

# Glyndŵr University

## Annual Report and Financial Statements



For the year ended **31<sup>st</sup> July 2021**



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# REPORT OF THE CHAIR OF THE BOARD OF GOVERNORS



*The university's mission is to inspire and enable; through higher education, research, and engagement; working together with our students, staff, and partners. The university's values of being accessible, supportive, innovative and ambitious remain at the core of the work we are doing.*

## Introduction

The academic year 2020/21 was another challenging period for everyone with the continuing pandemic; however, staff and students have remained resolute, and we have much to be proud of. In the National Student Survey 2021 we were ranked 4<sup>th</sup> in Wales for overall students' satisfaction, 1<sup>st</sup> in Wales for 'teaching on my course', 'learning opportunities' and 'assessment and feedback', 2<sup>nd</sup> in Wales for 'student voice' and for 'organisation and management', and our adult nursing programme was ranked 1<sup>st</sup> in the UK for overall satisfaction.

These results are the consequence of committed and systematic work by our staff across the University, in partnership with the student body, over several years. They have also contributed to improvements in our position in sector leagues tables, with a rise of 41 places in the Guardian University Guide, a rise of 14 places in the Sunday Times Good University Guide, in which we are ranked 2<sup>nd</sup> in the UK for teaching quality; a rise of 55 places in the WhatUni Student Choice Awards 2021; and we are in 15<sup>th</sup> place in the Complete University Guide for student satisfaction with the quality of teaching they receive. The University remains 1<sup>st</sup> in England and Wales for social inclusion<sup>1</sup>.

Congratulations are also due to our Academic Development Team as they were amongst 14 institutional teams recognised for their work in Advance HE's 2021 Collaborative Award for Teaching Excellence (CATE).

## Our Campus

Progress continues to be made on the achievement of our Estates and Learning Environment Strategy (Campus 2025) and in the reporting year refurbishment works have been completed on the ground floor of the main building on the Wrexham campus. This included development of a marketing lab, a space for students to work collaboratively, and a mock court room. Space has also been repurposed for an active, learning, innovation and virtual hub for staff to work together to pilot new ways of working, as well as a new suite of social spaces created for staff and students to meet including quiet study rooms, meeting rooms and lounges. A refurbishment programme at our Regent Street campus has begun, with initial works including the refurbishment of the foyer area and a new

<sup>1</sup> Sunday Times Good University Guide League Table 2022

café. A new mezzanine level has also been completed at our Northop campus to complement the new veterinary nursing teaching space.

The University is to be congratulated on its success in tendering for teaching commissions and funding from Health Education and Improvement Wales (HEIW). This will lead to a new tripartite working arrangement with HEIW and Betsi Cadwaladr University Health Board, based on a pre-existing working partnership and enable the University to substantially increase its portfolio of nursing and allied health profession programmes. The Board of Governors has approved the inclusion of a new Health Education and Innovation Quarter in its Campus 2025 projects to accommodate this significant expansion of provision.

Capital funding received through the Higher Education Funding Council for Wales to Welsh universities has assisted our continuing campus developments, particularly around areas that address Welsh Government's priorities relating to their Decarbonisation Strategy, Green Economy Route Map and Digital Strategy.

### **Financial performance**

In terms of the University's financial performance the University Group has returned a £1.7m operational surplus on a £47.1m turnover. This 6<sup>th</sup> successive year of operational surplus has put us in a strong position for the future, as we continue to increase our cash reserves. The report from the Executive Director of Finance and the Chair of the Strategy and Finance Committee later in this report provides more detail on the University's financial position. Robust financial management as always is the key to ensuring the University's sustainability.

### **Strong Governance and Culture**

A wholehearted commitment to good governance remains vital to maintaining stakeholder confidence in the University and to helping us to realise our Vision and Strategy. During the reporting year the Board of Governors, through the work of the Nominations and Governance Committee, has continued to implement its action plan in response to the *commitments to action* arising from the 2019 Camm Review of Governance of the Universities in Wales. One of the key themes running through the Camm Review is the importance of a positive and open governance and organisational culture. Culture is deemed to play a large part in enabling boards and institutions to deal with major shifts in the external environment such as changes in public and political support, funding competition and competition for students. The report also advocates hearing first-hand from staff on their support for the strategic direction of the University and about the reality of organisational culture and whether it is aligned to the values of the organisation.

There are many ways through which we can understand and measure the culture of the University, but a key mechanism is through our biennial staff engagement survey which was undertaken during the reporting year. The survey aligns with elements of the Investors in People framework, is externally benchmarked and covers the areas of: leading and inspiring people; living the University's values; empowering and involving people; managing performance; recognising and rewarding high performance; structuring work; building capability; delivering continuous improvement; and creating sustainable success. There are also questions around staff perceptions of the Board and I am pleased to say that 85% of staff consider that governors support and actively promote the university's mission, an increase of 20% since the first such survey was conducted in 2016.

The results of the staff engagement survey improved in all areas over the 2016 and 2018 surveys. Notably, 95% of staff stated that they support the University's aims and objectives, while 93% were aware of its values and considered the University a friendly place to work. The most significant increases in scores related to colleagues' interaction and engagement with each other, for instance in sharing good practice. Since the 2018 review, management have made a concerted and systematic effort to identify the issues that needed to be addressed and the Board concluded that it was evident that a positive culture exists within the University and that staff understand their roles and contribution to the success of the institution.

## **Membership of the Board**

During the year the Board appointed three new independent governors in accordance with its approved selection process for new independent governors. The process was overseen by the Board's Nominations and Governance Committee and involved the placing of advertisements, consideration of applications and a two-stage interview process culminating in recommendations to the Board for approval of their appointment. We were delighted to welcome Richard Thomas, Maureen Wain and Diane McCarthy to Board in July 2021. In August 2021 Dr Jayne Mitchell sadly resigned from the Board for personal reasons and following a further selection process we were very pleased to welcome Professor Martin Chambers to the Board in September 2021. New members have taken part in a range of induction activities and are already making an excellent contribution to the work of the Board.

The Board also welcomed the continued membership of Chloe Williams, the newly elected Students' Union President Union in the reporting year, although she later resigned in September 2021 to take up an exciting career opportunity. Whilst the Board was disappointed to lose Chloe, we do wish her well in her future career. We were pleased to welcome Lauren Hole the newly appointed President as a governor; and the Students' Union undertook a nomination and election process to appoint a new student governor, Amy Rowley, to maintain a strong student voice on the Board. The outgoing Student's Union President, Ebony Banks, was thanked for their contribution to the work of the Board over the previous two years.

## **Conclusion**

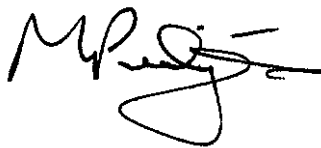
As always, I would like to take the opportunity to thank the staff, students, Students' Union and governors for their commitment, flexibility, and resilience. After nearly two years of managing the uncertainties and challenges, as well as the opportunities, created by the Covid-19 pandemic, we commence the academic year 2021/22 with new ways of working for both students and staff, which will continue to evolve and leave us better placed to face the challenges of the future.

As I shall be stepping down from the Board of Governors at the end of March 2022, having completed two full terms as Chair, this is the last annual report that I will introduce. It provides an ideal moment to stand back and reflect upon the changes that have occurred, and the progress that has been made, by the University in the last six years.

I joined the Board in 2015, when the University had embarked upon the process of stabilisation following a period of serious financial deficit. Nevertheless, it was still in receipt of recovery funding from HEFCW, its buildings were in urgent want of investment, and it needed to borrow for day to day working capital purposes. These accounts witness the sixth successive year of operating surplus; strengthened cash reserves have eliminated the need to borrow for working capital; and around £20 million has already been invested in estates improvements under our ambitious Campus 2025

Strategy. Further, Wrexham Glyndŵr has been hugely successful in broadening and diversifying its operating activities in response to changing market conditions. In addition to students studying at our campuses in Wrexham and Northop in 2020/21, there were 1855 students studying for WGU awards at partner institutions abroad and over 1200 students pursuing wholly online provision. The University's curriculum and operating activities have been reviewed and streamlined in response to changing circumstances and my opening paragraphs highlight the University's excellent performance in the latest league tables and the National Student Survey. These achievements did not happen overnight. They are the fruits of persistent and dedicated action by our excellent staff and senior management to improve business prospects, operational effectiveness, academic quality, and the student experience over a sustained period of five years. I have been truly impressed by the innovation, responsiveness and commitment to excellence, support, and inclusion that I have observed.

It has been a privilege and an honour to serve Wrexham Glyndŵr University as its Chair, to lead such a group of such engaged, committed and able Board members and to witness the dedication of the Vice-Chancellor and her staff to the pursuit of excellence and continuous improvement. Much has been achieved, many opportunities remain, and I wish the University and the incoming Chair every success in the years to come.

