

ANNUAL REVIEW FINANCIAL STATEMENTS

2023/24

Information for the Year
ended 31 July 2024
southwales.ac.uk





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INTRODUCTION FROM THE CHAIR OF THE BOARD OF GOVERNORS

As the academic year draws to a close, on behalf of the whole Board of Governors, I'd like to thank everyone at USW for another memorable year.

It's been a year that, despite its challenges, has seen the University achieve many things for its students, communities, and partners.

One of my standout moments from the year was the University being shortlisted for the Times Higher Education (THE) University of the Year. It was a pleasure and a privilege to accompany a group of USW colleagues to the awards, and everyone at USW should be incredibly proud of being recognised in such a way. Emeritus Professor Ruth Northway was also a finalist for Outstanding Research Supervisor of the Year, and Dr Cheryl Allsop was a finalist for the Most Innovative Teacher of the Year. Again, they were extremely deserving and should be very proud of their achievements.

For the second year running, a USW colleague was also named STEM Woman of the Year at the Wales STEM Awards, with Dr Mabrouka Abuhmida, Senior Lecturer in Computing and Mathematical Sciences, taking home the joint award. A team led by senior lecturer Dr Leshan Uggalla also won the STEM Research Project of the Year category for work being done at USW to streamline data collection in environmental monitoring.

We've seen some fantastic achievements in some surveys and rankings this year. For example, USW came out top for postgraduate research satisfaction in the annual Advance HE Postgraduate Research Experience Survey (PRES). Our strength with inspiring the next generation of entrepreneurs has remained steadfast, once again being top in Wales for the number of new businesses started by our graduates, and 11th in the UK. USW was also 9th in the UK for the number of active graduate businesses – another fantastic achievement.

Alongside the many achievements of our students, staff and partners, the Board has been impressed with the work that has been undertaken to move us closer to delivering our 2030 Strategy. Great

strides have been taken to help us achieve our vision for 2030, including new academic delivery model pilots to enhance student experience, the launch of a new Research and Innovation Strategy, and the transformation of our digital presence with a new accessible website

Delivering a long-term strategy is never easy, and with reductions in the number of international students, falling participation rates due to fewer students in Wales choosing to go to university than at any time in the past decade, combined with sustained high costs, finances are understandably difficult for the University, and indeed for the sector. The University has acted quickly to take steps to address these challenges and reduce costs by undertaking measures to deliver in-year savings whilst also accelerating elements of the 2030 Strategy, including investing some reserves in the journey to ensure a vibrant University of the future. The Board of Governors has confidence in the Vice-Chancellor and his Executive leadership team to continue to deliver the next phases of the USW 2030 Strategy whilst overseeing the necessary changes to ensure our financial sustainability. This approach, plus inherent sector uncertainty, means that the University is not planning surplus budgets in the short to medium term as it right-sizes operations and invests in change.

We know that we aren't alone in this challenge and this approach will undoubtedly be reflected across the entire higher education sector. As we look to our sector and regulatory partners, we see further evolution, with Medr replacing the Higher Education Funding Council for Wales (HEFCW). We are looking forward to working with them and strengthening our relationships with our Further Education partners, to deliver opportunities and enhanced life prospects for the people of South Wales and changing their lives for the better.



A handwritten signature in black ink, appearing to read 'Louise Evans'.

Louise Evans
Chair of the Board of Governors

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 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

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.

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
- 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.

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.



VC REVIEW OF THE YEAR

The 2023/24 academic year has been another year where our students, colleagues, alumni and partners have achieved remarkable things. From awards and accolades to innovation and positive actions for our communities – changing lives and our world for the better.

Despite the very many things to celebrate, it has to be noted that it has been another very challenging year for the University, and indeed the HE sector as a whole, as well. In Wales the tuition fee cap for full-time home undergraduates went up from £9,000 to £9,250 per year, bringing Wales in line with other UK nations. Whilst this was absolutely a welcome step, bringing Welsh universities onto a level playing field with the rest of the higher education sector for UK full-time undergraduate course fees, university finances remain incredibly challenging. This base fee has remained largely the same for more than a decade, whilst inflation has risen substantially in that time. Like most other industries when costs outweigh income, difficult decisions need to be made.

It is not something that can be fixed overnight. At USW we have a programme of work underway to explore how we can continue to deliver our USW 2030 Strategy and achieve the best possible experience and outcomes for our students, colleagues, and partners, whilst evolving ways of working in this financial climate, and still being able to invest to remain competitive. As a vocational university we are committed to widening access, getting people into high quality jobs, and playing our full role in stimulating the economy of our region through our research, enterprise, and teaching. However, we must find ways to do that which face the realities of the economic challenge in front of us.

It's not an easy balance, but it is one that we are working very hard on getting right. We launched the next three-year delivery plan of our USW 2030 Strategy to help guide us on this path and drive the transformation of our delivery, workforce, and systems. We are already seeing some of the work from this programme being implemented – the first phase of our new website has gone live this year, along with the start of the implementation of a new student portal – with many more underway. We have also undertaken a Voluntary Exit Scheme for colleagues.

Balanced against the need to transform our ways of working and to meet financial constraints, it is essential that we continue to invest in the right areas. We have seen some of the investment in our physical estate take a big step forward this year. The building work for our new Chiropractic Clinic at Treforest Campus has got underway and is making good progress. We have also secured planning permission for our new academic building on Treforest Campus and appointed a contractor with enabling works being carried out. In addition, we've refurbished our Newport Campus with new colleague working spaces, a revamped lecture theatre to support our pedagogical approach and new spaces for students. A second wave of refurbishment is underway and will be completed for the start of the 2024/25 academic year.

Alongside this transformational work, we have been continuing to deliver against what we do best – working with our partners to deliver the very best outcomes for our students and communities. As part of the Cardiff Capital Region's (CCR) work, we have taken the lead on two projects. The South Wales Civic Engagement Partnership (SWCEP) – a partnership between universities and colleges operating in the region – has got underway to deliver a collaborative approach to civic engagement. And the University has taken up leadership of the Academic-Industry Partnership Programme to boost skills and help unlock barriers to growth for businesses across South East Wales, funded by CCR and the UK Shared Prosperity Fund. These are two flagship projects that we are very proud to be working on with our partners to deliver change for our communities.

Some of our long-term partnerships have reached important milestones. We celebrated 50 years of working with the Association of Chartered Certified Accountants (ACCA) to train finance professionals. We have seen existing partnerships produce new and exciting developments, such as the launch of Academi Sgrin Cymru | Wales Screen Academy, working with Screen Alliance Wales and Bangor University, to create a pipeline of talent for the Welsh screen industry, building capacity, capability, skills, and knowledge. And we've entered new partnerships, such as the development of a hydrogen supercluster in South-West England and South Wales. The project, bringing academic, civic, and industry partners together, aims to provide solutions for storage and distribution, transport, and the energy sector.

We've grown our apprenticeships across Wales and the UK with more than 1,000 people continuing their training as we diversify our offer to learners at different stages of their lives and careers. We are also continuing to work with partners to grow our degree apprenticeship

offer, most recently working with the Welsh Government to deliver degree apprenticeships in Construction Management, Civil Engineering, Quantity Surveying, Building Surveying, and Real Estate, which will start next academic year. Our policing degree apprenticeships underwent an Ofsted inspection receiving a 'good' judgement, with Behaviours and Attitudes both receiving an 'outstanding' judgement.

This focus on working with others to provide the very best experience, skills and education for our students has seen the University rewarded with various accolades during the past year. USW was ranked the top institute for overall postgraduate research student satisfaction in the annual Advance HE Postgraduate Research Experience Survey (PRES), with 89% satisfaction – 10% higher than the sector. We were top in Wales for the fourth year running, and 11th in the UK, for the number of new businesses started by our graduates, as well as 9th in the UK for the number of active graduate businesses. And we were shortlisted for the Times Higher Education (THE) University of the Year Award.

These are all things for us to be very proud of and to continue to give us focus and impetus as we navigate another financially challenging year ahead and drive forward our transformation to deliver the best possible experience and outcomes for all.



Dr Ben Calvert
Vice-Chancellor



MAXIMISING GRADUATE SUCCESS AND OPPORTUNITIES

Improving our teaching and learning

Flexible Delivery pilots have taken place with 13 courses this academic year. The pilots are exploring how a flexible model could help to maximise accessibility, market attractiveness, and student experience at USW. The piloted model, which includes a combination of high-quality digital resources and self-paced online learning activities, will continue to be tested in the next academic year with a series of extended pilots. A micro-credentials framework has also been developed.

The rollout of In-Year Retrieval (IYR) across all taught provision (Levels 3-7) was introduced, providing students with an opportunity to submit an updated version of an assessment within 10 days of receiving a mark, where applicable. This decision followed a series of In-Year Retrieval pilots with a number of courses.

Blackboard Learn Ultra launched in June 2024, following an extensive scoping exercise to identify a new virtual learning environment (VLE). The system, which is an enhanced version of the University's existing VLE, Blackboard Learn, features a more intuitive interface with increased functionality. Physical room blueprints were also developed, and new audio-visual equipment has been piloted.

Student experience and outcomes

National Student Survey

USW was rated as above sector for Assessment and Feedback, Student Voice, Teaching on my Course, and Academic Support in this year's National Student Survey (NSS) results. The University broadly maintained sector average for overall positivity, which is a population-adjusted average of all common questions asked across the UK, making USW fifth in Wales in this measurement.

The University was rated top in Wales in the overall positivity measure for Education, Teacher Training, Marketing, Aeronautical and Aerospace Engineering, Children's Nursing, Complementary and Alternative Medicine, and Software Engineering. At a course level, two courses scored 100% in the overall positivity measure - BA Advertising Design and BSc Mathematics.

The University received below sector scores for Organisation and Management, Learning Opportunities, Learning Resources, and Mental Wellbeing Support. There was a notable decrease of -2.11% in Organisation and Management, resulting in a gap to sector of -6.57%, which has impacted the University's overall positivity rating.

Graduate Outcomes Survey

The Graduate Outcomes Survey's 2023/24 publication showed a 2% decrease in the proportion of USW graduates being in highly skilled employment or further study 15 months following graduation, down to 70%. This is slightly better than the 3% decrease across the UK sector and Welsh sector and similar to the University Alliance decrease.

Despite the overall USW decrease there were a couple of subject areas that saw a significant improvement: this includes Leadership and Public Services increasing by 16% and Law increasing by 11%.

Supporting graduate start-up businesses

For the fourth year running, USW was named the top-performing higher education institution in Wales for supporting graduate start-up businesses. According to the Higher Education Statistics Agency (HESA) figures, which were released in 2024 for the 2022/23 academic year, the University was 11th out of 220 universities across the UK for new startup businesses, and 9th in the UK for the number of active graduate businesses.

USW's Faculty of Business and Creative Industries is strongly represented among the graduate start-ups shown in the HESA figures, making up 65% of the new enterprises. The majority of these operate in the screen, media, and design sector. Almost a quarter of the new graduate businesses were from USW's Faculty of Life Sciences and Education, with the enterprises made up of therapies, sports, and chiropractic.

This achievement has been made possible through the University's wealth of industry and sector partners, as well as the work of the Enterprise Team (USW Careers), USW's Exchange Business Network, and Startup Stiwdio. This year, the Startup Stiwdio launched a purpose-built facility in Treforest, featuring a teaching area, bookable conference rooms, wall-mounted monitors for hybrid meetings, and an outdoor networking space.

STUDENT INCLUSION | WORKING WITH STUDENTS

Student Navigators

Over the past year, students have worked with the University, in both voluntary and paid roles, to support their peers and enhance the student experience. Student navigators have been a great asset to numerous departments and supported a wide variety of USW activities. For example, they worked with the Chaplaincy team during Ramadan to support the events held at the Meeting House. They also worked with the Disability Support, International, and Academic Registry teams at the start of the academic year to ensure new students had support during key events and transitioning into university.

They 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 themselves such as crafts, yoga, walk and talk. They have worked with Valleys Steps to support their on-campus workshops and two student navigators have undertaken a voluntary placement with Togetherall to become trained peers to support others, supervised by Togetherall's clinical team.

Digital Mentors

The 2023/24 academic year was very busy for the Digital Mentor team, which works within the Student Development and Study Skills Service, supporting students and the work of the Study Skills team and the Student Mentoring scheme.

The year saw a substantial increase in the digital support provided to students across all campuses, and an increased demand for support sessions for specific cohorts to help with using USW systems and for tasks such as creating digital signatures. At the start of the academic year, they were on hand to support international students during welcome week, to help get them set up on USW systems.

Library Ambassadors

Library Ambassadors worked to support students with any queries they had this year. They also planned and held an examination support event, Survive & Thrive, over three weeks, offering refreshments, well-being and mindfulness activities to fellow students in the period leading up to exams.



RESEARCH EXCELLENCE AND INNOVATION IMPACT

Launching our Research and Innovation Strategy

A new Research and Innovation Strategy was developed and launched internally to help guide the University's research and innovation activity up until 2030, including the next Research Excellence Framework (REF) cycle. The Strategy sets out the University's aims to deliver research, which is aligned with the four accelerators, to ensure USW is recognised as an institution delivering world-leading and high-impact research. The Strategy provides pathways towards building a strong research culture and a direction of travel to ensure the successful delivery of the Critical Success Factors (CSFs).

Research and Innovation Groups (RIGs) were further established to make visible the excellent research that is undertaken at the University. This was supported by a three-day Research and Innovation Conference for colleagues in April 2024, which included opportunities to network, foster collaborations and partnerships, and contribute to nurturing a vibrant research culture within the University.

Developing future doctoral candidates

USW was included in a new cohort of doctoral training partnerships (DTPs), announced by the Economic and Social Research Council (ESRC), which will provide professional development training opportunities to enhance the capabilities of doctoral candidates. In November 2023, the ESRC announced it was to invest in 15 DTPs over five years - an important component of UK Research and Innovation (UKRI), which will help to develop a world-class, highly skilled workforce.

USW is part of the Welsh Graduate School for the Social Sciences Doctoral Training Partnership / Ysgol Graddedigion Gwyddorau Cymdeithasol Cymru which also includes the University of Cardiff, Bangor University, Aberystwyth University, Cardiff Metropolitan University, University of Gloucestershire, and Swansea University. Being part of the WGSSS will further enhance the research and training opportunities open to social sciences students at USW.

Welsh Crucible 2024

Three USW academics were selected for this year's Welsh Crucible, an award-winning programme of personal, professional, and leadership development for the future research leaders of Wales. Dr Marian Buhociu, Dr Ruth Atherton, and Dr Juping Yu took part in a series of "skills labs", which included workshops, talks, training sessions, and activities that focus on building networks, forging collaborations, enhancing professional profiles, and boosting personal effectiveness. The researchers found that it was beneficial to have the opportunity to engage with academics from different disciplines and institutions to help encourage networking and interdisciplinary collaboration.

