Richmond
American University
London

Richmond, the American International University in London, Inc.

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS 30 June 2025

1. Administrative and Legal Information For the year ended 30 June 2025

Address
Building 12, Chiswick Park, 566 Chiswick High Road, London W4 5YA

Bankers
HSBC PLC
67 George Street,
Richmond, Surrey,
TW9 1HG

JP Morgan Chase Bank N.A.
2 Corporate Drive, Suite 730 Shetton,
CT 06484 USA

Advisor
Eversheds Sutherland (International) LLP 1 Wood Street London
EC2 V7WS

External Auditor
PEM Audit Limited
Registered Auditors
Salisbury House
Station Road Cambridge
CB1 2LA

Internal Auditor
KCG Audit Ltd
7 Bell Yard Street
London
WC2A 2JR

Registered Office
The Corporation Trust Company Corporation Trust Centre 1209
Orange Street Wilmington Delaware 19801 USA
(US Company Registration No 722450)
(UK Company Registration No FC8955)

2. List of Trustees and Principal Activities

The Trustees of the University who served during the year and up to the date of approval of these financial statements were:

Current Trustees
Dr William Durden (Chair)
Dr Janet Ilieva (Vice-Chair and Chair of Remuneration Committee)
Dr Phil Deans (President and Vice Chancellor)
Mrs. Caroline DeLaney
Ms Marguerite Dennis
Dr Judith Eaton (Chair of Nominations & Governance Committee)
Mr. Amarjeet Hans (Chair of Audit & Risk Committee)
Professor Futao Huang
Mr. Ian Leroni (Chair of Finance & Resources Committee)
Prof Kelly Coate (Provost)
Ms Qing Miao
Dr M Meissner (resigned 9th September 2024)

Previous Trustees
Deputy Chair of Audit and Risk Committee, Amarjeet Hans, was appointed as Chair of ARC on 9th September 2024 following resignation of Dr M Meissner.

Elected and prospective Independent and co-opted Trustee members of the Board of Trustees will be considered for appointment by the Board upon review and recommendation by the Nominations and Governance Committee, in accordance with Article One and Article Two of the Richmond the American International University in London, Inc ("RAIUL") Constitution.

The Board of Trustees approved and adopted a revised Constitution and By-Laws in May 2019, to take effect from 1 July 2019. These were drafted with legal advice, with a view to compliance with the new regulatory requirements of registration with the Office for Students, and on-going compliance with the standards of accreditation of the Middle States Commission on Higher Education. These provide improved governance and included a revised Conflict of Interest Policy. The Constitution and By-Laws were reviewed and updated in October 2020. The University complies with the Code of Governance for Independent Providers of Higher Education developed by Independent HE. A minor change to the By-Laws has been agreed for 2024/25 to recognise the use of the Independent Higher Education Code of Governance, replacing the Higher Education Code of Governance (CUC).

Principal Activities
Richmond University ("The University") is an independent US non-profit educational charity with tax exempt status under section 501 (c) (3) of the US Internal Revenue Code.

The University is accredited in the United States by The Middle States Commission on Higher Education and is registered in the Approved category by the Office for Students in the UK.

In 2018, the University was granted Taught Degree Awarding Powers (TDAP) by the UK government, making it the first university to award both US and UK degrees.

3. Strategic Report

Business Review and Future Developments

The financial year 2024/25 saw further work on turnaround issues and the completion of objectives in the Strategic Plan, in particular continued improvement to operations in Finance and in Marketing and Recruitment, and a voluntary severance programme to reduce staffing costs. There was a major revision of the academic portfolio (with effect from September 2025) which will result in reduced costs, more efficient use of the estate, and is expected to improve student retention and progression. Following a review of costs a decision was taken to close the US recruitment office and transfer its activities to the UK.

The relationship with China Education Group (CEG) continues to strengthen, with bilateral visits and CEG's financial support for our partnership remained significant. Important advances were made in formally strengthening the relationship, with Heads of Terms for a new, stronger relationship being agreed in late 2025.

There was a change in government in both the UK and the US, with important implications for the University. The UK election did not bring about a significant shift in the approach to international students. The election of President Trump has added significantly to uncertainty in the US, especially over regulatory oversight, but to date has not had a significant direct impact on Richmond. Strong headwinds continued to impact student recruitment. Changes to immigration rules were especially challenging and new markets (such as Nepal) delivered less quickly than expected. These issues were compounded by student financial difficulties resulting in increased late payment and debt, resulting in increased provisions during the year, although the University continues to actively chase all outstanding debt.

There was a dialogue through the year with the Office for Students (OfS). In May the University received a Student Protection Direction from the OfS requesting an updated Market Exit Plan, and responded to the Letter of Undertaking provided by China Education Group that provided a clear financial guarantee for the Market Exit Plan. OfS further requested to be kept fully updated of the evolving strategic partnership with China Education Group, and to ensure that OfS were informed immediately if CEG intended to remove their support from the University. The OfS required the University to pause any new validation agreements until the Student Protection Direction was removed.

In March, the University hosted a successful reaccreditation review visit from the Middle States Commission on Higher Education (MSCHE), and accreditation was reaffirmed by MSCHE in May for a further six years. In November, MSCHE confirmed that they had no objection to the proposed evolution of the partnership with China Education Group.

Governance and management

The institution reviewed its governance and committee structures, and its regulations, policies and procedures. The Academic Regulations were reviewed, resulting in minor updates to reflect the permission from MSCHE to offer distance learning, and Operational Regulations (covering finance, HR, IT, estates and other areas, and supporting revised policies and procedures) were implemented effectively. The revised governance was designed to align with the opportunities of the campus move, to ensure oversight and delivery of the strategic plan, to reflect the changes delivered in the transition, to seek broader efficiencies and improvement in institutional management, and to enhance compliance with regulatory requirements. A revised University Board membership was discussed and then approved, with effect from September 2024, arising from internal discussion and input from internal audit. This reduced the size of the University Board to four members (President, Provost, DVC Finance and Operations, and VP Students) and increased responsibility of its key support committees (Academic Board, Operations Committee and Student Affairs Committee). This is expected to improve clarity of decision making and reduce repetition of earlier activities. The new structure has proved more efficient and effective and will continue in place for 2025/26.

The Strategic Plan, 2021-2026

The University concluded Year 4 of its Strategic Plan, 2021-2026 in 2025 and the initial steps were taken for preparing the next Strategic Plan (2026-2031 or possibly 2027-2032) at the Strategic Planning meeting of the Board of Trustees in November 2024. The timing and content of the next Strategic Plan will depend on the development of the strategic partnership with CEG.

Review of the Strategic Plan is carried out by the University Board and overseen by the Board of Trustees. The University achieved the majority of its 2024 targets and had made appropriate progress on the 2025 goals and the wider ambitions. This included:

- a comprehensive review of the major and minor degree programmes (the Portfolio Rationalisation Project), leading to a more efficient curriculum delivery,
- a voluntary redundancy scheme resulting in savings in excess of £600k over a two-year period was undertaken during the financial year with a small number of staff seeing the end of the former contracts through 2025-26 and it was aligned with the above portfolio rationalization project.

The Office for Planning, Research and Institutional Assessment (PRIA) monitors progress on the Plan and provides regular updates to the President, the University Board and the Board of Trustees. PRIA also manages the University's risk registers.

The next Strategic planning cycle commenced in September 2025, with a view to approving a new Strategic Plan in 2025/26, to cover 2026-2031. Exact timing will depend on the evolution of the relationship with CEG.

China Education Group

The strategic partnership with CEG continued to grow and strengthen, with mutual visits and a growing number of programmes. Another CEG partner institution (Guangzhou College of Applied Science and Technology) entered into a validation agreement, and CEG students attending Richmond summer schools doubled in Summer 2025 over 2024, with a further doubling predicted for 2026. CEG continued to work appropriately and supportively and there were no risks to institutional autonomy and independence. No issues related to freedom of speech or expression were identified or reported. The process for drawing down funding has worked efficiently and CEG has responded positively to the requests for additional drawdowns. CEG continued to support the University in developing relationships with recruitment agents, although social unrest in Nepal may have impacted the success of one of these.

