

**2022/23**

Information for the Year  
ended 31 July 2023  
[southwales.ac.uk](https://southwales.ac.uk)

University of  
South Wales  
Prifysgol  
De Cymru

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# FINANCIAL STATEMENTS ANNUAL REVIEW









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## CONTENTS

<b>Foreword</b>	4
<b>Board of Governors</b>	7
<b>Strategic Statement</b>	10
<b>Review of 2022/23</b>	16
<b>University Committees</b>	37
<b>Key Committee Responsibilities</b>	38
<b>Financial Review</b>	44
<b>Public Benefits Statement</b>	52
<b>Corporate Governance</b>	53
<b>Governors Responsibilities</b>	58
<b>Independent Auditors' Report</b>	60
<b>Consolidated and University Statement of Comprehensive Income</b>	64
<b>Consolidated and University Statement of Changes in Reserves</b>	65
<b>Consolidated and University Balance Sheet</b>	66
<b>Consolidated Statement of Cash Flows</b>	67
<b>Statement of Accounting Policies</b>	68
<b>Use of Estimates and Judgement</b>	74
<b>Notes To The Financial Statements</b>	75-97

# FOREWORD

The past year has marked an important milestone for the University – 10 years since the creation of the University of South Wales. 10 years of making an impact through education, innovation, and partnerships.

Since April 2013, powered by 182 years of history, the University has been dedicated to creating positive change and making a real impact which is felt outside our campus buildings, across South Wales, and further afield. We have always been an institution rooted in its community with a clear mission to change lives and our world for the better. These traits are deeply laid in our DNA. And they are traits that continue today, and we have witnessed throughout the past academic year.

For the third year in succession, we were the top-performing higher education institution in Wales for helping graduate start-up businesses get up and running. The most recent figures from the Higher Education Statistics Agency (HESA) also show that USW is 11th out of 220 universities across the UK for new graduate business support. We opened the third of our Startup Stiwdios at our Treforest campus, offering dedicated incubator space and support for USW graduate businesses.

The latest data from the Graduate Outcomes Survey shows an improvement of 6% - with 72% of our graduates being in highly skilled employment or further study 15 months after graduating.

The University moved up 29 places in the Guardian league table to 53rd in the UK, and fourth in Wales. Colleagues and students have been recognised for their expertise and dedication, winning numerous awards throughout the year. This included USW being named as Cyber University of the Year for the fourth year running, colleagues and students being recognised at the Wales STEM awards, and one of our accounting students achieving the best ACCA results in the world.

We have been successful in securing new contracts, including expanding our partnerships to deliver initial education programmes to police recruits with Gwent Police and South Wales Police. We secured funding from Health Education and Improvement Wales (HEIW) to provide two additional courses – Healthcare Support Worker and Postgraduate Certificate in Critical Care – alongside our existing healthcare portfolio. We have also secured government funding for a number of different projects including for social care, decarbonisation, and screen academies, to name just a few.

We are delighted that more partners have joined us throughout the year with formal partnerships being signed, including with Urban Circle Newport (UCN), an independent youth arts organisation that aims to engage, support, and empower young people and communities, Orchard Live, Wales's largest independent live music promoter, and Wales Netball.

During this past year, we have also seen an exciting step forward with the plans for a new building on our Treforest Campus, which will predominantly be home to the subject areas of Engineering, Data Science, and Computing. A design team has been appointed and the work to progress our plans have picked up pace. Plans are also underway to transform internal spaces at our Newport Campus, with the first phase due to start later this year to transform some of our lecture theatres and staff workspaces.

It has of course also been a challenging year for the HE sector with ongoing sector-wide industrial action, as well as financial pressures that are affecting everyone as a result of high inflation and increasing costs. We have seen colleagues across the whole institution pulling together to support each other and our students. We are immensely grateful for the resilience that has been shown and we are very proud of the hard work of our colleagues to provide the best experience, skills, and education to our students, deliver innovation and solutions for our partners and enhance our communities.



**Dr Ben Calvert**  
Vice-Chancellor



**Louise Evans**  
Chair of the Board of Governors



**THIS YEAR, USW IS MARKING 10 YEARS OF MAKING AN IMPACT IN MANY DIFFERENT FORMS – FROM IMPACTING PEOPLE, COMMUNITIES AND POLICIES, TO PARTNERS AND ECONOMIES. WE ARE PROUD OF EVERYTHING WE HAVE ACHIEVED OVER THE PAST TEN YEARS AT USW. HOWEVER, IN REALITY, WE'RE JUST GETTING STARTED.**









# BOARD OF GOVERNORS

The University's trustees for the year ending 31 July 2023, and subsequently until the November 2023 meeting of the Board of Governors where the financial statements were formally approved:

## Independent Governors

Louise Evans (Chair) (4/4)  
Alison Phillips (4/4)  
Michael Stevens (4/4)  
Chris Sutton (4/4)  
John Derrick (3/4) (until 31 July 2023)  
Debbie Jones (3/4)  
Professor Philip Gummert (4/4)  
David Francis (4/4)  
Steve Wilson (2/4)  
Richard Lloyd-Owen (4/4)  
Sanjay Balakrishnan (3/4)  
Sion O'Connor (3/4)  
Michael Plaut (from 1 August 2023) (1/1)

## Vice-Chancellor

Dr Ben Calvert (4/4)

## Co-opted member with experience of education

Professor Michael Gunn (4/4) (moved to 'independent' member from 1 August 2023)  
Sharon James (from 1 August 2023) (1/1)

## Co-opted members of the Executive

Mark Milton (3/4)  
Professor Donna Whitehead (4/4)

## Additional co-opted member elected from and by the staff

Angela Lewis (2/4) (until 31 July 2023)  
Jonathan Jones (from 1 August 2023) (1/1)

## Academic Board nominee

Geraint Evans (from 6 April 2023) (1/1)

## Student Governors

David Pye (until 1 December 2022) (1/2)  
Jamal Abdilahi (from 14 December 2022) (2/2)  
Kyle Eldridge (from 1 August 2022 until 30 June 2023) (3/3)

## Conflicts of interest

Members of the Board of Governors and its committees submit an annual register of interests document. Prior to the start of each Board and Committee meeting, members are asked to declare any interests, in general or in respect of specific agenda items<sup>1</sup>.

## Independent Members

Independent members<sup>2</sup> are defined by the University's Instrument of Government, cannot include staff, students or elected members of local authorities and must make up at least half of all governors. The independent members have the authority to approve the appointment of new independent members.

(1) Attendance information is provided for members serving during the year ended 31 July 2022, expressed as the number of meetings of the Board of Governors attended out of a total number of meetings the member was due to attend.

## Members of the University Executive

Dr Ben Calvert (Vice Chancellor)  
Professor Donna Whitehead (Deputy Vice Chancellor)  
Professor Paul Harrison (Pro Vice Chancellor (Innovation and Engagement) (until 4 September 2022)  
Mark Milton (Chief Operating Officer)  
Professor Martin Steggall (Pro Vice Chancellor (Research)  
Rachel Elias-Lee (Chief Finance Officer)  
Dr Louise Bright (Director of Research and Business Engagement)  
Zoe Durrant (Chief People and Inclusion Officer) (from 3 January 2023)

<sup>1</sup>Article 18: If any member has any pecuniary, family or other personal interest, direct or indirect, in any contract, proposed contract or other matter and is present at the meeting of the Board of Governors or the committee at which the contract or other matter is the subject of consideration, the member shall at the meeting, and as soon as practical after commencement, disclose the fact and, unless otherwise agreed by resolution of the meeting, withdraw from the meeting before consideration of that item, not take part in the consideration or discussion of the contract or other matter or vote on any question with respect to it. A Governor shall not be treated as having a pecuniary interest in any matter by reason only of her/his being a member of the staff or a student of the Institution.

<sup>2</sup>Instrument 3 (3): Independent members shall be persons appearing to the appointing authority to have experience of, and to have shown capacity in, industrial, commercial or employment matters or the practice of any profession.

# BOARD OF GOVERNORS



Louise Evans (Chair)



Dr Ben Calvert



Alison Phillips



Debbie Jones



Michael Stevens



Professor Philip Gummatt



Chris Sutton



David Francis



Professor  
Donna Whitehead



Steve Wilson





Richard Lloyd-Owen



Mark Milton



Sharon James



Sanjay Balakrishnan



Jonathan Jones



David Pye



John Derrick



Angela Lewis



Jamal Abdilahi



Michael Plaut



Sion O'Connor



Kyle Eldridge



Professor Michael Gunn



Geraint Evans

# STRATEGIC STATEMENT

At the University of South Wales, our core purpose is to make a positive impact and be ambitious for our students and colleagues. We are focused on inclusion, enterprise, and growth, and we are a proven trusted partner for long-term mutual benefit and success. We are proud to be anchored in South Wales with a global reach, and an innovative creator of knowledge and solutions for the future. This purpose informs our vision, our strategic goals and enablers, and how we focus and deliver our activities. The University Strategy – USW 2030 – sets out our direction for the next decade; a pathway for the future that is bold and ambitious to ensure our continued success and long-term sustainability.

Our world is changing at an intense pace, and it is our job to equip our students with the skills, knowledge, and experience required to maximise their potential and future opportunities in the world of work.

Working in collaboration with industry, our research and innovation will tackle some of the biggest global challenges, from energy to health to security, and providing answers to real-world problems.

**By 2030, our ambitions are to:**

- Be a large, regional University with a distinctive full-time and part-time academic offer that is attractive to both home and global markets
- Provide an excellent, inclusive, engaged student experience
- Ensure our students successfully complete their studies and secure employment in their areas of expertise
- Engage with partners to maximise our impact on their endeavours
- Commit to improving the future well-being of the communities we serve through individual and collective action
- Provide opportunities for students across the region and beyond to participate in and progress to higher education
- Be an engaged, values-based employer
- Be financially sustainable in the context of a dynamic higher education environment



# OUR VISION

**OUR VISION IS TO CHANGE LIVES AND OUR WORLD FOR THE BETTER. WE WILL BE A LEADING UK UNIVERSITY, MAXIMISING POSITIVE IMPACTS FOR STUDENTS, PARTNERS AND COMMUNITIES.**

## OUR PORTFOLIO WILL FOCUS ON THE SKILLS NEEDS OF STUDENTS AND EMPLOYERS.

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### OUR VALUES

In the execution of our strategy and the advancement of education for the public benefit, the University strives to adhere to the following core values in all of our activities.

#### Professional

We will:

- Act with integrity to ensure people can trust and rely on us
- Take responsibility individually and collectively for contributing to our strategic goals and enabler
- Pursue excellence in everything we do

#### Responsive

We will:

- Be flexible and agile, embracing change and promoting equality and inclusion in all we do
- Be approachable, seeking feedback to continually develop
- Be accountable for the delivery of our personal and team objectives

#### Creative

We will:

- Nurture curiosity and innovation so that ideas can flourish
- Embrace new ideas
- Take risks and challenge current ways of working to make a positive impact

#### Inspiring

We will:

- Be passionate about celebrating success
- Be dynamic, stimulating, and motivating
- Create opportunities that widen our own and our students' horizons

#### Collaborative

We will:

- Actively collaborate across our University and externally for mutual benefit
- Be inclusive, valuing, and respecting every individual for their contribution
- Identify and communicate best practice and ideas

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### OUR GOALS

#### Maximising graduate success and opportunities

##### Distinctive academic offer

Our portfolio will focus on the skills needs of students and employers.

There will be a well-evidenced and market-led development process that builds reputation in areas of strength and in growing, and emerging, UK and international markets.

It will be co-designed with industry, regularly refreshed, and professionally recognised.

Our curriculum will instil a professional identity and be connected to regional, national and global challenges.



# OUR RESEARCH TEAMS WILL FOCUS ON PROVIDING RELEVANT, IMPACTFUL SOLUTIONS TO PROBLEMS THAT AFFECT SOCIETY AND THE ECONOMY.

## **Transformational learning, teaching, and student experience**

Problem and challenge-based learning will be embedded in all programmes, in order to develop graduate attributes of innovation and enterprise, leadership, project management, digital literacy, commercial awareness, and communication.

Interdisciplinary team-based learning will connect to problems beyond the classroom, in order to drive actions and solutions.

Our curriculum will create a deep sense of belonging, engagement, networking, and pride.

Engagement with alumni will be embedded in student life, notably mentoring and supporting graduate success.

Students will have an inclusive voice in the development of the curriculum.

## **Workplace and lifelong learning solutions**

There will be extended and enhanced professional workplace learning opportunities, including degree apprenticeships.

There will be new, innovative, and flexible CPD opportunities and models of delivery.

We will have an increased focus on blended and online learning opportunities to extend market reach.

## **Research excellence and innovation impact**

### **Internationally excellent research capabilities**

We will focus on accelerated development and investment in our internationally-reputable and high-impact research areas:

- Creative innovation
- Crime, security and justice
- Health and well-being
- Sustainable environment

There will be focused development of innovative pedagogical practice, including the use of emergent technologies.

### **Research and innovation impact**

Our multidisciplinary research teams will focus on providing relevant, impactful solutions to problems that affect society and the economy.

Learning and teaching will be based on insights and evidence from our research and innovation impact in industry and the community.

We will support, foster and showcase the talent and ambition of our research and innovation.

### **Knowledge and skills exchange for student and strategic partner benefit**

Our major strategic partnerships will address global challenges and act as catalysts for wider influence and support.

Our collaborative work will focus on creating greater levels of productivity, innovation, and economic impact.

It will act as a bridge for knowledge exchange between students, employers, and community interests.

We will work in partnership to inspire and support student entrepreneurship.

# WE ARE COMMITTED TO IMPROVING THE FUTURE WELL- BEING OF THE COMMUNITIES WE SERVE.

## OUR ENABLERS

### Our external focus

#### Accessible Higher Education

Working with partners to improve educational attainment and promote access to, and participation in, higher education will be a priority.

We will work to support a growth of Higher Education, in Further Education opportunities across our region and beyond.

There will be enhanced support for students from under-represented communities and groups to succeed in higher education.

There will be a growth of inbound and outbound international student mobility.

#### Contribution to economic and societal well-being

We are committed to improving the future well-being of the communities we serve, by taking individual and collective action, across our region, including support for the Welsh Government's well-being goals.

We nurture relationships between industry and communities, acting as a catalyst and bridge, through, for example, practice-based research and innovation focusing on solutions to real world problems.

Building supportive, trusting, and professional relationships with civic leaders, to maximise positive change and outcomes for our region and beyond, will be a priority.

We will maximise the economic and public value of our campuses as an anchor institution for the benefit of our partners and communities.

We are committed to making a positive contribution to the development of the Welsh language.

#### Connected and responsible organisation

We will deepen our regional, national, and international strategic partnerships for mutual benefit, including development of models to accommodate partnership requirements.

There will be enhanced engagement with our alumni network to sustain an advocacy and support network for life.

We will communicate our purpose and value with clarity, integrity, and enthusiasm.

We will embed environmental and corporate social responsibility principles into our practice.

### Our operational transformation

#### Focused, talented, and ambitious staff

With a deep sense of belonging, focus and pride in our work, there will be a 'one university' values-based culture.

All colleagues will have an ethos of continuous improvement in learning and teaching, with staff empowered to innovate and collaborate to advance our innovative pedagogical practice.

We will be a high-performing and digitally-innovating workforce aligned to our core values, goals, and work priorities.

We will have an inclusive workplace environment that supports diversity and promotes collaboration and well-being.

### **Fit-for-the-future operations**

We will consolidate our estate and enhance our digital infrastructure.

We will use flexible spaces and emergent technologies to enable innovative pedagogical and work practices.

Our services will be efficient and innovative and meet the needs of our students, staff, and partners.

We will deliver timely and consistent business intelligence, with an effective data governance and management framework, to inform and empower decision making.

### **Financial strength**

Our institution will be scalable and sustainable, with operational and commercial models that embrace our efficiency and effectiveness.

We will grow and diversify our income to generate surpluses for re-investment in our core purpose.





# REVIEW OF 2022/23

## THE VICE CHANCELLOR PRESENTS HIS KEY HIGHLIGHTS FROM THE PAST YEAR



### 01 – Cyber University of the Year

USW was named Cyber University of the Year in 2022 for the fourth year running. Given to those who are committed to cyber innovation, cyber crime reduction, and protecting citizens online, the award recognised USW's National Cyber Security Academy, established in 2016, and its national collaborations.

### 02 – USW climbs 29 places in the Guardian League Table

USW rose to 53rd in the UK in the Guardian League Table 2023, a rise of 29 places, placing it at fourth in Wales. In this latest survey, USW saw improvements in the rankings for entry tariffs and value added. There were also significant rises in a number of subject areas.



### 03 – USW tops the table for supporting graduate start-up businesses

For the third year in succession, USW was named as the top-performing higher education institution in Wales for helping graduate start-up businesses get up and running. Figures from the Higher Education Statistics Agency (HESA) showed that USW is also the 11th out of 220 universities across the UK for new graduate business support.



04

#### 04 – Graduate businesses benefit from Springboard Startup funding

Eight businesses run by USW graduates shared £20,000 from the Springboard Startup competition. The businesses ranged from elite strength and conditioning services for young athletes, to a handmade fashion brand creating sustainable clothing and accessories.

#### 05 – USW joins project to develop global media innovation hub in Wales

USW joined Media Cymru, a £50m project to develop a global media innovation hub across TV, film, and the wider media industry in Wales. Media Cymru will develop businesses and individuals within the sector with a series of funding rounds, training, research, and opportunities, revolutionising the media landscape in the Cardiff Capital Region (CCR) and securing a status of global excellence.

media  
cymru

05



06

#### 06 – USW launches partnership with Cwm Taf Morgannwg University Health Board to support staff development

USW launched a partnership with Cwm Taf Morgannwg University Health Board to support staff development. The partnership helps both organisations explore clinical and professional learning opportunities, and develop career pathways for employees in professional services roles.

#### 07 – Wins for USW family at Wales STEM Awards

Sharan Johnstone, USW's Head of Cyber Security, was named STEM Woman of the Year at this year's Wales STEM Awards, an event which recognises the entrepreneurial and innovative ventures making a difference to the STEM sector. Charlotte Lewis, research scientist and Medicinal and Biological Chemistry student, was awarded STEM Rising Star of the Year.



07



08

#### 08 – University team develops air monitor to highlight pollution challenges

A device developed by USW to streamline the collection of data on air quality is revolutionising the way authorities react to pollution challenges. The work has been supported by the Welsh Government, Rhondda Cynon Taf County Borough Council, Respiratory Innovation Wales (RIW), and Wales Institution for Digital information (WIDI).





09



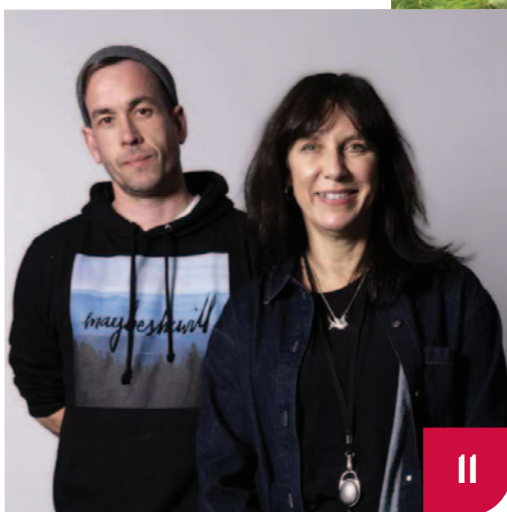
10

#### 09 – University of South Wales is twinned with Ukrainian university

USW signed a formal agreement with the Kharkiv State Academy of Physical Culture, in Ukraine, to offer support to academics and students affected by the ongoing conflict. The scheme is designed to facilitate the sharing of resources and support in a collective gesture of solidarity.

#### 10–USW announces partnership with ground-breaking Newport youth charity

USW signed a strategic partnership with Urban Circle Newport (UCN), an independent youth arts organisation and registered charity. This new strategic partnership enables the two organisations to enhance their working relationship, providing opportunities for the USW family.



11

#### 11 – Orchard Live joins USW in exciting new partnership

USW agreed a partnership with Wales's largest independent live music promoter. Orchard Live supported USW for their student-led festival, *Immersed!*, and launched the Graduate Award for Outstanding Work, with the winner being awarded an internship with the company.

#### 12 – Screen Academies project led by USW is awarded Welsh Government funding

USW's Film and TV School was awarded a share of £1.5 million for the Academi Sgrin Cymru/Wales Screen Academy project, a partnership with Screen Alliance Wales, Bangor University and partner colleges.

#### 13 – USW Refugee Champion awarded for inspirational work

Dr Mike Chick was recognised at the Inspire! Tutor Awards for his contribution to improving the lives of people seeking sanctuary in our communities. Mike is also an ESOL (English for Speakers of Other Languages) lecturer and runs English classes for refugees.



12



13



#### 14 – USW-led research partnership secures million-pound contract

A partnership led by the Welsh Institute for Health and Social Care (WIHSC), based at USW, was awarded a contract of more than £1m for the evaluation of the Health and Social Care Regional Integration Fund (RIF). The partnership ensures that the RIF is delivering effectively.



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#### 15 – Student drug harm reduction project awarded money from £5m government fund

Professor Katy Holloway is part of a team that was awarded funding from the Department of Health and Social Care. The Staying Safe Programme (SSP) aims to reduce demand for drugs by deterring or delaying their use. It equips students with knowledge of harms associated with recreational drugs.



16

#### 16 – USW is named Public Sector College of the Year at national awards

USW's Accounting and Finance school was named Public Sector College of the Year – for the fourth time – at the PQ Magazine Awards. USW was praised for its work in training ACCA (Association of Chartered Certified Accountants) students from around the world.

#### 17 – USW researchers create app to help GPs spot potential skin problems

Researchers at USW, led by Associate Professor Dr Janusz Kulon, have developed an app which could help GPs more easily identify potential skin cancers. The team has been working in collaboration with Cardiff and Vale University Health Board.



17

#### 18 – Fellowship award for renewable energy expert

Associate Professor Tim Patterson was named as an awardee of a Royal Academy of Engineering (RAEng) Enterprise Fellowship. Dr Patterson received the £75,000 award to develop a spinout company that will support efforts to advance sustainable products and energy market services through the production of synthetic methane gas.



18



19

### 19 – Clwstwr sees £20m boost and 400 new jobs for South Wales media sector

Clwstwr, an ambitious initiative to drive innovation in the South Wales media sector – contributed to £20m of additional income and more than 400 new jobs in the creative industries, according to its impact report. The project is led by Cardiff University in partnership with the University of South Wales and Cardiff Metropolitan University.



20

### 20 – USW expert leads on Cyber Innovation Hub skills efforts

Head of Cyber Security, Sharan Johnstone, is taking a lead role in a newly-established Cyber Innovation Hub (CIH). Unveiled recently by the Cardiff Capital Region (CCR), the CIH is on a mission to transform South Wales into a leading cyber security cluster by 2030.



