



Cardiff University
**Annual Report and Financial
Statements**

Year Ended 31 July 2021

Statutory Information

Charity Name:	Cardiff University
Charity Registration Number:	1136855
Registered Office:	Main Building Cathays Park Cardiff CF10 3AT

CONTENTS

	3
Chair of Council's Introduction	
	4
Council Membership	
	6
University Strategic Plan	
	8
Vice Chancellor's Review	
Key Trends in Higher Education	17
Major Committees and University Executive Board	18
Remuneration Statement	26
Financial Review	27
Public Benefit Statement	34
Statement of Corporate Governance	36
Statement of Internal Controls	38
Responsibilities of the Council of Cardiff University	39
Independent Auditors' Report	40
Consolidated and Institution Statements of Comprehensive Income	46
Consolidated and Institution Statements of Changes in Reserves	47
Consolidated and Institution Statements of Financial Position	48
Consolidated and Institution Statements of Cash-Flow	49
Notes to the Financial Statements	50

Chair of Council's Introduction

Like all other universities in Wales, the challenges Cardiff University has faced during the coronavirus pandemic have been vast and varied, and our students, staff and the wider community have been affected in many different ways. On behalf of the Council, I wish to thank the Vice-Chancellor and the University Executive Board for their unwavering support and commitment over the past year. I also wish to commend our students, stakeholders and local community for their resilience, patience and adaptability.

During 2020/21, the Council met more frequently with six on-line meetings and has welcomed two new lay Council members. The dedication of our governing body, which consists of students, staff, and lay members who are not remunerated, ensures appropriate scrutiny and governance of the University's strategy and activities, the value of which cannot be overstated.

Throughout this period we have all had to react to the changing external environment. Council has overseen the strategic transition to the five Critical Success Factors as set out in The Way Forward 2018-2023: Recast COVID-19, namely:

- Health and well-being of our students
- Financial sustainability, especially fee revenue, cost base and the cash position
- Student satisfaction and experience
- Research grants and contracts
- Civic mission and our contribution to rescue, revive and renew

Against this backdrop, Council has approved a number of recommendations to embed the ongoing success of Cardiff University and its benefits to Cardiff, Wales, the UK and beyond.

Council's approval of the Welsh Language Strategy is a significant step to delivering a vision for the development of our Welsh-language activity, prioritising the student experience but also focusing on staff experience, the wider civic aspects of our activity, and the possibilities for research. The strategy builds on the positive work already underway.

Council has overseen the progress of our major capital programmes including the Cardiff Innovation Campus.

The Abacws building, the new home for the School of Computer Science and Informatics and the School of Mathematics, and the Centre for Student Life both opened in autumn 2021.

Abacws will support a wide range of research, from mathematical analysis, human-centered computing and fluid mechanics to the Internet of Things.

The Centre for Student Life reflects a £50m investment in the student experience that will transform the way we provide student support services.

In declaring a climate emergency, and by including an Environmental Sustainability Strategy in the Recast Way Forward strategy, the University has recognised the need for fundamental change in the way it operates. The University has specifically committed to work towards Carbon Net Zero status, achieving Scopes 1 and 2 for reporting greenhouse gas emissions by 2030 and starting to tackle the reporting of other indirect emissions via Scope 3.

The newly established Environmental Sustainability Sub-Committee will provide clarity and focus to the University's strategy and actions in this area.

As my term as the Chair of Council draws to a close on 31 December 2021, I would like to take this opportunity to personally recognise the commitment, determination and hard work of all our staff, students and stakeholders, and to thank them for their continued support throughout my tenure.

It has been a privilege to be part of the Cardiff University community and to witness first-hand the positive social, cultural and economic impact that the institution has on Cardiff, Wales, the UK and the rest of the world.



Professor Stuart Palmer
Chair of Council

Council Membership

All of those persons listed above served as Charity Trustees throughout the year covered by this Report. Unless otherwise indicated they also occupied these positions on the date on which the Report was approved.

With effect from 01 January 2022, Mr Patrick Younge has been appointed as the new Chair of Council.

NAME	Category	Attendance at Council
1. Professor Rudolf Allemann	Employee	6/6
2. Dr Rachel Ashworth (appointed from 01 Aug 20)	Employee	6/6
3. Paul Baston	Employee	5/6
4. Dr Carol Bell (term ended on 31 Dec 20)	Lay	2/3
5. Ricardo Calil	Employee	6/6
6. Hannah Doe, Students' Union	Student	6/6
7. Gina Dunn, Students' Union (appointed from 01 July 21)	Student	1/1
8. Tomos Evans, Students' Union (term ended on 30 Jun 21)	Student	5/5
9. Judith Fabian	Lay	6/6
10. Professor Dame Janet Finch	Lay	6/6
11. Alastair Gibbons (term ended on 31 Dec 20)	Lay	3/3
12. Professor Kim Graham (term ended on 31 July 21)	Employee	6/6
13. Professor Ken Hamilton	Employee	6/6
14. Michael Hampson	Lay	6/6
15. Karen Harvey-Cooke (appointed from 01 Aug 20 to 31 July 21)	Employee	5/6
16. Professor Karen Holford (term ended on 31 July 21)	Employee	6/6
17. Chris Jones (appointed from 01 Jan 21)	Lay	3/3
18. Jan Juillerat, Vice Chair of Council	Lay	6/6
19. Dr Steven Luke (term ended on 31 July 21)	Lay	6/6
20. Dr Joanna Newman (appointed from 01 Aug 20)	Lay	4/6
21. Professor Stuart Palmer, Chair (term due to end 31 Dec 21)	Lay	6/6
22. Leonard Richards (term ended on 31 July 21)	Lay	2/6
23. Professor Colin Riordan, Vice-Chancellor	Employee	6/6
24. Pretty Sagoo (appointed from 01 Jan 21)	Lay	3/3
25. John Shakeshaft	Lay	6/6
26. David Simmons	Lay	6/6
27. Judge Ray Singh	Lay	5/6
28. Dr Janet Wademan	Lay	6/6
29. Professor Damian Walford Davies (appointed from 01 Aug 21)	Employee	-
30. Professor Stuart Walker (appointed from 01 Aug 21)	Lay	-
31. Agnes Xavier-Phillips	Lay	6/6

The University must adopt a definition of independence for lay membership of governing bodies to provide a robust approach to identifying and managing conflicts of interest.

How is independence defined and tested?

There are several circumstances which may prevent a person being appointed as an independent member of the governing body. The Governing Body's Nominations Sub-Committee has oversight of the appointment process and responsibility for considering these factors.

In April 2021, in response to the Universities in Wales Charter Commitment to Action, the University adopted a Statement of Independence based on the Welsh Secretaries and Clerks Group guidance, including a Definition of Independence and Principles of Independence for lay membership. The University defined 'senior employees' as University Executive Board members in this context.

Minor changes were agreed to the recruitment and training of members and the robust process for ensuring independence is also set out in the Statement of Independence. When considering applications and interviewing prospective new governors, recruitment panels shall establish whether the individual has any relationships or statuses that might give rise to a conflict of interest or loyalty, as defined in the Principles of Independence and including being related to any senior employee of an organisation gaining a pecuniary advantage from the University.

The University's Statement of Independence is available on the University's governance webpages at:

<https://www.cardiff.ac.uk/about/organisation/governance/council/>

How does the governing body manage conflicts of interests?

A Register of Interests of all Council and Audit and Risk Committee members is maintained by the Secretary to Council and is available publicly on the University's governance webpages at:

<https://www.cardiff.ac.uk/about/organisation/governance/council/>

If any member of a Committee has any pecuniary or other interest, direct or indirect, in any Contract or proposed Contract or other matter involving financial transaction, that interest shall be disclosed to the Committee as soon as practicable. All Committees request that Members and Officers disclose any interests at the start of each Committee meeting, and the Member shall take no further part in the consideration or discussion of, or vote on, any position with respect thereto. A member of any Committee is not considered to have a pecuniary or personal interest in matters under discussion merely because he/she is a member of staff or student at the University.

As set out in the Statement of Independence section 4, the University Secretary (as Clerk to the governing body) is accountable for highlighting issues of independence or conflict to the Chair.

The University is committed to the highest standards of openness, probity and accountability, and seeks to conduct its affairs in a responsible manner. The Whistleblowing (Public Interest Disclosure) Policy enables staff, students and other members of the University to raise conflict of interest concerns which they feel have not been addressed through existing procedures.

The Way Forward 2018-2023: Recast COVID-19

At the start of the pandemic, the University reviewed its strategic plan in response to COVID-19, adapting its strategic priorities to the new reality. The University recast its Way Forward strategy as set out below.

Cardiff University exists to create and share knowledge and to educate for the benefit of all.

Our vision is to be a world-leading, research excellent, educationally outstanding university, driven by creativity and curiosity, which fulfils its social, cultural and economic obligations to Cardiff, Wales, the UK and the world.

By fulfilling our vision our objective is to become one of the top 100 universities in the world and the top 20 in the UK.

Our priority must be the health and wellbeing of our students and staff. To secure this, we must be financially sustainable. As we take forward the interdependent priorities of health and wellbeing and financial sustainability, we must ensure that the quality and integrity of our academic and educational activity remain paramount.

The changed circumstances will have profound effects in terms of our performance and how we assess progress. League table position will not be the primary concern. Instead, we must ensure that we survive and thrive.

Our Values

We will operate according to the Nolan Principles of Public Life and furthermore be guided by the following values: **institutional autonomy; freedom of enquiry; collegiality, leadership and management; equality, diversity and inclusion; environmental sustainability; financial resilience; and civic mission.**

Education and students

We will re-prioritise activity to provide our students with the highest quality experience possible given the constraints of the COVID-19 crisis, whilst preserving our academic standards and integrity.

Learning environment: We will move forward on plans to enhance our online and blended offering to ensure we are agile enough to deliver programmes.

Student experience: The priorities for the University will remain enhancement of the student experience, retention and outcomes successes of our students.

Student success: Work to support careers and skills will continue. The University will take forward the planning and implementation of its newly drafted Widening Participation Strategy. Work on this will continue, supporting students from socio-economically deprived and educationally disrupted backgrounds to engage, achieve and succeed at Cardiff University.

Teaching excellence: Work on supporting academics and those who support learning and teaching will continue, with progress being made on the Academic CPD Framework and achievement of Advance HE accreditation, although timeframes for implementation may be changed.

Academic standards: The priority here will be the maintenance of academic standards due to the significant variation which has been introduced as a result of COVID-19.

Civic mission

In the same way as Cardiff University reacted to major societal challenges of the 20th Century, the current social and health crisis caused by coronavirus requires the University to reshape our civic mission to help government, health services and wider society to revive and renew the Welsh economic, social and cultural landscape.

Supporting job creation will be of paramount importance given the economic impact of the virus. Innovation in education is likely to be more prominent than ever during the crisis and we will continue our contributions to this. Our partnership with the NHS will achieve very much greater salience. We will continue to work to enhance the Welsh-language culture of our campus in line with our new Welsh-Language Strategy.

International

We will put in place mitigation plans and prepare continuously for a post-COVID-19 world where travel, free social interaction and physical international activity will be possible once more. It will be critical to maintain and continue to build international relationships to position ourselves for the future.

We will explore the extent to which we can learn from current changes in learning and teaching practices regarding international travel and reduce the level of international travel relating to conferences and fieldtrips.

We will continue to focus on maintaining and building strong relationships with international partner universities by remote methods.

The international summer school programme will be adapted to the changing circumstances, with modified means of delivery as necessary.

We will continue to support our staff to develop international collaborations that ensure success in a changing international research funding landscape.

Research

We have mitigated the immediate impact of COVID-19 on research by encouraging staff to work on research outputs deliverable remotely. Enhanced support for staff and postgraduate research students will be considered, depending upon the financial resilience of the University.

We will minimise potential financial impacts of COVID-19 on our research by working closely with funders, external partners and governments to ensure deliverable research outcomes, as well as consider matched-funding commitments to research. We will reconsider our research strategy in light of the long-term challenges to the financial sustainability of research and the likely scale and direction of future research funding post-COVID-19.

Innovation

We have nearly completed our research-related building projects and the Cardiff Innovation Campus to position ourselves effectively in line with post-COVID-19 revival and renewal opportunities. This will include reworking of business cases for our major Innovation projects to ensure that these are aligned to new funding opportunities and positioned strategically.

We will work closely with local authorities, the Cardiff Capital Region, third sector and Welsh Government to develop major strategic initiatives able to deliver major economic benefit to the region. This will include developing new private and public sector collaborations for a post-COVID world, in alignment with UK research and development priorities.

Assessing our progress

At the strategic level we will monitor a small number of critical success factors rather than the top-level performance indicators by which we have previously judged our progress. While existing top-level KPIs will be monitored as part of the sub-strategies for the five themes, our attention must be strategically focused on the following: **the health and wellbeing of our staff and students; financial sustainability, especially fee revenue, cost base and the cash position; student satisfaction and experience; research grants and contracts; civic mission and our contribution to rescue, revive and renew.**

Our focus over the past 12 months has inevitably been to manage the challenges posed by coronavirus and to keep pace with the speed at which the virus has mutated and moved through the population.

This has meant developing new ways of working, often at short notice, to ensure we continued to offer outstanding levels of support for our students, and that members of our community felt comfortable and safe both on and off campus.

The monumental impact that COVID-19 has had on the University cannot be understated.

Similarly, the psychological, emotional, and physical impact on our staff and students has been significant.

We can be proud of the way we have worked together to protect the health, safety and wellbeing of everyone within our community, as well as the many ways we have been able to support our students, not least financially, during a period that has had a huge impact on the formative years of their lives.

I would like to use this opportunity to record my heartfelt thanks to everyone within the University community. The commitment, mutual support and fantastic goodwill shown in coming together in this time of national emergency and social need has been magnificent and moving.

Everybody at Cardiff University was shocked and deeply saddened to learn that members of our own staff were among those who lost their lives to this awful virus. On the anniversary of the first national lockdown this year, we lit up our Main Building in yellow to commemorate the loss of those colleagues, friends and family members whose lives were so sadly cut short by this devastating new disease.

On behalf of all of us I want to extend my deepest sympathies to the families of those individuals.

Whilst the pandemic has once again cast a shadow over much of the year, the response of our academic colleagues has been extraordinary.

Across the University they have continued to undertake research exploring potential vaccines for COVID-19, tracking the spread of the virus, and examining the impact of the pandemic on mental health.

The launch of the Cardiff University Screening Service has been an overwhelming success, allowing staff and students to take regular tests when coming on to campus. We have seen a fantastic uptake in the service, which has allowed University business to continue and has been keeping track of the virus on campus and keeping our community safe. Our safety measures have worked – there has been no evidence of on-campus transmission of coronavirus.

Credit must also go to our medical students who have continued to volunteer to help in the fight against coronavirus by supporting the Welsh NHS, along with our student nurses, student social workers and others.

What follows are highlights from across the University this year, detailing progress against our strategy, and outlining some of the principal risks the University faces in the near future.

The task ahead is to ensure that the University emerges from this pandemic in as robust shape as possible and to play our role in recovering from the unprecedented deleterious economic and social effects of the crisis.

Our guiding principle, however, will always be to protect the health, safety and wellbeing of our staff and students.

Education

Our students must be commended for their patience and understanding throughout the pandemic, as well as their willingness and determination to succeed in the face of adversity.

We can be proud of the outstanding level of support we have been able to provide to them during the year. As well as considerably increased welfare and academic support, we have supported our students financially, especially those in the greatest need.

Around £6.3m has been distributed in the form of one-off payments to students who have suffered hardship because of additional covid-related costs, while more than £0.4m was provided to students from low-income backgrounds, and those in hardship, for the necessary equipment to allow them to take part in remote teaching and learning.

Over 2,000 students received rent rebates this year at a cost of almost £1.8m, in addition to the £8m returned or not charged the previous year when students were unable to use their accommodation because of lockdown.

Looking to the future, it is crucial that we continue to support our students as we move out of the pandemic and ensure that we maintain and improve satisfaction levels.

Our brand-new Centre for Student Life will soon open its doors, providing a new home for our student support services, including support with study, health and well-being, preparing for the future, managing money and living in Cardiff. As part of the transformation, a 24-hour online service will be developed alongside extended opening hours to ensure greater accessibility for students including those based at Heath Park, our distance learners and all those on placement or study abroad.

The new Abacws building, housing our School of Computer Science and Informatics and the School of Mathematics, will also provide our students with interdisciplinary, flexible and creative workspaces, with innovative teaching areas being a key feature.

These brand-new buildings form part of our ongoing efforts to deliver an exceptional student experience and transform the way we provide student support services. Our enhanced services will ensure our students feel supported to succeed throughout their student journey, from interested applicant to proud Cardiff University Alumni.

App to implement social distancing on public transport

An app that allows companies to optimise social distancing measures on public transport was created by a group of Cardiff University students.

The app, created by three mathematics PhD students, gave public transport companies the opportunity to implement seating plans whilst also allowing passengers to select a safe seat in which to sit. The app was also able to calculate the CO2 emissions of a given seating scenario, allowing a user to find the most environmentally friendly seating plan in a quick and easy way.

Student gets first author on research paper

Undergraduate student Amy Murray achieved the remarkable feat of being first author on a published paper, all before she had finished her degree.

The paper explored the links between the genetic risk of developing Alzheimer's disease and the effect on the size of key brain structures, the results of which could be used to identify areas of the brain to target before the disease takes hold.

Awards for pressure ulcer-sensing mattress topper

A Cardiff University medical student who created a pressure ulcer-sensing mattress topper won two top innovation awards totalling £40,500 in just two days.

Luthfun Nessa, from the School of Medicine, teamed up with a Harvard University data scientist to create CalidiScope – a mattress topper that integrates novel sensors and machine learning to reduce the incidence of pressure ulcers.

Prestigious teaching award for National Software Academy

Cardiff University's National Software Academy (NSA) was recognised for its excellence in collaborative work and positive impact on teaching and learning by a leading sector organisation.

The NSA was given a Collaborative Award for Teaching Excellence (CATE) by Advance HE as a recognition of its outstanding commitment to teaching in the UK higher education sector. The NSA aims to give students 'real life' projects to work on throughout their studies and providing opportunities to engage with experienced software engineers from industry.

Student-led programme celebrates decade of building brighter futures

A project which aims to raise the aspirations of young people in South Wales has celebrated its 10th year.

Cardiff University's SHARE with Schools initiative, which is run by postgraduates and undergraduates, provides an annual programme of interactive, interdisciplinary workshops transferring research, teaching and knowledge to partner primary and secondary schools.

The project works to reach young people from geographic areas under-represented in higher education in South East Wales, building long-term partnerships with schools through fun, interactive annual outreach and return visits.

Research

The last academic year has seen the culmination of more than six years' work preparing and writing the University's REF 2021 submission, which was finally completed in March. This was a monumental team effort and I offer my gratitude to the staff who devoted much time and attention to help shape the submission, with more than 1,400 academic colleagues having their research outputs and impact case studies included.

We must wait some time for the results, but whatever these may be, we can be sure that we have made our very best effort and maximised our chances of success.

The strength of our research has once again been demonstrated through a series of hugely significant breakthroughs, including: the discovery of potential signs of life in the clouds above Venus; the revealing of a 20% reduction in the risk of death among cancer patients who take aspirin; and the unveiling of the backgrounds of eight crew found among the remains of the Mary Rose.

Reporting cancer symptoms during the pandemic

Nearly half of people who experienced possible cancer symptoms in the first wave of the COVID-19 pandemic did not contact their GP, Cardiff University research showed.

The research showed that a substantial proportion of people reported not contacting their GP for symptoms such as coughing up blood, an unexplained lump or swelling or a change in the appearance of a mole.

The research was accompanied by a coordinated campaign across the UK to highlight that NHS services are open safely for anyone with unusual or persistent symptoms.

Aspirin could cut risk of death in cancer patients

Patients with a wide range of cancers who take aspirin as part of their treatment could help to reduce their risk of death by 20%, a major review of existing research by Cardiff University suggested.

The results were taken from a review of about 250,000 patients with cancer who reported taking aspirin, leading the team to say that the available body of evidence on aspirin's efficacy and safety "justifies its use" as a supplementary treatment in a wide range of cancers.

Hints of life on Venus

An international team of astronomers, led by Cardiff University researchers, announced the potential discovery of a rare molecule – phosphine – in the clouds of Venus. On Earth, this gas is only made industrially, or by microbes that thrive in oxygen-free environments.

The detection of these molecules, which consist of hydrogen and phosphorus, could point to extra-terrestrial 'aerial' life on Venus.

The team are eagerly awaiting more telescope time to look for other gases associated with life and say new space missions could also travel to our neighbouring planet to sample the clouds in situ to further search for signs of life.

Mary Rose made up of a multinational crew

Scientists at Cardiff University used the latest archaeological methods to find the backgrounds of eight crew in the remains of the Tudor warship Mary Rose.

The team used cutting edge scientific techniques to reveal the ancestry, childhood origins and diets of some of the crew who perished on the ship in 1545 AD, revealing that as many as three of the eight crew in the study may have originated from warmer, more southerly climates than Britain, such as southern European coasts, Iberia and North Africa.