Throughout the year, the University worked closely with CEG to look at ways of reducing risk in the relationship. The University keeps geopolitical issues under careful review on its risk registers, and actively engages with relevant stakeholders, both directly and through sector representative bodies, to ensure its voice is heard.

Financial Performance 2024/25

The majority of the activity of the group sits with the University so the following financial performance explanations relate just to the University's financial statements.

The 2024/25 financial year continues to reflect a challenging landscape, though the prior year showed clear improvements arising from the changes and difficult decision taken following the serious financial issues of 2019/20 and then the impact of the pandemic. US degree-seeking student numbers remain low, but there is an improvement in study abroad and partnership numbers. The University saw a very significant reduction in income from its postgraduate programmes.

Richmond University's financial statements reported a total comprehensive loss of £12m (2024: £6.5m).

The total income for the University was £16.70m (2024: £18.5m) of which donations represented £0.4m (2024: £0.6m) representing 3% and 3% of total University income in 2025 and 2024 respectively. Tuition fee income decreased by £2.5m from £15.8m to £13.4m. Though the undergraduate programmes saw an increase of income of ca. £0.9m, the postgraduate income was down by £3.4m compared to the prior year. This seems to follow a trend felt in the whole sector but disproportionately affecting the University. Expenditure levels totaled £28.7m (2024: £25.0m) which included £9.3m (2024: £6.6m) of staff costs, £14.3m (2024: £14.1m) of other operating expenses, and £5.2m (2024: £4.3m) of loan interest, bank charges and depreciation. The main reason for the increase in staff costs was a favourable year-end pension adjustment of £2.3m in the prior year; this was further compounded by the cost of a Voluntary Severance scheme totaling £0.6m paid for or accrued for in the year to 30 June 2025. So, having accounted for these two differences and the National insurance increase, comparable staff cost reduced by 2% in real terms year on year, with further reductions to materialize in 2025-26 as the Voluntary Severance scheme fully unwinds.

Other operating expenses remained reasonably stable with the exception of an increased bad debt provision year on year of ca. £1.6m, so other comparable costs in this area reduced by ca. 6% in real terms.

The Balance Sheet shows that the University’s net assets are negative £47.2m (2024: £35.2m) with a cash balance of £1.0m (2024: £2.4m) excluding funds held in letter of credit and escrow account for US Department for Education.

On 30 June 2025, the total amount of loan from CEG was £43.9m (2024: £33.9m) made up of £39.7m (2024: £30.6m) (capital sum of £32.0m and accrued interest of £7.7m) and in-year interest payable of £4.2m (2024: £3.3m).

Payment of Creditors
The University's policy is to pay suppliers no later than 30 days from the date the invoice was received unless the invoice is disputed.

Statement of Public Benefit
The University is an independent US 501(c)(3) non-profit charitable organisation and although not a UK registered charity, the Trustees confirm that they have complied with the duty in the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The University's Trustees ensure that the University delivers services that are valued by its students and the local community by providing services that are accessible to all through scholarships. A new Public Benefit Strategy was approved by the Board of Trustees as a core component of the Strategic Plan, 2021-26. The University awarded 15.0% (2024: 16.5%) of its total income as scholarships to its students.

The maximum amount that Home/EU students attending an approved university can obtain as loans from the UK Government is £6,165 as the University has opted not to be a fee capped institution. The University offers scholarships and interest free payment plans to allow students who cannot immediately fund this gap to attend the University. The University delivers teaching and core research to a wide range of students.

Widening Participation
The University is registered with the Office for Students as an Approved provider and its approach to widening access and participation is governed accordingly. The University has a continuing commitment to improve access for students from all backgrounds. We aim to support all students through their education to ensure a positive learning experience and provide opportunities to support our students’ progress into fulfilling careers. Uniquely in the UK, the University is based on a US model of learning, and provision of a liberal arts degree has several advantages to supporting students who face disadvantages in accessing higher education, succeeding and progressing. These are articulated in detail in the

University's Access and Participation Statement. In addition to offering scholarships to cover the differential between the Approved and the Approved (fee cap) tuition levels, the University offers scholarships based on merit and academic performance, as well as providing a hardship fund.

Future plans

The key objective for 2025/26 will be the conclusion of discussions to develop and transform the strategic partnership with China Education Group. Significant progress was made in 2024/25 in resolving issues with our US and UK regulators, and Heads of Terms for the new relationship were agreed between CEG and Richmond in November 2025 in principle. The new relationship aligns with the strategic planning cycle, with the next strategic plan expected to be launched in 2026.

Approved by the Trustees and signed on their behalf by:

William Durden

Dr William Durden
Chair of Trustees
Date: 27 November 2025

4. Statement of Governance and Internal Control

This statement outlines for readers of the financial statements the corporate governance procedures adopted by the Trustees. The Board of Trustees recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times, and to ensure that it discharges its duties with due regard for the proper conduct of a business that receives public funds. In carrying out its responsibilities, the Board of Trustees is committed to demonstrating best practice in all aspects of Corporate Governance.

Summary of University's Structure of Governance
The university's objectives, powers and framework of governance are set out in its Constitution and By-Laws. Under the Constitution and By-Laws, the Board of Trustees has a range of powers and duties, including the ongoing responsibility for the strategic direction of the university, approval of major developments, approval of annual estimates of income and expenditure, ensuring solvency of the institution and safeguarding its assets.

Richmond American International University was established in 1972 and is based in Building 12, Chiswick Park, London. Since 1981, the University has been awarding US Degrees accredited by The Middle States Commission on Higher Education, and from 1994 to 2018 these degrees were also validated by The Open University. In August 2018, the University was granted UK Taught Degree Awarding Powers (TDAP). The University is the first University in the UK that has been granted the power to award both US and UK taught degrees.

The Trustees work to a comprehensive governance framework that is measured against and compliant with the Code of Governance for Independent Providers of HE.
The Trustees' role includes:

- Financial and risk stewardship.
- Holding the President and the University Board to account.
- The building and development of a strong Trustee board.
- The continuing process of embedding good governance throughout the University.
- Playing a leading role in the University's continuing development; and
- The full integration of all the activities within the University's structure in line with its status as an educational charity and to undertake and support various charitable activities in pursuit of this objective.

The Trustees recognise their responsibility for the academic assurance of the University and monitor the quality of programme delivery and associated activities such as validation and franchising. They complete an annual review and sign off their confidence with the regulatory authorities in accordance with the requirements and expectations of both the Office for Students and the Middle States Commission on Higher Education.

Conduct of Business
New independent Trustees are recruited through a range of recruitment tools and there is formal training and an induction process. New Trustees are invited to meet with the Chair and key personnel to discuss the operation and administration of the University.

The Board of Trustees meets formally at least four times a year and has complete responsibility for the stewardship of the University's assets; its members focus on strategic decision making and ensuring adherence to its charitable objectives whilst delegating day-to-day operational responsibilities to the President and Vice Chancellor and the University Board. The Board also holds a strategic planning day each year with the University leadership.

The governing body of the University is the Board of Trustees. The Board is collectively responsible for the long-term success of the University and is responsible for constructively challenging the

Directorate and helping to set the strategic direction of the University. The Board has a Chair and Deputy Chair who are independent. The Board ensures that the University is governed in accordance with its Articles of Association. The University reviews and complies with the Code of Governance for Independent Providers of HE and the Committee of University Chairs' Code of Governance.

The Board has a strong and independent non-executive element, and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship that could materially interfere with the exercise of their independent judgement. A code of conduct and a policy on managing conflicts of interest clearly set out the responsibilities and duties of individual Trustees. None of the independent Trustees receives any payment, apart from the reimbursement of reasonable expenses, for the work that they do for the University.

In addition to the independent Trustees, the President and Vice Chancellor and the Provost and Deputy Vice Chancellor, are Trustees (ex officio).

There is a clear division of responsibility in that the roles of the Chair of the Board and President and Vice Chancellor of the University are separate.

Formal agendas, papers and reports are supplied to Trustees in a timely manner, prior to Board meetings. Briefings are also provided on an ad-hoc basis.

All Trustees are able to take independent professional advice in furtherance of their duties at the University's expense and have access to the Board Secretary, who is responsible to the Board for ensuring that all applicable procedures and regulations are complied with. The Board has a diverse membership with good balance across the majority of diversity categories including gender, age, and skills expertise and this is monitored annually.