21

### 21 – USW wins £2 million healthcare contracts

USW has secured £2 million funding from Health Education and Improvement Wales (HEIW) to provide two additional courses alongside the existing healthcare portfolio. During phase one of the commissioning process, HEIW awarded USW over £20m contracts for the delivery of professional, pre-registration education.

### 22 – USW awarded new contracts to deliver Policing courses

USW was awarded new contracts to deliver initial education programmes to police recruits, in partnership with three police forces in Wales. USW's existing partnership with Dyfed Powys Police was extended for a further term, with new contracts being awarded to deliver education programmes with Gwent Police and South Wales Police.



22



## ROYAL WELSH COLLEGE OF MUSIC AND DRAMA (RWCMD)

### 01 – Championing both core traditional repertoire and new work

Complementing a brilliant production of Macbeth in the early spring, RWCMD launched its Shakespeare prize with Sir Ian McKellen. In March, an extraordinary production of Poulenc's Dialogue of the Carmelites brought more than 140 students together on a phenomenal set that integrated the full orchestra on stage.

### 02 – Atmospheres Festival

Focusing on new work, the annual Atmospheres Festival showcased graduating composers, with performances that included a guitar concerto, dance and multi-media collaborations, a VR installation in the Old Library, music from choral to funk, and two pop-up operas. Across the weekend there was a 40% audience increase from last year.



01



02



03

### 03 – Championing new writing

The College's annual new season of plays also grew audience numbers by more than 100%, and included New Voices, giving a public platform for the first time to four acting student writers' work, and attracting attention from literary agents.



04

### 04 – Positive work in dark times for the arts

The College took the next big steps with its Old Library project, signing a 99 year lease for the Old Library, and deepening its partnership with Cardiff Council to put culture at the heart of regenerating the city centre. An extraordinary gift of £2 million from Sir Howard Stringer will enable RWCMD to launch its capital campaign for £12million to fully restore the Old Library. The first phase of major renovation and acoustic treatment of the building should start in 2024. The recent puppetry project brought 335 children from five local schools to see the show.





05

### 05 – Moving to a sustainable future

As part of its commitment to carbon net zero, the College has installed solar panels on the roof of North Road, now delivering a quarter of the electricity needed to run the building. Many other projects include implementing the new Theatre Green Book Standards across all productions, making all shows more sustainable, and a major LED production lighting upgrade, reducing energy usage and prolonging the equipment lifespan.



06

### 06 – National Open Youth Orchestra launches in Wales

The College has started a huge programme to make it more accessible. From this September, the College will welcome the pioneering inclusive ensemble, National Open Youth Orchestra (NOYO), as an integrated part of its Junior Conservatoire. Joining forces with NOYO and BBC National Orchestra of Wales, the Cardiff NOYO Centre will offer the first progression route for talented young disabled musicians in the region.

## THE COLLEGE, MERTHYR TYDFIL

### 01 – The College Merthyr Tydfil celebrates NACE Challenge Award accreditation

The College Merthyr Tydfil became the first Further Education college in the UK to achieve the NACE Challenge Award. The award is given by the National Association for Able Children in Education (NACE) in recognition of the College's commitment to providing high-quality provision for more able and talented learners within the context of 'challenge for all'.



01

### 02 – Opening new doors to table tennis in Merthyr Tydfil

The College partnered with Sports Wales to bring table tennis to the community in a big way. Alongside its already successful high performance hub and table tennis academy, a new inclusive community club has been set up for players of all ages and abilities. Running weekly on a Wednesday evening, participants benefit from the coaching input of Callum Evans, Wales' number one ranked male player.



02



03

### 03 – College awarded gold standard in National Cyber Security Education

The College was successful in achieving a Gold CyberFirst award in recognition of its commitment to offering top cyber education by GCHQ's National Cyber Security Centre. The award, which is part of the CyberFirst Schools programme, aims to recognise schools and colleges that can demonstrate a commitment to inspiring the latest generation of cyber security experts and bridging the cyber skills gap.

#### 04 – College learners win Gold, Silver and Bronze in Skills Competition Wales 2023

Learners celebrated scooping gold, silver and bronze medals at recent national skills competitions. This year, over 62 learners registered to take part, with one being awarded gold, one being awarded silver, and a team win of bronze medals in recognition of their skills levels, dedication, and commitment.



05



04

#### 05 – College and Prince Charles Hospital Celebrate Successful Completion of Supported Internship Programme

The College Merthyr Tydfil and Prince Charles Hospital celebrated the successful completion of the highly acclaimed Supported Internship Programme. The initiative, in partnership with Project SEARCH, has provided an invaluable opportunity for young individuals with autism and/or learning difficulties to gain real-life work experience, develop employability skills, and enhance their independence, ultimately facilitating their transition into productive adult lives.

#### 06 – Bronze Award recognition for the development of Welsh language across the college

The College was awarded the Siarter Iaith Cymraeg Bronze award in recognition of its commitment to the development of the Welsh language. The award aims to showcase the way educational establishments have successfully embedded a Welsh language ethos and culture into all aspects of the curriculum and learning and working environment. The College was the first FE college in Wales to receive this award.



06



## PROGRESS IN DELIVERING OUR STRATEGIC PLAN OBJECTIVES

Our four strategic workstreams have continued to oversee the implementation of the USW 2030 Strategy this academic year. The workstreams were renamed in 2022/23 to align with USW's strategic goals and enablers:

- **Maximising Graduate Success and Opportunities**
- **Research Excellence and Innovation Impact**
- **External Focus**
- **Operational Transformation**

Each of the workstreams has an Executive sponsor and is split into a range of projects to address particular themes and topics. Each project group is led by a member of the University's Senior Management Team, with project membership spanning the breadth of the institution. Projects in the Maximising Graduate Success and Opportunities workstream are also co-chaired by a student.

Whilst progress has been made during the 2022/23 academic year, there remains a number of risks as identified in the 'principal risks and uncertainties' section of this document. Progress made during the 2022/23 academic year includes:

### Goal 1: Maximising Graduate Success and Opportunities

#### Supporting graduate start-up businesses

For the third year in a row, USW was named the top-performing higher education institution in Wales for helping graduate start-up businesses get up and running. Figures from the Higher Education Statistics Agency (HESA) also found that USW was 11th out of 220 UK universities for new graduate business support – just falling short of a top-10 place by five new start-ups.

In April 2023, the University's third Start-up Stiwdio, a dedicated incubator space for USW graduate businesses, opened in Treforest. The first Stiwdio opened its doors at USW's Cardiff Campus in 2019, followed by a Newport Campus Stiwdio in 2022.

This academic year, a total of 4054 students engaged in enterprise awareness activities at USW. 1288 students and alumni participated in activities aimed at increasing their entrepreneurial capacity and skills, and 54 businesses were launched by USW students and graduates (figure is provisional - data collection and reporting is still ongoing for HEBICIS. Actual figure subject to change).

#### Producing employable graduates

The Graduate Outcomes Survey's 2022/23 publication showed an improvement for USW, with 72% of our graduates being in highly skilled employment or further study 15 months following graduation. This was an increase of 6% from the previous data. There was also a number of notable subject level improvements, including a 22% improvement in Information and Electronics, and a 22% improvement in Health and Social Care.

#### Flexible delivery routes

This academic year, there was a growth in flexible delivery routes at USW – most notably in Policing degree apprenticeships, which benefited over 1,400 students. In July 2023, it was announced that USW's existing partnership with Dyfed Powys Police will be extended for a further term, with new contracts being awarded to deliver education programmes with Gwent Police and South Wales Police. They join USW's existing police education partnerships with Devon and Cornwall Police, Dorset Police, Gloucestershire Constabulary, and Wiltshire Police.

# USW SUCCESSFULLY RETAINED THE HR EXCELLENCE IN RESEARCH AWARD FOLLOWING AN EIGHT-YEAR REVIEW.

## USW Springboard +Plus

USW's HEFCW-funded Graduate Support Project, known as USW Springboard +Plus, has continued to provide vital careers and employability support this academic year. During 2022/23 the funding enabled USW to support the graduates most in need via group and individualised activity. Almost 1,500 graduates received support at the University of South Wales, the Royal Welsh College of Music and Drama, and at partner further education colleges.

Eleven USW graduates also took part in the Springboard Graduate Internship scheme, working in various departments across the organisation over a six-month period. It is the eighth year that USW has run the scheme, which provides graduates with on-the-job training and invaluable experience, as well as the opportunity to complete an ILM Level 3 in Leadership and Management.

## Successful funding bids

USW secured a number of funding bids in 2022/23. The USW Film and TV School was awarded a share of £1.5 million in Welsh Government funding for its Wales Screen Academy project, which supports the next generation of Welsh talent to flourish in the screen industry. The fund will address the skills needs of three priority sectors – music, digital content and screen, as well as considering any long-term needs to ensure Wales continues to have a thriving creative sector.

USW has also taken a lead role in a newly-established Cyber Innovation Hub (CIH). The hub aims to transform South Wales into a leading cyber security cluster by 2030, by creating a world-class pipeline of new cyber security products, high-growth businesses, and technically-skilled talent.

## Assessment Bootcamps

Assessment bootcamps were trialled in May and June to assist students to successfully progress in their studies. The bootcamps enabled students to prepare for eventual submission of a resit assignment with support to maximise their chances of success. The aim of the sessions was to increase the chances of students being able to progress to the next year of study, or to exit with credits or awards wherever possible.

## Goal 2: Research Excellence and Innovation Impact

### Research and Innovation Strategy 2030

The principles of the new Research and Innovation Strategy 2030 have been agreed following consultation across the University. The strategy is aligned with the USW 2030 Strategy to help ensure ambitious growth in research. It will ensure that USW is recognised as a university which is delivering world-leading and high-impact research, both internally and externally. The strategy will launch in the 2023/24 academic year and will be monitored annually.

### Research and Innovation Groups (RIGs)

Work was undertaken to review how research is organised at USW. This has resulted in the creation of 15 over-arching, supportive structures called Research and Innovation Groups (RIGs), which support the existing research centre model. The RIG leads will work closely with faculties and the Executive team to help determine USW's sources of research and innovation income, the number of doctoral students, the type of outputs that will be produced, where the greatest impact of the work can be shown, and the key collaborations in each area. The new structure will also help to sew together research/innovation activities with learning and teaching activities that are embedded in challenge-based learning.

### HR Excellence in Research Award

USW successfully retained the HR Excellence in Research Award following an eight-year review. The award, which is granted by the European Commission and overseen by Vitae, recognises our commitment to supporting the personal, professional, and career development of our researchers.

## USW SECURED £2MILLION FUNDING FROM HEALTH EDUCATION AND IMPROVEMENT WALES (HEIW) TO PROVIDE TWO ADDITIONAL COURSES.

### Supporting researchers' career development

An Early Career Researcher group was formed in 2022/23, and work was undertaken to review the development support and opportunities for early and mid-career researchers. The group worked on a project to define an early career researcher and set out a core set of principles to help clarify how colleagues can be supported in their careers.

The group has also worked on a proposal for a community of scholars which will be linked with the Research and Innovation Groups and will allow for a consistent and supportive approach to career development.

### Enabler 1: External Focus

#### New strategic partnerships

In January 2023, USW agreed a strategic partnership with Orchard Live, Wales's largest independent live music promoter. The partnership was agreed ahead of Immersed! Festival, a multi-media Festival curated by creative industries students at USW, which was held in Cardiff in February. Orchard Live helped support and promote the festival and the launch of a Graduate Award for Outstanding Work.

During the same month, USW also signed a Memorandum of Understanding with Urban Circle Newport (UCN), an independent youth arts organisation and registered charity. Under the partnership, USW and UCN agreed to formally collaborate to support participation, inclusion, and development, and strengthen the ties between the two organisations.

In March 2023, USW secured £2million funding from Health Education and Improvement Wales (HEIW) to provide two additional courses alongside the existing healthcare portfolio. During phase one of the commissioning process in 2021, HEIW awarded USW over £20m contracts for the delivery of professional, pre-registration education. This included nursing and midwifery, which USW has provided for many years, and three new disciplines of Occupational Therapy, Operating Department Practice and Physiotherapy. Phase two reflects the diverse educational requirements of the modern healthcare workforce and includes a wide range of post-registration education.

Wales Netball announced a partnership with USW in July 2023, which saw USW become an official partner for the Welsh Feathers ahead of the World Cup 2023. Student placement opportunities are embedded in the partnership, alongside coaching education opportunities, a performance hub at USW Sport Park, and kit sponsorship.

#### Intellectual Property (IP) Partnerships project

USW has worked with external partner IP Pragmatics to review IP owned by the university and the systems in place to support commercialisation. The review helped USW improve its understanding of the environment to support IP commercialisation, and helped identify IP licensing and spin out opportunities as well as potential impact case studies for REF 2028. The review consisted of questionnaires and one-to-one interviews with researchers, University Executive colleagues, and Associate Deans of Faculties. Recommendations from this report are due to be published in the next academic year.

#### Development of new stakeholder management framework

In July, the Board of Governors approved a new strategic institutional framework for stakeholder management. The framework sets out our objectives, guiding principles, governance arrangements, and a standardised approach to our engagement activities. It draws on the Effective Stakeholder Engagement Good Practice Guide for Welsh Universities which was instigated following the Camm Review into the governance of universities in Wales.



**THE PLANS FOR A NEW BUILDING ON OUR TREFOREST CAMPUS HAVE TAKEN AN EXCITING STEP FORWARD WITH THE APPOINTMENT OF A DESIGN TEAM. A TEAM FROM STRIDE TREGLOWN ARCHITECTS AND ARUP ENGINEERS IS WORKING WITH THE UNIVERSITY TO CREATE PLANS FOR AN INNOVATIVE NEW BUILDING THAT WILL PREDOMINANTLY BE HOME TO THE SUBJECT AREAS OF ENGINEERING, DATA SCIENCE, AND COMPUTING. THIS IS AN EARLY VISUALISATION OF THE POTENTIAL EXTERIOR OF THE BUILDING.**



## NEW ANTI-RACIST TRAINING WAS DEVELOPED FOR ALL USW COLLEAGUES AS PART OF THE UNIVERSITY'S COMMITMENT TO HAVING AN INCLUSIVE WORKPLACE.

### Enabler 2: Operational Transformation

#### Modern learning and working environments

Work on the Estates Masterplan has continued to progress during 2022/23. In March, a design team was appointed to draw up detailed plans for a new building for Computing, Mathematics, Engineering and Technology at Treforest Campus. Teams from Stride Treglown architects and Arup engineers are working with USW to create plans for an innovative and collaborative teaching and learning space. It is anticipated that the building will open in 2026.

A design team was also appointed for the Newport Campus redevelopment project, which is working to transform some of the building's key spaces. Austin-Smith:Lord architects and Hydrock engineers, who make up part of the design team, are working with Estates and Facilities and colleagues from across the University to explore options for the redesign of internal spaces at the campus. The team has held a number of open consultation sessions throughout the academic year, giving colleagues the opportunity to engage in the process, put their ideas forward, and provide feedback on the designs. The development is due to be completed by autumn 2024.

#### Efficient and effective operations

During 2022/23, a number of Operational Transformation projects have progressed, including the replacement of the content management system for the University's website. Work has taken place to audit and create content as well as finalise a new design. The new website will be published in stages during the 2023/24 academic year. A Web Replacement Board was re-introduced, comprising of key internal stakeholders in web content areas, which is responsible for overseeing maintenance, development, and future investment.

USW has also been working on a tactical admissions project aimed at replacing the in-house admissions system, Admit, with an interim solution, Quercus Admissions. The project team has worked to formalise project governance and a test environment has been created. The project is scheduled to conclude in the autumn 2023.

#### An inclusive workplace, supporting diversity

This academic year has seen a lot of progress towards our application to Advance HE's Race Equality Charter Mark. A Critical Conversations event series was launched in 2023, which aims to bring colleagues and students together to learn and participate in discussions about race equity. The first talk took place in March at USW's Newport Campus, and was on the topic of White Privilege.

New anti-racist training was developed for all USW colleagues as part of the University's commitment to having an inclusive workplace which supports diversity and equity. The training sessions are conducted by external consultations from the Citizen's Advice Body, the Office of the Future Generation Commissioner for Wales, and Swansea University. Hundreds of USW colleagues completed the training this academic year, with further sessions to be held during 2023/24.

In June 2023, USW signed the Gypsy, Roma, Traveller, Boater and Showmen (GTRSB) into Higher Education Pledge. In signing the Pledge, USW agreed to create equitable spaces, tackle stigmas, and remove barriers for GTRSB students. Additional measures have also been pledged, including a commitment to design and deliver a multi-intervention outreach and engagement programme to promote access to and participation in higher education specifically for the GTRSB community, and a pledge to identifying a dedicated contact for GTRSB colleagues and GTRSB students.

USW launched Report + Support in March 2023 – a platform where colleagues and students can easily report instances of identity-based violence, bullying, harassment or discrimination. Reports can be submitted with contact details or anonymously. If individuals choose to submit a report anonymously, they are directed to relevant articles and resources to ensure they are not left unsupported, and the information they provide will be used to inform proactive prevention work. If an individual provides their contact details when submitting a report, a colleague will contact them to discuss possible next steps and the processes that exist to address their concerns.



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## KEY UNIVERSITY PERFORMANCE TRENDS

### Market Share and Recruitment

USW's position has been challenging in recent years, but we have begun to see increases in our market share. For 2023/24 entry our share of applicants and acceptances for full-time undergraduate courses through UCAS has increased against both our competitor group and the sector as a whole. Our market share in 2021/22 (the last publicly available data) for part-time undergraduates and postgraduates also increased when compared to either our competitor group (for full-time) or the Welsh sector (for part-time). For 2022/23 our overall student population was 2.9% higher than in 2021/22.

### Retention of students

We saw a reduction in retention following the Covid-19 pandemic, which has been experienced across the sector. USW saw a drop against its planned targets for students returning in 2022/23. To that end a Retention Taskforce was created to consider how to support students facing challenges. A number of interventions were introduced during the year including increased student support, assessment bootcamps and in-year retrieval processes. It may take some time to see the impact of this work on retention numbers.

### Good Honours

The impact of no-detriment policies introduced during the pandemic came to an end in the 2021/22 academic year (last publicly available data). The sector saw a decrease in the proportion of graduates receiving first and upper second-class honours degrees, described as 'good honours'. This decline was mirrored across the Welsh sector and the University Alliance, against which USW benchmarks its performance. Despite decline in the proportion of good honours awarded at USW, from 75.9% to 70.4%, the gap to the University Alliance closed to 0.7%.

### National Student Survey

We saw above sector scores in many of our National Student Survey (NSS) 2023 results, rising to 5th in Wales for overall student satisfaction (75.30%). Changes to the survey for 2023, including a new 4-point scale, additional questions, and the removal of the final overall satisfaction question for students in England meant that we were unable to compare our overall satisfaction rating to sector in the same way as we have historically. However, our performance in a number of areas is ahead of sector:

- Teaching (sector 84.88% and USW 86.22%)
- Assessment and feedback (sector 77.78% and USW 83.15%)
- Learning opportunities (sector 81.35% and USW 82.69%)
- Student voice (sector 71.89% and USW 75.43%)
- Academic support (sector 83.47% and USW 85.08%)

On a less positive note, there were a number of areas where the results found us to be below sector, including in our course organisation and management (sector 73.61% and USW 70.84%) and in our resources that support learning (sector 86.22% and USW 82.92%).

## STUDENTS DIRECTLY CONTRIBUTED TO THE DEVELOPMENT OF USW'S FLEXIBLE LEARNING MODEL VIA CO-DESIGN WORKSHOPS AND DISCUSSIONS.

### WORKING WITH STUDENTS

#### Student navigators

Over the past year the University's student navigators have supported numerous departments. For example, they worked with the Chaplaincy team during Ramadan, supported the student recruitment team when they hosted the USW Summer Camp and the Student Money team during National Student Money Week. The navigators have also provided information at lots of different events during the year, from the International Cultural Festival to World Autism Awareness Week. The navigators have been helping to promote the online mental health platform Togetherall and encouraging students to take part in well-being activities. They have also facilitated well-being activities such as chance to play, walk and talk as well as yoga, and helped with the BRIT Challenge walks.

Student navigators also played important roles in several other projects and events throughout the year. This included signposting students during Welcome Week at the start of term, managing UniLife information stations, running campus orientations, and gathering well-being data through student surveys.

#### Super Mentor Admin and Digital Support Team

A Super Mentor Admin and Digital Support Team works within Student Development and Study Skills Service in Learning Services. During the past academic year, a group of nine students, who make up the team, provided scheduled and ad-hoc weekly drop-in digital support, both on campus and online, to their fellow students. This included supporting access to systems such as Blackboard and navigating the virtual learning environment, as well as tasks such as printing and connecting to wifi. They also ran digital workshops for some cohorts of international students, such as students attending pre-session classes with the Centre for International English. The team provided information stands at various welcome events, such as the Freshers' Fair and International Welcome Week, to help inform students about the support on offer.

As part of their development, the Learning Services team provide the student mentors with professional development training and information sessions such as digital training on new system updates, careers related sessions, well-being, and peer support training.

#### Centre for the Enhancement of Learning and Teaching (CELT)

The work of the Centre for the Enhancement of Learning and Teaching (CELT) at USW is aimed at enhancing the learning and teaching experiences of students at USW. CELT involves students in lots of aspects of their work to ensure that it is co-produced and reflective of the requirements of students.

During the 2022/23 academic year, for example, students directly contributed to the development of USW's Flexible Learning model via co-design workshops and discussions, which were facilitated by CELT. Student focus groups were also facilitated as part of USW's extensive Lecture Recording Policy review.

CELT led student co-creation workshops as part of the Decolonialising the Digital Learning Environment project. The output of this work has been the production of a creative commons license handout and a new module template, which has been rolled out to all 2023/24 Blackboard modules.

During an upgrade of Blackboard, CELT worked closely with student testers via USW's Disability Service to evaluate the digital accessibility of platform changes. CELT has also provided training sessions for the Super Mentor Admin and Digital Support Team, including on UniLearn tools and processes.

Work has also been undertaken with the Students' Union on a number of projects. For example, the Students' Union is part of a working group looking at Artificial Intelligence (AI) in curriculum and assessment, and the SU has worked closely with CELT to help promote UniLearn tools to students, including changes to Blackboard and an awareness raising campaign for Bb Ally.



**STUDENT NAVIGATORS PLAYED AN IMPORTANT ROLE IN SEVERAL PROJECTS AND EVENTS THROUGHOUT THE YEAR, INCLUDING SIGNPOSTING STUDENTS DURING WELCOME WEEK IN SEPTEMBER 2022.**

Gwasanaeth Lles ac Anabled  
Wellbeing and Disability Service

PROFIAD  
MYFYRWYR



## USW HOSTED AN INTERACTIVE WORKSHOP AT CARDIFF CAMPUS, WHICH ALLOWED CHILDREN TO EXPERIENCE GREEN-SCREEN AND OTHER VISUAL TECHNOLOGIES.