Taith Research Mobility Fund

This year, USW continued to support research staff through the Taith programme, which enables people in Wales to study, train, volunteer and work all over the world, while inviting international partners and learners to do the same in Wales. In 2023/24, Taith supported 46 outward mobilities to 31 countries, including Italy, Belgium, Canada, Costa Rica, Kenya, Nigeria, India, China, Malaysia, and more. The programme also supported six inward mobilities from Finland, Romania, Nepal, and Indonesia.

Research Awards

During the past 12 months, there has been an increase in the percentage of successful funding applications being made, when compared to the previous year. In total, 72 research projects worth £5.2m were funded in 2023/24. This included funding from a range of sources including two UKRI Place Based Impact Accelerator Accounts, Welsh Government Flexible Innovation Support, Knowledge Transfer Partnerships with industry, and Shared Prosperity Funds.

There have also been notable funding successes in Horizon Europe, including a large-scale HORIZON Infrastructure project, a collaborative Cluster 5 project - hydrogen innovation, and a Marie Curie Doctoral Training Network.

Developing the research culture

As part of our core commitment to provide a thriving research culture for our colleagues, we provide a comprehensive programme of events and training opportunities. This aligns with the Research and Innovation Strategy, HR Excellence in Research Award action plan, and obligations as signatories to the Concordat to Support the Career Development of Researchers and Concordat to Support Research Integrity.

During the year, a series of Researchers' Coffee Mornings were held along with events to support researcher development, such as an Imposter Syndrome in Academia event, as well as a comprehensive training programme via the Research and Innovation Research Development Programme (RIDP). A Postgraduate Research Showcase and Research and Innovation Conference for colleagues were also held, supported by HEFCW's (now Medr's) Wales Research Environment and Culture Fund.

A new Health and Wellbeing Plan along with a Sickness / Absence Policy specifically for postgraduate research students was introduced, along with a Research and Innovation Bulletin. The University has also been involved in a collaboration with other Welsh Higher Education institutions as part of a HEFCW-funded project to develop a new Doctoral Wellbeing Cymru Platform for all postgraduate research students in Wales.

STUDENT SURVEY | TOP IN THE UK FOR RESEARCH EXPERIENCE

USW was ranked as the top institute for overall postgraduate research student satisfaction in Advance HE's Postgraduate Research Experience Survey (PRES). The survey also ranked USW top in the 'Support' and 'Research Skills' categories. The University was ranked first for postgraduate research student (PGR) satisfaction, at 89%, which was 10% higher than the sector average and 7.9% higher than other Welsh institutions, representing a 6% increase in performance compared to last year.

In the 'Support' category, the University was 12.4% above the sector overall, with specific measures of support also showing USW as sector leaders - 18% above sector for health and wellbeing, 13% above sector for meeting academic skills requirements, and 7% above sector for the support offered for using IT and accessing resources.

USW also excelled across a number of subjects, with 93% overall satisfaction in Social Sciences, and 100% satisfaction with their academic skills support. Health and Social Care achieved 81% overall satisfaction, whilst overall satisfaction in STEM was 7.7% above the sector average, placing USW in the top 25% of institutions for this area.



EXTERNAL FOCUS

Leading on economic development in the region

USW was named as one of the leading partners in a £6.6m Cardiff Capital Region City (CCR) programme to drive business and economic development across South East Wales. Jointly funded by CCR and the UK Shared Prosperity Fund (UKSPF), the two-year Cluster Development & Growth Programme aims to deliver targeted projects, supporting activity within CCR's priority sectors to help boost job creation and skills, and unlock barriers to growth for businesses.

USW is leading the consortium for the Academic-Industry Partnership Programme – one of three targeted projects. A collaborative approach with regional Higher Education partners and our Further Education Strategic Alliance is informed by industry need and will build on the strong links between academia and the business community, to drive business growth and innovation through the exchange of knowledge and expertise.

Building stronger links between education and community

USW became part of the South Wales Civic Engagement Partnership (SWCEP) - a partnership between the five universities and five colleges operating within Cardiff Capital Region to strengthen the relationship between education providers and the community. With the common goal of a shared Civic Mission Agenda, the strategic partnership aims to enhance links between the Higher Education and Further Education sectors, while delivering a more collaborative approach to civic engagement in the region - an approach that will respond to identified local and regional needs.

In October 2023, a Civic Agreement for the Cardiff Capital Region was signed by all 10 partners: USW, Cardiff University, Cardiff Metropolitan University, the Royal Welsh College of Music & Drama, the Open University, Cardiff & Vale College, The College Merthyr Tydfil, Bridgend College, Coleg Gwent, and Coleg y Cymoedd.

In early 2024, the SWCEP 'pump primed' nine local, diverse collaborative civic projects to take place, with the University of South Wales participating in five of these: a participatory action research housing association project; a foreign language mentorship project; an extension of the Physics Mentoring Project; Grangetown Careers Week; and the Civic Insights Bursary Project which has enabled students to undertake civic placements.

The partnership, led by USW, has also enabled a programme of 40 civic events to take place across the Cardiff Capital Region this year. USW led on six of these including a joint Higher Education Fair for Asylum Seekers and Refugees; a Digital Technologies Community Fair; and a series of regional creative industry policy events.

Partnering on a Wales-first economic wellbeing framework

In 2023/24, nine civic projects were awarded small grants of up to £1,000 from the HEFCW funded Civic Activity Fund. This fund is 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 lifelong learning.

Since 2021, 35 projects have been supported by the fund. In 2023/24, the nine projects awarded grants from the fund were diverse in nature, including a Sanctuary in Politics Project; a Community Youth Engagement Programme for Cultural Democracy and Participation in Education and Lifelong Learning; and an environmental project focusing upon the environmental monitoring of the River Usk for safe community river use.

The Newport Place Based Programme

USW is a founding partner of the Newport Place Programme in collaboration with Business in the Community (BITC). This programme is the first of its kind in Wales and builds on the successful place-based intervention model developed by BITC, to bring together residents, stakeholders, and businesses to address inequalities in Newport.

The Newport Place Programme has successfully convened a Place Board with representation from 14 partners committed to catalysing positive change in the city, with membership including Newport Council, KLA, Linklaters, Dwr Cymru, Mott MacDonald, Coleg Gwent, Cardiff Capital Region, GAVO, Gwent Police and more.

USW has co-hosted a series of Business Conversation and Community Conversation events from our campus in Newport, with a focus upon identifying what the people of Newport see as the priority social and economic challenges in their city. Through 2023/24, the focus has been translating findings from that listening into action. USW hosted and participated in a Business and Community Connections day in March 2024, has hosted Cost of Living support sessions, and has opened up use of facilities to organisations to support volunteer training. In addition, USW colleagues took part in Enterprise Days and World of Work Week at schools in Newport, raising the aspirations of primary school children in Newport with a focus upon STEM and business. In the past year, the Newport Place Programme has directly reached 1,514 individuals; provided non-financial support to 29 organisations and supported 20 local events or activities benefiting our community.

Wales Women in STEM Network

Building on the momentum of our Wales Women in STEM network, in summer 2024, the University of South Wales convened universities, colleges, schools, industry and Welsh Government representatives to move forward the Women in STEM agenda across Wales. With a view to consolidating and coordinating efforts in this area, USW is leading a steering group which will seek to bring together national coordination in the area of women and girls in STEM to deliver more effective and connected interventions for Wales.

STUDENT PROJECT | BRINGING STREET ART TO CARDIFF

In June 2024, final year Illustration students collaborated with Cardiff Council's Caretaking Services team to produce street art for electrical boxes across the city.

Each student based their design on a different animal, including an octopus, a giraffe, a toucan, a polar bear, and more. The partnership aimed to deter vandalism and encourage communities to take pride in their local areas.

The project was set up through USW's Employer Engagement and Placements team and was enabled through the South Wales Civic Engagement Partnership (SWCEP)'s Civic Insights Bursary.



OPERATIONAL TRANSFORMATION

Launching our People Strategy

In May, the University's new People Strategy was launched for colleagues. The Strategy, which is aligned to the USW 2030 Strategy, is a key enabler in helping to support and develop our workforce, and a separate three-year delivery plan was published to help implement the work. The launch of the Strategy was underpinned by the introduction of an eighth Critical Success Factor (CSF): to be an employer of choice and attract, retain, and develop a talented and inclusive workforce which reflects the values and strategy of USW. The addition of CSF 8 recognises the importance of colleagues in delivering our vision to change lives and our world for the better and will help USW to measure progress through colleague engagement surveys and workforce data.

Fostering an inclusive learning, teaching and working environment

Work has continued towards USW's submission for Advance HE's Race Equality Charter Mark. In January, the Equality, Diversity, and Inclusion (EDI) team launched a survey to find out more about the experiences of colleagues and students, specifically around the subject of race and culture. The findings will be a key component of USW's submission later in 2024 and will be crucial to helping improve the experiences for the whole University community.

The Critical Conversations event series continued this year, providing opportunities for colleagues and students to talk about topics linked to race equity. In 2023/24, events were held on the topics of white privilege, terminology, and intersectionality, with further opportunities planned in the next academic year.

Anti-racism training continued, facilitated by consultants from the Citizen's Advice Body, the Office of the Future Generation Commissioner for Wales, and Swansea University. Hundreds of colleagues completed the training, which was held across all campuses. The EDI team launched a new package of training in 2024, covering a number of key themes including Unconscious Bias, Gender Diversity and Inclusion, and Neurodiversity Awareness.

Developing our estate

Plans for a proposed new building on the University of South Wales's (USW) Treforest Campus in Pontypridd took a big step forward with the appointment of the construction company BAM, working alongside Stride Treglown architects and Arup engineers. The building will provide teaching, research, and support space for the Built Environment, Civil Engineering, Mechanical Engineering and Aerospace, Informatics and Electronics, and Computer and Data Science subjects. One of the key principles of the building will be to promote interdisciplinary working by making the activities that are taking place visible and accessible. Building works are due to get underway at the start of the 2024/25 academic year and will have a transformational impact on our Treforest campus.

The new Chiropractic Clinic has also started to take shape on Treforest Campus. Kier Group is leading the build, which will be the home of the Welsh Institute of Chiropractic (WIOC) and will be an extension of the new Chiropractic learning and teaching facilities. The Clinic

building is expected to be completed in spring 2025, will welcome patients from summer 2025, providing an outstanding applied learning facility.

In Newport Campus, colleagues moved into a new workspace on the top floor of the Campus, driving improved space efficiency on the campus. One of the lecture theatres at the Campus was transformed with a group layout that enables a collaborative approach to teaching, along with the introduction of on desk power to support mobile devices. This will better support the pedagogical approaches of our USW 2030 Strategy. A series of bookable rooms for group working, and one-to-one discussions, were introduced along with a commuter kitchen, providing a space for students to heat up food and drinks.

Work is also underway for further refurbishment works which include new facilities to better support community, business, and student engagement, and the creation of a Hydra Research and Innovation Centre. New classrooms will also be created, as well as additional one-to-one spaces, and student study spaces. These new spaces will be available to our students for the 2024/25 academic year.

Continued focus is being placed on the efficiency of our estate, and progress is advanced on decanting a number of aged buildings, including F Block and the former prayer room. To support this new collaborative working environments are being created, and a new and enhanced prayer facility has been created for our students, colleagues, and visitors. Once these buildings have been vacated, they will be demolished, reducing the size of our estate and the associated operational costs.

Enhancing our systems and processes

Lots of work was undertaken in 2023/24 to advance systems and processes within the University. The first phase of a new content management system was introduced to transform the University's website, making it modern, functional, and up to date. As well as a new look and feel to the website, content has been refreshed with a new navigation and search function also being deployed. Work is continuing in the next academic year to migrate the remainder of the website into the new system.

A new student portal has also started to be introduced for students, providing them with information that they need for their time at USW in one place. A new accessible student portal homepage was launched at the start of the academic year, with an enhanced look and feel. A series of additional upgrades to the system are being made to ensure that the portal is user-friendly, accessible, and meets the needs of our students.

Following an extensive tender exercise, Ellucian Global Ltd has been announced as the provider of the University's Student Journey Programme. The three-to-five-year programme will look to replace the University's student records and customer relationship management systems. The new Student Information System will modernize USW's technology operations and enhance the student experience. It will streamline business processes, increase operational and resource efficiency, and provide a modern user interface with enhanced functionality for students and staff alike.

STUDENT FEEDBACK | IMPROVING IT SERVICES

Following the publication of the NSS 2023 results, IT Services organised focus groups with staff and students to look at how they could improve their services. During the focus group with students, they discussed topics such as Wi-Fi, AV equipment, and IT support. An action plan has been developed and is being implemented to provide students with the best possible IT experience.



2023/24 HIGHLIGHTS

01



UNIVERSITY OF SOUTH WALES

01 – THE University of the Year award

USW was shortlisted as the Times Higher Education's (THE) University of the Year, which recognises institutions that demonstrated exceptional performance during the 2021-22 academic year. The University was nominated for the impact that it has had on others, including the creation of user-led training and curriculum, its work to develop an ecosystem that supports entrepreneurs, and the re-signing of its strategic partnership with five FE partners in the region. Dr Cheryl Allsop, Senior Lecturer Criminology and Criminal Justice, was also shortlisted as Most Innovative Teacher of the Year and Professor Ruth Northway, Professor of Learning Disability Nursing, was shortlisted for the Outstanding Research Supervisor of the Year.

02

02 – USW expands degree apprenticeship offering with construction sector courses

In July, USW announced the launch of degree apprenticeships in Construction Management, Civil Engineering, Quantity Surveying, Building Surveying, and Real Estate, which will start from September. The fully funded four-year programmes will offer students the chance to earn a degree while gaining hands-on experience. The programme will be managed by Medr, and courses will be funded by the Welsh Government through the Higher Education Funding Council Wales (HEFCW).



03

03 – USW joins regional hydrogen supercluster

USW joined 'GW-SHIFT: Great Western Supercluster of Hydrogen Impact for Future Technologies' in October, a multi-million-pound project to develop a hydrogen supercluster in South-West England and South Wales. The project will bring academic, civic, and industry partners together to unlock the huge potential of the region's hydrogen ecosystem, providing solutions for storage and distribution, transport, and the energy sector supporting up to 100,000 jobs by 2050.



04



04 – First cohort from ILA graduate

The first cohort of USW's Masters course in Leading Digital Transformation graduated – part of the University's Intensive Learning Academy for leaders and managers in health and social care. The two-year, part-time course was co-created with health boards and social care organisations across Wales, to support leaders to challenge traditional practice, and to 'think digital first' to reimagine and improve their organisation and services, to benefit their users, stakeholders and employees. Each module focuses on different ways in which digital solutions can be used to address the challenges facing 21st century healthcare.



