Our transformative research and enterprise will find solutions to problems facing society. We will enable and promote a culture of excellence in innovation and entrepreneurship across the University.

Education

Our teachers will deliver research-led programmes that inspire, enthuse and challenge a diverse community of outstanding students. Our graduates will be equipped to stand out as confident global citizens guided by strong values, ethics and standards – able to make meaningful contributions to society.

One University

We will build a diverse community of staff and students from a broad range of backgrounds, demographics and cultures, to create an inclusive, supportive and collaborative environment in which they can succeed and flourish.

Delivering our vision

A cohesive strategy framework underpins the delivery of our vision and strategy.

We have Strategy Delivery Plans for each of our pillars. These plans lay out the actions that we will take to achieve our vision and the timeframes for their completion. An overview of our performance, achievements and challenges this year is provided in each pillar section of this annual report.

Our Strategy Delivery Plans inform our school framework and faculty and school medium-term planning. The framework helps schools think about their contribution to the vision and targets as part of our annual planning through to 2027.

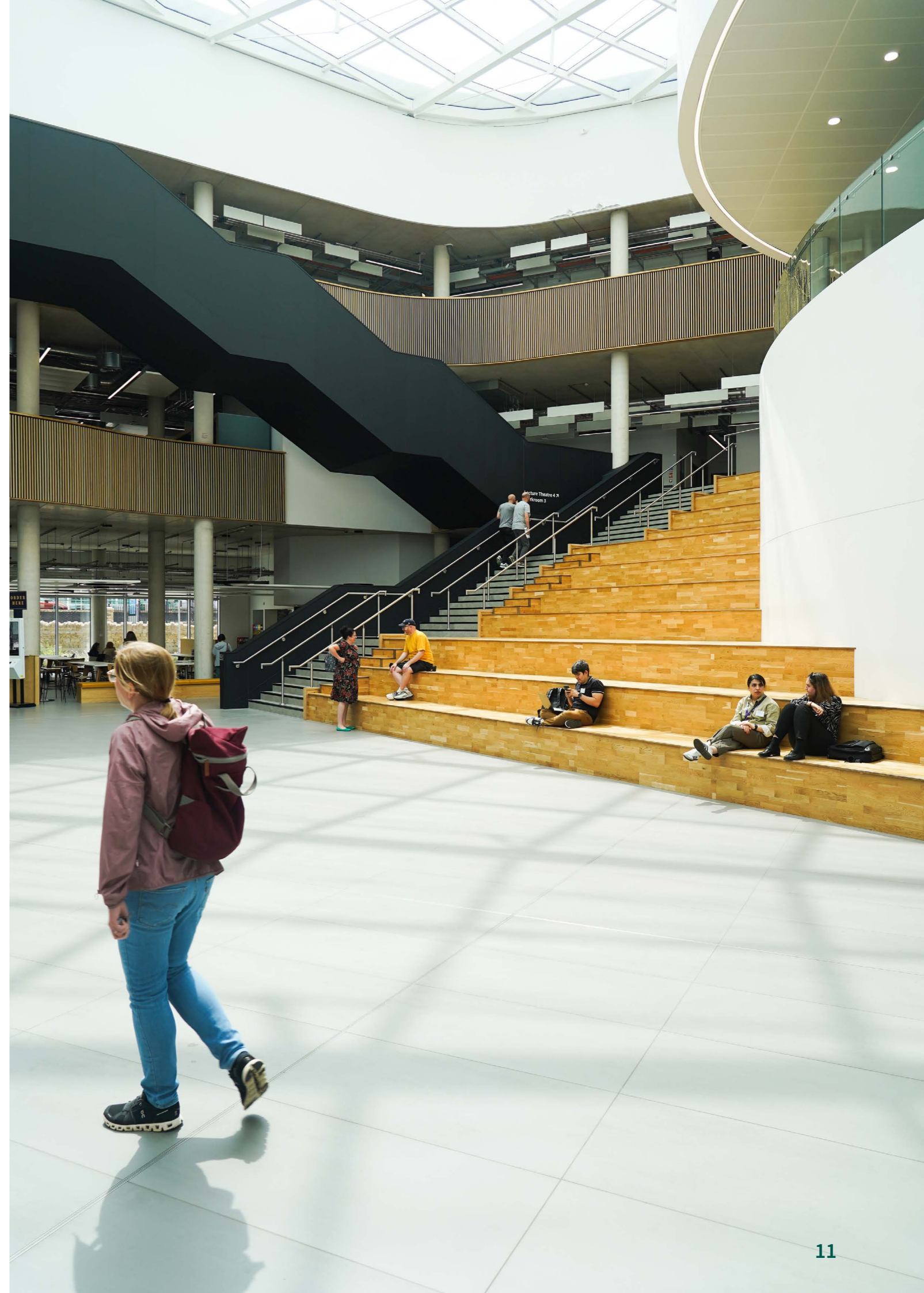
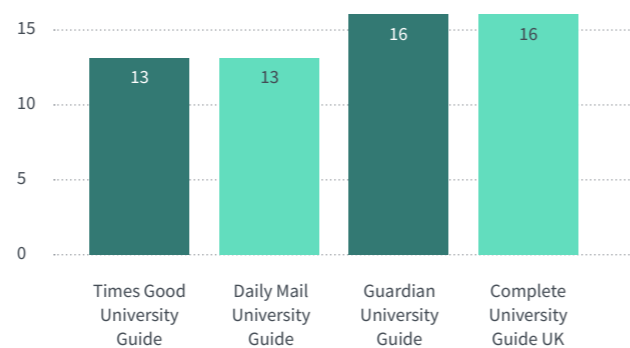
Measuring our progress

To assess our progress towards the ambitions outlined in the Vision 2020-2027, we have a suite of performance indicators and targets. The indicators inform target setting across the University and are regularly reviewed in the context of the changing internal and external environment. The performance indicators use a mixture of comparative and absolute measures to assess the University's performance.

Our performance against these key performance indicators is provided alongside the narrative overviews of each pillar in our Annual Report to provide a rounded picture of the University's performance, achievements and challenges.

We aim to be recognised as one of the top universities in the UK and a world top 100 university. We look at our performance holistically across the pillars, alongside our performance in recognised league tables to monitor our progress.

Ranking in UK league tables



MEASURING OUR PROGRESS



92nd in the world, 15th in the UK
QS World University Rankings 2026

Research

Our distinctive and innovative research will be world-leading and world-changing. We will produce the highest quality research to drive intellectual advances and address global challenges.

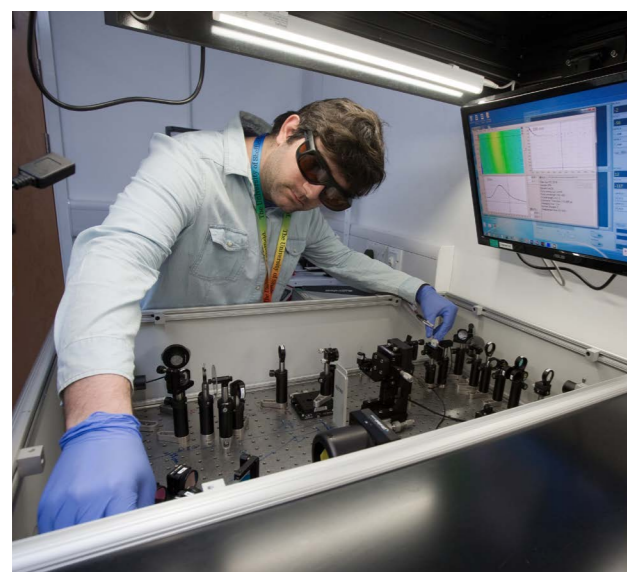
Priority one: Research excellence

The University of Sheffield is a place where independent thinking meets shared ambition. Our research is significant, impactful and world-changing. Throughout 2024-25, our research community has been at the forefront of discoveries across all fields and at all scales - from city to continent and from cells to planets.

Collaborative working and thinking is at the centre of our research culture, with our academic community actively working across disciplines. This is most clearly embodied in our internationally recognised [research centres and facilities](#), which harness our wealth of interdisciplinary expertise to help address the wide range of global challenges facing the world today.

Beyond the University, we partner with organisations at all scales. From creating and working with spinout organisations that build upon ideas developed at the University to working with international and sector-leading organisations. The [National Alternative Protein Innovation Centre \(NAPIC\)](#) – developing sustainable alternatives to animal proteins – is just one example where we are seeing higher education institutions, industry and government come together.

This year, construction was completed on the [Composites at Speed and Scale \(COMPASS\) facility](#), delivering a significant boost to our research and collaborations with the aerospace industry. Jointly funded by the South Yorkshire Mayoral Combined Authority (SYMCA), Sheffield City Council, the University and the High Value Manufacturing Catapult, the state-of-the-art facility will help meet future demand for lighter commercial aircraft and help the aviation industry reach net zero.



Work has also started on the [expansion to our Sheffield Institute for Translational Neuroscience \(SiTraN\)](#). This expansion will double the research capacity of our world-leading facility, designed to accelerate the progress of breakthrough treatments for neurological diseases such as Parkinson's, Alzheimer's and Motor Neurone Disease. The £24 million expansion has been made possible through a combination of donations from trusts and foundations, alumni and supporters, and through fundraising involving friends and families of patients.

We have a reputation for conducting excellent research among academics, employers and businesses across the world, as reflected in our position as 92nd in the world and 15th in the UK in the [top 100 of the QS World University Rankings](#).

Our increasing research income and investment demonstrates our capabilities, and the trust and confidence held by funders and partners, in an increasingly complex funding environment.

MAJOR FUNDING AWARDS

£17 million to a consortium including our Advanced Manufacturing Research Centre (AMRC), to fast-track the development of a new zero-emission hydrogen fuel cell system for the aviation industry

£10 million to a new cancer research hub to help transform the prevention, diagnosis and treatment of cancer in Yorkshire

£8 million to explore the power of fungi to boosting food security and tackling climate change

£7 million to fund new equipment that will revolutionise the discovery and development of new semiconductor materials

£4.1 million towards a new research centre connecting the public with how laws are made to support fairer, safer and more inclusive societies

£1.6 million to examine humans' relationships with animals and the mental, physical, and material health and the inequalities and harms that may emerge from these relations

In February 2025, figures from the Higher Education Statistics Agency (HESA) showed that [Sheffield attracted more research income and investment in engineering than any other UK university](#). For the two most recent reporting years, the University brought in £121 million in 2021-22 and £110 million in 2022-23, with our largest investors being the UK government, industry and UK Research and Innovation (UKRI), demonstrating the crucial role that the University plays in driving innovation, growth and productivity in the North of England.



MEASURING OUR PROGRESS

85% increase over the past five years in the number of postgraduate research students submitting their thesis within their tuition fee-paying period

The Research Excellence Framework (REF) is a key indicator of a university's research performance through peer review of research submissions by panels of experts for specific fields. For the next assessment in 2029, several of the REF sub-panels will be led by Sheffield academics. Their selection is a reflection of their individual expertise and their standing in their respective fields.

Researchers at the University of Sheffield, and the technical and professional teams who support them, are passionate and driven in their chosen fields. We've improved how we recognise the contribution of research-enabling staff, from technicians to librarians and many others, through the introduction of the internationally-recognised [CRediT taxonomy](#), and we're continuing to celebrate achievement across our research community through initiatives such as our [Knowledge Exchange and Impact Awards](#).

Priority two: Postgraduate research students

We are committed to creating a vibrant research culture for our postgraduate research (PGR) students and supporting them during their time at the University of Sheffield.

Our support provision for PGRs has continued to expand through our [PGR wellbeing and support communities](#) and our personalised [Doctoral Development Programme](#). Our [Removing Barriers conference](#) looked at the challenges faced by PGRs with disabilities, how to thrive in their research and combat the stigma and fear of disclosure within the disabled PGR community.

We are dedicated to helping PGR students submit their theses within their funding period, reducing the stress of completing programmes without funding. This year, we've seen PGR thesis submission rates improve for the third year in a row and increase by 6.1 per cent.

MEASURING OUR PROGRESS



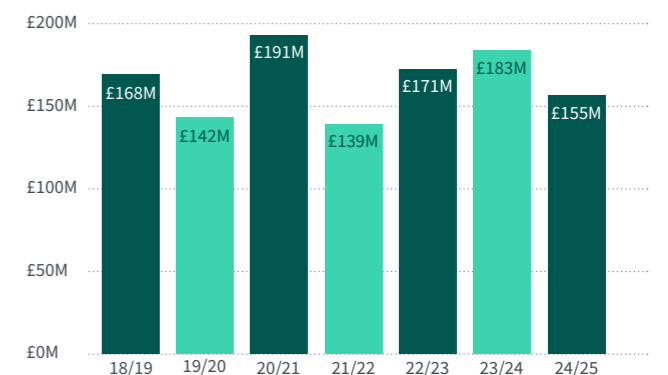
We ranked 17th in the UK for Research Excellence Framework Outputs

We continue to listen and respond to feedback from our PGR community. Our latest [PGR Voice survey](#) showed that the vast majority (94.2 per cent) of PGRs had a positive experience, and almost 80 per cent reported a positive or very positive research culture in their school. They also reported significant improvements around the provision of training and development (78.4 per cent, up from 66.3 per cent in 2023), and we also saw an improvement in the experiences of our disabled PGRs.

Our PGR students continue to be recognised for the excellence of their work, including [Doctoral Publishing Prize winners](#) in Education, English, and Music, an [Open Research Prize winner](#) in Medicine and Population Health, and [Improving Research Community Builder Award winners](#) in Psychology and Medicine and Population Health.

Measuring our progress

Research income



Read more about our [Research pillar and explore related case studies](#)

Innovation

Our transformative research and enterprise will address the world's most pressing challenges. We will enable and promote a culture of excellence in innovation and entrepreneurship across the University.

Priority one: Enabling impact

Our world-leading research and innovation helps to improve lives, fuel economic growth, drive investment, create skilled jobs and boost national prosperity, extending across the city, region and UK.

In just one year, our research and innovation, education, skills development, research commercialisation and community engagement contributed over **£4.82 billion** to our regional and national economy.

Our research alone contributed **£1.8 billion** and Knowledge Exchange generated **£55 million** from IP licensing. Of our 138 spinouts and start ups, 60 per cent are based in South Yorkshire, and we are one of the top five higher education institutions in the UK for securing successful equity deals by our spinouts. These spinouts now account for around 20 per cent of all venture capital fundraising in South Yorkshire each year and provide 629 jobs.

The University supports 22,990 full-time equivalent jobs across the UK, with 12,890 located in South Yorkshire, and for every **£1** of expenditure, we generate a return impact worth **£6.40**.



Priority two: Translational innovation

Researchers at the University are taking fundamental ideas and discoveries from theory and translating them into practical applications to improve our world.

Alongside government and industry, we support better, faster, economical, more efficient and greener processes and products. We work with industry, SMEs, academia, public sectors and policy engagement to make change happen and offer thought leadership for the areas in which we undertake research and innovation.

Our translational innovation facilities and expertise span the **critical sectors highlighted in the UK government's industrial strategy** to deliver impactful, innovation-led growth, and provide the skills that businesses need.

Advanced manufacturing

Our **Advanced Manufacturing Research Centre (AMRC)** continues to be a sector leading inspiration. Engineers turn the latest world-leading research into vital practical improvements for industry. We make things faster, cheaper, safer, cleaner and more sustainable - for example reducing the time taken to make a component from 40 hours to just three.



Clean energy

The University's clean energy innovation and research expertise is making a significant contribution to addressing the global climate crisis and supporting the transition to low-carbon energy. The University of Sheffield has been chosen to lead a **£1.5 million** project to **accelerate the commercial production of Sustainable Aviation Fuel (SAF)** and we are working with **Rolls-Royce Small Modular Reactor (SMR)** to develop small modular reactors for the UK.

Defence

The University partners with organisations that work in the defence sector, helping them overcome productivity and sustainability challenges and supporting UK security and sovereign capabilities. Our research capabilities align to the government's Defence Science and Technology portfolio, to help ensure the UK and its allies remain at the forefront of technological advancements and insights.

Digital and technologies

We are one of the UK's leading universities for semiconductor research. In April 2025, the University won a **£7 million investment** to fund new equipment that will revolutionise the discovery and development of new semiconductor materials. Building on our semiconductor facilities and expertise within the **National Epitaxy Facility**, we are also set to partner on a new **semiconductor skills course** to help the UK meet the rising demand for semiconductor engineers.

Life sciences

Our **Gene Therapy Innovation and Manufacturing Centre (GTIMC)** is helping to accelerate the development of gene therapies into life-changing treatments for patients. It brings together academic institutions, NHS trusts, non-profit and industry partners to translate scientific discoveries into new and exciting treatments for patients, faster.



RUNWAY PARK: A VISION FOR INNOVATION-LED GROWTH TAKES FLIGHT

We launched **Runway Park** - our vision for a transformative, innovation-led development base, designed to attract investment, create high-quality jobs and accelerate economic growth. Working with external partners and investment, we will develop Runway Park over the next ten years to unify the existing Innovation District. The surrounding area is already home to world-leading companies, including Boeing, Rolls-Royce, BAE Systems, McLaren Automotive and others, harnessing the University's state-of-the-art research and development facilities and collaborating with our leading researchers to advance technology and manufacturing.

Priority three: Sheffield and South Yorkshire region

The University plays a central role in our region working with partners including the South Yorkshire Mayoral Combined Authority, local authorities, businesses and other key stakeholders to support a healthier, greener, more innovative and culturally vibrant region.

Through South Yorkshire Children's University - a collaboration with Sheffield Hallam - we're inspiring the next generation of students, educating and inspiring school children in the region about the options university presents for them. Our students also contribute to our region, with 2,200 of our student volunteers contributing more than **36,000** hours of their time to local community groups and charities.