### USW 2030 Strategy Implementation

Our four strategic workstreams have continued to oversee the implementation of the USW 2030 Strategy this academic year. The workstreams were renamed in 2022/23 to align with USW's strategic goals and enablers.

Each of the workstreams has an Executive sponsor and is split into a range of projects to address particular themes and topics. Each project group is led by a member of the University's Senior management Team, with project membership spanning the breadth of the institution. Projects in the Maximising Graduate Success and Opportunities workstream are also co-chaired by a student.

MA Education (Innovation in Learning and Teaching) student Ellis Thomas co-chaired the Curriculum Design Principles project group for the second year alongside Professor Karen Fitzgibbon, former Director of the Centre for the Enhancement of Learning and Teaching. He said: "It has been really exciting to build upon our previous work this year and take considered actions into how the wider institution, as well as colleagues at USW's HE in FE partner institutions, have an important role to play in realising the USW 2030 Curriculum Principles.

"Student co-creation and partnership has continued to remain a highlight of the Strategic Implementation Group (SIG) work - particularly how it has fostered an environment where the student voice is valued and contributes to the direction of the group.

"I am really pleased with the work the entire group has undertaken this year. As the group's work comes to a close, I am delighted to continue my involvement with the USW 2030 SIGs by taking up the student co-chair position on the Flexible Delivery project group in the next academic year."

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## CIVIC/COMMUNITY ENGAGEMENT

At the University of South Wales, we are passionate about making a difference in our communities. Through our research outputs and academic activity, we are developing and strengthening valuable links by working with policy makers, community learning groups and national cultural organisations. Here are a few examples of work undertaken in 2022/23:

### 'Food and Fun' School Holiday Enrichment Programme

In the summer of 2022, USW contributed to Cardiff Council's 'Food and Fun' Scheme. Colleagues involved in First Campus, a widening participation programme supported by HEFCW, developed a programme of events for school learners in the Cardiff area. The programme provided them with the opportunity to take part in educational activities at specialist facilities within the University's specialist academic schools. 'Food and Fun' events were held across the city over the summer of 2022 in collaboration with the Council, Cardiff University, and Cardiff Metropolitan University. As part of the programme, USW hosted an interactive workshop at Cardiff Campus, which allowed children to experience green-screen and other visual technologies. The Regional Co-ordinator for Technocamps also offered a workshop in Lego robotics and computer programming.

### South Wales Civic Engagement Partnership

USW continued to work with colleagues at Cardiff University and Cardiff Metropolitan University to develop a Memorandum of Understanding for civic engagement activities. The universities sought to develop the South Wales Civic Engagement Partnership with funding from HEFCW, together with the Royal Welsh College of Music and Drama, and further education partners at The College Merthyr Tydfil, Cardiff and Vale College, Coleg Gwent, Bridgend College, and Coleg y Cymoedd. The unique partnership, which bridges the distinction between higher and further education, aims to develop a shared commitment to strategically align our civic mission goals. The project also established a strategic board to oversee the partnership and an operational group to implement civic engagement activities and events. Each institution will establish a civic mission hub to host a programme of activities for community members. The official Memorandum of Understanding will be signed by each partnering institution in October 2023.



# USW PILOTED COMMUNITY SPACE USAGE VOUCHERS AIMED AT SUPPORTING CHARITY, NOT-FOR- PROFIT, SOCIAL ENTERPRISES, AND NGO'S.

## Civic Activity Fund

In 2019, a Civic Mission Audit was conducted in order to understand the nature, breadth, and impact of USW's civic engagement activities and research. The report made recommendations to facilitate and support future civic engagement activities; one recommendation advised that a fund to support civic projects should be established. In 2021, the Civic Activity Fund was launched, and it made small grants of up to £1,000 available to colleagues undertaking civic engagement activities on behalf of USW and the Royal Welsh College of Music and Drama. The fund seeks to prioritise cultural democracy and participation, the value of social sciences, humanities, and the arts, creativity and performance, and participation in education and life-long learning. This work continued throughout 2022/23. To date, 26 projects have been supported by the fund, including facilitating work with refugees at Oasis Cardiff, the use of storytelling as a therapeutic practice for victims of domestic abuse and violence, and raising awareness of issues surrounding environmental sustainability in the fashion industry.

## Civic Engagement Scheme

The Civic Engagement Scheme was launched in September 2022. The programme, which was supported by HEFCW's Investment and Recovery Fund, was implemented in collaboration with the University of Wales Trinity St David, as part of a strategic alliance. The project aims to develop a cohort of civically-minded students with an interest in careers in the third sector. By providing students with the experience of working with civic and cultural organisations, it aims to provide them with the skills necessary to work and make a difference in the sector. Students undertook placements at various organisations throughout the academic year, including Tenovus Cancer Care, Cardiff and Vale University Health Board, and Age Cymru.

## Community Space Usage Voucher

In 2023, USW piloted Community Space Usage Vouchers aimed at supporting charity, not-for profit, social enterprises, and NGO's to host events and workshops within our campuses that had a positive impact on the communities of South Wales. For successful applicants, the voucher deducted up to £500 from the cost of hiring a room at USW in order to help the organisations overcome the financial strain of hosting their community interventions. In total there were 15 events led by 13 organisations supported through this pilot fund. Beneficiaries include Newport Women's Forum, Interlink, Barbers Collective, CoAlc, Coalfields Regeneration trust, and Women's Archive Wales. This led to organisations who wouldn't have ordinarily utilised the University's venues, to develop awareness of USW as an event partner.

## Wales Women in STEM

In March 2023, the Wales Women in STEM Collaborative Network (WWIST) hosted an event at BBC Wales in Cardiff. The event, 'Wales Women in STEM – Making your voice heard', was opened by Jane Hutt MS, Minister for Social Justice. Aiming to explore the importance of authentic and compassionate leadership, the challenges of being in the minority, and the value of allyship, the event featured talks by Rituja Roa (Technical Delivery Manager, Deliveroo), Sam Toombs (Wales and South West Director, BT), and Marina Lois (Co-founder, Bengo Media). More than 60 women working in STEM in Wales took part in the interactive event. Following on from the event, WWIST are working with the audio production agency Bengo Media to offer support to individuals interested in creating podcasts.

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## COMMITMENT TO SUSTAINABILITY

USW is committed to making a positive impact through outstanding environmental sustainability performance.

In 2020/21, we developed a Carbon Strategy (2020-30) for emissions reduction that would contribute to achieving Net Zero emissions by 2040. This includes Scopes 1, 2, and 3 (as identified in the international Greenhouse Gas Protocol). Work is underway to capture and measure the wider Scope 3 carbon emissions impacts associated with the University's operations on a consistent basis, with a view to undertaking coordinated target setting and enhanced reporting.

Two years into the Strategy, we are currently on track to meet our 2030 target of a 50% reduction in carbon emissions, and have achieved a number of significant milestones over the past year. To ensure continued progress, we will require significant investment in decarbonising the estate, in improving estate utilisation, and a cultural change in the way we operate, for example how we travel and buy goods and services.

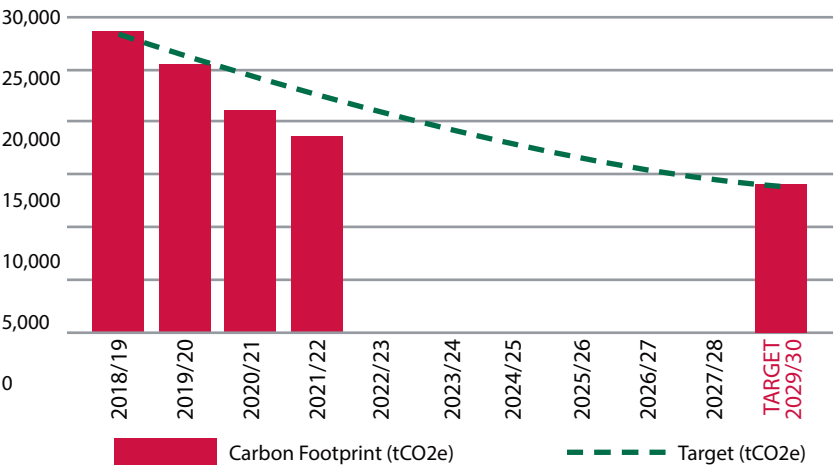


To fulfil our commitments, we are undertaking a broad programme of work involving stakeholders from across the University who are all working towards the same goal. Throughout 2022/23, a number of actions have been taken to build on our strong start and the continual improvement of our sustainability performance at USW.

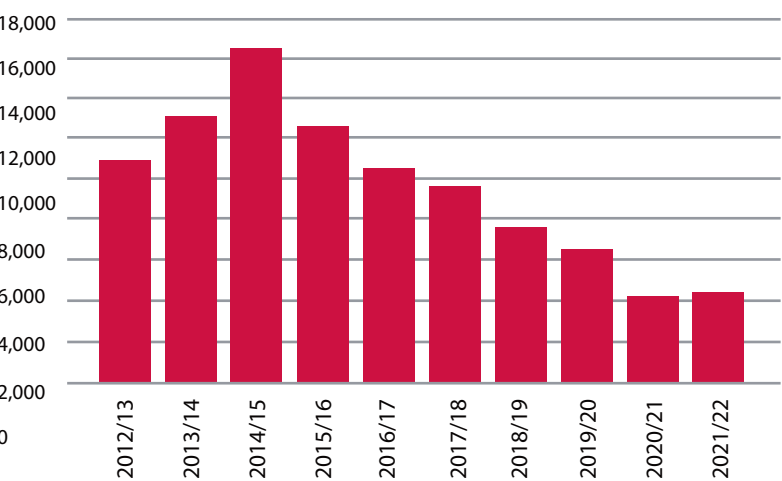
**Carbon footprint**

Our total carbon footprint has reduced by 33% since 2018/19, however, we are not currently capturing all activity data under Scope 3 (our indirect impacts), so we expect our overall footprint to increase next year.

**Figure 1: University Total Carbon Emissions vs 2030 Target**



**Figure 2: Scopes 1 and 2 Carbon Emissions**



**Green initiatives**

- Membership of the Sustainability Committee has increased, signalling the integration across faculties and professional services. This provides the strategic direction required by the University in conjunction with USW's Roadmap to Net Zero to achieve our near-term targets.
- A sustainability progress report was presented to the USW Executive. This will be included as an annual item on the programme agenda to ensure continued board level awareness of the challenges and opportunities that will arise.
- The sustainability focus groups have successfully combined the skills, knowledge, and enthusiasm of colleagues and students from across the University to share ideas and implement sustainability initiatives.
- There has been an increase in the number of people using the Turn USW Green app. The app rewards 'Green Points' for positive environmental actions which promote sustainable living habits and helps USW to achieve its 2040 net zero target.

### **Waste**

- We have rolled out internal and external single stream recycling bins across all campuses, improving recycling rates and reducing contamination.
- We have launched Warp It across USW, a furniture reuse portal aimed at reducing waste by redistributing unwanted items inside and outside the University, giving them a new life, and reducing carbon.
- We have signed up to Battery Back, a battery recycling scheme for our used batteries.
- Through our partnership with the British Heart Foundation, we donated 667 bags of unwanted clothing and household items, diverting 5.3 tonnes of waste from landfill and saving 31,218kg in carbon emissions.
- We have collaborated with WRAP to support the 'Be Mighty Recycle' campaign aimed at raising awareness of reducing food waste.

### **Travel**

- We improved our Scope 3 carbon footprint by calculating our colleague and student commuting travel emissions.
- We published a colleague travel survey to understand the commuting travel habits of our colleagues and help inform future sustainable travel improvements.
- We purchased another electric van as part of the estates fleet, taking our total to 13 electric vans which are operational across our sites.

### **Biodiversity**

- We successfully planted nine trees in the car park at Cardiff Campus.
- Through extensive wilding of areas on our Glyntaff Campus, species diversity is improving with the presence of orchids, a common lizard, and a newt.
- We supported No Mow May in areas across our campuses and are identifying new areas for designated wilding across our Treforest estate.
- We facilitated stakeholder engagement and feedback for the proposed Biodiversity Plan for the new Computing, Mathematics, Engineering and Technology building.

### **Energy**

- We have continued to increase our renewable energy generation capacity across our sites to 500kW in total from 1,360 Solar PV panels mounted on our building roofs.
- We have continued to procure our electricity from 100% renewable sources.
- We have undertaken a detailed screening assessment on centralised and decentralised solutions for low carbon heat across our sites.
- We have commissioned an assessment into the feasibility for electrifying our existing gas central heating systems as part of our heat decarbonisation plans.

### **Maintenance**

- We have installed high efficiency condensate boilers in our Glyntaff Campus as part of our boiler replacement programme, updated the building management systems (BMS), and replaced pipe lagging for more efficient heat retention.
- We have exchanged a large 1,500 litre capacity hot water storage vessel in our George Knox building at Glyntaff Campus for two smaller 500 litre stainless vessels. This has resulted in at least a 33% reduction of stored hot water, which will be reciprocated in a reduction of gas consumption.
- We have undertaken a survey of the existing rainwater harvesting system at our Sport Park with a view to reinstating it for toilet flushing.

### **Projects**

- We continue to upgrade our remaining lighting to LED across our estate, including buildings at Cardiff, Newport and Treforest campuses.
- We have replaced inefficient gas boilers with new high efficiency boilers and pumps in our Cardiff Campus, alongside a new chiller unit.
- We refurbished student accommodation blocks at our Treforest Campus to a high specification including new LED lighting, combi boilers, an integrated building management system, and a new control strategy for heating and hot water.
- We refurbished our Creative and Therapeutic Arts facility on our Treforest Campus with new windows, insulation to internal walls, and heating controls.
- We consolidated space from the William Price Business Park and transferred much of this activity to the newly refurbished Chiropractic Building at Treforest Campus.
- We carried out the demolition of D Block on our Treforest Campus, an 807 m2 building which was inefficient, inflexible, and expensive to maintain.

- We have started the design process for new the Computing, Mathematics, Engineering and Technology building, with early intervention for a high sustainability specification and performance targets.
- We are in the process of replacing poorly insulated existing aluminium windows with double glazing in some of our Treforest Campus student accommodation blocks, which will improve heat retention and lower heating costs whilst improving comfort.
- We have developed a high performing, sustainable design for the new Chiropractic Clinic. It will include a blue green roof with solar panels, sustainable timber cladding, LED lighting, electric heating via air source heat pumps, and sustainable internal finishes made from recycled materials.

### Space management

- We have successfully rolled out Hubstar, a dynamic workplace management platform that provides good quality data on occupancy and space utilisation across our buildings and sites. It will enable us to explore opportunities for better utilisation of current spaces, rather than undertaking projects to create new spaces.
- As we work towards operating a smarter estate, we are also exploring the potential to integrate Hubstar with our building management system. This would allow the data generated to automate changes to heating, cooling, and lighting, based on building occupancy.

### Sustainable procurement

- The product range available via Amazon Business has been reviewed and reduced; only products which come with a sustainability certificate can be purchased by USW colleagues.
- The USW Supplier Awards are part of the University's supplier engagement programme, led by the USW Procurement team. Now in their third year, one of the six awards available is the Social Value award. This is designed to recognise suppliers who have proactively created social value initiatives which USW has then implemented, as well as those suppliers who place social value and sustainable procurement at the heart of their procurement practices, before their own suppliers are selected and monitored.

### Sustainable food

- Over the past 12 months, we have saved 77,025 cups from going to landfill through our circular economy scheme to reduce the use of disposable cups.
- We have sold 96 'Too Good to Go' magic bags and 75 'Waste Not Want Not' bags (USW's own food waste reduction scheme), which prevented more than 500 sandwiches ending up in landfill.
- Our new sandwich supplier uses 100% renewable electricity at one of their production plants, and 80% at their other production location. They also use electric and low emission vehicles to minimise transport emissions, and supply from local depots to reduce food miles.
- We have increased minimum spends with suppliers to reduce the number of deliveries carried out at each outlet. This ensures that the teams that place orders plan ahead, increase their basket size, limit small one-off deliveries, and therefore reduce the number of unnecessary smaller orders.
- We are looking at sourcing our hot beverage ingredients through our main grocery, frozen and chilled supplier, which in turn will reduce the number of vehicles that deliver to our campuses each day.

### Land Use and Forestry

- USW has calculated the area of 'non functional' land that the University owns across its estate and in 2022/23, this equated to 32 hectares. This includes areas such as woodland, grassland, hedging and settlements. All of these features have the ability to sequester or emit carbon emissions depending on their use. Changes in land use can also remove or emit carbon. There have been no changes in land use since the previous year or within the 2022/23 academic year and we do not lease any non-functional land to external companies.
- The table below indicates the allocation of land type and the resultant (positive or negative) emissions associated with each area.

Land Type	Area (ha)	Emissions (kgCo2e/ha/yr)
Forestland	5	-27,101
Grassland	14	218
Settlements	13	27,364
<b>Total</b>	<b>32</b>	<b>481</b>

Certain emissions values are negative as the land type absorbs carbon from the atmosphere and this is reflected in our overall carbon footprint.



# UNIVERSITY COMMITTEES

## Finance and Resources Committee\*

Richard Lloyd-Owen (Chair)  
(until 31 July 2023 when the category of membership moved to 'Deputy Chair of the Board ex-officio') (3/3)  
David Francis (Chair) (from 1 August 2023)  
Louise Evans (3/3)  
Professor Michael Gunn (3/3)  
Dr Ben Calvert (3/3)  
Michael Stevens (2/3)  
Chris Sutton (2/3)  
Steve Wilson (3/3)  
Geraint Evans (1/1)  
David Pye (0/1)  
Jamal Abdilahi (1/2)

[Chief Operating Officer, Chief Finance Officer, Director of Estates and Facilities]

## Culture People and Values Committee

Professor Michael Gunn (Chair) (4/4)  
Louise Evans (4/4)  
Dr Ben Calvert (3/4)  
David Pye (0/1)  
Jamal Abdilahi (3/3)  
Debbie Jones (3/4)  
Sanjay Balakrishnan (2/4)  
Sion O'Connor (4/4)  
John Derrick (0/2)  
Chris Sutton (1/2)  
Angela Lewis (2/4)

[Deputy Vice Chancellor (with the exception of consideration of senior staff pay items), Chief People and Inclusion Officer (with the exception of consideration of their own remuneration)]

## Academic Board

Chairperson: Dr Ben Calvert (3/3)

### Up to eight senior staff nominees of the Vice-Chancellor:

Professor Donna Whitehead (3/3)  
Professor Martin Steggall (3/3)  
Mark Milton (3/3)  
William Callaway (3/3)  
Dr Louise Bright (2/3)  
Dr Francis Cowe (3/3)  
Zoe Durrant (0/2) (from January 2023)  
Emma Adamson (2/3)

### Deans of Faculty and the Principal of RWCMD or nominee:

Dr Paul Davies (3/3)  
Professor Barry Atkins (2/3)  
James Gravelle (3/3)  
Professor Helena Gaunt (0/3) (Iestyn Henson for Professor Gaunt 2/3)

### Up to four heads of academic related areas nominated by the Vice-Chancellor:

Nathalie Czechowski (2/3)  
Donal O'Connor (1/3)  
Sharon Jones (2/3)  
Professor Karen Fitzgibbon (3/3)

## Audit Committee\*

Alison Phillips (Chair) (3/3)  
Professor Philip Gummett (3/3)  
David Francis (2/3) (until 31 July 2023)  
Paul Haley (co-opted member) (0/3)  
Keira Jones (co-opted member from 1 January 2023) (1/2)

[Vice-Chancellor, Chief Operating Officer, Chief Finance Officer]

## Remuneration Committee

Professor Michael Gunn (Chair) (1/1)  
Debbie Jones (1/1)  
Louise Evans (1/1)  
Richard Lloyd-Owen (1/1)  
John Derrick (0/1)  
Chris Sutton (0/1)  
Angela Lewis (0/1)  
Jamal Abdilahi (1/1)

[Chief People and Inclusion Officer]

\*There is no cross-representation between the Finance and Resources and Audit Committees.

[] attendance at committee meetings by relevant officers is illustrated.

## Eight elected members of academic staff:

Dr Thomas Lambourne (3/3)  
Dr Lewis Fall (1/3)  
Jill Barnes (3/3)  
Chris Emsley (2/3)  
Hannah Coombs (2/3)  
Elizabeth Nelson (3/3)  
Dr Palash Kamruzzaman (2/3)

## One member of non-academic staff elected by the non-academic staff:

Jonathan Jones (3/3)

## One member of the professoriate elected by the professoriate:

Professor Ifio Okotung (1/1) (until December 2022)  
Professor Ali Roula (2/2) (from February 2023)

## Two students nominated by the Students' Union:

David Pye (0/1) (until 1 December 2022)  
Jamal Abdilahi (from 14 December 2022) (2/2)  
Kyle Eldridge (3/3)

## Up to three members co-opted by the Chair:

Angela Lewis (2/3)  
Professor Peter Vaughan (3/3)  
Vida Greaux (3/3)

() Attendance information is provided for members serving during the year ended 31 July 2023, expressed as the number of committee meetings attended out of a total number of meetings the member was due to attend.

# KEY COMMITTEES RESPONSIBILITIES

## FINANCE AND RESOURCES COMMITTEE KEY RESPONSIBILITIES

The Finance and Resources Committee is responsible for advising the Board on long-term financial strategies. The Committee recommends the approval of the financial regulations including any financial policies therein; approves the University's insurance and banking arrangements; approves and recommends expenditure proposals, contracts and grant applications; approves the Students' Union budget for each year in advance and monitors its expenditure. The Committee recommends to the Board annual revenue and capital budgets and longer-term forecasts. It receives regular reports on financial performance (revenue and capital) and financial position and monitors these reports against budget. It develops and maintains an appropriate treasury and investment policy; it monitors borrowing levels and requirements, liquidity and the investment of surplus funds in line with that policy and reports to the Board at least annually. It receives regular reports and accounts for the operation of any trading subsidiary.

The Finance and Resources Committee recommends to the Board an annual Estates Programme, including all property maintenance and building projects, and makes recommendations to the Board on the proposed acquisition, sale or lease of property and land. It reviews the ICT Strategy and the Estates Strategy including the monitoring of the financial risks of ICT and Estates activities. It considers any other significant transactions and makes recommendations to the Board. It reviews the financial aspects of research activity and reviews the strategic risks affecting the University for those areas covered by the Committee's terms of reference and any specific risks assigned to it by the Board.

In conjunction with the Audit Committee, it considers the consolidated annual financial statements of the University and its subsidiaries, prepared and duly audited in accordance with Schedule 7 of the Education Reform Act in the presence of the external auditors.

## FINANCE AND RESOURCES COMMITTEE SUMMARY OF BUSINESS 2022/23

During the year ended 31 July 2023 the Finance and Resources Committee considered reports on risk management; the Finance management pack and quarterly accounts for the USW Group; the treasury management report for 2021/22, and a report on the entertaining undertaken in 2021/22 under the Vice Chancellor's and Chair's Entertainment Expenses Scheme.