A handwritten signature in black ink, appearing to read 'M Penlington', with a stylized flourish at the end.

**Maxine Penlington OBE FLSW**  
**Chair of Governors**

# THE BOARD OF GOVERNORS



**Maxine Penlington OBE**

*Appointed December 2015*

Chair of the Board

Chair Nominations and Governance Committee  
Ex-Officio member of Strategy and Finance and  
Human Resources Committees



**Paul Barlow**

*Appointed December 2018*

Vice Chair of the Board

Vice Chair Strategy and Finance Committee  
Member of Human Resources Committee



**Judy Owen**

*Appointed May 2016*

Chair Strategy and Finance  
Committee

Non-executive director  
Glyndwr Services Ltd



**Paul McGrady**

*Appointed May 2016*

Chair Audit Committee



**Professor Sandra Jowett**

*Appointed May 2016*

Chair Human Resources  
Committee Chair Remuneration  
Committee



**Jim Barclay**

*Appointed March 2019*

Vice Chair Audit Committee  
Non-executive Director  
Glyndwr Innovations Ltd



**Celia Jenkins**

*Appointed May 2015*

Vice Chair Nominations and  
Governance Committee



**David Subacchi**

*Appointed September 2016*

Vice Chair of Human  
Resources Committee  
Member of Audit Committee



**Claire Homard**

*Appointed February 2020*

Member Nominations and  
Governance Committee



**Askar Sheibani**

*Appointed January 2016*

Non-executive Director North  
Wales Science Ltd



**Richard Thomas**

*Appointed July 2021*

Member Human Resources  
and Remuneration Committee





**Maureen Wain**  
*Appointed July 2021*  
Member Strategy and  
Finance Committee



**Diane McCarthy**  
*Appointed July 2021*  
Member Audit Committee



**Professor Martin Chambers**  
*Appointed September 2021*  
Member Strategy and Finance  
Committee



**Laura Gough**  
*December 2017 to August  
2021*  
Elected Professional  
Services Staff Governor



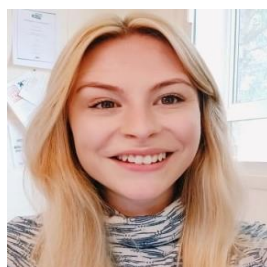
**Colin Heron**  
*Appointed September 2018*  
Academic Board Nominee  
Member of Nominations  
and Governance  
Committee



**David Sprake**  
*Appointed April 2019*  
Elected Teaching Staff  
Governor  
Non- executive Director  
Glyndwr Innovations Ltd



**Sally Lambah**  
*Appointed September  
2021*  
Elected Professional  
Services Staff Governor



**Ebony Banks**  
*July 2019 to July 2021*  
Student Governor  
Member Nominations and  
Governance Committee



**Chloe Williams**  
*July 2020 to September 2021*  
Student Governor



**Lauren Hole**  
*Appointed July 2021*  
Student Governor  
Member Nominations and  
Governance Committee



**Amy Rowley**  
*Appointed September 2021*  
Student Governor





**Professor Maria Hinfelaar**  
Vice-Chancellor and Chief  
Executive  
Ex-Officio member Strategy and  
Finance, Human Resources and  
Nominations and Governance  
Committees

## RECORD OF ATTENDANCE AT BOARD MEETINGS

Members	Attendance record
Maxine Penlington	100%
Paul Barlow	80%
Ebony Banks	100%
Jim Barclay	100%
Laura Gough	80%
Colin Heron	80%
Professor Maria Hinfelaar	100%
Lauren Hole <sup>2</sup>	100%
Claire Homard	80%
Celia Jenkins	80%
Professor Sandra Jowett	100%
Diane McCarthy <sup>3</sup>	100%
Paul McGrady	100%
Dr Jayne Mitchell <sup>4</sup>	100%
Judy Owen	100%
Askar Sheibani	80%
David Sprake	80%
David Subacchi	100%
Chloe Williams	100%
Richard Thomas <sup>3</sup>	100%
Maureen Wain <sup>3</sup>	100%

<sup>2</sup> Lauren Hole joined the Board on 1<sup>st</sup> July and was eligible to attend only one meeting which was attended.

<sup>3</sup> Diane McCarthy, Richard Thomas and Maureen Wain joined the Board on 1<sup>st</sup> July and were eligible to attend one meeting only prior to the end of the academic year

<sup>4</sup> Dr Jayne Mitchell was permitted a short leave of absence by the Board for personal reasons which covered three scheduled meetings. Dr Mitchell attended the two meetings she was scheduled to attend. She subsequently resigned from the Board.

# GOVERNOR INDEPENDENCE

Under its constitution the Board must consist of a majority of independent members who are appointed in a clear and transparent way. The broad appointment process is outlined in the report of the Nominations and Governance Committee later in this document.

The review of Governance of Universities in Wales (Camm) in 2019, recommended a higher bar for governor independence should be set than existed at the time of the review, and those matters which may compromise governor independence be produced and made public, supplemented by information published at least annually by universities.

Guidance on Independence for Governors was developed for Welsh Universities drawing on governance good practice in the university and corporate sectors, with the expectation that it is adopted by all university governing bodies in Wales. The Board of Glyndŵr University has adopted the guidance as a set of principles to support good governance.

Independent governors are those appointed by the Board who are neither a registered student nor a member of staff of the University, nor a person from an elected local authority. Independent governors are key to engendering public trust in universities, and the Board's Nominations and Governance Committee considers the independence of potential governors during the recruitment process using the Guidance on Independence for reference and discussion, through a declaration of interest made by each governor and the signing of a trustee<sup>5</sup> declaration of eligibility.

## MANAGING CONFLICTS OF INTEREST

Once appointed the onus is on governors to be transparent and demonstrate their independence and declare any actual, perceived or potential conflicts of interest. As charity trustees governors are required by law to act only in the best interests of the charity and both personal and professional connections, whilst bringing benefits to the work of the university, can give rise to conflicts of interest to which governors must respond effectively.

Following completion of a declaration of interests form when they first join the Board governors are required to review and revise their declaration as applicable, at least annually, and keep the Clerk to the Board informed of any changes to their circumstances during the academic year that have a bearing on their declaration of interests. A register of members' interests is published on the University's website. The Board also has in place a process for all governors to proactively declare any interests at the start of every board and committee meeting relating to any item that is being discussed.

Where any actual, perceived or potential conflicts of interest are identified during the course of the Board's business, the Chair of the Board or the relevant committee will determine the course of action to be taken, and as a minimum the governor will not be permitted to participate in the discussion of the item of business. The level of participation of the governor is recorded in the minutes of the meeting.

<sup>5</sup> All universities in Wales are registered Charities and therefore governors are also trustees.

# VISION AND STRATEGY 2025

During the reporting year, the University undertook a mid-term revision and refresh of its current Vision and Strategy to 2025. This involved recasting some goals and objectives in light of what had been achieved, and in light of the changed context. The Board of Governors approved the revised Vision and Strategy 2025 at its meeting in March 2021, and the University published it in digital format in Welsh and English subsequently.

Wrexham Glyndwr University's **mission** is to inspire and enable through higher education, research and engagement, working together with our students, staff and partners.

Our **values** are to be:

- *Accessible*  
We are passionate advocates for lifelong learning and believe that background and circumstance should not be a barrier to engaging with higher education. We are dedicated to accessibility, fairness and inclusivity in how we teach, research and provide our services.
- *Supportive*  
We foster a supportive environment to encourage our staff and students to work together to achieve their learning, research and career goals. We care about our communities and proactively lead and support initiatives that enrich the local economy and the lives of local people.
- *Innovative*  
We do things differently. We recognise that our success is dependent upon the collective energy, intelligence and creativity of the University community. We actively encourage new perspectives and innovation in teaching, research and our engagement with communities and partners. We question the status quo and are brave enough to embrace new ways of doing things. This enables our culture, structure, policies and people to drive excellence and respond effectively to need.
- *Ambitious*  
We are unashamedly ambitious for our staff, students and our communities. We recognise that there are no limits to learning and knowledge and we challenge people to embrace their aspirations and succeed through education.

The University's **mission and values** find expression in the **vision** for our four strategy domains: *teaching that inspires, research that transforms, engagement that enables and structure that sustains*.

Together, these strategy domains shape our **vision to be the place of choice** for our students, partners and staff.

**We offer:**

**Teaching that inspires:** enabling inspirational learning through excellent teaching, providing opportunities for our students to flourish as healthy, active and responsible global citizens.

**Research that transforms:** supporting innovation, learning and economic growth, through being internationally excellent in originality, significance and rigour.

**Engagement that enables:** enriching the region and beyond, supporting and developing individuals, communities, culture and the community.

**Structure that sustains:** providing services and operating infrastructure that supports all parts of the strategy; delivering excellence through people, places and resources.