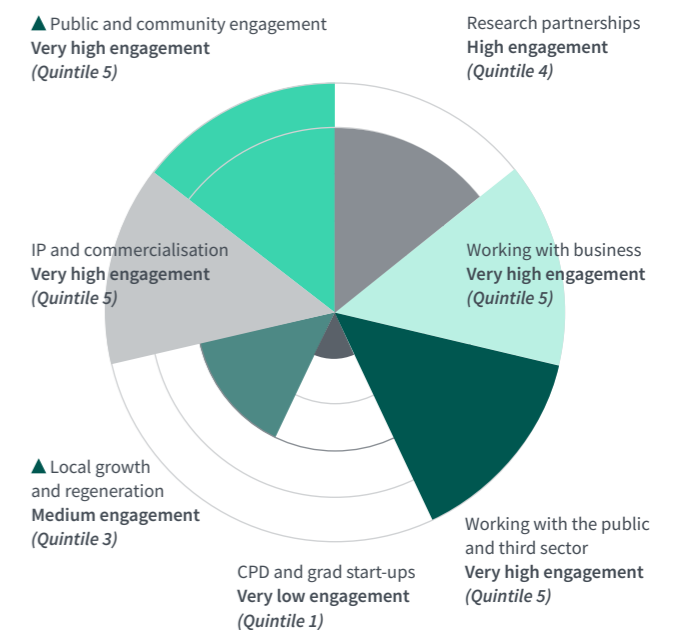
Our apprentices and graduates are also training and learning with local businesses to gain professional experience during their studies. They then often go on to work with those same organisations, **providing them with the specialised expertise** they need to develop and grow their businesses.

We are developing the **Sheffield Innovation Spine** with our partners across the city and through the **South Yorkshire Investment Zone** we have created opportunities to encourage inward investment and commitments from our business and innovation partners. The **South Yorkshire Innovation Programme (SYIP)** is one such programme which is helping regional organisations to innovate, accelerate and grow. Similarly, the mission for the **AMRC FerretWorks Startup** funding is clear: turn ambitious ideas into investable ventures through supporting entrepreneurs with the tools, resources and expert guidance needed.

We also support our culturally vibrant region with the annual Off the Shelf Festival of Words, one of the longest running literary festivals in the UK which returned for its 33rd edition in 2024.

Measuring our progress

Knowledge Exchange Framework (KEF 5) - Our strengths when compared with other similar universities



Read more about our **Innovation pillar** and explore related case studies

Education

Our research-led programmes will inspire, enthuse and challenge a diverse community of outstanding students. Our graduates will be equipped to stand out as confident global citizens guided by strong values, ethics and standards, able to make meaningful contributions to society.

Priority one: Portfolio

We continue to offer an exceptional education and ensure that all of our 27,000-plus students - across all five of our faculties - get an excellent student experience.

Our students are among the brightest and best in the world and are using the skills they are gaining to make meaningful contributions to society. From driving global sustainability to inventing an innovative solution to help blind people in the kitchen and championing women in STEM and inspiring the next generation of engineers.

Student-centred education continues to be at the heart of what we do and how we do it. This is all about putting the needs and interests of our students at the centre of all our activity, from the courses we offer, to our teaching, our assessment and feedback, our campus experience, our virtual learning environment, our student support community, and our approach to employability.

This year, we moved to a student-centred timetabling model. By putting students at the fore of scheduling our lectures and seminars we can be far more deliberate in how we sequence learning activities, giving them a better and broader learning experience.

We launched StudySkills@Sheffield - a new website featuring a collection of how-to guides for students to develop their skills for learning while at the University. The skills resources cover research skills, academic writing, assessment and exams, university skills, digital skills, and maths and statistics.

We were delighted to welcome a panel of students to our Education Conference 2025, where students played a fundamental role in working with us to explore education through the eyes of our learners and delivering a student-centred curriculum.



Maria Jose Gordillo Chiriboga, winner of the Chancellor's Medal 2025.

We have a dedicated and enthusiastic community of staff who care deeply about our students' learning and educational experience. Our Education Awards recognised and celebrated our inspiring lecturers and teachers for their excellent practice in learning and teaching and their innovation, inclusivity and unwavering commitment.

Priority two: Employability

We continue to enhance our placement year offer and our aim is that high quality work experience will become part of all our undergraduate programmes.

We were ranked as the 5th Best UK University for Work Experience at the RateMyPlacement Awards. These awards, which are entirely voted for by students, demonstrate our ongoing commitment to supporting students with their work-experience journey.

All undergraduate students have the option to undertake a placement year as part of their degree. 618 students completed year-long placements this year, an 9.6 per cent increase on 2023-24, and the level of interest from new first-year students suggests numbers could rise significantly in the future, contributing to positive graduate outcomes.

Our students go onto successful careers all over the world. We were ranked 15th out of the 24 Russell Group universities in both the Guardian and the Times league tables measuring graduate prospects, rising from 16th and 17th place respectively.

Our graduates have successfully secured professional roles in a wide range of fields, including scientific and technical positions, roles in NHS Trusts across the region and beyond, graduate-level manufacturing jobs at major corporations



Engineering student Flora Hippisley-Cox named Siemens' Intern of the Year.

like Rolls-Royce, Deloitte, and PwC, and careers within the arts and entertainment industry. Additionally, 87 of our own graduates were employed by the University.

Priority three: Digital experience

We are designing and delivering a rich, multifaceted and inclusive digital teaching and learning environment that supports excellent and inspiring teaching and enables all students to engage effectively in their learning.

A new Virtual Learning Environment (VLE) platform, Blackboard Ultra, has been rolled out across the University. Our VLE is key to how we deliver education; it provides the infrastructure behind our programmes and enables us to give our students a consistent and coherent learning experience. The new platform provides a better student user experience, allows students to connect information and knowledge in an inclusive, personalised digital space, and supports a programme-level approach.

We want all our students to have equal access to a digital device and the technologies they need for their studies, and we are adapting spaces to meet the evolving needs of our students. By providing devices where a student doesn't have one, and having teaching spaces adapted to enable traditional and digital delivery as appropriate, we're able to embed digital learning in the curriculum in a far more authentic and pedagogically appropriate way. This leads to students having increased opportunities to both develop and apply digital skills within their learning. We have successfully piloted the approach in English and Computer Science and will be rolling it out to the wider university.

Artificial intelligence is reshaping how we live, work, and learn. We want to ensure all students are equipped with the knowledge and skills to critically engage with AI technologies, helping them to understand the societal impact and ethical issues and how to use AI tools appropriately within their programmes and then in their future careers. We are also exploring portfolio opportunities with respect to AI which build on our existing AI-aligned programmes.

MEASURING OUR PROGRESS

6.9% of 24-25 undergraduate home new entrants received free school meals (target 8.6%)

HIGH STANDARD OF APPRENTICESHIPS PRAISED BY OFSTED

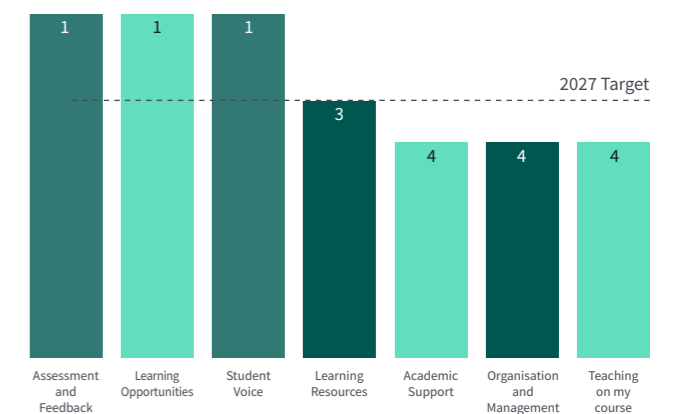


The University was praised for delivering good-quality apprenticeships and having strong links with industry in a 2025 inspection carried out by the Office for Standards in Education, Children's Services and Skills (Ofsted). Inspectors found our apprentices displayed outstanding behaviour and attitudes, and praised the University for its excellent links with employers. Our commitment to ensuring the apprenticeship curriculum matches the needs of employers was also highly commended.

Measuring our progress

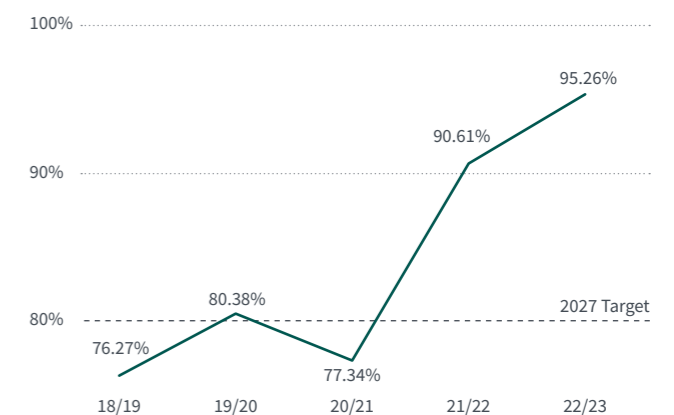
Student Experience

2024-25 rank within Russell Group on National Student Survey measure



Applicant Achievement

% New Undergraduate students achieving ABB+ in A level or equivalent by Year



TOP IN THE RUSSELL GROUP FOR STUDENT EXPERIENCE



The University retained the top spot in the Russell Group in the National Student Survey (NSS) for student experience for the third year in a row. Students gave us the highest score in the Russell Group for learning opportunities, assessment and feedback, and student voice. We are also rated top in the Russell Group for teaching across a range of subjects, whilst ranking in the top four for teaching, academic support, organisation and management, and learning resources.

Read more about our **Education pillar** and explore related case studies

One University

We are building a diverse community of staff and students from a broad range of backgrounds, demographics and cultures, and creating an inclusive, supportive and collaborative environment in which they can succeed and flourish.

Priority one: Collaborative and supportive culture

We continue to develop a positive work environment in a way that is meaningful to our whole University community.

Our bi-annual staff survey is just one way colleagues can provide us with their feedback, helping us to understand what we are doing well and where we need to make improvements. In the latest survey, colleagues shared positive feedback on important areas such as inclusion and belonging, supportive relationships with teams, and caring line managers. Insights will be used to inform our work to build a collaborative and supportive culture.

We continue to encourage and celebrate the open exchange of views and beliefs. As part of our A University Conversation events, staff and students came together to share views and perspectives on the multiple and complex humanitarian, environmental, economic and social crises facing the world. These important events provided our community with the space to explore and debate questions and topics with confidence, and in the knowledge they will be treated respectfully.

There has been a continued focus on the training and development of line managers to equip them with the skills and knowledge they need to create an inclusive and supportive environment. Colleagues can also engage in informal development including mentoring, coaching, and shadowing, as well as our *How To* series which offers digitally blended learning modules on a range of key development themes.

In preparation for the new condition of registration for higher education providers from the Office for Students, we launched our [information hub](#) which outlines how as a university we are protecting students from harassment and sexual misconduct and signposts to the support available for students.



Priority two: Diversity and inclusion

Our diverse community is made up of staff and students from a wide range of backgrounds - each bringing their unique experiences, skills, and perspectives. This diversity of thought is crucial and that's why we are committed to ensuring every individual feels supported and valued.

We have embedded Equality Impact Assessments (EIAs) across all areas of our University. EIAs are a tool used to aid understanding of the potential impacts of new areas of work on traditionally marginalised groups and to seek to mitigate against these impacts where possible. To improve local understanding of these assessments, we've developed training that focuses on their use as a tool to enhance decision-making and foster a collective mindset around equality, diversity, and inclusion.

In recognition of our commitment to race equality, we received the [Race Equality Charter Bronze Award](#). The Race Equality Charter self-assessment process was a crucial starting point for reassessing our race equality work. Following this process we have updated our action plan to reflect our work to date, as well as the actions and activities we need to take to continue to progress race equality.

Following the UK Supreme Court judgment that the word "sex" in the Equality Act 2010 refers exclusively to biological sex, not a person's legal gender, we have been carefully considering the guidance and implications. We recognise that the decision will have generated strong and diverse views amongst some members of our University community and we remain committed to creating a culture that is inclusive, supportive and welcoming for all.

CREATING A SENSE OF BELONGING FOR OUR STUDENTS



Our [Black, Asian and Minority Ethnic \(BAME\)](#) and [Muslim](#) student information hubs have been co-created with students and provide tailored information, advice and guidance for prospective and current students at all levels of study.

The hubs cover all aspects of student life—from application to graduation—including wellbeing, academic and financial support, and city life.

The hubs support key actions in our Race Equality, Religion, Belief and No Belief, and Access and Participation Plans, and align with Teaching Excellence Framework priorities around student voice and inclusive practice.



Priority three: Wellbeing

We are committed to creating a positive environment that champions the wellbeing of our staff and students, while also empowering everyone to take an active role in their own personal wellness.

We launched our wellbeing framework which outlines how we will adopt a people-centred approach to wellbeing. The framework is designed to articulate what we mean by wellbeing in our organisation and to ensure wellbeing is considered in everything that we do, including development of policy, culture, working environment and managerial practice.

We've also expanded our staff mental health and disability advisor services with appointments now available for line managers. At these appointments, managers can discuss the support that is available for colleagues, such as reasonable adjustments, how to support colleagues returning to work following disability-related absence, and how to promote a more open and inclusive culture in relation to disability and mental health.

We've launched two new development modules for colleagues that focus on building knowledge and awareness of disability and mental health, and how we can support ourselves and others and promote equality and respect in the workplace. These modules were created in partnership with colleagues who shared their lived experience and provided feedback on the modules.

Reasonable adjustments are one form of support for colleagues living with long-term health conditions. To raise knowledge and awareness of this support, colleagues with

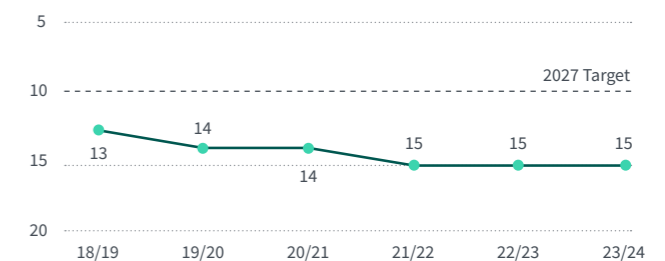
experience of chronic conditions shared their experiences of reasonable adjustments through a series of case studies, where they discussed the positive impact these adjustments have had on them both professionally and personally.

We also worked with our community of colleagues living with chronic health conditions to develop a new web page that brings together resources and information on managing chronic conditions in the workplace and information for line managers.

Measuring our progress

Staff Diversity

Rank in Russell Group for % Black, Asian and Minority Ethnic staff by year



One University (continued)



Priority four: Sustainability

We are continuing our work to make the University of Sheffield one of the most sustainable research-intensive universities in the country.

Over the past year, 11 expert groups consisting of over 100 staff, academics and students, have been working together to shape our next sustainability strategy. These groups have focused on key areas including energy and food to travel, buildings, IT and education. Their work is now being brought together into a single strategy that we'll launch this winter.

Alongside this, we've been rethinking the future of our campus through the Future Campus project. The aim is to create a more efficient, inclusive, vibrant and sustainable estate – one that supports our academic mission while reducing carbon and cost.

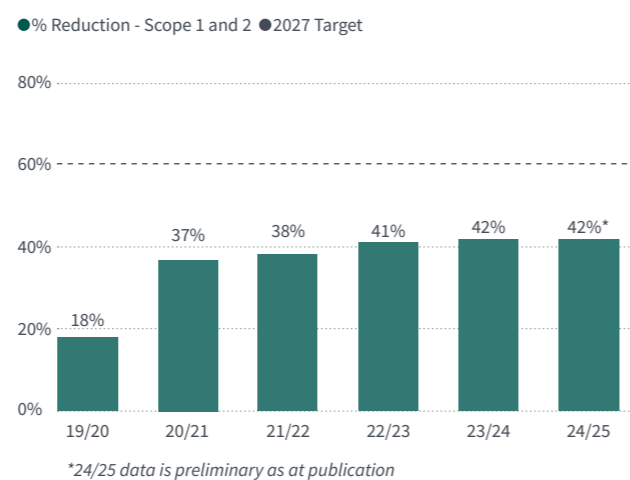
We've already made strong progress in reducing our carbon footprint from energy and heat. We've cut emissions from building operations by around 44% since 2018, thanks to smarter controls, better space use, and cleaner electricity.

We've also launched a new Sustainability Network to help staff share best practice and support each other in taking action, and introduced a sustainability fund for staff and students to back local ideas and grassroots projects.

Measuring our progress

Sustainability

% Reduction in Scope 1 and 2 emissions since 2018-19



Alumni donor Jeffery Winter lays a ceremonial brick at the Faculty of Health construction site

Priority five: Philanthropy

A strong alumni community is vital to our success. Their engagement provides valuable mentorship and career networks, while their philanthropy funds scholarships and research, directly enhancing the student experience and our institutional growth.

Alumni and friends of the University have created more life-changing opportunities for students, research and our City region this year thanks to the launch of our ambitious fundraising and engagement campaign, *Forged in Sheffield, Shaping the Future*.

Broadcaster and alumnus Dan Walker hosted an evening at the Royal Institution in autumn 2024, publicly launching *Forged in Sheffield* to over 200 of Sheffield's most influential alumni and friends. The event premiered the campaign's award-winning film, and kicked off an exciting programme of mass communications and events in Sheffield and overseas, encouraging more than 140,000 alumni and friends to get involved.