The Committee also considered regular updates on the Estates Programme; regular ITS updates; reports on applications for projects, including any new projects for consideration, and successful bids in 2022/23.

Updates were received on key strategic projects; the revised budget for 2022/23; the University's treasury, banking and insurance arrangements; tuition fees for 2023/24; the draft initial budget for 2023/24 and 5 year forecast to 2026/27; a report on the annual TRAC (Transparency Report and Accounting Costs) Return for 2021/22; a report on pensions; Students' Union accounts for 2021/22; the revised Students' Union budget for 2022/23; and the Students' Union monitoring report for 1 July to 30 April 2023. The Committee also considered changes to the Financial Regulations; and approved the ALL Wales Police PEQF Contracts Retender.

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## AUDIT COMMITTEE – KEY RESPONSIBILITIES

The Audit Committee is responsible for reviewing the process for ensuring the effectiveness of the financial and other internal control systems. It considers and advises the Board on the appointment of internal auditors and reviews their reports, including follow-up reports on implementation and the scope and effectiveness of their work. It considers and advises the Board on the appointment, independence and effectiveness of the external auditors, reviews the financial statements of the University and its subsidiaries, and considers progress reports on areas of significant risk affecting the University. It also receives reports from the funding council's audit service as they affect the University and monitors adherence with regulatory requirements. It monitors the performance and effectiveness of the external and internal auditors and makes recommendations to the Board concerning their reappointment, where appropriate.

In conjunction with the Finance and Resources Committee, it considers the consolidated annual financial statements of the University and its subsidiaries, prepared and duly audited in accordance with Schedule 7 of the Education Reform Act in the presence of the external auditors. It will ask for assurances from external auditors that the accounts of the subsidiaries are drawn up in accordance with Companies Act requirements.

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## AUDIT COMMITTEE – SUMMARY OF BUSINESS 2022/23

During the year ended 31 July 2023 the Audit Committee considered reports on risk management for the University and its two subsidiary colleges. Internal audit reports were received and discussed with the internal auditors and the relevant senior managers within the institutions, and progress against the agreed plan and the implementation of recommendations was reported. The Committee considered the appointment of the Internal Auditors following a tender process and recommended the appointment to the Board of Governors. The Committee considered the appointment of the External Auditors and recommended a tendering exercise to the Board of Governors. The Committee received briefings from the internal auditors on key issues affecting the sector and reviewed the performance of the internal and external auditors during 2021/22. Annual reports were considered regarding compliance with the Bribery Act 2010 and the Criminal Finance Act 2019, along with reports on Prevent and information compliance. The Committee also received reports on single source actions and public interest disclosures. The Committee considered the external audit plan for 2022/23.

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## CULTURE PEOPLE AND VALUES COMMITTEE KEY RESPONSIBILITIES

incorporated into the culture of the University and the behaviours of its staff, consider how the decisions of the Board and its committees adhere to the Principles of Public Life (Nolan Principles) and the values of USW, and review the culture amongst the staff and student population and assess how the measures in place are embedding USW values into the behaviours of the USW community. It is responsible for approving the University's health and safety policy, and for keeping under review and advising the Board on arrangements for health and safety in the University. It is responsible for developing and advising the Board on long-term employment strategy. Except where the Board specifically determines that matters be reserved for Board approval, it approves on behalf of the Board such policies and procedures in respect of employment which are expressly mentioned in the Articles of Government and/or which could potentially lead to the dismissal of an employee. It is responsible for making recommendations to the Board on the framework for the pay and conditions of staff other than the Vice Chancellor and other holders of senior posts and makes recommendations to the Board on rules governing staff conduct, staff dismissal and grievance procedures. It also advises the Board on other staffing and employment matters including equality-related matters requiring a decision by the Board and advises the Board on the promotion of equality of opportunity. The Committee advises the Board as appropriate on issues related to the Welsh Language. The Committee makes recommendations to the Board on the arrangements for the appointment of members and officers of the Board of Governors. It is responsible for the consideration of succession



planning for Board members and the evaluation of the balance of skills, knowledge, and diversity of the Board. It is also responsible for making recommendations as to membership of Board committees. It is responsible for advising the Board on the remuneration of the Executive, and for approving recommendations from the Vice-Chancellor on the remuneration of Deans of Faculty, Directors and equivalent level three posts reporting to members of the Executive. It reviews the remuneration of the Principal of MTC and the Principal of RWCMD and makes recommendations to the College Boards of Directors. It makes recommendations to the Board on severance payments to the Executive and the Clerk to the Governors. It considers institutional interest, sustainability and reputation as well as the public interest and the safeguarding of public funds as part of its deliberations and must require comparative information to inform its decisions.

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## **CULTURE PEOPLE AND VALUES COMMITTEE SUMMARY OF BUSINESS 2022/23**

During the year ended 31 July 2023 the Committee considered serious incident reporting, a report into the experiences of Black and Ethnic Minority staff and students, a report and briefing on the creation of a new Critical Success Factor to recommend to the Board, and a report on employee wellbeing including sickness absence data, occupational health referrals, and annual leave. The Committee received an annual report on the Strategic Equality Plan 2021/22, the development paper for the Strategic Equality Plan (2024-28), the Race Equality Charter Pulse Survey results, and a presentation on differential outcomes for underrepresented student groups. The Committee considered proposals regarding 'Values Impact Assessments' in relation to USW Board and Committee decisions and reports on how culture and values are embedded at USW. The Committee received a report on the Strategic Implementation Group relating to the People Plan, and updates on the draft Wellbeing and Safeguarding strategy through the year. The Committee received an updated Modern Slavery Statement and recommended the update to the Board. Updates were received on HR and employment matters, including staffing statistics and revisions to policies and procedures. The Committee received updates on pay negotiations, recommended the approval of the national pay award and approved proposals in relation to senior staff pay for 2023/24. The Committee received an update on the implementation of job evaluation for senior staff. Reports were considered on health and safety, risk management, and equality, diversity and inclusion. The Committee considered reports on the Welsh Language Standards and matters relating to the Welsh language, and updates regarding two ongoing investigations by the Welsh Language Commissioner. The Committee received an update and annual report on the Research Concordat. The Vice Chancellor's reports provided a wide range of information relating to the remit of the Committee and updates on Industrial Action regarding pay and assessment boycotts. Reports were received on risk management, and consideration was given to the USW Investment Policy. The Committee considered membership of the boards and its committees for 2023/24, guiding principles on membership and attendance, and the job description of the University Secretary. Updates were received on the Review of Effectiveness at each meeting.

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## **REMUNERATION COMMITTEE – KEY RESPONSIBILITIES**

The Remuneration Committee is responsible for advising the Board on the remuneration of the Vice-Chancellor. It makes recommendations to the Board on severance payments to the Vice-Chancellor. It considers institutional interest, sustainability and reputation as well as the public interest and the safeguarding of public funds as part of its deliberations and must require comparative information to inform its decisions.

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## **REMUNERATION COMMITTEE SUMMARY OF BUSINESS 2022/23**

During the year ended 31 July 2023 the Remuneration Committee considered outcomes of the CUC survey of Vice-Chancellors' remuneration and considered proposals relating to the remuneration of the Vice-Chancellor in 2023/24. The Committee also received the process for the publication of senior salaries and expenses.

The Remuneration Committee accepted the updated Pay Policy Statement, which was subsequently approved by the Board of Governors on 3 July 2023. The Statement is published on the University Website <https://hr.southwales.ac.uk/usw-pay-policy-statement/>

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## ACADEMIC BOARD – KEY RESPONSIBILITIES

The Academic Board is responsible for general issues relating to the research, scholarship, teaching and courses at the University, including criteria for the admission of students; the appointment and removal of internal and external examiners; policies and procedures for assessment and examination of the academic performance of students; the content of the curriculum; academic standards and the validation and review of courses; the procedures for the award of qualifications and honorary academic titles; and the procedures for the expulsion of students for academic reasons. Such responsibilities shall be subject to the requirements of validating and accrediting bodies. It considers the development of the academic activities of the University and the resources needed to support them and for advising the Vice Chancellor and the Board of Governors thereon; and advises on such other matters as the Board of Governors or the Vice Chancellor may refer to the Academic Board.

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## ACADEMIC BOARD – SUMMARY OF BUSINESS 2022/23

During the year ended 31 July 2023 the Academic Board considered the Academic Board report on Governor's Annual Quality Assurance Statements; the Academic Board annual report 2021/22; and updates on the QAA Oversight Review; QAHE Pathway Provision; the QAA External Review QER Report: Celebration of commendations and Action Plan; the Concordat to Support Research Integrity; the Concordat to Support the Career Development of Researchers; and updates from the Strategic Implementation Group and progress on Critical Success Factors. The Board received a progress update on the Review of Effectiveness of Academic Board; the summary report of the continuous monitoring exercise for Further Education (FE) collaborative partners; a summary report on External Examiner feedback; the Student Casework Annual Report 2021/22; the Conflict of Interest Policy; an update on OFSTED Inspection of Degree Apprenticeships (England); a summary of the Postgraduate Research Experience Survey (PRES); an update on the HEFCW Triennial Quality Visit; the OIA Annual Letter; and an Assurance Paper on mitigating the impact on students and protecting Academic Standards during industrial action.

Academic Board considered revisions to the Higher Academic Awards regulations; any changes to regulations throughout 2022/23; the Honorary Awards Scheme; the Research and Innovation Committee composition and terms of reference; the Student Charter; the Degree Outcomes Statement; Student Casework Regulations; and RWCMD Governance Arrangements. Members also received assurance reports from QAC on the Degree Apprenticeship Quality Improvement Plan (QIP) and Self Assessment Report (SAR); updates from the Strategic Implementation Group (SIG) and progress on Critical Success Factors (CSFs); reports on Risk Management; an update on student recruitment; a report of compliance issues in relation to Student Route Sponsorship; and an update on the annual mock REF exercise outcomes.

At each meeting, Academic Board received reports from its sub committees and noted the minutes of the Board of Governors, RWCMD Academic Board and Portfolio Oversight Group. During the year, presentations and discussion items included the Flexible Delivery Model for Learning & Teaching; the Research Strategy; Learning and Teaching Developments: Retention Update; and Strategy 2030 Accelerators.

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## UNIVERSITY EXECUTIVE – KEY RESPONSIBILITIES

As the University's executive decision-making body, the Executive's key responsibilities are to advise the Vice Chancellor on matters where the Board has explicitly delegated authority to them, and to assist in decision making on matters related to those delegations where decisions are not already taken within the wider governance structure (e.g., Academic Board); to advise the Vice Chancellor on the formulation of the annual budget, its underpinning principles and aims and relationship to the Strategic Plan; to review, monitor and if necessary, adjust the in-year budget to ensure that financial targets are met; to oversee the student number planning process, including related annual income estimates; to oversee the annual planning and performance cycle, set and monitor goals for performance and approve department and faculty plans and prioritise investment and resource requirements; to receive reports on the implementation of the University 2030 strategy and progress therein and, where necessary, make decisions on priorities and related investments and resolve conflicts about these; to ensure oversight of the University's Equality Plan at the most senior levels; to provide support for the Vice Chancellor on long term strategic planning, positioning and direction setting, including responding to the policy environment; to determine significant investment and disinvestment priorities, and to take the overall lead on risk management and compiling/reviewing the risk register. The University Executive also takes the overall lead on health and safety and personal responsibility for driving a health and safety culture throughout the organisation, provides leadership in crisis management, approves reports and recommendations to, and manages relationships with, the Board of Governors, oversees and approves key policies of the University, and takes a leadership role in promoting quality, diversity and inclusion in USW in all of its work and to oversee programmes of work to do so.

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## UNIVERSITY EXECUTIVE – SUMMARY OF BUSINESS 2022/23

During the year ended 31 July 2023 the University Executive considered updates on recruitment and enrolment, political and policy updates, and financial reports. Reports were received relating to Equality, Diversity and Inclusion, Health and Safety, and the corporate risk register. Updates from the strategic implementation groups and the portfolio oversight group were received, along with reports on: critical success factors, pay negotiations and industrial action, the People Plan, internal audit reports, tendering opportunities, HEFCW returns and reports relating to the University's estate. The Executive also received reports on league table performance, updates from the Students' Union, and a report on the Welsh Language Strategy.



**THE UNIVERSITY HAS BEEN AWARDED NEW CONTRACTS TO DELIVER INITIAL EDUCATION PROGRAMMES TO POLICE RECRUITS, IN PARTNERSHIP WITH THREE POLICE FORCES IN WALES.**

**USW'S EXISTING PARTNERSHIP WITH DYFED POWYS POLICE WILL BE EXTENDED FOR A FURTHER TERM, WITH NEW CONTRACTS BEING AWARDED TO DELIVER EDUCATION PROGRAMMES WITH GWENT POLICE AND SOUTH WALES POLICE. THEY JOIN USW'S EXISTING POLICE EDUCATION PARTNERSHIPS WITH DEVON AND CORNWALL POLICE, DORSET POLICE, GLOUCESTERSHIRE CONSTABULARY, AND WILTSHIRE POLICE.**



# FINANCIAL REVIEW

## PRINCIPAL OBJECTIVES

The principal objectives of the University, in accordance with section 124 of the Education Reform Act 1988 (as amended) are concerned with the provision of higher education, further education and the conduct of research. In addition, the University also undertakes other activities in support of those principal objectives. These include knowledge transfer, consultancy and the provision of accommodation, catering and conference services.

## FINANCIAL STRATEGY

Our financial strategy is designed to ensure the long-term viability and sustainability of the University Group by creating an operating environment in which staff are accountable and responsible for the efficient and effective stewardship of our resources.

We continue to maintain and build on our successful financial management in meeting the opportunities and challenges of a constantly evolving higher education landscape. To do this, we will generate cash required to support our strategic programmes and our ability to maintain and enhance our infrastructure. We will control costs, making sound strategic decisions on activities that are either financially sustainable or are in alignment with the University Strategic Plan.

The Group has identified a number of key financial performance indicators that it monitors as part of its financial strategy. Performance over the last three years shows:

Key financial ratios as a % of Income	2022/23 %	2021/22 %	2020/21 %
Operating Surplus	2.5	1.3	2.9
Surplus/Deficit	0.5	1.3	2.6
EBITDA	10.6	10.1	12.2
Staff Cost	53.6	57.8	60.1

Despite a challenging competitive and economic environment, the Group has continued to perform well demonstrating good financial performance year on year.

The impact of the cost of living and geopolitical challenges has become evident during the year but despite this, the Group has maintained a surplus and generated cash surpluses. A degree of this performance improvement should be considered one-off in nature, the most material items being:

- Receipt of funds from an Insurance claim of £2m
- Release of provisions amounting to £0.7m
- Additional QR funding of £0.4m from HEFCW

## FINANCIAL PROSPECTS

A difficult operating environment makes resource planning in Higher Education an ongoing challenge. Whilst USW expects to invest and grow over the next 5 years, there are a number of key factors that will need to be managed closely during this period to ensure the University remains Financially Sustainable. There include:

- Embracing opportunities for increased Home Full-time Undergraduate (FTUG) recruitment. Whilst there is an upward demographic, student behaviours since pandemic have changed, with more people choosing to enter employment and/or considering alternatives to higher education than before. Work continues to ensure students are supported throughout their study, with early interventions in place to manage student retention.
- Understanding the income impact of the immigration policy change in respect of students no longer being able to bring dependents on their PG study VISA. Uncertainty around the scale of impact this may have, the corresponding change to cost base this may require and the opportunity that exists to access alternative recruitment markets.
- Managing an inflated cost base, with EU related supply considerations at a time of planned investment in the Estate and our Infrastructure.
- Implementation of the USW Futures Programme to support financial sustainability, whilst supporting growth in areas of priority and investment.

It is essential that we are able to continue to attract and retain talented students from both the UK and internationally to support our scholarly activities across a diverse range of academic disciplines. In order to do so, we will offer distinctive programmes that students truly want to study, differentiated from our competitors in content and embracing the concept of flexible delivery to widen access and enrich the experience. An emphasis on active participation and challenge-based learning for 21st Century employment that is underpinned by focused, high quality research and innovation will direct our decision making in relation to our academic offer, our strategic partnerships, our staffing and our learning environments.

Full-time home undergraduate fees remain capped at £9,000 for over 11 years now, with no price increase to reflect inflation. With little political ambition for change, this presents an increasing challenge for the HE sector, with flat income running alongside a cost base that is still subject to significant inflationary pressures from staff pay awards, additional pension scheme costs, and unprecedented levels of supply cost increases. Add to this the changed mix of UK/International students that has been matched by a movement from undergraduate to postgraduate recruitment and a resulting shift from three year to one year income streams and the income position is stark. However, the future is likely a changing picture, with some retraction of International postgraduate student numbers and a renewed focus on both home and International undergraduate markets – USW, with the rest of sector continues to monitor this position and will incorporate these changes into our planning and forecasting.

USW will continue to be financially sustainable in the context of a dynamic higher education environment through the delivery of its 2030 strategy. Our vision is clear, we want to change lives and our world for the better. Our world is changing at an intense pace and it is our job to equip our students with the skills, knowledge and experience required to maximise their potential and future opportunities in the world of work.

Working in collaboration with industry, our research and innovation will tackle some of the biggest global challenges from energy to health to security and providing answers to real world problems.

Over the next decade, our ambitions are to:

- Be a large, regional University with a distinctive full-time and part-time academic offer that is attractive to both home and global markets
- Provide an excellent, inclusive, engaged student experience
- Ensure our students successfully complete their studies and secure employment in their areas of expertise
- Engage with partners to maximise our impact on their endeavours
- Commit to improving the future well-being of the communities we serve through individual and collective action
- Provide opportunities for students across the region and beyond to participate in and progress to higher education
- Be an engaged, values-based employer
- Be financially sustainable

We have significant financial resources available to us as a University, built up over a number of years and providing strong foundations on which to weather change and expedite growth. We continue, through our rolling strategic and financial planning cycles to develop and appraise our investment plans to deliver the 2030 strategy, including our People Plan, Estates Masterplan, Digital Strategy and Strategic Equality Plan. Further detail on our financial metrics is included in the Financial Strategy section and key risks are addressed in the Principal Risks and Uncertainties section.



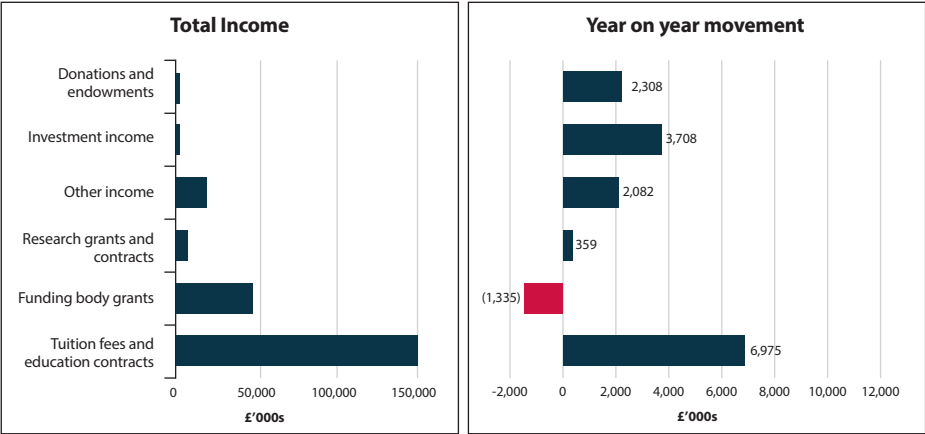
## ANNUAL FINANCIAL STATEMENTS

The annual financial statements comprise the results for the University consolidated with the results of its subsidiaries.

### Financial Performance 2022/23

- ▲ Income has increased by 6.4% to £233.0m.
- ▼ Total expenditure items has increased by 5.2% to £231.8m.
- ▲ Operating Surplus has increased by £2.9m to £5.7m.
- ▼ Cash generated from operations decreased by £19.6m to £21.6m.
- ▲ Net assets have increased by £52.1m to £273.6m.

## INCOME



Tuition fees have increased by £6.9m to £151.9m. Full time Home and EU Undergraduate fees have fallen in this academic year but the increase in market share of overseas students in particular Postgrad Taught has offset this and has led to an increase in fees.

In previous years, the University was fortunate to receive HEFCW monies to fund specific initiatives. A reduction in funding body grants, in particular, part time and QR funding has been offset with the receipt of Research Wales Innovation funding (RWIF). This has enabled the University to continue to invest in resources to drive forward our priorities in commercialisation, business support, partnership development, civic mission, and enterprise and employability. An increase in funding from the Welsh Government of £1.0m was issued to the College, Merthyr Tydfil to provide additional support in Mental Health and for students transitioning between a school and college environment. Agreement from Welsh Government on over delivery of Personal Learning Accounts (PLAs) being used to offset against the shortfall in the under delivery of priority areas in previous years has been recognised during the year.

Research grants and contracts have decreased slightly by £0.4m which is mainly due to a reduction in research contracts obtained in the power automation area. This has been offset by research income which has increased to £7.2m in 2022/23. Several large research projects within the year received extensions to their end dates and some also benefited from additional funding.

Other income has increased by £2.0m. An increase in student numbers across all the Group has provided an opportunity to generate further income in areas such as residences and catering. Conferencing and hiring of facilities has continued to strengthen since the pandemic providing professional space for businesses to venue hire for weddings at the RWCMD.

Following the fire at the Centre for Automotive & Power System Engineering (CAPSE) building in May 2020, the University finalised its claim with the insurers for the repairs to the building during the year and this is recognised in other income.

During the year, a significant amount of donations and legacy gifts have been given to the RWCMD to the amount of £3.9m. These funds will be used to restore and develop the Old Library in Cardiff and will deliver lasting support to the training of singers and musicians, creating opportunities for young artists to perform on a professional scale.

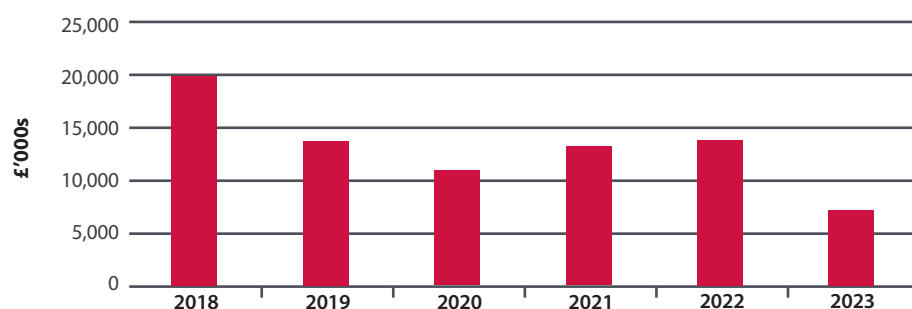
## EXPENDITURE

Staff costs as a percentage of income have risen slightly year on year largely as a result of the challenges to income resulting from the Covid-19 pandemic and the continued challenge of fixed tuition fees. Since 2021/22 the percentage of staff costs to income has continued to fall to 53% in 2022/23. Increased staff costs as a result of pay inflation and incremental rises have been offset by the University benefiting from growth in income.