# VICE-CHANCELLOR'S REVIEW OF THE REPORTING YEAR



The table below sets out the University's key achievements over the reporting year against the domains in Vision and Strategy to 2025.

Teaching that Inspires	Research that Transforms	Engagement that Enables	Structure that Sustains
<p>The University responded to the Covid-19 challenge through the implementation of the 'Active Learning Framework': a flexible, blended approach within the constraints of public health guidance.</p> <p>Academic staff and professional services staff worked extremely hard to support our students and ensure they had a good experience, despite the difficult circumstances. This was reflected in some sector-leading NSS results: 'teaching on my course' at 86% was above the UK-wide and Wales-wide averages; 'assessment and feedback' at 82% was well above the sector average of 69%; 'academic support' at 77% also</p>	<p>The University submitted a range of subject areas under the Research Excellence Framework 2021. This included Engineering, Computing, Criminal Justice and the Creative Arts. Relevant research outputs such as papers, policy documents, exhibits and artefacts formed part of the submission, along with a narrative describing their excellence and impact.</p> <p>Some key appointments were made in order to further build research capacity, as the institution works towards gaining its own Research Degree Awarding Powers.</p>	<p>The University has deepened its engagement with industry and the community during the pandemic in multiple ways. Short, flexible online courses were provided for local businesses and individuals looking to reskill. Digital content was also provided across our network of schools in the region.</p> <p>As part of our Civic Engagement Strategy, we are thought leaders on local resilience fora and have excellent links with public health bodies. We have been proactive in making facilities available for public health purposes.</p> <p>On the international stage, major new partnerships in India, China, Sri Lanka were forged. These will help the University to further build enrolments of in-market TNE students,</p>	<p>Increased revenue was generated by new growth areas (linked to the University's diversification strategy, creating new delivery modes and study routes). These areas expanded more rapidly than anticipated and underpinned a positive financial result.</p> <p>Another unexpected boost was the generous funding channelled through HEFCW under various Covid support and recovery schemes. This funding had a positive impact and included revenue as well as capital and made a big difference to how the University was able to support students.</p>

Teaching that Inspires	Research that Transforms	Engagement that Enables	Structure that Sustains
<p>outperformed the sector average of 74%. WGU is ranked 4<sup>th</sup> for 'overall satisfaction' out of 8 Welsh universities.</p> <p>The enrolment mix at the university showed an increasingly diverse picture. Full-time domestic student numbers (UG and PG) remained static, but there was steep growth in WGU Online, Transnational Education partnerships and International students.</p>	<p>Optic St Asaph successfully built its leading reputation through the WEFO-funded Centre for Photonics Excellence, with strong academia-industry partnerships.</p> <p>On the intersection between Research, Development and Innovation (RDI) and enterprise, the University received a significant grant from HEFCW under the Research Wales Innovation Fund (RWIF).</p>	<p>postgraduate articulation pathways and international students coming to our UK campuses (subject to travel restrictions).</p> <p>Major partnerships in the UK include the local FE college Coleg Cambria, with whom a new collaboration agreement was signed.</p>	<p>The Campus 2025 Masterplan remained on target, with major capital receipts imminent due to disposals of the Northern Quarter, Gatewen and Dean Road sites.</p> <p>The biennial Staff Engagement Survey showed good scores as compared with the previous one, and against sector benchmarks. Stand-out categories in the survey were 'Leading and Inspiring People' and 'Living the University's Values'.</p>

The University maintains a Corporate Risk Register with reference to the strategy domains.

For the first domain, *Teaching that Inspires*, risks in the areas of academic planning, portfolio diversification, programme design and programme delivery and oversight were identified. Mitigations include continuous review of portfolio and learning pathways, fully implementing the Active Learning Framework principles, embedding the Wrexham Glyndwr Graduate characteristics within the curriculum and a rolling staff development programme.

For the second domain, *Research that Transforms*, the key risks are failure to grow the research base and failure to achieve RDAPs. These risks are mitigated by ensuring that HR policies and processes support and encourage our academic staff to be research active and to bring research into the taught programmes, keeping metrics up to date in order to build a strong application for review by the QAA, and building on the REF2021 submission so that more subject areas will be primed for submitting in REF2028.

For the third domain, *Engagement that Enables*, risks are monitored as regards academic partnerships and our enterprise profile. Mitigations include robust processes for partner oversight, with clear visibility to senior management, managed expansion plans involving due diligence and market analysis underpinning international partnerships, and a proactive approach to securing funded knowledge transfer partnerships with businesses in the region.

For the fourth domain, *Structure that Sustains*, key risks are pay cost increases outstripping income growth, an unattractive physical learning environment hampering student recruitment, and pressures on our financial sustainability. These risks are mitigated by systematic reviews across all academic and professional areas, ensuring that there is appropriate organisational capacity to deliver a diversified portfolio; Campus 2025 and ongoing reprioritisation of capital investment projects in line with student needs, including the digital infrastructure; close in-year monitoring of financial performance at a granular level so that discretionary spend matches revenue-generating opportunities.

An additional category in the Risk Register considers the University's standing with regulatory bodies and wider stakeholders. Risks are defined as a breakdown in relationships or in trust and are mitigated by providing necessary assurance and using informal as well as formal communication channels. There is a

significant compliance burden on the HE sector generally, but the key driver for the University in managing this burden is to continuously improve practices and processes and to demonstrate accountability and transparency.

Beyond our relationship with regulatory and statutory bodies, wider stakeholder engagement is crucial for the University. In the context of our role in the community we considered how our education, research and engagement might underpin post-Pandemic recovery and resilience. This is visualised below, mapping clearly what the University has to offer.

## WGU's role in the region post-Pandemic





# SECTOR TRENDS

During the year under review the Board of Governors and the Vice-Chancellor's Executive Team considered wide-ranging developments and trends in the Higher Education sector, and their impact on the University. These included:

- Evolving government guidance in response to the Covid-19 pandemic with specific reference to education settings, as well as the workplace more generally;
- The increased frequency of sector umbrella body meetings in the 'virtual space', as collective and coherent approaches towards protecting the student experience were developed in the context of Covid-19 challenges;
- Publication of the *Draft Tertiary Education and Research (Wales) Bill* which proposed to establish a new Commission for Tertiary Education and Research (CTER), due to replace HEFCW as the sector regulator by 2023;
- The launch of the £27m Higher Education Investment and Recovery Fund in Wales, with significant allocations for the University to support academic programmes, the digital infrastructure and student services;
- Additional in-year funding made available by Welsh Government through HEFCW, such as a £40m scheme to alleviate financial hardships suffered by students which was the most generous initiative in HE across the whole of the UK;
- The announcement of a capital scheme for decarbonisation and digitalisation which brought benefits of £1.6m to the University, allowing us to bring forward relevant investment with a multi-annual impact;
- Capital and revenue budget projections for HE gradually increasing, due to the implementation of the 'Diamond Review' in Wales;
- Continued uncertainty with regard to new schemes which might replace previous EU structures post-Brexit, such as the Shared Prosperity Fund;
- Potential impacts of emerging policies developed by the English HE regulator (the Office for Students) on the Welsh HE sector and on English students looking to study in Wales and vice versa, due to the possibility of differentiated tuition fees and diverging regulation of quality and standards and of entry requirements;
- Major shifts in student recruitment patterns as regards UK-domiciled students, creating a more competitive environment;
- The loss of a substantial proportion of EU student enrolments as a consequence of Brexit, and challenging conditions for non-EU international students due to Covid-19 restrictions;
- The outcome of the Welsh Assembly elections in May, with the appointment of a new Minister for Education and some new Members of Senedd representing constituencies in our region, alongside Members of Senedd who were re-elected.

These trends and developments were monitored by the University and taken on board as part of strategic responses. Senior University representatives also participated in relevant sector meetings where there were opportunities to influence debate.

## **COMMITTEE REPORTS**

# Audit Committee

The Audit Committee is an advisory body established by the Board of Governors to advise them and provide oversight of the effectiveness of the University's risk management, control and governance arrangements, the arrangements to promote economy, efficiency and effectiveness, and internal audit and external audit arrangements

## Membership and Attendance 2020/21

Members	Attendance record (4 meetings)
<b>Paul McGrady (Chair)</b>	100%
Jim Barclay ( <i>until 31/3/21</i> )	100% (3 meetings)
Mike Harvey ( <i>co-opted member</i> )	100%
Trevor Henderson ( <i>co-opted member</i> )	100%
Tim Mitchell ( <i>co-opted member</i> )	100%
David Subacchi	100%

No member of the Audit Committee is also a member of Strategy and Finance Committee

## Summary of business 2020/21

Annually, in addition to the responsibilities laid out within its terms of reference, the Committee sets itself a workplan for the year ahead. During 2020/21 the Committee focussed on four key areas and reported to the full Board at its July 2021 meeting on how it had addressed these areas.