05 – Wales Screen Academy to develop the next generation of TV and Film talent

A partnership between USW, Screen Alliance Wales, and Bangor University, was announced in December, to find and support the next generation of screen talent across Wales. Academi Sgrin Cymru | Wales Screen Academy, which is part-funded by Creative Wales and HEFCW, is an educational, not for profit collaboration to create a pipeline of talent for the Welsh Screen Industry, building capacity, capability, skills and knowledge for all of Wales. It offers learners direct access to current and leading industry expertise, through dedicated classrooms at Wolf Studios in Cardiff Bay, Great Point Seren in Wentloog, Dragon Studios in Bridgend, and ARIA Studios in Llangefni, Anglesey.

06 – Glowing Ofsted report for USW police apprenticeships

USW policing apprenticeships achieved an official judgement of 'Good' across the board, following an inspection by Ofsted (Office for Standards in Education, Children's Services and Skills) in May. They also received an 'Outstanding' judgement for Behaviours and Attitudes.

Ofsted inspectors visited the University's Treforest campus and four of their partner police force sites in England, reviewing the Police Constable Degree Apprenticeship (PCDA) and the Police Community Support Officer Apprenticeship (PCSOA).



07 – New glossary to simplify social prescribing

Public Health Wales and USW worked together to develop a glossary of terms to help clarify and standardise the terminology used in social prescribing. Social prescribing is an approach to healthcare that emphasizes community connections and empowerment, an initiative that marks a significant step towards improving health and well-being outcomes, for people across Wales and beyond. This professional-facing glossary, for use alongside the national framework for social prescribing, serves as a valuable resource for practitioners, commissioners, and those whose professional roles bring them into contact with social prescribing.

ROYAL WELSH COLLEGE OF MUSIC AND DRAMA

08

Image: Kirsten McTernan.



08 – Composing the College

Graduate composer Natalie Roe created the music for the new RWCMD brand film which showcases the breadth of innovative, diverse, and fascinating projects that constantly taking place in our building. The film celebrates the collaborative spirit that brings our students and staff together as creatives – you can watch the film on the [RWCMD website](#).

09



09 – Dame Shirley Bassey ‘spends a little time’ with the Royal Welsh College...at its Sweet Charity premiere

Celebrating our 75th birthday year, Dame Shirley Bassey attended the premiere of our production of ‘Sweet Charity’.

It features the song Dame Shirley made her own, ‘Hey Big Spender’, and afterwards she ‘spent a little time’ with the students backstage, chatting to the cast, crew and creatives.

10



Image: Eisteddfod yr Urdd

10 – Inspiring opportunities for some of Wales’ most promising artists

RWCMD has announced a new partnership with Urdd Gobaith Cymru, creating new opportunities for some of Wales' most promising artistic talents. Six young performers, including current students Owain Rowlands and Eiriana Jones-Campbell, were chosen to be Young Cultural International Ambassadors at the annual Welsh language festival, the Eisteddfod yr Urdd.

11 – Linbury Prize Design success again - with five RWCMD winners

The College's extraordinary track record of Linbury Prize for Stage Design winners and finalists remains unchallenged.

With five of this year's recipients coming from the College it means that almost half of the 60 finalists over the last five Linbury Prize years have studied at RWCMD.



12 – Dame Harriet Walter and Sir Jonathan Pryce judge RWCMD Shakespeare prize celebrating speaking verse

Our annual Shakespeare Prize acknowledges just how important working on this language is in terms of actor training and learning essential craft.

This year's prize was awarded to second year actor Meg Basham by head judge Dame Harriet Walter at London's Old Vic theatre.

13 – Bigger than words: British Sign Language integrated 'A Christmas Carol'

Bringing a very happy Christmas to all and continuing the College's commitment to creating more inclusive performances, this year we welcomed the festive season in with a unique presentation of 'A Christmas Carol'.

With integrated British Sign Language (BSL) this sold-out production shared this yuletide classic with a new audience.



THE COLLEGE, MERTHYR TYDFIL

14



14 – Professional Teaching Award win

The Inspire team at The College Merthyr Tydfil has won the Professional Teaching Awards 2024, Learners' Engagement in School/College category.

The award, which seeks to recognise an individual, team or school/college that has demonstrated an excellent approach to help improve learner engagement and attendance, showcases the positive impact that the team has had on learners both within the college and across Merthyr Tydfil.

15 – College Merthyr Tydfil achieves MIND Silver Award

The College Merthyr Tydfil was awarded Silver in Mind's Workplace Wellbeing Awards. Mind's Workplace Wellbeing Index provides a benchmark of best policy and practice, celebrates the good work employers are doing to promote and support positive mental health, and provides key recommendations on the specific areas where there is room to improve. There are three categories of award – gold, silver, and bronze. Achieving the silver award showcases that the college has made demonstrable achievements in promoting staff mental health, with progress and impact over time.

15

Achieving Impact

Workplace Wellbeing Index 2023/24

Silver



16 – Launch Regional Development Programme with Welsh Athletics

The College Merthyr Tydfil has partnered with Welsh Athletics to create a regional development centre for endurance athletes in the heart of Merthyr Tydfil.

The partnership, which is the first of its kind in Wales, will provide an exciting opportunity for young student athletes to engage in a structured performance development programme whilst studying a further education course at the college.

16



WELSH ATHLETICS
ATHLETAU CYMRU

MEWN PARTNERIAETH Â
IN PARTNERSHIP WITH



Y Coleg
Merthyr Tydfil
The College
Merthyr Tydfil

Datblygu athletwyr y dyfodol drwy addysg.
Developing future athletes through education.



17



17 – College and Prince Charles Hospital celebrate successful completion of Supported Internship Programme

The College Merthyr Tydfil and Prince Charles Hospital recently celebrated the successful completion of their 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.

18



18 – Partnership with Merthyr Schools Rugby

A formal partnership with Merthyr Schools Rugby was launched to support the current schools programme as well as pathways and transition into college.

The partnership, which is the first of its kind in Merthyr Tydfil, will provide an opportunity for current Merthyr Schools Rugby players to receive targeted strength and conditioning during pre-season, have access to bespoke education and rugby information events, VEO resources and holiday and enrichment camps.

19



19 – College learners win Gold, Silver and Bronze in national skills competition

Learners at The College Merthyr Tydfil celebrated scooping gold, silver and bronze medals at the 2024 Skills Competition Wales. This year, 84 learners registered to take part, with one being awarded gold, one being awarded bronze, and a team win of bronze medals in recognition of their skill levels, dedication, and commitment.

20



20 – Gold award for the development of Welsh Language

The College Merthyr Tydfil has been awarded the Siarter Iaith Gymraeg Gold award in recognition of its commitment to the development of the Welsh language across the college. The award aims to showcase the way in which educational establishments have successfully embedded a Welsh language ethos and culture into all aspects of the curriculum and learning and working environment. The College is the first FE College in Wales to receive this award.



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 and, over the course of recent years, we have made headway into capturing and measuring additional data sources within our wider scope 3 indirect carbon emissions impacts associated with the University's operations. This will help inform longer term improvement strategies for tackling these more challenging areas.

In concluding our fourth year of the strategy, we remain on track to meet our 2030 target of a 50% reduction in carbon emissions and have achieved a number of important milestones over the past year. We have acquired significant new data for staff and student commuting and other data sources that have significantly changed our overall carbon footprint but demonstrate the continued improvement and transparency in our reporting. As our data collection processes continue to evolve, this will present further insight and opportunity for innovation, whilst significant investment in decarbonising the estate will be needed to ensure continued progress alongside improvements in 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 continue to target the priority areas of our carbon footprint that provide the greatest return on investment in cost and carbon savings and collaborate with numerous stakeholders to ensure sustainability is embedded at the heart of our decision making across all levels of the University.

CARBON FOOTPRINT – SCOPES 1 AND 2

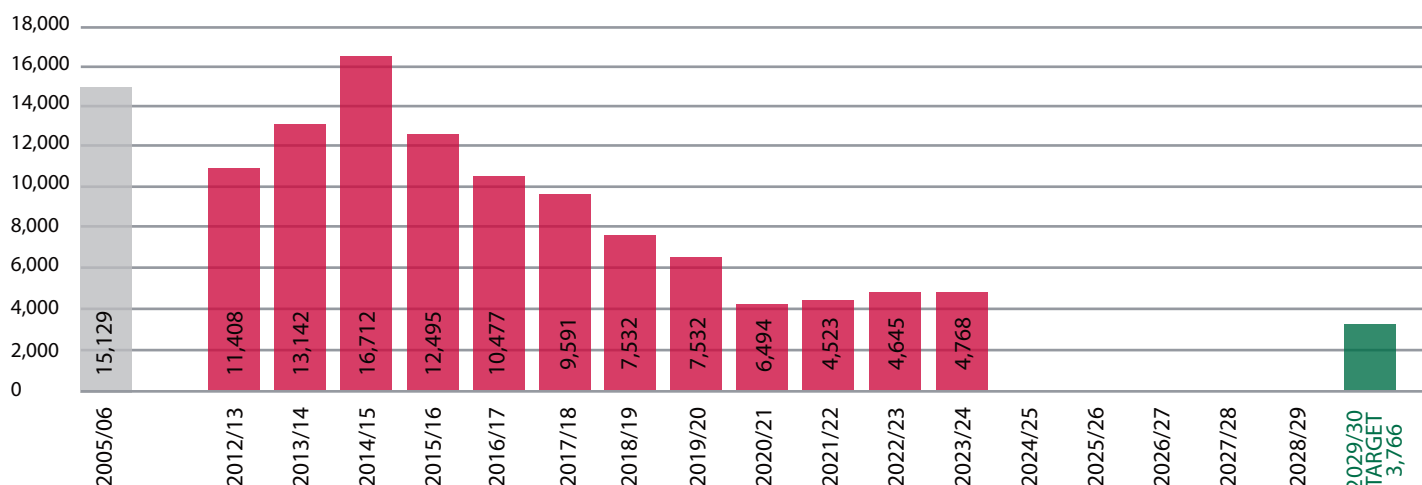
Our combined carbon footprint demonstrates a marginal rise in emissions for 2022-23 but this is due to a combination of new data sources (refrigerant gases) and changes to carbon conversion factors. Overall consumption of both electricity and gas continue to drop across our estate.

Scope 1 emissions have reduced by 0.06% compared to the previous year and by 21% since 2018-19. They now comprise 2,490 tCO₂e which makes up 5.84% of the total carbon footprint in 2022-23 having reduced steadily over the years.

Electricity emissions were slightly higher than the previous year due to an increase of 7% (compared to 2022) in the carbon factor associated with the conversion of electricity to carbon. This was due to an increase in natural gas use in electricity generation and a decrease in renewable energy generation. Actual consumption of electricity was down 2.7% against the previous year and 48% compared to the baseline year 2028-19.

Our 2022-2023 Scope 1 and 2 emissions are 4,768tCO₂e, amounting to a 37% reduction against the 2018/19 baseline emissions of 7,540tCO₂e and a 75% decrease from 15,129 tCO₂e in 2005/06. Combined, Scope 1 and 2 emissions contribute 11.18% towards our total carbon footprint which is now increasingly dominated by Scope 3 activities.

Figure 1: Scopes 1 and 2 Carbon Emissions



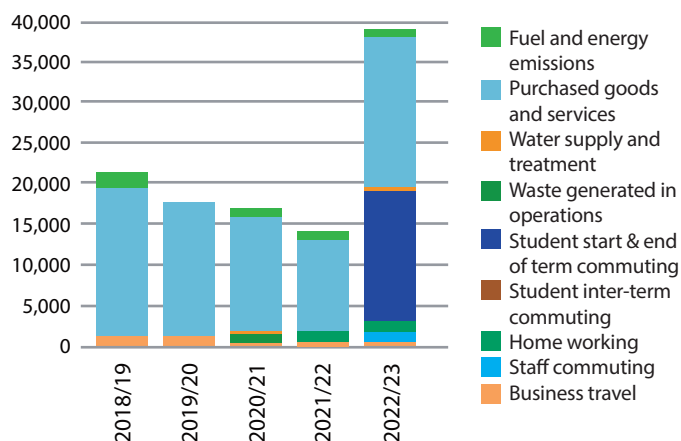
CARBON FOOTPRINT – SCOPE3

Our Scope 3 emissions are by far the largest contributor to our overall carbon footprint. They now comprise 89% of our total footprint and represent all the emissions sources we are indirectly responsible for, such as business and commuting travel, emissions from the supply and treatment of water, the processing of waste, and the purchased goods and services we consume across the University.

We have made significant inroads into sourcing, analysing, and reporting on additional Scope 3 data sources that we previously did not capture. These additional categories are the primary reason for the sharp increase in the Scope 3 carbon footprint and are largely due to staff and student commuting and an increase in emissions associated with increased spend for purchased goods and services. Total emissions (inclusive of student start and end of term travel) now amount to 37,891tCO2e.

To ensure continued transparency and accountability for all the emissions associated with our activities and operations, we will re-baseline our Scope 3 emissions targets to the 2022-23 academic year.

Fig 2: Scope 3 Carbon Emissions



Throughout 2023/24, a number of actions have been completed to build on previous programmes of work and the continual improvement of our sustainability performance at USW and these are outlined below.

GREEN INITIATIVES

- The Sustainability Committee continues to provide overarching governance, guidance, and support for integrating sustainability into faculties and departments. It provides the strategic direction required by the University in conjunction with USW's Roadmap to Net Zero to achieve our near-term targets.
- The sustainability focus groups continue to meet on a quarterly/biannual basis and engagement levels remain high with continual improvement in key areas.
- Engagement with the Turn USW Green app continues to grow, and the Annual Top Member Championship prize was awarded to a member of staff in June for the highest engagement in the 2023/24 academic year. This is the first year we have offered this recognition for sustained commitment.
- The sustainability team has played an active role in the development of technical designs for two new buildings on the Treforest Campus, with ambitious sustainability specifications included to ensure opportunities are maximised for ensuing energy efficiency and minimising the operational CO2 emissions.
- Carbon Literacy training has been provided to around 100 staff and students across USW with more sessions planned for the coming year.