In the year ended 30 June 2025, the following committees of Trustees carried out certain tasks within specific terms of reference as follows:

- Audit and Risk Committee
- Finance and Resources Committee
- Remuneration Committee
- Nominations and Governance Committee

Financial Responsibilities of the Trustees

In accordance with the University's Constitution and By-laws, the Board of Trustees is responsible for the oversight of the administration and management (by the University Board and its Executive Committee) of the affairs of the university and is required to present audited financial statements for each financial year. The Board of Trustees is responsible for keeping proper accounting records which disclose with reasonable accuracy at that time the financial position of the university and enable it to ensure that the financial statements are prepared in accordance with the University's Constitution and By-laws and relevant accounting standards. The Board, through its designated officer, produces financial statements for each financial year, which give a true and fair view of the state of affairs of the university and of the surplus or deficit and cash flows for that year. In overseeing the preparation of financial statements, the Board of Trustees has ensured that:

- Suitable accounting policies are selected and applied consistently,
- Judgements and estimates are made that are reasonable and prudent,
- Applicable accounting standards have been followed and any material departures disclosed and explained in the financial statements,
- The Financial statements are prepared on a going concern basis.

The Board of Trustees has also taken reasonable steps to:

- Ensure that there are appropriate financial and management controls in place to safeguard funds.

- Safeguard the assets of the university and prevent and detect fraud; and
- Secure the economical, efficient and effective management of the university's resources and expenditure.

The Trustees are responsible for preparing their report (including their strategic report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice. Company law (Chapter 3 of the overseas companies' regulations 2009) requires the Trustees to prepare financial statements for each financial year.

The Trustees are responsible for keeping adequate accounting records that show and explain the University's transactions, disclose with reasonable accuracy at any time the financial position of the University, and enable them to ensure that the financial statements comply with the overseas companies' regulations 2009.

They are also responsible for safeguarding the assets of the University and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Internal Control

The key elements of the university's system of internal control, which is designed to discharge the financial responsibilities of the Board of Trustees, include:

- Clear definitions of the responsibilities of, and the authority delegated to, senior officers of the university.
- A comprehensive short- and medium-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets.
- Regular reviews of academic performance and of financial results involving variance reporting and updates of forecast outturns.
- Clearly defined and formalized requirements for approval and control of expenditure.
- Procedures for the management of investment and risk.
- Comprehensive financial regulations, detailing financial controls and procedures.
- A professional internal audit service, whose annual programme is approved by the Audit and Risk Committee on behalf of the Board of Trustees; and
- On behalf of the Board of Trustees, the Audit and Risk Committee reviews the effectiveness of the university's system of internal control.

Risk Management

The University's Board of Trustees is responsible for ensuring the University maintains an effective system of internal control. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. 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 30 June 2025 and up to the date of approval of the Financial Statements.

The following processes are in place to ensure the effectiveness of the University's internal control and risk management:

- The Board of Trustees meets at least four times a year to consider the plans and strategic direction of the Institution.
- It is advised by its key committees and occasional working groups, receiving regular reports from each committee and other reports from management as required.
- In addition, a strategic planning session is held each year with the Board of Trustees.
- The Audit and Risk Committee has renewed the appointment Kingston City Group (KCG) as the University's internal audit partner. The Audit and Risk Committee will receive regular reports from

KCG, which will include recommendations for improvement. The Audit and Risk Committee's role in this area is to conduct a high-level review of the arrangements for internal control.

- An organisation-wide risk register is maintained. The register is reviewed by the Audit and Risk Committee and the Board of Trustees. Departments manage, report on and identify risks at an operational level and these feed into the organisation wide register.
- Management accounts are presented to the University Board and Board of Trustees including full year forecasts and a cashflow statement. The annual budget and financial forecasts are presented for approval by both committees; and
- The University follows Office for Students guidance on the management of risk. The University Risk Register is prepared by the University Board and challenged by the Audit and Risk Committee of the Trustees at least once a year at its meetings.

The Board of Trustees is ultimately responsible for the system of risk management and for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The role of the Board of Trustees is to provide strategic oversight of the University within a framework of prudent and effective controls which enables risk to be assessed and managed. It maintains its risk management and internal control systems through regular reports to the Audit and Risk Committee and through the annual report to the Board. Audit and Risk Committee is also responsible for defining the level of risk appetite for the University. The University also engages the services of an internal audit firm, KCG, to assist and advise on risk and related matters.

There exists a risk management policy, process and mechanisms for identifying, assessing, monitoring and managing risk. The University has identified categories of risk. Each risk is recorded on the strategic risk register and given a rating according to the likelihood and impact of the risk occurring. The risks are regularly reviewed and actively managed according to their severity.

The principal risks currently identified include:

- The relationship with China Education Group.
- Political factors, in particular how they relate to Sino-US/Sino-UK relations but also including possible government changes to higher education funding, including a possible international student levy.
- Financial Sustainability, especially maintaining appropriate levels of student recruitment and retention.
- Employee recruitment and retention in the context of below inflation salary increases.
- The increased complexity and challenge regarding international student visas.

Risk mitigations include:

- On-going discussion with CEG who provides financial support and are the guarantor of the lease agreement on Chiswick Park.
- Inclusion of high-level political risk in the risk register and dialogue with relevant sector and political bodies to ensure the institution is well informed.
- Comprehensive review of faculty and professional services staff remuneration, including benchmarking and introduction of pay scales.
- Reform of the curriculum delivery model (the "'portfolio rationalization project").
- A new UKVI Risk group convenes on a weekly basis to analyse and discuss developments on VISA applications, with considerations to changing regulatory direction. A report is presented at UB to ensure management can appropriately deal with and changes in risk profile.

Statement of disclosure of information to the auditor

The Trustees who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the Trustees has confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor
Our auditor, Peters Elworthy & Moore transferred their audit registration and therefore that part of their business to a newly incorporated limited company, PEM Audit Limited, on 1 September 2025. Accordingly, Peters Elworthy and Moore formally ceased to be the University's auditor with the Trustees duly appointing PEM Audit Limited to fill the vacancy arising.

Subsidiary
The Richmond Education Foundation is a 100% subsidiary of the University, a charity registered in England and Wales (Charity registration number 0288205) whose principal activity is to further the education of the students at the University by way of donations. Since March 2021, the Richmond Education Foundation has two Trustees who are also members of the Board of Trustees, which ensures that dialogue and information sharing is clear and direct while meeting the legal and regulatory requirements of all parties. For further information, please see note 24 of the Financial Statements.

The second subsidiary, Richmond College Services, a UK-registered company (Company number 02234479), was set up to manage the commercial business, including room hire and catering services. However, there was no activity in 2024/25 as the University moved from Richmond Hill to Chiswick Business Park from July 2022, and is not currently running any services.

Going Concern Statement
The University experienced a significant reduction in recruitment for its postgraduate provision resulting in a worse than expected outturn despite its undergraduate provision continuing to improve, new revenue streams such as Summer Schools and validations improving, and a stable level of cost year on year. However, it will continue to require financial support from CEG in 2025/26, with an operating deficit forecasted at £3.5m.

The Group has made available a £60m loan facility, providing £5m in headroom to cover the projected debt of £55m by December 2026. In the unlikely event CEG were to call in any part of the facility or not extend the facility there would be a material uncertainty over the continued stability of the University, and the Trustees have OfS compliant teach-out plans in place and reserves ringfenced in Richmond Education Foundation for this purpose.

The Board of Trustees consider that, following the agreement of the strategic partnership with China Education Group in March 2021 and clear progress in strengthening this relationship, the financial statements may be prepared on a going concern basis as per the going concern policy note.

Signed on behalf of the Trustees.

William Durden

Dr William Durden
Chair of Trustees
Date: 27 November 2025

5. Independent Auditor's Report

NON-STATUTORY INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF RICHMOND, THE AMERICAN UNIVERSITY IN LONDON, INC.