- Monitored the impact and management of the coronavirus situation through specific internal audits built into the 2020/21 audit plan: business continuity planning framework; Covid 19 financial planning and monitoring; and application of the coronavirus job retention scheme.
- Monitored the university's loan covenant compliance as part of the risk register, which was reviewed at every meeting.
- Maintained oversight of risk relating to the Estates and Learning Environment Strategy (Campus 2025).
- Continued with invitations for lead risk officers to attend the Committee and discuss their risk areas with a focus on the core academic business of the university.

### In other work

- In respect of internal audit the Committee approved the internal audit plan for the year and received reports of nine audits which included, in addition to those related to the coronavirus situation: risk management framework; framework for the adoption of the Welsh Language Standards; framework for the student voice; framework for the management of student debt; data quality – transparent approach to costing framework (TRAC); and a follow up of previous recommendations. All reports provided a substantial or reasonable assurance opinion. The Committee monitored the implementation of all management actions arising out of the internal audit reports.
- The audit of the 2019/20 draft financial statements was reviewed with particular focus on the external auditor opinion, the statement of members' responsibilities, statement of internal control and the corporate governance statement. The Committee approved the audit plan and audit fees for the audit of the financial statements to 31<sup>st</sup> July 2021.
- The Committee considered a range of other assurance reports including on: progress on implementation of an action plan on the Code of Practice for Ethical Employment in Supply Chains, information governance, compliance with fee and access plan fee level and general requirements, modern slavery, annual procurement efficiencies, value for money, whistleblowing, serious incident reporting, and compliance with the HEFCW Audit Code of Practice.
- The Committee reviewed the performance of the internal and external auditors as well as its own effectiveness, and, finally, reviewed its practice against the CUC HE Audit Committee Code of Practice (2020) and agreed to adopt the Code in full.



# Strategy and Finance Committee

The Strategy and Finance Committee is responsible for monitoring strategic matters, for advising the Board of Governors on the University's strategic direction, for maintaining an overview of the University's financial affairs on behalf of the Board of Governors and to give initial consideration to and advise on any other Board business of particular importance or complexity which are not within the remit of other committees of the Board.

## Membership and Attendance 2020/21

Members	Attendance record (5 scheduled meetings)
Judy Owen (Chair)	100%
Paul Barlow	100%
Jim Barclay ( <i>joined 1<sup>st</sup> April 2021</i> )	100% (2 meetings)
Dr Jayne Mitchell <sup>6</sup>	100% (2 meetings)
Professor Maria Hinfelaar	100%
Maxine Penlington	80%

No member of the Strategy and Finance Committee is also a member of Audit Committee

## Summary of business 2020/21

Annually, in addition to the responsibilities laid out within its terms of reference, the Committee sets itself a workplan for the year ahead. During 2020/21 the Committee focussed on four key areas and reported to the full Board at its July 2021 meeting on how it had addressed these areas.

- Continued to closely monitor the management of income and expenditure levels to gain assurance on the continued sustainability of the University and compliance with bank covenants.
- Monitored the options for refinancing the University's loan facility.
- Continued to scrutinize proposals and business cases associated with the Estates and Learning Environment Strategy (Campus 2025) for recommendation to the full Board.
- Monitored the external environment and implications to the University's forward strategic plans particularly in relation to the coronavirus pandemic.
- Continued to closely monitor and scrutinize student recruitment and retention in respect of the impact on the financial position of the University and the affordability of the university's forward strategic plans and ambitions.

### In other work

- In line with its financial remit the Committee reviewed the 2019/20 audited financial statements of the Students' Union; scrutinised and advised the Board on the University's 2019/20 audited financial statements; approved student fees; noted all contracts awarded over £25k; approved the University's accounting policies; agreed the factoring into the budget of an increase in the Students' Union's annual block grant; reviewed the debt position; monitored additional in-year Welsh Government funding; and scrutinised budget proposals and forecasts for recommendation to the Board of Governors.
- The Committee also considered an annual insurance report, noted variations to the Fee and Access Plan 2021/22; reviewed reports on an interim review of the Vision and Strategy 2025; scrutinised the outline business case for the Engineering, Enterprise and Optic Centre (EEOC) project under the North Wales Growth Deal; and considered a report on progress and strategies to deliver part-time credits.
- The performance of the university subsidiary companies was also monitored closely.

<sup>6</sup> Dr Jayne Mitchell was permitted a short leave of absence by the Board for personal reasons which covered three scheduled meetings. Dr Mitchell attended the two meetings she was scheduled to attend.

# Human Resources Committee

The Human Resources Committee is authorised by the Board of Governors in all things to recognise that the staff, both academic and professional are the key resource of the University and to endeavour to ensure that in all respects, the work environment and Human Resources policies and practices of the University are conducive to the effective performance and realisation of the full potential of all staff.

## Membership and Attendance 2020/21

Members	Attendance record (4 meetings)
<b>Professor Sandra Jowett (Chair)</b>	100%
Paul Barlow	100%
Maxine Penlington	100%
Professor Maria Hinfelaar	75%
David Subacchi	100%

## Summary of business 2020-21

Annually, in addition to the responsibilities laid out within its terms of reference, the Committee sets itself a workplan for the year ahead. During 2020/21 the Committee focussed on three key areas and reported to the full Board at its July 2021 meeting on how it had addressed these areas.

- Monitored staff health and well-being matters arising from the coronavirus pandemic and actions being taken by management to respond to issues.
- Monitored the outcomes arising from the 2020 staff engagement survey and actions being taken by management to respond to them.
- Continued to ensure compliance with the Prevent duty and Welsh Language Standards and maintained a focus on equality, diversity, and inclusion matters.

### In other work

- Under the Committee's, Health and Environment remit reports were received at every meeting reporting against a set of health and safety KPIs. The health and safety policy statement and energy and sustainability policy statements were approved, and there was a focus on the matter of third party fire reviews resulting in the commissioning of an independent review of fire safety in the University's student accommodation which highlighted no major issues.
- With regard to staff the Committee scrutinised a range of reports including on: annual sickness absence; the staff profile; staff development initiatives; staff disciplinary, grievance and dignity at work cases; actions to support succession planning across the University; progress against the actions associated with the University's mental health and well-being strategy for staff and students; updates on the planned activities arising from the University's People Strategy; the introduction of a pilot 360-degree survey for the Chair of the Board; the introduction of the 360-degree survey tool for the Vice-Chancellors Executive Team; and updates on UCEA pay negotiations.
- The Committee monitored the significant work on equality, diversity and inclusion (EDI) to implement the University's strategic equality plan, taken forward operationally by an equality and diversity action group supported by sub-groups aligned to protected characteristics. The University is signed up to several charters to demonstrate its commitment to EDI for example, Rare Aware, Victim Support and Hate Crime, and is working towards the Race Equality Charter. Detailed information is available in the university's [EDI annual report](#).
- The Committee also approved a Starting Salary Policy, LGPS Discretionary Policy, a Public Interest Disclosure (Whistleblowing) policy and procedure, following routine review, and recommended updated grievance and disciplinary procedures for senior postholders to the Board for approval.

# Nominations and Governance Committee

The Nominations and Governance Committee is responsible to the Board of Governors for the oversight of corporate governance arrangements to ensure that the University is pursuing best practice. It is responsible for identifying and recommending the appointment of new Governors to the Board, for the nomination of Governors and co-opted members for the appointment to the Board's committees, advising on the appointment of the Chancellor and identifying and recommending recipients of Honorary Fellowships of the University to the Board.

## Membership and Attendance 2020/21

Members	Attendance record (5 meetings)
Maxine Penlington (Chair)	100%
Ebony Banks	80%
Colin Heron	100%
Claire Homard	100%
Professor Maria Hinfelaar	100%
Celia Jenkins	80%
Bruce Roberts ( <i>co-opted member</i> )	80%

## Summary of business 2020/21

Annually, in addition to the responsibilities laid out within its terms of reference, the Committee sets itself a workplan for the year ahead. During 2020/21 the Committee focussed on four key areas and reported to the full Board at its July 2021 meeting on how it had addressed these areas.

- Reviewed the revised Committee of University Chairs (CUC) HE Code of Governance and assessed the implications for the Board's governance practice.
- Monitored the University's action plan relating to the Review of Governance of the Universities in Wales (Camm review).
- Planned for succession of governors who will come to the end of their tenure in 2022 and 2023, instigating a recruitment process.