Black hole and neutron star merger detected for first time

Astronomers from Cardiff University detected, for the first time, the ripples in space-time caused by the collision of a neutron star and a black hole.

Two instances of this violent cosmic event were detected using the Advanced LIGO and Virgo gravitational wave detectors, bringing forward important new clues about how these stellar objects form.

Remote working to improve UK productivity

Nine out of ten employees who worked at home during lockdown would like to continue doing so in some capacity, research from Cardiff University suggested.

The results showed that 88% of employees who worked at home during lockdown would like to continue working at home in some capacity, with around one in two employees wanting to work at home often or all the time. The results indicate that productivity among the majority of those working from home during lockdown remained stable or even improved, compared to six months before.

International

Though many of our international activities have been curtailed by the travel restrictions imposed by governments across the world, we have continued to create, maintain, and build strong relationships with our international partner universities through remote methods.

I am pleased that Cardiff University has been entrusted with hosting and co-developing the Welsh Government's new International Learning Exchange Programme (ILEP), which will receive a substantial investment of £65m, running from 2022 to 2026.

The ILEP will ensure students continue to benefit from international exchanges in a similar way to the opportunities that flowed from Erasmus+, not just in Europe but also further afield.

During this time, it is hoped some 15,000 participants from Wales will go on overseas mobility exchanges, with 10,000 participants coming to study or work in Wales.

This will complement the UK government's Turing scheme, which aims to enable around 35,000 students annually, from universities, colleges and schools, to go on international placements and exchanges from September 2021.

We have already received £1.5m from the new Turing Programme to allow our students to experience the life-enhancing benefits of international experience during their studies.

This year saw the approval of a new strategic partnership with the University of Waikato in New Zealand, bolstering our global network of strategic partners with whom we have continued to work closely throughout the pandemic. These include Xiamen University and Beijing Normal University, China; University of Campinas, Brazil and University of Bremen, Germany.

International co-operation will be vital if we have any chance of repressing the global pandemic, and it has been in this area that we have excelled over the past 12 months.

Through our award-winning Phoenix Project, we secured £125,000 from the Welsh Government's Wales and Africa programme for the introduction of a COVID-19 vaccination campaign in Namibia, helping 90,000 of the country's most vulnerable and disadvantaged people to be inoculated.

This was a great example of how our international partnerships can be front and centre of our civic mission as well as our research effort and our international student mobility activity.

Brexit

Though much remains uncertain about the consequences of Brexit and the impact it may have on universities, there has been some clarity over the last 12 months pertaining to student mobility and research.

Our participation in Horizon Europe will continue and, to all intents and purposes, university researchers and industry should notice very little difference compared with our participation as a member state of the EU.

The UK voice in terms of research and science is considered a strong one and I am sure that our continued participation, especially through informal discussions behind the scenes, will be welcomed by the strongest science communities in the EU.

Much uncertainty remains as to our ability to attract European students to study at Cardiff now that they must be charged international student fees and undergo a process to attain a visa. We have put in place a generous scholarship scheme to attempt to retain as many students as possible and have begun work on a multi-pronged European strategy, which will see us focus efforts to develop new partnerships, projects and memberships to demonstrate our continued commitment to Europe.

Schemes such as the ILEP and Turing will help the UK to retain the mobilities and activities that have so enriched the lives of its participants, and we remain absolutely committed to ensuring that students, regardless of background, have the opportunity to work or study abroad during their time with us.

University of Bremen partnership success

Cardiff University's relationship with the University of Bremen was strengthened throughout the pandemic, despite the restrictions in travel.

Staff and students continued to take advantage of the opportunities presented by the strategic partnership, which included the awarding of a prestigious Marie Skłodowska-Curie European Fellowship to Dr Flavia Boscolo-Galazzo, previously of the School of Earth and Environmental Science, to join the University of Bremen's Centre for Marine Environmental Sciences.

A total of 30 students from both Cardiff University and the University of Bremen also worked together on an online project exploring social entrepreneurship ideas, developing their enterprise skills through creativity, problem solving and pitching to investors.

Arctic research is "dream come true" for Cardiff student

Cardiff University student Sophie Watson joined up with two Canadian universities as well as the Government of Nunavut to study bacteria and parasites found in the guts of Arctic animals.

Changes in gut bacteria can have worrying consequences for the health of animals and trying to understand more about how polar bears and other species respond to the many impacts of global warming, such as habitat loss or changing diet, is vital.

For Sophie, the combination of studying some of the world's most rare species in one of the most "magical, pristine and untouched" places which has become an "epicentre for research", has been the stuff of dreams.

PPE sent from Cardiff to Namibia

Cardiff University's Phoenix Project helped to deliver vital PPE equipment to Namibia to help tackle a devastating third surge of COVID-19 in the country.

More than £7m-worth of clinical equipment, including masks, gowns and hand sanitizer which was not needed by the NHS in Wales was donated, and a further £0.5m grant was awarded for oxygen equipment and nurse training. The kit includes more than 1.1m face masks, 500,000 gowns, 100,000 protective aprons and more than £1m-worth of hand sanitizer.

Innovation

Throughout this year we have striven to place the University in a strong position to contribute to the revival and renewal of research and innovation capacity in Wales and the UK post-COVID-19.

We have worked closely with local authorities, the Cardiff Capital Region, third sector and Welsh Government to develop major strategic initiatives as well as developing new private and public sector collaborations.

Work has also continued on the Cardiff Innovation Campus, which forms a central part of our biggest campus upgrade for a generation. The soon-to-be-opened facilities will include sbarc | spark, a new space for businesses, partners or stakeholders interested in working with enterprising staff and students at the University to drive innovation, as well as the Translational Research Hub, which will host our compound semiconductor and our catalysis activity.

£10m Challenge Fund to Reshape Society

A £10m Cardiff Capital Region Challenge Fund to develop innovative solutions to societal problems was launched in partnership with Cardiff University.

The CCR Challenge Fund will invite public sector bodies to develop challenges, connect with the private sector and deliver outcomes with a route to market, where no commercial solution currently exists. Cardiff Capital Region has identified three key challenge themes: accelerating decarbonisation; improving regional health and wellbeing; and supporting, enhancing and transforming communities.

Spinout success for Cardiff University

Cardiff University maintained third place in a UK league table of universities' spinout success.

The ranking, compiled by Octopus Ventures, one of Europe's largest venture capital funds, grades institutions for their ability to convert research into thriving high-value companies.

Thales and Cardiff forge cybersecurity links

Global advanced technology systems company Thales partnered with Cardiff University to develop cybersecurity solutions at the company's ResilientWorks 'living laboratory.'

Close cooperation between Thales and Cardiff will allow the company to exploit the University's expertise in the Centre for Cyber Security Research and other leading research groups at the University, building on an established platform of existing work.

Media sector to benefit from £50m funding

A Cardiff University-led consortium won a £50m bid to develop a world-leading cluster for media innovation in the Cardiff Capital Region.

Bringing together 24 organisations, media.cymru includes partners working in education, broadcasting, technology, media production and local leadership to drive inclusive, sustainable economic growth and an additional £236m in Gross Value Added by 2026. Since 2006, the Region has developed one of the strongest media sector growth rates in the UK, attracting one in eight of all new UK jobs in film/TV, producing global successes on film and TV shows including Sex Education, His Dark Materials, Doctor Who and Dream Horse.

Broken String Biosciences joins global accelerator

Cardiff University genomics start-up Broken String Biosciences, which works to unlock next generation medicines, has joined Illumina, Inc - the global company creation engine.

The fledgling company was one of nine UK and US businesses selected for fresh funding incentives by Illumina, which focuses on partnering with entrepreneurs to build breakthrough genomics start-ups. Broken String Biosciences Limited is developing a platform of novel DNA sequencing tools to assess genome stability and to unlock the next generation of innovative medicines, including cell and gene therapies.

Civic Mission and Sustainability

Over the past year we have been committed to working in partnership with stakeholders across the Cardiff Capital Region and Wales to lead a green recovery, embrace community engagement and build skills for the future as Wales revives and renews after COVID-19.

As always, our communities are at the heart of everything we do, and our activities have focussed on boosting the health, wealth, and wellbeing of those that we serve.

We've continued our commitment to providing leadership in sustainability and improving our environmental performance.

Our work has ranged from the launch of a new Ecosystem Resilience and Biodiversity Action Plan, developed alongside Cardiff Council, that is designed to increase our green infrastructure and enhance biodiversity across campus, to completely transforming the way we manage and recycle our waste.

Following the publication of our Climate Emergency white paper, we have been working towards prioritising the actions that will help us achieve net zero for the carbon emissions we generate on campus by 2030, as well as the emissions associated with staff and student travel and the goods and services we procure before 2050.

These initiatives are examples of how we're building an inclusive, sustainable, and resilient future for our community and bringing about environmental benefits not only to Cardiff and Wales but to the wider world.

Former bowls pavilion transformed into thriving community space

Residents in the Grangetown area of Cardiff celebrated the completion of a new £2m community centre.

The Grange Pavilion was the culmination of a six-year partnership between Cardiff University's Community Gateway project and resident groups Grange Pavilion Project and Grangetown Community Action.

The Pavilion will be home to community-led activities that increase education, employment, skills, health and wellbeing outcomes.

Online lessons delivered to children across Wales

Cardiff University teamed up with award-winning charity Teen Tech to deliver a month's worth of live online digital, science and technology events to children in schools and at home across Wales.

From space, the 'Internet of Things' and robotics, to music, health and game design, the students benefited from a wide range of interactive sessions delivered by well-known science and technology reporters. Content for the sessions was built around work and research undertaken at Cardiff University, with a live Q&A with Cardiff University staff afterwards.

Future Generations Commissioner and Cardiff join forces

The Office of the Future Generations Commissioner for Wales and Cardiff University formally joined forces to work on shared strategic goals to improve the health, wealth, and well-being of the people of Wales.

The three-year agreement will pave the way for closer cooperation on projects highlighting the challenges and opportunities facing future generations.

Ranking success for sustainability

In the first submission to the global Times Higher Education Impact Rankings assessing universities against the United Nations' Sustainable Development Goals (SDGs), Cardiff University was ranked joint 21st out of 50 UK institutions and placed between 101st-200th out of 1,115 institutions worldwide.

With an overall score of 77.9 out of 100, the University was placed 4th in the UK for SDG 13 (Climate Action) and in the top 6% globally for three of the SDGs.

Funding to improve recycling on campus

Cardiff University received a Circular Economy Grant from Welsh Government, totalling just over £1m, to transform waste and recycling on campus.

The grant contributed to the installation of new waste and recycling stations across the University's entire estate, as well as the creation of new waste and recycling compounds on existing University-owned land to allow the stripping down of end-of-life furniture and equipment to enable the separation of materials for recycling and diverting from landfill.

This will help to achieve the University's target of recycling 70% of waste by 2023.

Supporting Cardiff

We are grateful once again for the continued generosity and support of our donors, fundraisers and volunteers, particularly in these challenging times, who have taken part in initiatives to help further Cardiff University's mission to create and share knowledge, and to educate for the benefit of all.

The support we receive through gifts and pledges makes it possible to undertake world-class research and give our talented students the opportunity to flourish.

We know that these gifts can make a lasting difference to future generations and enable pioneering research to save, change and enrich lives in Wales and beyond.

I must also take this opportunity to thank our alumni and friends who have supported prospective and current students by joining virtual open days and offer-holder events, offering mentoring, employability talks, career guidance, or simply sharing their story.

Our volunteers are helping Cardiff to recruit, support, prepare, and inspire the next generation of Cardiff University students and alumni.

The dedication of our donors, fundraisers and volunteers is never more evident than at the Cardiff University/Cardiff Half Marathon, which was sadly postponed again this year due to the pandemic.

This did not deter the members of #TeamCardiff who found innovative ways to fundraise even when this event and other major races were postponed. Together, #TeamCardiff members are supporting cancer and neuroscience and mental health researchers, who are developing better and faster diagnosis techniques, and creating more effective, personalised treatments.

Over £4m of new gifts and pledges from more than 800 donors and fundraisers.

£450,000 pledged by The Hodge Foundation over three years to support Cardiff Business School to deliver benefits for students, researchers, and the wider community.

The Hodge Foundation Public Value Programme will see four initiatives rolled out across Cardiff Business School to equip the next generation of leaders with the knowledge and skills to safeguard the future economy, society and environment of Wales.

£400,000 has been generously donated through gifts in Wills.

100+ researchers supported with philanthropic income in 2020-21.

4,624 volunteering hours were given by Cardiff's alumni community, sharing their expertise and experience.

78 Cylch Caerdydd members supported us with their generous gifts supporting our students and research. Cylch Caerdydd, now in its sixth year, was founded to recognise donors who support Cardiff with gifts of £1,000 or more in an academic year.

Planning for the future

We are not out of the pandemic yet, by quite a long way, and the epidemic in this country will only gradually settle into a situation where SARS-CoV-2 is an endemic, largely seasonal virus that we are all used to managing, largely by the continued success of our excellent vaccination project.

We remain attuned to the risk that more restrictive measures may be required again at some point if our circumstances take a turn for the worse.

Our approach will always be within Welsh Government guidelines, and we are confident that we will be able to switch rapidly between scenarios as necessary, whilst protecting the student experience.

It would be easy to be distracted entirely by the pandemic, but it is critical that we look ahead to what I am confident will be a brighter future. The next year will see a renewed focus on the student experience at Cardiff, which will require a huge, combined effort across our academic and professional services staff.

We eagerly await the results of the Research Excellence Framework whilst continuing to develop our research and innovation activities. And we will continue to develop our international relationships – albeit, for the time being, from afar – building the University's global brand and reach.

Despite the difficult circumstances the University has faced over the past 12 months, I am confident that our committed, creative and hard-working community can emerge from the pandemic all the stronger for the challenges it has faced.



Professor Colin Riordan

Vice-Chancellor

24 November 2021

The University continues to respond to trends in both Wales and Westminster, adapting to the different policy agendas devolution entails.

The elections in May 2021 provided some clarity as to the direction of travel for those parts of higher education controlled by the Senedd, with the new Welsh Government's Programme for Government outlining the ambitions through until 2026.

Perhaps the most notable development is the forthcoming Tertiary Education and Research Bill, which is intended to better align the post-16 education sector. While the bill requires further detail, its emphasis on a coherent post-16 sector indicates potential for greater collaboration with partners in further education.

Away from legislation, two major investments will impact the course of the Welsh higher education sector. The Welsh Government will invest £65m in the International Learning Exchange Programme, which will serve as a partial replacement for Erasmus+ and be developed by the University over the 2021/22 academic year. That Welsh universities can utilise the programme in conjunction with the UK Government's Turing scheme is a boon for the sector in Wales, giving clear indication that internationalisation will remain vital to the University for years to come.

There will also be substantial investment in a North Wales Medical School at Bangor University, which will be Wales's third such school. Both Cardiff and Bangor universities have worked in collaboration to develop the provision of medical education in the north, with the C21 North Wales programme a continued and growing success. The University will support the establishment of the North Wales Medical School, while continuing to make the case that any expansion in Wales' medical education and research should mean additional investment rather than re-allocation of existing resource.

While much of higher education is devolved, the reality of the UK's constitution means the University could just as well be affected by Westminster policy shifts. The great levers affecting the research funding system are reserved in London, where the trend is towards a heavy emphasis on science and technology. There have already been some soft changes intended to reorient the sector to such courses, and the widely anticipated reforms to England's higher education funding could be more profound in this regard still.

Any major changes in England's fee regime will affect student recruitment in Wales, where a significant proportion of students are English domiciled. A substantially different rate of fees between England and Wales will create problems for cross-border study and it would be highly damaging if English domiciled students were no longer attracted to Wales due to a sharp divergence in fee policies. Equally, lost income would need to be made up in full if Wales followed suit with any fee cut.

Report from the Governing Body's key committees

Council has established four major committees whose members it appoints to oversee various aspects of the University's business: the Audit and Risk Committee, the Finance and Resources Committee, the Governance Committee, and the Remuneration Committee. All of these committees are formally constituted, each with terms of reference and a membership which includes lay members of Council and a Council lay member as Chair. Major committees may establish sub-committees, such as the Nominations Sub-Committee which is a key sub-committee created to consider and agree recommendations to Council in relation to key appointments.

Audit and Risk Committee

Member	Type	Attendance
Michael Hampson (Chair)	Lay	6/6
Paul Benjamin	Lay	3/6
Donall Curtin	Lay	6/6
Dr Janet Wademan	Lay	6/6
Agnes Xavier-Phillips	Lay	6/6

The Chair of Council and members of staff or students at the institution, are not members of the Committee. Members are not individuals with executive management responsibilities within the institution or members of the Finance and Resources Committee.

Key responsibilities

The Audit and Risk Committee has a key role in advising and assisting the Council in overseeing the assurance and control environment of the University. Its duties cover:

- Assessing and advising Council on the effectiveness of the institution's risk management, control and governance arrangements, and the internal controls and procedures to promote economy, efficiency and effectiveness.
- Oversight of external and internal audit arrangements, including advising the governing body on the appointment of the audit providers, and oversight of the nature and scope of external and internal audits and the effectiveness of the audit processes; and

- Oversight of audit aspects of the University's financial statements, including the independent auditors' opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the management representation letter.

Summary of business

The Audit and Risk Committee met six times during 2020/21, including an extraordinary meeting to consider going concern, and a meeting to review risk.

On review of its terms of reference the Committee agreed that its responsibilities shall include consideration of the culture and behaviour that is prevalent within the University and arrangements that can affect reputation, such as the management of conflicts of interest. This work will be combined with actions developed in response to the Governance Effectiveness Review and other evaluations.

The external auditors were present for consideration of a Financial Health Report and the annual Financial Statements and management representation letter, as well as the annual internal audit plan.

The Committee considered the University's risk register and detailed reports, including those from internal audit, together with recommendations for the improvement of the University's systems of internal control, as well as management responses and implementation plans.

Finance and Resources Committee

Member	Type	Attendance
John Shakeshaft (Chair from 01 Jan 21)	Lay	5/5
Dr Carol Bell (term ended 31 Dec 20)	Lay	2/2
Hannah Doe	Student	5/5
Gina Dunn (appointed from 01 July 21)	Student	0/0
Tomos Evans (term ended 30 Jun 21)	Student	5/5
Alastair Gibbons (Chair until 31 Dec 20)	Lay	2/2
Professor Kim Graham (term ended 31 July 21)	Employee	2/5
Professor Karen Holford (term ended 31 Jul 21)	Employee	5/5
Chris Jones	Lay	2/3
Jan Juillerat	Lay	3/5
Dr Steven Luke (term ended 31 Jul 21)	Lay	4/5
Professor Stuart Palmer	Lay	5/5
Professor Colin Riordan	Employee	5/5
Professor Damian Walford Davies (appointed from 01 Aug 21)	Employee	0/0
David Simmons	Lay	3/3

Summary of business

The Committee met five times during the 2020/21 academic year. The Committee oversaw the business of two sub-committees that scrutinise the estates and infrastructure development activity of the University and the management of the University's investment and banking activity. Over the course of the year, the Committee reviewed performance across HR related activities, and the University's financial statements, budgets and financial plans alongside the Strategic Plan. Other work reviewed included proposals for staff pensions, the Students' Union Accounts and Block Grant, the Estates Maintenance and Residential Fire Strategy 2020-21 and progress on the Cardiff Innovation Campus. The Committee has approved in-year funding requests in response to COVID-19 to support activities such as the Cardiff University Screening Service and adjustments to campus for returning students.

At the end of 2020/21 the Finance and Resources Committee created an Environmental Sustainability Sub-Committee to oversee the University's Environmental Sustainability Strategy and actions in this area, to work towards Carbon Net Zero status.

Key responsibilities

The broad remit of the Finance and Resources Committee is to monitor the University Executive Board's proposals for achievement of the strategic aims by scrutinising the alignment of resources to the Strategic plan and monitoring of performance against that. It has specific duties in respect of the following areas:

- Resource Allocation, including allocation provided to Students' Union.
- Financial management.
- Digital Infrastructure management.
- Human Resources management

Governance Committee

Member	Type	Attendance
Judith Fabian (Chair)	Lay	5/5
Hannah Doe (appointed from 01 July 21)	Student	0/0
Tomos Evans (term ended 30 June 21)	Student	5/5
Professor Karen Holford (term ended 31 July 21)	Employee	5/5
Jan Juillerat	Lay	5/5
Dr Joanna Newman	Lay	1/3
Professor Stuart Palmer	Lay	5/5
Leonard Richards	Lay	0/5
Professor Colin Riordan	Employee	5/5
Judge Ray Singh	Lay	5/5
Dr Andy Skyrme	Employee	5/5
Professor Ceri Sullivan	Employee	5/5
Professor Stuart Walker (appointed from 01 Aug 21)	Lay	0/0

Key responsibilities

The key role of the Governance Committee is to advise and make recommendations to the Council on:

- Matters relating to the governance of the University;
- The University's level of compliance with the mandatory requirements of legislation and other regulations, including the provisions of the Equality Act and the Welsh Language Act;
- Effectiveness reviews of Council as required;
- Constitutional and legal matters, including the Charter, Statutes and Ordinances;
- Lay Member nominations and appointments

To discharge its responsibilities, the Governance Committee has established five sub-committees:

- Nominations
- Health, Safety and Wellbeing
- Equality, Diversity and Inclusion
- Biological Standards
- Open Research Ethics and Integrity.