Other operating costs of £83.6m have increased during the year by £13.3m. High inflation rates have contributed to the increase in general spending. Increased student numbers, whilst generating more income, also increases costs associated with that activity. Additional spending of £0.7m was used to promote USW to our future students; Overseas agents commission has increased by £6.2m and catering costs have increased by £0.6m. Other areas of spending include increases in energy bills of £0.8m; an increase of £0.5m in bad debt provision as a prudent approach to an increased overseas market and an increase in general building maintenance costs of £1.4m.

## CAPITAL INVESTMENT

We have continued to invest year on year in our capital infrastructure and equipment. During this academic year we have spent £7.2m on facilities to ensure the best possible experience for our students and their academic success.



The key areas of investment during the year include:

- £1.4m on upgrading the facilities in a number of the accommodation buildings on the Treforest campus
- £1.0m on designs and initial work in relation to new buildings on the Treforest campus
- £0.3m has been spent on low carbon and sustainability projects
- £0.9m on upgrading equipment and facilities in Engineering, Sports Laboratories, Clinics and Studios across campuses
- £0.8m on IT equipment to work towards the University digital transformation strategy
- £0.3m on upgrading facilities and maintaining structures to the buildings across the campuses
- £0.3m on the Newport campus in line with the Newport redevelopment strategy
- £0.9m at MTC on enhancing the IT facilities for staff and students and further enhancements to the buildings and workshops
- £1.3m at the RWCMD on IT network upgrades, LED lighting, initial design stages of work at the Old Library and Theatre upgrades

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## FIXED ASSETS

Impairment tests were undertaken on the buildings within the Group in line with the University's 2030 Strategy. There were no impairments identified to the fixed assets in this financial year.

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## CASH FLOW AND FINANCING

The Group has generated cash flow from operating activities of £23.3m (2022 £41.3m)

The net funds position (cash and invested balances less bank loans) has increased from £136.8m to £160.6m. This includes long term bank loans of £44.5m (2022 £49.1m). The loans are subject to financial covenants, all of which have been complied with during the year.

The Group holds £205.0m (2022 £185.9m) of cash and short term investment balances. These balances are invested with a range of UK and overseas banks and building societies, UK government securities and corporate bonds.

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## PENSIONS

The Group participates in four pension schemes, the Teachers Superannuation Scheme (TSS), the Rhondda Cynon Taff County Borough Council Pension Fund (RCTPF), the Universities Superannuation Scheme (USS) and Scottish Widows Personal Pension Fund.

Volatility in the financial markets over the last year has continued to impact bonds and therefore the discount rate used to calculate the liability has increased by 1.6%. As a result of this increase and inflation rates, the future USW liability in the RCTPF has decreased from £45m in 2021/22 to a surplus of £21.0m in 2022/23. The 2022 valuation reported that the University still had a legal obligation to make contributions to the fund, therefore the University has adopted the accounting standard IAS 19 to report on Pension surpluses.

Following the calculation to adopt the IAS 19 approach the net present value of future contributions relating to benefit accrual exceeds the net present value of future service costs, measured over the remaining future working lifetime of the active employees. As a result of this, the surplus will be capped at nil across the Group. This approach will note that the value of the net assets will not exceed the value of the liabilities and will report a nil balance on the balance sheet.

The University has a constructive obligation to account for emerging inflation and therefore apply a CPI percentage to the Pension Liability. The 12-month CPI figure to July 23 was 6.8%. Therefore, as part of the calculations, a 4% uplift to all liabilities has been applied at the 31 July to allow for emerging inflation from the latest reference month used by the Actuaries.

It has not been possible to identify the institution's share of the underlying assets and liabilities in relation to the TSS and USS scheme and as such they are accounted for as if they were defined contribution schemes. As part of the USS deficit recovery plan, the agreed deficit contribution rate of 6.2% resulted in a deficit liability of £175k (2022 £489k).

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## VICE-CHANCELLOR'S EMOLUMENTS

The Board of Governors is charged with setting the remuneration of the Vice-Chancellor, who is Chief Executive of the University of South Wales Group, which includes the College Merthyr Tydfil and the Royal Welsh College of Music & Drama.

The Vice-Chancellor commenced their role in September 2021. In determining the remuneration for the incoming Vice Chancellor, the Search Committee was provided with benchmarking data. It is also important to consider the scope of the Vice Chancellor's role at USW. The role has significant wider Group responsibilities including line management of the principals of the Colleges (RWCMD and CMT). The Vice Chancellor is also a Director of both RWCMD and CMT.



At the 2023 Remuneration Committee, members were provided with data which compared the Vice-Chancellor's pay with different groups of comparable institutions across the higher education sector, noting that the same comparators are used in reviewing the remuneration of other senior staff, considered by the Culture, People and Values Committee.

The comparator groups considered were those with similar contexts to the University of South Wales. The comparator groups included Welsh universities; post-1992 universities with comparable turnovers; and those with lower turnovers ranges; all post-1992 universities; and members of the University Alliance (of which the University of South Wales is a member).

It was noted that the Vice-Chancellor's salary is below the average and median levels applied elsewhere. The salary increase awarded by the Board this year goes some way to addressing this, albeit the Vice-Chancellor has elected to donate the net percentage of this increase to the student hardship fund.

The Chair of the Board of Governors reported to the Chair of Remuneration Committee and other members of the committee that she had monitored the Vice-Chancellor's performance regularly throughout the year. Regular meetings, two or three times per month, take place between the Chair and the Vice Chancellor, with specific reviews against the set objectives taking place on a half yearly basis and at the end of the 12-month period. The annual review normally takes place in June, with feedback to the Remuneration Committee, which makes recommendations to the Board of Governors on the remuneration of the Vice Chancellor. At the July Board of Governors meeting, an audit of the University's progress and achievements towards the CSFs takes place and the Board at the same meeting considers the Remuneration Committee's recommendation on salary review, and the Chair's report on performance. There are numerous additional mechanisms whereby the performance of the University and therefore the Vice-Chancellor is considered, for example, Board of Governor and Audit Committee meetings, both of which take place throughout the year.

The report provided the Committee with sufficient information to understand the overall performance of the Vice-Chancellor so that the Committee, and the Board of Governors, was able to gain assurance that there is a process in place for setting objectives, identifying appropriate measurement, and reviewing performance on a regular basis.

The Vice-Chancellor's objectives are agreed by the Chair of the Board of Governors and the Vice-Chancellor. These are split into longer term strategic goals, and shorter-term objectives and activities which are set to respond to the current and emerging issues affecting the University and the two Colleges within the USW Group, and are centred around seven themes: Operational and quality priorities; Strategic implementation; Brand and reputation; Infrastructure; People; External engagement, and Commercial activities. The University's CSFs are used to measure progress and success towards the achievement of these objectives. The Remuneration Committee received a report on the key objectives and achievements to date.

The Vice-Chancellor and Executive have recently completed 360° reviews of their performance. This feedback report incorporated commentary and assessment from both direct reports and wider stakeholders. The Chair of the Board of Governors has discussed the outcome of the review with the Vice-Chancellor, to which he has responded positively and is working through the feedback over the next period. This process of 360° feedback will be regularly revisited on a minimum of a 3 yearly basis.

The Remuneration Committee's recommendation to the Board, which was accepted, was to increase the Vice-Chancellor's annual salary to £212,000 per annum and to then apply the national annual pay increase. Effective from 1 August 2023, the Vice-Chancellor's salary will therefore be £222,600 per annum. The increase considers the available benchmarking data demonstrating the positioning of the Vice-Chancellor's salary at the lower end of relevant benchmarks, the good performance evidenced in the report (noting however that there is no performance related pay scheme in place at the University) and the need for continuity to deliver the 2030 strategy. In addition, the recommendation considered the challenging labour market for senior posts within the sector, within a limited candidate pool.

**The Vice-Chancellor has elected to pay the net sum of the increase awarded by the Remuneration committee to the student hardship fund.**

## PRINCIPAL RISKS AND UNCERTAINTIES

The Group has identified a number of higher-level strategic risks that it monitors on a regular basis. These include:

### Recruitment and Retention

The Group has a stated ambition to be the University of choice in Wales and beyond for students who value vocationally focused, challenge-based education and applied research. A highly competitive post-pandemic environment, alongside cost of living pressures and a buoyant labour market creates uncertainty and risk for full time undergraduate recruitment and retention. Student behaviours and expectations have changed, making recruiting and retaining students more of a challenge, although USW plans to maintain its recent progress in this market with a range of marketing strategies.

Whilst the international recruitment market has provided opportunities for student number growth, recent change to government immigration policy highlights the fragility and therefore risk of this income stream, with international marketing efforts now broadening and providing renewed focus. It also brings additional risk in respect of exposure to the impact geo-political and economic situations, which in more recent examples in Russia/Ukraine, Israel/Palestine and Sri Lanka has effected recruitment, student support and bad debt. Targeted International recruitment strategies, strengthened financial policy and regular monitoring of international markets will help manage this changing area going forward.

Our Academic Plan seeks to build on what we already have that is distinctive in our academic offer and promote best practice that is clearly found across the length and breadth of our campuses. The University will also continue to robustly implement its 'leaky hosepipe' plan, which seeks to address potential recruitment cycle weak spots, and accelerate areas of potential growth. Significant investment has and will continue to be made in promoting the USW brand and enhancing the student journey and experience, with a view to improving overall recruitment and retention rates.

### Financial Sustainability

The operating environment continues to create significant uncertainty and economic disruption, which has been felt particularly acutely in the HE Sector. A flat (£9k) tuition fee, withdraw of EU related funding streams, high inflation, and escalating energy costs and supply chain delays, together with a changing International recruitment landscape and a highly competitive UK market, also bring financial challenge and threaten our future financial sustainability.

USW now needs to invest in its Strategy 2030 to remain competitive and bring about development and improvement in; maximising graduate success and opportunities, research and innovation excellence, extending our external focus and delivering operational transformation. Income and cost pressures could limit our capacity to make these long-term commitments and restrict opportunity to seed future development and growth.

The Group mitigates this risk through strategic financial planning, ensuring resource is prioritised in areas that will bring it closer to achieving its critical success factors and strategic goals. This together with regular, data driven management of financial performance and effective financial controls ensure that USW are efficient and agile and can take opportunity to drive contribution and navigate financial risk. USW Futures Programme has been initiated to drive financial sustainability and will together with the Transformation Programme bring about the institutional change required.

### Operational Transformation

One of the key enablers of our 2030 Strategy is Operational Transformation. This includes a focus on the following areas; focused, talented and ambitious staff, fit for the future operations and our financial strength. Failure to deliver operational transformation at USW will mean that the University is at risk of not having the appropriate running gear to support the achievement of its strategic vision and goals and thus secure our long-term survival. The risk of not successfully implementing identified change around people, infrastructure and resource to support current and future learning, research and innovation and operational delivery to enable our strategy, is fundamental to our future. USW has an established Transformation Programme in place, which is overseen by Executive to deliver change and mitigate this risk.

### Academic Performance and Reputation

The Group league table position continues to be sustainable, with the University's position in the Guardian at 72nd in 2024's league table, accompanied by excellent positions in the UK for a range of our subject areas. This together with a competitive NSS overall satisfaction for 2023's survey, closes the gap to sector position. However, there is still a potential impact on both recruiting students, and engaging in high calibre research and the ability to recruit teaching and professional service staff.

### Health and Wellbeing

The USW Well-being strategy 2023-2025 sets out the University's commitment to prioritise the well-being of colleagues and students by adopting a whole University approach and become a Healthy University. There are multiple and complex demands on individuals and communities and the current pressures of industrial action, cost of living and the transformational change required in Higher Education for a financially sustainable future, make this a real risk for USW. Creating a culture of care and shared responsibility and partnership for the four elements (Emotional Physical Social Financial) of well-being, remain important. Oversight of the well-being strategy is with the Executive team and a cross-University Well-being Steering group ensures delivery against the well-being plan 23/24.

### Information Security

The loss of data or control of our data caused by digital attacks, negligence, physical loss or human error could jeopardise the smooth operation of the University and/or result in a failure to comply with legislation resulting in financial penalties, additional costs and reputational damage. Furthermore, cyber disruption could limit the ability of USW to pursue its digital strategy and implement digital transformation. In mitigating this risk the University continues to invest in strengthening its cyber defences.

### Pension

There is an ongoing risk that pension costs rise and/or become unaffordable generally, which will affect employer contribution rates, balance sheet liabilities and/or exposure to compliance costs of remaining within externally administered schemes including LGPS, USS and TPS. Although USW has to some extent limited this risk into the future with the introduction of the Professional Services Scheme, financial risk and uncertainty is inherent in these defined benefit schemes.



**Rachel Elias-Lee**  
Chief Finance Officer



**David Francis**  
Chair of Finances and Resources Committee



# PUBLIC BENEFIT STATEMENT

The University of South Wales became a registered charity (number 1140312) on 9th February 2011, having previously been an exempt charity under the terms of the Charities Act 2003. The registered address of the charity is Treforest, Pontypridd, CF37 1DL. The members of the Board of Governors are the trustees of the charity and as such have due regard to the Charity Commission's guidance on public benefit and its supplementary guidance on the advancement of education for the public benefit. Under section 124 of the Education Reform Act 1988, the University of South Wales Higher Education Corporation has power to:

- a) provide higher education;
- b) provide further education;
- c) carry out research and to publish the results of research.

The University promotes the advancement of education and learning for the public benefit through the provision of advanced courses of instruction, leading to the award of degrees or other appropriate qualifications. We undertake research in pursuit of new knowledge and understanding driven by a spirit of academic enquiry. In keeping with our role as an institution firmly embedded in its local, regional, and national communities, we also have great strengths in problem driven research conducted in partnership with external stakeholders.

We provide, maintain, and improve facilities and services for the benefit of the student body and our local communities, e.g., accommodation, catering, sporting facilities, performance space and public amenities (e.g., chiropractic clinic). We also have due regard to any detrimental harm that may arise from our activities and, particularly, to the impact of our campus developments on our immediate localities. We aim to minimize this impact through extensive community discussion and consultation in addition to working closely with the relevant local authorities.

# CORPORATE GOVERNANCE

The University is committed to high standards of corporate governance. Whilst the University, being a higher education corporation formed by statute and with charitable status, does not fall within the corporate governance reporting requirements of the London Stock Exchange, the University wishes to demonstrate that its governance is undertaken in an open and accountable manner and that it complies with best practice within the higher education sector. The University has adopted the Governance Charter for Universities in Wales and is working on the implementation of the Governance Charter for Universities in Wales and reviewing the Commitment to Action.

This statement describes how the relevant principles of corporate governance are applied to the University. The Boards of Directors of the Royal Welsh College of Music & Drama Ltd (RWCMD) and the Merthyr Tydfil College Ltd (MTC) are responsible to the Board of the University which is the sole 'member' of those corporations. The committees of the Board of Governors of the University act as committees for the Boards of Directors of RWCMD and MTC as appropriate, except insofar as those Boards (with the agreement of the University Board) have their own arrangements. The Board of Governors carries the overall responsibility for ensuring there is a sound system of risk management, control, and governance. The governors discharge this responsibility through the following elements:

- Effective review by the governing body and relevant committees, particularly Finance and Resources and Audit;
- Control systems which include policies, objectives and plans, management of key risks and opportunities, monitoring of financial and operational performance, physical safeguarding of assets, segregation of duties, authorisation and approval procedures, and information systems;
- An effective internal and external audit function;
- The identification and management of risk embedded in all business systems.

Regard for the Committee of University Chairs Code of Governance. The University's approach for the effective management of risk is set out below:

- The University focuses on the active management of risk as an integral part of the management process within every part of the organisation;
- As part of the risk management framework, the University clearly identifies risks of various kinds to the achievement of its objectives. These risks may be strategic or operational and may present potential implications for the University's reputation, its financial position or its day-to-day operations or any combination thereof;
- The University actively encourages all managers to consider risk implications of each major decision, contract or project as a normal part of their day to day work;
- The University integrates risk management into the annual planning process which is the means by which the Executive determine and co-ordinate the University's academic and other activities;
- The Vice-Chancellor and the senior management team endeavour to identify and focus on immediate and transient risks with strategic implications, which may change from week to week, as well as on the more substantial and permanent risks which are identified in the University's risk register;
- Managers are expected to link risk identification to action, whether in mitigation of the risk or in response to it;
- The Vice-Chancellor and the senior management team work with Deans and Faculty Executives, Heads of Support Departments and their management teams to encourage and support effective risk management as part of the day-to-day management of the institution, and specifically to help them to identify, evaluate, manage and report risks;

- The Governing Body requires the Audit Committee to undertake a termly assessment of significant risks through a snapshot assessment. The assessment is recorded through the corporate risk register and is part of the ongoing process of risk management. The risk register identifies significant risks and contains details of: - the nature of the risk - its potential impact - the likelihood of the risk crystallising - the 'owner' of the risk - the control processes which manage the risk - any independent assessment of those control processes – internal audit, Quality Assurance Agency, external reviews;
- The University has agreed with its internal auditors that their programme of work and the approach to internal control will be risk based: this includes business, operational and compliance risks as well as financial risk and;
- The Audit Committee of the Board of Governors regularly reviews the adequacy of the process of risk management at the University as it continues to be developed. The University undertook a significant review of risk management processes in year ended 31 July 2021, with further development of processes in the year ended 31 July 2022. As well as improvements in reporting of the risk register, the University has developed graphical representations to show the inter-relations and relative importance of risks on the corporate register.

The Board is of the view that there is an ongoing process for identifying, evaluating and managing the University's significant risks, that it has been in place for the year ended 31 July 2023 and in place up to the date of approval of the Financial Statements and Annual Review, that it is regularly reviewed by the Board and that it accords with the internal control guidance for directors on the UK Corporate Governance Code as amended by the British Universities Finance Directors Group.

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## SUMMARY OF THE UNIVERSITY'S STRUCTURE OF CORPORATE GOVERNANCE

The University's Board of Governors comprises members appointed in accordance with the Instrument of Government of the University, the majority of whom are lay independent members with relevant experience in business and the professions. The roles of the Chair and Deputy Chair of the Board are separated from the role of the University's Vice-Chancellor (as Chief Executive). Those matters specifically reserved to the Board for decision are set out in the Articles of Government of the University. The Board holds to itself the responsibilities for the ongoing strategic direction of the University, the effective and efficient use of resources and the approval of major developments and receives regular reports from senior management. The Board meets four times a year and for the year ended 31 July 2023 had three standing Committees (Finance and Resources, Audit, and Culture, People and Values). The Culture, People and Values Committee was created in June 2021 as part of the implementation of the Governance Charter and Commitment to Action and the CUC Code, which brought together the work of the Human Resources Committee, Nominations and Governance Committee and Senior Staff Pay Committee. As part of its remit, this Committee makes recommendations to the Board on membership and Senior Staff Pay. The Remuneration Committee makes recommendations on the remuneration of the Vice Chancellor.

The Finance and Resources Committee develops and advises the Board on long term financial strategies, recommends to the Board annual revenue and capital budgets, reviews and reports to the Board on the annual financial statements and receives regular reports on budgetary performance. In addition, the Finance & Resources Committee recommends the approval of the Financial Regulations, keeps under review financial operating procedures, approves regulations for and monitors the investment of surplus funds and borrowing requirements and approves expenditure above the limits of delegations specified in the Financial Regulations.



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## TRUSTEES DURING THE YEAR ENDING 31 JULY 2023

Louise Evans (Chair)	Sanjay Balakrishnan
Dr Ben Calvert	Sion O'Connor
Professor Michael Gunn	Mark Milton
Alison Phillips	Professor Donna Whitehead
Michael Stevens	Angela Lewis
Chris Sutton	Dr Louise Bright
John Derrick	David Pye
Debbie Jones	Jamal Abdilahi
Professor Philip Gummett	Kyle Eldridge
David Francis	Geraint Evans
Steve Wilson	Richard Lloyd-Owen

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## STATEMENT OF INTERNAL CONTROL

The Audit Committee reviews the process for ensuring the effectiveness of the financial and other (non-academic) internal control systems. In doing this the Audit Committee makes recommendations on the appointment of internal audit, reviews their reports, including follow up reports on implementation and the scope and effectiveness of their work. The Audit Committee also makes recommendations on the appointment of external audit and reviews the financial statements of the University, incorporating any subsidiaries, after review by the Finance and Resources Committee and prior to submission to the Board of Governors, reviews the management letter, and receives and considers progress reports on areas of significant risk identified by the Vice-Chancellor's Executive Board. In addition, the Audit Committee receives and considers reports from the Higher Education Funding Council for Wales including the Council's Audit Service, as they affect the University's business and monitors adherence with regulatory requirements. Whilst senior executives attend meetings of the Audit Committee as necessary, they are not members of the Committee. The University has evaluated the principal risks and uncertainties, and mitigating actions. Further information can be found on pages 50 and 51.

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## REVIEW OF EFFECTIVENESS AND COMMITTEE OF UNIVERSITY CHAIRS CODE OF GOVERNANCE

The Board of Governors undertook a review of effectiveness with an external consultant, Hugh Jones, in 2021/22, with the final report being presented to the Board of Governors on 6 July 2022. The review considered the effectiveness of the Board of Governors and its committees in fulfilling its responsibilities as laid out in the Articles of Government and measuring it against best practice in the sector. Specifically the review considered how the recommendations made in the last review have been implemented and their impact on effective governance; the implementation of outcomes from the Camm Review and the CUC HE Code of Governance; the working relationships and behaviours of the Board and its members, including the conduct of meetings, the active involvement of members, the effectiveness of communication and information, and if the University's governance framework is fit for purpose and could it be enhanced in any way. The review was conducted through desk reviews of USW practice against the requirements of the CUC Code and the Camm review; the observation of meetings of the Board of Governors, the Audit Committee, the Finance Committee and the Culture, People and Values Committee; interviews with board members; interviews with the Chief Executive of HEFCW and the Chief Executive of Universities Wales, as key stakeholders; interviews with members of the governance team, and a survey of Board members.

The final report concluded that governance at the University of South Wales is strong and effective, with a healthy culture of open discussion, challenge and inclusion on the Board. Delegation to committees is clear and consistent, and Board membership comprises impressive individuals who work together well. It was concluded that governance at the University meets the formal test of its effectiveness: that is, the CUC Higher Education Code of Governance to which it has subscribed. It was determined that the University has made good progress in implementing the outcomes from the Camm Review. There were a number of recommendations made within the report which were accepted by the Board of Governors. Implementation of the recommendations is nearing completion, and progress has been monitored via regular reporting to the Culture, People and Values Committee during 2022/23.

## GOVERNANCE CHARTER FOR UNIVERSITIES IN WALES AND COMMITMENT TO ACTION

The Board received an update on the implementation of actions from the Governance Charter for Universities in Wales and the Commitment to Action plan in November 2022. The report confirmed continued progress towards full compliance with the Commitment to Action.