### In other work

- Arising from both the review of practice against the revised CUC HE Code of Governance and the continuing work to implement the Camm review commitments to action, the Committee reviewed a range of documents which were subsequently approved by the Board. These included the statement of the Board's primary responsibilities, a code of practice on the management of conflicts of interest, a statement on benchmarking, and a declaration of eligibility for trustees.
- In line with the Board's succession planning framework the Committee reviewed and updated the skills and experience requirements of the Board for the future and oversaw a recruitment process for the appointment of three new independent governors, and co-opted members of the Audit and Human resources committees.
- The recruitment process aimed to attract diverse candidates through wide circulation of the advertisement to staff, students, governors, and equality and diversity networks. The process led to applications from men and women, however, was unsuccessful in attracting suitable candidates from other backgrounds. Action will be taken to improve the diversity of the Board going forward in line with the Camm commitments to action.
- The gender balance of the membership at the end of the academic year stood at 55% female and 45% male, slightly above the average of 40% of women filling places on UK HEI governing bodies, making it amongst the 55% of governing bodies that are gender balanced with between 40% and 60% female members<sup>7</sup>.

<sup>7</sup> Norma Jarboe OBE/[https://womencountblog.files.wordpress.com/2018/11/womencount-report-2018\\_web-version\\_new-final.pdf](https://womencountblog.files.wordpress.com/2018/11/womencount-report-2018_web-version_new-final.pdf)/2018

- A profile for the Chair of the Board was developed and approved in preparation for the process to identify a new Chair in 2022. The Committee oversaw the appointment of an executive search and selection firm to support the search for a new Chair during the 2021/22 academic year.
- The Committee also oversaw the appointment of an independent provider to undertake the Board's next effectiveness review. AdvanceHE commenced the effectiveness review in September 2021 and the outcomes will be reported in spring 2022.
- Finally, the Committee reviewed and made recommendations to the Board on the Students' Union's constitution, the memorandum of agreement between the University and the Students' Union; and the relationship agreement between the two bodies; and made recommendations to the Board on recipients of Honorary Fellowships.



# Remuneration Committee

The Board of Governors is required to establish a remuneration committee to consider and determine the remuneration of the Vice-Chancellor and other Senior Postholders as defined under the Instrument and Articles of Government and agreed by the Board. In addition to remuneration the Committee's remit includes consideration of the severance arrangements for the Vice-Chancellor and other senior postholders and all those earning a basic full-time equivalent salary of more than £100k per year.

The Committee reviews relevant benchmarking information and evidence of senior postholders' performance against agreed objectives, as well as the pay multiple between the senior postholders and the rest of the workforce. The Committee must take into consideration the public interest and the safeguarding of public funds alongside the interests of the University when considering all forms of payment, reward or severance to senior postholders.

## Membership and Attendance 2020/21

Members	Attendance record (2 scheduled meetings)
<b>Professor Sandra Jowett (Chair)</b>	100%
Paul Barlow	100%
David Subacchi	100%
Maxine Penlington	100%
Judy Owen	100%

## Summary of business 2020/21

The Committee considered the Annual Pay Policy Statement and recommended it to the Board for approval and publication. The policy statement is based upon the Public Services Staff Commission's *Transparency of Senior Pay in the Devolved Public Sector* (2016) and the statement also fulfils the requirements of the Committee of University Chairs (CUC) to publish an annual statement on senior remuneration.

A review of the Clerk's role description was also undertaken mapped against the model role description developed resulting from the review of Governance of the Universities in Wales (Camm) 2019). The Committee approved an updated role description aligned to the model.

The Committee considered the performance and remuneration of the Vice-Chancellor and the Deputy Vice-Chancellor. A report on the process and justification of the Vice-Chancellor's remuneration is provided later in this report.

The Committee also considered a report under its '*policy on external activities and retention of associated payments for senior postholders*'. This policy requires senior postholders to seek consent of appointments annually to ensure that external work activities remain appropriate in view of any changing circumstances for the individual or the University and to seek approval for the retention of associated payments. The Vice-Chancellor has been appointed to the Independent Pay Review Body Wales until March 2024, which is a public appointment by the Minister for Education, Wales. The Deputy Vice-Chancellor has been appointed as Chair of the Board of Alpha Housing Association (Bromborough) for three years.

# Vice-Chancellor's Executive Committee

The Vice-Chancellor's Executive Committee adopts the principles of 'collective responsibility' by taking ownership of the corporate aims and objectives and decisions of the Board of Governors, Academic Board and the Vice-Chancellor and implements the strategic framework of the University working towards the achievement of the University's vision and mission. Its remit encompasses financial health, resource management, strategic imperatives, action planning, partnerships and external impact, and risk management. The membership of the Group constitutes those members of Senior Management who report directly to the Vice-Chancellor.

## Membership and Attendance 2020/21

Members	Attendance record (16 meetings)
<b>Professor Maria Hinfelaar (Chair)</b>	100%
Professor Claire Taylor	94%
Professor Richard Day	88%
Dr Aulay Mackenzie	100%
David Elcock	88%
Peter Gibbs	88%
Lynda Powell	100%

## Board of Governors

The Vice-Chancellor is a member of the Board of Governors. Other members of the Vice-Chancellor's Executive Team are not members but regularly attend meetings of the Board and its committees to present reports and provide advice relevant to their areas of responsibility. The committees include Audit Committee, Strategy and Finance Committee, Human Resources Committee and Remuneration Committee. An approved description of the role that executive officers play at board and committee meetings is in place

The Vice-Chancellor attends the Board's Remuneration Committee only to present reports on the performance of senior postholders who report directly to them, but they are not a member.

## Summary of Business – 2020/21

Regular update reports were received from Executive members covering academic development and civic mission activity, partnerships and international growth, financial management, staffing resources and operational management issues alongside the sharing of sector engagement information and contributions to sector consultations. The key focus for the year centred on the strategic areas listed below.

- The review of the University's Vision and Mission.
- Thematic strategic discussions on:
  - resource planning
  - student behaviours and teaching and learning modes
  - sector and stakeholder developments
  - the long-term impact of Covid-19
  - the reimagining of the workforce.
- Financial forecasts 2021/22, budgeting and multi-year financial forecasts.
- Internal investment opportunities to enhance the student experience.
- Restructure proposals to improve effectiveness and gain efficiencies.
- Higher Education and Further Education strategic partnerships.
- New International and strategic partnerships.

A Gold Command Group was established at the start of the Covid-19 pandemic as an exceptional additional mechanism to deal with the impact of the pandemic. The Clerk to the Board of Governors was invited to Gold Command meetings.

# Academic Board

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 of honorary academic titles; and the procedures for expulsion of students for academic reasons. These responsibilities are subject to the requirements of the validating and accrediting bodies. Academic Board also 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 accordingly.

## Membership and Attendance 2020/21

Members	Attendance Record	Members	Attendance Record
<b>Professor Maria Hinfelaar (Chair)</b>	100%	Professor Claire Taylor	100%
Dr Aulay Mackenzie	100%	Professor Richard Day	100%
Professor Alec Shepley	80%	Dr Simon Stewart	100%
John Worden	100%	Dr Neil Pickles	80%
Colin Heron	100%	Dr Sue Liggett	80%
Dr Sue Horder	100%	Madi Ruby	40%
Dr Caroline Hughes	80%	Professor Mandy Robbins	80%
Lynda Powell	60%	James Dawson	100%
Helena Eaton	100%	Dr Ian Ratcliffe	100%
Professor Iolo Madoc-Jones	80%	Cerys Alonso	80%
Dr Karen Heald	100%	Neil Pritchard/Jess Archilleos	80%
Dr Joanne Pike	80%	Andy Phillips	80%
Ebony Banks	60%	Chloe Williams	80%

## Summary of business 2020/21

Over the year Academic Board has undertaken business in line with its responsibilities as follows:

- Revisions, updates and additions to academic regulations across all areas of provision.
- Received, reviewed (where required) a wide range of reports on matters of learning, teaching and associated quality, including: the University's Strategy for Supporting Student Learning and Achievement; reports on academic integrity, complaints; student outcomes such as degree results, NSS and Graduate Outcomes; HEFCW and QAA reports and updates; and associated action plans.
- Considered and approved new or updated policies that relate to and/or impact upon academic provision, for example, Recording of Educational Sessions and Activities; Criminal Convictions; and Anti-Harassment and Bullying.
- Considered and approved a range of programme validations, re-validations, programme suspensions and derogations across all areas of provision.
- Received reports on a variety of other matters pertinent to the academic business of the University, notably: updates and approvals on academic partnership matters; updates from the Research Committee; and kept informed of matters relating to student access and retention; and consideration of the Welsh Medium Action Plan.

# VICE-CHANCELLOR'S REMUNERATION

As highlighted elsewhere in this report the Remuneration Committee determines the Vice-Chancellor's remuneration. Below is a summary of how the Vice-Chancellor's performance is monitored, and their remuneration determined. Full details are provided in the [Annual Pay Policy Statement for 2020/21](#). This pay policy statement is aligned with the publication '*Transparency of Senior Remuneration in the Devolved Welsh Public Sector*' which also fulfils the requirements of the Committee of University Chairs' (CUC) HE Senior Staff Remuneration Code (2018).