Summary of business

The Governance Committee met 5 times in 2020/21 including one extraordinary meeting. Over the year the Committee has reviewed the University's Governance Framework and approved associated updates to Statutes and Ordinances. It has also commissioned a review of outstanding actions from a series of governance reviews, consolidating these into a single tracker, including the Governance Charter for Wales 2020 and Commitment to Action and the Governance Effectiveness Review 2021.

The Committee established a Funders Advisory Panel in response to the Powell Review and a standing Nominations Sub-Committee with a defined remit and membership in response to the Governance Effectiveness Review 2021. In addition to reviewing a number of annual assurance documents (including compliance with the Welsh Language Standards, Information Management, PREVENT, The Modern Slavery Act 2015 and the Strategic Equality Plan Annual Monitoring Report 2019-20) the Committee also considered the possible adoption of the International Holocaust Remembrance Alliance's (IHRA) definition of antisemitism and islamophobia.

During 2020/21, the Governance Committee recommended changes to enhance the size and shape of the governing body, with a phased reduction in Council members planned over the next two years, which was approved by Council. The Governance Committee reviewed the lay member skills matrix and equality and diversity data to consider the composition requirements of an effective and efficient governing body.

Nominations Sub-Committee

Member	Type	Attendance
Jan Juillerat (Chair)	Lay	5/5
Professor Rachel Ashworth	Staff – Senate member of Council	3/5
Tomos Evans	Student – Senate member of Council	5/5
Judith Fabian	Lay	4/5
Judge Ray Singh	Lay	5/5

Key responsibilities

The role of the newly established Nominations Sub-Committee is to consider and agree recommendations to Council in relation to key appointments, including the appointment and re-appointment of the Chair and Lay Members to the Council and its committees.

The sub-committee ensures that lay member recruitment is achieved through a clear and transparent appointment process, having due regard for the overall skills and experience of the governing body, balance of sector and non-sector knowledge and commitments to diversity and inclusivity.

Summary of business

The sub-committee met on five occasions to consider the appointment of a governor apprentice and the appointment of the new Chair of Council. The Committee approved the advertising materials and methods for both posts and worked with an executive search firm appointed in relation to the Chair of Council position, Perrett Laver.

The governor apprentice was recruited via Perrett Laver's Governor Apprenticeship Scheme which aims to encourage diversity on boards, and the post was advertised externally. The Nominations Sub-Committee set up a panel to conduct the interviews from a short list of three applicants. The successful candidate was recommended to the Governance Committee in July 2021, to start in September 2021.

The recruitment exercise for the next Chair of Council was commenced in May 2021 with external adverts being placed in July 2021. The Nominations Sub-Committee conducted a scoping exercise with Perrett Laver, consulted key stakeholders and considered a long list.

This was subsequently refined into a short list in September 2021 and an interview panel comprising a sub-set of Nominations Sub-Committee members and an external peer has been established. The process was completed with a recommendation to Council in October 2021.

Remuneration Committee

Member	Type	Attendance
Jan Juillerat (Chair)	Lay	2/2
Professor Dame Janet Finch	Lay	2/2
Professor Stuart Palmer	Lay	2/2
Dr Janet Wademan	Lay	2/2

The Remuneration Committee has a wholly independent membership of lay members of the Council (who include the Chair and Vice-Chair of Council). The Remuneration Committee shall not be chaired by the Chair of Council.

Key responsibilities

The Remuneration Committee, with advice from the Professorial and Senior Salaries Committee, develops the overall reward strategy and policy to cover the remuneration, benefits, conditions of employment and severance of the senior officers and staff of the University, including Deans and Heads of School.

The Committee is responsible for determining the remuneration, benefits and conditions of employment of the Vice-Chancellor and their direct reports, taking account of affordability, comparative information of the remuneration, benefits and conditions of employment in the Higher Education Sector and elsewhere as appropriate and relevant metrics and performance data.

Summary of business

During 2020/21 the Committee reviewed the Senior Salary Review for the Vice-Chancellor and the Senior Staff Salary and Professorial Banding (including the Vice-Chancellor's direct reports), the annual update on the Gender and Ethnicity Pay Gap and on Equal Pay and Senior Pay Governance.

The Committee reviewed the CUC HE Senior Staff Remuneration Code and agreed to review the Code annually and communicate this in the Annual Statement on Senior Remuneration.

Major Committees and University Executive Board

Senate

Member	Type	Attendance
Professor Colin Riordan (Chair)	Employee	3/3
Professor Rudolf Allemann	Employee	3/3
Professor Stuart Allen	Employee	3/3
Professor Rachel Ashworth	Employee	2/3
Gill Bristow	Employee	1/2
Dr Jonathan Ben-Artzi	Employee	1/1
Professor Marc Buehner	Employee	2/3
Jane Chukwu	Student	3/3
Professor David Clarke	Employee	1/1
Kelsey Coward	Employee	1/3
Professor Trevor Dale	Employee	3/3
Dr Jane Davies	Employee	3/3
Rhys Denton	Employee	3/3
Hannah Doe	Student	3/3
Georgina East	Student	3/3
Helen Evans	Employee	3/3
Luke Evans	Student	3/3
Tomos Evans	Student	3/3
Professor Dylan Foster Evans	Employee	3/3
Graham Getheridge	Employee	1/3
Professor Kim Graham	Employee	3/3
Professor Kate Griffiths	Employee	1/1
Dr John Groves	Employee	3/3
Professor Mark Gumbleton	Employee	2/3
Professor Ian Hall	Employee	1/3
Dr Thomas Hall	Employee	3/3
Professor Ken Hamilton	Employee	1/3
Dr Natasha Hammond-Browning	Employee	3/3
Professor Ben Hannigan	Employee	3/3
Dr Alexander Harmer	Employee	2/3
Karen Harvey-Cooke	Employee	3/3
Dr Athanasios Hassoulas	Employee	2/3
Professor James Hegarty	Employee	1/3
Professor Mary Heimann	Employee	2/3
Dr Monika Hennemann	Employee	3/3
Dr Kersty Hobson	Employee	1/3
Professor Karen Holford	Employee	3/3
Professor Joanne Hunt	Employee	2/3
Professor Nicola Innes	Employee	2/3
Professor Dai John	Employee	3/3
Professor Urfan Khaliq	Employee	3/3
Professor Alan Kwan	Employee	3/3
Dr Catherine Laing	Employee	3/3
Professor Wolfgang Maier	Employee	1/3
Professor Paul Milbourne	Employee	1/1
Emmajane Milton	Employee	3/3
Claire Morgan	Employee	3/3
Professor Damien Murphy	Employee	0/3
Professor Jim Murray	Employee	3/3
Larissa Nelson	Employee	0/3

Joanne Pagett	Employee	3/3
Dr Jo Patterson	Employee	3/3
Professor Tim Phillips	Employee	2/3
Jude Pickett	Student	3/3
Dr Jamie Platts	Employee	3/3
Dr Emma Richards	Employee	2/3
Dr Steve Riley	Employee	2/3
Sebastian Ripley	Student	3/3
Dr Josh Robinson	Employee	1/3
Sarah Saunders	Employee	2/3
Dr Hannah Shaw	Employee	2/3
Dr Andy Skyrme	Employee	3/3
Professor Peter Smowton	Employee	3/3
Dr Zbig Sobiesierski	Employee	3/3
Tracey Stanley	Employee	2/3
Professor Ceri Sullivan	Employee	3/3
Professor Petroc Sumner	Employee	2/3
Dr Catherine Teehan	Employee	1/3
Dr Christoph Teufel	Employee	2/3
Gail Thomas	Employee	3/3
Dr Onur Tosun	Employee	2/3
Dr Laurence Totelin	Employee	3/3
Professor Chris Tweed	Employee	1/3
Professor Damian Walford Davies	Employee	3/3
Matt Walsh	Employee	1/2
Professor Ian Weeks	Employee	3/3
Prof Keith Whitfield	Employee	2/3
Professor David Whitaker	Employee	3/3
Professor John Wild	Employee	3/3
Alexandra Williams	Employee	3/3
Professor Martin Willis	Employee	2/3
Dr Liz Wren-Owens	Employee	1/2
Professor Jianzhong Wu	Employee	3/3

Senate (Continued) Key responsibilities

The Senate is established by the University's Charter, which gives it responsibility for the ordering of the academic affairs of the University, both in teaching and in research, and powers to make Academic Regulations. It draws its membership from the academic staff, professional services staff and students of the Institution. Senate keeps under review the educational policy of the University and provides Council with assurance that the academic affairs of the University are appropriately managed.

In turn, Senate has established standing panels and Sub-Committees to support it in discharging its responsibilities, such as the Academic Standards and Quality Committee and more recently the Education and Student Experience Sub-Committee, which was established in July 2021.

Summary of business

The Senate met three times during the 2020/21 academic year. Key areas of business included strategic items such as the review of the Education and Students Sub-strategy, the Welsh Language Strategy and the Widening Participation Strategy, reviewing the University's academic renewal and research institute proposals, as well as updates on COVID-19 and the Research Excellence Framework 2021 Submission.

Senate considered the Annual Quality Report 2019/20 and the Annual Degree Outcomes statement, as well as the possible adoption of the IHRA's definition of antisemitism and islamophobia.

A review of education governance conducted in 2020/21 recommended proposals to ensure clarity, effectiveness, and accountability, creating a single clear governance structure for education and student experience, and formalising existing groups as part of the governance structure. This was approved by Senate in June 2021.

University Executive Board

Member	Type
Professor Colin Riordan (Chair)	Employee
Professor Rudolf Allemann	Employee
Professor Karen Holford (term ended 31 July 21)	Employee
Professor Kim Graham	Employee
Rashi Jain	Employee
Professor Urfan Khaliq (appointed 01 Sep 21)	Employee
Susan Midha	Employee
Claire Morgan	Employee
TJ Rawlinson	Employee
Claire Sanders	Employee
Professor Damian Walford Davies	Employee
Professor Ian Weeks	Employee

All members of the University Executive Board attend weekly senior meetings. Given the frequency of these meetings, the attendance is not recorded in the table above. To manage the response to the global pandemic, meetings were extended to be held throughout the whole year.

Key responsibilities

The University Executive Board is the University's senior executive team. The HEFCW Memorandum of Assurance and Accountability defines the Senior Executive Team in accordance with Financial Reporting Standard 102 (FRS 102)'s definition for 'key management personnel'; that is "those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity".

The broad remit of UEB is to advise the Vice-Chancellor in the performance of their duties as the Chief Executive Officer including developing and implementing strategy, operational plans, policies and procedures, setting budgets, and monitoring operating and financial performance.

Summary of business

In addition to weekly meetings through 2020/21, the UEB held three extended away days to look at strategic areas in addition to decision-making. Key areas of activity including the University's ongoing management of the COVID-19 crisis, including establishment of the asymptomatic screening service, alignment of the sub-strategies and enabling strategies with the Recast Way Forward, Climate Emergency White Paper and capital projects progress.

Senior Pay Remuneration

The Remuneration Statement provides the framework for decision making in respect of remuneration and in particular decision making on remuneration for senior staff.

All senior staff, excluding the Vice-Chancellor, are covered by the University's Senior Pay Policy, which is published annually. This reviews performance on a biennial basis, and allows performance-based awards, as well as reviewing equity. Data drawn from the Universities and Colleges Employer Association's (UCEA) Senior Staff Remuneration Survey and the Russell Reward Survey are used to provide evidence for any market adjustments. The policy is set by the Remuneration Committee, who have overall responsibility for the University's approach to senior remuneration. As part of this role, it takes decisions on the pay of the most senior individuals in the University, including the Vice-Chancellor.

The numbers of all staff paid above £100k are published in the Notes to the Financial Statements of this report, along with directly reimbursed expenses for senior staff who are members of the University Executive Board. All expense claims and payments made to senior members of the University are in accordance with the University's financial regulations. These apply to all staff and are reviewed and approved annually by the University Council.

Vice-Chancellor Remuneration

The remuneration of the Vice-Chancellor is determined by the Remuneration Committee, through the Vice-Chancellor's Reward Scheme.

This scheme is designed as a long-term incentive plan to reward and retain the Vice-Chancellor with a view to delivery of the Way Forward Strategy 2018-23. The scheme builds on the principles of the Senior Salary Review process as outlined in the Senior Staff Pay Policy.

The Vice-Chancellor's Reward Scheme involves:

- an annual review of base pay in relation to the market;
- a long-term lump sum non-pensionable performance-related bonus payment linked to the achievement of the Way Forward 2018-2023.

When the Remuneration Committee reviews the Vice-Chancellor's remuneration package, it takes into account comparative information on salaries, other benefits and conditions of service in the Higher Education sector and elsewhere.

Remuneration for other staff groups

The majority of other staff are on the National Framework Agreement (NFA) pay spine and covered by the University's Grading Structure which consists of 8 grades. These grades are supported by the Higher Education Role Analysis (HERA) role evaluation methodology.

Staff on NFA pay scales gain pay increases annually based on increased skill, knowledge and experience, until they reach the top of the grade's core range. They are also subject to any nationally agreed pay awards.

The Clinical Pay Scale covers clinical staff, and replicates the NHS pay ranges. Clinical staff gain increases annually based on increased skill, knowledge and experience, until they reach the top of the grade range. Clinical consultants also gain commitment awards above the top of the consultant grade range.

The Outstanding Contribution Award Scheme (OCAS) recognises exceptional performance and contribution, resulting in both one-off awards, and any accelerated incremental progression.

Living Wage Employer

The University is an accredited Living Wage employer and as a result all staff receive at least the Living Wage Foundation rate of pay.

Pay Ratio

The ratios between the VC salary and the median pay of staff and the VC total remuneration and the median total remuneration of staff are disclosed in note 8 (staff costs).

Exit policy

All settlement agreements, including voluntary severance, for professorial, professional service directors and senior staff are reported biannually to the Remuneration Committee, with details of both the severance payment and the saving to the university. Any redundancies related to academic and senior staff are subject to the University's redundancy processes.

The University retained an operating surplus of £31m in 2020/21 despite the challenges of the coronavirus pandemic

2020/21 was a difficult year for students and staff as we dealt with the challenges of the coronavirus pandemic. It was also a challenging year financially due to the significant uncertainties anticipated at the start of the year, particularly overseas travel, lockdowns and blended learning. Despite these challenges the University was able to retain an operating surplus of £31m and strengthen its financial reserves.

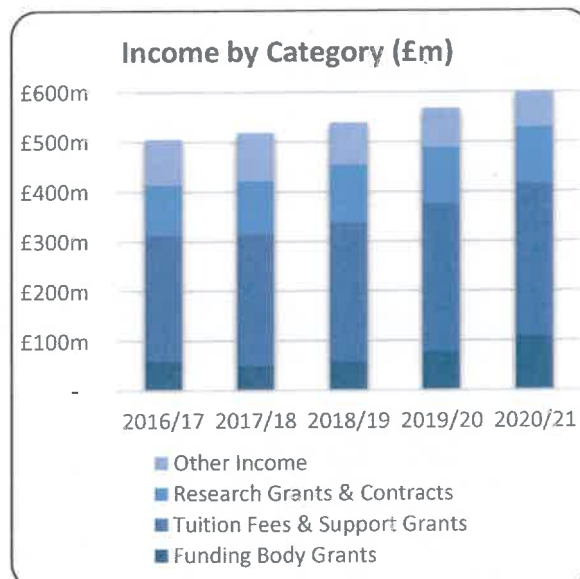
The underlying operating surplus of £31m reconciles to the total surplus of £59m as follows:

Summary of Group Results	2020/21 £m	2019/20 £m
Total comprehensive surplus/(deficit) for the year	58.9	30.9
USS pension provision charge/(credit)	2.4	(55.2)
Actuarial (gain)/ loss on pensions	(3.0)	40.0
Surplus/(Deficit) before other gains/(losses)	58.3	15.7
Other gains/(losses)	(26.9)	(1.6)
Underlying operating surplus/(deficit)	31.4	14.1

The financial statements for the year ended 31 July 2021 consolidate the results of the University, its subsidiary company University College Cardiff Consultants Limited and the joint ventures Compound Semiconductor Centre Limited and Cardiff Medicentre.

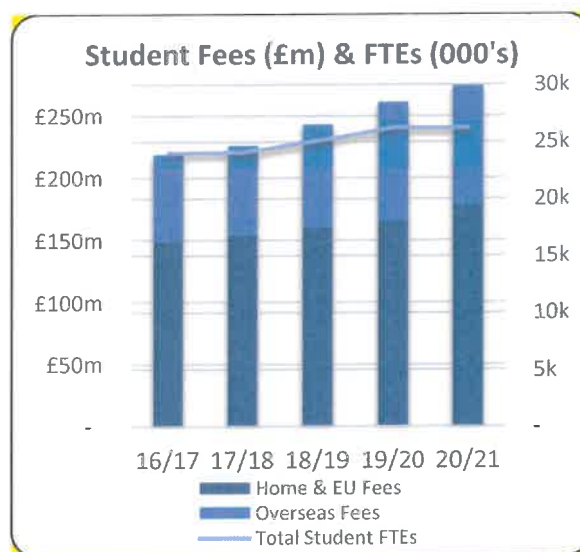
Income up 6.3% to £605m

2020/21 saw total income grow from £568.8m to £604.6m due to a 4.2% increase in undergraduate students and additional COVID-19 support from Welsh Government.



2020/21 saw a 3.3% increase in tuition fees and support grants which was significantly better than initially anticipated. The increased number of eligible school leavers saw undergraduate numbers increase by 4.2% and income by 8.2%.

Despite the challenges of COVID-19 and international travel we welcomed 4,925 international students a fall of 6.2% but only a decline of 1.0% in income.



Financial Review

Our student body of 26,670 students is made up as follows:

Student Numbers	2020/21	2019/20
Undergraduates	20,116	19,301
Postgraduate Taught	5,081	5,209
Postgraduate Research	1,473	1,709
Total	26,670	26,219
Home & EU	21,725	20,967
Overseas	4,945	5,252
Total	26,670	26,219

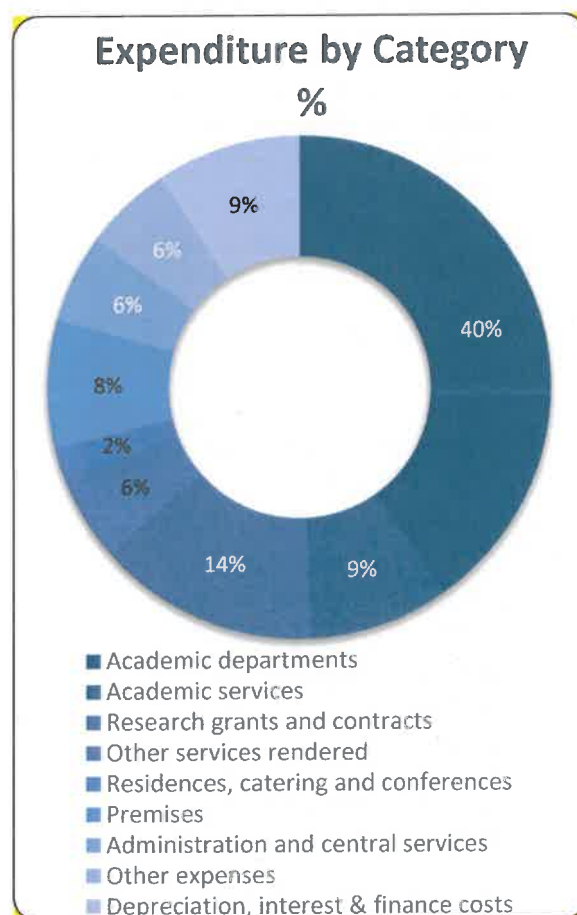
We received a significant increase in grant income this year from HEFCW. The increase from £78.2m to £109.5m included an additional £28.9m representing the University's share of Welsh Government COVID-19 funding for the sector to support students, staff and facilities during the pandemic.

Despite the challenges of COVID-19, including access to laboratories, and a focus on teaching, research activity was maintained and generated an unchanged £112.7m of income although new awards secured in the year fell slightly.

Other income saw a drop in the year as public sector contracts declined during the pandemic. This also affected conference and catering income although income from residences remained strong despite a low level of rebates to students.

Active management of expenditure continued throughout the year.

Total expenditure, excluding the USS pension provision, increased by 2.7% to £570.8m.



Recruitment controls and low inflation have meant that staff costs grew by 1.1% in the year despite a 2.4% increase in average staff numbers. Staff costs as a proportion of income reduced from 57.3% to 54.5%.