WASTE

- Warp-IT, the resource redistribution network, has helped increase furniture reuse across our campuses, avoiding 9.140 tonnes of waste with 52,831kg of CO₂ saved in our first year. In addition to internal donations, we have been successful in building local partnerships and donating to local schools and charities.
- Through our partnership with the British Heart Foundation, we donated 979 bags of unwanted clothing and household items.
- We have collaborated with WRAP to support the 'Be Mighty Recycle' campaign aimed at raising awareness about ensuring food waste is recycled and how to prevent food waste.
- Our partnership with 'Keep Wales Tidy' ensures that for every electrical (WEEE) collection made, a portion of each invoice is donated to the charity. They will also be working with USW on sustainability initiatives such as litter picking.
- We have a partnership with Unigreen, a solution for assets resale, to collect our unused or unwanted items, store and arrange their sale, providing a returned share of the revenue.

TRAVEL

- A new travel plan and travel policy is under development with a revised travel strategy aiming to reduce Scope 3 travel emissions via staff commuting and business travel.
- We issued a Student Travel Survey in November 2023 to understand the commuting travel habits of our students that will help inform future sustainable travel improvements. This has also provided more robust data relating to inter term travel by students, as well as commuting at the start and end of term, which will inform future carbon reduction initiatives.
- We continue to work with Dr Bike to offer free Bike MOTs to encourage students and staff to cycle to and from the University's campuses and take part in active travel initiatives.

BIODIVERSITY

- Shrubs/hedgerow and flowering bulbs were planted at Cardiff Campus in partnership with Coed Caerdydd to increase floral biodiversity, encourage the growth of the pollinating insect population, and prevent individuals walking across green spaces.
- Preliminary Ecological Appraisals (PEAs) were carried out across all campuses. Recommendations were made to improve the biodiversity of each campus which are being reviewed by the Biodiversity focus group and incorporated into the Biodiversity Action Plan.
- The sustainability team has reviewed proposals for enhancing biodiversity net gain, bird life, flora and fauna within and around two new buildings planned for Treforest Campus.
- Wilding of areas around Glyntaff Campus has taken place to increase species diversity amongst flora and fauna, and a more regimented monitoring process has been implemented. There was a no-mow May policy again this year and discussions and plans for a no-mow Summer have taken place to encourage the further development of the biodiversity on campuses.

ENERGY

- We continue to procure our electricity from 100% renewable sources.
- We are in discussions with external providers regarding the provision of wind farms and district heating systems to provide clean energy for our campuses.
- We've awarded a new energy contract for 2025-27 for the supply of electricity and gas and procured volumes based on preferential rates reducing our exposure to volatile market shifts.
- The existing gas-fuelled heating system in an accommodation block will be replaced with a more sustainable electrical heat pump solution.
- A feasibility study has been commissioned to investigate the provision of new solar panels and battery storage systems for buildings across our campuses with a view to increasing our solar PV capacity and reducing our demand from the grid.
- The 2024/25 Display Energy Certificates (DECs), which are based on 2023/24 consumption data, show 62.5% of assessed USW buildings achieved an A or B energy efficiency rating and 50% of buildings achieved a better score than the previous year.
- We've carried out various Building Management System (BMS) improvements across our campuses to improve our plant and equipment operation including boiler modulation, new BMS networks for our accommodation blocks, the introduction of central controls to the Sports Park ventilation systems, new BMS control systems in refurbished blocks, and timetabling of plant optimised to occupancy patterns.
- We've installed a range of new sub-metering, improved our utility metering networks, and enhanced our understanding of building profiles and consumption trends.

FACILITIES AND MAINTENANCE

- This year, we have replaced some fluorescent lighting with LEDs in corridors and rooms at our lower Glyntaff Campus.
- We have reinstated and recommissioned the rainwater harvesting tank supplying the Sports Park, which provides harvested water to toilet flushing throughout Sports Park 1.
- High efficiency gas fired Strebel boilers have replaced two old combustion boilers at the Aneurin Bevan building at the Glyntaff Campus.
- In 2023/24, our cleaning contractor started using an environmentally friendly biodegradable solution. They also introduced a cleaning product which safely cleans and disinfects surfaces, reducing around 80% of our plastic waste and chemical spend.



PROJECTS

- The design of the new Computing, Engineering and Technology development at USW's Treforest Campus has been completed, with a view to ensuring environmental operational sustainability (i.e., low operating costs/energy costs), and to ensuring low embodied carbon (reduce the use of carbon intensive materials). The design included:
 1. Passive Design – reduce the need for energy through structural design, by reducing air permeability and using the mass of the structure to reduce potential overheating.
 2. Active Design – supply energy efficiently and recover energy wherever practical, by including high efficiency lighting systems and use of LED lighting, controls and zoning.
 3. Use of renewable technologies such as Solar Photovoltaic electrical energy generation, Air Source Heat Pumps and using a hybrid ventilation system to maximise natural ventilation where possible.
- At the halls of residence at Treforest Campus, some windows have been replaced, improving thermal performance, and we've undertaken a trial embodied carbon assessment of replacement windows on one of our residences to help inform our understanding of the full lifecycle impact of the goods and services we buy.
- Additional residential blocks have been connected to the Business Management System giving better overall control to the heating.
- Some windows have also been replaced at H Block at Treforest Campus, which will improve the thermal performance in winter and reduce solar heat gain in the summer.
- We've replaced a roof mounted chiller at Cardiff Campus with a new, more efficient model.
- The lighting at the Conference Centre in Treforest has been replaced with LED fittings, smart lighting controls and flexible user-friendly local control. Lighting has also been replaced with LED in some areas of J Block and G Block at Treforest Campus.
- We've undertaken a full refurbishment of a building into family accommodation, with 9kW of Solar Photovoltaic panels installed on the roof, LEDs throughout and connectivity to the University's BMS system for centralised control of heating and hot water.

SPACE MANAGEMENT

- Hubstar, our tool for monitoring occupancy and utilisation, has provided good quality data on building occupancy and room utilisation which can be used to explore opportunities for better utilisation of current spaces. The reports can also inform decisions on heating and cooling provision, cleaning, and catering.
- We are exploring a trial of another system to integrate Hubstar with our Building Management System, with the aim of allowing the data generated to automate changes to heating, cooling and lighting based on building occupancy as we work towards operating a smarter estate.

SUSTAINABLE PROCUREMENT

- The product range available via Amazon Business continues to be reviewed and reduced; only products which come with a sustainability certificate can be purchased.
- The annual USW Supplier Awards are part of the University's supplier engagement programme, led by the USW Procurement team. Now in their fourth 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 for USW, as well as suppliers who place social value and sustainable procurement at the heart of their procurement practices.
- We have developed procurement targets to reduce Scope 3 emissions, engaging the applicable suppliers in an action plan. Analysis of the spend data is underway to improve reporting, and to enable delivery of the procurement targets. We are also beginning a data categorisation project to improve and standardise categorisation when requisitions are raised, to support the delivery of the procurement targets.
- At a Supplier Town Hall event, we delivered supplier workshops to delegates, one of which was titled "Bridging the Gap – Collaborating with suppliers to decarbonise our supply chain", to engage and develop conversations as to how we better collaborate to reduce our collective carbon footprint.
- A Supplier Code of Conduct will be included in all tenders from September 2024; this includes a requirement for suppliers' environmental compliance as part of their contract award with USW.

SUSTAINABLE FOOD

- USW catering has started their journey to become certified to the FMG Food Made Good Standard (accredited by The Sustainable Restaurant Association).
- Our hot beverage circular cup economy continues to be popular, and 179 customers joined or continued using this service in the past academic year. Reusable containers are being used daily, saving plastic containers from ending up in our waste streams.
- To reduce the use of plastic bottles, we provide units which dispense cold water. In the Stilts catering outlet in Treforest, on average this has prevented approximately 16,000 water bottles going into our waste streams since 2017. The same machines are installed at the Sports Park and the Library. Usage for these two areas is much higher and on average the machine in the Library has prevented 26,877 bottles from going into waste streams.
- The plastic levy contributes to a lower number of disposable cups going to landfill and this charge impacts the use of all non-reusable products. We continue to only offer wooden cutlery, recyclable takeout boxes, glasses at water stations, paper straws, and provide reusable alternatives for all plastic non-reusable products such as hot food and salad boxes, soup containers as well as a variety of reusable water bottles and hot beverage cups.
- Too Good to Go continues to offer an effective solution for preventing food waste at our Cardiff Campus and our USW "Waste Not Want Not" programme is reducing retail products going into our waste streams at other campuses.

LAND USE AND FORESTRY

- USW has calculated the area of non-functional land that the University owns across its estate and in 2023/24 this equated to 32 hectares. This includes areas such as woodland, grassland, hedging and settlements. These 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 2023/24 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
Total	32	481

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





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 Ramsey (4/4)
Michael Stevens (4/4)
Chris Sutton (until 31 July 2024) (4/4)
Debbie Jones (3/4)
Professor Philip Gummatt (4/4)
David Francis (2/4)
Steve Wilson (4/4)
Richard Lloyd-Owen (4/4)
Sanjay Balakrishnan (2/4)
Sion O'Connor (4/4)
Michael Plaut (3/4)
Professor Michael Gunn (3/4)
Stephen Forster (from 1 August 2024)

Vice-Chancellor

Dr Ben Calvert (4/4)

Co-opted member with experience of education

Sharon James (4/4)

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

Jonathan Jones (4/4)

Academic Board nominee

Geraint Evans (3/4)

Student Governors

Jamal Abdilahi (until 30 June 2024) (3/3)
Kelly-Marie Williams (17 October 2023 until 22 April 2024) (0/2)
Jahid Hassan (from 1 July 2024) (1/1)
M. Imam Hossain (from 1 July 2024) (1/1)

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 items¹.

Independent Members

Independent members² 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 2024, 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 in 2023/24.

Members of the University Executive

Dr Ben Calvert (Vice Chancellor)
Professor Donna Whitehead (Deputy Vice Chancellor)
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)

¹ 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.

² 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 Ramsey



Debbie Jones



Michael Stevens



Professor Philip Gummett



Chris Sutton



David Francis



Professor
Donna Whitehead



Steve Wilson



Richard Lloyd-Owen



Mark Milton



Sharon James



Sanjay Balakrishnan



Jonathan Jones



Stephen Forster



Jahid Hasan



Imam Hossain



Jamal Abdilahi



Michael Plaut



Sion O'Connor



Professor Michael Gunn



Geraint Evans

UNIVERSITY COMMITTEES



Finance and Resources Committee*

David Francis (Chair) (4/4)
Louise Evans (3/4)
Richard Lloyd-Owen (4/4)
Dr Ben Calvert (3/4)
Michael Stevens (4/4)
Chris Sutton (4/4)
Steve Wilson (3/4)
Geraint Evans (3/4)
Jamal Abdilahi (2/4)

[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)
Jamal Abdilahi (2/3)
Debbie Jones (4/4)
Sanjay Balakrishnan (3/4)
Sion O'Connor (4/4)
Chris Sutton (1/1)
Michael Plaut (1/1)
Jonathan Jones (4/4)
Richard Lloyd-Owen (3/3)

[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)]

Audit Committee*

Alison Ramsey (Chair) (3/3)
Professor Philip Gummett (3/3)
Keira Jones (co-opted member until 31 December 2023) (1/1)
Stephen Forster (co-opted member from 27 November 2023 until 31 July 2024) (2/2)
Tanya Philip (co-opted member) (2/3)

[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)
Chris Sutton (1/1)
Jonathan Jones (1/1)
Jahid Hasan (1/1)
Michael Plaut (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.

Academic Board

Chairperson: Dr Ben Calvert (2/3)

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

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

Deans of Faculty and the Principal of RWCMD or nominee:

Dr Paul Davies (2/3)
Professor Barry Atkins (1/2)
Adam Williams (1/1)
James Gravelle (2/3)
Gill Ince (1/1)
Professor Helena Gaunt (0/3) (Iestyn Henson for Professor Gaunt (1/3))

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

Nathalie Czechowski (2/3)
Donal O'Connor (3/3)
Sharon Jones (3/3)
Karl Luke (3/3)

Eight elected members of academic staff:

Dr Thomas Lambourne (2/3)
Dr Hammad Nazir (3/3)
Dr Biao Zeng (3/3)
Chris Emsley (2/3)
Hannah Coombs (2/3)
Elizabeth Nelson (3/3)
Dr Palash Kamruzzaman (3/3)
Dr Zulfia Abawe (1/3)

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

Jonathan Jones (2/3)

One member of the professoriate elected by the professoriate:

Professor Ali Roula (2/3)

Two students nominated by the Students' Union:

Jamal Abdilahi (3/3)
Sofia Soberon (2/2)

Up to three members co-opted by the Chair:

Geraint Evans (1/3)
Professor Peter Vaughan (3/3)
Vida Greaux (2/3)

() Attendance information is provided for members serving during the year ended 31 July 2024, expressed as the number of meetings attended out of a total number of meetings the member was due to attend.

RESPONSIBILITIES AND BUSINESS OF EACH COMMITTEE



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 ITS Strategy and the Estates Strategy including the monitoring of the financial risks of ITS 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 2023/24

During the year ended 31 July 2024 the Finance and Resources Committee considered updates from the Vice Chancellor and the Executive; reports on risk management; treasury, banking and insurance; the management accounts; financial forecasts; TRAC (Transparency Report and Accounting Costs) Return; tuition fees for 2024/25; entertaining undertaken in 2022/23 under the Vice Chancellor's and Chair's Entertainment Expenses Scheme; and noted the Conflict of Interest Policy.

The Committee also received regular updates on key strategic projects; the Estates Programme; IT Services; applications for projects, including any new projects for consideration, and successful bids in 2023/24; and reports on the Students' Union budget and accounts.

During the year, the Committee also noted any Chair's actions taken outside the meeting; endorsed approval of the University Seal; considered a tender proposal; approved the award of Professional Services to support the Cloud Migration as part of the Future of Identity and Services Hosting (FISH) Programme; considered recommendations made in relation to cash management; and approved the initial budget for 2024/25 and the 5 Year Cash Flow Forecast.

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.

AUDIT COMMITTEE

Summary of Business 2023/24

During the year ended 31 July 2024 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 External Auditors following a tendering exercise and recommended the appointment 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 external auditors during 2022/23. 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.

CULTURE PEOPLE AND VALUES COMMITTEE

Key Responsibilities

The Culture People and Values Committee is responsible for overseeing how USW values are 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 CMT 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.

CULTURE PEOPLE AND VALUES COMMITTEE

Summary of Business 2023/24

During the year ended 31 July 2024 the Committee considered a presentation from colleagues across USW entitled 'Making International Students feel welcome at USW – A Showcase', update reports on the Voluntary Exit Scheme, serious incident reporting, and a report on employee wellbeing including sickness absence data, occupational health referrals, and annual leave. The Committee received an update on the Strategic Equality Plan (2024-28) delivery plan, the Race Equality Charter Organisational review, and a presentation on differential outcomes for underrepresented student groups.