We have audited the financial statements of Richmond, The American International University in London, Inc (the 'University) and its subsidiaries (the 'Group') for the year ended 30 June 2025 which comprise the Group and University Statement of Comprehensive Income and Expenditure, the Group and University Balance Sheet, the Group and University Statement of Cash Flows, the Group and University Statement of Changes in Reserves and the related notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and Chapter 3 of the Overseas Companies Regulations 2009, the Statement of Recommended Practice – Accounting for Further and Higher Education and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 30 June 2025 and of the Group's and University's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with Chapter 3 of the Overseas Companies Regulations 2009 and the Statement of Recommended Practice – Accounting for Further and Higher Education.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the Trustees' report, which indicates that the University has projected debt of £55m by December 2026. CEG group have stated that a loan facility of £60m is available to be drawn down and that no repayment of the loan will be demanded until the University has the ability to repay the loan and not before December 2026. As stated in the Statement of Accounting Policies, these events or conditions, along with other matters as set forth in the Trustees' report, indicate that due to political certainties a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters required by the Office for Students ("OfS")

In our opinion, in all material aspects:

- Funds from whatever source administered by the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- Funds provided by the OfS have been applied in accordance with the relevant terms and conditions; and
- The requirements of the OfS's Accounts Direction (OfS 2019.41) have been met.

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

- The University's grant and fee income, as disclosed in note 1 in the Notes to the Financial Statements, has been materially misstated.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on pages 10-11 the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the trustees are responsible for assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Group or University or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Responsible Individual ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

- we identified the laws and regulations applicable to the University through discussions with trustees and other management, and from our commercial knowledge and experience;

- we identified which laws and regulations were significant in the context of the Group and University. The laws and regulations we considered in this context were the Overseas Companies Regulations 2009, the Charities Act 2011 and taxation legislation;

- in addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Group and University's ability to operate or to avoid material penalty;

- we obtained an understanding of the University's policies and procedures on compliance with laws and regulations, including documentation of any instances of non-compliance.

- we made enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;

- we considered the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations;

- we assessed the susceptibility of the University's financial statements to material misstatement, including how fraud might occur; and

- laws and regulations identified were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

As a result of the above risk assessment procedures, we identified the greatest risk of material misstatement on the financial statements arising from irregularities and fraud to be within the potential for management to override controls together with the risk of fraudulent revenue recognition. We considered the risk of fraudulent revenue recognition to be most prevalent in the completeness and cut-off of student income. In response to these identified risks, we designed procedures which included, but were not limited to:

- performing analytical procedures to identify any unusual or unexpected relationships, including the use of Audit Data Analytics to review the data for anomalies;

- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business;

- assessing whether judgements and assumptions made in determining the accounting estimates set out in the Statement of Accounting Policies were indicative of potential bias; and

- performed substantive testing, including substantive analytical review and testing of a sample of individuals from student records to supporting documentation and receipts to ensure that all income was appropriately recognised in the correct period.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- reviewing internal audit reports; and
- reviewing correspondence with relevant regulators and the Group's legal advisors (where applicable).

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the Trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This non-statutory report is made solely to the University's trustees, as a body, in accordance with our engagement letter dated 22 October 2025. Our non-statutory audit work has been undertaken so that we might state to the University's trustees those matters we are required to state to them in a non-statutory auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the University's trustees as a body, for our non-statutory audit work, for this report, or for the opinions we have formed.

PEM Audit Limited

PEM Audit Limited
Registered Auditors
Salisbury House
Station Road
Cambridge
CB1 2LA

Date: 27 November 2025

PEM Audit limited is eligible to act as auditor in terms of section 1212 of the Companies Act 2006.

6. Consolidated Statement of Comprehensive Income and Expenditure

	Notes	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Income					
Tuition fees and education contracts	1	13,351	13,351	15,824	15,824
Other income	2	2,883	2,883	2,148	2,148
Donations and endowments	3	145	442	144	555
Investment income	4	299	2	327	0
Total income		**16,678**	**16,678**	**18,443**	**18,527**
		`		`	
Expenditure					
Staff costs	5	9,312	9,312	8,892	8,892
Pension movements	5	0	0	(2,253)	(2,253)
Other operating expenses		14,253	14,235	14,070	14,065
Depreciation and amortisation	10	858	858	659	659
Interest and other finance costs	6	4,293	4,293	3,630	3,630
Expenditure on Charitable activities	7	9	0	9	0
Total expenditure	8	**28,725**	**28,698**	**25,007**	**24,993**
(Deficit) / Surplus before other gains / (losses)		**(12,047)**	**(12,020)**	**(6,564)**	**(6,466)**
Net gains / (loss) on investments	17	(102)	0	468	0
Gain / (Loss) on disposal of fixed assets		0	0	0	0
Total comprehensive (deficit) / surplus for the year		**(12,149)**	**(12,020)**	**(6,096)**	**(6,466)**
Represented by:					
Endowment comprehensive income for the year	17	(102)	0	468	0
Restricted comprehensive income for the year	17	(36)	(23)	(110)	(26)
Unrestricted comprehensive deficit for the year		(12,011)	(11,997)	(6,454)	(6,440)
		(12,149)	**(12,020)**	**(6,096)**	**(6,466)**

7. Consolidated and University Balance Sheet

		2025		2024	
		Consolidated	**University**	**Consolidated**	**University**
	Notes	**£'000**	**£'000**	**£'000**	**£'000**
Non-current assets					
Tangible fixed assets	10	3,012	3,012	3,499	3,499
Intangible fixed assets	10a	1,090	1,090	838	838
Investments	9	7,004	0	7,415	0
Non-current cash	12a	558	558	579	579
		11,664	**4,660**	**12,331**	**4,916**
Current assets					
Stock	11	1	1	1	1
Trade and other receivables	12	3,807	3,807	3,395	3,395
Cash at bank and in hand	12a	1,013	624	2,301	1,821
		4,821	**4,432**	**5,697**	**5,217**
Less: Creditors: amounts falling due within one year	13	(15,604)	(16,338)	(13,818)	(14,180)
Net current liabilities		**(10,783)**	**(11,906)**	**(8,122)**	**(8,963)**
Total assets less current liabilities		**881**	**(7,246)**	**4,210**	**(4,047)**
Creditors: amounts falling due greater than one year	14	(39,686)	(39,686)	(30,562)	(30,562)
Less: provisions	16	(286)	(286)	(589)	(589)
Total net liabilities / assets		**(39,091)**	**(47,218)**	**(26,941)**	**(35,198)**
Restricted Reserves					
Income and expenditure reserve - restricted reserve	17	2,486	1,560	2,522	1,583
Endowment Reserves	17	7,811	0	7,913	0
Unrestricted Reserves					
Income and expenditure reserve - unrestricted	17	(49,388)	(48,778)	(37,376)	(36,781)
Total Reserves		**(39,091)**	**(47,218)**	**(26,941)**	**(35,198)**

Company Number FC8955

The financial statements were approved by the Governing Body and authorised for issue as well as signed on its behalf.

Phil Deans

Dr Phil Deans

President and Vice-Chancellor

27 November 2025

William Durden

Dr William Durden

Chair of Trustees

27 November 2025

8. Consolidated and University Cash Flow Statement

		2025		2024	
		Consolidated	University	Consolidated	University
	Notes	£'000	£'000	£'000	£'000
Cash flow from operating activities					
Deficit for the year	I&E	(12,149)	(12,020)	(6,096)	(6,466)
Adjustment for non-cash items					
Depreciation and amortisation	10 & 10a	859	859	659	659
(Increase) in debtors	12	(412)	(412)	(280)	(280)
Increase in creditors		5,038	5,402	3,515	3,476
(Decrease) / Increase) in provision	16	(303)	(303)	(1,604)	(1,604)
Unrealised (gains) / losses on investments		102	0	(468)	0
Investment income	4	(299)	(2)	(327)	0
Adjustment for capitalisation of provision		109	109	0	0
Foreign exchange (gains)	2	(13)	(13)	(47)	(47)
Net cash outflow from operating activities		**(7,068)**	**(6,380)**	**(4,647)**	**(4,262)**
Cash flows from investing activities					
Payments made to acquire fixed assets	10 & 10a	(625)	(625)	(837)	(837)
Dividends, interest and rent from investments	4	299	2	327	0
Sale of investment	9	300	0	0	0
Investment in non-current cash account		0	0	(282)	(282)
Net Cash inflow / (outflow) from Investing Activities		**(26)**	**(623)**	**(792)**	**(1,119)**
Cash flows from financing activities					
Repayments of borrowings		0	0	0	0
Interest paid		0	0	0	0
Net borrowing	14	5,793	5,793	4,887	4,887
Net Cash Inflow from Financing Activities		**5,793**	**5,793**	**4,887**	**4,887**
(Decrease) / Increase in cash and cash equivalents in the year		**(1,301)**	**(1,210)**	**(552)**	**(494)**
Cash and cash equivalents at beginning of the year		2,301	1,821	2,806	2,268
Effect of foreign exchange rate changes		13	13	47	47
Cash and cash equivalents at the end of the year	**12a**	**1,013**	**624**	**2,301**	**1,821**
Cash and cash equivalents as per Balance Sheet	22	1,013	624	2,301	1,821