Operating expenses increased by £13.0m to £187.9m in the year as we dealt with the impact of the pandemic. Despite savings in travel and overhead costs the University spent £18.5m on supporting staff and students, and on maintaining a safe campus through the pandemic.

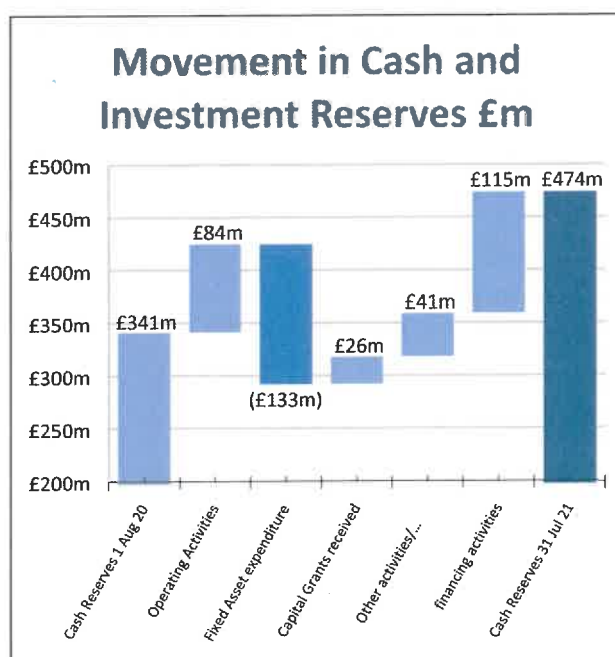
Pension provisions set to increase

The Universities Superannuation Scheme (USS) of which Cardiff is an employer member provides pensions for academic and professional staff. The University's financial statements reflect the actuarial valuation as of 31 March 2018, when the scheme had a deficit of £3.6bn. The USS Trustees are required to put in place a recovery plan of which Cardiff's share has reduced from £84.6m to £84.1m.

Since the year-end the USS Trustees have agreed a further valuation as of 31 March 2020 which saw the deficit increase to £16.1bn. This will result in an increase of £157m in the current provision of £84m which will be reflected in the University's 2021/22 financial statements.

Following the completion of the Cardiff University Pension Scheme's 2019 valuation the University undertook a strategic review of the defined benefit scheme. This resulted in a consultation with members to close the scheme to new entrants and to amend the benefits structure. The changes to the Scheme were approved by Council and will be implemented from 1st January 2022 along with a defined contribution scheme for new entrants.

Operating cash surplus of £84m retained to support investment



The University retained an operating cash surplus in the year of £84m or 13.3% of income. After the proceeds of the bond issue and the cost of investments, the cash reserves of the University increased by £23.6m to £148.6m.

At 31 July 2021 the University's available cash reserves and investments totalled £474.2m (2020 £340.7m) reflecting the impact of the bond issue.

The University is in a strong position financially to deal with any future financial challenges.

Capital expenditure peaks at £133m

This year saw the highest level of annual capital spend in the University's history at £133.1m as the current investment programme reached its peak. Since the year-end we have been able to open Abacws, our new School of Mathematics and School of Computer Science and Informatics, the iconic Centre for Student Life, an upgraded Bute Building to accommodate the Welsh School of Architecture and sbarc|spark our new innovation centre. The Translational Research Hub, the last major development in the current programme, is due to open in 2022.

Investments

The recovery in stock markets over the last year enabled the University's investments to grow in value by £34m. During the year the University incurred a net interest cost of £7.3m although this is significantly offset by the unrealised growth in investments.

During the year the University was awarded a £65m five-year grant to deliver the International Learning Exchange Programme on behalf of the Welsh Government. The scheme will enable learners and staff from Wales to continue to benefit from international exchanges in a similar way to Erasmus+ but will also enable the inward mobility of individuals from abroad. The scheme will be administered through a wholly owned subsidiary company.

Since the year-end the University has become a partner in SETsquared, the world's top-ranked university-business incubator. This will add significantly to our ambition to turn research into real-world economic and social enterprises.

Borrowings

Borrowings at the year-end totalled £430.1m of which the public bond totalled £421.6m. This incurs interest of 3.1% p.a. and is repayable in 2055. Moody's have assessed the bond as A1 with a stable outlook.

During the year the University issued a further £100m nominal value of its £300m 3% 2055 bond. The bonds were issued at a premium to their nominal value resulting in proceeds of £128m net of costs. The proceeds will be used to invest in teaching and research, in particular our digital teaching strategy and our medical facilities.

The University has set aside £59m of reserves into a bond repayment fund that is invested on a total return basis with the objective of being able to fund the repayment of the £400m bond in 2055.

During the year the University agreed a three year £20m Revolving Credit Facility with Lloyds Bank to cover working capital requirements. To date this facility has not been used.

A strengthened Balance Sheet

At 31 July 2021 the University's consolidated net assets had grown 9.5% to £676m (2020 £618m) of which £314m or 46.4% represented unrestricted reserves.

The University has successfully managed the many challenges of the last year due to the significant commitment of our staff. Whilst not reflected on the balance sheet of the University they remain our most important and valued asset.

Significant risks still ahead

Despite successfully managing the challenges of the pandemic the University still faces some significant uncertainties and risks. Future U.K. and Welsh Government policy could have a major impact on the funding of higher education. The global response to the pandemic may affect the international student market while at home the sector faces major challenges on pay and pensions.

Despite these challenges we remain focused on delivering an excellent student experience alongside our five priorities of the health and wellbeing of our staff and students, maintaining financial sustainability, improving student satisfaction and experience, supporting research grants and contracts and continuing to contribute to our civic mission.

The University's Executive Board regularly reviews our key risks. The principal risks to the University and how they are being mitigated are shown in the tables on pages 31 to 33.

A cautious financial outlook

Whilst we face some significant political and economic risks and continued uncertainty about the global pandemic, we remain cautious but optimistic about the future.

The successful completion of our major capital investment programme creates some exciting opportunities for our teaching and research activities.

We have been encouraged by the strong demand from students to study at Cardiff and we will continue to focus on providing students with a positive experience in a safe campus environment.

This will require continued investment in teaching support. We expect expenditure to increase as we return to more on-campus activities. The loss of one-off income support during the pandemic will put added pressure on our financial performance that will require continued strong financial management.

The University has a strong balance sheet and sufficient liquidity to deal positively with the uncertainties and opportunities that the future holds.



Robert Williams
Chief Financial Officer
24 November 2021

Financial Review

Risk area	Risk description	Risk management
Staff Wellbeing and Welfare	The University is unable to maintain its duty of care to staff.	<p>A taskforce is in place to oversee the operational aspects required for a safe working environment for staff and students who return to campus.</p> <p>An organisational COVID-19 Risk Assessment is in place to reflect Welsh Government requirements and support increased activity on campus.</p> <p>The University's coronavirus screening service has received stage 2 (of 3) of accreditation by UKAS and will continue to test asymptomatic staff and students on campus.</p> <p>An external mental health and wellbeing programme will be delivered to line managers across the University in 2021/22 to help them support staff.</p> <p>The University has stated its commitment to addressing workload through a Workload Steering Group with College PVC membership and a Workload Operations Groups. Other measures include redistributing tutees where appropriate and introducing an appointment-based system for 1:1 student/staff interactions.</p>
Student Wellbeing and Welfare	The University is unable to maintain its duty of care to students.	<p>The University's coronavirus screening service has received stage 2 (of 3) of accreditation by UKAS and will continue to test asymptomatic staff and students on campus.</p> <p>Investment in key frontline staff in areas such as enrolment and Student Life Services.</p> <p>Maximising vaccination take up through pre-arrival advice to get vaccinated before starting university and vaccination pop up sites being established for the start of the year.</p> <p>Data gathering to understand vaccination reach in the student population and enabling targeted advice and follow up for those not partially or not vaccinated.</p>
Financial Sustainability	The University's operational costs and capital plans outweigh the income the University can generate or receives in grants, making it financially unsustainable.	<p>The University deploys detailed budget control and monitoring procedures are in place. Zero-based budgeting was introduced for the 2020/21 academic year and a break-even budget agreed for 2021/22.</p> <p>There are regular discussions between Recruitment and Admissions and Finance to model fee income.</p> <p>Research and Change projects are assessed for return on investment to ensure delivery on expected benefits.</p> <p>New spend commitments have been reduced through recruitment controls, delaying capital spend and reconsidering the pace of transformation projects.</p> <p>Throughout the current pandemic members of Council and the Executive Board have met regularly to review the financial position and mitigating actions, including revenue generation, cost controls, cash management and financing options.</p> <p>All mitigating actions have resulted in a further improved financial position.</p>

Financial Review

Risk area	Risk description	Risk management
Capital Programme	The Capital Programme is not delivered to time, budget or specification.	<p>All capital programmes are subject to detailed business case budgets and cost monitoring through individual steering boards and University Executive Board.</p> <p>Capital project progress reports with detailed action plans to address slippages and consolidated portfolio risk registers (with mitigating actions) are presented regularly to Portfolio Groups for review and discussion.</p> <p>A finance report is presented to each Portfolio Group highlighting any potential budget pressures and over-runs on a monthly basis, including detail on risk/contingency budget drawdown.</p>
Student Recruitment	The University fails to recruit and retain a strategically desirable number, quality and diversity of students, including high-quality EU and international students.	<p>The University's Recruitment and Admissions Strategy Group has delegated authority to take strategic actions in relation to recruitment, to ensure target entrants are met. Student numbers are reviewed and monitored by this group on a regular basis to ensure that the University Executive Board has clear sight of predicted enrolments.</p> <p>School/College conversion activities including offer holder comms/online tours, call/unibuddy campaigns. Virtual recruitment events and an enhanced e-comms programme have been implemented.</p> <p>International scholarships have been extended to include further awards for India, Malaysia, and awards for EU domiciled students for all years of study introduced.</p> <p>Consistent and clear messaging to our applicants on what the teaching experience will be for the 2021/22 year and beyond, including a return to face-to-face provision.</p>
Research Activity and Income	The University's research activities are significantly impacted reducing research income.	<p>An overarching Research, Innovation and Enterprise Strategy Group continues to ensure clear delivery of key goals within the research and innovation portfolio.</p> <p>A new approach to funder engagement successfully developed and now being used across the University; this will be additionally enhanced by the appointment of a Funder Relationship Manager.</p> <p>Implementation of the strategic entities review is ensuring a clear forward-looking focus for the University, to help deliver our strategic ambitions, build upon our research income and broaden our innovation portfolio.</p>

Financial Review

Risk area	Risk description	Risk management
Business Continuity	The University is unable to maintain its key operational tasks during ever changing conditions.	The University has established several taskforces to deal with the varying conditions with which we are faced including return to campus operations and further outbreaks. These taskforces review and consider all operational decisions for approval by University Executive Board.
Student Experience	The University is unable to provide a high-quality learning experience to its students.	Implementation of the Education & Students Sub-Strategy plan is underway with actions aimed at making significant change to student experience. Opening of the Centre for Student Life will provide significant social study spaces. Extended remote study is being made available to international students on selected programmes.
Cyber Security	The University suffers an information security breach as a result of a cyber-attack.	Key policies and procedures are in place and Information Security training is mandatory for all staff. Multi-Factor Authentication is required to access systems and Cyber Essentials and Cyber Essentials+ certification obtained.
Regulatory Compliance	The University experiences a significant breach of laws and/or regulations	Key policies and procedures are in place and mandatory training is undertaken for key compliance areas. External validation of processes is undertaken where available. Cross-university working groups in place for key areas such as Information Security, fraud and financial compliance, UK Visas and Immigration (a division of the Home Office) to periodically review and update working practices.
Pensions	The volatility in the valuation of pension assets and impact of changes in actuarial assumptions expose the university to significant movements in its reserves.	Strategic reviews are undertaken on a periodic basis following triannual pension scheme valuations. The university engages with other institutions to agree proposed mitigating changes with respect to the Universities Superannuation Scheme. These are subject to member consultation. Contribution and investment strategy plans are managed by the Scheme trustees, in conjunction with short-term liability management.



Robert Williams

Chief Financial Officer
24 November 2021

Cardiff University is a registered charity (no. 1136855). It exists to create and share knowledge and to educate for the benefit of all. Its Royal Charter, first granted in 1884, sets out its constitutional arrangements and objects. Embodied within the objects is the fundamental principle of the advancement of education, empowering the University to research, teach, examine and award degrees. The objects also contain obligations to develop the character of students, promote health and welfare—especially in Wales—and contribute to social, cultural and economic development.

A member of the Russell Group of research-intensive universities, Cardiff University sees fundamental research as essential to human aspiration and critical to the development of cultural artefacts, technologies and services that improve the quality of life for all.

In setting and reviewing the University's objectives and activities, the University's Council has had due regard to the Charity Commission's guidance on the reporting of public benefit, particularly its supplementary guidance on the advancement of education.

The Way Forward 2018–2023 (Recast COVID-19) sets out the University's strategic themes, which are summarised below.

Education and Students

The University provides an educationally-outstanding and consistently high-quality student experience, driven by creativity and curiosity, which seeks to enhance learning and support student life.

During the unprecedented times of COVID-19, many aspects of our provision have been provided in a remote, online and now blended environment, and students have benefited from continued online support and education provision to allow them to progress, graduate and gain employment or further study. Our priorities remain to provide a high-quality student experience, maintain academic standards of our degrees and ensure the safety and wellbeing of our staff and students.

Building on our strong track record in widening participation, we continue to prioritise ensuring that students from a variety of backgrounds have access to the benefits of higher education, and this is also coupled with work on retention and student success. In our blended provision, combining face-to-face classroom methods with computer-mediated activities or online provision, students are benefitting from a pedagogic high-quality approach to digital learning which permits them to succeed, and to continue on their inspiring education journey.

Research and Innovation

This year has been exceptional in the face of the global pandemic. Through its research, the University has been fast acting in its response and is actively contributing to COVID-19 recovery efforts both in relation to tackling the disease and combatting the wider societal challenges post-COVID-19. We have continued to support our staff and students during this difficult time, ensuring that where safe and possible to do so, research has continued allowing us to contribute towards tackling critical global issues that require cross disciplinary co-operation. For example, our researchers are addressing major challenges facing society, the economy and the environment in Wales, in the UK and globally, delivering breakthroughs in areas such as Alzheimer's disease and mental health, compound semiconductors, gravitational waves, climate change and creative industries.

The University has also established itself as the Home of Innovation with implementation of new innovation strategy ensuring that the impacts from its research make a difference, often working in partnership with business, public and third sector organisations. We are investing in bespoke facilities for innovative collaborations with industry, government and wider society, and enhancing support for students to engage in innovation and entrepreneurial training. This ensures all members of Cardiff University can contribute to the growth of the knowledge economy. Aligned to our Civic Mission activities, our researchers also work with local communities, supporting new forms of education and socio-economic change in our region.

International

The University is a global institution with over 9,500 (more than 25% of the total student body) international students (EU included) from more than 130 countries and formal links with more than 300 institutions worldwide. It collaborates with business and education partners all over the world, including formal strategic partnerships with Xiamen University and Beijing Normal University in China, University of Campinas in Brazil, University of Bremen in Germany, and University of Waikato in New Zealand.

The University's strong links with institutions worldwide mean that many of its students have the opportunity to study, work or volunteer abroad. It attracts the highest calibre of academics and researchers from around the world. International staff make up more than 30% of the academic body, enhancing the learning experience for students and bringing a global perspective to its research. Its researchers collaborate with partners worldwide to tackle global issues such as climate change adaptation for improved food and water security, mitigation of CO2 emissions through storage in coal deposits, and the genetic architecture of mental disorders.

In the past 18 months, they have also turned their expertise to supporting the global response to the COVID-19 pandemic. Through its long-standing partnership with the University of Namibia, the University has been able to alleviate the surge in COVID-19 cases in Namibia. This has included a vaccination project for some of the most disadvantaged of Namibia's people and organising a donation of more than £7m worth of clinical equipment and PPE.

Civic Mission

In response to the social and health crisis caused by COVID-19, the University has reshaped its civic mission. It is committed to using its research strengths, expertise and knowledge to help government, health services and wider society to revive and renew the Welsh economic, social and cultural landscape in response to the pandemic. The University's research strengths will be utilized to make greater civic mission contributions to new societal challenges faced by Wales, aligned to successful revival and renewal. Supporting job creation is of paramount importance given the economic impact of the virus.

Now more than ever, the University will continue to contribute to innovation in education with primary and secondary schools and further education colleges. Its partnership with the NHS will achieve much greater salience. The University has a strong sense of place in the Cardiff and South Wales region and will continue to enhance and celebrate the Welsh-language culture of its campus in line with its Welsh-Language Strategy.

Statement of Corporate Governance

The University's legal status derives from a Royal Charter first granted by Queen Victoria in 1884 to found the University College of South Wales and Monmouthshire. The current charter (known as a Supplemental Charter) was approved in 2004 and sets out the purpose and powers of the University. Embodied within it are fundamental principles such as the University's power to teach, examine, carry out research and award degrees. Its objects, powers and framework of governance are set out in its Charter and its supporting Statutes, the latest amendments to which were approved by the Privy Council in 2021. The University registered as a charity in 2010 (1136855).

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

Council

The Council is the governing body and thus the supreme authority of the University, which means that it is ultimately accountable for the conduct and activity of the University and its representatives. The Council is responsible for the administration and management of the affairs of the University and for agreeing the general strategic direction of the institution.

The Council is committed to conducting its business in accordance with the Nolan principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership) and aligned with the Committee of University Chairs (CUC) Higher Education Code of Governance published in September 2020 and the CUC Audit Committee Code of Practice (May 2020).

In the preparation of this statement the Council of the University has had regard for the guidance issued by the Charity Commission:

- (i) that there was no element of the CUC HE Code of Governance with which the University's practice was not consistent; and
- (ii) that the University's fundraising policies and practices are fully aligned with the Fundraising Regulator's requirements set out in the University's Code of Fundraising Practice. No fundraising complaints were received during the reporting period.

The University's commitment to all funders of the University, and additional commitments to philanthropic donors to the University is available on the University's website:

<https://www.cardiff.ac.uk/donate/other-ways-to-give/funders-rights>

The University undertakes regular Council effectiveness reviews and underwent a Governance Effectiveness Review this year, conducted by Dr Jonathan Nicholls, an external consultant. The Review focused on the culture of Council and its relationship with University Executive Board and Senate, and the effectiveness of the supporting governance structures. The Report concluded that the University's overall governance effectiveness is satisfactory, with no material weaknesses. The review offered a number of recommendations for improvement, in the areas of culture, engagement and communication, and the streamlining of committee business and Council's focus onto strategic matters. Many of the initiatives were already planned or underway, but others require significant work and/or discussion with Senate prior to implementation. An action plan has been developed to support the implementation of the recommendations approved by Council in July 2021.

In 2021 the Governance Committee reviewed progress against a number of outstanding recommendations from earlier reviews of governance, including the Powell Review, Governance Arrangements internal audits and the Governance Charter for Wales and the Commitment to Action. The Governance Committee receive regular progress reports against these actions and substantial progress has been made against these recommendations during 2020/21, where the University is not already aligned.

The University is committed to the highest standards of openness, probity and accountability, and seeks to conduct its affairs in a responsible manner and has in place a Whistleblowing (Public Interest Disclosure) Policy to enable staff, students and other members of the University to raise concerns which are in the public interest.

Over the year, we have utilised the positive benefits of remote working to communicate with key stakeholders on a variety of activities. Council Development sessions have involved the Students' Union, University Executive members, Directors of Professional Services and representatives from the Centre for Education Support and Innovation, to discuss developments such as academic provision and the digital transformation. Representatives from Advance HE, HEFCW and legal professionals have also been involved in our development schedule. The governing body have been consulted on their preferences for future stakeholder engagement.

The Council has a majority of members from outside the University (described as lay members). Council membership also includes staff and students. Council lay members are recruited in an open, fair and transparent manner and due regard is given to equality and diversity, the need to balance skills and expertise as well as geographical location.

Statement of Corporate Governance

With respect to boardroom diversity, we continue to build on our Strategic Equality Plan actions to promote and develop an inclusive (internal) culture and governance by addressing diversity of decision-making committees. We have improved our data capture, and guidance on inclusivity for committee meetings, and use this to inform lay member recruitment and induction. Council members also received a session on race to discuss and reflect on these matters. In 2021 we became a launch partner with Perrett Laver's Governor Apprenticeship Scheme, appointing our first governor apprentice to start in 2021-22. The scheme supports boardroom diversity by enabling a diverse and talented pool of candidates otherwise lacking in board room experience, to gain that experience.

The Nominations Sub-Committee (a sub-committee of the Governance Committee) is responsible for overseeing the recruitment process and recommending new lay members to Council for approval. Each year the Committee review a schedule of lay membership to review term end dates to consider succession planning. All vacancies for Independent Lay Members of Council are communicated to staff, students and current members of Council, with expressions of interest particularly welcome from under-represented groups. In 2020-21 the process for the recruitment of a Chair and Vice-Chair of Council was agreed. Approval by the Privy Council to enable external recruitment of the Chair of Council has led to greater opportunities to increase diversity amongst our members. Arrangements for the succession planning of key Senior Executive roles is currently under review.