2024-25 has been another successful year for University philanthropy, raising £8.5 million against a £6.5 million annual target and exceeding a £10 million multi-year target for the Faculty of Health's newest capital project. Fundraising for the new facility, which will support research at the Sheffield Institute for Translational Neuroscience (SITraN) and create more capacity for medical teaching, has now reached £11.4



Dan Walker with panelists Professor Dame Pam Shaw, Andy Haldane, Ade Solanke and Lee Elliot Major (right to left)

million. Neuroscience research once again inspired hundreds of people to take on Sheffield's iconic community fundraising challenge, the Big Walk, raising over £100,000.

A £1.1 million legacy gift from alumnus Eric Pattison will fund a new digital learning suite at the Western Bank Library and scholarships for low-income students in the School of English. They will join around 400 new students starting at the University of Sheffield in 2025 with a donor-funded scholarship.

Over 1,100 alumni volunteers connected with over 8,000 students throughout the year, supporting employability and recruitment. The 10-year anniversary of *London City Connections*, our flagship alumni-student networking programme, was a particular highlight. Students were hosted by Jerome Frost, CEO of Arup Group and Wayne Garvie, President of Sony Pictures Television.

Internationally, more than 440 alumni in China attended events hosted by the Vice-Chancellor in Shanghai and Beijing. Whilst alumni based in countries such as the US, India, Malaysia, Indonesia, Mexico, Nigeria and Japan have boosted the total number of alumni joining International Alumni Groups to 9,000.

▶ Read more about our [One University pillar](#) and explore related case studies

Forged in Sheffield

Shaping the Future



Financial review

Overview

The 2024-25 financial year has seen continued sector-wide financial challenges, most notably from declining international student fee income, being managed through a considered strategy of tailored and disciplined financial management.

Our focus remains on protecting and enhancing our core missions of world-class research, quality teaching, exceptional student experience, innovation activities and civic responsibility, while also ensuring the long-term financial sustainability of our University.

We remain firmly of the belief that the sector's student market is rebasing, and we are resizing accordingly. We are realistic about the international student market, and our plans reflect this. We are committed to maintaining high quality student intakes. We continue to embrace opportunities, such as our cutting edge research into clean energy.

We have the financial resilience to be able to implement a tailored financial response, to be delivered over several years, which whilst naturally challenging is realistic and attainable.

We are confident that we will emerge a stronger university as a result of our decisions.



KEY FINANCIAL HIGHLIGHTS

Underlying income:
£806 million

Underlying operating deficit:
£11.5 million

Net assets:
£1.9 billion

Cash:
£223 million

Maintained the A+/stable S&P credit rating

Historic performance: Income and expenditure analysis

Income

Underlying income for the year reduced by £56 million to £806 million. This decline was primarily driven by a reduction of 22 per cent in international tuition fee income which we continue to believe is a rebasing of this market. Tuition fee income remained our largest single source of revenue, at 42 per cent of our underlying income.

The international student recruitment decline is a sector wide issue, being a result of a combination of factors including changes in government policy, increased global competition, and changing student demands. We are managing this decline in income whilst maintaining the quality of our home student intake. Our strategic plan remains to attract the brightest and best students, in order to remain a long term top quality global university, and this is being evidenced through our upward performance in league tables, and strong student application data.

During the year underlying research income grew by £4 million to £169 million. This was a result of a deliberate strategy to aim for larger grant awards. We saw particular success in securing funding for projects in sustainable manufacturing and health technology, areas where the University holds a leading position.

Underlying funding body grants remain relatively static in actual terms at £104 million, which is a real term decline, and now account for 13 per cent of our income. Other income, derived from sources such as commercial activities, residential accommodation, and catering, saw a reduction of £16 million to £149 million. This reduction was due to licensed patents.

Expenditure

Our underlying expenditure was carefully controlled at £817 million, a reduction from the previous year of £38 million.

The primary item on our cost base is staff at £467 million (57 per cent of underlying expenditure). We also saw decreases in non-pay operating costs of £25 million, despite inflationary pressures.

The University has implemented a multi year rigorous cost control programme which aligns with the changing size of our University, and does not compromise delivery of our strategic priorities. During the year we introduced and delivered tailored cost reductions, being an almost equal split between staff and non-staff costs. We implemented a voluntary severance scheme and this will realise recurrent full year savings in the future of £20 million per annum.

Our balance sheet

The University's statement of financial position (balance sheet) remains strong, with net assets of £1.9 billion. Our reserves are robust, providing a vital buffer against future uncertainties.

Our investment in 2024-25 in our estate was deliberately reduced as we selectively scaled back capital spending to help absorb pressures stemming from reduced international students. We spent £69 million, of which £42 million was grant funded.

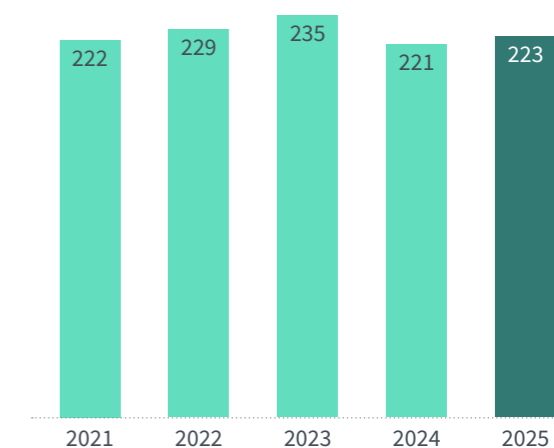
Looking ahead, we are undertaking a holistic review of our entire estate. The estates masterplan is our opportunity to create a more sustainable and efficient campus, with high-quality, well-maintained, accessible spaces that are fully utilised and better connected to each other and the city. Our aim is to enhance the student experience, provide a welcoming and productive environment for staff, and ensure that our campus is environmentally and financially sustainable, and socially inclusive.

We have purposely maintained our healthy cash position of £223 million, which provides the necessary liquidity to manage our day-to-day operations and to pursue specific strategic investments.

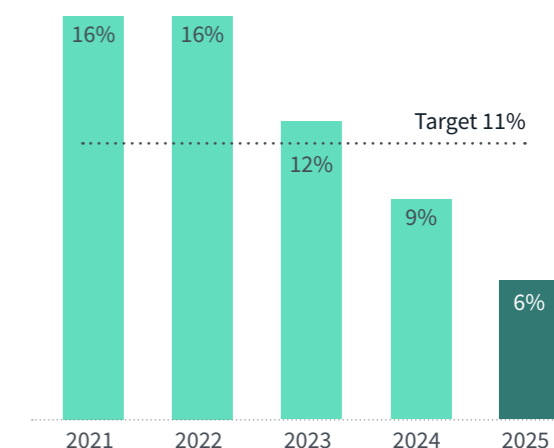
Our overall drawn debt remains low at £147 million, being a £60 million term loan and an £87 million student residence service concession. In the latter half of the year we took advantage of the gilt yield market position to restructure our £60 million private placement into a £60 million term loan. This is financially advantageous and provides heightened flexibility to adapt in these times of change. We also have access to a revolving credit facility which was not drawn during the financial year.

Our focus remains on protecting and enhancing our core missions of world-class research, quality teaching, exceptional student experience, innovation activities and civic responsibility, while also ensuring the long-term financial sustainability of our University.

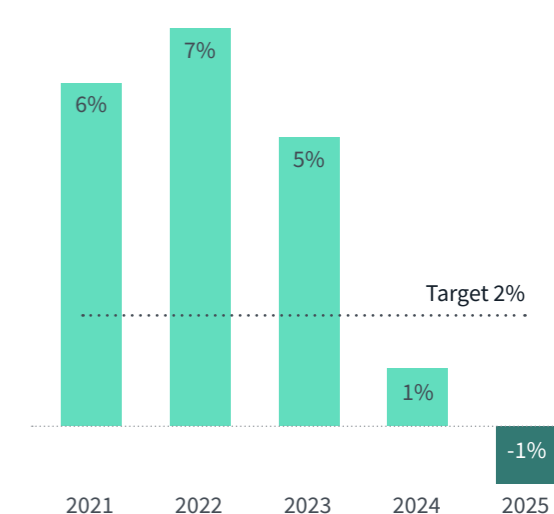
Cash balances £m



EBITDA %



Underlying (deficit) / surplus %



Financial review (continued)

Financial outlook

It is clear the UK higher education sector continues to face unprecedented financial headwinds. As well as challenges relating to the international student market, the historic sustained freeze on the home undergraduate tuition fee has created a widening gap between our income and the actual cost of providing a world-class education. We do note that the cap has been increased to £9,535 in 2025-26, although this benefit has been fully eradicated by National Insurance employer contribution increases, and does not offset general inflationary increases.

We aim to achieve sustainable growth by further diversifying our income streams and exploring new partnerships that align with our mission and values. We will continue our programme of tailored cost reductions, ensuring it does not adversely affect delivery of the strategic plan. We will continue to provide a quality student experience, including support services, to ensure our appeal in a highly competitive global market and maintain our strong student recruitment position, as evidenced by our 'number one' student related rankings in several league tables.

We will continue to maintain a strong balance sheet and robust financial controls to ensure we can navigate sector-wide challenges and deliver on our commitments to students, staff, and the community.

While the financial landscape for higher education remains difficult, we are well-positioned to meet these challenges. We have a plan to respond to the changing environment, and we are already progressing and delivering as intended. Our sound financial management and strategic foresight have provided a strong foundation for future success, and we are confident in our ability to deliver our mission and vision for the years to come.

Analysis of underlying results

	2025 £m			2024 £m		
	Total	Non-underlying	Underlying	Total	Non-underlying	Underlying
Income						
Tuition fees and education contracts	355.8	-	355.8	401.8	-	401.8
Funding body grants	111.7	(8.0)	103.7	109.1	(7.5)	101.6
Research grants and contracts	204.2	(35.6)	168.6	185.8	(20.8)	165.0
Other income	149.2	-	149.2	165.5	-	165.5
Investment income	18.2	-	18.2	20.3	-	20.3
Donations and endowments	11.0	(0.8)	10.2	12.5	(4.9)	7.6
Total income	850.1	(44.4)	805.7	895.0	(33.2)	861.8
Expenditure						
Staff costs - excluding USS	477.5	(10.2)	467.3	472.8	4.6	477.4
Staff costs - USS provision	-	-	-	(234.8)	234.8	-
Other operating expenses	260.5	(2.2)	258.2	285.6	(1.9)	283.7
Depreciation	96.5	(19.8)	76.8	103.1	(21.6)	81.5
Interest and other finance costs	14.7	0.2	14.9	17.1	(4.1)	13.0
Total expenditure	849.2	(32.0)	817.2	643.8	211.8	855.6
Surplus/(deficit)*	0.9	(12.4)	(11.5)	251.2	(245.0)	6.2

*before other gains/(losses) and share of operating (deficit)/surplus of joint ventures and associates

Going concern

The University has prepared cash flow forecasts, including potential downside scenarios, for the next five years, which includes the going concern period, being 12 months from the date of approval of these financial statements. We are confident that we will meet all obligations and commitments over the going concern period. Therefore, these financial statements have been prepared on a going concern basis.

We are confident that we will emerge a stronger university as a result of our decisions.

Reconciliation of underlying operating (deficit) / surplus

	2025 £m	2024 £m
Surplus*	0.9	251.2
Less: capital grant income	(43.6)	(28.2)
Less: endowment income (excl donations)	(0.8)	(4.9)
Add back: pension provision movements and related interest costs	0.5	(233.1)
Add back: employee leave accrual movement	(0.7)	(0.3)
Add back: research depreciation	19.8	21.6
Add back: restructuring costs	12.4	-
Underlying (deficit) / surplus	(11.5)	6.2

Principal risks and uncertainties

Council is responsible for ensuring that a robust system exists for identifying, evaluating and managing risk within the University, and that this process is subject to regular review.

University appetite for risk

At The University of Sheffield we embrace a balanced approach to risk, recognising that it is an inherent part of our operations. While we are willing to take calculated risks to advance our strategic goals, such as investing time and resources into research funding applications, strategic partnerships or innovative teaching methods where results are not guaranteed; we maintain a low tolerance for risks that could jeopardise our financial stability, reputation, or compliance with regulatory requirements.

Our risk appetite statements provide a clear framework for leaders and managers to make informed decisions and prioritise actions. We are currently working to embed a deeper understanding of our risk appetite across the organisation to ensure it consistently guides daily decisions. By understanding our risk tolerance, we can effectively allocate resources, mitigate potential threats, and seize opportunities that align with our strategy and vision.

How we manage risk

The University manages threats and opportunities through a Corporate Risk Register, which is reviewed regularly throughout the year and is considered by Council and Audit and Risk Assurance Committee. The register is maintained by a subgroup of the University Executive Board (UEB) - Risk Review Group; to assess and manage corporate risks, agree the risk owners and mitigating processes, actions and controls.

Each school has a risk register which informs the faculty risk register. In turn, this feeds into the Corporate Risk Register. This helps Risk Review Group to ensure there is an effective and proactive system of risk management in place by which risks are rigorously assessed, understood and effectively managed across the organisation.



Risk summary	Examples of processes, actions and controls	University vision pillar
<p>Academic reputation</p> <p>If we successfully drive and communicate our commitment to academic and research excellence, then we will reinforce our global reputation, ensuring a strong student recruitment pipeline and increasing our competitive advantage for funding.</p>	<p>The University Executive Board (UEB) oversees a reputation roadmap and associated KPIs. Actions include the delivery of reputational campaigns and development of regional approaches to international recruitment and partnerships.</p>	<p>Research</p> <p>Education</p> <p>One University</p>
<p>Programme simplification</p> <p>If we successfully streamline our academic programmes and related administrative processes, then we will significantly enhance the student experience and reduce workload pressures for staff.</p>	<p>Implementation of a comprehensive programme simplification initiative and a new framework for undergraduate taught programmes to improve the student experience and drive efficiency.</p> <p>Integrated delivery of three core technology projects, overseen by the IT Strategy Group and Education Product Board: new Virtual Learning Environment, Timetabling and Marks Management systems.</p>	<p>Education</p>
<p>Strategic reviews</p> <p>If we effectively implement the outcomes from strategic reviews, then we will enhance the student and staff experience, strengthen the long-term sustainability and efficiency of our academic schools and professional services.</p>	<p>The Professional Services Framework has been implemented, providing a consistent set of job descriptions and increased transparency of team structures.</p> <p>Areas for review are considered and approved by UEB, including approval of the terms of reference, the review outcome report and the progression to any subsequent actions required.</p> <p>Agreed change management procedures in place and followed where appropriate in conjunction with trade unions.</p>	<p>Research</p> <p>Education</p> <p>One University</p>
<p>Delivering budgets</p> <p>If we do not deliver budgets or adapt to external economic volatility, then our long-term financial resilience could be adversely affected, impacting our capacity to invest in strategic priorities.</p>	<p>Monthly review of actual expenditure and commitments (revenue and capital) for current year and future years to determine whether mitigating actions that have been agreed are being delivered, within the time frames planned, and are delivering the necessary outcomes.</p> <p>UEB subgroups (e.g. Estates & Capital and Student Recruitment and Population) guide and inform financial planning and scenario planning.</p>	<p>One University</p>
<p>Student recruitment</p> <p>If we do not proactively adapt our recruitment strategies to current global market shifts and competitor behavior, then our competitive position and target student numbers may be challenged.</p>	<p>The UEB Sub Group on Student Recruitment and Population oversees, directs and receives regular reporting against a breadth of student recruitment activities to ensure progress is maintained and secured across the University.</p> <p>Development of regional-specific strategies and new recruitment pipelines to mitigate market volatility.</p>	<p>Education</p> <p>One University</p>

Risk summary	Examples of processes, actions and controls	University vision pillar
<p>Research quality</p> <p>If we do not effectively translate our research performance insights into focused strategy, then our REF performance may decline, impacting our ability to secure future funding and attract world-class talent.</p>	<p>Maintain a robust, systematic process for preparing our research submission, including annual peer review of outputs and impact case studies. The framework and actions are overseen by the REF Steering Group and UEB.</p> <p>Professional services are aligned to ensure optimal support for strategic partnerships and research priorities.</p>	<p>Research</p> <p>One University</p>
<p>Innovation opportunities</p> <p>If we strategically build the capacity to pursue large-scale research and innovation opportunities, then we will accelerate our commercial income growth and strengthen our contribution to economic development.</p>	<p>The University fosters a culture of innovation through governance forums (like the Translational Innovation Board) that ensure leaders are sighted on opportunities and pursue them collegially.</p> <p>Active engagement with regional fora to ensure productive stakeholder relationships and alignment with regional investment priorities.</p>	<p>Research</p> <p>Innovation</p> <p>One University</p>
<p>Industrial action</p> <p>If prolonged industrial action within the sector or among our key partners occurs, then we may face operational disruption that affects the student experience and creates unforeseen financial and relational pressures.</p>	<p>An Incident Management Team is formed for any period of industrial action in order to lead the University response and minimise the impact on students.</p> <p>Regular engagement, consultation and negotiations with trade unions along with agreed dispute resolution procedures in place to seek to avoid industrial action.</p> <p>Processes are in place for comprehensively tracking lost learning and communications.</p>	<p>Education</p> <p>One University</p>
<p>Digital infrastructure</p> <p>If we do not ensure our core digital infrastructure and strategic adoption of emerging technologies (e.g. AI) remains fit for purpose, then the quality of our academic delivery and research environment will be adversely affected.</p>	<p>The University governs its digital environment through a product-led approach, where technology roadmaps are driven by University requirements and overseen by Strategic Product Boards.</p> <p>The IT Services Delivery Framework seeks to ensure that portfolio management and delivery assurance is in place for the effective and efficient delivery of IT.</p>	<p>Research</p> <p>Education</p>
<p>Cyber and information security</p> <p>If we do not sustain robust cyber and information security governance, then the University faces the risk of a material adverse event that could impact operations, finances, and reputation.</p>	<p>A robust information security framework is overseen by the UEB sub-group for Information Management and Security.</p> <p>Information Asset Registers and Business Continuity Plans are in place.</p>	<p>All KPIs</p>
<p>Compliance</p> <p>If we fail to proactively manage compliance with rapidly evolving legislative requirements, then the University could face regulatory penalties and operational disruption.</p>	<p>A structured approach to legal and regulatory compliance is in place. The policy team and relevant professional services conduct horizon scanning to identify and assess emerging requirements.</p> <p>Where new legislation necessitates changes, UEB establishes dedicated working groups where required to analyse implications and propose policy updates.</p>	<p>One University</p>



Governance



Public benefit and responsibility

The University is an independent corporation whose legal status derives from a Royal Charter, granted in 1905. It holds charitable status as an exempt charity regulated by the Office for Students. Under the terms of the Royal Charter, the University's objects are to advance education through teaching and research. Public benefit is integral to the University's culture.