The Committee received a report on the Strategic Implementation Group relating to the People Plan, and updates on the development of Talent Management at USW. 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 such as the Industrial Action, Conflict of Interest, and Redundancy policies. 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 2024/25. Reports were considered on health and safety, sustainability and the journey towards net zero, risk management, and equality, diversity and inclusion.

The Committee considered reports on the Welsh Language Standards and matters relating to the Welsh language, arrangements for the 2024 National Eisteddfod. 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 financial sustainability and employee relations, and regular External Policy updates.

The Committee considered membership of the boards and its committees for 2024/25 including the process for the appointment of the next Chair of the Board, guiding principles on membership and attendance the University Group's skills matrix, and role descriptors for Board members in line with the Camm review. Updates were received on the Review of Effectiveness at each meeting until April, when it was reported that all the recommendations had been implemented.

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.

REMUNERATION COMMITTEE

Summary of Business 2023/24

During the year ended 31 July 2024 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 2024/25. The Committee considered the proposed objectives for the Vice Chancellor in 2024/25 and noted the annual pay policy statement and the process for the review of senior salaries.

ACADEMIC BOARD

Key Responsibilities

Subject to the Articles, 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.

ACADEMIC BOARD

Summary of Business 2023/24

During the year ended 31 July 2024 the Academic Board considered the membership and terms of reference; the schedule of business for 2023/24; the Academic Board report on Governor's Annual Quality Assurance Statements; the Academic Board and its sub committees annual reports for 2022/23; proposed changes to the regulations; the Conflicts of Interest Policy; proposed amendments to the Research and Innovation Committee composition and terms of reference; reports on risk management; degree apprenticeship quality assurance reports and updates; an update from the Strategic Implementation Group; a report on the Graduate Outcomes Survey; the summary continuous monitoring report from the Quality Assurance Committee; the summary report of the continuous monitoring exercise for Further Education (FE) collaborative partners; the summary report on external examiner feedback; the Student Casework Annual Report 2022/23; revisions to the Student Charter; proposed changes to the student casework regulations, and proposals in relation to the Conferments Board. During the year, Academic Board also received assurance reports from the Quality Assurance Committee on the Degree Apprenticeship Quality Improvement Plan (QIP) and Self-Assessment Report and an update on Regulatory Requirements, Inspection, Audit and Progress against targets; a summary of the new strategy and targets signed off by POG; the National Student Survey outcomes; updates on retention and progression for 2022/23, enrolments for 2023/24 and league table performance, and compliance reports in relation to student route sponsorship. The Academic Board also received updates on the financial position for the last financial year; the Research Strategy and Research Concordat; student recruitment for the next academic year; the Degree Outcomes Statement; the annual mock REF exercise outcomes; the OIA annual letter; and an update on 2024/25 membership.

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. At the June meeting the Board also received the minutes of the RWCMD/USW Joint Board of Studies. During the year, presentations and discussion items included Flexible Delivery and Future Workforce; Operational Transformation: Student Journey; and Effectiveness of Academic Board and Engagement.

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.

UNIVERSITY EXECUTIVE

Key Responsibilities

During the year ended 31 July 2024, the University Executive considered fortnightly updates on student recruitment, enrolment and employee relations. Monthly updates were received on student retention, political and policy updates and financial reports. Executive received presentations on research and innovation areas, brand marketing and estate-related projects. Reports were received relating to equality, diversity and inclusion, health and safety, procurement, the strategic implementation group and the portfolio oversight group.

Executive took part in workshops to review the corporate risk register. Reports were received on the critical success factors, the People Strategy, internal audit reports, tendering opportunities, HEFCW returns and updates relating to the University’s estate. The Executive also received relevant updates on league table performance, the USW Students’ Union and the progress on the Welsh Language Strategy.



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 (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	2023/24 %	2022/23 %	2021/22 %
Operating (Deficit)/Surplus	(0.5)	2.5	1.3
Surplus/Deficit	1.5	0.5	1.3
EBITDA	6.5	10.6	10.1
Staff Cost	55.9	53.6	57.8

Despite a challenging competitive 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 a generated cash surplus. A degree of this performance improvement should be considered one-off in nature, the most material item being:

- The gain on fund managed investments of £5.7m
- The receipt of donations received in the RWCMD of £4.4m

FINANCIAL PROSPECTS

A difficult operating environment makes resource planning in Higher Education an ongoing challenge. Whilst USW expects to invest and target growth 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 FTUG recruitment. Whilst there is an upward demographic, participation rates in Wales particularly have fallen, which together with increased competition in the market post-immigration policy change, make this a challenge. Work continues to implement the actions of the 'leaky hosepipe' review and to promote our academic accelerator areas. With the post-covid retention taskforce now embedded in BAU process, students are supported throughout their study, with early interventions in place to manage student retention and progression.
- Realisation of the income impact of the immigration policy change in respect of post-graduate taught student dependent restrictions. 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 international recruitment markets including transnational education (TNE).
- Managing an inflated cost base, with EU related supply considerations at a time of planned investment in the Estate and our Digital Infrastructure.
- Implementation of SIG 2023-2026, our route to Strategy 2030 and future financial sustainability through a significant portfolio of organisation wide transformational change, 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 new and progressive delivery models, including flexible delivery, to widen access and enrich the student 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 have remained capped at £9,000 for over 11 years now, with no price increase to reflect inflation. Recent Welsh Government direction will see home undergraduate fees increase to £9,250 from September 2025 for USW, which will roll-in with each new intake and offer much needed income to help offset future inflation. However, the scale of increase will offer little offset against the accumulative funding gap brought forward and USW will need to continue to consider its business model, rationalise its cost base and target focussed areas of growth to remain sustainable. With limited political ambition for funding model change, the HE sector is becoming increasingly challenged. Increased home market competition for student numbers, coupled with a shift change c35% retraction in international postgraduate recruitment, alongside additional pension and supply costs make this a stark picture. However, operating through such uncertainty is probably the biggest challenge at this time, with market volatility, new government and macro-economic financial factors making budget planning and forecasting increasingly difficult. USW, with the rest of sector continues to monitor this position closely and incorporates a breadth of scenario planning and sensitivity analysis into our cyclical financial planning and performance monitoring.

USW will continue to be financially sustainable in the context of a dynamic higher education environment through the delivery of its 2030 strategy. Our USW Futures financial sustainability programme now a core feature of our strategy, has been integrated into our transformation, ensuring that USW makes progress that can be maintained in the long-term. 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 innovative and 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, who actively advocates equality and diversity for all
- Be financially sustainable so that we can continue to do all of this for our students, staff and wider community, into the future.

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, being shaped as they go by our Financial Strategy, People Plan, Estates Masterplan, Digital Strategy, Strategic Equality Plan and other guiding documents. 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.

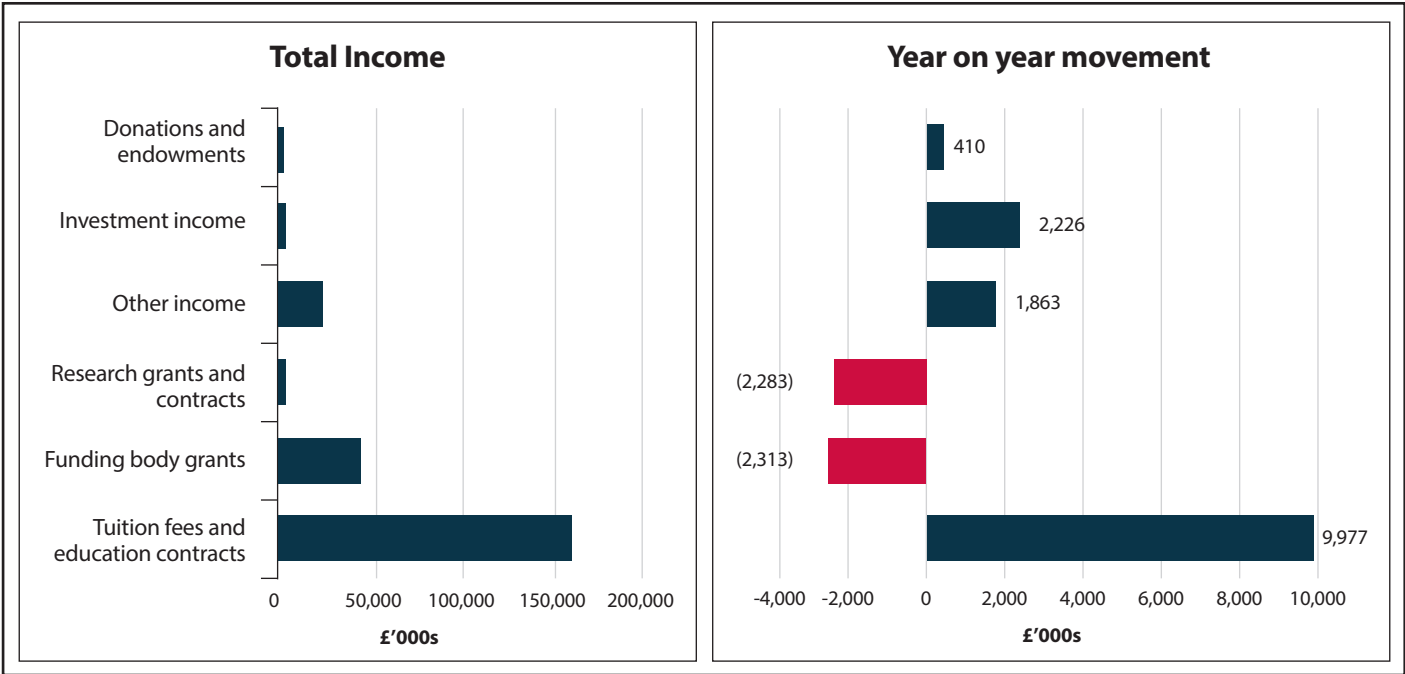
ANNUAL FINANCIAL STATEMENTS

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

Financial Performance 2023/24

- ▲ Income has increased by 4.2% to £242.9m.
- ▼ Total expenditure items have increased by 7.5% to £244.9m.
- ▲ Operating Surplus increased by £2.6m to £3.7m.
- ▼ Cash generated from operations decreased by £16.9m to £4.7m.
- ▲ Net assets have increased by £5.2m to £278.9m.

INCOME



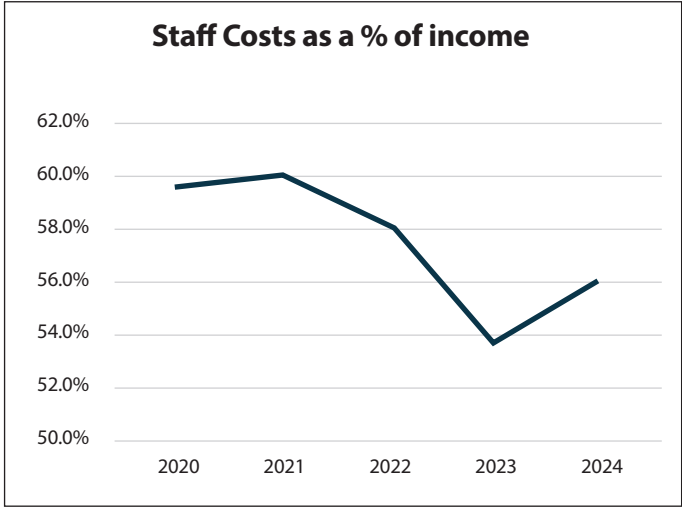
- Tuition fees have increased by £10m to £161.9m. Full time Home and EU Undergraduate fees have fallen in this academic year but the increase in market share of overseas students in particular Postgrad Taught and Overseas Undergraduate has offset this and has led to an increase in fees.
 - Funding body grants has seen a reduction this year across most streams. In the previous year USW received funding for graduate support, capital funding and the strategic investment fund all of which had decreased this year. Fortunately, this has been offset by an increase in funding in relation to Disability premiums, wellbeing and degree apprenticeships. Funding at the College, Merthyr Tydfil from the Welsh Assembly Government (DCELLS) was £0.8m less than last year as financial support, previously provided to fund pay awards, course consumables, additional support in relation to Mental Health and for students transitioning between a school and college environment, was no longer available.
- Research grants and contracts have decreased by £2.3m. The closure of large European structural funded projects has continued to have an impact on research activity across the University and this has led to the need to diversify into alternative opportunities. The University has achieved success from various sources to offset this decline including obtaining funding for large projects through Horizon Europe, collaborative project work on hydrogen innovation and a Marie Curie Doctorial Training Network.
 - Other income has increased by £1.9m. Grant income has seen a significant increase over the last 3 years with several different strategic funding programmes. Funding in relation to the Intensive Learning Academy (ILA) project has also contributed to recent increases and has received funded extensions from Welsh Government to March 2025. It is anticipated that Grant funding will benefit from income streams such as NCSC funded project 'Cyber Schools', as USW continues to focus on regeneration and community grants, investing in skills, local businesses, and employment aligned with Government targets and investment.

The colleges have each seen an increase in other income, Merthyr received additional funding to support activity in relation to the provision of Welsh within the College, for Taith/Turin and Erasmus field trips. RWCMD has benefited from renting space at the Old Library in Cardiff and utilising tax credits in relation to Theatre tax relief.

- Income from Investments has increased significantly during the year as markets have strengthened and USW has sought to invest in long-term funds to maximise the return. Effective cash forecasting and monitoring has allowed the University to invest its working capital in a strategic manner, allowing the use of a notice account with higher interest rates.
- During the year, a significant amount of donations and legacy gifts have been given to the RWCMD to the amount of £4.4m. The majority of these funds will be used to restore and develop the Old Library in Cardiff and will deliver lasting support for 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 by 2.3% to 55.9% during this financial year. Staff costs continue to increase year on year with inflationary and incremental rises. An increase in pension costs has had a significant impact for the University following the actuarial valuations of both the TPS and the LGPS schemes which increased employer contributions.



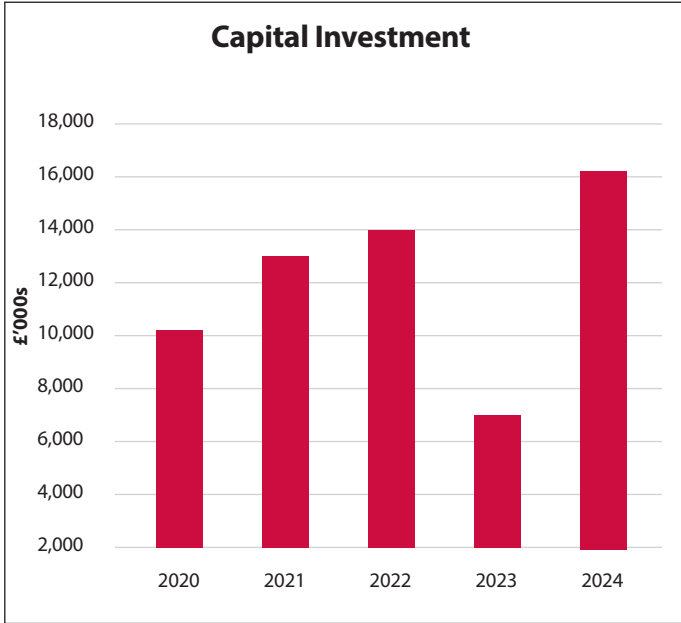
During the financial year, the University held a voluntary exit scheme which resulted in employees across all areas of academia and professional services taking advantage of it. As a result, this also contributed to the increase in our staff costs during this financial year but will work towards reducing the staff/income ratio in the 2024/25 financial year.