Lay members do not receive any payment, apart from the reimbursement of expenses, for the work they do for the University. On appointment, Council members are required to complete a Register of Interests entry. The current Register of Interests is publicly available on our website:

<https://www.cardiff.ac.uk/about/organisation/governance/council>

Throughout the 2020/21 academic year, the Council met six times and approved a number of business cases, reviewed strategic direction and decision making across a number of university activities to include a Welsh Language Strategy, the Centre for Student Life and the Cardiff Innovation Campus. Council has continued to oversee the ongoing University response to the COVID-19 pandemic.

All new members of Council receive an induction to the University and their responsibilities as a member of the governing body. There is an annual development programme which focuses on sharing information and creates opportunities for discussion for Council members and the University's Executive

Team. Feedback is collated from all members of Council to inform an annual development schedule.

The Chair of Council holds an annual appraisal with all members of Council and this feedback is used to inform and improve the effectiveness of the governing body. The Audit and Risk Committee also conduct an annual review of their effectiveness, which in 2020/21 was via a self-evaluation survey. The next Governance Effectiveness Review is planned for 2024.

Accountable Officer

The chief executive and principal academic and administrative officer of the University is the Vice-Chancellor, who has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University.

Under the terms of the Memorandum of Assurance and Accountability between the University and the Higher Education Funding Council for Wales, the Vice-Chancellor is the Accountable Officer of the University and in that capacity can be summoned to appear before the Audit Committee of the Welsh Government.

Management

As chief executive of the University, the Vice-Chancellor has responsibility for the development of institutional strategy, the identification and planning of new developments, and the shaping of the institutional ethos. The Deputy Vice-Chancellor, Pro-Vice-Chancellors, University Deans and the senior professional officers all contribute in various ways to these aspects of the work, but ultimate authority rests with the Council.

Statement of Internal Controls

Principal Risk and System of Internal Control

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

The system of internal control is designed to manage rather than eliminate the risk of non-achievement of policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the University's policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them effectively.

Council confirms that this process has been in place and operating effectively for the year ended 31 July 2021 and up to the date of approval of the financial statements and accords with HEFCW guidance.

As the governing body, Council has responsibility for reviewing the effectiveness of the system of internal control. It meets at regular intervals to consider the plans and strategic direction of the institution and receives assurance reports from the Chair of Audit and Risk Committee concerning internal control.

The Audit and Risk Committee receives regular reports from the Internal Audit service. An independent opinion is provided on each report relating to the adequacy and effectiveness of the University's system of internal control, together with recommendations for improvement. A summary of the work undertaken by the Internal Audit service is provided in an Annual Report. The Head of Internal Audit is unequivocally free to act in an independent manner in pursuit of her professional business and must not be fettered in their scope or reporting. This provides an independent opinion on the adequacy and effectiveness of the University's arrangements for the provision of risk management, internal control, governance and value for money and data quality.

Considering the completion of the approved audit plan for 2020/21 and the supporting information; the University's arrangements for risk management, control and governance, and value for money and data quality are adequate and effective.

The Vice Chancellor is the University's Accountable Officer, responsible for providing HEFCW with clear assurances that the institution has an effective policy of risk management. The University Secretary is the Chief Risk Officer, responsible for promoting effective risk management across the University.

The University Executive Board has responsibility for the management of risk across the University, assessing the University's risk appetite, updating the University's strategic risk register and reporting on risk to the Finance and Resources Committee, Audit and Risk Committee, and Council throughout the year.

The University operates a hierarchical system for risk management. Risks within individual teams and projects are reported to the relevant school or department on a quarterly basis. The schools and departments then escalate any key risks to the Colleges and Professional Services Board for consideration and inclusion in their risk registers. Colleges and Professional Services Board then report their risk registers to the University Executive Board on a quarterly basis. This ensures that governance, management, reputational, quality and financial risks from across the University are considered for incorporation into the University's strategic risk register.

For 2020/21, the University continued to produce a merged risk reporting structure which combined teaching and assessment, student life, research and operations with school/departmental/operational group systems, the focus of risk reporting being on the former. Risks identified in the strategic register were also cascaded down the hierarchy to ensure that the mitigating actions required were put in place.

All staff have a part to play in protecting the University from undue exposure to risk, whether reputational, financial, legal or in terms of its core activities of teaching and research and are encouraged to be aware of the implications and potential consequences of their actions for the University.

Responsibilities of the Council of Cardiff University

In accordance with the University's Charter, the Council is responsible for the administration and management of the affairs of the University, including ensuring an effective system of internal control.

The Council is responsible for ensuring the University and Group Financial Statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), the University's Charter, the Accounts Direction issued by HEFCW, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions, the Charities Act 2011 and other relevant accounting standards.

Within the terms and conditions of a Financial Memorandum agreed between the Higher Education Funding Council for Wales (HEFCW) and the Council of the University, the Council, through its Accountable Officer, is required to prepare Financial Statements for each financial year which give a true and fair view of the state of affairs of the University and its subsidiaries and of the surplus or deficit, statement of movements on reserves and cash flows for that year. The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the University's and Group's transactions and disclose with reasonable accuracy at any time the financial position of the University and Group and to enable it to ensure that the Financial Statements comply with applicable law and regulations.

The Council is also responsible for safeguarding the assets of the University and Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In preparing these Financial Statements, the Council is required to:

- select suitable accounting policies and then apply them consistently.
- observe the methods and principles in the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).
- make judgements and estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the University will continue in business.

The Council has taken reasonable steps to:

- ensure that funds from HEFCW, Welsh Government and other Funding Bodies are used only for the purposes for which they have been given and in accordance with the HEFCW Memorandum of Assurance and Accountability and Financial Management Code; and any other conditions which HEFCW or any other Funding Body may from time to time prescribe.
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources.
- safeguard the assets of the University and its subsidiaries and prevent and detect fraud; and
- secure the economical, efficient and effective management of the resources and expenditure of the University and its subsidiaries.

Any system of internal financial control can, however, provide reasonable, but not absolute, assurance against material misstatement or loss.

On behalf of the Council



Professor Colin Riordan

Accountable Officer
24 November 2021

Report on the audit of the financial statements

Opinion

In our opinion, Cardiff University's group financial statements and institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the institution's affairs as at 31 July 2021 and of the group's and institution's income and expenditure, gains and losses and changes in reserves and the group's and institution's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements, included within the Annual Report and Financial Statements, which comprise: the Consolidated and Institution Statements of Financial Position as at 31 July 2021; the Consolidated and Institution Statements of Comprehensive Income, the Consolidated and Institution Statements of Changes in Reserves and the Consolidated and Institution Statements of Cash-flow for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit and Risk Committee.

Basis for opinion

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

Other than those disclosed in note 10 of the financial statements, we have provided no non-audit services to the institution or its controlled undertakings in the period under audit.

Our audit approach

Overview

Audit scope

- The group comprises the institution and one subsidiary company
- The entities where we performed audit work accounted for 100% of the consolidated income and expenditure and net assets

Key audit matters

- Risk of fraud in revenue recognition (group and institution)
- Pension schemes (group and institution)
- Impact of COVID-19 (group and institution)

Materiality

- Overall group materiality: £6.0m (2020: £5.7m) based on 1% of income.
- Overall institution materiality: £6.0m (2020: £5.7m) based on 1% of income.
- Performance materiality: £4.5m (group) and £4.5m (institution).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Independent Auditors' Report to the Council of Cardiff University

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit. The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Risk of fraud in revenue recognition (group and institution)	
<p>Under ISA (UK) 240 there is a (rebuttable) presumption that there are risks of fraud in revenue recognition. There is a risk that the University could adopt accounting policies or treat income transactions in such a way as to lead to material misstatement in the reported revenue position. Revenue recognition is a particular risk due to changing contracting arrangements.</p> <p>We identified that the risk of fraud in relation to revenue was a significant audit risk, in particular whether the University and Group were entitled to recognise revenue.</p> <p>The majority of revenue recognised in the Group and University is not complex, with clear recognition points. Research grant and contract income (note 4) of £112.6m (2020: £112.8m) is included in the financial statements and was considered to be more susceptible to manipulation because performance related recognition conditions are specific to individual grants. Consequently, there is a risk that management could manipulate income by overstating accruals or understating deferrals of income.</p> <p>The risk related to both the group and the institution.</p>	<p>To ensure that income was recognised in accordance with performance related conditions we obtained the project funding agreements for a sample of projects to determine the conditions under which revenue could be recognised. By reference to the performance conditions identified, we determined whether the income had been recognised in accordance with these conditions. In addition, we performed sample tests to check whether underlying expenditure had been appropriately coded to the grants sampled to a high level of assurance.</p> <p>For other income streams we tested the appropriateness of journal entries using Computer Assisted Audit Techniques. We focussed on unusual journal entries which credited revenue.</p> <p>Our work did not identify any instances where performance criteria had not been achieved.</p> <p>From the procedures performed, we found that the amounts recorded and disclosures within the Annual Report are appropriate.</p>
Pension schemes (group and institution)	Defined benefit schemes
<p>The group and the institution participate in two defined benefit pension plans with aggregate net liabilities of £104.8m (2020: £102.5m). There is also a further provision of £84.1m (2020: £84.8m) for future deficit repayments in relation to a multi-employer defined benefit scheme, the Universities Superannuation Scheme (USS). This scheme is treated as a defined contribution scheme because it is not possible to separately identify the assets and liabilities of each member organisation of the scheme.</p> <p>However, a liability is required to be recognised in respect of the future deficit repayments that the group and institution have agreed to make. The liability is determined by discounting the future cash flows under the deficit repayment plan at an appropriate discount rate.</p>	<p>We obtained the pension valuation reports for each of the two defined benefit schemes from the external actuary. With the assistance of our internal actuarial specialists, we compared the principal assumptions used in the valuation of the pension liability by the external actuary to our internally developed benchmarks. The assumptions used were consistent with our benchmarks.</p> <p>For the Cardiff University Pension Fund we tested the existence and valuation of all pension assets. For the Cardiff & Vale Local Government Pension Scheme we tested the scheme's actuary's roll-forward calculation of the share of plan assets attributable to the institution. For both schemes we tested the underlying members data used to calculate the defined benefit pension liability.</p>
	USS liability

Independent Auditors' Report to the Council of Cardiff University

Each of these liabilities is significant in the context of the group's and the institution's statements of financial position. The valuation of the pension liability requires significant levels of judgement and technical expertise in choosing appropriate assumptions. Changes in a number of key assumptions (including salary increases, inflation, discount rates, and mortality rates) can have a material impact on the calculation of the liability.

The risk related to both the group and the institution.

Impact of COVID-19

COVID-19 was declared a global pandemic by the World Health Organisation (WHO) on 11 March 2020 and the pandemic continues to have an impact on the economy. This was considered as part of the audit. The Council has considered the risks posed by COVID-19, as set out in the University Strategic Plan, the Vice Chancellor's Review, the Financial Review and note 1 to the financial statements, and concluded that whilst the disruption and economic impact of the pandemic has had, and will continue to have, an impact on the results of the institution and group, there is minimal impact in areas, such as the assessment of going concern, that are likely to affect a number of other institutions in Higher Education.

The risk related to both the group and the institution.

We obtained the models used by the group and institution to determine the USS liability included in the accounts. We used our internal actuarial specialists to establish that the discount rate used to quantify the liability fell within an acceptable range. We agreed that other principal assumptions used in the model were consistent with the group's and institution's internal planning and forecasting.

From the procedures performed, we found that the amounts recorded and disclosures within the Annual Report are appropriate.

We have performed the following audit procedures:

- Performed a risk assessment.
- Held discussions with management to understand, in qualitative and quantitative terms, the impact of COVID-19 on the institution's and group's operations;
- Considered the impact COVID-19 has had on areas such as the recoverability of debtors and going concern. In each case we performed certain additional procedures to validate explanations given and to explore potential estimation uncertainties where relevant and to explore any indicators of additional risk over recoverability. Further information on our work over going concern is set out below in the section 'Conclusion relating to going concern';
- Read management's disclosures in the Annual report and financial statements.

From the procedures performed, we found that the amounts recorded and disclosures within the Annual Report are appropriate.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the group and the institution, the accounting processes and controls, and the sector in which they operate.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Council made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

The group comprises the institution and one subsidiary. We performed full scope audits on each entity because they each required individual statutory audits.

The full scope audits undertaken by the group team covered 100% of group turnover and 100% of group total assets.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows, for both Group and Institution:

Overall materiality	Financial Statements: £6.0m (2020: £5.7m)
---------------------	--

How we determined it	1% of income
----------------------	--------------

Independent Auditors' Report to the Council of Cardiff University

Rationale for benchmark applied

We consider that income is an appropriate benchmark, recognising that the institution is a not-for-profit organisation, and because income is an important driver in funding relevant expenditures.

For the component in the scope of our group audit, we allocated a materiality that is less than our overall group materiality. The materiality allocated to the component was £65,000. The component was audited to a local statutory audit materiality that was also less than our overall group materiality.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% of overall materiality, amounting to £4.5m for the group financial statements and £4.5m for the institution financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above £0.30m (group audit) (2020: £0.28) and £0.30m (institution audit) (2020: £0.28m) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Council's assessment of the group's and the institution's ability to continue to adopt the going concern basis of accounting included:

- reviewing the cash flow forecasts of the University,
- reviewing the adequacy of existing liquidity under base case and severe but plausible downside scenarios,

- assessing the disclosure given in the financial statements in respect of going concern and whether it gives a fair and balanced view

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

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

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the institution's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs

Independent Auditors' Report to the Council of Cardiff University

(UK) require us also to report certain opinions and matters as described below.

Annual Report

Under the Charities Act 2011 we are required to report to you if, in our opinion, the information given in the Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Responsibilities of the Council for the financial statements

As explained more fully in the Responsibilities of the Council of Cardiff University, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 auditors' 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992, the Financial Management Code issued under the Higher Education (Wales) Act 2015, employment and health and safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Statement of Recommended Practice – Accounting for Further and Higher Education, HEFCW's Accounts Direction to Higher Education Institutions for 2020/21 (W21/19HE) and the Charities Act 2011. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting of inappropriate journal entries to manipulate financial results and potential management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Reviewing minutes of meetings of those charged with governance;
- Identifying and testing the validity of journal entries, in particular any journal entries posted with unusual account combinations;
- Evaluation of the adequacy of the design of management's controls to prevent and detect irregularities;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Challenging assumptions and judgements made by management in their significant accounting estimates.

Independent Auditors' Report to the Council of Cardiff University

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at:

www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the institution's Council as a body in accordance with Section 4 of the Charters and Statutes of the institution and section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on other matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and the Financial Management Code issued under the Higher Education (Wales) Act 2015

In our opinion, in all material respects:

- the requirements of HEFCW's accounts direction have been met;
- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the institution's statutes;
- funds provided by HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability and the Financial Management Code and any other terms and conditions attached to them; and
- funds provided by HEFCW have been used for the purposes for which they were received.

Sufficiency of accounting records and information and explanations received

Under the Charities Act 2011 we are required to report to you if, in our opinion:

- sufficient accounting records have not been kept by the parent institution; or
- the parent institution financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Appointment

Based on the information available, the latest date for which we were appointed as auditors is the year ended 31 July 1988. Based on the latest year of appointment of 1988 the period of total uninterrupted engagement is 33 years, covering the years ended 31 July 1988 to 31 July 2021.



PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
25 November 2021

Consolidated and Institution Statements of Comprehensive Income
Year ended 31 July 2021

		Consolidated		Institution	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Income					
Tuition fees and education contracts	2	306,912	297,005	306,912	297,005
Funding body grants	3	109,464	78,161	109,464	78,161
Research grants and contracts	4	112,648	112,773	112,648	112,773
Other income	5	68,455	74,183	67,246	72,839
Investment income	6	4,376	5,906	4,376	5,900
Donations and endowments	7	2,738	784	2,738	784
Total Income		604,593	568,812	603,384	567,462
Expenditure					
Staff costs	8	329,331	326,077	329,331	326,077
Staff costs – Voluntary Severance Scheme	8	482	-	482	-
Staff costs – increase/(decrease) in USS pension scheme provision	10,21	2,394	(55,214)	2,394	(55,214)
Other operating expenses	10	187,852	174,852	186,699	173,639
Depreciation	11	40,644	40,382	40,644	40,382
Interest and other finance costs	9	12,498	13,465	12,491	13,456
Total Expenditure	10	573,201	499,562	572,041	498,340
Operating surplus before other gains and losses		31,392	69,250	31,343	69,122
Impairment of tangible fixed assets	11	(2,061)	-	(2,061)	-
Impairment of non-current assets	12,14	(2,000)	-	(5,160)	-
Gain on disposal of non-current investments	12	726	-	726	-
Gain on valuation of investments	12,15	34,463	4,371	34,463	4,371
Share of deficit in joint venture		(3,769)	(2,742)	-	-
Surplus for the year		58,751	70,879	59,311	73,493
Other Comprehensive Income					
Impairment of tangible fixed assets	11	(2,889)	-	(2,889)	-
Actuarial gain/(loss) in respect of pension schemes	25	3,000	(39,970)	3,000	(39,970)
Total comprehensive surplus for the year		58,862	30,909	59,422	33,523
Represented by:					
Endowment comprehensive income for the year		6,544	701	6,544	701
Restricted comprehensive expenditure for the year		(188)	(274)	(188)	(274)
Unrestricted comprehensive income for the year		52,506	30,482	53,066	33,096
		58,862	30,909	59,422	33,523

All items of income and expenditure relate to continuing activities.

Consolidated and Institution Statements of Changes in Reserves
Year ended 31 July 2021

Consolidated	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	38,237	622	215,664	332,173	586,696
Surplus / (deficit) from the income and expenditure statement	701	(274)	70,452	-	70,879
Other comprehensive expenditure	-	-	(39,970)	-	(39,970)
Total comprehensive surplus/(deficit) for the year	701	(274)	30,482	-	30,909
Transfers between revaluation and income and expenditure reserve	-	-	6,277	(6,277)	-
Balance at 31 July 2020	38,938	348	252,423	325,896	617,605
Surplus / (deficit) from the income and expenditure statement	6,544	(188)	52,395	-	58,751
Other comprehensive income	-	-	111	-	111
Total comprehensive surplus/(deficit) for the year	6,544	(188)	52,506	-	58,862
Transfers between reserves	-	-	9,167	(9,167)	-
Balance at 31 July 2021	45,482	160	314,097	316,729	676,468
Institution	Income and expenditure account			Revaluation reserve	Total
	Endowment £'000	Restricted £'000	Unrestricted £'000		
Balance at 1 August 2019	38,237	622	214,757	332,173	585,789
Surplus / (deficit) from the income and expenditure statement	701	(274)	73,066	-	73,493
Other comprehensive expenditure	-	-	(39,970)	-	(39,970)
Total comprehensive surplus/(deficit) for the year	701	(274)	33,096	-	33,523
Transfers between revaluation and income and expenditure reserve	-	-	6,277	(6,277)	-
Balance at 31 July 2020	38,938	348	254,130	325,896	619,312
Surplus / (deficit) from the income and expenditure statement	6,544	(188)	52,955	-	59,311
Other comprehensive income	-	-	111	-	111
Total comprehensive surplus / (deficit) for the year	6,544	(188)	53,066	-	59,422
Transfers between reserves	-	-	9,167	(9,167)	-
Balance at 31 July 2021	45,482	160	316,364	316,729	678,735

Consolidated and Institution Statements of Financial Position
Year ended 31 July 2021

	Note	Consolidated		Institution	
		2021 £'000	2020 £'000	2021 £'000	2020 £'000
Non-current assets					
Tangible fixed assets	11	934,275	846,797	934,275	846,797
Investments	12	7,598	9,264	6,146	10,634
		941,873	856,061	940,421	857,431
Current assets					
Stocks	13	296	295	296	295
Trade and other receivables	14	46,794	52,002	47,649	52,788
Investments	15	325,592	215,726	325,592	215,726
Cash and cash equivalents	16	148,587	124,976	147,637	124,022
		521,269	392,999	521,174	392,831
Creditors: amounts falling due within one year	17	(166,708)	(140,729)	(166,325)	(140,224)
Net current assets		354,561	252,270	354,849	252,607
Total assets less current liabilities		1,296,434	1,108,331	1,295,270	1,110,038
Creditors: amounts falling due after more than one year	18	(427,721)	(303,417)	(427,721)	(303,417)
Pension provisions	21	(188,814)	(187,309)	(188,814)	(187,309)
Other provisions	22	(3,431)	-	-	-
Total net assets		676,468	617,605	678,735	619,312
Restricted Reserves					
Income and expenditure - endowment reserve	23	45,482	38,938	45,482	38,938
Income and expenditure - restricted reserve		160	348	160	348
Unrestricted Reserves					
Income and expenditure - unrestricted	23	314,097	252,423	316,364	254,130
Revaluation reserve		316,729	325,896	316,729	325,896
Total Reserves		676,468	617,605	678,735	619,312