Members of Council are the University's charitable trustees, who are listed on page 31 and include the President and Vice-Chancellor and other staff and student members. The Council and senior management have due regard to the Charity Commission's public benefit guidance in setting institutional objectives and monitoring performance towards achieving them. Members of Council do not receive any remuneration in respect of their role on Council but are eligible to claim reasonable expenses incurred in carrying out their role. Expenses payments to Members of Council are stated in the notes to the financial statements and accounts.

The Charity Commission requires there to be an identifiable benefit and that this benefit must be to the public or to a sufficient section of the public. The University's beneficiaries include its undergraduate and postgraduate students and research funders but we believe that education and research are not just a private good. By producing world-class graduates, undertaking research to drive innovation and address global and societal issues, and working in partnership, including with other regional anchor institutions, the University believes that sections of the public and society at large benefit from its range of activities. For our University, social and public responsibility is integral to our education,

research, innovation, partnerships and place-making. The University has a proud history of discovery, innovation and positive social change. All our activity is geared towards improving the world's thought, creativity, invention, and store of knowledge.

Our values arise from our conviction that the purpose of a university is to contribute to the enlargement of the parameters of global understanding and change lives for the better.

We foster a socially engaged approach that seeks to help the society we serve, as well as supporting and growing the appetite for volunteering that exists in our staff and students. We continue to work with our Students' Union to identify and inform globally essential conversations and reforms, especially those that support a socially inclusive and open society.

We create a coordinated articulation of our research and its impact, so that all staff and students can act as proud advocates for the University. Our curricular and extracurricular activities provide staff and students with the knowledge and skills to be active global citizens.

We value open, inclusive and honest dialogue about the many conflicted choices we and the rest of the world face, and welcome our duty of public service to the society of which we are a part. We support students and staff in creating an inclusive, open society that encourages the free exchange of ideas in a mutually respectful atmosphere. Our diverse and inclusive community brings together different views, approaches and insights, leading to richer, more creative and innovative teaching and research.

Pages 12-21 provide examples of how our work delivers public benefit in accordance with our strategic objectives and institutional values.



How the University is managed

Officers of the University Session 2024–25

The Chancellor
The Rt Hon Lady Justice Rafferty, DBE, PC, QC, LBB, Hon LLD

The Pro-Chancellors
M J Temple CBE (Chair of Council)
C Brownlie
A J Stone

The Treasurer
R W Memmott

The President and Vice-Chancellor
Professor K Lamberts

The Provost and Deputy Vice-Chancellor
Professor R Mokaya OBE

The Cross Cutting Vice-Presidents
Education: Professor M T Vincent
Research and Innovation: Professor S E Hartley OBE

The Faculty Vice-Presidents
Arts and Humanities: Professor S Fitzmaurice
Engineering: Professor C Ó Brádaigh
Health: Professor A W Blom (until 28 February 2025),
Professor T Moore (Interim from 17 February 2025)
Science: Professor J Derrick
Social Sciences: Professor R J Blakeley

The Vice-President and Head of the Advanced Manufacturing Group
Professor G W Jewell (until 30 April 2025)

University Secretary
J Strachan (until 31 January 2025)
D T Swinn (Interim from 20 January 2025)

The Council of the University Session 2024–25

Ex-officio members
The Pro-Chancellors
The Treasurer
The President and Vice-Chancellor

Persons appointed by the Council
G Allilaire (from 28 November 2024), Dr J Hogan, V Kabra,
A C Kay, F Morris-Jones, P Rodrigo, Dr P Tenney

Not fewer than two and not more than three Senior Academic Officers appointed annually by the Chair of Council in consultation with the President and Vice-Chancellor
Professor M T Vincent
Professor S E Hartley OBE
Professor R Mokaya OBE

Three members of the Senate elected by the Senate
Professor J Kirby
Dr C Nic Dháibhéid (until 31 December 2024)
Professor M Strong

The President of the Students' Union
D Watson

One person who is not a member of the academic or academic-related staff
G Greenup

Secretary to the Council
J Strachan (until 31 January 2025)
D T Swinn (from 20 January 2025)

The University Executive Board 2024–25

Ex-officio members

The President and Vice-Chancellor
Professor K Lamberts

The Provost and Deputy Vice-Chancellor
Professor R Mokaya OBE

The Vice-Presidents
Professor M T Vincent
Professor S E Hartley OBE
Professor S Fitzmaurice
Professor C Ó Brádaigh
Professor A W Blom (until 28 February 2025)
Professor T Moore (Interim from 17 February 2025)
Professor J Derrick
Professor R J Blakeley
Professor G W Jewell (until 30 April 2025)

The Chief Financial Officer
J M Jones

The Chief Operating Officer
R I Sykes

The Director of Human Resources
I D Wright

Secretary to the University Executive Board
D T Swinn (until 16 March 2025)
M Borland (from 17 March 2025)

Faculties and schools

Arts and Humanities

Law
History, Philosophy and Digital Humanities
English
Languages, Arts and Societies

Engineering

Mechanical, Aerospace and Civil Engineering
Chemical, Materials and Biological Engineering
Electrical and Electronic Engineering
Computer Science

Health

Allied Health Professions, Nursing and Midwifery
Clinical Dentistry
Medicine and Population Health

Science

Biosciences
Mathematics and Physical Sciences
Psychology

Social Sciences

Architecture and Landscape Architecture
Economics
Geography and Planning
Management
Education
Information, Journalism and Communication
Sociological Studies, Politics and International Relations

Extra-Faculty

Advanced Manufacturing Research Centre

Corporate governance and internal control

The following statement is intended to provide an understanding of the governance and legal structure of the University of Sheffield.

The University is an independent corporation whose legal status derives from a Royal Charter granted in 1905. It is an educational charity, with exempt status, regulated by the Office for Students (OfS) in its capacity as Principal Regulator. The University has charitable purposes and applies them for the public benefit (see page 30). It must comply with the general law of charity. The University's charity number is X1089. The University's objectives, powers and governance framework are set out in its Charter and supporting Statutes and Regulations.

This statement relates to the year ended 31 July 2025.

The University of Sheffield has a public interest duty to conduct its affairs in a transparent and responsible way, in accordance with the Nolan principles, to meet the regulatory requirements of relevant statutory bodies, in particular the ongoing conditions of registration with the OfS, and complies with the OfS' Public Interest Governance Principles and the Higher Education Code of Governance published by the Committee of University Chairs (CUC).

The University's governing body, the Council, regularly reviews its operation against the OfS Regulatory Framework and the revised CUC Higher Education Governance Code. The 2023–24 Council effectiveness review concluded that the University's governance was "highly effective and has been on an upward trajectory in recent years" and its use of sector benchmarking demonstrated the strength of the University's relative performance in this regard. A relatively small number of recommendations were accepted by Council in the spirit of continuous improvement and an action plan was developed in response to the review. The positive nature of the reviews findings built on previous work that Council has undertaken in recent years to maximise its effectiveness. The Council will continue to undertake a review of effectiveness, in accordance with the Code, every three years. The next such review will take place in 2027.

In the years between formal Council Effectiveness reviews, members of Council complete a self-assessment questionnaire in relation to their individual role and performance and the collective performance and effectiveness of Council itself. Council uses the findings of this exercise to enhance its operation, and that of its committees, in the spirit of continuous improvement. In late 2024-25 a self-assessment exercise was undertaken and Council will consider the findings and agree an action plan in 2025-26 of any additional measures to enhance its operation further.

The University makes the confirmed minutes of each Council meeting publicly available via its website, together with any supporting papers, that are not confidential or otherwise contain sensitive material. Council approves the list of papers

to be published as a standing agenda item at each meeting. A report on the proceedings of Council is provided to each meeting of the Senate. The confirmed minutes of the Senate are also published online, with confidential or sensitive items redacted.

Leadership

The President and Vice-Chancellor is the University's Chief Executive Officer, and principal academic officer. The President and Vice-Chancellor is also the designated Accountable Officer with the OfS, for the purposes of the Higher Education and Research Act 2017.

Under powers delegated by the Council, the President and Vice-Chancellor exercises a key role in terms of the development of institutional strategy, the identification and planning of new developments and the shaping of institutional ethos. The President and Vice-Chancellor is a member of the Council and Chair of the Senate. A University Executive Board, comprising senior academic and professional services members, is appointed by and acts in an advisory capacity to the President and Vice-Chancellor. Ultimate responsibility for the management of the University and the conduct of its business rests with the Council.

Governance

The Council

The University's Council is the governing body of the University and its board of charitable trustees, responsible for the strategic development and overall achievement of the University's mission and purposes. Subject to the delegation of powers under University Regulations, including those delegated to the Senate, it has ultimate responsibility for all areas of operation.

The Council's membership, listed on page 31, comprises lay and professional and academic persons, including the President of the Students' Union, appointed under the Statutes of the University, the majority of whom are non-executive and have time-limited terms of office. Members of the governing body provide a register of interests and a declaration that they are fit and proper persons, as defined by the OfS, which is reviewed and updated on at least an annual basis.

The role of the Chair of the Council is held by a non-executive and is separate from that of the University's Chief Executive, the President and Vice-Chancellor. The performance of the President and Vice-Chancellor is monitored through the provisions of Section 6 of the Statutes and Regulation II:5.11 and through the existence and application of the Staff Review and Development Scheme, carried out by the Chair of the Council.

The appointment of the University Secretary with appropriate separation in the lines of accountability is through the provisions of Regulation VI: 8. The University Secretary is appointed by and responsible to the Council for the operation

and conduct of the University's overall governance structures, ensuring the University acts in accordance with its governance documents, that effective processes are in place to provide assurance and to ensure legal and regulatory compliance. The University Secretary is the Secretary to the Council and the Senate and reports to the Chair of the Council in the first instance and also to the President and Vice-Chancellor, who is Chair of the Senate. The University Secretary attends meetings of the University Executive Board but is not a member.

The powers and functions of Council are set out in Regulation II:4-5. The matters specially reserved to the Council for decision are set out in Regulation II:6. Among the powers the Council holds to itself are those relating to appointing the President and Vice-Chancellor, the approval of the University's strategic plan and the approval of financial forecasts, annual budgets, approving the annual audited accounts and appointing the University's auditors, and approving major changes in the University's academic and organisational structures. The public interest governance principles are reflected in the provisions of the Regulations of Council. Council delegates its powers to other bodies and individuals as appropriate and in accordance with the Scheme of Delegation set out in Regulation III, which is reviewed annually.

In addition to the Council Nominations Committee, which is a formally constituted committee of the Council, much of the work of the Council is carried out through the following principal committees, all of which have terms of reference approved by Council and which report formally to Council:

The Audit and Risk Assurance Committee has formally adopted the Higher Education Audit Committee Code of Practice, published by the Committee of University Chairs, and comprises both lay members of the University Council and external co-optees with special expertise. Whilst senior executives and the University Secretary attend meetings, they are not members of it. Both the external and internal auditors have independent access to the Committee, and vice versa.

The Audit and Risk Assurance Committee is responsible for making recommendations to the governing body on the appointment of both the internal and external auditors to the University. The Committee meets with the external auditors to discuss their audit findings, and to review and approve the audit aspects of the annual financial statements; and it provides the governing body with its own opinions. It also guides and approves the annual audit plan prepared by the University's internal auditors, and considers completed audit reports dealing with recommendations for the improvement of the University's systems of internal control. The Committee also reviews management responses to audit reports and monitors implementation of recommendations.

The Committee receives and considers reports from external funding and regulatory bodies as they affect the University's business and monitors adherence to the regulatory requirements. The Committee's role in relation to risk oversight and assurance is outlined below.

The Finance Committee is the body responsible for advising the Council on all matters relating to the finances of the University, including ensuring there are adequate and effective arrangements in place to ensure regularity and propriety in the use of public and other funding and to provide transparency about value for money. The committee recommends to the Council the University's Financial Statements for approval, annual revenue and capital budgets, monitors performance in relation to the approved budgets and monitors the execution of financial policies adopted by the Council, including overseeing the University's Financial Regulations.

The Senior Remuneration Committee is responsible for overseeing the appointments of executive and other senior members of staff, balancing the needs of the University in a competitive environment with the appropriate use of funds. The Committee operates in accordance with the CUC Higher Education Code of Governance and its operation has been reviewed to ensure compliance with the CUC's Remuneration Code and related OfS requirements in relation to senior pay.

The Equality, Diversity and Inclusion (EDI) Committee provides assurance to Council, including that the University is meeting its Public Sector Equality Duties under the Equality Act 2010 and the Office of Students' statement of expectations on harassment and sexual misconduct. The Committee develops strategies, monitors equality and diversity matters in the University, evaluates actions and progress and provides support and guidance in relation to the University's equality and diversity policies and action plans, providing assurance, advice and guidance to Council to support the delivery of these duties and relevant EDI priorities under the "One University" pillar of the University's vision and strategy.

The Senate

The Senate is the academic authority of the University, whose role is to oversee the teaching and research of the University, responsible for academic quality and standards and for the admission and regulation of students on behalf of the Council. Chaired by the President and Vice-Chancellor, its membership is drawn mainly from the academic staff of the University and also includes student representatives. The Senate reports to Council and is required to provide assurance to Council that academic governance is effective. Senate has an Academic Assurance Committee, which tests the arrangements Senate has in place to ensure quality and standards, and Senate makes an annual report and presentation to Council, to permit testing of the assurances it receives.

Full statement of internal control

As the governing body of the University of Sheffield, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of policies, aims and objectives, while safeguarding the public and other funds and assets for which we are responsible, in accordance with the responsibilities assigned to the governing body in the Charter, Statutes and Regulations and the public interest governance principles set out in the regulatory framework for Higher Education (HE) in England.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives or to comply with legal, statutory or regulatory obligations; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. This process has been in place for the year ended 31 July 2025 and up to the date of the approval of the annual report and financial statements. The process is regularly reviewed by the Council and accords with the relevant Financial Reporting Council guidance.

The University has formally applied the CUC (Committee of University Chairs) Higher Education Code of Governance, which is principally committed to identifying the key values and practices on which the effective governance of UK HE providers is based. The University manages risks through a Corporate Risk Register, which is reviewed regularly throughout the year by a UEB Risk Review Group and is considered by Council and its Audit and Risk Assurance Committee. There are also Faculty and Professional Services Risk Registers, and Departmental Risk Registers for both academic and professional service departments. The University also maintains a register which sets out its ongoing registration conditions with the OfS and this is used to ensure and monitor compliance. A separate register exists to monitor compliance with the full range of other legal and regulatory requirements to which the University is subject. The Risk Review Group (a subgroup of the UEB) oversees these different levels of risk. The University's risk management policy is reviewed annually by the Risk Review Group and by Council.

The following processes have been established:

- The performance, plans and strategic direction of the University are specifically considered at one of the regular meetings of the Council each year. Interim reports and additional information is provided to other meetings and/or briefings to coincide with appropriate points in the University's strategic planning cycle.
- The University Council agrees and annually reviews performance, linked to strategic objectives in the University vision, and has oversight of the outcomes achieved, direction of travel and distance from ambition, as set out in the vision and related Strategic Delivery Plans.
- The Council undertakes an annual assessment for the purpose of making its public statement on internal controls. This assessment considers issues dealt with in the periodic reports received.
- The Council receives periodic reports and a comprehensive annual report from the Chair of the Audit and Risk Assurance Committee concerning internal control and risk management, including in relation to University subsidiary companies.
- The Council oversees the management of strategic risks and receives regular reports from its Audit and Risk Assurance Committee and the UEB Risk Review Group.
- The Audit and Risk Assurance Committee receives regular reports from Internal Audit, which include Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. The Audit and Risk Assurance Committee may also request additional reports to gain assurance from other parties on areas of concern. A Data Assurance Group supports the Committee in its evaluation of the management and quality assurance of the external reporting of data to statutory and regulatory bodies.
- A risk prioritisation methodology based on risk ranking has been established and applied.
- An organisation-wide risk register is maintained for corporate-level risks, including the ability of the University to continue to comply with all of its conditions of registration with the OfS.
- A reporting structure has been implemented whereby high-level strategic opportunities and risks are overseen by the Risk Review Group and reported to the Audit and Risk Assurance Committee and Council. The University Executive Board receives reports on the action taken on all corporate-level risks, along with suggestions for additions to, and deletions from, the risk register.
- Council has approved a Code of Ethics and receives periodic reports on its operation following a review conducted on its behalf by the University Secretary. The Research Ethics Committee of Senate provides specific assurance to Senate over ethical matters associated with research activities.