Other operating costs of £91.3m have increased during the year by £7.7m. Inflation has contributed to this resulting in a need for a more proactive review of spending. Tighter budgetary control and effective procurement strategies this financial year has seen expenditure fall across areas such as energy, general equipment and consumables and by introducing a vacancy management panel, staff recruitment and consultancy have also been reduced. The benefit of this has been offset, as we move with technology changes to Cloud based systems which has resulted in an increase in non-capital IT expenditure in the

form of software licenses. As the University continues to work towards selling its subsidiary company CAPSE Limited, a prudent approach to the intercompany debt has been provided.

CAPITAL INVESTMENT

We have continued to invest year on year in our capital infrastructure and equipment. During this academic year we have spent £16.1m on facilities to ensure the best possible experience for our students and their academic success.



The key areas of investment during the year include:

- An additional £1.8m on the second phase of the chiropractic building at the Treforest campus.
- £2.7m this year on initial works in relation to the new Computing, Mathematics, Engineering, and Technology building on the Treforest campus.
- £1.1m on upgrading teaching and research equipment and facilities in Civil Engineering, Sciences, transformational learning spaces, Clinics and Studios across campuses.
- A further £1.0m on the Newport campus in line with the Newport redevelopment strategy
- £6.4m on IT equipment to work towards the University digital transformation strategy
- £0.7 m on upgrading facilities and maintaining structures to the buildings across the different campus locations
- £0.2m on new prayer facilities at the Treforest campus for staff and students
- £0.2m on upgrading the facilities in a number the accommodation buildings and the creation of family student accommodation on the Treforest Campus
- £0.2m on consultancy work in relation to the building of a new CRM system
- £0.5 m at MTC on enhancing the IT facilities for staff and students and further enhancements to the buildings and workshops
- £1.2m at the RWCMD on IT network upgrades, electric vehicle charging stations, LED lighting, initial planning and design stages of work at the Old Library and Theatre upgrades

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.

CASH FLOW AND FINANCING

The Group has generated cash flow from operating activities of £4.7m (2023 £21.6m)

The net funds position (cash and invested balances less bank loans) has decreased from £160.6m to £158.7m. This includes long-term bank loans of £40.8m (2023 £44.5m). The loans are subject to financial covenants, all of which have been complied with during the year.

The Group holds £199.5m (2023 £205.0m) 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.

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.

Compared with last year, market expectations of inflation have fallen slightly from 2.85% to 2.70% and the yields on AA-bonds have also fallen slightly with the discount rate reducing from 5.10% to 5.00%.

The net effect is an overall reduction in liabilities by a small amount. As a result, the future USW liability in the RCTPF has increased from £21m in 2022/23 surplus to £48.5m surplus in 2023/24. The 2022 valuation reported that USW still had a legal obligation to make contributions to the fund, therefore the Group 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.

In the prior year, due to the exceptionally high inflation rates, we had a constructive obligation to account for emerging inflation and therefore apply a CPI %age to the Pension Liability. Inflation is now reporting at a much lower figure and therefore the actuaries have reverted to a calculation method and not provide for high emerging inflation rates. This has resulted in a small gain on the liabilities.

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. In prior years the USS pension scheme had a deficit recovery plan, with an agreed deficit contribution rate of 6.2%. As of 1 January 2024, USS is no longer required to make deficit recovery contributions. This is because the fund was in surplus following the 2023 valuation. The University had a provision of £175k and this liability has been released in full and recognised within the I&E.



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 2024 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 for 2023/24 goes some way to addressing this, albeit the Vice-Chancellor 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 2024 Board of Governors meeting the Board considered 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 six themes: Operational and quality priorities; Strategic implementation; Brand and reputation; Infrastructure; People, and External engagement. The Remuneration Committee and the Board of Governors received a report on the key objectives and achievements to date. A 360° review process was completed in 2022/23, with the process due to be completed regularly on a minimum of a three-yearly basis.

The Remuneration Committee's recommendation to the Board, which was accepted, was for the Vice Chancellor to receive the national pay award, a contract extension to 2030, and a continuation of the commitment that the Vice Chancellor's salary would be at or near benchmark by 2030. Effective from 1 August 2024, the Vice Chancellor's salary will therefore be £223,500 rising to £228,165 from 1 March 2025 in line with the national pay award arrangements.

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 affected 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 legacy 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. The SIG 2023-2026 portfolio of transformational programmes will drive our future financial sustainability and will 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 and the USW Board of Governors to deliver change and sustainability, and to 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 51 in 2025's league table, a rise of 21 places, accompanied by excellent positions in the UK for a range of our subject areas. This together with a competitive NSS overall satisfaction for 2024'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.

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

INTRODUCTION

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 continues to work 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 and
- 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 2024. As well as improvements in reporting of the risk register, the University has developed revised 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 2024 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.

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 2024 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.



TRUSTEES DURING THE YEAR ENDING 31 JULY 2024

Louise Evans (Chair)	Dr Ben Calvert
Professor Michael Gunn	Alison Ramsey
Michael Stevens	Chris Sutton
Debbie Jones	Professor Philip Gummett
David Francis	Steve Wilson
Richard Lloyd-Owen	Michael Plaut
Sharon James	Sanjay Balakrishnan
Sion O'Connor	Mark Milton
Professor Donna Whitehead	Jonathan Jones
Jamal Abdilahi	Kelly-Marie Williams
Geraint Evans	Jahid Hassan
M. Iman Hossain	

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 internal audit schedule aligns with the principle risks and uncertainties the University is facing. 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.

The Audit Committee also receives an annual report on the University's compliance with the Bribery Act 2010, and jointly with the Finance and Resources Committee, reviews compliance with the financial regulations and compliance with the HEFCW Financial Memorandum and Audit Code of Practice. In addition, the Audit Committee receives and considers reports from the funding council, 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.

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 was monitored via regular reporting to the Culture, People and Values Committee and completed in 2023/24.

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 2023, with further work being reported to the Culture, People and Values Committee throughout 2023/24. 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. 3600 feedback was undertaken for the Chair in 2021/22, and the Vice Chancellor undertook a 3600 review in 2022/23 along with other members of the Executive. This is planned to be a rolling programme of reviews.

Stakeholder engagement

The Board of Governors received annual reports on stakeholder engagement in July 2023 and June 2024 and approved the draft Stakeholder Engagement Framework.

Size and Shape of the Governing Body

A defined role description for the Chair is in place. The Culture, People and Values Committee considered and agreed defined role descriptions for other roles in April 2024. 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 strategic 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 Board of Governors in March 2023 and will be reviewed every 3 years. The University is compliant regarding the identification and management of conflicts of interest.

Lay member recruitment

The University uses external search agents or external adverts for board appointment processes. The Board has made one lay appointment without search agents or adverts from 01 August 2023; the University sought and received HEFCW's permission as it wished to appoint a candidate with senior leadership experience in FE from SE Wales. The skills matrices are reviewed on a yearly basis, with the latest review completed in the Spring of 2024.

Remuneration governance

The University does not award bonus payments and awaits sector guidance on remuneration reporting requirements. The review of terms of reference of committees are completed on an annual basis and was last completed in June 2024. Work was completed during 2022/23 to review the roles which are subject to senior staff pay committee consideration (via the Culture, People and Values Committee), with a revised selection of roles considered since June 2023.

Succession planning

Consideration of succession planning is being developed as part of the Culture, People and Values remit. The Board of Governors last 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.

Whistleblowing

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

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.

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 included 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 and the Vice Chancellor. 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's induction programme includes regulator/Advance HE events, internal sessions with management and lay governors, 'buddies' and a general induction session. During 2023/24 lay governors were offered a range of additional training and development sessions.

EQUALITY, DIVERSITY & 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-achieve 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.

As part of the University's commitment to striving for diversity, two governor apprentices were appointed during the 2023/24 academic year, as part of a scheme run by Perrett Laver.



RESPONSIBILITIES OF THE BOARD OF GOVERNORS

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.



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 2024 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 2024, and of the Group's and of the University's net movement in funds 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 under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder. 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.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Board of Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The Board of Governors (the members of which are the Trustees of the University for the purposes of charity law) are 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. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

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

RESPONSIBILITIES OF GOVERNORS' FOR THE FINANCIAL STATEMENTS

As explained more fully in the Governors' responsibilities statement set out on page 60, the Governors' are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to compliance with higher education regulatory requirements of the HEFCW and charitable law applicable to charities in England and Wales, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Further and Higher Education SORP 2019, the Accounts Direction to Higher Education Institutions for 2023/24, the Charities Act 2011, taxation legislation and pensions legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the improper cut-off of revenue other than that from student fees and management override of controls.

Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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 2023/24 issued by the HEFCW ("the Accounts Direction").

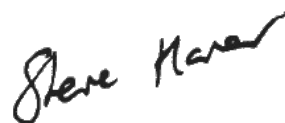
The regulation of the Welsh Higher Education sector was transferred from HEFCW to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The 2023/24 Accounts Direction, Financial Management Code and Terms and Conditions of Funding 2023/24 issued by HEFCW remain in place at the date of our report. In view of this transfer, any reference to HEFCW in our report should be read as also referring to Medr.

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 2023/24; and
- the requirements of HEFCW's Accounts Direction have been met.

USE OF OUR REPORT

This report is made solely to the University's Governors, as a body, in accordance with section 144 of the Charities Act 2011 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 Board of Governors' as a body for our audit work, for this report, or for the opinions we have formed.



Steve Harper
for and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place
London, EC4R 1AG

Date: 29 November 2024

HaysMac LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006



CONSOLIDATED AND UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

Income	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Tuition fees and education contracts	1	161,913	147,579	151,937	138,525
Funding body grants	2	38,692	19,227	41,004	20,734
Research grants and contracts	3	7,095	4,988	9,377	7,228
Other income	4	24,364	22,537	22,501	24,058
Investment income	5	6,456	5,833	4,230	4,190
Donations and endowments	6	4,392	-	3,982	-
Total income		242,912	200,164	233,031	194,735
Expenditure					
Staff costs	7	135,808	96,983	124,815	91,890
Other operating expenses		91,273	93,676	83,622	81,855
Depreciation and amortisation	11,12	15,136	11,451	15,312	11,862
Interest and other finance costs	8	2,007	1,677	3,516	2,991
Total expenditure	9	244,224	203,787	227,265	188,598
(Deficit)/Surplus before other gains and losses		(1,312)	(3,623)	5,766	6,137
Loss on disposal of fixed assets		(702)	(707)	(2,845)	(2,861)
Gain/(Loss) on Investments		5,758	5,499	(1,782)	(1,699)
Surplus before tax		3,744	1,169	1,139	1,577
Taxation	10	-	-	(21)	-
Surplus for the year		3,744	1,169	1,118	1,577
Actuarial gain in respect of funded pension scheme	26	1,568	1,642	51,062	45,189
Actuarial gain/(loss) in respect of unfunded pension scheme	20	5	-	(6)	-
Total comprehensive income for the year		5,317	2,811	52,174	46,766
Represented by:					
Endowment comprehensive income for the year		425	70	1,625	4
Restricted comprehensive income for the year		3,066	-	900	-
Unrestricted comprehensive income for the year		1,826	2,741	49,752	46,762
Attributable to the Institution		5,317	2,811	52,277	46,766
Attributable to the non-controlling interest		(61)	-	(103)	-
		5,256	2,811	52,174	46,766

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 2023	5,231	2,400	265,955	61	273,647
Surplus from the income and expenditure statement	425	3,066	253	-	3,744
Other comprehensive income	-	-	1,573	-	1,573
Dividends paid to Non Controlling Interest	-	-	-	(61)	(61)
Total comprehensive income/(expense) for the year	425	3,066	1,826	(61)	5,256
Balance at 31 July 2024	5,656	5,466	267,781	-	278,903
University	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	1,625	900	(1,304)	(103)	1,118
Other comprehensive income	-	-	51,056	-	51,056
Total comprehensive income/(expense) for the year	1,625	900	49,752	(103)	52,174
Balance at 31 July 2023	5,231	2,400	265,955	61	273,647
University	Income and Expenditure Reserve			Non-controlling interest	Total Reserves
	Endowment £'000s	Restricted £'000s	Unrestricted £'000s	£'000s	£'000s
Balance at 1 August 2023	806	-	241,964	-	242,770
Surplus from the income and expenditure statement	70	-	1,099	-	1,169
Other comprehensive income	-	-	1,642	-	1,642
Total comprehensive income for the year	70	-	2,741	-	2,811
Balance at 31 July 2024	876	-	244,705	-	245,581
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	4	-	1,573	-	1,577
Other comprehensive income	-	-	45,189	-	45,189
Total comprehensive income for the year	4	-	46,762	-	46,766
Balance at 31 July 2023	806	-	241,964	-	242,770


CONSOLIDATED AND UNIVERSITY BALANCE SHEET

		At 31 July 2024		At 31 July 2023	
	Notes	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Non-current assets					
Intangible assets	11	309	285	490	435
Negative goodwill arising on acquisition		(462)	-	(495)	-
Tangible Fixed assets	12	237,509	179,146	237,051	176,816
Heritage assets	13	500	-	500	-
Investments	14	-	2,056	-	2,056
Other assets		135	-	135	-
		237,991	181,487	237,681	179,307
Current assets					
Inventory		193	71	208	72
Trade and other receivables	15	17,973	27,136	20,139	30,420
Investments	16	129,490	114,870	145,748	132,543
Cash and cash equivalents	22	70,021	51,333	59,286	40,855
		217,677	193,410	225,381	203,890
Less: Creditors: amounts falling due within one year	17	(81,339)	(69,196)	(88,005)	(75,750)
Net current assets		136,338	124,214	137,376	128,140
Total assets less current liabilities		374,329	305,701	375,057	307,447
Creditors: amounts falling due after more than one year	18	(80,755)	(46,187)	(93,465)	(57,538)
Provisions					
Pension provisions	19	(7,126)	(6,424)	(5,878)	(5,108)
Other provisions	19	(7,545)	(7,509)	(2,067)	(2,031)
Total net assets		278,903	245,581	273,647	242,770
Restricted Reserves					
Income and expenditure reserve - endowment reserve	20	5,656	876	5,231	806
Income and expenditure reserve - restricted reserve	21	5,466	-	2,400	-
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		267,781	244,705	265,955	241,964
		278,903	245,581	273,586	242,770
Non-controlling interest		-	-	61	-
Total Reserves		278,903	245,581	273,647	242,770