### Camm Review – update on agreed Charter actions

#### Understanding culture

The Culture, People and Values Committee has been established which takes forward most elements within this set of actions. 3060 feedback has been undertaken for the Chair in 2021/22, and the Vice Chancellor's was completed during 2022/23.

#### Stakeholder engagement

The Board of Governors approved the draft Stakeholder Engagement Approach and Framework in July 2023.

#### Size and Shape of the Governing Body

A defined role description for the Chair is in place, with less structured descriptions of other roles. Work is continuing on the defined role descriptions for the other roles. For completion by November 2023. The University is already compliant in the actions relating to the size of the governing body and tenure of non-executive members.

#### Strategic Oversight

The Board has explicitly chosen not to publish the institution's key strategies and performance measures. The University is compliant regarding oversight of strategic development and delivery and risk management.

#### Lay governor independence and conflict management

The University awaits the sector guidance on independence for lay members and will take forward the associated actions once this has been received. A role description for the Secretary/Clerk was reviewed by the Culture, People and Values Committee in April 2023 and reported to the Board of Governors. This will now be completed on a three-year basis. The University is compliant regarding the identification and management of conflicts of interest.

#### Lay member recruitment

The University uses external search agents for board and committee appointment processes. The skills matrices are reviewed on a yearly basis, the next review is due in the Spring of 2024.

#### Remuneration governance

The University does not award bonus payments and awaits HEFCW guidance on remuneration reporting requirements. The terms of reference of committees are completed on an annual basis and was last completed in June 2023. During 2022/23 a review of the roles which are subject to senior staff pay committee consideration (via the Culture, People and Values Committee) has been completed.

#### Succession planning

Consideration of succession planning is developed as part of the Culture, People and Values remit. The Board of Governors received an update in this regard in November 2022.

#### Diversity and Inclusivity

The University is compliant in the actions within this area and awaits the work being undertaken within the sector.

#### Long-term viability

The University awaits sector guidance on long term viability reporting.

### **Risk Management**

The University is compliant with the actions within this area and the 'principal risks and uncertainties' section of this report also covers the actions in this area.

### **Whistleblowing**

The University is compliant with the actions in this area and during 2021/22, developed a revised Public Interest (whistleblowing) Procedure which was approved and publicised.

### **Annual report**

The University is compliant in this area.

### **Information**

The University awaits sector guidance on this action.

### **Governor Development**

The University's induction arrangements have been enhanced in recent years and 'refresher' sessions are offered to all governors annually. The University awaits further sector guidance on governor development resources and information.

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## **INDUCTION, DEVELOPMENT, AND IMPROVING EFFECTIVENESS**

The University Board constantly reviews its effectiveness through the Culture People & Values Committee and undertook a formal review of effectiveness in 2021/22. Changes in 2020/21 as a result of the Camm Review and other considerations include the creation of the Culture People & Values Committee, which brought together the existing committee responsibilities of employment policy, EDI, Welsh language, health & safety, nominations, governance, senior pay and the additional responsibilities for culture & values. In addition, the Board continues a rolling programme of 3600 appraisals which began with the Chair of the Board. The Board continues an annual rolling programme of governor links with different parts of the University and a rolling programme of induction and briefing sessions (available to all governors) from different parts of the University which commenced in autumn 2021. The University has recently reviewed its existing programme of induction which includes HEFCW/Advance HE events, internal sessions with management, lay governors, 'buddies' and a general induction session. Further developments are being implemented as a result of the review of effectiveness recommendations.

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## **EQUALITY, DIVERSITY AND INCLUSION**

The Board through its Culture People & Value Committee has had a stated goal of a Board that reflects the diversity of the region it serves. The Board has had a gender balance in recent years and some significant diversity. In 2020/21 the University with the use of adverts and search agents appointed five new governors, the appointments moved the Board forward in terms of a number of aspects of diversity but lost ground on its gender balance. The Board has reflected whilst continuing to strive for all areas of diversity it will with its next lay governor recruitment seek to re-reach the gender balance it achieved over recent years. All lay governor recruitment is informed by a Skills (Experience & Diversity) Matrix which is regularly updated. All lay governors are asked to supply diversity information that mirrors that of staff and students.



# GOVERNORS RESPONSIBILITIES

## STATEMENT OF BOARD OF GOVERNORS RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE FINANCIAL STATEMENTS

In accordance with the Education Reform Act 1988 (as amended), the Board of Governors of the University of South Wales is responsible for the administration and management of the affairs of the University Group, including ensuring an effective system of internal control and is required to present audited financial statements for each financial year. The Board is responsible for preparing the Financial Statements in accordance with applicable law and regulations. The law applicable to the University requires the Board to prepare financial statements for each financial year.

Under that law the Board of Governors has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under that law the Board must not approve the financial statements unless it is satisfied that they give a true and fair view of the state of affairs of the University and the consolidated group and of the incoming resources and application of resources, including the income and expenditure of the University and the consolidated group for that period. In causing the financial statements to be prepared, the Board has to ensure that:

- suitable accounting policies are selected and applied consistently;
- the methods and principles in relation to the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions are observed;
- judgements and estimates are made that are reasonable and prudent;
- applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements are prepared on the going concern basis unless it is inappropriate to presume that the University will continue in operation.

The Board is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the University and the Group and which enable it to ensure that the financial statements are prepared in accordance with the Education Reform Act 1988 (as amended), the Accounts Direction issued by the Higher Education Funding Council for Wales, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions (SORP) and other relevant accounting standards. In addition, within the terms and conditions of a Financial Memorandum between the Higher Education Funding Council for Wales and the Board of the University, the Board, through its designated office holder, is required to prepare financial statements which give a true and fair view of the state of affairs of the University and the Group and of the surplus or deficit and cash flows for that year.

The Board has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales are used only for those purposes for which they have been given and in accordance with the Financial Memorandum with the Funding Council and any other conditions which the Funding Council 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 prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.

The key elements of the University's system of internal financial control, which are designed to discharge the responsibilities of the Board in relation to internal financial control, include the following:

- a planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, the overall budget being approved by the Board of Governors;
- regular reviews of financial results involving variance reporting and updates of forecast out-turns;
- clearly defined and formalised requirements for approval and control of expenditure;
- comprehensive Financial Regulations, detailing policies, financial controls and procedures;
- Culture, People and Values and Remuneration Committees which make recommendations to the Board of Governors on the remuneration of senior management;
- Internal Audit team whose annual programme is approved and monitored by the Audit Committee;
- External Audit reporting to the Board of Governors annually. Any system of internal financial control can, however, only provide reasonable, but not absolute assurance against material misstatement or loss.

# INDEPENDENT AUDITORS REPORT

## INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF UNIVERSITY OF SOUTH WALES

### Report on the audit of the financial statements

#### OPINION

We have audited the financial statements of University of South Wales ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statements of Comprehensive Income, Statements of Change in Reserves, Balance Sheet and Consolidated Statement of Cash Flow and related notes, including the Statement of Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2023, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

#### BASIS FOR OPINION

We have been appointed as auditor under the Charters and Statutes of the University and in accordance with section 144 of the Charities Act 2011 (or its predecessors) and report in accordance with regulations made under section 154 of that Act.

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

#### GOING CONCERN

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

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

Our conclusions based on this work:

- we consider that the Board of Governor's use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Board of Governor's assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group or the University's ability to continue as a going concern for the going concern period.

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



## FRAUD AND BREACHES OF LAWS AND REGULATIONS – ABILITY TO DETECT

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

- Enquiring of the Board of Governors, the Audit Committee and internal audit as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board of Governors and Audit Committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls and the risk that Group management may be in a position to make inappropriate accounting entries. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

In determining the audit procedures we took into account the results of our evaluation and testing of the operating effectiveness of the Group-wide fraud risk management controls.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included high risk users, unusual postings to specific accounts, including cash, revenue and fixed assets, and journals posted following the period end.

### *Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations*

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation, charities legislation and specific disclosures required by higher education legislation and regulation, including the Accounts Direction issued by the HEFCW, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with higher education regulatory requirements of the HEFCW, recognising the regulated nature of the Group’s activities. Auditing standards limit the

required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

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## OTHER INFORMATION

The Board of Governors (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information. The other information comprises the information included in the Annual Review other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion the information given in the Financial Review (which constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

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## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the charity has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

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## BOARD OF GOVERNORS' RESPONSIBILITIES

As explained more fully in its statement set out on page 58, the Board of Governors is responsible for: the preparation of the financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

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## AUDITORS RESPONSIBILITIES

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

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

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## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ("HEFCW") Audit Code of Practice (effective 1 August 2017) issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts Direction to Higher Education Institutions for 2022/23 issued by the HEFCW ("the Accounts Direction").

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied in accordance with paragraph 145 of the HEFCW's Financial Management Code (FMC);
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding 2022/23; and
- the requirements of HEFCW's Accounts Direction have been met.

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## THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Governors in accordance with Section 4 of the Charters and Statutes of the University and in accordance with the with the section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.

**Rees Batley**  
for and on behalf of KPMG LLP, Statutory Auditor

*Chartered Accountants KPMG LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006*

66 Queen Square  
Bristol  
BS1 4BE

30 November 2023

## CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

Income	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Tuition fees and education contracts	1	151,937	138,525	144,962	131,878
Funding body grants	2	41,004	20,734	42,340	23,296
Research grants and contracts	3	9,377	7,228	9,018	6,670
Other income	4	22,501	24,058	20,419	18,651
Investment income	5	4,230	4,190	521	454
Donations and endowments	6	3,982	-	1,674	-
<b>Total income</b>		<b>233,031</b>	<b>194,735</b>	<b>218,934</b>	<b>180,949</b>
<b>Expenditure</b>					
Staff costs	7	124,815	91,890	126,570	99,686
Other operating expenses		83,622	81,855	70,321	64,670
Depreciation and amortisation	11,12	15,312	11,862	14,580	10,712
Interest and other finance costs	8	3,516	2,991	4,585	3,949
<b>Total expenditure</b>	<b>9</b>	<b>227,265</b>	<b>188,598</b>	<b>216,056</b>	<b>179,017</b>
<b>Surplus before other gains and losses</b>		<b>5,766</b>	<b>6,137</b>	<b>2,878</b>	<b>1,932</b>
(Loss)/Gain on disposal of fixed assets		(2,845)	(2,861)	2	-
Loss on Investments		(1,687)	(1,687)	-	-
<b>Surplus before tax</b>		<b>1,234</b>	<b>1,589</b>	<b>2,880</b>	<b>1,932</b>
Taxation	10	(21)	-	64	-
<b>Surplus for the year</b>		<b>1,213</b>	<b>1,589</b>	<b>2,944</b>	<b>1,932</b>
Actuarial gain in respect of funded pension scheme	26	51,062	45,189	143,266	127,629
Actuarial (loss)/gain in respect of unfunded pension scheme		(6)	-	30	-
Decrease in market value of Endowment Asset Investments	20	(95)	(12)	(137)	(31)
<b>Total comprehensive income for the year</b>		<b>52,174</b>	<b>46,766</b>	<b>146,103</b>	<b>129,530</b>
Represented by:					
Endowment comprehensive income/(expense) for the year		1,625	4	(53)	(17)
Restricted comprehensive income for the year		900	-	97	-
Unrestricted comprehensive income for the year		49,752	46,762	145,895	129,547
Attributable to the Institution		52,277	46,766	145,939	129,530
Attributable to the non-controlling interest		(103)	-	164	-
		<b>52,174</b>	<b>46,766</b>	<b>146,103</b>	<b>129,530</b>



## CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Reserve			Non-controlling interest	Total Reserves
	Endowment £'000s	Restricted £'000s	Unrestricted £'000s	£'000s	£'000s
Balance at 1 August 2022	3,606	1,500	216,203	164	221,473
Surplus/(deficit) from the income and expenditure statement	1,720	900	(1,304)	(103)	1,213
Other comprehensive (expense)/income	(95)	-	51,056	-	50,961
<b>Total comprehensive income/(expense) for the year</b>	<b>1,625</b>	<b>900</b>	<b>49,752</b>	<b>(103)</b>	<b>52,174</b>
Balance at 31 July 2023	5,231	2,400	265,955	61	273,647

	Income and Expenditure Reserve			Non-controlling interest	Total Reserves
	Endowment £'000s	Restricted £'000s	Unrestricted £'000s	£'000s	£'000s
Balance at 1 August 2021	3,659	1,403	70,308	-	75,370
Surplus from the income and expenditure statement	84	97	2,599	164	2,944
Other comprehensive (expense)/income	(137)	-	143,296	-	143,159
<b>Total comprehensive (expense)/income for the year</b>	<b>(53)</b>	<b>97</b>	<b>145,895</b>	<b>164</b>	<b>146,103</b>
Balance at 31 July 2022	3,606	1,500	216,203	164	221,473

University	Income and Expenditure Reserve			Non-controlling interest	Total Reserves
	Endowment £'000s	Restricted £'000s	Unrestricted £'000s	£'000s	£'000s
Balance at 1 August 2022	802	-	195,202	-	196,004
Surplus from the income and expenditure statement	16	-	1,573	-	1,589
Other comprehensive (expense)/income	(12)	-	45,189	-	45,177
<b>Total comprehensive income for the year</b>	<b>4</b>	<b>-</b>	<b>46,762</b>	<b>-</b>	<b>46,766</b>
Balance at 31 July 2023	806	-	241,964	-	242,770

	Income and Expenditure Reserve			Non-controlling interest	Total Reserves
	Endowment £'000s	Restricted £'000s	Unrestricted £'000s	£'000s	£'000s
Balance at 1 August 2021	819	-	65,655	-	66,474
Surplus from the income and expenditure statement	14	-	1,918	-	1,932
Other comprehensive (expense)/income	(31)	-	127,629	-	127,598
<b>Total comprehensive (expense)/income for the year</b>	<b>(17)</b>	<b>-</b>	<b>129,547</b>	<b>-</b>	<b>129,530</b>
Balance at 31 July 2022	802	-	195,202	-	196,004

## CONSOLIDATED AND UNIVERSITY BALANCE SHEET

		At 31 July 2023		At 31 July 2022	
	Notes	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
<b>Non-current assets</b>					
Intangible assets	11	490	435	672	585
Negative goodwill arising on acquisition		(495)	-	(528)	-
Tangible Fixed assets	12	237,051	176,816	248,406	186,994
Heritage assets	13	500	-	500	-
Investments	14	-	2,056	-	2,056
Other assets		135	-	135	-
		<b>237,681</b>	<b>179,307</b>	<b>249,185</b>	<b>189,635</b>
<b>Current assets</b>					
Inventory		208	72	177	78
Trade and other receivables	15	20,139	30,420	20,538	25,516
Investments	16	145,748	132,543	165,022	151,652
Cash and cash equivalents	22	59,286	40,855	20,904	6,956
		<b>225,381</b>	<b>203,890</b>	<b>206,641</b>	<b>184,202</b>
Less: Creditors: amounts falling due within one year	17	(88,005)	(75,750)	(77,502)	(64,937)
<b>Net current assets</b>		<b>137,376</b>	<b>128,140</b>	<b>129,139</b>	<b>119,265</b>
<b>Total assets less current liabilities</b>		<b>375,057</b>	<b>307,447</b>	<b>378,324</b>	<b>308,900</b>
Creditors: amounts falling due after more than one year	18	(93,465)	(57,538)	(101,114)	(62,977)
<b>Provisions</b>					
Pension provisions	19	(5,878)	(5,108)	(52,111)	(46,329)
Other provisions	19	(2,067)	(2,031)	(3,626)	(3,590)
<b>Total net assets</b>		<b>273,647</b>	<b>242,770</b>	<b>221,473</b>	<b>196,004</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	20	5,231	806	3,606	802
Income and expenditure reserve - restricted reserve	21	2,400	-	1,500	-
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		265,955	241,964	216,203	195,202
		<b>273,586</b>	<b>242,770</b>	<b>221,309</b>	<b>196,004</b>
Non-controlling interest		61	-	164	-
<b>Total Reserves</b>		<b>273,647</b>	<b>242,770</b>	<b>221,473</b>	<b>196,004</b>

The financial statements were approved by the Governing Body on 27 November 2023 and were signed on its behalf on that date by:

Chair of the Board of Governors

The Vice-Chancellor

## CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year to 31 July 2023 £'000s	Year to 31 July 2022 £'000s
<b>Cash flow from operating activities</b>			
Surplus for the year		1,213	2,944
<b>Adjustment for non-cash items</b>			
Depreciation	12	15,130	14,400
Amortisation of intangibles	11	182	180
Negative goodwill on acquisition of TTC		(33)	(33)
Increase in stock		(31)	(14)
Decrease/(Increase) in debtors	15	398	(7,027)
Increase in creditors	17	11,197	18,797
(Decrease)/Increase in deferred income		(3,765)	412
Increase in pension provisions (excluding actuarial movements)		4,823	15,026
Decrease in other provisions	19	(1,559)	(783)
Decrease in market value of endowment investments	20	(95)	(137)
<b>Adjustment for investing or financing activities</b>			
Investment income	5	(4,230)	(521)
Interest payable	8	1,990	1,728
Endowment income	20	(1,675)	(48)
Loss on disposal of fixed assets		2,845	-
Capital grant income		(4,751)	(3,665)
<b>Net cash inflow from operating activities</b>		<b>21,639</b>	<b>41,259</b>
<b>Cash flows from investing activities</b>			
Purchase of investments		19,274	(23,830)
Capital grants receipts		4,751	3,665
Proceeds from Sale of Fixed Assets		619	2
Investment income	5	4,230	521
Payments made to acquire fixed assets	12	(7,239)	(13,944)
Payments made to acquire intangible assets	11	-	(33)
		<b>21,635</b>	<b>(33,619)</b>
<b>Cash flows from financing activities</b>			
Interest payable		(1,990)	(1,728)
Endowment cash received	8	1,675	48
Repayments of amounts borrowed		(4,577)	(3,148)
		<b>(4,892)</b>	<b>(4,828)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>38,382</b>	<b>2,812</b>
Cash and cash equivalents at beginning of the year	22	20,904	18,092
Analysis of cash and cash equivalents at end of the year:			
Short term deposits	22	28,474	42
Cash at Bank and in hand	22	30,812	20,862
<b>Total</b>		<b>59,286</b>	<b>20,904</b>

# ACCOUNTING POLICIES

## STATEMENT OF ACCOUNTING POLICIES

### a) Basis of Preparation

These Financial Statements have been prepared in accordance with the Higher Education Statement of Recommended Practice (SORP 2019): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standards (FRS 102). The Group and the University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102.

The Students' Union has not been consolidated into the group Financial Statements, as the University is not deemed to exert significant influence over the operating and financial policies of The Students Union to be considered an Associate or Subsidiary.

### b) Going Concern

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

The financial statements have been prepared on a going concern basis which the Board of Governors consider to be appropriate for the following reasons.

The University has prepared cash flow forecasts, including consideration of downside scenarios, for the going concern period, being 12 months from the date of approval of these financial statements.

At the balance sheet date the Group had £44m of outstanding bank debt and investments, cash and cash equivalents totalled £205m.

The Group continue to monitor and manage recruitment, cost and income changes closely, to ensure that it is financially sustainable in the long-term and has effective controls in place to pre-empt and respond to in year changes.

Consequently, the Board of Governors is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

### c) Basis of Consolidation

The consolidated Financial Statements include the University and all its subsidiaries for the year ended 31 July 2023. Intra-group transactions are eliminated on consolidation.

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

### d) Income Recognition

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 customers or the terms of the contract have been satisfied.

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

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



Government grants including; funding council block grant; research grants from government sources; other grants and donations from non government sources are recognised within the Consolidated Statement of Comprehensive Income over the periods to which the University recognises the related costs. Where part of a Government grant is deferred it is recognised as deferred income within creditors and allocated between creditors due within one year and due after more than one year as appropriate.

Other grants including research grants and donations from non government sources, are recognised within the Consolidated Statement of Comprehensive Income when the University is entitled to the income and performance related conditions have been met. Income received in advance of performance related conditions being met is deferred on the Balance Sheet and released to the Consolidated Statement of Income in line with such conditions being met.

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor imposed restrictions are recognised within the Consolidated Statement of Comprehensive Income when the University is entitled to the Income. 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.

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

Donations with no restrictions are recorded within the Consolidated Statement of Comprehensive Income when the University is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the Financial Statements.

There are four main types of donations and endowments with restrictions:

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

## **e) Capital Grants**

Capital grants received from government sources except for capital grants for land are deferred and released to the Consolidated Statement of Comprehensive Income over the expected useful economic life of the related asset on a basis consistent with the depreciation policy. Capital grants received from government sources for land are recorded in income when the University is entitled to the income subject to any performance related conditions being met.

Capital grants received from non government sources are recorded in income when the University is entitled to the income subject to any performance related conditions being met.

## **f) Accounting for Retirement Benefits**

The University participates in three principal defined benefit pension schemes, the Teachers' Superannuation Scheme (TSS), the Rhondda Cynon Taf County Borough Council Pension Fund (RCTPF), and the Universities' Superannuation Scheme (USS).

The USS and TSS are a multi-employer scheme for which it is not possible to identify the assets and liabilities to university members due to the mutual nature of the scheme and therefore the scheme is accounted for as a defined benefit scheme. A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

RCTPF – The Group's net obligation in respect of defined benefit pension plans (and other post employment benefits) is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior years. That benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) and any unrecognised past service costs. The liability discount rate is the yield at the balance sheet date on credit rated bonds denominated in the currency of the Group, and having taken into account maturity dates approximating to the terms of the Group's obligations.

The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the University, the recognised asset is limited to the total of any unrecognised past service costs; the present value of benefits available in the form of any future refunds from the plan; reductions in future contributions to the plan or on settlement of the plan; and takes into account the adverse effect of any minimum funding requirements.

## **g) Employee Benefits**

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

## **h) Finance Leases**

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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

## **i) 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.

## **j) Foreign Currency**

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency, the British pound (GBP), at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

Exchange differences arising from this translation of foreign operations are reported as an item of other comprehensive income.

## **k) Fixed Assets**

Fixed assets are stated at actual cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on 1 August 2014, the date of transition to SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Expenditure incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Expenditure which does not either enhance an asset beyond its original condition or increase its expected economic life is charged to the Income and Expenditure Account.

Freehold 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 as follows:

Freehold Buildings – Up to 50 years  
Plant and Machinery – 3 to 10 years  
Fixtures and Fittings – 3 to 25 years

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

Equipment, including computers, costing less than £5,000 per individual item is written off in the year of acquisition. Where the completed asset includes a number of components that are necessary for the asset to function as planned, then the aggregated value can be used to determine whether the asset capitalisation threshold is reached. All other equipment is capitalised.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

Fixed assets are reviewed for indicators of impairment at each balance sheet date, where an indicator of impairment a full impairment review is carried out.