- The University commissioned a review of Council effectiveness, which reported in 2024, using sector specialists, AdvanceHE, to facilitate the review and produce an independent report and recommendations. These reviews will be carried out at three-year intervals as required by the CUC Higher Education Code of Governance. Annual reviews based on feedback from Council members are also undertaken.
- The responsibility of Council to maintain and protect the principle of academic freedom is enshrined in the University Charter and appropriate references made during the induction of new members of Council, including updated duties to secure and promote freedom of speech as well as academic freedom.
- Sub-committees of the Senate Education Committee oversee the totality of the University's collaborative provision, reporting major developments or significant institutional risks through to Council as appropriate.
- The University keeps under regular review the policies, procedures and powers delegated by the Council to other bodies and individuals, including the President and Vice-Chancellor.
- The Secretary to Council is responsible for ensuring that the University's constitution is followed at all times, taking advice where appropriate.

The University has contracted its internal audit function to an external provider. The provider's supervising partner for the assignment functions as the University's Head of Internal Audit. The internal auditors submit regular reports, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the University's system of internal control, with recommendations for improvement.

Our review of the effectiveness of the system of internal control is informed by the work of Internal Audit and by senior officers within the University, who have responsibility for the development and maintenance of the internal control

framework, and by the comments made by the external auditors in their management letter and other reports. In considering reports from the Internal Auditor, the Audit and Risk Assurance Committee receives assurance that satisfactory management actions plans have been agreed and are being implemented. The Committee regularly monitors progress against these plans. Audit and Risk Assurance Committee has welcomed the University's approach to internal audit in terms of directing activity at areas where there are known or suspected performance issues in order to improve the internal control environment, including delivering value for money and looking beyond process compliance to institutional culture. The Internal Auditors take account of value for money (VfM) issues as part of their routine system-based auditing, with any relevant issues being examined and reported. Internal audit reports explicitly address, and report on, VfM with increasing emphasis on the delivery of value to the University's students.

In addition, the Committee monitors, and receives regular updates in relation to, the University's management of fraud and whistleblowing cases. No internal control issues have been identified that would require inclusion in the Statement of Corporate Governance and a number of areas of good practice have been identified in the Internal Auditor's annual report. The University encourages managers to treat internal audit as a management tool that should be used positively.

The Audit and Risk Assurance Committee considers the findings of the External Auditor and endorses the annual External Audit Strategy, which identifies key financial and control risks in order to provide assurance and inform improvements in the control environment and delivery of value for money. The Committee regularly monitors progress made against recommendations arising from the External Auditors' audit highlights memoranda and is assured about the high evidential standard to which actions owners are held in order to formally close a recommendation. The External Auditors findings are prioritised to enable the University to focus on issues that represent more significant risks or will deliver the most significant improvements.

Statement of Council responsibilities in respect of the Annual Report and the Financial Statements

The Council is responsible for preparing the Annual Report and the Financial Statements in accordance with the requirements of the Office for Students' Terms and Conditions of Funding for Higher Education Institutions and Research England's Terms and Conditions of Research England Grant and applicable law and regulations.

It is required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the requirements of the Accounts Direction dated 25 October 2019 issued by the Office for Students ('the Accounts Direction') and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education.

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the group and of the parent University and of their income and expenditure, gains and losses and changes in reserves, and of the group's cash flows for that period. In preparing each of the group and parent University financial statements, the Council is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University's transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

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

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

Financial statements

2024–25

Independent auditor's report to the Council of the University of Sheffield

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the University of Sheffield ("the University") for the year ended 31 July 2025, which comprise the Consolidated and University statement of comprehensive income; Consolidated and University statement of changes in reserves; Consolidated and University statement of financial position; Consolidated statement of cash flow; and related notes, including the accounting policies.

In our opinion the financial statements

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2025, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended; and
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The Council has prepared the financial statements on the going concern basis as it does not intend to liquidate the Group or the University or to cease their operations, and as it has concluded that the Group and the University's financial position means that this is realistic. It has also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the Council's conclusions, we considered the inherent risks to the Group's business model and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and

- we have not identified, and concur with the Council's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the University will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included

- enquiring of directors, the Audit Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud
- reading University Executive Board minutes, Audit Committee minutes, and Council minutes
- using analytical procedures to identify any unusual or unexpected relationships

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular

- the risk that Group management may be in a position to make inappropriate accounting entries through management override of controls; and
- the risk that research income does not exist and is not accurately recorded.
- the risk that tuition fee income generated from flexible provision (for example online or distance learning courses) are overstated through recording revenues in the wrong period or does not exist.

We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those by individuals who do not usually post transactions to research codes.
- assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the directors and other management (as required by auditing standards) and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pension legislation and specific disclosures required by higher education legislation and charity legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following area as those most likely to have such an effect: compliance with regulatory requirements of the Office for Students. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

We have reported separately on the University's use of funds in the section of our audit report dealing with other legal and regulatory requirements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Council is responsible for the other information, which comprises the Strategic Report and Governance Report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

Council's responsibilities

As explained more fully in its statement set out on page 36, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Report on other legal and regulatory requirements

We are required to report on the following matters by the Accounts Direction dated 25 October 2019 issued by the Office for Students ("the Accounts Direction").

In our opinion, in all material respects

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation
- income has been applied in accordance with the University's Statutes
- funds provided by the Office for Students, UK Research and Innovation (including Research England), and the Department for Education have been applied in accordance with the relevant terms and conditions; and
- the financial statements meet the requirements of the Accounts Direction.

Matters on which we are required to report by exception

We are required by the Accounts Direction to report to you where the University has an access and participation plan that has been approved by the Office for Students' director of fair access and participation and the results of our audit work indicate that the Group's and the University's expenditure on access and participation activities for the financial year disclosed in note 11 has been materially misstated.

We are also required by the Accounts Direction to report to you where the results of our audit work indicate that the Group's and the University's grant and fee income, as disclosed in note 4 to the financial statements has been materially misstated.

We have nothing to report in these respects.

The purpose of our audit work and to whom we owe our responsibilities

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

Timothy Cutler
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St. Peter's Square
Manchester
M2 3AE

Date: 5 December 2025

Principal accounting policies

1. Basis of preparation

The financial statements have been prepared in accordance with United Kingdom accounting standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition), 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 OfS and the terms and conditions of the Research England Grant.

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

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

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

The financial statements are prepared in sterling, which is the functional currency of the group and rounded to the nearest £0.1 million.

2. Going concern

The University has prepared cash flow forecasts, including potential downside scenarios, for the next five years, which includes the going concern period, being 12 months from the date of approval of these financial statements. After reviewing these forecasts, the Council is of the opinion that the Group and parent University will have sufficient funds to meet all obligations and commitments over the going concern period. Therefore, these financial statements have been prepared on a going concern basis.

3. Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12 (b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

4. Basis of consolidation

The consolidated financial statements include the financial statements of the University and its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31 July 2025. The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

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

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

5. Income recognition

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

Tuition fee income is stated gross of any expenditure, which is not a discount and credited to the statement of comprehensive income over the period in which students are studying. Where the amount of the tuition fee is reduced by a discount, income receivable is shown net of the discount. Bursaries and scholarships that are not fee discounts are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the University is entitled to the income, which is the period in which students are studying or, where relevant, when performance conditions have been met.

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

Grant funding

Grant funding including OfS 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 on the statement of financial position and released to income as the conditions are met.

Donations and endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds. Income

is retained within the restricted reserve until such time that it is utilised in line with such restrictions, at which point the income is released to general reserves through a reserve transfer.

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

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 or other restriction applied to the individual endowment fund.

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

1. Restricted donations - the donor has specified that the donation must be used for a particular objective.
2. Unrestricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream for the general benefit of the University.
3. Restricted expendable endowments - the donor has specified a particular objective other than the purchase or construction of tangible fixed 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 applied to a particular objective.

Capital grants

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

6. Accounting for retirement benefits

The two principal schemes for the University's staff are the Universities Superannuation Scheme (USS) and the University of Sheffield Pension Scheme (USPS). In addition, for some clinical staff, contributions are paid to the National Health Service Pension Scheme (NHSPS).

Universities Superannuation Scheme (USS)

The University participates in the Universities Superannuation Scheme (USS). The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee benefits", the University therefore accounts for the scheme as if it were a defined contribution scheme.

University of Sheffield Pension Scheme (USPS)

The scheme is a cash balance defined benefit scheme. The scheme is valued at least every three years by professionally qualified independent actuaries. USPS is accounted for as a defined benefit scheme under FRS 102.

National Health Service Pension Scheme (NHSPS)

A small number of staff have joined the NHS Pension Scheme (NHSPS) - a multi-employer defined benefit scheme, which the University has accounted for as a defined contribution scheme. The amount charged to the consolidated statement of comprehensive income represents the contributions payable to the scheme in respect of the accounting period.

Defined contribution schemes

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

Defined benefit schemes

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

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

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

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses. The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Asset-backed funding of University of Sheffield Pension Scheme

The University has created a Scottish Limited Partnership in order to operate an asset-backed funding scheme for the University of Sheffield Pension Scheme. The wholly owned companies within this partnership are consolidated in the group accounts. The partnership is exempt from audit (as allowed by Section 7 of the Partnership Regulations 2008).

7. Employment benefits

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

8. 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. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

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

9. Service concession arrangements

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

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

10. Operating leases

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

11. Foreign currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the consolidated statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

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

12. Intangible fixed assets

Software development and acquisition costs are capitalised where certain criteria are met and amortised on a straight-line basis over the estimated useful life of between 3 and 10 years.

13. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and buildings

Land and buildings are measured using the revaluation model. Under the revaluation model, assets are revalued to fair value. The University has a policy of ensuring an external revaluation takes place at regular intervals as required. Depreciation and impairment losses are subsequently charged on the revalued amount.

A valuation of academic, office, ancillary and support buildings was carried out as at 31 July 2025 by Newmark.

A valuation of investment properties was carried out as at 31 July 2025 by Newmark.

A valuation of the Student Village properties held as a service concession was carried out as at 31 July 2025 by Newmark.

A valuation of the University's owned halls of residence and other residential properties was carried out as at 31 July 2025 by valuers SMC Brownill Vickers.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life.

For new build projects greater than £10 million and refurbishment projects greater than £5 million the project is split into the following components:

- Structure - 50 years
- Windows and doors - 30 years
- Mechanical and engineering – 25 years
- Industrial kitchen and specialist lab furnishings - 25 years
- Finishes - 15 years

Assets that have not been componentised are depreciated over its expected useful life as follows:

- Freehold buildings - up to 50 years
- Leasehold land and buildings - over the life of the lease up to 50 years
- Refurbishments - up to 20 years
- Specialised short-life assets, for example synthetic sports pitches - up to 7 years

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

Impairment

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

Equipment

Individual items of equipment and groups of functionally dependent items costing more than £20,000 are capitalised at cost. All other items of equipment are recognised as expenditure and are written off to the statement of comprehensive income in the year of acquisition.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

- General equipment – up to 10 years
- Equipment acquired for specific research project - over the life of the project, up to 10 years

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each statement of financial position.

Borrowing costs

Borrowing costs are recognised as expenditure in the period in which they are incurred.

Assets held for resale

Tangible fixed assets surplus to requirements are held at the lower of cost and net realisable value.

14. Heritage assets

The University is in possession of a small number of heritage assets. The value of these items is not material, and accordingly no heritage assets have been capitalised.

15. Investment properties

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the consolidated statement of comprehensive income. Properties are not depreciated but are revalued on a regular basis.

Investment properties are disclosed within fixed assets in Note 14.

16. Investments

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

Other non-current asset investments and current asset investments are held at fair value with movements recognised in the consolidated statement of income.

17. Stock

Stock is valued at the lower of cost and estimated selling price less costs to complete and sell.

18. Cash and cash equivalents

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

Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value.

19. Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when

- a) the University has a present obligation (legal or constructive) as a result of a past event
- b) it is probable that an outflow of economic benefits will be required to settle the obligation
- c) a reliable estimate can be made of the amount of the obligation

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

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

Contingent liabilities are not recognised in the statement of financial position but are disclosed in the notes.

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

The University accounts for its share of joint ventures using the equity method. The University accounts for its share of transactions from joint operations and jointly controlled assets in the consolidated statement of comprehensive income.

21. Taxation

Current tax, including UK corporation tax and foreign tax, is the amount of income tax payable in respect of the taxable profit for the year or prior years. It is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

The University is an exempt charity within the meaning of Part 3 of the Charities Act 2011. It is therefore a charity within the meaning of Para 1 of schedule 6 to the Finance Act 2010 and accordingly, the 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 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income. These differences arise from the inclusion of income and expenditures in tax assessments in different periods from those in which they are recognised in the financial statements, resulting in an obligation to pay more tax, or a right to pay less tax in future.

Deferred tax is provided in full on timing differences that exist at the reporting date subject to certain exceptions. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. The deferred tax is measured at the rate expected to apply in periods in which the timing differences

are expected to reverse, based on the tax rates and laws that are enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are not discounted.

The University receives no exemption as a charity in respect of Value Added Tax (VAT). Most education and research is VAT-exempt activity, so the University is unable to recover input tax incurred on the majority of its expenditure. Irrecoverable VAT on expenditure (both revenue and capital) is included in the costs of such expenditure. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax and VAT in the same way as any other commercial organisation. The charge for corporation tax in subsidiary companies is based on the profit or loss for the year and recognises the tax effects of any proposed Gift Aid payment payable to the University.

22. Financial instruments

The University has chosen to apply the provisions of sections 11 and 12 of FRS 102 in respect of the recognition and measurement of financial instruments. Financial assets and financial liabilities are recognised when the University becomes party to the contractual provisions of the instrument, and they are classified according to the substance of the contractual arrangements entered into.

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

Most of the University's financial assets and liabilities all meet the criteria for basic financial instruments prescribed within FRS 102. Basic financial assets and liabilities are measured as follows:

Investments

Investments within the scope of Section 11 of FRS 102 (therefore excluding investments in subsidiaries, associates and joint ventures) are recognised initially at fair value, which is normally the transaction price (but excludes any transaction costs, where the investment is subsequently measured at fair value through the statement of comprehensive income). Subsequently, they are measured at fair value if the investment is publicly traded, or their fair value can otherwise be measured reliably with the changes in fair value recognised in the statement of comprehensive income. All other investments are measured at cost less impairment.

Debtors and creditors

Debtors and creditors are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Loans

Loans which are basic financial instruments are initially recorded at the transaction price, net of transaction costs. Subsequently, they are measured at the transaction price net of transaction costs.

23. Reserves

Reserves are classified as restricted or unrestricted. Restricted endowment reserves include balances which, through endowment to the University, are held as 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.

24. Accounting estimates and judgements

In the process of applying these accounting policies, the University is required to make certain estimates, judgements, and assumptions that management believe are reasonable based on the information available. These are reviewed on a regular basis by the University's senior management team.

Significant estimates and judgements used in the preparation of the financial statements are as follows:

Key areas of estimation uncertainty are:

Pension schemes

1) The University participates in the Universities Superannuation Scheme (USS). 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 Universities Superannuation Scheme. 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 in profit or loss in accordance with section 28 of FRS 102. The University is satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the funding plan in existence at the date of approving the financial statements.

2) The University of Sheffield Pension Scheme (USPS) is accounted for as a defined benefit scheme. Estimation uncertainty over defined benefit obligations is explained within the accounting policies on pages 42-47. There is also a level of estimation uncertainty over the assets; the total assets include assets amounting to £78.1 million (2024: £80.5 million) classified as level 3 financial assets, which are not quoted on an active market, are considered to be the least liquid and hardest to value and are therefore subject to a higher degree of estimation. Pension costs under FRS 102, and the amount of the provision in the Statement of Financial Position, are based upon the latest actuarial valuation, and assumptions, including the appropriate discount rate, agreed by management following actuarial advice. These assumptions are detailed in Note 32.

3) The University's land and buildings are held at fair value. Valuations are carried out at regular intervals by professionally qualified external valuers. Management make judgements as to whether any indicators of impairment are present for these assets, and whether there are indications that an adjustment is required to the useful economic lives of the buildings.

Service concession

4) In 2005-06, the University entered into a 41-year contract with a third-party provider for the provision and maintenance of student accommodation. Under FRS 102 this arrangement has been accounted for as a service concession. The University's liability has been brought onto the Statement of Financial Position at a value based on the present value of the minimum lease payments. Payments made by the University to the third-party provider are apportioned between the finance charge and repayment of the liability.

Annual leave accrual

5) The University's liability for staff annual leave not taken as at the reporting date has been based on information available for staff who record their annual leave usage on the University's online system. This information has been extrapolated to obtain an estimate for all staff.

Key areas subject to judgement are:

Impairments

The University's land and buildings are held at fair value. Valuations are carried out at regular intervals by professionally qualified external valuers. Management makes judgements as to whether any indicators of impairment are present for these assets, and whether there are indications that an adjustment is required to the useful economic lives of the buildings.