## Governance good practice

As a result of the Committee's review of its practice against the CUC HE Senior Staff Remuneration Code in 2018/19 the Board of Governors introduced: a *policy on external activities and retention of associated payments for senior postholders*; and *guidance for remuneration committee: severance arrangements* and updated its existing *remuneration policy for senior postholders*.

The University's internal auditors undertook an audit of the Committee's practice against the Code in November 2018, including observing a meeting of the Remuneration Committee and discussions with the Chair of the Remuneration Committee and the Chair of the Board. The audit concluded a substantial assurance opinion.

The Committee has in place terms of reference which are reviewed annually. The Vice-Chancellor is not a member of the Committee.

## Monitoring performance

There is a formal annual performance development review (PDR) scheme in place for all staff including the Vice-Chancellor. This process entails three stages. Initially, the Chair of the Board meets with the Vice-Chancellor to review prior year objectives and sets objectives for the coming year, there is a mid-year review of performance with final review and sign off towards the end of each academic year. The Vice-Chancellor's annual objectives are shared with the full Board as part of the Committee's remuneration report.

The Vice-Chancellor's annual objectives are focussed on the four strategic domains of the university's Vision and Strategy 2025: *teaching that inspires, research that informs, engagement that enables and structure that sustains*. Overarching key performance indicators (KPIs) are set and each objective is underpinned by SMART targets aligned to the Vision and Strategy, and relevant supporting strategies. In addition, the Vice-Chancellor is set personal objectives relating to 'leadership role' and 'external profile' and for 2020/21 'post-Covid recovery'.

In line with the senior postholder remuneration policy the Chair of the Board provides a report to the Remuneration Committee on the Vice-Chancellor's performance against the agreed objectives.

## Context

The Remuneration Committee receives a benchmark report annually to inform their consideration of the remuneration of the Vice-Chancellor. The report utilises UCEA data for the relevant year relating to post-92 institutions and small institutions (with a turnover of between £24m and £70m). The Committee also receives information on the impact a range of potential percentage increases would have on the Vice-Chancellor's salary as compared to benchmarks.

In addition, the Committee considers internal benchmark data including; the pay multiplier of the Vice-Chancellor's salary to the median earnings of all staff, the mean percentage rise for all other staff, gender and ethnic and disability pay gaps and other benchmark data which are laid out in detail in the University's annual pay policy statement.



The University has paid the Living Wage Foundation's Living Wage to all staff since 1<sup>st</sup> August 2018. The University has no bonus scheme

### **Achievements 2020/21**

During the year the Vice-Chancellor made excellent progress against her objectives having steered the University through an extremely challenging year both financially and reputationally, with the support of a cohesive and visible senior team, increasing the University's and their own external profile regionally, nationally and internationally.

Despite the challenges posed by the pandemic, notable successes have included the implementation of the Active Learning Framework, growing diversification of the income base, delivery of a financial surplus, continued progress with the campus 2025 strategy, and the maintenance of high staff morale as demonstrated by the outcomes of the 2020 staff engagement survey.

The Vice-Chancellor indicated that she did not wish to receive a salary increase in 2021 beyond the nationally agreed pay award applied to all staff. In light of the challenging external environment the Remuneration Committee welcomed and supported the Vice-Chancellor's position on this.

# REPORT OF THE FINANCIAL YEAR 2020/21

## OPERATIONAL AND FINANCIAL REVIEW

### **A strong financial performance despite the pandemic**

The 2020/21 financial year saw the University and its subsidiaries operating within the turmoil of the global Covid 19 pandemic. Clearly this has impacted on all activities within the HE sector in Wales, across the UK and indeed the world. The impact on WGU was felt in terms of reduced income streams from commercial activities, the continuation of remote learning and teaching all under the conditions required within the University developed Active Learning Framework (ALF) and the extension of support to both students and the University from the Welsh and UK governments.

The financial year at Wrexham Glyndwr University has been characterised by continued solid cost control and income management to ensure an acceptable level of financial performance by the year end.

Despite all of the Covid related disruption the University Group still managed to grow its total income to £47m an increase of £10m (27%) on the previous year. It needs to be recognised that some of this income came in the form of additional government grants that were utilised by the University or passed directly to students or partner organisations, in line with the terms and conditions of the grant. The University received over £7.6m of additional one-off Covid -19 Funding through Welsh Government or HEFCW of which £1.6m was for Capital funding of Digital and Decarbonisation projects. With the remaining £6m funding supporting additional student support, student hardship, and students adversely impacted by the pandemic much of this funding was passed directly to students. Similarly support for the Students Union was funded along with a national project led by WGU on Digital Learning where WGU acted as the lead partner for a £2.7m project with most of the funding being passed directly to partners.

The one-off nature of this reactive funding clearly increased the University turnover on a one-off basis and whilst largely offset by additional directly related expenditure did not therefore have a totally proportionate impact on the net surplus showing for the year.

The Executive continued to closely monitor all of the income streams and cost base and put in place a series of management actions to reduce costs and access available and appropriate funding streams, including the Coronavirus Job Retention Scheme; this resulted in the University Group still able to post a net surplus of £1.7m.

The usual round of pensions accounting once again introduces adjustments to the net surplus, with this year the impact of the LGPS Current Service costs introducing a notional charge (non-cash) in respect of current service liabilities of £1,519k, a significant increase on the previous year's charge.

The adjustment in book value of Corbishley Hall in relation to the University's decision not to offer student accommodation from this site has led to the impairment charge of £98k is also taken within this year, even though the impact of moving the student accommodation will not be felt until September 2021.

The lack of any indexation within the tuition fee has meant that all cost increases have to be absorbed through either growth in student numbers, growth in other income generational areas, or cost controls/reductions. The University has continued to adopt this strategy of income diversification and 2020/21 saw continued growth in the TransNational Education and WGU Online programmes, along with a significant increase (£2.3m) in the number and associated income from International Students. These Tuition Fee income growth and diversification initiatives will continue to expand in 2021/22 alongside the increased development of our International student programme.

### **A Sustainable Institution**

The following paragraphs show how the University has maintained a positive financial position by continually generating annual operating surpluses over a number of years. The Financial Strategy for WGU promotes

the diversification of income streams from a breadth of educational offerings. The shape and scale of the curriculum is informed not only by academic issues of quality, pedagogy and desirability, but also from the financial perspective of ensuring sufficient demand to generate tuition fee income contributions to meeting the overall requirements of a sustainable institution. This includes sufficient surplus to allow for the investment of funds in learning and teaching resources and infrastructure.

Adhering to the financial strategy and in particular cash generation and other KPI's are reported on regularly to both management and governors, through the business information monthly reporting pack.

Amongst the key risks routinely monitored are the financial KPI's (see below) that focus on cash and sustainability.

The capital investment plans and priorities are delivered through the University's Campus 2025 plan and although the next phases of the plan are largely reliant upon disposals receipts, good progress has been made through the application of external grants to deliver capital improvement schemes from within the high level plan.

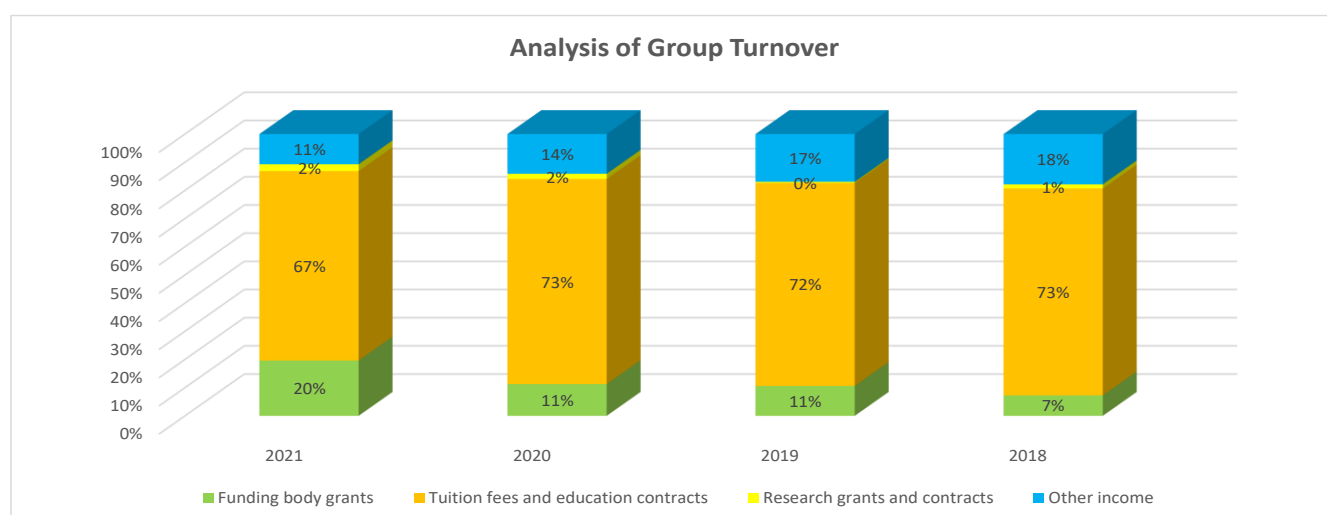
## Historical income & expenditure profile