## **l) Heritage Assets**

Heritage assets are tangible assets with an historical, artistic, scientific, technological, geophysical or environmental quality that are held and maintained principally for their contribution to knowledge and culture. Heritage assets are those assets that are intended to be preserved in trust for future generations because of their cultural, environmental and historical associations.

Heritage assets have been capitalised to the balance sheet at initial cost. Donated heritage assets are recorded at estimated valuation at the date of donation unless this is not practicable, in which case the appropriate disclosures are made of the nature and the extent of these donations.

Heritage assets are not depreciated as their long term economic life and high residual value means that any depreciation would not be material.

Heritage assets are reviewed for indicators of impairment at each balance sheet date, where an indicator of impairment a full impairment review is carried out.

## **m) Borrowing costs**

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

## **n) Intangible assets**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Software is amortised over its estimated useful life, of between three and ten years, on a straight line basis.

Software costing less than £250,000 is written off in the year of acquisition.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

### **Negative Goodwill**

Negative Goodwill arises on consolidation and is based on the difference between the fair value of the consideration given for the undertaking acquired and the fair value of its separable net assets at the date of acquisition.

Negative Goodwill is amortised over 20 years representing the remaining estimated economic life to which it relates. It is recognised in the Statement of Comprehensive Income in the periods expected to benefit.

Intangible assets are reviewed for indicators of impairment at each balance sheet date, where an indicator of impairment a full impairment review is carried out.

## **o) Investments**

Non current investments are held on the Balance Sheet at amortised cost less impairment. Investments in jointly controlled entities, associates and subsidiaries are carried at cost less Impairment in the University's accounts.

Non current investments are reviewed for indicators of impairment at each balance sheet date, where an indicator of impairment a full impairment review is carried out.

Current asset investments are held at fair value with movements recognised in the Consolidated Statement of Income and Expenditure.

## **p) Inventory**

Inventory is held at the lower of cost and net realisable value, and is measured using an average cost formula.

## **q) Financial instruments**

Financial assets consist of trade and other receivables, current asset investments, cash and cash equivalents.

Trade and other receivable are initially recognised at transaction value, they are subsequently measured at amortised cost using the effective interest method. Where there is doubt over the recoverability of a debtor the amount is provided for the difference between the carrying amount and the present value of estimated future cash flows.

Current asset investments consist of corporate bonds and certificates of deposit which have a maturity greater than 3 months from acquisition. These are initially recognised at cost and subsequently measured at fair value with any gains or losses recognised in the income statement.

Financial liabilities includes trade and other payables, bank loans and public benefit concessionary loans.

Trade and other payables and bank loans are recognised at transaction value adjusted for any directly attributable transaction cost and subsequently measured at amortised cost using the effective interest rate method.

Loans received that either do not accrue interest or where interest is charged at less than a market rate are considered public benefit entity concessionary loans. These loans are recognised initially at the amount of cash received and are subsequently adjusted to reflect accrued interest payable.



## **r) 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.

## **s) Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

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

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

## **t) Taxation**

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

The University receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The only Corporation Tax charge reflected in the consolidated financial information is the tax deducted at source by HMRC in respect of Research and Development Expenditure Credits (RDEC) recognised in the consolidated statement of comprehensive income and expenditure during the year.

## **u) Reserves**

Reserves are allocated between Restricted and unrestricted reserves. Restricted endowment reserves include balances which, through endowment to the University, are held as a permanently restricted fund as the University must hold the fund to perpetuity. Other restricted reserves include balances through which the donor has designated a specific purpose and therefore the University is restricted in the use of these funds.

# USE OF ESTIMATES AND JUDGEMENTS

The preparation of Financial Statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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## PENSION

The University participates in three defined benefit pension schemes, the Teachers' Superannuation Scheme (TSS), The Rhondda Cynon Taf County Borough Council Pension Fund (RCTPF) and the Universities' Superannuation Scheme (USS). The assumptions made are detailed within Note 28.

The University has a constructive obligation to account for emerging inflation and therefore apply a CPI %age to the Pension Liability. The 12-month CPI figure to July 23 was 6.8%. Therefore, as part of the calculations, a 4% uplift to all liabilities has been applied at the 31 July to allow for emerging inflation from the latest reference month used by the Actuaries.

Volatility in the financial markets over the last year has continued to impact on the valuations of the RCTPF on the balance sheet resulting in the deficit moving to a surplus. The LGPS 2022 valuation, reported that USW still had a legal obligation to make contributions to the fund, therefore USW adopted the accounting standard IAS 19 to report on Pension surpluses. This approach will note that the value of the net assets will not exceed the value of the liabilities and will report a nil balance on the balance sheet.



## NOTES TO THE FINANCIAL STATEMENTS

### 1. Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Full-time home and EU students	93,600	86,392	102,686	95,308
Full-time international students	48,528	44,318	33,060	29,985
Part-time students	9,809	7,815	9,216	6,585
<b>Total</b>	<b>151,937</b>	<b>138,525</b>	<b>144,962</b>	<b>131,878</b>

### 2. Funding body grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
<b>Recurrent grant</b>				
Higher Education Funding Council	13,779	9,969	15,482	11,867
Welsh Government	14,494	-	13,429	-
<b>Specific grants</b>				
Other	8,449	8,021	10,300	9,665
Capital grant	4,282	2,744	3,129	1,764
<b>Total</b>	<b>41,004</b>	<b>20,734</b>	<b>42,340</b>	<b>23,296</b>

### 3. Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Research councils	941	941	1,130	1,130
Research charities	124	124	137	101
Government (UK and overseas)	2,039	1,785	1,634	1,337
Industry and commerce	2,048	179	2,429	413
Other	4,225	4,199	3,688	3,689
<b>Total</b>	<b>9,377</b>	<b>7,228</b>	<b>9,018</b>	<b>6,670</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 4. Other income

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Residences, catering and conferences		7,229	6,393	6,243	5,770
Other capital grants		469	440	537	470
Other income		14,770	17,225	13,606	12,411
Release of negative goodwill arising from acquisitions		33	-	33	-
<b>Total</b>		<b>22,501</b>	<b>24,058</b>	<b>20,419</b>	<b>18,651</b>

### 5. Investment income

		Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Investment income on endowments	22	106	16	78	14
Other investment income		4,124	4,174	443	440
<b>Total</b>		<b>4,230</b>	<b>4,190</b>	<b>521</b>	<b>454</b>

### 6. Donations and endowments

		Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
New endowments	22	1,677	-	48	-
Donations with restrictions	23	1,635	-	924	-
Unrestricted donations		670	-	702	-
<b>Total</b>		<b>3,982</b>	<b>-</b>	<b>1,674</b>	<b>-</b>

### 7. Staff costs

		Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Salaries		93,646	68,163	88,469	68,374
Social security costs		10,392	7,226	9,121	7,262
Movement on USS provision		(310)	(310)	313	313
Other pension costs		21,087	16,811	28,667	23,737
<b>Total</b>		<b>124,815</b>	<b>91,890</b>	<b>126,570</b>	<b>99,686</b>

#### Vice-Chancellor

Emoluments of the Vice-Chancellor:	Year ended	
	31 July 2023 £'000s	31 July 2022 £'000s
Salary	196	170
Pension costs	47	40
Benefits	1	1
	<b>244</b>	<b>211</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 7. Staff costs (continued)

### Vice-Chancellor

Year ended 31 July 2023    Year ended 31 July 2022

#### Remuneration of the Vice-Chancellor expressed as:

Basic salary as a ratio of the median basic salary of all staff	5.15	5.08
Total remuneration as a ratio of the total remuneration of all staff	6.18	5.93

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

The Remuneration Committee determines the remuneration according to a number of factors including, but not limited to:

- The Vice-Chancellors leadership, management and academic experience within the higher education sector
- The breadth, scale and complexity of leadership and financial responsibility for the University Group
- The current benchmarking of base salary against the annual salary of other Welsh Universities and Institutions of comparable size and institutions with a similar mission
- The critical success factor performance of the University in respect of both long-term goals and short term objectives, set by the Chair of the Board of Governors.

In undertaking this review, the Remuneration Committee also considers the institutional interest, sustainability and USW group reputation, as well as the public interest and the safeguarding of public funds, as part of its deliberations.

Further details on the remuneration of the Vice-Chancellor can be seen on page 48.

Remuneration of other higher paid staff within the USW Group, excluding employer's pension contributions:	Number	Number
£100,000 to £104,999	2	5
£105,000 to £109,999	7	-
£110,000 to £114,999	-	1
£115,000 to £119,999	1	2
£120,000 to £124,999	1	-
£125,000 to £129,999	-	1
£130,000 to £134,999	-	-
£135,000 to £139,999	1	-
£140,000 to £144,999	-	1
£145,000 to £149,999	2	-
£150,000 to £154,999	-	-
£155,000 to £159,999	-	-
£160,000 to £164,999	1	1
	15	11

#### Key management personnel

The USW Group considers that key management personnel are the 9 individuals (2022-11) who serve or have served as members of Executive Boards across the Group, having authority and responsibility for planning, directing and controlling activities during the year. Staff costs include compensation paid to key management personnel.

Year ended 31 July 2023    Year ended 31 July 2022  
£'000s    £'000s

Key management personnel compensation	1,443	1,451
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#### Average staff numbers by major category:

	Number	Number
Academic Departments	1,255	1,190
Academic Services	302	283
Residences, Catering and Conferences	69	68
Premises	66	65
Administration and Central Services	480	461
	2,172	2,067

## NOTES TO THE FINANCIAL STATEMENTS

### 8. Interest and other finance costs

	Notes	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Loan interest		1,990	1,633	1,728	1,392
Net charge on pension schemes		1,526	1,358	2,857	2,557
<b>Total</b>		<b>3,516</b>	<b>2,991</b>	<b>4,585</b>	<b>3,949</b>

### 9. Analysis of total expenditure by activity

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Academic departments	92,805	73,193	89,762	73,013
Academic services	49,910	47,863	40,163	37,800
Research grants and contracts	7,672	7,318	8,255	6,953
Residences, catering and conferences	5,619	4,845	4,305	3,736
Premises	27,044	21,924	25,012	20,242
Administration and central services	30,095	26,052	29,260	24,542
Consulting, training and commercial activities	3,204	-	2,252	-
Other expenses	10,916	7,403	17,047	12,731
<b>Total</b>	<b>227,265</b>	<b>188,598</b>	<b>216,056</b>	<b>179,017</b>

#### Other operating expenses include:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
External auditors remuneration in respect of audit services	238	121	128	58
External auditors remuneration in respect of non-audit services	49	26	33	22
<b>Operating lease rentals</b>				
Land and buildings	138	21	211	97
Other	190	15	191	21

### 10. Taxation

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Research and Development Expenditure Credit (RDEC)	-	-	64	-
Corporation Tax	21	-	-	-
<b>Total</b>	<b>21</b>	<b>-</b>	<b>64</b>	<b>-</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 11. Intangible assets

	Consolidated		University	
	Software £'000s	Total £'000s	Software £'000s	Total £'000s
<b>Cost</b>				
At 1 August 2022	1,802	1,802	1,503	1,503
Additions	-	-	-	-
<b>At 31 July 2023</b>	<b>1,802</b>	<b>1,802</b>	<b>1,503</b>	<b>1,503</b>
<b>Accumulated Amortisation</b>				
At 1 August 2022	1,130	1,130	918	918
Charge for the year	182	182	150	150
<b>At 31 July 2023</b>	<b>1,312</b>	<b>1,312</b>	<b>1,068</b>	<b>1,068</b>
<b>Net book value at 31 July 2023</b>	<b>490</b>	<b>490</b>	<b>435</b>	<b>435</b>
Net book value at 31 July 2022	672	672	585	585



## NOTES TO THE FINANCIAL STATEMENTS

### 12. Tangible Fixed Assets

<b>Consolidated</b>	<b>Freehold Land and Buildings £'000s</b>	<b>Plant and Machinery £'000s</b>	<b>Fixtures &amp; Fittings £'000s</b>	<b>Assets in the Course of Construction £'000s</b>	<b>Total £'000s</b>
<b>Cost</b>					
At 1 August 2022	310,885	66,644	26,918	8,488	412,935
Additions	4	2,435	2,305	2,495	7,239
Transfers	-	2,089	3,772	(5,861)	-
Disposals	(5,489)	(2,980)	(2,193)	-	(10,662)
<b>At 31 July 2023</b>	<b>305,400</b>	<b>68,188</b>	<b>30,802</b>	<b>5,122</b>	<b>409,512</b>
<b>Consisting of valuation as at:</b>					
31 July 2023	2,684	-	-	-	2,684
Cost	302,716	68,188	30,802	5,122	406,828
	<b>305,400</b>	<b>68,188</b>	<b>30,802</b>	<b>5,122</b>	<b>409,512</b>
<b>Depreciation</b>					
At 1 August 2022	100,102	44,942	19,485	-	164,529
Charge for the year	6,670	6,528	1,932	-	15,130
Disposal	(3,265)	(1,740)	(2,193)	-	(7,198)
<b>At 31 July 2023</b>	<b>103,507</b>	<b>49,730</b>	<b>19,224</b>	<b>-</b>	<b>172,461</b>
<b>Net book value at 31 July 2023</b>	<b>201,893</b>	<b>18,458</b>	<b>11,578</b>	<b>5,122</b>	<b>237,051</b>
Net book value at 31 July 2022	210,783	21,702	7,433	8,488	248,406

<b>University</b>	<b>Freehold Land and Buildings £'000s</b>	<b>Plant and Machinery £'000s</b>	<b>Fixtures &amp; Fittings £'000s</b>	<b>Assets in the Course of Construction £'000s</b>	<b>Total £'000s</b>
<b>Cost</b>					
At 1 August 2022	242,658	43,833	20,479	8,488	315,458
Additions	-	667	1,634	2,495	4,796
Transfers	-	2,089	3,772	(5,861)	-
Disposals	(4,889)	(4,143)	(2,193)	-	(11,225)
<b>At 31 July 2023</b>	<b>237,769</b>	<b>42,446</b>	<b>23,692</b>	<b>5,122</b>	<b>309,029</b>
<b>Consisting of valuation as at:</b>					
31 July 2023	237,769	42,446	23,692	5,122	309,029
Cost	<b>237,769</b>	<b>42,446</b>	<b>23,692</b>	<b>5,122</b>	<b>309,029</b>
<b>Accumulated Depreciation</b>					
At 1 August 2022	84,433	29,704	14,327	-	128,464
Charge for the year	5,569	4,577	1,566	-	11,712
Disposals	(3,265)	(2,505)	(2,193)	-	(7,963)
<b>At 31 July 2023</b>	<b>86,737</b>	<b>31,776</b>	<b>13,700</b>	<b>-</b>	<b>132,213</b>
<b>Net book value at 31 July 2023</b>	<b>151,032</b>	<b>10,670</b>	<b>9,992</b>	<b>5,122</b>	<b>176,816</b>
Net book value at 31 July 2022	158,225	14,129	6,152	8,488	186,994



## NOTES TO THE FINANCIAL STATEMENTS

### 12. Tangible Fixed Assets (continued)

#### Freehold land and buildings

Land and buildings were revalued at 31 July 1998 and this valuation is reflected in the opening balance figures, except for land which was revalued under FRS102 as at 1 August 2014. All other fixed assets are shown at cost. Apart from the revalued land, under FRS15 the University has chosen to freeze valuations at their opening values, without further revaluation and to treat this as a base point for future depreciation.

As a result of the Education Reform Act 1988, the freehold interest in land and buildings occupied by the University and the title to other assets were formally transferred to the University at the date of incorporation. The land and buildings at 31 July 1998 are included in the Balance Sheet at valuation at the date, with the exception of land revalued as at 1 August 2014. The valuation at 31 July 1998 was undertaken by Messrs Cooke & Arkwright, Chartered Surveyors, the basis of capitalisation was depreciated replacement cost, other than for local domestic premises the University acquired and converted to office space, where open market valuation was used. The valuation of land at 1 August 2014 was undertaken by Messrs Cooke & Arkwright, Chartered Surveyors, on the basis of open market valuation.

#### "Exchequer funded"

Included in land and buildings are certain Exchequer Funded assets. Under the terms of the Financial Memorandum between the Higher Education Funding Council of Wales and the University, net proceeds from the disposal of Exchequer Funded assets are subject to a lien which may require the net proceeds, or part thereof, to be remitted to the Higher Education Funding Council for Wales.

13. Heritage Assets	Consolidated Total £'000s	University Total £'000s
At 1 August 2022	500	-
Additions	-	-
Disposals	-	-
At 31 July 2023	500	-
Net book value at 31 July 2023	500	-
At 31 July 2022	500	-

## NOTES TO THE FINANCIAL STATEMENTS

### 14. Non-current Investments

	Subsidiary Companies £'000s	Total £'000s
<b>Consolidated</b>		
At 1 August 2022 and 31 July 2023	-	-
<b>University</b>	£'000s	£'000s
At 1 August 2022 and 31 July 2023	2,056	2,056
<b>Other non-current investments consist of:</b>		University £'000s
USW Commercial Services Limited		50
Merthyr Tydfil College Limited		2,004
RWCMD Limited		1
Springdoor Limited (dormant)		1
<b>Total</b>		<b>2,056</b>

### 15. Trade and Other Receivables

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
<b>Amounts falling due within one year:</b>				
Trade receivables	8,493	7,319	7,682	6,460
Other receivables	1,280	-	1,297	-
Prepayments and accrued income	10,366	9,909	11,559	11,145
Amounts due from subsidiary companies	-	13,192	-	7,911
<b>Total</b>	<b>20,139</b>	<b>30,420</b>	<b>20,538</b>	<b>25,516</b>

Amounts owed by group undertakings are unsecured and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

### 16. Current Investments

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Short term investment in shares	12,998	12,335	1,795	-
Short term bonds	56,314	48,462	12,086	4,072
Short term deposits	76,436	71,746	151,141	147,580
<b>Total</b>	<b>145,748</b>	<b>132,543</b>	<b>165,022</b>	<b>151,652</b>

Deposits are held with banks and building societies 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 time of placement.

### 17. Creditors: amounts falling due within one year

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Bank loans – secured	192	-	180	-
Bank loans – unsecured	3,537	3,537	4,277	3,110
Trade payables	34,013	31,467	23,943	22,895
Accruals and deferred income	50,263	40,247	49,102	38,845
Amounts owed to group undertakings	-	499	-	87
<b>Total</b>	<b>88,654</b>	<b>75,750</b>	<b>77,502</b>	<b>64,937</b>

Amounts owed to group undertakings are unsecured and repayable on demand.

## NOTES TO THE FINANCIAL STATEMENTS

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

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Deferred income	52,714	22,165	56,479	23,911
Unsecured loans	35,373	35,373	39,066	39,066
Secured loans	5,378	-	5,569	-
<b>Total</b>	<b>93,465</b>	<b>57,538</b>	<b>101,114</b>	<b>62,977</b>

#### Analysis of secured and unsecured loans:

Due within one year or on demand	3,729	3,537	4,457	3,110
Due between one and two years	3,767	3,566	3,108	3,640
Due between two and five years	10,873	10,208	12,436	11,802
Due in five years or more	26,111	21,599	28,367	23,624
Due after more than one year	40,751	35,373	43,911	39,066
<b>Total secured and unsecured loans</b>	<b>44,480</b>	<b>38,910</b>	<b>48,368</b>	<b>42,176</b>

Included in loans are the following:

	Lender	31 July 2023 Amount £'000s	31 July 2022 Amount £'000s	Term	Interest Rate %	Borrower
<b>Unsecured Bank loans</b>						
	Lloyds plc	8,014	9,977	7	3	University
	Lloyds plc	12,340	12,627	32	5	University
	Lloyds plc	3,104	3,266	30	5	University
	Lloyds plc	3,126	3,215	33	5	University
	HSBC*	11,400	12,200	-	6.5	University
<b>Total unsecured Bank loans</b>		<b>37,984</b>	<b>41,285</b>			
<b>Bank loans secured on land and buildings</b>	Barclays Bank	5,570	5,749	33	6.3	Subsidiary
<b>Public benefit entity concessionary loans</b>	HEFCW	-	1,167	-	-	Subsidiary
<b>Other</b>	Salix	926	891	-	-	University
<b>Total</b>		<b>44,480</b>	<b>49,092</b>			

\*The University loan was refinanced in August 2021 at a floating rate of SONIA plus 1.5%.



## NOTES TO THE FINANCIAL STATEMENTS

### 19. Provisions for liabilities

	Obligation to Fund Deficit on USS Pension £'000s	Pension Enhancements on Termination £'000s	Defined Benefit Obligations (Note 26) £'000s	Total Pensions Provisions £'000s	Total Other Provisions £'000s
<b>Consolidated</b>					
At 1 August 2022	489	5,955	45,667	52,111	3,626
Utilised in year	(4)	(594)	(5,708)	(6,306)	(1,951)
Additions	(310)	342	(61,037)	(61,005)	392
Non recognition of pension surplus	-	-	21,078	21,078	-

<b>At 31 July 2023</b>	<b>175</b>	<b>5,703</b>	<b>-</b>	<b>5,878</b>	<b>2,067</b>
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	Obligation to Fund Deficit on USS Pension £'000s	Pension Enhancements on Termination £'000s	Defined Benefit Obligations (Note 26) £'000s	Total Pensions Provisions £'000s	Total Other Provisions £'000s
<b>University</b>					
At 1 August 2022	489	5,258	40,582	46,329	3,590
Utilised in year	(4)	(590)	(4,862)	(5,456)	(1,951)
Additions	(310)	265	(54,517)	(54,562)	392
Non recognition of pension surplus	-	-	18,797	18,797	-

<b>At 31 July 2023</b>	<b>175</b>	<b>4,933</b>	<b>-</b>	<b>5,108</b>	<b>2,031</b>
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#### Provisions

The Provisions are primarily for deficits relating to defined benefit schemes, accounted for under FRS102. The provisions are also for ongoing costs of restructuring, and also relate to an actuarial assessment of the future pension costs that will fall upon the University in respect of those former members of staff who have opted for voluntary early retirement or voluntary redundancy. In calculating the liabilities of the unfunded scheme, the key assumptions used by the actuaries are consistent with Note 26.

#### USS Deficit

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed future employees within the USS scheme and salary payment over the period of the contracted obligation in assessing the value of this provision.