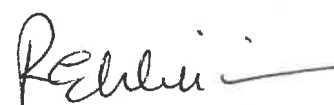
The financial statements on pages 46 to 83 were approved by Council on 24 November 2021 and were signed on its behalf on that date by:



Professor Stuart Palmer
Chair of Council



Professor Colin Riordan
Vice-Chancellor



Robert Williams
Chief Financial Officer

Consolidated and Institution Statements of Cash-flow

Year ended 31 July 2021

		Consolidated		Institution	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Cash flow from operating activities					
Surplus for the year		58,751	70,879	59,311	73,493
Adjustment for non-cash items					
Depreciation	11	40,644	40,382	40,644	40,382
Impairment of fixed assets	11	2,061	-	2,061	-
Impairment of non-current investments	12	-	-	3,160	-
Share of operating deficit in joint ventures	12	3,769	2,742	-	-
Correction to non-current investment costs	12	401	394	401	394
Non-cash pension charges/(credits)	22	4,505	(52,909)	4,505	(52,909)
Increase in stock	13	(1)	(55)	(1)	(55)
Decrease in debtors	14	5,208	3,157	5,139	3,037
Increase/ (decrease) in creditors	17,18	30,004	(4,869)	30,126	(4,774)
Adjustment for investing or financing activities					
Capital grant income	3,5	(31,826)	(21,518)	(31,826)	(21,518)
Investment income	6	(4,376)	(5,906)	(4,376)	(5,900)
Interest payable	9	10,448	9,846	10,441	9,837
New endowments	7	(288)	(166)	(288)	(166)
Gain on disposal of non-current investments	12	(726)	-	(726)	-
Gain on current and non-current investments	12,15	(34,463)	(4,765)	(34,463)	(4,765)
Net cash inflow from operating activities		84,112	37,212	84,109	37,056
Cash flows from investing activities					
Capital grant receipts		26,346	13,594	26,346	13,594
Investment income	6	4,376	5,906	4,376	5,900
(Decrease)/ increase in deposits	12	(75,205)	66,576	(75,205)	66,576
Payments made to acquire fixed assets	11	(133,071)	(104,346)	(133,071)	(104,346)
Non-current investment acquisitions	12	(571)	(793)	(571)	(763)
Non-current investment disposals	12	2,224	225	2,224	225
Net cash (outflow) from investing activities		(175,901)	(18,838)	(175,901)	(18,814)
Cash flows from financing activities					
Interest paid	9	(10,854)	(9,728)	(10,847)	(9,719)
Endowment cash received	7	288	166	288	166
Repayments of amounts borrowed	17,18	(2,251)	(2,345)	(2,251)	(2,345)
Bond issue	18	128,217	-	128,217	-
Net cash inflow/ (outflow) from financing activities		115,400	(11,907)	115,407	(11,898)
Increase in cash and cash equivalents in the year		23,611	6,467	23,615	6,344
Cash and cash equivalents at beginning of the year		124,976	118,509	124,022	117,678
Cash and cash equivalents at end of the year	16	148,587	124,976	147,637	124,022

1. Statement of Principal Accounting Policies

Basis of preparation

This consolidated financial information has been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019, the Financial Reporting Standard (FRS 102) and the Charities Act 2011. The Institution is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. The financial information is prepared in accordance with the historical cost convention (modified by the revaluation of land and buildings and the measurement of certain financial instruments at fair value).

The financial statements have been prepared on a going concern basis. The University is required when preparing its financial statements to provide assurance to Council and our auditors that the University is a going concern.

Assurance is provided by forecasting forward cash-flows, based on the University's latest income, expenditure, working capital and capital investment programme expectations, that ensure cash liquidity is maintained to an appropriate level for the 12-month period, from the date of signing of these statements, i.e., to 31 December 2022, and beyond to 31 July 2025.

The University has considered the impact of the current COVID-19 environment on the business for the next 12 months and the longer term. Detailed plans are predicated on the removal of all existing social distancing measures from the start of the 2021/22 academic year.

The University has secured a Revolving Credit Facility (RCF) with Lloyds Bank for £20m. The aim is to actively manage the operating cashflow, so that this facility is not needed but it provides security if there are timing differences on cash receipts and expenditure in year

As a consequence of the critical review of all the above, the Council considers that the University is well placed to manage its finance and other business risks satisfactorily and has a reasonable expectation that the University will have adequate resources to continue in operation for at least 12 months from the signing date of these consolidated financial statements.

Basis of consolidation

The consolidated financial information consolidates the financial statements of the University and its subsidiary undertakings University College Cardiff Consultants Limited and International Learning Exchange Programme Limited for the financial year to 31 July. It does not include those of the University Students' Union or the Cardiff Partnership Fund Limited as the Council does not exercise control over their financial and operating activities.

Uniform accounting policies are adopted throughout the Group. Joint ventures are accounted for using the equity method.

Recognition of income

Fee income is stated gross of any expenditure which is not a discount or overseas agent payment and credited to the Consolidated Statement of Comprehensive Income. 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.

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

Investment income is credited to the Consolidated Statement of Comprehensive Income on a receivable basis.

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

Grant funding

Grant funding including funding council block grants, research and furlough grants from government sources and grants (including research grants) from non-government sources are recognised as income when the performance related conditions have been met and the University has become entitled to the income. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

Donations and endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the Institution is entitled to the funds. Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

Investment income and movements in fair value of endowments are recorded in income in the year in which they arise and as either restricted or unrestricted income according to the terms of the restrictions applied to the individual endowment funds.

1. Statement of Principal Accounting Policies (continued)

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

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

Capital grants

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

Provision for doubtful debts

Provision is normally made for individual debts where recovery is thought to be in doubt based the ageing of the debt past its due date, other known circumstances relating to the individual debtor, such as referred to debt collection agency, and post year end recovery of debts. Any un-provided debts are deemed as recoverable.

The COVID-19 pandemic has presented the University with unique circumstances in the year, and further judgements concerning tuition fee debtors have been made. Further details are provided in the Significant estimates and judgements section on page 54.

Pension schemes

The three principal defined benefit pension schemes for the University's staff are the Universities Superannuation Scheme (USS), the Cardiff Institution Pension Fund (CUPF), and the Local Government Pension Scheme (LGPS). The schemes are funded defined benefit schemes. The funds are actuarially valued every three years by a professionally qualified actuary using either the aggregate method or the attained age method with the rates of contribution payable being determined by the scheme's trustees on the advice of the actuary.

Universities Superannuation Scheme

The assets of the USS 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 University accounts for the scheme as if it were a defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the University has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the University recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the profit and loss account.

Defined contribution plan:

A defined contribution plan is a post-employment benefit plan under which the University 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 Consolidated Statement of Comprehensive Income in the periods during which services are rendered by employees.

Defined benefit plan:

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the Institution. The University should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

In addition, the National Health Service (NHS) Superannuation Scheme is in operation for certain staff. The NHS scheme is an unfunded defined benefit scheme, with pension benefits being paid out of contributions received in the year and contribution rates determined by HM Treasury. This is accounted

Notes to the Financial Statements

Year ended 31 July 2021

1. Statement of Principal Accounting Policies (continued)

for as a defined contribution scheme. To comply with The Pensions Act 2008, the Institution also uses the NEST defined contributions pension scheme for eligible non-contractual workers.

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 Institution. Any unused benefits are accrued and measured as the additional amount the Institution expects to pay as a result of the unused entitlement.

Foreign currencies

Transactions denominated in foreign currencies are recorded at the rate of exchange ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into GB Sterling, the functional currency of the Institution, at year-end rates and the resulting exchange differences are included in the determination of the deficit or surplus for the year.

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.

Fixed assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Freehold and Long Leasehold property assets in existence on the transition to the FE/HE SORP (1st August 2014) were measured on the basis of deemed cost, being market fair value or deemed cost of replacement.

The difference between the revalued amount and historical cost is credited to a revaluation reserve.

An amount equal to the depreciation in excess of that on the historical cost basis is transferred from the revaluation reserve to retained earnings.

Land and buildings

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

Land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives, in years, as follows:

Academic buildings and listed buildings	50
Pre 1990 residence sites	25

Post 1990 and Talybont North residences	50
Residential Houses	50
Semi-permanent buildings	25
New UHW site buildings	50
Old UHW site buildings	25
Refurbishments	15

Leasehold buildings are depreciated over the shorter of the lease term or the expected useful lives shown above.

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

Equipment

Equipment costing less than £10,000 per individual item or group of related items is written off in the year of acquisition unless purchased as part of a refurbishment. All other equipment is capitalised with the exception of equipment funded from Research Grants which costs under £50,000 which is also written off in the year of acquisition.

Fully depreciated equipment is written off 10 years after acquisition.

Capitalised equipment is stated at cost and depreciated over its expected useful life of between four and fifteen years as appropriate. Assets under construction are not depreciated until brought into use.

Investments

Non-current asset investments are held on the Balance Sheet at cost less impairment. Joint ventures are carried at cost less impairment in the University's financial statements.

Current asset investments are held at fair value with movements recognised in the total comprehensive income for the year.

Stocks

The stocks are building materials, medical/bioscience consumables and trading consumables of the Estates Works Unit, College of Biomedical and Life Sciences and Catering respectively. They are valued at the lower of cost or net realisable value.

Cash and cash equivalents

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

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

1. Statement of Principal Accounting Policies (continued)

Maintenance of premises

The University has a rolling maintenance plan which is reviewed on an annual basis. The cost of routine corrective maintenance is charged to the statement of comprehensive income.

Taxation status

The University is a registered charity within the meaning of Chapter 1 Section 3 of the Charities Act 2011 and as such is a charity within the meaning of Section 6 to the Finance Act 2010. Accordingly, the University is potentially exempt from taxation in respect of income or capital gains received within categories covered by Section 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992 to the extent that such income or gains are applied to exclusively charitable purposes for public benefit.

All subsidiary companies are liable to Corporation Tax and Value Added Tax (VAT). The University's principal activities are exempt from VAT, but certain ancillary supplies and services are liable to VAT at various rates. Expenditure includes irrecoverable VAT charged by suppliers to the University. The University does not have to pay Stamp Duty Land Tax when buying and leasing a property.

Provisions

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

Financial instruments

The University has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments for its consolidated and Institution financial statements.

(i) Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's

original effective interest rate. The impairment loss is recognised in the total comprehensive income for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the total comprehensive income for the year.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the surplus or deficit, except those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the assets are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

1. Statement of Principal Accounting Policies (continued)

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Reserves

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

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

The bond repayment fund, a designated reserve, was created in 2019/20 for the purpose of being able to give a reasonable likelihood of being able to meet the bond repayment of £400m, due on 7 December 2055 (note 24).

Significant estimates and judgements

Significant estimates and judgements used in the preparation of this financial information were as follows:

(i) Recoverability of debtors

The normal accounting policy for the assessment of recoverability of debtors and the subsequent doubtful debt impairment provisioning was challenged this year by the advent of the COVID-19 pandemic and the unique circumstances it presented to the University regarding the collection of students fees and Commercial and Research debt.

Following last year's cessation of normal dunning procedures for all student debt from mid-March onwards until August 2020, normal procedures have resumed and students have been required to clear their current fees before progressing to another academic year. For students who have completed their course but have fees outstanding their full certification is withheld until their fee debt is cleared, in line with University Tuition fee policy.

Overall, the impact of COVID-19 on both the University's ability to collect debt and our students, UK and international Commercial and Research clients to

settle debt has been to increase the aged profile of overdue debt which means there is more risk in recovering the debt. This is particularly true for international debt due to the varying impact of COVID-19 on the relevant debtor's country of residence.

Estimate

Tuition fee debt

The year-end tuition fees doubtful debt impairment provision is assessed on the basis of all overdue debt by fee debtor category regardless of aged profile, with particular categories attributing more risk than others as a result of the impact of COVID-19 pandemic.

The resulting aggregated debt impairment provision is reduced by subsequent fee settlements received after 31 July 2021 from debtors within these same categories. All other tuition fee debt is deemed recoverable.

Tuition fee debt at 31 July 2021 was £6.3m (see Note 14), of which £6.2m was overdue. After applying our debt impairment policy, £5.7m was deemed at risk, of which £1.0m was received after 31 July 2021, resulting in a doubtful debt impairment provision of £4.7m (2020: £5.0m).

Commercial and Research Debt

General debt impairment assessment policies have been applied, with the exception of overseas higher education institutions whereby debt over 91 days overdue is subject to impairment provision (normally provided on 181 days overdue)

Overall, Commercial and Research debt at 31 July 2021 was £11.5m (see Note 14).

After applying the modified doubtful debt impairment policy to overdue debt of £3.1m, £1.0m is assessed at risk (2020: £1.3m) and subject to doubtful debt impairment provision

1. Statement of Principal Accounting Policies (continued)

(ii) Retirement benefit obligations

Estimate – CUPF and LGPS

The University operates its own scheme, Cardiff University Pension Fund (CUPF) and participates in a Local Government Pension Scheme (LGPS); both are defined benefit schemes. Actuarial valuations of the schemes are carried out as determined by the trustees at intervals of not more than three years.

Pension costs under FRS 102 are assessed in accordance with the advice of independent actuaries based upon latest actuarial valuations and assumptions determined by the actuaries.

The assumptions are based upon information supplied to the actuaries by the University, supplemented by discussions between the actuary and management, where relevant. The assumptions are documented in Note 25.

Estimate – USS

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability in the balance sheet. The provision is currently based on USS deficit recovery plan agreed after the 2018 actuarial valuation, which defines the deficit payment required as a percentage of future salaries until 2027. These contributions are re-assessed within each triennial valuation of the scheme. The provision is based on management's estimate of future salaries inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 25.

Judgement – USS

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme.

The accounting for a multi-employer scheme, where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and the institution has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

Notes to the Financial Statements

Year ended 31 July 2021

2. Tuition Fees and Education Contracts

Consolidated and Institution

	2021 £'000	2020 £'000
UK and European Union Undergraduate	154,288	142,583
UK and European Union Postgraduate	17,234	15,708
Overseas (including part-time)	95,468	96,404
Part Time (UK and European Union)	6,670	6,430
	273,660	261,125
Education contracts	16,068	15,885
Research training support grants	10,491	9,446
Non-credit bearing fees	6,693	10,549
	306,912	297,005

3. Funding Body Grants

Consolidated and Institution

	2021 £'000	2020 £'000
Recurrent grant	62,130	59,740
Specific grants	20,047	3,063
Capital grants - buildings	16,034	13,108
Capital grants - equipment	11,253	2,250
	109,464	78,161

In 2021, the University received £31,246k of additional funding from HEFCW in response to the COVID-19 pandemic, of which £28,919k has been recognised in the year and included in the Funding Body Grant income above.

4. Research Grants and Contracts

Consolidated and Institution

	2021 £'000	2020 £'000
Research Councils	37,888	36,159
UK-based charities	18,004	18,423
UK Government bodies	33,384	33,799
UK Industry	6,433	7,348
European Commission	9,189	9,251
Overseas	6,319	6,734
Other grants and contracts	1,431	1,059
	112,648	112,773

Notes to the Financial Statements

Year ended 31 July 2021

5. Other Income

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Other services rendered:				
UK Central Government	18,336	19,943	18,336	19,943
UK Health Authorities	7,258	8,501	7,258	8,501
UK Industry	1,092	1,006	1,092	1,006
European Union	1,049	1,704	1,049	1,704
Overseas	167	286	167	286
UK Universities	396	242	396	242
Other Sources	5,570	6,000	5,570	6,000
Total other services rendered	33,868	37,682	33,868	37,682
Residences, catering and conferences	22,774	20,964	22,774	20,964
Exempt VAT recoverable	2,008	857	2,008	857
Other capital grants	4,539	6,160	4,539	6,160
Government Job Retention Scheme	400	3,110	400	3,110
Other income	4,866	5,410	3,657	4,066
	68,455	74,183	67,246	72,839

6. Investment Income

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Income from investments	3,151	4,773	3,151	4,767
Income from endowment investments (Note 23)	1,225	1,133	1,225	1,133
	4,376	5,906	4,376	5,900

7. Donations and Endowments

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
New endowments (Note 23)	288	166	288	166
Donations with restriction	210	243	210	243
Unrestricted donations	2,240	375	2,240	375
	2,738	784	2,738	784

Notes to the Financial Statements

Year ended 31 July 2021

8. Staff Costs

Consolidated and Institution

	Note	2021 £'000	2020 £'000
Staff costs:			
Wages and salaries		251,928	250,206
Social security costs		25,356	25,292
Other pension costs	25	52,529	50,579
		329,813	326,077

The above figures exclude payments made to staff on behalf of the National Health Service.

	2021 FTE	2020 FTE
Average staff numbers by major category:		
Clinical and non-clinical academic and academic related	4,395	4,256
Technical services	215	224
Administrative support	963	945
Operational services	236	246
	5,809	5,671

Notes to the Financial Statements

Year ended 31 July 2021

B. Staff Costs: Emoluments of the Vice Chancellor	2021	2020
	£'000	£'000
Salary	271	269
Benefits-in-kind	22	25
	293	294
Pension	5	5
	298	299

The benefits-in-kind received by the Vice Chancellor are as follows (£000s):

Private medical insurance	1	1
Permanent accommodation	21	24

The remuneration of the Vice-Chancellor is set by the Remuneration Committee, which comprises independent lay members of Council who possess relevant knowledge and expertise. The Vice-Chancellor is not in attendance for, and does not play any part in, the discussions and decisions of his own remuneration.

The Vice-Chancellor's Reward Scheme involves:

- an annual review of base pay in relation to the market; and
- a long-term lump sum non-pensionable performance-related bonus payment linked to the achievement of the Way Forward 2018-2023.

The scheme builds on the principles of the Senior Salary Review process as outlined in the Senior Staff Pay Policy and is designed as a long-term incentive plan to reward and retain the Vice-Chancellor with a view to delivery of the Way Forward Strategy 2018-23

The Remuneration Committee determines the remuneration according to several factors including, but not limited to:

- the Vice-Chancellor's leadership, management and academic experience within the higher education sector.
- the breadth of leadership and financial responsibilities for the University.
- the benchmarking of base salary against the annual salary of Vice Chancellors of Russell Group universities and other institutions of comparable size and scope.
- The performance of the University according to the strategy and agreed metrics.

Each year, the Remuneration Committee receives a report by the Chair of Council on the Vice Chancellor's Performance Development Review (which includes input from Council members) and agreed objectives for the following year.

This information will also support the final performance review against the Vice Chancellor's 5-year Reward Scheme. This Scheme runs to 2023 at which point any performance payment will be made. The Vice Chancellor does not receive any annual performance payments.

The Vice-Chancellor's base salary is reviewed in line with national pay awards for the Higher Education sector.

The Vice-Chancellor's basic salary is 7.0 times (2020: 7.1 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries and wages paid by the University.

The Vice-Chancellor's total remuneration is 7.6 times (2020: 7.7 times) the median total remuneration of staff, where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the University.

As per HEFCW Accounts Direction, remuneration includes personal service companies that are deemed by the University to be employees under HMRC Intermediary Regulations (IR35) and paid through payroll and reported to HMRC via "Real-time Information" (RTI) reporting.

Notes to the Financial Statements

Year ended 31 July 2021

8. Staff Costs: Key management personnel compensation

The University considers that key management personnel are the 12 individuals (2020: 11) who serve as members of the University Executive Board having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

	2021 £'000	2020 £'000
Key management personnel compensation	1,833	1,953

A list of current members of University Executive Board is publicly available on our website: www.cardiff.ac.uk/about/organisation/university-executive-board

Compensation for loss of office to higher paid employees

No compensation payments were made to higher paid employees in year (2020: nil)

Other higher paid staff

The remuneration of higher paid staff (excluding the Vice Chancellor) reflected in the ranges below exclude employer pension contributions and compensation for loss of office but include payments made on behalf of the NHS in respect of its contractual obligation to University staff under separate NHS contracts of employment. These payments are excluded from the University's Income and Expenditure account. Of the 148 staff earning in excess of £100,000 in 2021 (2020: 157), 51 (2020: 53) include such payments on behalf of the NHS.

Salary Band	2021 NHS No.	2021 Other No.	2021 Total No.	2020 NHS No.	2020 Other No.	2020 Total No.
£100,000 - £104,999	-	23	23	1	33	34
£105,000 - £109,999	1	21	22	2	19	21
£110,000 - £114,999	3	9	12	-	11	11
£115,000 - £119,999	4	8	12	8	5	13
£120,000 - £124,999	7	3	10	2	4	6
£125,000 - £129,999	-	7	7	5	6	11
£130,000 - £134,999	3	7	10	-	5	5
£135,000 - £139,999	3	4	7	8	3	11
£140,000 - £144,999	9	4	13	7	3	10
£145,000 - £149,999	4	1	5	3	4	7
£150,000 - £154,999	3	1	4	5	2	7
£155,000 - £159,999	4	5	9	1	2	3
£160,000 - £164,999	1	-	1	3	1	4
£165,000 - £169,999	3	3	6	1	2	3
£170,000 - £174,999	1	-	1	3	1	4
£175,000 - £179,999	2	-	2	1	-	1
£180,000 - £184,999	3	1	4	2	1	3
£185,000 - £189,999	-	-	-	-	1	1
£190,000 - £194,999	-	-	-	1	-	1
£225,000 - £229,999	-	-	-	-	1	1
	51	97	148	53	104	157

Notes to the Financial Statements

Year ended 31 July 2021

8. Staff Costs: Key management personnel compensation

Trustee remuneration and expenses

No trustee received any remuneration or waived payment from the University during the year (2020: none).