Consolidated and University statement of comprehensive income

Year ended 31 July 2025

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Income					
Tuition fees and education contracts	1	355.8	401.8	355.8	401.8
Funding body grants	2	111.7	109.1	111.7	109.1
Research grants and contracts	4	204.2	185.8	204.2	185.8
Other income	5	149.2	165.5	144.6	158.6
Investment income	6	18.2	20.3	17.9	20.1
Donations and endowments	7	11.0	12.5	11.0	12.5
Total income		850.1	895.0	845.2	887.9
Expenditure					
Staff costs - excluding movement in USS provision	8	477.5	472.8	471.6	481.5
Staff costs - movement in USS provision	8	-	(234.8)	-	(234.8)
Other operating expenses		260.5	285.6	261.7	285.1
Depreciation, amortisation and impairment of fixed assets	13, 14	96.5	103.1	96.5	103.0
Interest and other finance costs	9	14.7	17.1	17.9	16.6
Total expenditure	10	849.2	643.8	847.7	651.4
Surplus/(deficit) before other gains and share of operating surplus/(deficit) of joint ventures and associates		0.9	251.2	(2.5)	236.5
Gain on disposal of fixed assets		1.8	0.3	1.8	0.3
Gain on investments	16, 25	3.8	3.1	3.8	3.1
Share of operating surplus in joint venture	16 (b)	-	0.8	-	-
Share of operating deficit in associate	16 (c)	(1.6)	(1.7)	-	-
Gift Aid		-	-	6.4	2.8
Dividends received		-	-	-	-
Apportioned profit paid to University of Sheffield Pension Scheme Trustee Ltd		-	-	-	-
Surplus before tax		4.9	253.7	9.5	242.7
Taxation	12	-	-	-	-
Surplus after tax		4.9	253.7	9.5	242.7
Other comprehensive income					
Unrealised surplus on revaluation of land and buildings	14	24.8	32.8	24.8	32.8
Actuarial gain/(loss) in respect of pension schemes	32	16.1	(20.3)	16.1	(20.3)
Total comprehensive income for the year		45.8	266.2	50.4	255.2
Represented by:					
Endowment comprehensive income for the year		3.8	8.1	3.8	8.1
Restricted comprehensive income/(expenditure) for the year		-	(0.2)	-	(0.2)
Unrestricted comprehensive income for the year		35.5	244.9	40.1	233.9
Revaluation reserve comprehensive income for the year		6.5	13.4	6.5	13.4
		45.8	266.2	50.4	255.2

All items of income and expenditure relate to continuing activities.
The accompanying notes and policies on pages 42 to 47 form part of these financial statements.

Consolidated and University statement of changes in reserves

Year ended 31 July 2025

	Income and expenditure account			Revaluation reserve	Total
	Endowment £m	Restricted £m	Unrestricted £m	£m	£m
Consolidated					
Balance at 1 August 2023	47.1	5.6	729.2	846.2	1,628.1
Surplus for the year	8.1	1.7	244.0	-	253.8
Other comprehensive income	-	-	(20.3)	32.8	12.5
Transfers between revaluation and income and expenditure reserve	-	-	19.4	(19.4)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
Balance at 1 August 2024	55.2	5.5	974.1	859.6	1,894.4
Surplus for the year	3.8	1.8	(0.7)	-	4.9
Other comprehensive (expenditure)/income	-	-	16.1	24.8	40.9
Transfers between revaluation and income and expenditure reserve	-	-	18.3	(18.3)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
Balance at 31 July 2025	59.0	5.5	1,009.6	866.1	1,940.2
University					
Balance at 1 August 2023	47.1	5.6	731.5	846.2	1,630.4
Surplus for the year	8.1	1.7	233.0	-	242.8
Other comprehensive income	-	-	(20.3)	32.8	12.5
Transfers between revaluation and income and expenditure reserve	-	-	19.4	(19.4)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
Balance at 1 August 2024	55.2	5.5	965.4	859.6	1,885.7
Surplus for the year	3.8	1.8	3.9	-	9.5
Other comprehensive (expenditure)/income	-	-	16.1	24.8	40.9
Transfers between revaluation and income and expenditure reserve	-	-	18.3	(18.3)	-
Release of restricted funds spent in year	-	(1.8)	1.8	-	-
Balance at 31 July 2025	59.0	5.5	1,005.5	866.1	1,936.1

Consolidated and University statement of financial position

Year ended 31 July 2025

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Non-current assets					
Intangible assets	13	3.1	6.1	3.1	6.1
Tangible assets	14	1,756.9	1,762.2	1,756.7	1,762.0
Investments	16	7.8	7.3	44.9	44.4
Investment in joint venture	16 (b)	(0.7)	(0.7)	-	-
Investments in associate	16 (c)	(5.5)	(3.9)	-	-
Debtors and prepayments due in more than one year	17	21.3	7.2	21.6	7.2
		1,782.9	1,778.2	1,826.3	1,819.7
Current assets					
Stock		0.4	0.5	0.2	0.3
Trade and other receivables	18	111.8	125.2	112.8	126.4
Investments	19	170.4	155.3	168.2	153.1
Cash and cash equivalents	20	223.1	220.6	216.2	213.5
		505.7	501.6	497.4	493.3
Less: Creditors: amounts falling due within one year	21	(192.9)	(222.5)	(193.2)	(222.8)
Net current assets		312.8	279.1	304.2	270.5
Total assets less current liabilities		2,095.7	2,057.3	2,130.5	2,090.2
Creditors: amounts falling due after more than one year	22	(155.2)	(159.2)	(194.1)	(200.8)
Provisions					
Other provisions	23	(0.3)	(3.7)	(0.3)	(3.7)
Total net assets		1,940.2	1,894.4	1,936.1	1,885.7
Restricted reserves					
Income and expenditure reserve - endowment reserve	25	59.0	55.2	59.0	55.2
Income and expenditure reserve - restricted reserve	26	5.5	5.5	5.5	5.5
Unrestricted reserves					
Income and expenditure reserve - unrestricted		1,009.6	974.1	1,005.5	965.4
Revaluation reserve		866.1	859.6	866.1	859.6
Total reserves		1,940.2	1,894.4	1,936.1	1,885.7

The financial statements on pages 42 to 76 were approved by the Council on 20 November 2025 and were signed on its behalf by:

Mr Martin J. Temple CBE, Chair and Pro-Chancellor

Professor K. Lamberts, President and Vice-Chancellor

The University of Sheffield

Consolidated statement of cash flow

Year ended 31 July 2025

	Notes	2025 £m	2024 £m
Cash flows from operating activities			
Surplus for the year before tax		4.9	253.7
Adjustment for non-cash items			
Depreciation, amortisation and impairment of fixed assets	13, 14	96.5	103.1
(Gain) on investments	16, 25	(3.5)	(3.1)
Decrease in stock		0.1	-
Decrease in debtors	17, 18	15.3	4.1
Decrease in creditors	21, 22	(28.0)	(28.4)
Decrease in pension provision	23	-	(249.9)
(Decrease)/increase in other provisions	23	(3.4)	3.5
Share of operating (surplus)deficit in joint venture	16 (b)	-	(0.8)
Share of operating deficit in associate		1.6	1.7
Adjustment for investing or financing activities			
Investment income	6	(18.2)	(20.3)
Interest payable	9	14.7	11.8
Endowment income	7	(0.8)	(4.9)
Gain on disposal of fixed assets		(1.8)	(0.3)
Gain on option contracts		(0.3)	-
Capital grant income		(43.6)	(28.2)
Cash flows from operating activities		33.5	42.0
Taxation		-	-
Net cash inflows from operating activities		33.5	42.0
Cash flows from investing activities			
Proceeds from sales of fixed assets		1.8	0.4
Capital grants receipts		41.7	39.8
Investment income	6	18.2	20.3
Payments made to acquire fixed assets	14	(63.2)	(75.8)
Payments made to acquire intangible assets	13	(0.2)	(0.6)
Cash payments for option contracts		(1.2)	-
Cash receipts from option contracts		1.5	-
New non-current asset investments		(4.4)	-
New deposits		(7.7)	(29.9)
		(13.5)	(45.8)
Cash flows from financing activities			
Interest paid	9	(5.3)	(2.3)
Interest element of finance lease and service concession payments	9	(9.3)	(9.5)
Endowment cash received	25	0.8	4.9
New loans		60.0	-
Repayments of amounts borrowed		(60.8)	(0.5)
Capital element of finance lease and service concession payments		(2.9)	(3.3)
		(17.5)	(10.7)
Increase in cash and cash equivalents in the year		2.5	(14.5)
Cash and cash equivalents at beginning of the year	20	220.6	235.1
Cash and cash equivalents at end of the year	20	223.1	220.6

Notes to the financial statements

Note 1 Tuition fees and education contracts

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Full-time home undergraduate students	138.6	138.7	138.6	138.7
Full-time home postgraduate students	13.0	10.6	13.0	10.6
International students	168.5	215.4	168.5	215.4
Part-time home students	2.8	2.7	2.8	2.7
NHS education contracts	3.5	3.3	3.5	3.3
Research Training Support Grant and other contracts	29.4	31.1	29.4	31.1
	355.8	401.8	355.8	401.8

Note: Home / International split is determined by fee status i.e. whether the student pays a home fee or an overseas fee. EU students who pay an overseas fee are classed as International students.

Note 2 Funding body grants

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Recurrent grant				
Office for Students	30.4	29.4	30.4	29.4
UK Research and Innovation (Research England)	54.3	53.8	54.3	53.8
Capital grant	7.9	7.5	7.9	7.5
Specific grants				
Higher Education Innovation Fund	6.7	6.7	6.7	6.7
Skills Funding Agency	6.8	6.1	6.8	6.1
Other specific grants	5.6	5.6	5.6	5.6
	111.7	109.1	111.7	109.1

Note 3 Grant and fee income

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Grant income from the OfS	30.4	29.5	30.4	29.5
Grant income from other bodies	81.2	79.5	81.2	79.5
Fee income for taught awards (exclusive of VAT)	308.3	354.6	308.3	354.6
Fee income for research awards (exclusive of VAT)	18.0	16.0	18.0	16.0
Fee income from non-qualifying courses (exclusive of VAT)	29.6	31.3	29.6	31.3
	467.5	510.9	467.5	510.9

Notes to the financial statements

Note 4 Research grants and contracts

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Government UK and overseas	83.3	68.5	83.3	68.5
Research councils	72.1	69.8	72.1	69.8
Research charities	18.1	17.4	18.1	17.4
Industry and commerce	23.9	23.7	23.9	23.7
Other grants and contracts	6.8	6.4	6.8	6.4
	204.2	185.8	204.2	185.8

Note 5 Other income

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Residences, catering and conferences	46.1	41.2	37.9	35.1
Patents and licences income	29.3	48.6	29.3	48.6
Other services rendered	26.9	29.9	26.9	29.9
Health authorities	17.4	17.0	17.4	17.0
Other income	29.5	28.8	33.1	28.0
	149.2	165.5	144.6	158.6

Note 6 Investment income

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Investment income on endowments	25	1.3	1.3	1.3	1.3
Other investment income		16.9	19.0	16.6	18.8
		18.2	20.3	17.9	20.1

Note 7 Donations and endowments

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
New endowments	25	0.8	4.9	0.8	4.9
Donations with restrictions		1.3	1.4	1.3	1.4
Unrestricted donations		8.9	6.2	8.9	6.2
		11.0	12.5	11.0	12.5

Notes to the financial statements

Note 8 Staff costs

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Staff costs:					
Salaries		365.2	357.0	360.0	354.3
Social security costs		41.6	36.8	41.2	36.5
Movement on USS past service cost on pensions	32	-	(234.8)	-	(234.8)
Other pension costs		70.7	79.0	70.4	90.7
Total		477.5	238.0	471.6	246.7

	Consolidated		University	
	2025 full-time equivalents	2024 full-time equivalents	2025 full-time equivalents	2024 full-time equivalents
Staff numbers:				
Academic	2,016	2,072	2,016	2,072
Research	1,516	1,510	1,516	1,510
Total Academic and Research	3,532	3,582	3,532	3,582
Professional Services	2,726	2,819	2,726	2,819
Technical and Specialist	967	1,010	967	1,010
Other	572	624	440	482
	7,797	8,035	7,665	7,893

Higher Education Senior Staff Remuneration Code:

The University of Sheffield is committed to transparency in its approach to the remuneration of its senior leadership team, including its President and Vice-Chancellor, and is fully committed to the Higher Education Senior Staff Remuneration Code, which sets out principles to ensure fair and appropriate senior remuneration. The University's annual Remuneration Report and Statement as required by the Higher Education Senior Staff Remuneration Code is available at www.sheffield.ac.uk/govern/committees/senior-remuneration.

Number of staff with a University-funded FTE basic salary of £100,000 or more:

	Consolidated		University	
	2025 number	2024 number	2025 number	2024 number
£100,000 to £104,999	35	31	35	31
£105,000 to £109,999	33	17	33	17
£110,000 to £114,999	6	23	6	23
£115,000 to £119,999	18	12	18	12
£120,000 to £124,999	8	9	8	9
£125,000 to £129,999	9	4	9	4
£130,000 to £134,999	9	16	9	16
£135,000 to £139,999	6	5	6	5
£140,000 to £144,999	3	4	3	4
£145,000 to £149,999	12	6	12	6
£150,000 to £154,999	3	2	3	2
£155,000 to £159,999	-	2	-	2
£160,000 to £164,999	2	4	2	4
£165,000 to £169,999	2	1	2	1
£170,000 to £174,999	2	1	2	1
£175,000 to £179,999	1	-	1	-
£180,000 to £184,999	1	1	1	1
£185,000 to £189,999	3	2	3	2
£200,000 to £204,999	-	1	-	1
£205,000 to £209,999	1	-	1	-
£210,000 to £214,999	1	-	1	-
£330,000 to £334,999	-	1	-	1
£335,000 to £339,999	1	-	1	-
	156	142	156	142

Notes to the financial statements

Note 8 Staff costs (continued)

Remuneration of the President and Vice-Chancellor

	2025	2024
	£	£
Salary	333,963	330,000
Employer USS pension contributions	-	8,663
Pension salary supplement	40,076	39,600
Other taxable benefits	2,533	650
	376,572	378,913

The Senior Remuneration Committee is responsible for reviewing the performance and determining the remuneration of the University's Executive Board, including the President and Vice-Chancellor. The Committee is independent, consisting of lay members of Council and chaired by the Chair of Council. In line with the principles of the HE Senior Staff Remuneration Code, the Chair is assumed by another lay member when any decision on the remuneration of the President and Vice-Chancellor is made. The members of the Senior Remuneration Committee bring a wealth and breadth of remuneration expertise from different sectors. They take into account the University's progress, independent job evaluation using Hay methodology, external benchmarking data, individual performance and other information to help determine senior levels of pay.

The President and Vice-Chancellor's salary continues to reflect the size, scale and complexity of the organisation, which has over 25,000 students, circa 8,000 staff, an annual turnover of £850 million and strategic partnerships with many stakeholders, including local, national and global organisations. In addition to his role as President and Vice-Chancellor, Professor Koen Lamberts is a respected leader in education nationally and internationally, and represents the University and the sector with a number of external leadership roles: www.sheffield.ac.uk/vc/biography.

The performance of the President and Vice-Chancellor is formally reviewed annually in line with institutional and individual objectives set and agreed at the beginning of the academic year by both the Senior Remuneration Committee and the University's Council.

In 2024-25, the President and Vice-Chancellor's basic salary was increased by 2.5%, in line with the national pay award applied to all staff.

The President and Vice-Chancellor is an enhanced opt-out member of the USS and receives a 12% pension salary supplement in line with the University's Pension Salary Supplement Policy (see note below). The President and Vice-Chancellor joined the University's Executive Private Medical Insurance Scheme in January 2024.

Note: Pension

Enhanced Opt Out (EOO) is an option within the USS, available to members who are impacted by pension taxation limits, so that members can stop building up retirement benefits but retain life and ill-health cover. The enhanced opt-out contribution rate of 6.3% for employers was removed on 31 December 2023. The University's Pension Salary Supplement Policy was introduced in 2017 so that the University was able to offer an alternative reward package to individuals who are adversely affected by pension taxation limits, subject to them meeting certain eligibility criteria. Offering an alternative to pension contributions enables the University to remain competitive in the external market and to attract and retain high-calibre individuals. The 12% salary supplement rate is cost-neutral, taking into account National Insurance costs and employer deficit costs. It is also in line with supplements paid by other Universities. The policy and the salary supplement rate are reviewed regularly by the Senior Remuneration Committee.

Pay multiples

Pay ratios show the relationship between the President and Vice-Chancellor's remuneration and all other employees (University and subsidiary), expressed as a multiple.

The total salary multiple includes basic full-time equivalent pay at 31 July 2025 plus the total value of the following paid in the financial year: allowances, bonus, employer pension contributions, overtime, benefits in kind and recognition awards.

The salaries of atypical employees/workers paid through the University's payroll are included in the pay multiple. The pay rates for the University's atypical workforce are in line with the University's grading structure. Atypical workers typically work in a variety of roles, attracting different pay rates and are normally for one-off or irregular assignments. External agency staff are excluded.

Basic salary

In 2024-25 the basic salary of the President and Vice-Chancellor was 8.6 times greater than the median basic salary of all other employees (2023-24: 8.9).

Total salary

In 2024-25 the total salary of the President and Vice-Chancellor was 8.7 times greater than the median total salary of all other employees (2023-24: 9.2).

Notes to the financial statements

Note 8 Staff costs (continued)

Compensation for loss of office

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Total amount of compensation payable	10.9	3.9	10.7	3.9
	Number	Number	Number	Number
Number of staff to whom this was payable	614	298	601	298

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University.

Key management personnel are defined as the University Executive Board, which is the President and Vice-Chancellor's executive group and is comprised of the President and Vice-Chancellor, the Provost and Deputy Vice-Chancellor, five Faculty Vice-Presidents, Vice-President for Education, Vice-President for Research and Innovation, Chief Financial Officer, Chief Operating Officer and Director of Human Resources.

Note that compensation consists of salary and benefits, including any employer's pension contributions.