## NOTES TO THE FINANCIAL STATEMENTS

20. Income and Expenditure Reserve – Endowment Reserve	Restricted permanent endowments £'000s	Unrestricted permanent endowments £'000s	Year to 31 July 2023 Total £'000s	Year to 31 July 2022 Total £'000s
<b>Consolidated</b>				
<b>Balances at 1 August</b>				
Capital	742	2,133	2,875	2,964
Accumulated income	521	210	731	695
	<b>1,263</b>	<b>2,343</b>	<b>3,606</b>	<b>3,659</b>
New endowments	1,675	-	1,675	48
Investment income	39	67	106	78
Expenditure	(6)	(55)	(61)	(42)
(Decrease)/Increase in market value of investments	(26)	(69)	(95)	(137)
<b>Total endowment comprehensive (expense)/income for the year</b>	<b>1,682</b>	<b>(57)</b>	<b>1,625</b>	<b>(53)</b>
<b>At 31 July</b>	<b>2,945</b>	<b>2,286</b>	<b>5,231</b>	<b>3,606</b>
<b>Represented by:</b>				
Capital	2,391	2,064	4,455	2,875
Accumulated income	554	222	776	731
	<b>2,945</b>	<b>2,286</b>	<b>5,231</b>	<b>3,606</b>
<b>Analysis by type of purpose:</b>				
Lectureships	805	-	805	802
Scholarships and bursaries	2,140	2,286	4,426	2,804
	<b>2,945</b>	<b>2,286</b>	<b>5,231</b>	<b>3,606</b>
<b>Analysis by asset</b>				
Current asset investments			4,379	2,940
Cash and cash equivalents			852	666
			<b>5,231</b>	<b>3,606</b>

The majority of donations received during the year by the Group and the University were from bequests.

## NOTES TO THE FINANCIAL STATEMENTS

### 20. Income and Expenditure Reserve – Endowment Reserve (continued)

	Restricted permanent endowments £'000s	Unrestricted permanent endowments £'000s	Year to 31 July 2023 Total £'000s	Year to 31 July 2022 Total £'000s
<b>University</b>				
<b>Balances at 1 August</b>				
Capital	357	-	357	388
Accumulated income	445	-	445	431
	<b>802</b>	<b>-</b>	<b>802</b>	<b>819</b>
Investment income	16	-	16	14
Expenditure	-	-	-	-
(Decrease)/Increase in market value of investments	(12)	-	(12)	(31)
<b>Total endowment comprehensive (expense)/income for the year</b>	<b>4</b>	<b>-</b>	<b>4</b>	<b>(17)</b>
<b>At 31 July</b>	<b>806</b>	<b>-</b>	<b>806</b>	<b>802</b>
<b>Represented by:</b>				
Capital	345	-	345	357
Accumulated income	461	-	461	445
	<b>806</b>	<b>-</b>	<b>806</b>	<b>802</b>
<b>Analysis by type of purpose:</b>				
Lectureships	806	-	806	802
	<b>806</b>	<b>-</b>	<b>806</b>	<b>802</b>
<b>Analysis by asset</b>				
Current asset investments			345	357
Cash and cash equivalents			461	445
			<b>806</b>	<b>802</b>

### 21. Income and Expenditure Reserve – Restricted Reserve

	Donations £'000s	Year to 31 July 2023 Total £'000s	Year to 31 July 2022 Total £'000s
Reserves with restrictions are as follows:			
<b>Balances at 1 August</b>	1,501	1,501	1,403
New donations	1,627	1,627	672
Expenditure	(727)	(727)	(575)
<b>Total restricted comprehensive income/(expense) for the year</b>	<b>900</b>	<b>900</b>	<b>97</b>
<b>At 31 July</b>	<b>2,401</b>	<b>2,401</b>	<b>1,500</b>

## NOTES TO THE FINANCIAL STATEMENTS

22. Cash and Cash Equivalents	Consolidated			University		
	At 1 August 2022 £'000s	Cash Flows £'000s	At 31 July 2023 £'000s	At 1 August 2022 £'000s	Cash Flows £'000s	At 31 July 2023 £'000s
Short term deposits	42	28,432	28,474	22	28,424	28,446
Cash at Bank and in hand	20,862	9,950	30,812	6,934	5,475	12,409
<b>Total</b>	<b>20,904</b>	<b>38,382</b>	<b>59,286</b>	<b>6,956</b>	<b>33,899</b>	<b>40,855</b>

## 23. Consolidated reconciliation of net debt

	Year to 31 July 2023 Total £'000s
Net debt 1 August 2022	28,188
Movement in cash and cash equivalents	(38,382)
Other non-cash changes	(4,612)
Net debt 31 July 2023	(14,806)
Change in net debt	(42,994)

### Analysis of net debt:

	Year to 31 July 2023 Total £'000s	Year to 31 July 2022 Total £'000s
Cash and cash equivalents	59,286	20,904
<b>Borrowings: amounts falling due within one year</b>		
Secured loans	(192)	(180)
Unsecured loans	(3,537)	(4,277)
	(3,729)	(4,457)
<b>Borrowings: amounts falling due after more than one year</b>		
Secured loans	(5,378)	(5,569)
Unsecured loans	(35,373)	(39,066)
	(40,751)	(44,635)
<b>Net debt</b>	<b>14,806</b>	<b>(28,188)</b>



## NOTES TO THE FINANCIAL STATEMENTS

### 24. Capital and Other Commitments

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Provision has not been made for the following capital commitments at 31 July 2023:				
Commitments contracted for	788	788	1,459	1,459
<b>Total</b>	<b>788</b>	<b>788</b>	<b>1,459</b>	<b>1,459</b>

### 25. Lease Obligations

	At 31 July 2023			At 31 July 2022	
	Land and Buildings £'000s	Plant and Machinery £'000s	Other Leases £'000s	Total £'000s	Total £'000s
Total rentals payable under operating leases:					
<b>Consolidated</b>					
Payable during the year	138	175	15	328	402
Future minimum lease payments due:					
Not later than 1 year	119	177	12	308	405
Later than 1 year and not later than 5 years	-	764	-	764	862
Later than 5 years	-	2,882	-	2,882	3,150
<b>Total lease payments due</b>	<b>119</b>	<b>3,823</b>	<b>12</b>	<b>3,954</b>	<b>4,417</b>

	At 31 July 2023			At 31 July 2022	
	Land and Buildings £'000s	Plant and Machinery £'000s	Other Leases £'000s	Total £'000s	Total £'000s
Total rentals payable under operating leases:					
<b>University</b>					
Payable during the year	21	-	15	36	118
Future minimum lease payments due:					
Not later than 1 year	-	-	12	12	116
Later than 1 year and not later than 5 years	-	-	-	-	-
Later than 5 years	-	-	-	-	-
<b>Total lease payments due</b>	<b>-</b>	<b>-</b>	<b>12</b>	<b>12</b>	<b>116</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Pension Schemes

The Group participates in three principal defined benefit pension schemes. Details of the schemes are as follows:-

- Teachers' Superannuation Scheme (TSS)
- Universities' Superannuation Scheme (USS)
- Rhondda Cynon Taff County Borough Council Pension Fund (RCTPF)

All three schemes are contracted out of the State Second Pension (S2P) the assets of which are held in separate trustee administered funds. However, as explained below, due to the nature of each scheme the TSS and USS are accounted for as defined contribution schemes and the RCTPF as a defined benefit scheme.

The Group also participates in two defined contribution pension schemes as follows:

- Scottish Widows
- NEST

#### (a) The Teachers' Superannuation Scheme (TSS)

The TSS is a contributory "sector-wide" scheme for academic staff administered by the Teacher's Pension Agency on behalf of the Department for Education and Skills. The scheme, which does not have a fund but instead operates on a "pay-as-you-go" basis, is subject to actuarial valuation every five years for the purpose of determining the "sector-wide" contribution rates. The latest actuarial valuation of the scheme was as at 31 March 2016. The cost of pension increases is currently excluded from the valuation and neither employees nor employers contribute to this added value to the employee, which is met by the Exchequer.

The contribution rate during the year was 23.7% and total contributions included within the Statement of Comprehensive Income was £9.9m for the Group (2020/21 £9.8m), and £8.1m for the University (2020/21 £8.0m).

It is not possible to identify each institution's share of the underlying assets and liabilities of the scheme and hence contributions to the scheme are accounted for as if it were a defined contribution scheme. The cost recognised within the surplus for the year in the Consolidated Statement of Comprehensive Income and Expenditure is equal to the contributions payable to the scheme for the year.

#### (b) The Universities' Superannuation Scheme (USS)

The University participates in the USS, a defined benefit scheme which is contracted out of the State Second Pension (S2P). The assets of the scheme are held in a separate fund administered by the trustee, Universities Superannuation Scheme Limited.

Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual Universities and a scheme-wide contribution rate is set. The University is therefore exposed to actuarial risks associated with other Universities' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by FRS 102(28) "Employee Benefits", accounts for the scheme as if it were a defined contribution scheme.

As a result, the amount charged to the income and expenditure account represents the contributions payable to the scheme in respect of the accounting period.

The appointment of directors to the board of the trustee is determined by the Company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board. Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest triennial actuarial valuation of the scheme was at 31 March 2020. This was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. The actuary also carries out regular reviews of the funding levels. In particular, he carries out a review of the funding level each year between triennial valuations and details of his estimate of the funding level at 31 March 2020 are also included in this note.

The latest available full actuarial valuation of the scheme was at 31 March 2020 ("the valuation date"), which was carried out using the projected unit method. Since the institution cannot identify its share of scheme assets and liabilities, the following disclosures reflect those relevant for the scheme as a whole.

# NOTES TO THE FINANCIAL STATEMENTS

## 26. Pension Schemes (continued)

### (b) The Universities' Superannuation Scheme (USS) (continued)

The 2020 valuation was the sixth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion. The assets therefore were sufficient to cover 83% of the benefits which had accrued to members after allowing for expected future increases in earnings. Defined benefit liability numbers for the scheme have been produced using the following assumptions:

	2023	2022
Discount rate	5.1%	3.5%
Pension increases (CPI)	3.0%	2.75%

The main demographic assumption used relates to the mortality assumptions. Mortality in retirement is assumed to be in line with the Continuous Mortality Investigation's (CMI) tables as follows:

Male members' mortality 101% of S2PMA ["light"] YoB tables – No age rating

Female members' mortality 95% of S3PFA ["light"] YoB tables – rated down 1 year

Use of these mortality tables reasonably reflects the actual USS experience. To allow for further improvements in mortality rates the CMI 2019 projections of a long term improvement rate of 1.8% pa for males and 1.6% pa for females were adopted. The current life expectancies on retirement at age 65 are:

	2023	2022
Males currently aged 65 (years)	24.0	23.9
Females currently aged 65 (years)	25.6	25.5
Males currently aged 45 (years)	26.0	25.9
Females currently aged 45 (years)	27.4	27.3

	2023	2022
Scheme assets	66.5bn	66.6bn
Total scheme liabilities	80.6bn	80.6bn
FRS 102 total scheme deficit	14.1bn	14.1bn
FRS 102 total funding level	83%	83%

A contingent liability exists in relation to the pension valuation recovery plan, since the University is an employer of members within the scheme. The contingent liability relates to the amount generated by past service of current members and the associated proportion of the deficit. Given that the scheme is a multi-employer scheme and the University is unable to identify its share of the underlying assets and liabilities, the contingent liability is not recognised as a provision on the balance sheet. The associated receivable from the scheme in respect of the reimbursement of the University's expenditure is similarly not recognised.

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Pension Schemes (continued)

#### (c) Rhondda Cynon Taff County Borough Council Pension Fund

##### Funding Valuation

This scheme provides benefits for non-academic staff based on final pensionable salary. The scheme is valued every three years as required under Regulation 77(1) of the Local Government Pension Scheme Regulations 1997 (SI 1997 No. 1612). The latest valuation was undertaken by independent consulting actuaries as at 31 March 2022.

Under the definitions set out in FRS 102, the Local Government Pension Scheme is a multi employer defined benefit pension scheme. In the case of the LGPS, the actuary of the scheme has identified the Institution's share of its assets and liabilities as at 31 July 2023. The University employs a building block approach in determining the rate of return on Fund Assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund as at 31 July 2023.

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bond yields, which are key to the FRS 102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS 102 discount code, have increased significantly since 31 July 2023.

##### FRS 102

In accordance with the requirements of Financial Reporting Standard 102, the independent consulting actuaries updated the results of the March 2022 actuarial valuation in order to ascertain the valuation of the "sub-funds" in the scheme at 31 July 2023.

The major assumptions used by the actuary in this respect were:

	2023 %	2022 %	2021 %
Rate of increase in salaries	3.85	3.75	3.90
Rate of increase in pensions in payment	2.85	2.75	2.90
Discount rate	5.10	3.50	1.65
CPI Inflation assumption	2.85	2.75	2.90
RPI Inflation assumption	3.25	3.05	3.30

The Current Mortality assumptions include an allowance for future improvements in mortality rates. The assumed life expectations on retirement at age 65 are:

	2023	2022
<b>Retiring today</b>		
Males	20.9	21.4
Females	23.6	23.8
<b>Retiring in 20 years</b>		
Males	21.8	21.9
Females	24.7	24.9

The University assets in the scheme and the expected rate of return were:

	Value at 31 July 2023	Value at 31 July 2022	Value at 31 July 2021
	£'000s	£'000s	£'000s
Equities	211,740	201,209	238,479
Gilts	29,216	35,971	40,561
Bonds	35,842	39,449	40,766
Property	21,385	25,445	21,254
Cash	2,711	1,739	648
Other	301	1,281	-
	301,195	305,094	341,708



# NOTES TO THE FINANCIAL STATEMENTS

## 26. Pension Schemes (continued)

The Consolidated assets in the scheme and the expected rate of return were:

	Value at 31 July 2023	Value at 31 July 2022	Value at 31 July 2021
	£'000s	£'000s	£'000s
Equities	235,799	222,927	263,830
Gilts	32,536	39,853	44,873
Bonds	39,915	43,707	45,099
Property	23,815	28,191	23,514
Cash	3,019	1,927	719
Other	334	1,420	-
	335,418	338,025	378,035

The following amounts at 31 July 2023 were measured in accordance with the requirements of FRS 102.

### Analysis of the amount shown in the University balance sheet

	31 Jul 2023 £'000s	31 Jul 2022 £'000s	31 Jul 2021 £'000s	31 Jul 2020 £'000s	31 Jul 2019 £'000s
Estimated share of assets	301,195	305,094	341,710	273,224	257,013
Present value of scheme liabilities	(282,398)	(345,676)	(496,228)	(430,196)	(386,602)
Non recognition of pension surplus*	(18,797)	-	-	-	-
Deficit in the scheme – net pension liabilities	-	(40,582)	(154,518)	(156,972)	(129,589)

### Analysis of the amount shown in the Consolidated balance sheet

	31 Jul 2023 £'000s	31 Jul 2022 £'000s	31 Jul 2021 £'000s	31 Jul 2020 £'000s	31 Jul 2019 £'000s
Estimated share of assets	335,418	338,025	378,034	301,062	281,973
Present value of scheme liabilities	(314,340)	(383,692)	(550,960)	(475,241)	(426,659)
Non recognition of pension surplus*	(21,078)	-	-	-	-
Deficit in the scheme – net pension liabilities	-	(45,667)	(172,926)	(174,179)	(144,686)

### Analysis of the amount charged to staff costs within the operating surplus

	31 July 2023		31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Current service cost	9,357	7,911	18,657	15,853
Past service cost	72	72	290	290
	9,429	7,983	18,947	16,143

\*The present value of pension scheme surplus has not been recognised in accordance with IAS19 / IFRIC 14 approach (further information can be found on page 48).

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Pension Schemes (continued)

#### Analysis of the amount that is charged to interest payable

	31 July 2023		31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Interest income on pension scheme assets	(11,789)	(10,626)	(6,235)	(5,632)
Interest on pension scheme liabilities	13,293	11,967	9,089	8,184
Net charge	1,504	1,341	2,854	2,552

#### Analysis of the amount recognised in Statement of Comprehensive Income

	31 July 2023		31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Actual return less expected return on pension scheme assets	(12,092)	(11,615)	(46,202)	(41,732)
Experience gain/(loss) arising on scheme liabilities	84,232	75,601	189,468	169,361
Non recognition of pension surplus*	(21,078)	(18,797)	-	-
Actuarial gain	51,062	45,189	143,266	127,629

The movement in the University's and Consolidated deficit during the year is made up as follows:

	31 July 2023		31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Deficit on scheme at 1 August	(45,667)	(40,582)	(172,926)	(154,518)
Movement in year:				
- current service cost (includes administrative expenses)	(9,527)	(8,056)	(18,828)	(16,000)
- past service cost	(72)	(72)	(290)	(290)
- contributions	5,708	4,862	5,965	5,149
- other finance charge	(1,504)	(1,341)	(2,854)	(2,552)
- actuarial gain	72,140	63,986	143,266	127,629
- Non recognition of pension surplus*	(21,078)	(18,797)	-	-
Deficit on scheme at 31 July	-	-	(45,667)	(40,582)

#### Analysis of the movement in the present value of the scheme liabilities

	31 July 2023		31 July 2022	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
At beginning of the year	383,692	345,677	550,960	496,229
Current Service cost	9,357	7,911	18,657	15,853
Past service cost	72	72	290	290
Interest cost	13,293	11,967	9,089	8,184
Contributions by scheme participants	2,387	2,010	2,401	2,042
Actuarial gains and losses	(84,231)	(75,600)	(189,468)	(169,361)
Benefits paid	(10,230)	(9,638)	(8,237)	(7,561)
At end of the year	314,340	282,399	383,692	345,676

\*The present value of pension scheme surplus has not been recognised in accordance with IAS19 / IFRIC 14 approach (further information can be found on page 48).

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Pension Schemes (continued)

#### Analysis of the movement in the market value of the scheme assets

	31 July 2023 Consolidated £'000s	University £'000s	31 July 2022 Consolidated £'000s	University £'000s
At beginning of the year	338,026	305,094	378,034	341,710
Expected rate of return on scheme assets	11,789	10,626	6,235	5,632
Actuarial gains and losses	(12,092)	(11,615)	(46,202)	(41,732)
Contributions by scheme participants	2,388	2,011	2,402	2,042
Contributions by the Employer	5,708	4,862	5,965	5,149
Benefits paid	(10,230)	(9,638)	(8,237)	(7,560)
Administrative expenses	(171)	(145)	(171)	(147)
At end of the year	335,418	301,195	338,026	305,094

The University's experience gains and losses for the years ended 31 July were as follows:

	31 Jul 2023	31 Jul 2022	31 Jul 2021	31 Jul 2020	31 Jul 2019
<b>Difference between the expected and actual return on scheme assets</b>					
Amount £'000s	(11,615)	(41,732)	64,456	8,079	10,753
Percentage of scheme assets	(3.9)%	(13.7)%	18.9%	3.0%	4.2%
<b>Experienced gains and losses on scheme liabilities</b>					
Amount £'000s	75,600	169,361	(50,486)	(26,785)	(31,795)
Percentage of present value of scheme liabilities	26.8%	49.0%	(10.2)%	(6.2)%	(9.4)%
<b>Total amount recognised in the statement of comprehensive income</b>					
Amount £'000s	63,985	127,629	13,970	(18,706)	(21,042)
Percentage of present value of scheme liabilities	22.7%	36.9%	2.8%	(4.3)%	(5.4)%

## NOTES TO THE FINANCIAL STATEMENTS

### 26. Pension Schemes (continued)

The Consolidated experience gains and losses for the years ended 31 July were as follows:

	31 Jul 2023	31 Jul 2022	31 Jul 2021	31 Jul 2020	31 Jul 2019
<b>Difference between the expected and actual return on scheme assets</b>					
Amount £'000s	(12,092)	(46,202)	71,174	9,801	11,832
Percentage of scheme assets	(3.6)%	(13.7)%	15.6%	3.3%	4.2%
<b>Experience gains and losses on scheme liabilities</b>					
Amount £'000s	84,231	189,468	(56,592)	(29,379)	(35,301)
Percentage of present value of scheme liabilities	26.8%	49.4%	(9.0)%	(6.2)%	(9.5)%
<b>Total amount recognised in the statement of comprehensive income</b>					
Amount £'000s	72,139	143,266	14,582	(19,578)	(23,469)
Percentage of present value of scheme liabilities	22.9%	37.3%	2.3%	(4.1)%	(5.5)%

The estimate for contributions for the defined benefit scheme for the year ending 31 July 2024 is £5,959,000

The actual return on scheme assets in the year was a loss of £303,000 (2022 - A loss of £39,967,000).

### Sensitivity to market risks

The table below show the sensitivity of accounting disclosure items to market and demographic risks. Sensitivities are applied at the accounting date. The impacts are shown for items on the balance sheet at the accounting date, and for projected items in the net periodic pension cost recognised in profit and loss for the next accounting year.

### Sensitivity analysis of LGPS

	Consolidated				University			
	Base	+0.1% p.a. discount rate	+0.1% p.a. rate of increase in pensions	Mortality rates increased by 1 year	Base	+0.1% p.a. discount rate	+0.1% p.a. rate of increase in pensions	Mortality rates increased by 1 year
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Fair value of net assets	314	309	319	322	282	278	287	289
Present value of funded liabilities	314	309	319	322	282	278	287	289
Pension liability recognised on the balance sheet	-	-	-	-	-	-	-	-

In response to changing market conditions, the actuary has updated the Inflation Risk Premium and their view of the long term expected difference between RPI and CPI. The combined impact of this change is a circa £5.5m increase to the defined benefit obligation at 31 July 2023.



# NOTES TO THE FINANCIAL STATEMENTS

## 27. Related Party Transactions

Due to the nature of the University's operations and the composition of the Board of Governors (being drawn from local public and private sector organisations), it is likely that transactions will take place with organisations in which a member of the Board of Governors may have an interest. All transactions involving organisations in which a member of the Board of Governors may have an interest are conducted in accordance with the University's financial regulations and normal procurement procedures. Other than those disclosed elsewhere in the financial statements, no transactions were identified which should be disclosed under FRS102.

Organisation	Individual Board Member	31 July 2023		31 July 2022	
		Income £'000s	Expenditure £'000s	Income £'000s	Expenditure £'000s
IRG Advisors	Jemma Terry	-	-	-	38
University of South Wales' Students' Union	Various	-	1,268	-	1,268
USW Pathway College Ltd	Various	28	26	-	-

The total expenses paid to or on behalf of 4 independent Governors was £1,861 (2021/22 - £1,358). This represents travel and subsistence expenses incurred in attending Board of Governor, and Committee meetings.

## 28. Interests in Group Undertakings

The University of South Wales has the following wholly owned subsidiary companies, all of which are registered in England and Wales:

Royal Welsh College of Music & Drama Limited  
 Merthyr Tydfil College Limited  
 Tydfil Training Consortium Limited  
 USW Commercial Services Limited  
 USW Services Limited  
 Professional and Support Services Limited  
 CAPSE Limited  
 Allied Aspects Limited\*  
 Glamorgan Environmental Research Limited\*  
 Springdoor Limited\*  
 Glamorgan Accommodation III Limited\*  
 All Wales Business School Limited\*  
 E College Wales Limited\*  
 Enterprise College Wales Limited\*  
 Glamorgan Online Limited\*  
 Cardiff Metropolitan Limited\*  
 Cardiff/Glamorgan Metropolitan Limited\*  
 USW Enterprises Limited\*  
 MC452 Limited\*

The University of South Wales holds a majority interest of 51% in USW Pathway College Limited, which is a subsidiary of the University.

\*Denotes dormant company during the year to 31 July 2023.

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