	2021	2020	2019	2018
	£000's	£000's	£000's	£000's
Total academic income	42,001	31,764	29,871	29,105
Total non-academic income	5,051	5,216	6,094	6,326
<b>Total gross income</b>	<b>47,052</b>	<b>36,980</b>	<b>35,965</b>	<b>35,431</b>
<b>Total Pay costs excluding additional LGPS staff pension costs</b>	<b>(22,478)</b>	<b>(22,452)</b>	<b>(21,431)</b>	<b>(21,887)</b>
<b>Total Non pay costs</b>	<b>(20,625)</b>	<b>(12,654)</b>	<b>(13,248)</b>	<b>(12,239)</b>
<b>Total expenditure excluding additional LGPS staff pension costs</b>	<b>(43,103)</b>	<b>(35,106)</b>	<b>(34,679)</b>	<b>(34,126)</b>
<b>Operating surplus/ (deficit) excluding additional LGPS staff pension costs and asset impairment</b>	<b>3,949</b>	<b>1,874</b>	<b>1,286</b>	<b>1,305</b>
LGPS Pension Costs excluding employer contributions	(2,120)	(1,519)	(1,201)	(893)
Impairment of assets	(98)	0	(700)	0
Profit/(loss) on disposal of fixed asset	(3)	424	0	0
Tax	(20)	(66)	0	0
<b>Net surplus / (deficit)</b>	<b>1,708</b>	<b>713</b>	<b>(615)</b>	<b>412</b>

## Financial key performance indicators

	2021	2020	2019	2018
Total Income	47,052	36,980	35,965	35,431
Net surplus / (deficit) as a % of total income	3.6%	1.9%	(1.7%)	1.2%
Cash balance (£000's)	17,820	5,933	4,591	4,117
Staff costs including additional LGPS staff pension costs as a % of gross income	52.3%	64.8%	62.9%	64.3%

## Income levels

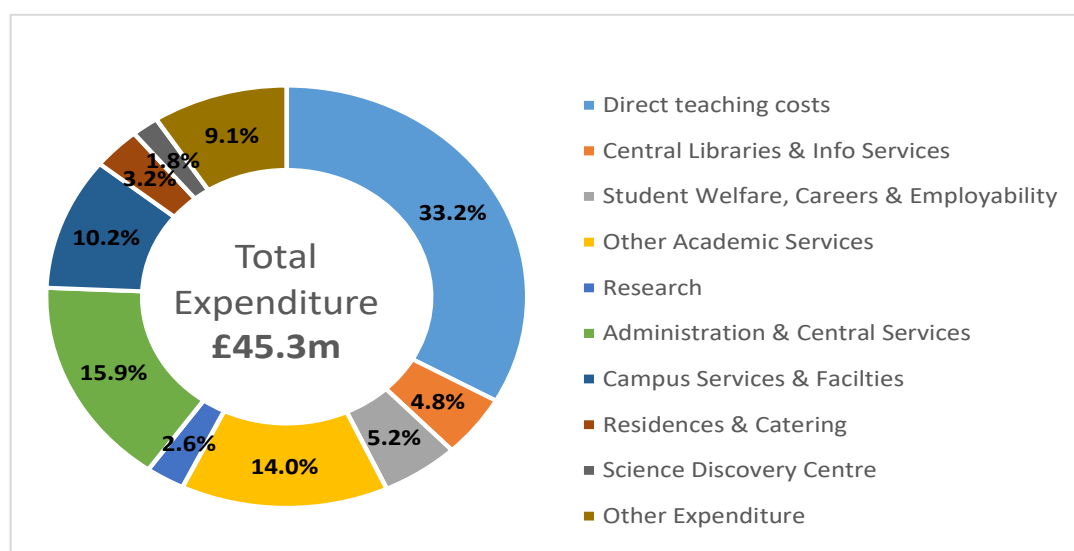


Total group income increased by 27% to £47.1m in 2020/21. This was largely driven by the increase in Trans National Education and International Students (£3.2m) and increased funds channelled through the Higher Education Funding Council Wales (£5.0m). This included grants from Welsh Government including the HE Investment and Recovery Fund.

The University's main source of revenue continues to be derived from tuition fees and education contracts providing 67% of Total Income, which is a small decrease from the position in 2019/20 (73%), caused by the impact of one off grants from Welsh Government impacting on the gross income levels.

The increase in Research Grant and contracts income also saw significant growth rising from £0.7m in 2019/20 to £1.1m in 2020/21 an increase of 68%

## Group Expenditure



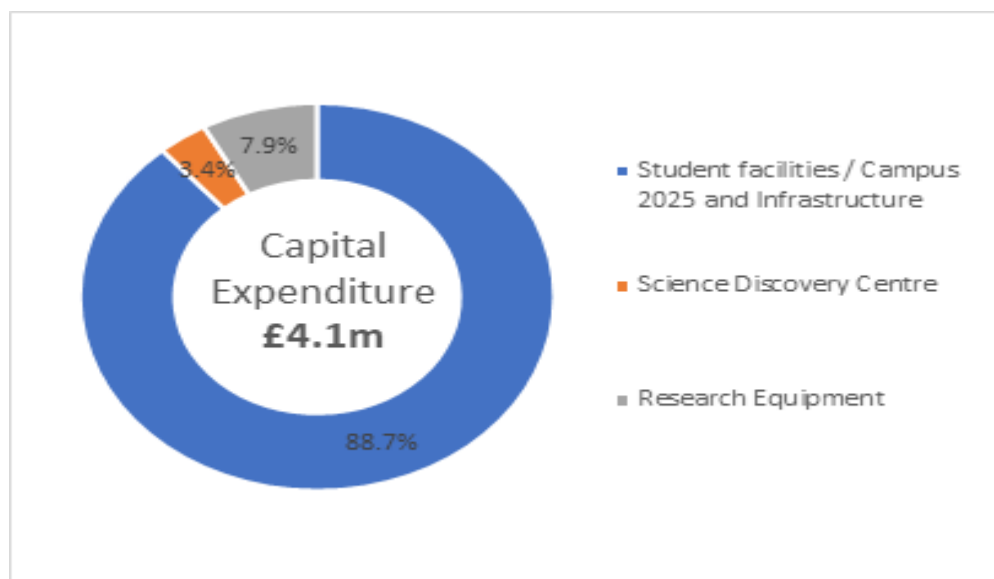
Wrexham Glyndwr University's main expenditure is on teaching and research, but it also spends money on a range of other areas that benefits and supports students and enhances the student experience.

**Wrexham Glyndwr Students' Union:** The University contributed £371,000 during the year to help support towards the running of the Students' Union.



**One off additional costs for 2020/21:** The University aims to only spend at levels which are within the income it has generated during the year, however during 2020/21 additional one-off costs were incurred due to the utilisation of Welsh Government HE Investment and Recovery funding being passed directly to students facing Covid related hardship.

## Capital Investment



The University has continued with its ambitious Campus 2025 plans. During the year specific external grants have been received which have been applied towards achieving improved Digital facilities and Decarbonising university activities

HEFCW Capital grant was used to fund campus improvements, in line with the agreed Campus 2025 strategy. This saw internal improvements to teaching and learning spaces including the completion of the refurbishment of the Plas Coch campus ground floor B corridor along with the refurbishment of the Regent Street Campus. In addition further Vet Nursing academic facilities were provided at the Northop Campus funded from internal reserves (Minor Capital Programme).

The planning appeals in respect of two of the enabling sites planned for disposal were determined during the year by the Welsh Planning Inspectorate with both sites now in receipt of outline planning permission. This will in turn allow their disposal with the receipts generated being available for future investment. The Board will continue to apply capital receipts, alongside grants and internal resources for reinvestment to deliver the Campus 2025 programme.

## Cash Flow and Financing

The year-end saw cash balances of £17.8m, this was significantly ahead of forecasts. The initial three-year term loan used to finance the acquisition of Wrexham Village was renegotiated and extended after the year end, by a further 12 months (to August 2022). Thus allowing a longer period to find a more appropriate long term facility.

## Statement of Financial Position (Balance Sheet)

The Statement of Financial Position appears to be strengthened by the reduced pension's provision now standing at £36,549k (£40,898k in 2019/20). The provision had been £31,225k in 2018/19 but had previously been £20,159k in 2017/18, £26,130k in 2016/17, £32,226k in 2015/16 and £22,559 in 2014/15. Such fluctuations are totally beyond the University's control and therefore are of limited use when considering the overall financial position.