	2025 £m	2024 £m
Key management personnel compensation	3.1	3.3

Note 9 Interest and other finance costs

Notes	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Loan interest	5.6	3.5	5.6	3.5
Finance lease interest (including service concession finance charge)	9.3	9.5	12.5	9.0
Unwind of discount on USS pension provision	-	5.3	-	5.3
Net interest cost on University of Sheffield Pension Scheme	(0.2)	(1.2)	(0.2)	(1.2)
	14.7	17.1	17.9	16.6

Notes to the financial statements

Note 10 Analysis of total expenditure by activity

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Academic and related expenditure	258.5	267.2	258.5	267.2
Administration and central services	178.3	182.3	178.3	182.3
Premises	115.8	120.5	115.8	120.5
Residences, catering and conferences	52.0	52.6	47.6	46.5
Research grants and contracts	127.9	131.3	127.9	131.3
Scholarships, bursaries and prizes	34.3	36.6	34.3	36.6
Other expenses	82.4	88.1	85.3	101.8
Total before pension provision	849.2	878.6	847.7	886.2
USS pension movement	-	(234.8)	-	(234.8)
	849.2	643.8	847.7	651.4

Other operating expenses include payments under operating leases, which are detailed in Note 30.

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Included within other operating expenses are the following costs:				
Fees payable to the auditor for the audit of the University's financial statements	0.3	0.3	0.3	0.3
Fees payable to the auditor and its associates for other services	0.1	0.1	0.1	0.1
Audit of the financial statements of subsidiaries	0.1	0.1	-	-
	0.5	0.5	0.4	0.4

Note 11 Access and participation expenditure

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Access investment	2.9	3.4	2.9	3.4
Financial support	5.7	6.8	5.7	6.8
Disability support	2.2	2.5	2.2	2.5
Research and evaluation	0.1	0.2	0.1	0.2
	10.9	12.9	10.9	12.9

£4m of the costs shown above are staff costs, and are included in note 8 of the financial statements.

The University's current access and participation plan is shown at this link: www.sheffield.ac.uk/finance/access-and-participation.

Notes to the financial statements

Note 12 Taxation

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Recognised in the statement of comprehensive income				
Current tax expense	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	-	-	-	-

Note 13 Intangible assets

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Software				
Opening balance	6.1	8.6	6.1	8.6
Additions in the year	0.2	0.6	0.2	0.6
Amortisation charge for the year	(3.2)	(3.1)	(3.2)	(3.1)
Closing balance	3.1	6.1	3.1	6.1

Notes to the financial statements

Note 14 Tangible assets

	Land and buildings	Service concession arrangement (Note 15)	Fixtures, fittings and equipment	Assets in the course of construction	Total
	£m	£m	£m	£m	£m
Consolidated					
Cost or valuation					
At 31 July 2024	1,437.9	256.6	424.0	62.9	2,181.4
Additions	22.5	-	21.1	19.6	63.2
Transfers	42.9	-	1.4	(44.3)	-
Surplus on revaluation	27.7	22.0	-	-	49.7
Loss on revaluation	(91.2)	-	-	-	(91.2)
Disposals	-	-	(7.9)	-	(7.9)
At 31 July 2025	1,439.8	278.6	438.6	38.2	2,195.2
Consisting of:					
Valuation	236.3	114.8	-	-	351.1
Cost	1,203.5	163.8	438.6	38.2	1,844.1
	1,439.8	278.6	438.6	38.2	2,195.2
Depreciation					
At 31 July 2024	47.1	-	372.1	-	419.2
Charge for the year	53.6	4.7	29.9	-	88.2
Impairment write down	5.1	-	-	-	5.1
Written back on revaluation	(61.6)	(4.7)	-	-	(66.3)
Disposals	-	-	(7.9)	-	(7.9)
At 31 July 2025	44.2	-	394.1	-	438.3
Net book value					
At 31 July 2025	1,395.6	278.6	44.5	38.2	1,756.9
At 31 July 2024	1,390.8	256.6	51.9	62.9	1,762.2
University					
Cost or valuation					
At 31 July 2024	1,437.9	256.6	422.8	63.0	2,180.3
Additions	22.5	-	21.1	19.6	63.2
Transfers	42.9	-	1.4	(44.3)	-
Surplus on revaluation	27.7	22.0	-	-	49.7
Loss on revaluation	(91.2)	-	-	-	(91.2)
Disposals	-	-	(7.9)	-	(7.9)
At 31 July 2025	1,439.8	278.6	437.4	38.3	2,194.1
Consisting of:					
Valuation	236.3	114.8	-	-	351.1
Cost	1,203.5	163.8	437.4	38.3	1,843.0
	1,439.8	278.6	437.4	38.3	2,194.1
Depreciation					
At 31 July 2024	47.1	-	371.2	-	418.3
Charge for the year	53.6	4.7	29.9	-	88.2
Impairment write down	5.1	-	-	-	5.1
Written back on revaluation	(61.6)	(4.7)	-	-	(66.3)
Disposals	-	-	(7.9)	-	(7.9)
At 31 July 2025	44.2	-	393.2	-	437.4
Net book value					
At 31 July 2025	1,395.6	278.6	44.2	38.3	1,756.7
At 31 July 2024	1,390.8	256.6	51.6	63.0	1,762.0

At 31 July 2025, freehold land and buildings included £32.2m (2024 - £32.0m) in respect of freehold land which is not depreciated.

In addition, two investment properties valued in total at £7.9m (2024 - one property - £6.3m) were included above.

A valuation of the University's Academic and Administration buildings was carried out as at 31 July 2025 by an independent external valuer Newmark.

A valuation of the University's residential property held under a service concession arrangement was carried out as at 31 July 2025 by an independent external valuer Newmark.

A valuation of the University's residential property (excluding property in the service concession arrangement) was carried out as at 31 July 2025 by an independent external valuer SMC Brownill Vickers.

Notes to the financial statements

Note 15 Service concession arrangements

The University has one arrangement where service delivery has commenced.

Movement in service concession arrangement assets

The asset value of the service concession as at 31 July 2025 is £278.6m (31 July 2024: £256.6m).

The increase of £22m in the year is calculated as follows:

	£m
Opening balance	256.6
Depreciation in the year	4.7
Writeback of depreciation on valuation	(4.7)
Gain on revaluation	22.0
Closing balance	278.6

Movement in service concession arrangement liabilities

The total liabilities relating to the service concession as at 31 July 2025 were £86.9m (31 July 2024: £89.8m).

The sum of £2.9m was repaid during the year.

Future commitments

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

	Payable in 1 year	Payable in 2-5 years	Payable in more than 5 years	Total
	£m	£m	£m	£m
Liability repayments	2.9	9.8	74.2	86.9
Finance charge	4.5	16.7	34.7	55.9
Service charge	7.2	35.3	148.9	191.4
	14.6	61.8	257.8	334.2

The notes below give more information on the University's current service concession arrangements:

During 2005-06, the University entered into a 41-year contract with a third party provider for the provision and maintenance of student accommodation. Service commenced in 2006 and the contract will end in 2047.

The assets and liabilities relating to this scheme are recognised on the University's statement of financial position.

Annual rental payments made to the provider are recorded in other operating expenses.

Note 16 Non-current investments

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Investment in subsidiaries (a)*	-	-	36.6	36.6
Investment in joint ventures (b)	(0.7)	(0.7)	-	-
Investment in associates (c)	(5.5)	(3.9)	-	-
Other investments (d)*	7.8	7.3	8.3	7.8
	1.6	2.7	44.9	44.4

*An investment of £32.4m has been reclassified from 'Other investments (d)' to 'Investment in subsidiaries (a)' and prior year figures have been updated to reflect this.

(a) Investment in subsidiaries

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
At cost less impairment:				
At 1 August	-	-	36.6	36.6
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
At 31 July	-	-	36.6	36.6

Notes to the financial statements

Note 16 Non-current investments (continued)

(b) Investment in joint ventures

The University holds the following investments in joint ventures. The investments are accounted for at cost less impairment in the University financial statements and using the equity method in the consolidated financial statements.

N8 Limited

The N8 Research Partnership is a collaboration of the eight most research-intensive Universities in the North of England: Durham, Lancaster, Leeds, Liverpool, Manchester, Newcastle, Sheffield and York.

Working with universities, industry and society, N8 aims to maximise the impact of this research base by:

- promoting collaboration
- establishing innovative research capabilities and programmes of national and international prominence
- driving economic growth

Stem Learning Limited

Stem Learning is a collaboration between Sheffield Hallam University, The University of York, The University of Leeds and the University of Sheffield.

They aim to improve lives through STEM education by empowering young people with the skills and knowledge needed to thrive through effective teaching and learning. They provide various programs and resources, including professional development courses for teachers, career exploration for students, and a supportive community for educators.

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
At 1 August	(0.7)	(1.6)	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Share of profit/(loss) retained by joint venture	-	0.9	-	-
At 31 July	(0.7)	(0.7)	-	-

(c) Investment in associates

The investments are accounted for at cost less impairment in the University financial statements and using the equity method in the consolidated financial statements.

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
At 1 August	(3.9)	(2.3)	-	-
Additions	-	-	-	-
Disposals	-	-	-	-
Share of (loss) retained by associates	(1.6)	(1.7)	-	-
Amortisation of goodwill	-	-	-	-
At 31 July	(5.5)	(3.9)	-	-

(d) Other investments

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
At 1 August	7.3	6.9	7.8	7.4
Additions	-	-	-	-
Disposals	-	-	-	-
Impairment	-	-	-	-
Fair value adjustments	0.5	0.4	0.4	0.4
At 31 July	7.8	7.3	8.2	7.8

Other investments consist of:

At fair value:				
Market securities	7.6	7.1	7.6	7.2
At cost less impairment:	-	-	-	-
Group investments in spinouts	0.2	0.2	0.6	0.6
	7.8	7.3	8.2	7.8

Notes to the financial statements

Note 16 Non-current investments (continued)

Details of investments in which the consolidated and University (unless indicated) hold 20% or more of the nominal value of any class of share capital are as follows:

Subsidiaries

Company	Principal activity	Status
Epi Genesys Limited	Custom software solutions and web applications	100%
Escafeld Estates Limited	Property disposal for student residences strategy	100%
FaraPack Polymers Limited	Innovative packaging solutions	100%
Sheffield Advisory Services Sdn Bhd	University Malaysian office	100%
Suel Limited	Business and management consultancy	100%
The National Metals Technology Centre	Licensing of NAMTEC name to the University	*
TUOS Parking Limited	Car park services	100%
Unicus Sheffield Limited	Hotel services	100%
UOS LP Limited	Partner in asset backed funding of the University pension scheme	100%
UOS GP Limited	Partner in asset backed funding of the University pension scheme	100%

Associates

Company	Principal activity	Status
Aeqora Limited	Semantic based solutions for knowledge sharing	38%
Blastech Limited	Blast, impact and ballistic testing services	25%
High Value Manufacturing Catapult	Grants management	*
IFRF Limited	Non-profit research	*
Keapstone Therapeutics Limited	Virtual biotechnology	36%
Knowledge Flo Limited	Holding company	45%
Leonardo Testing Services Limited	Testing services for research and development	33%
Limitstate Limited	Computational limit analysis and software design	25%
Plume Biotechnology Limited	Research and experimental development on biotechnology	28%
Pyroptik Instruments Limited	Manufacture of electronic industrial process control equipment	26%
Redbrick Molecular Limited	Chemistry research and development	*
Rinri Therapeutics Limited	Research and experimental development on biotechnology	29%
South Yorkshire Institute of Technology	Post-secondary non-tertiary education	*

* Limited by guarantee

All holdings are ordinary shares with the exception of Rinri Therapeutics Limited which includes ordinary shares and A ordinary shares. Apart from Sheffield Advisory Services Sdn Bhd, which is incorporated in Malaysia, all companies are incorporated in Great Britain.

Notes to the financial statements

Note 17 Debtors and prepayments due in more than one year

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Amounts falling due in more than one year:					
Prepayment: IT services		2.6	4.3	2.6	4.3
University of Sheffield Pension Scheme asset	32	17.0	1.4	17.0	1.4
Loans to Group companies		-	-	0.2	-
Loans to other companies		1.7	1.5	1.8	1.5
		21.3	7.2	21.6	7.2

Note 18 Trade and other receivables

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Amounts falling due within one year:					
Research grants accrued income		25.4	24.7	25.4	24.7
Prepayments and other accrued income		50.6	52.1	50.3	51.1
Other receivables		35.8	48.1	35.4	47.6
Amounts due from subsidiary companies		-	0.3	1.7	3.0
		111.8	125.2	112.8	126.4

Note 19 Current investments

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Short-term investment in shares	25	52.4	45.0	52.4	45.0
Short-term deposits		118.0	110.3	115.8	108.1
		170.4	155.3	168.2	153.1

Notes to the financial statements

Note 20 Cash and cash equivalents

	2024 £m	Cash flows £m	2025 £m
Consolidated			
Cash and cash equivalents	220.6	2.5	223.1
	220.6	2.5	223.1
University			
Cash and cash equivalents	213.5	2.7	216.2
	213.5	2.7	216.2
Consolidated movement in net debt			
Net debt 31 July 2024			(69.8)
Movement in cash and cash equivalents			(2.5)
Other non-cash changes			(3.7)
Net debt 31 July 2025			(76.0)
Change in net debt			(6.2)
Analysis of net debt:		2025	2024
		£m	£m
Cash and cash equivalents		223.1	220.6
Borrowings: amounts falling due within one year			
Service concession arrangements		2.9	2.9
Unsecured loans		0.2	0.9
		3.1	3.8
Borrowings: amounts falling due after more than one year			
Service concession liabilities due after one year		84.0	86.9
Unsecured loans		60.0	60.0
		144.0	147.0
Net cash and cash equivalents		76.0	69.8

Notes to the financial statements

Note 21 Creditors: amounts falling due within one year

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Unsecured loans		0.2	0.9	0.2	0.9
Obligations under finance leases		-	-	3.0	3.0
Service concession arrangements	15	2.9	2.9	2.9	2.9
Trade payables		30.2	13.2	29.6	10.9
Social security and other taxation payable		1.6	10.8	0.8	10.7
Accruals and deferred income		127.3	155.6	125.3	154.9
Other creditors		30.7	39.1	31.4	39.5
		192.9	222.5	193.2	222.8

Deferred income

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

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
Research grants received on account	38.7	51.9	38.7	51.9
Other income	36.8	48.3	36.8	48.3
	75.5	100.2	75.5	100.2

Note 22 Creditors: amounts falling due after more than one year

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Service concession liabilities due after one year	15	84.0	86.9	84.0	86.9
Obligations under finance lease		-	-	38.9	41.6
Long-term creditor		-	-	-	-
Deferred income		11.2	12.3	11.2	12.3
Bank and other loans		60.0	0.2	60.0	0.2
Private placement		-	59.8	-	59.8
		155.2	159.2	194.1	200.8
Analysis of loans, private placement and finance lease					
Due within one year or on demand	20	0.2	0.9	3.2	3.9
Due between one and two years		-	0.1	3.4	3.4
Due between two and five years		-	0.1	12.4	11.6
Due in five years or more		60.0	59.8	83.1	86.6
Due after more than one year		60.0	60.0	98.9	101.6
Total unsecured loans and finance leases		60.2	60.9	102.1	105.5
Unsecured loans		60.2	60.9	60.2	60.9
		60.2	60.9	60.2	60.9

Included in bank and other loans is a bank loan of £60.0m (2024: £nil) which is repayable in full in 2032 and carries variable interest at SONIA plus a margin and other loans of £0.2m (2024: £1.1m) which are interest free and repayable in biannual installments by 2026.

Included in the private placement is £nil (2024: £60m) which was repayable in full in 2047 and carried fixed interest of 5.33%.