9. Consolidated and University Statement of Changes in Reserves

2024-25

Consolidated	**Restricted £'000**	**Unrestricted £'000**	**Endowment £'000**	**Total £'000**
Balance at 1 July 2024	2,522	(37,377)	7,913	(26,942)
Surplus/(deficit)	(36)	(12,011)	(102)	(12,149)
Balance at 30 June 2025	**2,486**	**(49,388)**	**7,811**	**(39,091)**

University	**Restricted £'000**	**Unrestricted £'000**	**Endowment £'000**	**Total £'000**
Balance at 1 July 2024	1,583	(36,781)	0	(35,198)
Surplus/(deficit)	(23)	(11,997)	0	(12,020)
Balance at 30 June 2025	**1,560**	**(48,778)**	**0**	**(47,218)**

2023-24

Consolidated	**Restricted £'000**	**Unrestricted £'000**	**Endowment £'000**	**Total £'000**
Balance at 1 July 2023	2,632	(30,922)	7,445	(20,845)
Surplus/(deficit)	(110)	(6,454)	468	(6,096)
Balance at 30 June 2024	**2,522**	**(37,376)**	**7,913**	**(26,941)**

University	**Restricted £'000**	**Unrestricted £'000**	**Endowment £'000**	**Total £'000**
Balance at 1 July 2023	1,609	(30,341)	0	(28,732)
Surplus/(deficit)	(26)	(6,440)	0	(6,466)
Balance at 30 June 2024	**1,583**	**(36,781)**	**0**	**(35,198)**

10. Statement of Accounting Policies

Basis of preparation
These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with FRS 102, The Financial Reporting Standard for the UK and Republic of Ireland (effective January 2015). They have also been prepared in accordance with the Overseas Companies regulations 2009.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the University's accounting policies. The financial statements are prepared in accordance with the historical cost convention.

Basis of Consolidation
The consolidated financial statements include the University, The Richmond Education Foundation and Richmond College Services Ltd. All intercompany balances and transactions have been eliminated in full.

Going concern
The financial position of the University, its cash flows, liquidity and borrowings are described in the Financial Statements and accompanying notes. The Covid-19 pandemic and the geopolitical events continue to have an impact on the University and the five-year plan for the period 2024 to 2029 has been reforecast to reflect the effects. The University is dependent on its Strategic partner, China Education Group, who have extended their facility by an additional £10m in November 2025 and will continue to provide support over the next 12 months see the Trustees' report for further detail.

Income recognition
Income from the sale of goods or services is credited to the Statement of Comprehensive Income and Expenditure when the goods or services are supplied to the external customers, or the terms of the contract have been satisfied. Fee income is stated gross of any expenditure and credited to the Statement of Income and Comprehensive Expenditure over the period in which the students are studying. Where the amount of the tuition fee is reduced by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

Deferred income represents amounts receivable for future years where conditions are attached which must be fulfilled before unconditional entitlement. The deferred income is released when entitlement to the income is confirmed.

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

Donations and endowments
Non-exchange transactions without performance related conditions are donations. Donations with donor-imposed restrictions are recognised in income when the University is entitled to the funds, when it is probable the donation will be received and when the donation is measurable. 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 performance criteria are recognised in income when the University is entitled to the funds.

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

Restricted donations occur when the donor has specified that the donation must be used for a particular objective.

Accounting for retirement benefits

The two principal pension schemes for the University's staff are the Universities Superannuation Scheme (USS) and the Richmond University Pension Scheme (via Standard Life). The USS scheme is a defined benefit scheme which is externally funded and contracted out of the State Second Pension (S2P). The Richmond University Pension scheme is a money purchase scheme.

The institution participates in the Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. 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 institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102

"Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the statement of comprehensive income and expenditure represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

Defined Contribution

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

Defined Benefit Plan

The University participates in Universities Superannuation Scheme. 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. As a result, the amount charged to the Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme. Since the University has entered into the agreement (the Recover Plan) that determines how each employer within the scheme will fund the overall deficit, the university recognizes a liability for contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognized through the Statement of Comprehensive Income and Expenditure. However, the latest valuation for the scheme showed that no provision was necessary and therefore no liability has been recognized since June 2024.

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.

Holiday pay accrual
A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement accrued at the balance sheet date.

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

Foreign currency
Foreign exchange differences arising on translation are recognised in expenditure. 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 that the fair value was determined.

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on consolidation, are translated to the presentational currency, GBP, at foreign exchange rates ruling at the balance sheet 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.

Fixed assets
Tangible Fixed Assets
Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on, or prior to, the date of transition to FRS102, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Land and buildings
Leasehold land is depreciated over the life of the lease and leasehold improvements are depreciated over the lower of the life of the lease and 10 years.
Freehold land and buildings are stated at cost less accumulated depreciation and impairment losses.
Freehold buildings are depreciated over 50 years. Freehold land is not depreciated. Roofing is depreciated over 50 years.

Dilapidation
The value of dilapidation provided is based on the estimates from the surveyor and discounted using a rate reflecting the cost of borrowing. The amount is depreciated over the life of the lease.

Equipment
Equipment, including computers and software, costing less than £5,000 per individual item is recognised as expenditure. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over its expected useful life less residual value as follows:

- Fixtures and Fittings 8 Years
- IT Equipment 3 Years

Depreciation methods, useful lives and residual values are reviewed on an ongoing basis.

Intangible Fixed Assets

In accordance with FRS 102, software costs have been classified as intangible assets and amortised on a straight-line basis over a period of 5 years. Intangibles costing more than £5,000 are initially capitalised at cost. In cases where individual intangibles costing less than £5,000 and each form part of a specific project which enhances the value of the business for several years, the expenditure on that project will be capitalised and amortised on a straight-line basis over a period of 5 years.

Assets under construction

This applies to both tangible and intangible assets.
Assets in the course of construction are not depreciated. On completion they are transferred to the appropriate asset categories and depreciated accordingly. Interest paid on loans to acquire tangible fixed assets is capitalised during the period of construction and written off over the life of the asset acquired.

Borrowing costs

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

Stock

Stock is stated at the lower of cost and net sales proceeds, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first-in-first-out basis.

Cash and cash equivalents

Cash includes cash at bank and in hand. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value and with a short-term maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

Cash held in escrow is not immediately available, and as such is included in non-current assets.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

The amount recognised as a provision is determined by the amount that will crystallise as a cost when the University's operations are discontinued.

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

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

Contingent assets and liabilities are not recognised in the Balance Sheet but are disclosed in the notes.

Taxation

The University is an independent US non-profit educational charity with tax exempt status under section 501 (c) (3) of the US Internal Revenue Code.

Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT incurred in purchasing fixed assets is included in their cost.

Reserves

Reserves are classified as restricted, unrestricted and endowment reserves. Restricted reserves are balances which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the University for particular purposes. The endowment reserves are mostly comprised of balances which can be used in a financial emergency as in agreement with the University and Cyril Taylor Charitable Foundation CTCF. Unrestricted reserves are available for use at the discretion of the University in furtherance of the general objectives of the University.

Financial Instruments

The University has elected to adopt Sections 11 and 12 of FRS 102 in respect of the recognition, measurement and disclosure of the Financial Statements.