The financial statements were approved and authorised for issue by the Governing Body on 25 November 2024 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 2024 £'000s	Year to 31 July 2023 £'000s
Cash flow from operating activities			
Surplus for the year		3,744	1,118
Adjustment for non-cash items			
Depreciation	12	14,955	15,130
Amortisation of intangibles	11	181	182
Negative goodwill on acquisition of TTC		(33)	(33)
Decrease/(Increase) in stock		15	(31)
Decrease in debtors	15	2,167	398
(Decrease)/Increase in creditors	17	(6,681)	11,197
Increase of deferred income		(8,808)	(3,765)
Increase in pension provision (excluding Actuarial Movements)		2,821	4,823
Increase/(Decrease) in other provisions	19	5,478	(1,559)
Adjustment for investing or financing activities			
Investment income	5	(6,456)	(4,230)
Interest payable	8	2,080	1,990
Endowment income	20	(33)	(1,675)
Loss on disposal of fixed assets		702	2,845
Capital grant income		(5,425)	(4,751)
Net cash inflow from operating activities		4,707	21,639
Cash flows from investing activities			
Purchase of investments		16,258	19,274
Capital grants receipts		5,425	4,751
Proceeds from Sale of Fixed Assets		11	619
Investment income	5	6,456	4,230
Payments made to acquire fixed assets	12	(16,126)	(7,239)
		12,024	21,635
Cash flows from financing activities			
Interest payable	8	(2,080)	(1,990)
Dividends paid from Joint Venture		(61)	-
Endowment cash received		33	1,675
Repayments of amounts borrowed		(3,888)	(4,577)
		(5,996)	(4,892)
Increase in cash and cash equivalents in the year		10,735	38,382
Cash and cash equivalents at beginning of the year	22	59,286	20,904
Analysis of cash and cash equivalents at end of the year:			
Short term deposits	22	31,752	28,474
Cash at Bank and in hand	22	38,269	30,812
Total		70,021	59,286

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.

The Statement of Cash Flows included in the financial statements is for the group. We have taken advantage of the exemption in FRS102, not to show the Statement of Cash flows for the University.

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 £41m of outstanding bank debt and investments, cash and cash equivalents totalled £200m.

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 2024. 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.

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.



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.

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 26.

Volatility in the financial markets over the last few years has continued to impact on the valuations of the RCTPF on the balance sheet resulting in maintaining a pension 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 2024		Year ended 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Full-time home and EU students	90,701	83,710	93,600	86,392
Full-time international students	60,898	55,962	48,528	44,318
Part-time students	10,314	7,907	9,809	7,815
Total	161,913	147,579	151,937	138,525

2. Funding body grants

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Recurrent grant				
Higher Education Funding Council	13,077	9,093	13,779	9,969
Welsh Government	12,174	-	14,494	-
Specific grants				
Other	8,515	6,721	8,449	8,021
Capital grant	4,926	3,413	4,282	2,744
Total	38,692	19,227	41,004	20,734

3. Research grants and contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Research councils	1,452	1,452	941	941
Research charities	196	196	124	124
Government (UK and overseas)	3,495	2,832	2,039	1,785
Industry and commerce	1,616	172	2,048	179
Other	336	336	4,225	4,199
Total	7,095	4,988	9,377	7,228

NOTES TO THE FINANCIAL STATEMENTS

4. Other income

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Residences, catering and conferences		7,839	7,011	7,229	6,393
Other capital grants		498	450	469	440
Other income		15,994	15,076	14,770	17,225
Release of negative goodwill arising from acquisitions		33	-	33	-
Total		24,364	22,537	22,501	24,058

5. Investment income

		Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Investment income on endowments	22	139	22	106	16
Other investment income		6,317	5,811	4,124	4,174
Total		6,456	5,833	4,230	4,190

6. Donations and endowments

		Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
New endowments	22	33	-	1,677	-
Donations with restrictions	23	3,724	-	1,635	-
Unrestricted donations		635	-	670	-
Total		4,392	-	3,982	-

7. Staff costs

		Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Salaries		105,118	73,719	93,646	68,163
Social security costs		10,664	7,367	10,392	7,226
Movement on USS provision		(173)	(173)	(310)	(310)
Other pension costs		20,199	16,070	21,087	16,811
Total		135,808	96,983	124,815	91,890

Vice-Chancellor

	Year ended 31 July 2024 £'000s	Year ended 31 July 2023 £'000s
Emoluments of the Vice-Chancellor:		
Salary	223	196
Pension costs	57	47
Benefits	1	1
	281	244

NOTES TO THE FINANCIAL STATEMENTS

7. Staff costs (continued)

Vice-Chancellor

Year ended 31 July 2024 Year ended 31 July 2023

Remuneration of the Vice-Chancellor expressed as:

Basic salary as a ratio of the median basic salary of all staff	5.66	5.15
Total remuneration as a ratio of the total remuneration of all staff	6.86	6.18

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 51.

Remuneration of other higher paid staff within the USW Group, excluding employer's pension contributions:	Number	Number
£100,000 to £104,999	1	2
£105,000 to £109,999	4	7
£110,000 to £114,999	5	-
£115,000 to £119,999	1	1
£120,000 to £124,999	-	1
£125,000 to £129,999	2	-
£130,000 to £134,999	1	-
£135,000 to £139,999	-	1
£140,000 to £144,999	-	-
£145,000 to £149,999	-	2
£150,000 to £154,999	1	-
£155,000 to £159,999	-	-
£160,000 to £164,999	2	1
£165,000 to £169,999	-	-
£170,000 to £174,999	1	-
Key management personnel	18	15

The USW Group considers that key management personnel are the 9 individuals (2023 - 9) 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.

Key management personnel compensation	1,659	1,443
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Average staff numbers by major category:	Number	Number
Academic Departments	1,257	1,255
Academic Services	312	302
Residences, Catering and Conferences	63	69
Premises	65	66
Administration and Central Services	504	480
	2,201	2,172

NOTES TO THE FINANCIAL STATEMENTS

8. Interest and other finance costs

	Year ended 31 July 2024		Year ended 31 July 2023	
Notes	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Loan interest	2,080	1,735	1,990	1,633
Net charge on pension schemes	(73)	(58)	1,526	1,358
Total	2,007	1,677	3,516	2,991

9. Analysis of total expenditure by activity

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Academic departments	96,843	77,917	92,805	73,193
Academic services	52,344	49,972	49,910	47,863
Research grants and contracts	6,236	5,268	7,672	7,318
Residences, catering and conferences	6,495	5,271	5,619	4,845
Premises	26,990	21,751	27,044	21,924
Administration and central services	33,152	28,166	30,095	26,052
Consulting, training and commercial activities	3,660	1,071	3,204	-
Other expenses	18,504	14,371	10,916	7,403
Total	244,224	203,787	227,265	188,598

Other operating expenses include:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
External auditors remuneration in respect of audit services	224	111	238	121
External auditors remuneration in respect of non-audit services	22	12	49	26
Operating lease rentals				
Land and buildings	95	-	138	21
Other	262	4	190	15

10. Taxation

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Research and Development Expenditure Credit (RDEC)	-	-	-	-
Corporation Tax	-	-	21	-
Total	-	-	21	-

NOTES TO THE FINANCIAL STATEMENTS

11. Intangible assets

	Consolidated		University	
	Software £'000s	Total £'000s	Software £'000s	Total £'000s
Cost				
At 1 August 2023	1,802	1,802	1,503	1,503
At 31 July 2024	1,802	1,802	1,503	1,503
Accumulated Amortisation				
At 1 August 2023	1,312	1,312	1,068	1,068
Charge for the year	181	181	150	150
At 31 July 2024	1,493	1,493	1,218	1,218
Net book value at 31 July 2024	309	309	285	285
Net book value at 31 July 2023	490	490	435	435



NOTES TO THE FINANCIAL STATEMENTS

12. Tangible Fixed Assets

Consolidated	Freehold Land and Buildings £'000s	Plant and Machinery £'000s	Fixtures & Fittings £'000s	Assets in the Course of Construction £'000s	Total £'000s
Cost					
At 1 August 2023	305,400	68,188	30,802	5,122	409,512
Additions	-	2,941	2,136	11,049	16,126
Transfers	-	155	2,769	(2,924)	-
Disposals	-	(2,706)	-	-	(2,706)
At 31 July 2024	305,400	68,578	35,707	13,247	422,932
Consisting of valuation as at:					
31 July 2024	2,684	-	-	-	2,684
Cost	302,716	68,578	35,707	13,247	420,248
	305,400	68,578	35,707	13,247	422,932
Depreciation					
At 1 August 2023	103,507	49,730	19,224	-	172,461
Charge for the year	6,576	5,986	2,393	-	14,955
Disposals	-	(1,993)	-	-	(1,993)
At 31 July 2024	110,083	53,723	21,617	-	185,423
Net book value at 31 July 2024	195,317	14,855	14,090	13,247	237,509
Net book value at 31 July 2023	201,893	18,458	11,578	5,122	237,051

University	Freehold Land and Buildings £'000s	Plant and Machinery £'000s	Fixtures & Fittings £'000s	Assets in the Course of Construction £'000s	Total £'000s
Cost					
At 1 August 2023	237,769	42,446	23,692	5,122	309,029
Additions	-	1,415	1,929	10,994	14,338
Transfers	-	155	2,769	(2,924)	-
Disposals	-	(2,670)	-	-	(2,670)
At 31 July 2024	237,769	41,346	28,390	13,192	320,697
Consisting of valuation as at:					
31 July 2024	237,769	41,346	28,390	13,192	320,697
Cost	237,769	41,346	28,390	13,192	320,697
Accumulated Depreciation					
At 1 August 2023	86,737	31,776	13,700	-	132,213
Charge for the year	5,476	3,877	1,948	-	11,301
Disposals	-	(1,963)	-	-	(1,963)
At 31 July 2024	92,213	33,690	15,648	-	141,551
Net book value at 31 July 2024	145,556	7,656	12,742	13,192	179,146
Net book value at 31 July 2023	151,032	10,670	9,992	5,122	176,816

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 2023	500	-
Additions	-	-
Disposals	-	-
At 31 July 2024	500	-
Net book value at 31 July 2024	500	-
At 31 July 2023	500	-

NOTES TO THE FINANCIAL STATEMENTS

14. Non-current Investments

	Subsidiary Companies £'000s	Total £'000s
Consolidated		
At 1 August 2023 and 31 July 2024	-	-
University	£'000s	£'000s
At 1 August 2023 and 31 July 2024	2,056	2,056
Other non-current investments consist of:		University £'000s
USW Commercial Services Limited		50
Merthyr Tydfil College Limited		2,004
RWCMD Limited		1
Springdoor Limited (dormant)		1
Total		2,056

15. Trade and Other Receivables

	At 31 July 2024		At 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Amounts falling due within one year:				
Trade receivables	5,628	4,629	8,493	7,319
Other receivables	1,394	-	1,280	-
Prepayments and accrued income	10,950	11,052	10,366	9,909
Amounts due from subsidiary companies	-	11,455	-	13,192
Total	17,972	27,136	20,139	30,420

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

NOTES TO THE FINANCIAL STATEMENTS

16. Current Investments

	At 31 July 2024		At 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Short term investment in shares	17,747	14,163	12,998	12,335
Short term bonds	55,223	50,939	56,314	48,462
Short term deposits	56,520	49,768	76,436	71,746
Total	129,490	114,870	145,748	132,543

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 2024		At 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Bank loans – secured	201	-	192	-
Bank loans – unsecured	3,727	3,727	3,537	3,537
Trade payables	29,161	25,986	34,013	31,467
Accruals and deferred income	48,250	39,446	50,263	40,247
Amounts owed to group undertakings	-	37	-	499
Total	81,339	69,196	88,005	75,750

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 2024		At 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Deferred income	43,906	14,515	52,714	22,165
Unsecured loans	31,672	31,672	35,373	35,373
Secured loans	5,177	-	5,378	-
Total	80,755	46,187	93,465	57,538

Analysis of secured and unsecured loans:

Due within one year or on demand	3,928	3,727	3,729	3,537
Due between one and two years	3,971	3,760	3,767	3,566
Due between two and five years	6,780	6,080	10,873	10,208
Due in five years or more	26,100	21,834	26,111	21,599
Due after more than one year	36,851	31,674	40,751	35,373
Total secured and unsecured loans	40,779	35,401	44,480	38,910

Included in loans are the following:

	Lender	31 July 2024 Amount £'000s	31 July 2023 Amount £'000s	Term	Interest Rate %	Borrower
Unsecured Bank loans						
	Lloyds plc	6,052	8,014	7	3	University
	Lloyds plc	12,039	12,340	32	5	University
	Lloyds plc	2,934	3,104	30	5	University
	Lloyds plc	3,034	3,126	33	5	University
	HSBC*	10,600	11,400	-	6.5	University
Total unsecured Bank loans		34,659	37,984			
Bank loans secured on land and buildings						
	Barclays Bank**	5,378	5,570	33	6.3	Subsidiary
Other						
	Salix	741	926	-	-	University
Total		40,778	44,480			

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

** The terms of the secured loan agreement provides that the bank may require the Royal Welsh College of Music & Drama, to grant a charge on the land and buildings owned by the college if certain covenants are breached.

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
Consolidated					
At 1 August 2023	175	5,703	-	5,878	2,067
Utilised in year	(2)	(627)	(5,119)	(5,748)	(650)
Additions	(173)	2,050	(19,232)	(17,355)	6,128
Non recognition of pension surplus	-	-	24,351	24,351	-
At 31 July 2024	-	7,126	-	7,126	7,545
	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
University					
At 1 August 2023	175	4,933	-	5,108	2,031
Utilised in year	(2)	(559)	(5,119)	(5,680)	(650)
Additions	(173)	2,050	(19,232)	(17,355)	6,128
Non recognition of pension surplus	-	-	24,351	24,351	-
At 31 July 2024	-	6,424	-	6,424	7,509

Provisions

The increase in provisions during this financial year, relates to costs arising from the voluntary exit scheme and the impact of the actuarial assessment of the future pension costs that will fall upon the University in respect of those former members of staff who had opted for voluntary early retirement or voluntary redundancy in prior years. Other Provisions relates to an amount required to reduce an intercompany loan issued by the University to CAPSE Limited to purchase equipment.