The amounts in the table below represent payments made to trustees for travel and subsistence costs incurred in attending Council, committee meetings and charity events in their official capacity. Not all trustees have claimed expenses in the year or prior year. Where trustees are also employees of the University, expenses claimed in their capacity as an employee are not included.

	2021 £'000	2020 £'000
Expenses paid to 7 trustees in the year (2020: 12)	1	8

9. Interest and Other Finance Costs

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Bond interest & finance costs	9,915	9,159	9,915	9,159
Bank loan interest	526	678	526	678
Other interest & finance costs	7	9	-	-
	10,448	9,846	10,441	9,837
Net charge on pension schemes (Note 21)	1,430	1,310	1,430	1,310
Unwind of discount on USS pension provision (Note 21)	620	2,309	620	2,309
	12,498	13,465	12,491	13,456

Notes to the Financial Statements

Year ended 31 July 2021

10. Analysis of Expenditure by Activity

Consolidated	Staff costs	Other operating expenses	Interest Payable	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Academic departments	191,945	37,088	-	229,033	234,922
Academic services	21,457	30,013	-	51,470	32,468
Research grants and contracts	51,764	29,812	-	81,576	80,654
Other services rendered	14,839	17,304	-	32,143	35,846
Residences, catering and conferences	4,876	6,425	526	11,827	12,145
Premises	5,985	40,757	-	46,742	38,800
Administration and central services	25,946	6,312	-	32,258	29,672
Other expenses	12,458	20,141	9,922	42,521	47,582
Pension fund adjustments	61	-	2,050	2,111	2,305
	329,331	187,852	12,498	529,681	514,394
Depreciation (note 11)				40,644	40,382
Staff costs - Increase/(decrease) in USS pension scheme provision (note 21)				2,394	(55,214)
Staff costs – Voluntary Severance Scheme				482	-
Total per Statement of Comprehensive Income				573,201	499,562
Institution					
	Staff costs	Other operating expenses	Interest Payable	Total 2021	Total 2020
	£'000	£'000	£'000	£'000	£'000
Academic departments	191,945	37,088	-	229,033	234,922
Academic services	21,457	30,013	-	51,470	32,468
Research grants and contracts	51,764	29,812	-	81,576	80,654
Other services rendered	14,839	17,304	-	32,143	35,846
Residences, catering and conferences	4,876	6,425	526	11,827	12,145
Premises	5,985	40,757	-	46,742	38,800
Administration and central services	25,946	6,312	-	32,258	29,672
Other expenses (see note below)	12,458	18,988	9,915	41,361	46,360
Pension fund adjustments	61	-	2,050	2,111	2,305
	329,331	186,699	12,491	528,521	513,172
Depreciation (note 11)				40,644	40,382
Staff costs – Increase/(decrease) in USS pension scheme provision (note 21)				2,394	(55,214)
Staff costs – Voluntary Severance Scheme				482	-
Total per Income and Expenditure Account				572,041	498,340
Other operating expenses include:					
External auditors' remuneration in respect of audit services (inclusive of VAT)				133	94
External auditors' remuneration in respect of audit-related services (incl. VAT)				12	3
External auditors' remuneration in respect of non-audit services (incl. VAT)				84	-
-see (i) below					
Operating lease rentals					
Land and buildings				3,180	2,416
Other				177	175

Notes to the Financial Statements

Year ended 31 July 2021

10. Analysis of Expenditure by Activity (continued)

Expenditure includes:

- staff costs of £3,407k (2020: £4,171k) relating to the movement on the Employee Leave Accrual (Note 18)
- expenditure in relation to the University's response to the COVID-19 pandemic of £18,472k (2020: £2,381k)
- costs of £1,039k (2020: £2,224k) for individuals placed on furlough, of which £911k relates to the cost of researchers (2020: £1,858k).
- COVID-19 student hardship payments of £11,485k.

(i) External auditors' remuneration in respect of non-audit services

As part of the bond issue in 2020/21, PwC were asked to provide a comfort letter to the issuing banks. As the fees for this work exceeded the Financial Reporting Council's (FRC) fee cap limits on the value of non-audit services, approval was given by the Audit and Risk Committee for PwC to approach the FRC to obtain a waiver. The FRC subsequently granted this waiver.

Notes to the Financial Statements

Year ended 31 July 2021

11. Tangible Fixed Assets

Consolidated and Institution

	Land and Buildings			Equipment	Total
	Freehold £'000	Long leasehold £'000	Assets in the Course of Construction £'000	£'000	£'000
Cost or valuation					
At 1 August 2020	471,266	284,516	151,667	175,493	1,082,942
Additions at cost	1,740	-	109,397	21,934	133,071
Disposals	-	-	-	(3,911)	(3,911)
Projects completed	6,682	-	(6,682)	-	-
Impairments (ii)	(6,513)	-	-	-	(6,513)
At 31 July 2021	473,175	284,516	254,382	193,516	1,205,589
Valuation (i)	371,815	229,472	-	-	601,287
Cost	101,360	55,044	254,382	193,516	604,302
2At 31 July 2021	473,175	284,516	254,382	193,516	1,205,589
Accumulated depreciation					
At 1 August 2020	54,699	41,971	-	139,475	236,145
Charge for year	10,778	8,226	-	21,640	40,644
Eliminated on disposal	-	-	-	(3,912)	(3,912)
Impairments (ii)	(1,563)	-	-	-	(1,563)
At 31 July 2021	63,914	50,197	-	157,203	271,314
Net book value					
At 31 July 2021	409,261	234,319	254,382	36,313	934,275
At 31 July 2020	416,567	242,545	151,667	36,018	846,797

(i) A full valuation of the University's Estate was carried out on 31 July 2014 by Cooke and Arkwright Chartered Surveyors in accordance with the RICS Valuation – Professional Standards January 2014 (the Red Book) to establish deemed cost. Of the total valuation of £609m, £557m was at fair value by depreciated replacement cost and £52m was at fair value.

(ii) Following the completion of the new Abacws building for Maths and Computer Science, the original building has been impaired in full as it will not be used in the provision of academic or research services in future. As this building was revalued in 2014, the impairment charge is represented by a £2,061k charge against the surplus for the year and a £2,889 reversal of accumulated depreciation charged against the revaluation reserve.

Certain buildings have been funded from U.K. Treasury sources at a cost of £132m. Should these particular buildings be sold, the University would use the proceeds in accordance with the Financial Memorandum with HEFCW.

Land and buildings include non-depreciated land of £118m (2020: £118m).

Notes to the Financial Statements

Year ended 31 July 2021

12. Non-Current Investments

	Consolidated			Institution		
	Investment in joint ventures	Other Investments	Total	Equity investment in joint ventures	Other Investments	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	3,482	5,782	9,264	2,003	8,631	10,634
Additions	-	571	571	-	571	571
Disposals	-	(1,899)	(1,899)	-	(1,899)	(1,899)
Impairment of investments	-	-	-	-	(3,160)	(3,160)
Share of operating deficit in joint ventures	(63)	(275)	(338)	-	-	-
Balance at 31 July 2021	3,419	4,179	7,598	2,003	4,143	6,146

The University has investments in the following:

University College Cardiff Consultants Limited (UC3)

The results of UC3, a company limited by guarantee and registered in the UK, have been included by consolidation in the financial information. The company's principal activity is the commercialisation of the intellectual property and other outputs of research generated by the academic schools of the University. The company is also responsible for the University's interests through shareholdings in a number of spin-out companies arising from the Institution's research and other operations.

Compound Semiconductor Centre Limited

The Group's total investment after impairment and after its share of operating deficits is £nil (2020: £275k) and within the University £nil (2020: £3,160k) of preference shares. The preference shares are debt instruments and are included in 'other investments'. The ordinary share investment of £12,000k was fully impaired in 2019.

Cardiff Medicentre

The University holds an investment of £2,003k (2020: £2,003k) representing an 89% shareholding in Cardiff Medicentre with Cardiff and Vale UHB holding the remaining 11%. This Group's total investment after its share of operating surpluses is £3,419k (2020 £3,482k). This interest is treated as a joint venture as the University has joint control with Cardiff and Vale UHB.

Mobeus

The University has made a commitment to invest £10m in the Mobeus Equity Partners IV fund. This is a private equity investment fund which will contribute to the bond repayment fund for the repayment of the £400m bond capital in 2055. In the year there were additions of £571k and divestments of £1,498k on which a gain of £726k was realised (divestment proceeds of £2,224k) (2020: invested £538k). As at 31 July 2021, the investment fund is held at £4,067k (2020: £5,395k).

The prior year correction relates to investment income (£330k), net of fund management fees and other expenses (£533k) and investment movements £(198)k. These were classified as investment movements in past accounting periods and should have been recognised as expenditure and income.

In addition to the £4,067k held in non-current investments, the University holds a balance of £3,060k in Cash and cash equivalents relating to Mobeus Investments. The two balances combined form part of the Bond Repayment Fund (Note 24).

Cardiff Partnership Fund Limited

The University owns a 100% shareholding of £76k (2020: £76k) in the Cardiff Partnership Fund Limited, the holding company of the unincorporated Cardiff Partnership Fund Limited Partnership. This company is not consolidated on the basis that the University does not exercise control over the activities that rest with an independent board.

SETSquared Partnership

In September 2021, the University joined the SETSquared Partnership, a university incubator network.

Notes to the Financial Statements

Year ended 31 July 2021

12. Non-Current Investments (continued)

International Learning Exchange Programme Limited ("ILEP")

Following the UK Government's decision to withdraw from the Erasmus+ scheme, the Welsh Government announced a new learning scheme to continue to benefit staff and students from international exchanges in a similar way to Erasmus+, not just in Europe but also further afield. The scheme will run from 2022 to 2026. To safeguard transparency, the University agreed to operate the programme on behalf of the Welsh Government through a wholly owned subsidiary company. ILEP was incorporated on 22 June 2021. The company was not active at 31 July 2021 but the University received £6,505k of funds from the Welsh Government, on behalf of ILEP, during the year. These funds are held under current investments and the amount due to ILEP is included within creditors falling due within one year.

13. Stocks

Consolidated and Institution	2021 £'000	2020 £'000
Residences and Catering	83	81
Maintenance	101	98
Academic Departments	112	116
	296	295

14. Trade and other receivables

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Amounts falling due within one year:				
Trade Debtors:				
- Tuition fees	6,345	9,803	6,345	9,803
- Research grants & contracts	6,624	8,520	6,624	8,520
- Other Services	4,851	8,929	4,568	8,548
Less: Trade Debtors impairment provision (i)	(5,798)	(6,282)	(5,762)	(6,246)
Net Trade Debtors	12,022	20,970	11,775	20,625
Other Debtors	1,019	1,092	1,019	1,053
Amount due from subsidiary undertaking	-	-	1,102	1,170
Prepayments	287	1,372	287	1,372
Accrued Income				
- Research grants and contracts	24,833	20,542	24,833	20,542
- Other Income	8,633	6,026	8,633	6,026
	46,794	50,002	47,649	50,788
Amounts falling due after more than one year:				
Compound Semiconductor Centre Limited (ii)	-	2,000	-	2,000
Total Debtors	46,794	52,002	47,649	52,788

- (i) Further information regarding the judgements and estimates in relation to the impairment can be found in Note 1: Accounting Policies on Page 54 "Recoverability of debtors".
- (ii) The amount owed from the University's joint venture was subject to an impairment review and has been fully provided for on the basis of doubtful recoverability.

Notes to the Financial Statements

Year ended 31 July 2021

15. Current Investments

Consolidated and Institution

	Endowment Investments £'000 (Note 22)	Other Investments £'000	2021 Total £'000	2020 Total £'000
Short term investment in shares	-	171,199	171,199	97,554
Short term bonds	-	67,782	67,782	44,237
Other short-term investments	43,354	30,966	74,320	58,165
Short term deposits	-	12,291	12,291	15,770
	43,354	282,238	325,592	215,726

The increase in fair value of current investments in the year was £34,661k (2020: £4,765k).

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

At 31 July 2021 the weighted average interest rate of these fixed rate short term deposits was 0.1% (2020: 1.02%) per annum and the remaining weighted average period for which the interest rate is fixed on these deposits was 31 days (2020: 77 days). The fair value of these deposits was not materially different from the book value.

16. Cash and Cash Equivalents

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Operational bank accounts	73,360	53,902	72,410	52,948
Cash-in-hand	10	12	10	12
Money market funds	55,383	60,343	55,383	60,343
Cash funds held by investment fund managers	17,707	8,186	17,707	8,186
Cash fund held within endowment funds	2,127	2,533	2,127	2,533
	148,587	124,976	147,637	124,022

Notes to the Financial Statements

Year ended 31 July 2021

17. Creditors: amounts falling due within one year

	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Trade creditors	10,952	6,564	10,569	6,536
Social security and other taxation	7,306	8,378	7,306	8,276
Sundry creditors	13,956	6,456	7,451	6,455
Deposits	235	192	235	192
Employees leave entitlement accrual (i)	17,157	13,750	17,157	13,750
Accruals	27,590	26,394	27,590	26,020
Deferred income (see below)	86,970	76,491	86,970	76,491
Unsecured loans	129	264	129	264
Secured loans	2,413	2,240	2,413	2,240
Amounts due to subsidiary undertakings	-	-	6,505	-
	166,708	140,729	166,325	140,224

Deferred Income

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

	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Tuition Fees	4,837	2,904	4,837	2,904
Research grants and contracts	50,133	41,253	50,133	41,253
Other Income	23,775	19,979	23,775	19,979
Capital grant income	8,225	12,355	8,225	12,355
	86,970	76,491	86,970	76,491

- (i) The University has extended its policy to allow staff to carry-forward up to ten days holiday entitlement as a consequence of the continued impact of the COVID-19 pandemic. In addition, in exceptional circumstances, entitlements over ten days may be carried forward.

Notes to the Financial Statements
Year ended 31 July 2021

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

Consolidated and Institution	2021 £'000	2020 £'000
Deferred capital grant income	212	1,550
Unsecured loans (i)	130	6
Secured loan	5,737	8,150
Public Bond (ii)	293,831	293,711
Public Bond Tap (iii)	127,811	-
Total loans and long-term debt	427,509	301,867
	427,721	303,417

Analysis of secured and unsecured loans

Due within one year or on demand (Note 17)	2,542	2,504
Due between two and five years	5,867	7,981
Due in five years or more	421,642	293,886
Due after more than one year	427,509	301,867
	430,051	304,371

Included in loans are the following:

Lender	Term	Secured/ Unsecured	Interest rate %	Borrower	2021 £'000	2020 £'000
Welsh Government (i)	2023	Unsecured	-	University	259	270
Lloyds Bank (iv)	2024	Secured	8.853	University	5,175	6,715
Royal Bank of Scotland (v)	2025	Secured	See below	University	2,975	3,675
					8,409	10,660

- (i) The interest free Welsh Government loan is from their Invest-to-Save scheme for student transition, retention and success and will be repaid in full by November 2022. The previous loan for energy efficient projects was fully repaid.
- (ii) The 39-year public bond of £300 million was issued in February 2016 and is repayable in full on 7th December 2055. Interest is payable semi-annually at a coupon rate of 3.0% on 7th June and 7th December each year. The effective interest rate is 3.1%.
- (iii) A £100m bond tap was issued in February 2021 at a premium and is repayable in full on 7th December 2055. Interest is payable semi-annually at a coupon rate of 3.0% on 7th June and 7th December each year. The effective interest rate is 1.9%.
- (iv) Lloyds Bank originally advanced £17 million to the University to finance the cost of student residences. The loan is secured on Talybont South property and is repayable by 28 February 2024 on a reducing balance method.
- (v) Royal Bank of Scotland originally advanced £14 million to the University to finance the cost of Talybont Court. The loan is secured on Talybont Court and is repayable by 1 October 2025 by equal instalments of £0.7m per annum. Interest is payable on the loan at 0.225% above Base Rate.
- (vi) In July 2021, following approval by the Finance and Resource Committee, the University took out an unsecured Revolving Credit Facility with Lloyds bank for £20m over three years. As at 31 July 2021, the facility had not been utilised.

Notes to the Financial Statements
Year ended 31 July 2021

19. Consolidated and Institution Reconciliation of Net Debt

	Consolidated £'000	Institution £'000
Net debt 1 August 2020	179,395	180,349
Movement in cash and cash equivalents	(23,611)	(23,615)
Repayment of secured loans	(2,240)	(2,240)
Repayment of unsecured loans	(11)	(11)
Bond tap	127,811	127,811
Other non-cash changes (bond interest)	120	120
Net Debt 31 July 2021	281,464	282,414
Change in net debt	102,069	102,065

Analysis of net debt	Consolidated		Institution	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Borrowings: amounts falling due within one year				
Secured loans	2,413	2,240	2,413	2,240
Unsecured loans	129	264	129	264
(Note 17)	2,542	2,504	2,542	2,504
Borrowings: amounts falling due after more than one year				
Secured Loans	5,737	8,150	5,737	8,150
Unsecured loans	130	6	130	6
Public Bond	293,831	293,711	293,831	293,711
Public Bond Tap	127,811	-	127,811	-
(Note 18)	427,509	301,867	427,509	301,867
Less: Cash and cash equivalents (Note 16)	(148,587)	(124,976)	(147,637)	(124,022)
Net debt	281,464	179,395	282,414	180,349

Notes to the Financial Statements

Year ended 31 July 2021

20. Financial Instruments

The University has the following financial instruments which are all denominated in sterling:

		Consolidated		Institution	
	Note	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Financial assets at fair value through surplus or deficit investments in equity and listed bonds	15	313,301	199,956	313,301	199,956
		313,301	199,956	313,301	199,956
Financial assets that are debt instruments measured at amortised cost					
Trade receivables	14	12,022	20,970	11,775	20,625
Other receivables	14	1,019	3,092	2,121	4,223
Investments in short term deposits	15	12,291	15,770	12,291	15,770
		25,332	39,832	28,187	40,618
Financial liabilities measured at amortised cost					
Public Bond	18	293,831	293,711	293,831	293,711
Public Bond Tap	18	127,811	-	127,811	-
Loans	18	8,409	10,660	8,409	10,660
Trade creditors	17	10,952	6,564	10,569	6,536
Other creditors	17	14,188	6,648	7,683	6,647
Accruals	17	27,590	26,394	27,590	26,020
		482,781	343,977	475,893	343,574

21. Pension Provision

Consolidated and Institution

	Obligation to fund deficit on USS Pension £'000	CUPF fund obligations (Note 25) £'000	LGPS fund obligations (Note 25) £'000	2021 Total Pension Provision £'000	2020 Total Pension Provision £'000
At 1 August	84,806	92,083	10,420	187,309	200,248
Utilised in year	(3,754)	-	-	(3,754)	(3,114)
Additions/ (reductions)	2,394	8,010	(7,195)	3,209	(13,444)
Discount rate changes (Note 9)	620	1,300	130	2,050	3,619
At 31 July	84,066	101,393	3,355	188,814	187,309

USS deficit

The University has entered into an agreement (the Recovery Plan) that determines how each employer within the multi-employer scheme will fund the overall deficit. The University recognises a liability for the contributions payable that arise from the agreement to fund the scheme (to the extent that they relate to the deficit) and the resulting expense in the Statement of Comprehensive Income. For key assumptions used in calculating the liability please refer to Note 25.

The last formal completed actuarial valuation is as at 31 March 2018, which was carried out using the projected unit method, the result of which was incorporated in the 2019/20 Financial Statements. As the 2020 valuation was not filed with The Pensions Regulator until 1 October 2021, it constitutes a non-adjusting post balance sheet event. The impact on the year end provision would have been an increase in provision of £157m to £241m.

Notes to the Financial Statements

Year ended 31 July 2021

22. Other Provisions

Consolidated

	2021 Total £'000	2020 Total £'000
Share of net liability in joint venture	3,431	-

The University has an obligation to support its joint venture in Compound Semiconductor Centre Limited and has recognised the share of net liabilities of the investment in the Consolidated results.