Financial assets and financial liabilities are recognised when the University becomes a party to the contractual provisions of the instrument and are offset only when the University currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial Assets

Trade and other receivables

Trade and other receivables which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade and other receivables are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the income and expenditure statement for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the income and expenditure statement.

For 2024/25 this process was reviewed in light of significant amounts of older debt requiring write off. Given the great difficulty in collecting any student debt once students ceased to be enrolled / active in University activities, management decided to provide for all debt not paid for by October 2025 owed for fees up to and including 2024/25 for any withdrawn or graduated student.

Financial Liabilities Bank loans

Bank loans are overdrafts repayable on demand would be presented within creditors: amounts falling due within one year. We do not currently have any bank loans or overdraft facilities in place.

Trade and other payables

Trade and other payables payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings
Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised based on the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities
A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Commission accrual estimates
At the end of each financial year there may still be commissions due for students introduced to the University by agents, on whose income a commission is due. Commissions typically accrue once students have paid 75% of their fees in any one academic year.

At the end of the financial year, the finance team will accrue the cost of all unpaid commissions for students still enrolled at the University, even if the 75% threshold has not yet been met, as the commission is deemed to have been earned at enrollment stage. The estimate is checked again following the enrolment for the following year (typically by early October and before the financial statements are finalized with the auditors). Any commissions for students that fail to re-enrol and had not reached the threshold are then removed from the calculation.

Critical accounting estimates and areas of judgement
In preparing these financial statements, the Trustees have made the following judgements:

Leases
Determine whether leases entered either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Asset impairment
Determine whether there are indicators of impairment of the tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Multi-employer Scheme
Retirement benefit obligations – The cost of defined benefit pension plans and other post-employment benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of these plans, such estimates are subject to significant uncertainty. Further details are given in note 19.

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) with the resulting expense charged through the income statement in accordance with section 28 of FRS 102.

Management 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 accounts.

Critical accounting estimates and assumptions

The University makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

In accounting for the USS pension provision, management has made a judgement that the current Schedule of Contributions is the correct one.

Other key sources of estimation uncertainty

Trade debtors

The estimate for receivables relates to the recoverability of the balances outstanding at year end. A review is performed on an individual debtor basis to consider whether each debt is recoverable. The team follows the debt management policy in the collection process and any debt older than 2 years will be recommended to the DVC Finance and Operations for write off. The bad debt provision is reviewed on an annual basis and any additional amount required is provided for.

As referred to under Trade and Other Receivables above, for 2024/25 the Bad debt provision process was reviewed in light of significant amounts of older debt requiring write off. Given the great difficulty in collecting any student debt once students ceased to be enrolled / active in University activities, management decided to provide for all debt not paid for by October 2025 owed for fees up to and including 2024/25 for any withdrawn or graduated student. This resulted in an additional provision of ca. £0.7m.

Dilapidation

The provision for dilapidation is provided for each property under the University's portfolio. It is based on estimates from the surveyor, discounted to present value using a rate reflecting the cost of borrowing , and depreciated over the useful life of the property.

CIS Scheme

As at 30 June 2025 a balance of £0.4m remained due to the University from HMRC relating to a CIS Scheme deduction made from the landlord's contribution to the refurbishment of the site at Chiswick Park before the University moved into the premises.

The management of the University is in conversations with HMRC to ensure this deduction is refunded, and believes it is still recoverable.

Other Creditors

Included within other creditors are £1.6m of balances that based on refund policies may be expected to return to the University. Management is finalising their reviews and to ensure that any final balances are returned to students and where relevant appropriate time has passed before adjustments are made.

Going Concern

The Annual Financial Return provides the basis of the going concern whereby the methodology and assumptions of the five-year forecast were reviewed by the University Board, Finance and Resources Committee and the Board of Trustees. The financial position of the University, its cash flows, liquidity and borrowings are described in the Financial Statements and accompanying notes. The Covid-19 pandemic and the geopolitical events continue to have an impact on the University and the five-year plan for the period 2025 to 2030 has been reforecast to reflect the effects. The University is dependent on its Strategic partner, China Education Group, who have extended their facility by an additional £10m in November 2025 and will continue to provide support over the next 12 months see the Trustees' report for further detail.

11. Notes to Accounts

1. Tuition fees and education contracts

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Full-time home and EU students	1,336	1,336	1,223	1,223
Full-time international students	12,015	12,015	14,601	14,601
	13,351	**13,351**	**15,824**	**15,824**

2. Other Income

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Residences, catering and conferences	1,151	1,151	748	748
Exchange gains/(losses)	(13)	(13)	47	47
Other income	1,745	1,745	1,353	1,353
	2,883	**2,883**	**2,148**	**2,148**

3. Donations and Endowments

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Restricted donations	145	145	144	228
Unrestricted donations	0	297	0	327
	145	**442**	**144**	**555**

4. Investment Income

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Dividends and interest	299	2	327	0
	299	**2**	**327**	**0**

5. Staff costs

	2025 Consolidated £'000	2054 University £'000	2024 Consolidated £'000	2024 University £'000
Salaries	6,464	6,464	6,993	6,993
Voluntary Severance Pay	584	584	0	0
Social security costs	805	805	787	787
Other pension costs	639	639	794	794
Movement on USS past service cost on pensions	0	0	(2,253)	(2,253)
Other staff costs	820	820	318	318
	9,312	**9,312**	**6,639**	**6,639**

During the year, the University made payments totaling £583,679 to seventeen staff in connection with agreed staff departures. These included statutory and contractual entitlements (such as redundancy, notice pay, and accrued leave), along with ex-gratia compensation payments of £56,362 made to four employees. All amounts were approved in line with internal governance procedures and employment law. No agreements included clauses restricting disclosure of whistleblowing or wrongdoing. At the year-end £102k was outstanding and is included in creditors.

5a. **Remuneration of the higher paid staff** being staff earning in excess of £100,000, excluding employer's pension contributions.

	2025	2024
	No	**No**
£100,000 to £104,999	0	1
£110,000 to £114,999	0	0
£115,000 to £119,999	1	1
£120,000 to £124,999	0	1
£140,000 to £144,999	0	1
£145,000 to £149,999	1	0
£150,000 to £154,999	1	0
£155,000 to £159,999	1	0
£215,000 to £219,999	1	1
	5	**5**

5b. **Staff numbers**

Average full time equivalent by major category during the year was as follows:

	2025	2024
	FTE	**FTE**
Academic	57	60
Management and Administration	85	82
	142	**142**

Average headcount by major category during the year was as follows:

	2025	2024
Academic	102	88
Management and Administration	90	113
	192	**201**

5c. **Key management personnel**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University which is the Executive. They comprise the President and Vice Chancellor; Provost and Deputy Vice Chancellor; Deputy Vice Chancellor Finance and Operations; Director Human Resources (part of the year), Director of Marketing, Recruitment and Communications (replacing VP for MRC); Vice President for Student Affairs, Vice President International Partnerships; Deputy Provost Academic and Deputy Provost Academic Operations. Key management remuneration includes gross pay and benefits, employer's national insurance and employer's pension payments.

	2025	2024
	£'000	**£'000**
Key management personnel remuneration	**1,478**	**1,361**

It is worth noting that the figure above for 2025 includes two redundancy payments adding up to £100k so the cost in comparable terms has not significantly increased.

5d. **President and Vice-Chancellor**

	2025 £000	2024 £000
Basic salary	215	215
Pension contributions	31	38
Other taxable benefits	3	3
Total remuneration of the head of the institution	**249**	**256**

The Remuneration Committee decides the pay of the head of institution. The head of institution does not take part in these discussions or decisions. The remuneration for the head of institution is benchmarked against comparators in the industry (US and UK) and, alongside individual performance, takes into account the added complexity driven by operating in a global context that also the very complex regulatory environment Richmond operate in, driven by the need to meet both UK (OfS) and US (Middle States) regulations. Ongoing performance is judged and managed by the Chair of the Board as part of an annual appraisal, with appropriate KPIs set.

The current head of the provider's basic salary is 5.4 times the median pay of staff (2024: 5.1 times) where the median pay is calculated on a full-time equivalent basis for the salaries paid by the provider to its staff.

The current head of the provider's total remuneration is 5.7 times the median total remuneration of staff (2024: 5.5 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the provider of its staff.