USS Deficit

Following the 2023 actuarial valuation, the fund moved into a surplus position and as of 1 January 2023, the Universities Superannuation Scheme (USS) is no longer required to make deficit recovery contributions. The University had provided for this deficit in the prior year and therefore, the provision of £175k has been released in full and recognised within the I&E.

NOTES TO THE FINANCIAL STATEMENTS

20. Income and Expenditure Reserve – Endowment Reserve	Restricted permanent endowments £'000s	Unrestricted permanent endowments £'000s	Year to 31 July 2024 Total £'000s	Year to 31 July 2023 Total £'000s
Consolidated				
Balances at 1 August				
Capital	2,391	2,064	4,455	2,875
Accumulated income	554	222	776	731
	2,945	2,286	5,231	3,606
New endowments	33	-	33	1,675
Investment income	79	61	140	106
Expenditure	(7)	(48)	(55)	(61)
Increase/(Decrease) in market value of investments	173	134	307	(95)
Total endowment comprehensive income for the year	278	147	425	1,625
At 31 July	3,223	2,433	5,656	5,231
Represented by:				
Capital	2,597	2,197	4,794	4,455
Accumulated income	626	236	862	776
	3,223	2,433	5,656	5,231
Analysis by type of purpose:				
Lectureships	876	-	876	805
Scholarships and bursaries	2,347	2,433	4,780	4,426
	3,223	2,433	5,656	5,231
Analysis by asset				
Current asset investments			4,859	4,379
Cash and cash equivalents			797	852
			5,656	5,231

The majority of donations received during the year by the Group and the University were made to the Royal Welsh College of Music & Drama in the form of donations and legacy gifts to fund specific projects.

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 2024 Total £'000s	Year to 31 July 2023 Total £'000s
University				
Balances at 1 August				
Capital	345	-	345	357
Accumulated income	461	-	461	445
	806	-	806	802
Investment income	22	-	22	16
Expenditure	-	-	-	-
Increase/(Decrease) in market value of investments	48	-	48	(12)
	70	-	70	4
Total endowment comprehensive income for the year	70	-	70	4
At 31 July	876	-	876	806
Represented by:				
Capital	393	-	393	345
Accumulated income	483	-	483	461
	876	-	876	806
Analysis by type of purpose:				
Lectureships	876	-	876	806
	876	-	876	806
Analysis by asset				
Current asset investments			393	345
Cash and cash equivalents			483	461
			876	806

21. Income and Expenditure Reserve – Restricted Reserve

	Donations £'000s	Year to 31 July 2024 Total £'000s	Year to 31 July 2023 Total £'000s
Reserves with restrictions are as follows:			
Balances at 1 August	2,400	2,400	1,500
New donations	3,724	3,724	1,627
Expenditure	(658)	(658)	(727)
Total restricted comprehensive income/(expense) for the year	3,066	3,066	900
At 31 July	5,466	5,466	2,400

NOTES TO THE FINANCIAL STATEMENTS

22. Cash and Cash Equivalents	Consolidated			University		
	At 1 August 2023 £'000s	Cash Flows £'000s	At 31 July 2024 £'000s	At 1 August 2023 £'000s	Cash Flows £'000s	At 31 July 2024 £'000s
Short term deposits	28,474	3,278	31,752	28,446	2,334	30,780
Cash at Bank and in hand	30,812	7,457	38,269	12,409	8,144	20,553
Total	59,286	10,735	70,021	40,855	10,478	51,333

23. Consolidated reconciliation of net debt

	Year to 31 July 2024 Total £'000s
Net debt 1 August 2023	28,188
Movement in cash and cash equivalents	(49,117)
Other non-cash changes	(8,315)
Net debt 31 July 2024	(29,244)
Change in net debt	(57,432)

Analysis of net debt:

	Year to 31 July 2024 Total £'000s	Year to 31 July 2023 Total £'000s
Cash and cash equivalents	70,021	20,904
Borrowings: amounts falling due within one year		
Secured loans	201	180
Unsecured loans	3,727	4,277
	3,928	4,457
Borrowings: amounts falling due after more than one year		
Secured loans	5,177	5,569
Unsecured loans	31,672	39,066
	36,849	44,635
Net debt	(29,244)	28,188

NOTES TO THE FINANCIAL STATEMENTS

24. Capital and Other Commitments

	At 31 July 2024		At 31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Provision has not been made for the following capital commitments at 31 July 2024:				
Commitments contracted for	57,420	57,420	788	788
Total	57,420	57,420	788	788

25. Lease Obligations

	At 31 July 2024			At 31 July 2023	
	Land and Buildings £'000s	Plant and Machinery £'000s	Other Leases £'000s	Total £'000s	Total £'000s
Total rentals payable under operating leases:					
Consolidated					
Payable during the year	95	258	4	357	328
Future minimum lease payments due:					
Not later than 1 year	-	289	8	297	308
Later than 1 year and not later than 5 years	-	1,184	18	1,202	764
Later than 5 years	-	2,865	-	2,865	2,882
Total lease payments due	-	4,338	26	4,364	3,954

	At 31 July 2024			At 31 July 2023	
	Land and Buildings £'000s	Plant and Machinery £'000s	Other Leases £'000s	Total £'000s	Total £'000s
Total rentals payable under operating leases:					
University					
Payable during the year	-	-	4	4	36
Future minimum lease payments due:					
Not later than 1 year	-	-	4	4	12
Later than 1 year and not later than 5 years	-	-	10	10	-
Later than 5 years	-	-	-	-	-
Total lease payments due	-	-	14	14	12

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 2020. 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 increased on 1 April 2024 to 28.7% (from 23.7%), and total contributions included within the Statement of Comprehensive Income was £11.6m for the Group (2022/23 £10.5m), and £9.5m for the University (2022/23 £8.5m).

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 2023. This was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. 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 2023 are also included in this note.

The latest available full actuarial valuation of the scheme was at 31 March 2023 ("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 2023 valuation was the seventh valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion. The assets therefore were sufficient to cover 111% 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:

	2024	2023
Discount rate	5.0%	5.1%
Pension increases (CPI)	2.7%	3.0%

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:

	2024	2023
Males currently aged 65 (years)	23.7	24
Females currently aged 65 (years)	25.6	25.6
Males currently aged 45 (years)	25.4	26
Females currently aged 45 (years)	27.2	27.4

	2024	2023
Scheme assets	73.1bn	66.5bn
Total scheme liabilities	65.7bn	80.6bn
FRS 102 total scheme deficit	7.4bn	14.1bn
FRS 102 total funding level	111%	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:

	2024 %	2023 %	2022 %
Rate of increase in salaries	3.70	3.85	3.75
Rate of increase in pensions in payment	2.70	2.85	2.75
Discount rate	5.00	5.10	3.50
CPI Inflation assumption	2.70	2.85	2.75
RPI Inflation assumption	3.15	3.25	3.05

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

	2024	2023
Retiring today		
Males	20.2	20.9
Females	23.1	23.6
Retiring in 20 years		
Males	21.1	21.8
Females	24.2	24.7

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

	Value at 31 July 2024	Value at 31 July 2023	Value at 31 July 2022
	£'000s	£'000s	£'000s
Equities	213,630	211,740	201,209
Gilts	37,235	29,216	35,971
Bonds	49,244	35,842	39,449
Property	20,221	21,385	25,445
Cash	6,380	2,711	1,739
Other	491	301	1,281
	327,201	301,195	305,094

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 2024	Value at 31 July 2023	Value at 31 July 2022
	£'000s	£'000s	£'000s
Equities	238,318	235,799	222,927
Gilts	41,539	32,536	39,853
Bonds	54,935	39,915	43,707
Property	22,558	23,815	28,191
Cash	7,118	3,019	1,927
Other	546	334	1,420
	365,014	335,418	338,025

The following amounts at 31 July 2024 were measured in accordance with the requirements of FRS 102.

Analysis of the amount shown in the University balance sheet

	31 Jul 2024 £'000s	31 Jul 2023 £'000s	31 Jul 2022 £'000s	31 Jul 2021 £'000s	31 Jul 2020 £'000s
Estimated share of assets	327,201	301,195	305,094	341,710	273,224
Present value of scheme liabilities	(284,054)	(282,398)	(345,676)	(496,228)	(430,196)
Non recognition of pension surplus*	(43,147)	(18,797)	-	-	-
Deficit in the scheme – net pension liabilities	-	-	(40,582)	(154,518)	(156,972)

Analysis of the amount shown in the Consolidated balance sheet

	31 Jul 2024 £'000s	31 Jul 2023 £'000s	31 Jul 2022 £'000s	31 Jul 2021 £'000s	31 Jul 2020 £'000s
Estimated share of assets	365,014	335,418	338,025	378,034	301,062
Present value of scheme liabilities	(316,473)	(314,340)	(383,692)	(550,960)	(475,241)
Non recognition of pension surplus*	(48,541)	(21,078)	-	-	-
Deficit in the scheme – net pension liabilities	-	-	(45,667)	(172,926)	(174,179)

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

	31 July 2024		31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Current service cost	5,233	4,422	9,357	7,911
Past service cost	2,257	2,257	72	72
	7,490	6,679	9,429	7,983

*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 50).

NOTES TO THE FINANCIAL STATEMENTS

26. Pension Schemes (continued)

Analysis of the amount that is charged to interest payable

	31 July 2024		31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Interest income on pension scheme assets	(15,958)	(14,322)	(11,789)	(10,626)
Interest on pension scheme liabilities	15,874	14,260	13,293	11,967
Net charge	(84)	(62)	1,504	1,341

Analysis of the amount recognised in Statement of Comprehensive Income

	31 July 2024		31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Actual return less expected return on pension scheme assets	16,233	14,552	(12,092)	(11,615)
Experience gain/(loss) arising on scheme liabilities	12,798	11,441	84,232	75,601
Non recognition of pension surplus*	(27,463)	(24,351)	(21,078)	(18,797)
Actuarial gain	1,568	1,642	51,062	45,189

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

	31 July 2024		31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
Deficit on scheme at 1 August			(45,667)	(40,582)
Movement in year:				
- current service cost (includes administrative expenses)	(5,403)	(4,566)	(9,527)	(8,056)
- past service cost	(2,257)	(2,257)	(72)	(72)
- contributions	6,008	5,119	5,708	4,862
- other finance charge	84	62	(1,504)	(1,341)
- actuarial gain	29,031	25,993	72,140	63,986
- Non recognition of pension surplus*	(27,463)	(24,351)	(21,078)	(18,797)
Deficit on scheme at 31 July	-	-	-	-

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

	31 July 2024		31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
At beginning of the year	314,340	282,400	383,692	345,677
Current Service cost	5,233	4,422	9,357	7,911
Past service cost	2,257	2,257	72	72
Interest cost	15,874	14,258	13,293	11,967
Contributions by scheme participants	2,380	1,994	2,387	2,010
Actuarial gains and losses	(12,798)	(11,441)	(84,231)	(75,600)
Benefits paid	(10,813)	(9,836)	(10,230)	(9,637)
At end of the year	316,473	284,054	314,340	282,400

*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 50).

NOTES TO THE FINANCIAL STATEMENTS

26. Pension Schemes (continued)

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

	31 July 2024		31 July 2023	
	Consolidated £'000s	University £'000s	Consolidated £'000s	University £'000s
At beginning of the year	335,418	301,195	338,026	305,094
Expected rate of return on scheme assets	15,958	14,322	11,789	10,626
Actuarial gains and losses	16,233	14,552	(12,092)	(11,615)
Contributions by scheme participants	2,379	1,993	2,388	2,011
Contributions by the Employer	6,009	5,119	5,708	4,862
Benefits paid	(10,813)	(9,836)	(10,230)	(9,638)
Administrative expenses	(170)	(144)	(171)	(145)
At end of the year	365,014	327,201	335,418	301,195

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

	31 Jul 2024	31 Jul 2023	31 Jul 2022	31 Jul 2021	31 Jul 2020
Difference between the expected and actual return on scheme assets					
Amount £'000s	14,552	(11,615)	(41,732)	64,456	8,079
Percentage of scheme assets	4.4%	(3.9)%	(13.7)%	18.9%	3.0%
Experienced gains and losses on scheme liabilities					
Amount £'000s	11,441	75,600	169,361	(50,486)	(26,785)
Percentage of present value of scheme liabilities	4.0%	26.8%	49.0%	(10.2)%	(6.2)%
Total amount recognised in the statement of comprehensive income					
Amount £'000s	25,993	63,985	127,629	13,970	(18,706)
Percentage of present value of scheme liabilities	9.2%	22.7%	36.9%	2.8%	(4.3)%

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 2024	31 Jul 2023	31 Jul 2022	31 Jul 2021	31 Jul 2020
Difference between the expected and actual return on scheme assets					
Amount £'000s	16,233	(12,092)	(46,202)	71,174	9,801
Percentage of scheme assets	4.4%	(3.6)%	(13.7)%	15.6%	3.3%
Experience gains and losses on scheme liabilities					
Amount £'000s	12,798	84,231	189,468	(56,592)	(29,379)
Percentage of present value of scheme liabilities	4.0%	26.8%	49.4%	(9.0)%	(6.2)%
Total amount recognised in the statement of comprehensive income					
Amount £'000s	29,031	72,139	143,266	14,582	(19,578)
Percentage of present value of scheme liabilities	9.2%	22.9%	37.3%	2.3%	(4.1)%

The estimate for contributions for the defined benefit scheme for the year ending 31 July 2025 is £6,046,400

The actual return on scheme assets in the year was a gain of £32,191,000 (2023 - A loss of £303,000).

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	316	311	322	324	284	279	289	291
Present value of funded liabilities	316	311	322	324	284	279	289	291
Pension liability recognised on the balance sheet	-	-	-	-	-	-	-	-

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 2024		31 July 2023	
		Income £'000s	Expenditure £'000s	Income £'000s	Expenditure £'000s
University of South Wales' Students' Union	Various	-	1,426	-	1,268
USW Pathway College Ltd	Various	28	59	28	26

The total expenses paid to or on behalf of 7 independent Governors was £2,023 (2022/23 - £1,861). This represents travel and subsistence expenses incurred in attending Board of Governor, and Committee meetings.

28. Contingent Liabilities

USW has identified a possible obligation relating to an administrative lapse in respect of an accreditation body. A discrete cohort of students may be impacted by this oversight, although it is considered probable that this matter will be resolved early in the new year and the potential liability eliminated. Based on the information available, USW considers that an outflow of economic resources to settle this matter is possible but not probable. Furthermore, based on the information available at the date this report was approved, the liability cannot be measured with reasonable accuracy. On this basis, it has been assessed as a contingent liability and no provision has been included in respect of this matter. Due process is now being reviewed and improved to ensure that future academic administrative processes are consistently applied and fully embedded.

29. 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 2024.

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