Notes to the financial statements

Note 23 Provisions for liabilities

	Consolidated		University	
	2025 £m	2024 £m	2025 £m	2024 £m
At 1 August	3.7	229.8	3.7	229.8
Utilised in year	(1.9)	(234.9)	(1.9)	(234.9)
Additions in year	0.3	8.8	0.3	8.8
Unused amounts reversed in year	(1.8)	-	(1.8)	-
At 31 July	0.3	3.7	0.3	3.7

Note 24 Financial instruments

	Notes	Consolidated		University	
		2025 £m	2024 £m	2025 £m	2024 £m
Measured at fair value					
Non-current investments held at fair value	16	7.6	7.1	7.6	7.2
Endowment investments held at fair value	19/25	52.4	45.0	52.4	45.0
Measured at cost					
Trade and other receivables	18	111.8	125.2	112.8	126.4
Trade payables	21	(30.2)	(13.2)	(29.6)	(10.9)
Social security and other taxation payable	21	(1.6)	(10.8)	(0.8)	(10.7)
Accruals and deferred income due in one year	21	(127.3)	(155.6)	(125.3)	(154.9)
Accruals and deferred income due in more than one year	22	(11.2)	(12.3)	(11.2)	(12.3)
Other creditors due in one year	21	(30.7)	(39.1)	(31.3)	(39.5)
Other creditors due in more than one year	22	-	-	-	-
Bank and other non-secured loans	21	(0.2)	(0.9)	(0.2)	(0.9)
Bank and other non-secured loans	22	(60.0)	(0.2)	(60.0)	(0.2)
Private placement	22	-	(59.8)	-	(59.8)
		(89.4)	(114.6)	(85.6)	(110.6)

Notes to the financial statements

Note 25 Endowment reserves

Restricted net assets relating to endowments are as follows:

	Notes	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	2025 Total	2024 Total
		£m	£m	£m	£m	£m
Consolidated and University Balances at 31 July 2024						
Capital		28.6	9.9	10.1	48.6	40.9
Accumulated income		5.3	-	1.3	6.6	6.2
		33.9	9.9	11.4	55.2	47.1
New endowments	7	-	-	0.8	0.8	4.9
Investment income	6	0.7	0.3	0.3	1.3	1.3
Expenditure		(0.7)	(0.3)	(0.4)	(1.4)	(0.9)
Increase in market value of investments		1.8	0.6	0.7	3.1	2.8
Total endowment comprehensive income for the year		1.8	0.6	1.4	3.8	8.1
		35.7	10.5	12.8	59.0	55.2
At 31 July 2025						
Represented by:						
Capital		30.4	10.5	11.5	52.4	48.6
Accumulated income		5.3	-	1.3	6.6	6.6
		35.7	10.5	12.8	59.0	55.2
Analysis by type of purpose:						
Lectureships		5.2	-	0.1	5.3	5.2
Scholarships and bursaries		18.2	-	7.9	26.1	26.0
Research support		5.6	-	1.6	7.2	3.3
Prize funds		2.3	-	2.0	4.3	4.1
General		4.4	10.5	1.2	16.1	16.6
		35.7	10.5	12.8	59.0	55.2
Analysis by asset						
Current and non-current asset investments	19				52.4	45.0
Cash and cash equivalents					6.6	10.2
					59.0	55.2
Deficit balances						
The accumulated income relating to the following permanent endowments is currently in deficit. The income to cover these deficits is expected to be received by 31 July 2026.						
		Capital	Income			
		£	£			
Balances at 31 July 2025						
HC Sorby Chair of Geology		101,026	(2,856)			
Milner Theo Physics		12,770	(85)			
		113,796	(2,941)			

Notes to the financial statements

Note 26 Restricted reserves

Reserves with restrictions are as follows:

	2025 Total	2024 Total
Consolidated and University	£m	£m
Balances at 31 July 2024	5.5	5.6
Research grant income	0.5	0.6
Other restricted income	1.3	1.1
Expenditure	(1.8)	(1.8)
Total restricted comprehensive expenditure for the year	-	(0.1)
At 31 July 2025	5.5	5.5
Analysis of other restricted funds/donations by type of purpose:		
Lectureships	-	-
Scholarships and bursaries	2.0	2.0
Research support	2.8	3.0
Prize funds	-	-
General	0.7	0.5
	5.5	5.5

Note 27 Capital and other commitments

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

	2025 Total	2024 Total
Consolidated and University	£m	£m
Commitments contracted for	28.2	17.7
Commitments not contracted for	48.8	148.6
	77.0	166.3

Note 28 Contingent liabilities

The University has given written undertakings to support these subsidiary companies at twelve months from the date of approval of these financial statements:

The National Metals Technology Centre
Unicus Sheffield Limited

The management of the University believe it is not practicable, at the time of signing of these accounts, to calculate the financial effect and/or timing of any requirement for funding that could arise from the letters of support, but believe that any support required would not be considered a material liability to the University.

Notes to the financial statements

Note 29 Linked charities

Included in the endowments in Note 28 are a small number of linked (paragraph (w)) charities:

	Opening balance	Realisations	Income	Expenditure	Change in market value	Closing balance
	£m	£m	£m	£m	£m	£m
Consolidated						
4 funds and charities each with income below £100,000:	0.4	-	-	-	-	0.4
	0.4	-	-	-	-	0.4

The funds and charities with income below £100,000 comprise two lecture funds, a prize fund, a fund to support scholarships and small projects.

Note 30 Lease obligations

Total rentals payable under operating leases:

	2025 Total	2024 Total
	£m	£m
Consolidated and University		
Land and buildings		
Payable during the year	11.0	11.2
Future minimum lease payments due:		
Not later than 1 year	11.8	11.6
Later than 1 year and not later than 5 years	34.1	48.4
Later than 5 years	20.5	13.0
Total lease payments due	66.4	73.0

Note 31 Events after the reporting period

There have been no events after the end of the reporting period.

Notes to the financial statements

Note 32 Pension schemes

The two principal schemes for the University's staff are the Universities' Superannuation Scheme (USS), and the University of Sheffield Pension Scheme (USPS). In addition, for some clinical staff, contributions are paid to the National Health Service Pension Scheme (NHSPS).

Consolidated and University		2025	2024
		£m	£m
Statement of comprehensive income - net pension cost in year			
USS contributions		62.2	72.7
USPS service costs		5.9	5.8
NHSPS contributions		2.4	2.4
Movement on USS provision in staff costs	8	-	(234.8)
USS pension finance cost	9	-	5.3
USPS and ex-gratia pensions net interest charge	9	(0.2)	(1.2)
USPS administration cost in other operating expenses		1.9	2.0
		72.2	(147.8)
Other comprehensive income - actuarial gain in respect of pension schemes			
USPS including FRS 102 adjustments		(16.1)	20.3
Statement of financial position - pension scheme liability/(asset)			
USS	23	-	-
USPS including FRS 102 adjustments	17	(17.0)	(1.4)
		(17.0)	(1.4)

(i) The Universities Superannuation Scheme

The total amount released to the income and expenditure account is £nil (2024: release of £229.5m).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2023 (the valuation date), which was carried out using the projected unit method with a one-year control period.

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

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

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

CPI assumption	3% (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations).
Pension increases (subject to a floor of 0%)	Increases to pensions with no cap are based on the CPI assumption + 3bps. Increases to pensions subject to a "soft cap" of 5% (providing inflationary increases up to 5% and half of any excess inflation over 5% up to a maximum increases of 10%) are based on the CPI assumption - 3bps. Increases to pensions that are capped at 2.5% are based on the CPI assumption - 96bps.
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post retirement: 0.9% p.a.

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

2023 valuation	
Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% pa, 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females.

Notes to the financial statements

Note 32 Pension schemes (continued)

The current life expectancies on retirement at age 65 are:

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

Following completion of the 2023 valuations, all deficit contributions ceased with effect from 1 January 2024 and there is therefore no deficit recovery liability at 31 July 2025.

(ii) University of Sheffield Pension Scheme

Disclosure for the accounting period ending 31 July 2025

The last formal triennial actuarial valuation of the scheme was performed as at 1 April 2023 by a professionally qualified actuary. The University engaged an independent actuary to provide a valuation for accounting purposes at 31 July 2025.

During the accounting period, the University paid contributions to the scheme in accordance with the tiered contribution structure that had been effective from 1 December 2011.

The University also provides ex-gratia pension benefits to certain employees and former employees who previously did not join other pension arrangements. Ex-gratia benefits have now ceased accruing for all such employees. The University currently pays ex-gratia pensions of £0.3m p.a. These liabilities are not separately funded.

Assumptions

	2025	2024
	%pa	%pa
Price inflation (RPI)	2.95	3.10
Price inflation (CPI)	2.65	2.75
Rate of increase in salaries	3.35	3.45
Cash balance revaluation	2.65	2.50
Pension increases - CPI (scheme members excess benefits)	2.75	2.75
Pension increases - CPI max 3% (post 88 GMP)	2.00	2.10
Pension increases - RPI (ex-gratia academic staff)	3.00	3.10
Pension increases - 3% fixed (ex-gratia academic staff)	3.00	3.00
Discount rate	5.70	4.90

In the current year, CMI_2024 using the projected underlying mortality rates (excluding the fitted pandemic overlay), with:
- a long-term rate of improvement of 1.25% p.a.
- initial addition parameter of zero
- 100% mortality data weighting for all years
- smoothing parameter (s-kappa) of 7
- half-life parameter for overlay decay of 1 year.

In the previous year, the post-retirement mortality table used is the CMI_2023 with a long-term rate of improvement of 1.25% p.a., a smoothing parameter (s-kappa) of 7.0 and initial addition parameter of zero, no weight to 2020 and 2021 data and 15% weight to 2022 and 2023 data.

Notes to the financial statements

Note 32 Pension schemes (continued)

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65.

	Males		Females	
	Pensioner	Non-pensioner (currently aged 45)	Pensioner	Non-pensioner (currently aged 45)
At 31 July 2025	21.3	21.8	23.7	25.1
At 31 July 2024	21.0	21.5	23.6	25.0

Scheme assets and expected rate of return for USPS

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward-looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

The assets in the scheme were:

	Fair value as at		
	31 July 2025	31 July 2024	31 July 2023
	£m	£m	£m
Equities	-	17.7	15.4
Government bonds	84.8	110.1	78.3
Corporate bonds	81.9	45.5	71.1
Property	15.3	15.2	15.9
Cash	3.4	5.1	6.5
Other	45.3	42.9	42.6
Total	230.7	236.5	229.8

Other assets include insure annuities of £6.8m (2024: £7.9m).

The tables below include, where applicable, disclosures for the USPS and Ex-gratia pensions combined to enable clear presentation. The Ex-gratia pensions account for £2.3m of the total liabilities of £213.7m (2024: £2.6m of £235.1m) and £0m of the total assets of £230.7m (2024: £0m of £236.5m).

	2025	2024
	£m	£m
Analysis of the amount shown in the balance sheet for USPS and ex-gratia pensions:		
Scheme assets	230.7	236.5
Scheme liabilities	(213.7)	(235.1)
Surplus/(deficit) in the scheme – net pension asset/(liability) recorded within pension provisions	17.0	1.4
Amount charged to income and expenditure for USPS		
Current service cost	5.9	5.8
Administration expenses	1.9	2.0
Total operating charge	7.8	7.8
Analysis of the amount charged to interest payable for USPS and ex-gratia pensions		
Interest cost	10.8	10.2
Expected return on assets	(11.0)	(11.4)
Net charge to interest payable	(0.2)	(1.2)
Analysis of other comprehensive income for USPS and ex-gratia pensions		
(Loss)/gain on assets	(6.1)	1.0
Experience (loss)/gain on liabilities	(2.0)	(11.0)
Gain on liabilities	24.2	(10.3)
Total other comprehensive income before deduction for tax	16.1	(20.3)

Notes to the financial statements

Note 32 Pension schemes (continued)

	2025	2024
	£m	£m
Cumulative actuarial loss recognised as other comprehensive income for USPS and ex-gratia pensions		
Cumulative actuarial losses recognised at the start of the year	(23.0)	(43.3)
Cumulative actuarial losses recognised at the end of the year	(39.1)	(23.0)
Analysis of movement in deficit for USPS and ex-gratia pensions		
Deficit at beginning of year	(1.5)	(18.5)
Contributions or benefits paid by the University	(6.9)	(9.9)
Current service cost	5.9	5.8
Administration charge	1.9	2.0
Net interest cost	(0.2)	(1.2)
Loss recognised in other comprehensive income	(16.1)	20.3
(Surplus)/deficit at end of year	(16.9)	(1.5)
Analysis of movement in the present value of USPS and ex-gratia liabilities		
Present value of USPS and ex-gratia liabilities at the start of the year	234.9	211.4
Current service cost (net of member contributions)	5.9	5.8
Interest expense	10.8	10.2
Actual member contributions (including notional contributions)	0.4	0.4
Actuarial gain	(24.3)	18.8
Actual benefit payments	(14.0)	(11.5)
Present value of USPS and ex-gratia liabilities at the end of the year	213.7	235.1
Analysis of movement in the fair value of scheme assets		
Fair value of assets at the start of the year	236.4	229.8
Expected return on assets	11.0	11.4
Actuarial gain on assets	(8.3)	(1.7)
Actual contributions paid by University	7.1	10.1
Expenses paid from scheme assets	(1.9)	(2.0)
Actual member contributions (including notional contributions)	0.4	0.4
Actual benefit payments	(14.0)	(11.5)
Fair value of scheme assets at the end of the year	230.7	236.5
Actual return on scheme assets		
Expected return on scheme assets	11.0	11.4
Actuarial gain on assets	(8.3)	(1.7)
Actual return on scheme assets	2.7	9.7

Estimated contributions for USPS in the Financial Year 2025-26 is £6.6m.

Notes to the financial statements

Note 33 Related party disclosure

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

The University of Sheffield Pension Scheme (USPS) is a post-employment benefit plan for the benefit of employees of the University of Sheffield, and as such is defined as a related party under FRS 102.

Transactions between the University and USPS are disclosed in Note 32.

Entities over which the University has control, joint control or significant influence:

	Income from related party	Expenditure to related party	Balances due from the related party	Income from related party	Expenditure to related party	Balances due from the related party
	2025	2025	2025	2024	2024	2024
	£m	£m	£m	£m	£m	£m
Blastech Limited	0.1	-	-	0.1	-	-
Evolutor Limited*	-	-	-	-	0.1	-
Keapstone Therapeutics Ltd	0.1	-	-	-	-	-
N8 Limited	0.4	0.1	-	0.4	0.1	-
Pyroptik Instruments Limited	-	0.1	-	-	0.2	-
Rinri Therapeutics Limited	1.0	-	-	0.8	-	-
South Yorkshire Institute of Technology	0.1	-	-	-	0.2	-
Sheffield Advisory Services Sdn Bhd	-	0.3	-	1.5	0.6	0.1
Sheffield University Student's Union	1.5	0.6	-	-	0.1	-
The Russell Group of Universities	-	0.1	-	-	0.1	-

* Associate status changed during 2024–25 year.

Members of Council and senior management hold a variety of senior positions at organisations which undertake transactions with the University on a regular basis. Such transactions are undertaken on an 'arm's length' basis. Annual declarations are made confirming the positions they hold in these organisations. These organisations do not meet the definition of related parties, but the existence of the relationship is included here in the interest of transparency. Therefore, full details of the value of such transactions, or balances outstanding between The University of Sheffield and these organisations, are not provided.

Council Members

Expenses were paid to eight Council members totalling £3,878 in respect of their duties as Council members in the year to 31 July 2025 (2024: £3,612). No remuneration was paid to or waived by Council members in connection with their duties as Council members (2024: £0).

Notes to the financial statements

Note 34 US Department of Education financial responsibility supplemental schedule

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations.

Description - supplemental schedule	Description - UK GAAP accounts	Notes	31 July 2025	31 July 2024
			£m	£m
Primary reserve ratio				
Expendable net assets				
Net assets without donor restrictions	Income and expenditure reserve - unrestricted reserves	Balance sheet	1,875.8	1,833.7
Net assets with donor restrictions	Income and expenditure reserve - endowment reserve	Note 28	59.0	55.2
Net assets with donor restrictions	Income and expenditure reserve - restricted reserve	Balance sheet	5.5	5.5
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20, 36	-	(0.3)
Property, plant and equipment, net	Fixed assets consolidated net book value	Note 14	(1,478.4)	(1,505.7)
Property, plant and equipment - pre-implementation	Fixed assets consolidated net book value at 1 August 2019 less depreciation and disposals, excluding service concessions	Note 14	(762.4)	(846.1)
Property, plant and equipment - post-implementation without outstanding debt for original purchase	Freehold land and buildings and equipment additions and transfers since 1 August 2019, excluding service concessions	Note 14	(473.5)	(436.8)
Construction in progress	Assets in the course of construction	Note 14	(242.5)	(222.8)
Lease right-of-use assets, net	Service concession arrangements	Note 14	(278.5)	(256.5)
Lease right-of-use asset pre-implementation	Service concession arrangements at 1 August 2019 less subsequent depreciation and disposals	Note 14	(222.9)	(222.9)
Lease right-of-use asset post-implementation	Service concession arrangements - additions since 1 August 2019	Note 14	(55.6)	(33.6)
Intangible assets	Software	Note 13	(3.1)	(6.1)
Post-employment and pension liabilities	Pension provisions	Note 26	-	-
Note payable and line of credit for long-term purposes (both current and long term) and line of credit for Construction in process	Borrowings	Note 25	60.2	60.9
Lease right-of-use asset liability	Service concession liabilities	Note 25	84.0	86.9
Lease right-of-use asset liability - pre-implementation	Service concession liabilities at 1 August 2019	Note 25	101.8	101.8
Lease right-of-use asset liability - post-implementation	Service concession liabilities movement since 1 August 2019	Note 25	(17.8)	(14.8)
Perpetual funds	Endowment reserve - restricted permanent endowments	Note 28	(35.7)	(34.0)

Notes to the financial statements

Note 34 US Department of Education financial responsibility supplemental schedule (continued)

Description - supplemental schedule	Description - UK GAAP accounts	Notes	31 July 2025 £m	31 July 2024 £m
Total expenses and losses				
Total operating expenses	Total expenditure	CSCI	849.2	643.8
Investment return appropriated for spending	Investment income	CSCI	(18.2)	(20.3)
Investments, net of annual spending gain (loss)	Loss on investments	CSCI	(3.8)	(3.1)
Pension-related changes other than net periodic pension costs	Actuarial gain on pension scheme	CSCI	(16.1)	20.3
Other gains (loss)	Share of operating surplus/(deficit) of joint ventures and associates	CSCI	23.3	31.9
Investments, net of annual spending, gain (loss)	Net investment losses	CSCI	(22.0)	(23.4)

Equity ratio

Modified net assets

Net assets without donor restrictions	Net assets without donor restrictions	Balance sheet	1,875.8	1,833.7
Total net assets with donor restrictions	Net assets with donor restrictions	Balance sheet	64.5	60.7
Intangible assets	Software	Note 13	3.1	6.1
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20	-	0.3

Modified assets

Total assets	Non-current assets	Balance sheet	1,763.6	1,772.9
Total assets	Current assets	Balance sheet	525.0	506.8
Lease right-of-use asset pre-implementation	Service concession arrangements at 1 August 2019	Note 14	222.9	222.9
Lease right-of-use asset liability pre-implementation	Service concession liabilities at 1 August 2019	Note 14	101.8	101.8
Intangible assets	Software	Note 13	3.1	6.1
Related party receivable and related party note disclosure	Amounts owed by related parties	Note 20	-	0.3

Net income ratio

Change in net assets without donor restrictions	Total comprehensive income for the year	CSCI	42.0	258.3
Total operating revenue and other additions and sale of fixed assets, gains (losses)	Total income and loss on disposal of fixed assets, less investment income	CSCI	833.7	875.0

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