One further trustee is a paid employee of the university, total remuneration of £192k (2024: £142k).

6. Interest and other finance costs

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Bank and Loan interest	4,235	4,235	3,331	3,331
Finance Costs	58	58	238	238
Interest on pension scheme	0	0	61	61
	4,293	**4,293**	**3,630**	**3,630**

7. Fundraising costs

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Investment management fees	9	0	9	0

8. Analysis of total expenditure by activity

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Academic and related expenditure	12,265	12,265	10,787	10,793
Administration and central services	10,672	10,645	8,598	8,578
Premises (including service concession cost)	4,075	4,075	4,467	4,467
Residences, catering, and conferences	1,713	1,713	1,155	1,155
	28,725	**28,698**	**25,007**	**24,993**
Administration and central services expenses include:				
External auditor's remuneration in respect of audit services for the University	70	52	52	52
External auditor's remuneration in respect of audit services for the subsidiaries	16	0	13	0
Operating lease rentals:				
Land and buildings	1,879	1,879	447	447

9. Fixed Asset Investments

Consolidated	**Listed Investments £'000**	**Other Fixed Asset Investments £'000**	**Total £'000**
Cost or Valuation			
At 1 July 2024	5,307	2,108	7,415
Additions	0	0	0
Disposals	(300)	0	(300)
Revaluations	48	(159)	(111)
At 30 June 2025	**5,055**	**1,949**	**7,004**
Net book value			
At 1 July 2024	5,307	2,108	7,415
At 30 June 2025	**5,055**	**1,949**	**7,004**

The fixed assets investments are an expendable endowment held in the University subsidiary, The Richmond Education Foundation.

10. Fixed Assets

Consolidated & University	Leasehold Improvements	Fixtures, fittings and equipment	Total
	£'000	£'000	£'000
Cost			
At 1 July 2024	6,743	1,787	**8,530**
Additions	108	81	**189**
Disposals	(3,099)	0	**(3,099)**
At 30 June 2025	**3,752**	**1,868**	**5,620**
Depreciation			
At 1 July 2024	3,612	1,420	**5,032**
Charge for the year	541	134	**675**
Disposals	(3,099)	0	**(3,099)**
At 30 June 2025	**1,054**	**1,554**	**2,608**
Net book value			
At 1 July 2024	3,132	367	**3,499**
At 30 June 2025	**2,698**	**314**	**3,012**

During the year, costs relating to software systems and bespoke developments were separately identified and recorded as intangible fixed assets. These are disclosed in note 10a.

10a. Intangible Fixed Assets

Consolidated & University	Intangible Software	Intangibles under construction	Total
	£'000	£'000	£'000
Cost			
At 1 July 2024	635	224	859
Transfers	224	(224)	0
Additions	179	257	**436**
Disposals	0	0	**0**
At 30 June 2025	**1,038**	**257**	**1,295**
Depreciation			
At 1 July 2024	21	0	21
Charge for the year	184	0	184
Disposals	0	0	0
At 30 June 2025	**205**	**0**	**205**
Net book value			
At 1 July 2024	614	224	838
At 30 June 2025	**833**	**257**	**1,090**

11. Stock

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
General consumables	1	1	1	1

12. Trade and other receivables

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Amount falling due within one year:				
Trade receivables	136	136	129	129
Other receivables	1,267	1,267	1,482	1,482
Prepayments and accrued income	2,404	2,404	1,784	1,784
	3,807	**3,807**	**3,395**	**3,395**

12a Cash

	2025		2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current cash	558	558	579	579
Cash at bank and in hand	1,013	624	2,301	1,821
	1,571	**1,182**	**2,880**	**2,400**

Non-current cash includes a letter of credit facility and an escrow account held for the U.S. Department of Education in connection with the U.S. Federal Student Loans. The letter of credit, executed on 19 October 2021, has a five-year term. The escrow account, set up on 14 June 2024, does not have a specified end date.

13. Creditors: amount falling due within one year

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Loan interest accrued	4,235	4,235	3,331	3,331
Trade payables	3,015	3,015	2,221	2,221
Social security and other taxation payable	489	489	156	156
Accruals and deferred income	7,866	7,846	8,110	8,092
Amounts due to group entities	0	753	0	380
	15,604	**16,338**	**13,818**	**14,180**

Deferred income				
Fees paid in advance Balance b/f	2,141	2,141	4,196	4,196
Utilised in the year	(2,141)	(2,141)	(4,196)	(4,196)
Deferred in a year	2,145	2,145	2,141	2,141
Balance c/f	**2,145**	**2,145**	**2,141**	**2,141**

14. Creditors: greater than one year

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
China Education Group (2-5years)	39,686	39,686	30,562	30,562
	39,686	**39,686**	**30,562**	**30,562**

The loan from China Education Group UK Limited (CEG) represents the utilisation of a £10m revolving credit facility agreement dated 27 March 2020. Interest is charged at 12% per annum on any draw down amounts. The duration of the facility is 10 years from the date of the agreement. The agreement also includes an optional £10m revolving credit facility. At the 30 June 2025, the optional facility had been utilized. CEG provided financial guarantee of up to £60m in the letter of support dated 12 November 2025 to cover the period to the end of November 2026.

15. Financial assets and liabilities

	2025 Consolidated £'000	2025 University £'000	2024 Consolidated £'000	2024 University £'000
Financial assets:				
Investments held at fair value	7,004	0	7,415	0
Debt Instruments measured at amortised cost	3,156	2,767	4,334	3,854
	10,160	**2,767**	**11,749**	**3,854**
Financial liabilities:				
Debt Instruments measured at amortised cost	53,144	53,879	42,239	42,601
	53,144	**53,879**	**42,239**	**42,601**

16. Provisions for liabilities

Consolidated and University	Dilapidations provisions £'000	Total Provisions £'000
As at 1 July 2024	589	589
Contributions	0	0
Change in expected contribution	0	0
Other finance cost	0	0
Released in the year	(400)	(400)
Amounts provided in the year	97	97
As at 30 June 2025	**286**	**286**

£286k has been provided to cover for dilapidations on properties leased by the University.

17. Statement of Funds

	Endowment £'000	Restricted £'000	Unrestricted £'000	Total 2025 £'000	Total 2024 £'000
Consolidated					
Balance at 1 July 2024	**7,913**	**2,522**	**(37,377)**	**(26,942)**	**(20,845)**
Income	**0**	145	16,533	**16,678**	**18,443**
Expenditure	**0**	(181)	(28,544)	**(28,725)**	**(25,007)**
Gain/(Losses)	(102)	0	0	**(102)**	**468**
Total funds as at 30 June 2025	**7,811**	**2,486**	**(49,388)**	**(39,091)**	**(26,941)**
University					
Balance at 1 July 2024	**0**	**1,583**	**(36,781)**	**(35,198)**	**(28,732)**
Income	0	145	16,533	**16,678**	**18,527**
Expenditure	0	(168)	(28,529)	**(28,698)**	**(24,993)**
Total funds as at 30 June 2025	**0**	**1,560**	**(48,778)**	**(47,218)**	**(35,198)**

Consolidated – Restricted Funds	**Balance 1 July 2024**	**Income**	**Expenditure**	**Balance 30 June 2025**
Sejong Institute	46	145	(169)	**22**
Steadman	2	0	0	**2**
Guest Speaker Fund	6	0	0	**6**
AIFS	46	0	0	**46**
Miller	7	0	0	**7**
Sir Cyril Taylor Fund	1	0	0	**1**
Cyril Taylor Endowment	1,475	0	0	**1,475**
CTCF	391	0	(12)	**379**
Other	548	0	0	**548**
Total restricted funds as at 30 June 2025	**2,522**	**145**	**(181)**	**2,486**

University – Restricted Funds	**Balance 1 July 2024**	**Income**	**Expenditure**	**Balance 30 June 2025**
Sejong Institute	46	145	(169)	**22**
Steadman	2	0	0	**2**
Guest Speaker Fund	6	0	0	**6**
AIFS	46	0	0	**46**
Miller	7	0	0	**7**
Sir Cyril Taylor Fund	1	0	0	**1**
Cyril Taylor Endowment	1,475	0	0	**1,475**
CTCF	0	0	0	**0**
Total restricted funds as at 30 June 2025	**1,583**	**145**	**(169)**	**1,559**

Restricted funds

Restricted funds are those received by the university for restricted purposes. These include funds restricted for use by the Sejong Institute, a student scholarship to support young men and women studying the arts, and donations towards a faculty research grant.