23. Endowment reserves

Consolidated and Institution

	Unrestricted Permanent £'000	Restricted Permanent £'000	Total Permanent £'000	Restricted Expendable £'000	2021 Total £'000	2020 Total £'000
Capital opening balance	2,432	20,122	22,554	1,389	23,943	23,962
Accumulated income	1,379	11,395	12,774	2,221	14,995	14,275
	3,811	31,517	35,328	3,610	38,938	38,237
New endowments	-	-	-	288	288	166
Income for year	121	1,001	1,123	102	1,225	1,133
Expenditure	(113)	(415)	(528)	(289)	(817)	(1,066)
	8	588	595	(187)	408	67
Increase in market value	592	4,774	5,366	481	5,847	468
Closing balance	4,411	36,879	41,289	4,192	45,482	38,938
Represented by:						
Capital	2,807	22,997	25,804	1,559	27,363	23,943
Accumulated income	1,604	13,882	15,486	2,633	18,119	14,995
	4,411	36,879	41,290	4,192	45,482	38,938
Analysis by type of purpose:						
Appeal Fund	-	94	94	-	94	79
Chairs	-	13,559	13,559	-	13,559	11,669
Lectures	-	1,101	1,101	-	1,101	934
Hardship Funds	12	2,291	2,303	559	2,862	2,430
Scholarships	-	9,678	9,678	392	10,070	8,596
Prizes	-	3,192	3,192	43	3,235	2,789
Research	-	1,628	1,628	2,550	4,178	3,592
General	4,399	5,336	9,735	648	10,383	8,849
	4,411	36,879	41,290	4,192	45,482	38,938
Analysis by asset:						
Current asset investments						
- investment units					43,355	36,405
Cash & cash equivalents					2,127	2,533
					45,482	38,938

Notes to the Financial Statements

Year ended 31 July 2021

24. Bond repayment fund

Cardiff University's 39-year public bond of £300m, issued in February 2016, along with the subsequent £100m tap issued in February 2021, will be redeemed at their principal amounts of £400m on 7 December 2055 and the University will have to repay this sum on that date.

In July 2019 Council approved the creation of a Bond Repayment Fund (BRF) which has as its sole objective to deliver £400m in cash in 2055. The Ordinances of the University were updated in 2019/20 to include a Bond Repayment Fund (BRF) under Ordinance 10, which will give a reasonable likelihood of being able to meet this repayment requirement.

The bond repayment fund forms part of the unrestricted funds in the statement of financial position.

The University has invested £59m on a total return basis to generate the repayment.

Total fund value	2021 £'000	2020 £'000
Cash held for investment	3,060	826
Current investments	52,208	29,983
Non-current investments	4,067	5,395
	59,335	36,204

25. Pension Schemes

Different categories of staff were eligible to join one of five different schemes:

- (i) Universities' Superannuation Scheme (USS)
- (ii) Cardiff University Pension Scheme (CUPF)
- (iii) Local Government Pension Scheme (LGPS)
- (iv) National Health Service Pension Scheme (NHSPS)
- (v) Nest workplace pension Scheme

The nature of the first three schemes above are detailed below.

The NHS scheme is an unfunded defined benefit scheme, with pension benefits underwritten by the Government. The scheme is not designed to be run in a way that would enable members to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period. The notional assets of NHSPS are assessed by the Government Actuary and contribution rates determined by the Secretary of State for Health. The employer contribution rate was unchanged from last year at 14.38%.

To comply with The Pensions Act 2008, the University also uses the Nest defined contributions pension scheme for eligible non-contractual workers.

The total pension cost for the University was:

	2021	2020
	£'000	£'000
USS	34,976	35,541
CUPF	15,121	13,166
LGPS	360	400
NHSPS	2,057	1,457
Nest	15	15
	52,529	50,579
USS minimum funding guarantee adjustment	2,393	(55,214)
	54,922	(4,635)

(i) The Universities Superannuation Scheme

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

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £39,602k (2020: £38,914k) including Pension Choice, but excluding the impact of the change in the deficit recovery plan, as shown in note 21. The deficit recovery contributions due within one year for the institution are £10,824k (2020: £3,754k).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method.

The 2018 valuation was the fifth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

Notes to the Financial Statements

Year ended 31 July 2021

25. Pension Schemes (continued)

The key financial assumptions used in the 2018 valuation are described below:

Pension increases (CPI): term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates):

Years 1-10, CPI plus 0.14% reducing linearly to CPI less 0.73%.

Years 11-20, CPI plus 2.52% reducing linearly to CPI plus 1.55% by year 21.

Years 21 onwards, CPI plus 1.55%.

The main demographic assumption used relates to the **mortality assumptions**. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table:

Pre-retirement: Males, 71% of AMC00 (duration 0); Females, 112% of AFC00 (duration 0).

Post retirement: Males, 97.6% of SAPS S1NMA "light"; Females, 102.7% of RFV00.

Future improvements to mortality:

CMI_2017 with a smoothing parameter of 8.5 and a long-term improvement rate of 1.8% per annum for males and 1.6% per annum for females

The current life expectancies on retirement at age 65 are:

	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

A **deficit recovery plan** was put in place as part of the 2018 valuation, which required payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate increased to 6%. The 2020 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Pensionable salary - inflation	3.00%	3.00%
Pensionable salary - Headcount	5.00%	1.20%

The University has recognised a provision for its commitments under the 2018 Recovery plan. The initial assessment of the impact of the new deficit recovery plan to 31 July 2021. In calculating this provision, the University has assumed that changes in staff numbers and staff costs will follow that included in the 5-year forecast presented to Council, and that the liability is discounted at 0.894% (as calculated per BUFDG/Mercers discount rate guidance).

During the accounting period, employee contributions to the defined benefit were 9.6% of salary and 21.1% for the employer. From 1st October 2021, under the 2018 Recovery plan, contributions are set to increase to 11% and 23.7% respectively.

Details of the impact are disclosed in Note 21 (Pension Provisions).

Notes to the Financial Statements

Year ended 31 July 2021

25. Pension Schemes (continued)

(ii) Cardiff University Pension Fund and the Local Government Pension Scheme

Both of these defined benefit schemes are externally funded and are contracted out of the State Second Pension (S2P) pension provision.

The last formal triennial actuarial valuation of the schemes which have been concluded were performed by professionally qualified actuaries as at 31 July 2019 for the Cardiff University Pension Fund (CUPF) and 31 March 2019 for the Local Government Pension Scheme (LGPS).

The 31 July 2019 valuation for CUPF resulted in a deficit of £35m and as a consequence, employer contributions will increase from 1st August 2021 to 24.8% (assuming cost sharing with employees) plus an additional deficit contribution of £1m p.a. for the duration of the recovery period to July 2029.

During the accounting period, the University paid contributions to the CUPF of 19.2% of pensionable salaries (LGPS - 27.7% plus a cash lump sum of £1.1m). The University has also contributed the salary sacrifice amount of 7.5% (final salary members) or 6.5% for Career Average Revalued Earnings members for each Non-Contributory member (i.e., those participating in the Salary Sacrifice arrangement) in the CUPF. Salary sacrifice of pension contributions is not permitted in the LGPS scheme.

An estimated valuation of each of the two defined benefit schemes was performed at 31 July 2021 by qualified actuaries. The FRS 102 disclosures set out below are based upon this updated valuation.

On 20 November 2020 the latest High Court judgement on GMP equalisation in relation to transfer value payments was made. It concluded that historic transfers since 17 May 1990, which contained GMP accrued after this date, will now need to be equalised. The actuaries for both CUPF and LGPS have made allowance for this ruling and the result has been included with the schemes' FRS102 disclosures.

Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	CUPF At 31 July 2021	LGPS At 31 July 2021	CUPF At 31 July 2020	LGPS At 31 July 2020
	% p.a.	% p.a.	% p.a.	% p.a.
Price Inflation (RPI)	3.20	n/a	2.85	3.30
Price Inflation (CPI)	2.80	2.60	2.05	2.30
Rate of increase in salaries	2.80	3.60	2.55	3.30
Rate of increase of pensions in payment	2.05	2.60	2.05	2.30
Increases to deferred pensions before retirement	2.80	2.60	2.05	2.30
Discount rate	1.70	1.70	1.50	1.40

Key non-financial assumptions relate to member life expectancy at the accounting date, based on actual mortality experience of members within the Funds carried out as part of the last actuarial valuations. Allowing for expected future mortality improvements, the accounting assessments are based on the life expectancy of male and female members at age 65 in normal health as shown below:

	CUPF At 31 July 2021	LGPS At 31 July 2021	CUPF At 31 July 2020	LGPS At 31 July 2020
Pensioner – male	21.2	22.3	21.2	22.2
Pensioner – female	23.9	24.7	23.8	24.6
Non-pensioner (currently aged 45) - male	22.2	23.3	22.2	23.2
Non-pensioner (currently aged 45) - female	24.7	26.1	24.7	26.0

Notes to the Financial Statements
Year ended 31 July 2021

25. Pension Schemes (continued)

Membership statistics	CUPF July 2019	LGPS March 2019
Active members	1,811	40
Deferred members	1,485	96
Pensioners and dependants	1,023	231

	2021 CUPF £m	2021 LGPS £m	2020 CUPF £m	2020 LGPS £m
Scheme Assets and Liabilities				
The assets in the scheme at fair value were:				
Equities	57.6	25.7	45.2	19.9
Property	-	2.6	-	2.7
Government bonds	-	3.9	-	3.9
Corporate bonds	26.7	5.9	26.4	5.5
LDI & Cash	57.6	0.6	56.1	0.5
Other	125.4	-	109.9	0.1
Scheme assets at fair value	267.3	38.7	237.6	32.6
Scheme liabilities at present value	(368.7)	(42.1)	(329.7)	(43.0)
Net pension liability recorded within pension provisions (Note 21) – Deficit in Scheme	(101.4)	(3.4)	(92.1)	(10.4)

	2021 CUPF £m	2021 LGPS £m	2020 CUPF £m	2020 LGPS £m
Analysis of the amount charged within Operating Surplus				
Operating cost				
Current service cost	13.3	0.4	12.3	0.3
Past service cost	-	-	-	0.1
Administrative expenses	0.9	-	0.9	-
Total operating cost:	14.2	0.4	13.2	0.4
Financing cost:				
Interest expense on liabilities	4.9	0.6	5.9	0.8
Interest income on assets	(3.6)	(0.5)	(4.7)	(0.7)
Total financing cost:	1.3	0.1	1.2	0.1
Total charge within Operating Surplus before tax	15.5	0.5	14.4	0.5

Amounts recognised in Other Comprehensive Income:

Actuarial losses/(gains) from assets	(24.8)	(5.7)	(1.1)	1.4
Actuarial losses/(gains) on liabilities	28.1	(0.6)	35.7	4.0
Total loss/(gain) to Other Comprehensive Income before tax	3.3	(6.3)	34.6	5.4

Notes to the Financial Statements
Year ended 31 July 2021

25. Pension Schemes (continued)

	2021 CUPF £m	2021 LGPS £m	2020 CUPF £m	2020 LGPS £m
Analysis of movement in deficit:				
Deficit at beginning of year	92.1	10.4	53.5	6.0
Contributions by the University	(9.5)	(1.2)	(10.4)	(1.5)
Operating cost	14.2	0.4	13.2	0.4
Financing cost	1.3	0.1	1.2	0.1
Loss/(Gain) recognised in Other Comprehensive Income	3.3	(6.3)	34.6	5.4
Deficit at end of year	101.4	3.4	92.1	10.4

Changes to the present value of scheme liabilities:

Present value of scheme liabilities at start of the year	329.7	43.0	283.4	39.0
Current service cost	13.3	0.4	12.3	0.3
Past service cost	-	-	-	0.1
Interest expense on liabilities	4.9	0.6	5.9	0.8
Contribution by participants	0.2	-	0.2	0.1
Actuarial losses/(gains) on liabilities	28.1	(0.6)	35.7	4.0
Actual benefit payments	(7.5)	(1.3)	(7.8)	(1.3)
Present value of scheme liabilities at the end of the year	368.7	42.1	329.7	43.0

Changes in the fair value of scheme assets:

Fair value of scheme assets at the start of the year	237.6	32.6	229.9	33.0
Interest Income on assets	3.6	0.5	4.7	0.7
Actuarial gains/(losses) on assets	24.8	5.7	1.1	(1.4)
Contributions by the University	9.5	1.2	10.4	1.5
Contributions by participants	0.2	-	0.2	0.1
Net benefits paid out	(7.5)	(1.3)	(7.8)	(1.3)
Expenses	(0.9)	-	(0.9)	-
Fair value of scheme assets at the end of the year	267.3	38.7	237.6	32.6

CUPF and LGPS assets do not include any of the University's own financial instruments, or property occupied by the University.

	Year ended 31 July		Year ended 31 July	
	2021 CUPF £m	2021 LGPS £m	2020 CUPF £m	2020 LGPS £m
Actual return on scheme assets:				
Interest income on scheme assets	3.6	0.5	4.7	0.7
Asset gain / (loss)	24.8	5.7	1.1	(1.4)
Actual return on scheme assets	28.4	6.2	5.8	(0.7)

Notes to the Financial Statements

Year ended 31 July 2021

25. Pension Schemes (continued)

Sensitivity of movement in key assumptions

The approximate impact of changing the key assumption on the present value of the funded defined benefit liabilities as at 31 July 2021 is set out below.

In each case, only the assumption mentioned is altered; all other assumptions remain the same.

CUPF	Funded Defined Benefit Liability (£m)		
	+1% p.a.	Base figure	-1% p.a.
Discount Rate assumption	360.3	368.7	377.4
Price Inflation assumption	376.6	368.7	361.1
	- 1 year	Base figure	+1 Year
Post retirement Mortality assumption	381.7	368.7	355.7
LGPS			
	+1% p.a.	Base figure	-1% p.a.
Discount Rate assumption	41.4	42.1	40.5
Price Inflation assumption	42.2	42.1	42.0
	- 1 year	Base figure	+1 Year
Post retirement Mortality assumption	43.7	42.1	40.5

26. Capital Commitments

Consolidated and Institution	2021 £'000	2020 £'000
Commitments contracted at 31 July	44,095	108,896

Of the £44.1m, the majority of commitments relate to the Cardiff Innovation Centre (£28.7m), the Centre for Student Life (£6.6m), Architecture building (£4.7m) and Maths/Computer Science building (£3.4m).

27. Operating Lease obligations

Consolidated and Institution

Future minimum lease payments due	Land and buildings £'000	Other £'000	Total 2021 £'000	Total 2020 £'000
Not later than one year	2,930	106	3,036	3,228
Later than one year and not later than 5 years	9,826	177	10,003	10,157
Later than five years	29,382	-	29,382	30,577
Total lease payments due	42,138	283	42,421	43,962

Land and building leases are held in respect of office premises and car parking facilities. Other leases comprise vehicle and other equipment leases.

Notes to the Financial Statements

Year ended 31 July 2021

28. Related Party Transactions

All transactions involving organisations in which a member of the Council may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. The University maintains a Register of Interests of members of Council and senior officers.

The list below represents the trading transactions and year-end close balances with organisations of which the relevant Council member or senior officer holds a position of influence in both the related party and the University.

Organisation	Council or senior officer	Income £'000	Expenditure £'000	Debtor £'000	Creditor £'000
Association of Commonwealth Universities	Prof C Riordan	-	7	-	-
Cardiff & Vale University Health Board	L Richards	4,628	5,873	1,479	152
Cardiff University Students' Union	Ms G Dunn Ms H Doe Mr T Evans	8	2,841	2	1
Cardiff Students Union Services Limited	Ms G Dunn Ms H Doe	-	1,293	-	106
Careers Research & Advisory Centre	Ms J Juillerat	-	3	-	2
Compound Semiconductor Centre Limited	Mr R Williams	-	352	7	-
Department of Business, Energy & Industrial Strategy	Prof C Riordan	1	-	-	-
Fulbright Commission	Prof C Riordan	-	33	-	-
Office of the Police and Crime Commissioner for Gwent	Dr J Wademan	26	-	1	-
Hugh James Solicitors	Ms K Singh (daughter-in-law of) Judge R Singh	-	8	-	-
IDP Connect	Prof C Riordan	-	7	-	7
Institute of Cancer Research	J Shakeshaft	3	-	-	-
Medical Research Council	Prof Dame J Finch	8,957	1	-	-
Microsoft UK	Mr P Benjamin	-	57	-	-
Qualification Wales	Ms C Morgan	1	-	-	-
Race Council Cymru	Judge R Singh	-	2	-	-
Royal Academy of Engineering	Prof K Holford	206	-	8	-
Russell Group	Prof C Riordan	-	80	-	-
The Conversation UK Limited	Prof C Riordan	-	16	-	-
The National Library of Wales	Dr J Wademan	-	1	-	-
The Royal Society	Mr R Williams	-	25	-	-
UCEA	Prof S Palmer	-	17	-	-
Universities UK	Prof C Riordan	-	217	-	1
University of Warwick	Prof S Palmer	-	57	20	2
Welsh Government	Prof C Riordan	16,329	102	2,994	-
Welsh Wound Centre	Prof I Weeks	309	-	25	-

All other related party transactions were with wholly owned subsidiaries.

Notes to the Financial Statements

Year ended 31 July 2021

29. US Department of Education Financial Responsibility - Supplemental Schedule

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

The amounts presented within the schedules have been:

- prepared under the historical cost convention, subject to the revaluation of certain fixed assets.
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition).
- presented in pounds sterling.

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

Primary Reserve Ratio

Page	Line item - related disclosures	Expendable Net Assets	Year ended 31 July 2021		Year ended 31 July 2020	
			£'000	£'000	£'000	£'000
46	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		663,652		578,319
46	Statement of Financial Position - Net assets with donor restrictions	Net assets with donor restrictions		45,641		39,286
46	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable		-		2,000
46	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		2,000
46	Statement of Financial Position - Property, Plant and equipment, net	Property, plant and equipment, net (includes Construction in progress)	934,274		846,797	
46	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - pre-implementation	Property, plant and equipment - pre-implementation		654,486		673,751
46	Note of the Financial Statements - Statement of Financial Position - Property, plant and equipment - post-implementation without outstanding debt for original purchase	Property, plant and equipment - post-implementation without outstanding debt for original purchase		30,356		21,379
46	Note of the Financial Statements - Statement of Financial Position - Construction in progress	Construction in progress		254,382		151,667
46	Statement of Financial Position - Post-employment and pension liabilities	Post-employment and pension liabilities		188,814		187,309
46	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes	427,509		301,867	
46	Statement of Financial Position - Note Payable and Line of Credit for long-term purposes (both current and long term) and Line of Credit for Construction in process	Long-term debt - for long term purposes pre-implementation	427,509		301,867	
46	Statement of Financial Position - Term endowments	Term endowments with donor restrictions		4,192		3,610
46	Statement of Financial Position - Perpetual Funds	Net assets with donor restrictions: restricted in perpetuity		41,289		35,328

Notes to the Financial Statements

Year ended 31 July 2021

29. US Department of Education Financial Responsibility - Supplemental Schedule (Cont'd)

Primary Reserve Ratio (continued)

Page	Line item - related disclosures	Total Expenses and Losses	Year ended 31 July 2021		Year ended 31 July 2020	
			£'000	£'000	£'000	£'000
62	Statement of Activities - Total Operating Expenses (Total from Statement of Activities prior to adjustments)	Total expenses without donor restrictions - taken directly from Statement of Activities		568,696		552,471
62	Statement of Activities - Non-Operating (Investment return appropriated for spending), Investments, net of annual spending gain (loss), Other components of net periodic pension costs, Pension-related changes other than net periodic pension, changes other than net periodic pension, Change in value of split-interest agreements and Other gains (loss) - (Total from Statement of Activities prior to adjustments)	Non-Operating and Net Investment (loss)		29,915		14,568
62	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)	Statement of Activities - (Investment return appropriated for spending) and Investments, net of annual spending, gain (loss)		35,189		4,371
62	Statement of Activities - Pension related changes other than periodic pension	Pension-related (credits)/ changes other than net periodic costs	(1,505)			12,939

Equity Ratio

Page	Line item - related disclosures	Modified Net Assets	Year ended 31 July 2021		Year ended 31 July 2020	
			£'000	£'000	£'000	£'000
46	Statement of Financial Position - Net assets without donor restrictions	Net assets without donor restrictions		633,662		578,319
46	Statement of Financial Position - total Net assets with donor restrictions	Net assets with donor restrictions		45,641		39,286
46	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable		-		2,000
46	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		2,000
Page	Line item - related disclosures	Modified Assets	£	£	£	£
46	Statement of Financial Position - Total Assets	Total Assets		1,463,141		1,249,060
46	Statement of Financial Position - Related party receivable and Related party note disclosure	Secured and Unsecured related party receivable		-		2,000
46	Statement of Financial Position - Related party receivable and Related party note disclosure	Unsecured related party receivable		-		2,000

Notes to the Financial Statements

Year ended 31 July 2021

29. US Department of Education Financial Responsibility - Supplemental Schedule (Cont'd)

Net Income Ratio

Page	Line item - related disclosures		Year ended 31 July 2021		Year ended 31 July 2020	
			£'000	£'000	£'000	£'000
47	Statement of Changes in Reserves - total of movement shown for Income & Expenditure Reserve and Revaluation Reserve	Change in Net Assets Without Donor Restrictions		59,457		30,482
62	Statement of Activities - (Net assets released from restriction), Total Operating Revenue and Other Additions and Sale of Fixed Assets, gains (losses)	Total Revenue and Gains		598,238		568,385