Unrestricted funds

Unrestricted funds can be used by the University as it wishes.

Endowment fund

The restricted endowment fund was created in 2016/17 using a £9m donation from Cyril Taylor Charitable Foundation (CTCF). The endowment is invested in Cazenove Capital with effect from August 2021. Investment income generated by the Foundation is remitted to Richmond The American University in London. In the event of an emergency affecting the university's finances, part of the endowment can be released with the consent of both the Richmond Education Foundation and CTCF to support students in the event of teach out and closure. The current value of the fund is £7m.

18. Lease obligations

Total rentals payable under operating leases:	University and Consolidated		University and Consolidated	
	2025		**2024**	
	Land and Buildings	**Total**	**Land and Buildings**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Future minimum lease payments due:				
Not later than 1 year	2,250	**2,250**	2,250	**2,250**
Later than 1 year and not later than 5 years	9,001	**9,001**	9,001	**9,001**
Later than 5 years	14,470	**14,470**	16,720	**16,720**
Total lease payments due	**25,721**	**25,721**	**27,971**	**27,971**

The lease obligations relate to the current property at Chiswick Business Park.

19. Pension Schemes

Different categories of staff were eligible to join one of the two schemes:

- Universities Superannuation Scheme (USS)
- Standard Life – Defined contributions (Group Pension).

The main scheme, USS, is a defined benefit contracted out of the State Second Pension (SP2), the assets which are held in separate trustees administrated funds. The other scheme, Standard Life defined contributions scheme, is a money purchase scheme contracted into the State Second Pension (SP2), which covers non-academic staff. The following payments were made during the year:

	2025	**2024**
	£'000	**£'000**
USS	735	926
Other pension schemes	243	231
	978	**1,157**

University Superannuation Scheme

The Universities Superannuation Scheme (USS) is the main scheme covering most academic and academic-related staff, which provides benefits based on the final pensionable salary. USS is a defined benefit scheme which is contracted out of the State Second Pension (SP2). The assets of the scheme are held in a separate fund administered by its trustees, Universities Superannuation Scheme Limited.

The total cost charged to the income statement is £nil (2024: £2.2m). At 30 June 2025, the University balance sheet no longer includes a liability for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. It required payment of 6.2% of salaries over the period 01 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the university was no longer required to make deficit recovery contributions.

A deficit recovery plan was put in place as part of the 2020 valuation. It required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the statement of income and expenses in the prior year.

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

Since the University 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%.

Deficit recovery contributions due within one year for the institution are £nil (2024 £nil).

20. Related Party Transaction

Trustees Expenses

	2025	2024
	£'000	£'000
Trustee expenses (2 employees)	16	5
Trustee expenses (2 non-employees)	8	9
Total trustee expenses	**24**	**14**

Trustees have been reimbursed for travel expenses related to university business.

In the year to 30 June 2025 4 trustees have been reimbursed for travel expenses related to university business, compared to five in the year to 30 June 2024.

21. Capital Commitments

As at 30 June 2025, the University had committed to further capital expenditure of £nil (2024: £560k).

22. Analysis of changes in net debt

Consolidated analysis of changes in debt	**At 1 July 2024**	**Cash flows**	**Exchange movements**	**Non-cash changes**	**At 30 June 2025**
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	2,301	(1,288)	0	0	1,013
Non-current cash	579	0	(21)	0	558
Loan due in less than one year	(3,331)	0	0	(904)	(4,235)
Loan due in more than one year	(30,562)	(5,793)	0	(3,331)	(39,686)
Total	**(31,013)**	**(7,081)**	**(21)**	**(4,235)**	**(42,350)**

University analysis of changes in debt	**At 1 July 2024**	**Cash flows**	**Exchange movements**	**Non-cash changes**	**At 30 June 2025**
	£'000	£'000	£'000	£'000	£'000
Cash and cash equivalents	1,821	(1,197)	0	0	624
Non-current cash	579	0	(21)	0	558
Loan due in less than one year	(3,331)	0	0	(904)	(4,235)
Loan due in more than one year	(30,562)	(5,793)	0	(3,331)	(39,686)
Total	**(31,493)**	**(6,990)**	**(21)**	**(4,235)**	**(42,739)**

23. Financial Responsibility Supplemental Schedule

Primary Reserve Ratio*:	**Expendable Net Assets**	**Note**	**2025 (£'000)**	**2024 (£'000)**
Consolidated Balance Sheet Position – Net assets without donor restrictions	Net Assets without donor restriction	17	**(49,388)**	**(37,376)**
Consolidated Balance Sheet Position – Net assets without donor restrictions	Net Assets with donor restriction	17	**9,997**	**10,435**
Notes to the Consolidated Financial Statements – Net assets	Term endowments with donor restrictions	17	**7,811**	**7,913**
Notes to the Consolidated Financial Statements – Net assets	Net assets with donor restrictions: other for purpose of time	17	**2,486**	**2,522**
Consolidated Statement of Financial Position – Fixed Assets, net	Property, plant and equipment, net (includes construction in progress and Capital leases)	10	**3,012**	**3,499**
Consolidated Statement of Financial Position – Fixed Assets, net	Property, plant and equipment – post implementation without outstanding debt for the original purchase	10	**3,012**	**3,499**
Consolidated Statement of Financial Position – Pension provisions	Post – employment and pension liabilities	16	**0**	**0**
Consolidated Statement of Financial Position – Note payable	Long-term debt for long term purposes	14	**(39,686)**	**(30,562)**
Equity Ratio:	**Modified Net Assets**			
Consolidated Statement of Financial Position – Net assets without donor restrictions	Net assets without donor restriction	17	**(49,388)**	**(37,376)**
Consolidated Statement of Financial Position – Net assets with donor restrictions	Net assets with donor restriction	17	**10,297**	**10,435**
Not applicable	Lease right-of-use assets pre-implementation		**0**	**0**
Not applicable	Pre-implementation right-of-use-lease liabilities		**0**	**0**
Not applicable	Intangible assets	10a	**1,090**	**838**
Not applicable	Unsecured related party receivables		**0**	**0**
Not applicable	Unsecured related party other assets		**0**	**0**
Consolidated Statement of Financial Position	**Total assets**	9-12	**16,485**	**18,028**
Not applicable	Lease right-of-use assets pre-implementation		**0**	**0**
Not applicable	Intangible assets	10a	**1,090**	**838**
Not applicable	Unsecured related party receivables		**0**	**0**
Not applicable	Unsecured related party other assets		**0**	**0**

Net Income Ratio:				
Consolidated Statement of activities – Change in net assets without donor restrictions	Change in net assets without donor restrictions	17	**(12,149)**	**(6,454)**
	Total Revenues and Gains			
Consolidated Statement of Activities – Total revenues and support, less Net investments loss and Other Income	Total operating revenue and other additions (gains)	1	**13,351**	**15,824**
Consolidated Statement of Activities – Net investments returns	Investment return appropriated for spending	4	**299**	**327**
Consolidated Statement of Activities - Other Income	Non–operating revenue other than gains	2&3	**3,028**	**2,292**

24. Principal Subsidiaries

Name	Company number	Charity registration number	Registered office or principal place of business	Principal activity	Class of shares	Holding
Richmond College Services Limited	02234479	N/A	Building 12, 566 Chiswick High Road London, England W4 5AN	Room hires and catering	Ordinary	100%
Richmond Education Foundation	N/A	0288205	Building 12, 566 Chiswick High Road, London, England, W4 5AN	Fundraising and management of CTCF endowment	N/A	100%

The financial results of the subsidiary for the year were:

Name	Income	Expenditure	(loss) on endowment	(Deficit)	Net assets
	£	£	£	£	£
Richmond College Services Limited		(3,660)	0	(3,660)	(23,995)
Richmond Education Foundation	296,946	(331,214)	(102,420)	(136,688)	8,132,661