Fixed assets have grown with the addition of projects and refurbishment work at the Plas Coch, Regent Street and Northop campuses.

## Pensions

The Group participates in three pension schemes, the Teachers Pensions Scheme (TPS), the Local Government Pension Scheme, Clwyd Pension Fund (LGPS) and the Universities Superannuation Scheme (USS). It has not been possible to identify the institution's share of the underlying assets and liabilities in relation to the TPS and USS scheme; as such they are accounted for as if they were defined contribution schemes. However, under FRS 102 2018 a liability of £79k is held (2019/20 - £122k), following the finalisation of the 2019 valuation, to take account of the deficit within the USS scheme which is currently being repaid with additional agreed contributions.

## Financial Outlook

During 2020/2021 the University charged FT home and EU undergraduate students an annual tuition fee of £9,000, as compared to the fee of £9,250 being charged in English institutions. The Welsh Government had provided additional funding to the Funding Council for 2018/19 to compensate for the continued capping of the fee and this had been deployed to institutions in the form of a fee mitigation grant. Currently the cap on the £9,000 fee remains however the fee mitigation grant had been removed for 2019/20 and was not reinstated for 2020/21. A Review of Post-18 Education and Funding in England (Augar) had been commissioned by the UK Government and reported in 2019. It is possible that this review of the English system will influence future funding decisions in Wales. At present the methodology for the future funding of institutions in both Wales and England is uncertain.

The ongoing implementation of the Finance Strategy will see the University continue with sustained financial health and remain on track in delivering its important mission.

The key financial objectives of the strategy are to:

- 1 To ensure the long term Financial Sustainability of the University.
- 2 Maintaining Solvency.
- 3 To promote Efficiency and Value for Money.
- 4 Ensuring high standards of financial Probity and Accountability.
- 5 Increasing the value and diversity of Income from public, private and business sources.
- 6 Ensuring that the Financial Risks associated with ongoing activities and new opportunities are communicated and managed appropriately.
- 7 Maintaining a clear and robust approach toward Financial Planning, decision making and the Allocation of Resource.
- 8 To provide secure, effective and efficient Payment Methods across a variety of customers

The financial statements for 2020/21 show that the University deployed 41% of its income on direct staff costs (excluding pensions), which is a reduction from the previous year. This is consistent with sector norms and the Financial Strategy targets. The impact of pension's charges, both cash and particularly, non-cash which has a distorting affect, does raise the KPI metric of staff costs as a percentage of turnover. However, by continuing to ensure that turnover grows and that costs are effectively controlled provides a solid base financial foundation for the university, enabling it to plan for increased accounting and cash surpluses to provide the funding for the ambitious programme of development set out in the Campus 2025 strategy.

In order to generate development funding and as a counter to the uncertainty arising from the current fee arrangements, the University has ambitious plans to grow and diversify its income base through the development of new academic programmes and investment in research and innovation activity, both to be provided through new and rejuvenated estate and infrastructure alongside a rejuvenated academic programme.

In addition, the sale of the surplus sites should all be realised within the 2021/22 year thus providing significant funds for reinvestment into delivering the Campus 2025 strategy.



David Elcock  
Executive Director of Finance



Judy Owen  
Chair of Strategy and Finance Committee

## CHARITY INFORMATION

Glyndŵr University is a registered charity under the terms of the Charities Act 2011 (charity registration number 1142048)

### **Registered Office**

Mold Road

Wrexham

LL11 2AW

### **Bankers**

Barclays Bank plc

Liverpool Lord Street

Leicester LE87 2BB

Allied Irish Bank (UK) plc

10 Berkeley Square

Mayfair

London W1J 6AA

### **External Auditor**

KPMG LLP

1 Sovereign Square

Leeds LS1 4DA

### **Internal Auditor**

RSM LLP

Festival Way

Festival Park

Stoke-on-Trent ST1 5BB



# PUBLIC BENEFIT STATEMENT

## Introduction

Glyndŵr University is a Registered Charity (number 1142048) in accordance with the terms of the Charities Act 2011. The registered address of the charity is Mold Road, Wrexham LL11 2AW. The members of the Board of Governors are the trustees of the charity and as such have due regard to the Charity Commissions guidance on public benefit.

The University is a Higher Education Corporation and under section 124 of the Education Reform Act 1988 it has the power to:

- provide higher education;
- provide further education; and
- carry out research and to publish the results

The University has a specific role in society which involves a deep engagement with its region and community. The University's role is clearly articulated not only in its vision and strategy and mission, but more particularly in all its actions.

The University seeks to provide and advance higher education in North East Wales, Wales, the UK and overseas, through individuals' participation in research-informed, industry-led and vocationally relevant programmes of study, which lead to the award of degrees or other appropriate qualifications; and applied research. Through its core activities the University seeks to develop career-ready professionals who support and meet the needs of the regional, national and international economy.

## Widening access and participation in Higher Education

Widening access and participation is an integral part of the character of the University founded on a commitment to provide socially inclusive, fair and supportive access to higher education, breaking down barriers for people from all sections of society, to raise aspirations and support sustained student success.

The University is number one in England and Wales for social inclusion<sup>8</sup>. This ranking includes other notable positions such as 6th in England and Wales for admissions from deprived areas (27.1%), 1st in England and Wales for number of disabled students (20%), 3rd in England and Wales for mature students (76.2%) and 7th in England and Wales for state school admissions (97.9%). Glyndŵr University also attracts 59.9%<sup>9</sup> of its student population from the North Wales region.

The University's Fee and Access Plan demonstrates our continued commitment to ensure equality of opportunity and the promotion of higher education. The objectives of the plan include provision of academic and welfare support for under-represented groups and a commitment to improve their experience of higher education, to develop and promote an inclusive academic and student community and expand Welsh medium provision. The University also commits to providing an excellent student experience; to assure graduate employability; and to strengthen community engagement. Targets are set against these objectives and they are monitored closely.

Full time and part-time undergraduate and postgraduate students have access to tuition fee loans and to loans and grants to help with living costs. Additional support can also be accessed by students with learning difficulties and disabilities, and students with children or adult dependents. Bursaries are available for medical and social work students through the NHS and Social Care Wales respectively.

<sup>8</sup> Sunday Times Good University Guide League Table 2022

<sup>9</sup> Source: HESA Student (FPE) 19/20 data

The University has a range of schemes including bursaries and scholarships to help students into higher education including a discretionary fund to help those needing financial assistance to continue their studies. The University is committed to helping young people in and leaving care and provides financial and support packages which can include guaranteed on campus accommodation at a discounted rate for their first year. The University has confirmed its commitment to the [Stand Alone Pledge](#) in support of Estranged Students who are young people studying without the support and approval of a family network. This support for estranged students is communicated in our outreach work with schools and colleges; and our work with local hostels and homeless charities helps reach those without home support.

During 2020/21 Welsh Government provided additional funding to Universities in Wales to prioritise '*towards the most vulnerable, as well as strengthening support services for students.*' The majority of this additional funding was to address material hardship for students arising from the Covid -19 pandemic. The categories of students in receipt of the hardship support stipulated by Welsh Government were: those from low participation areas in the UK, those from areas in the bottom two quintiles of the Welsh Index of Multiple Deprivation in Wales; carers, care leavers, those with a disability, those with from Black, Asian and minority ethnic Groups in the UK and those with parents with no HE qualifications in the UK. 2917 Glyndwr University students benefitted from this funding.

## **Research**

Glyndwr University is committed to producing research that transforms with an applied focus that informs both our teaching and supports the actions of both regional and global concerns. The University is dedicated to making a positive economic, social, and cultural contribution to the region with much of its funded research intended to produce public benefit. Over 2020/2021 University researchers have received external funding from organisations such as: Cadwyn Clwyd, Betsi Cadwaladr University Health Board, Welsh Government, Denbighshire County Council, Big Lottery, Institute of Alcohol Studies, Empower and Figure 8 consultancy. Much of the research developed from this funding has focused on health and wellbeing and public policy development within the region. The University also sits at the heart of the business community in North Wales, providing services to industry and commerce through Knowledge Transfer Partnerships, Consultancy programmes and Entrepreneurship Support

## **Our place in the community**

The University's Vision and Strategy domain of engagement, articulates our aim to involve the whole community, acknowledging the importance of our local and regional partners and our place in, and commitment to, Wales as our principal location. We are the first university in Wales with a standalone Civic Mission Partnership Strategy. The Strategy has enabled a significant step change and evolution in our co-created aim to end social inequality by 2030 in North Wales. The University acts as Vice Chair of the civic mission network for Wales and presented at and shaped the civic mission framework launched by the Education Minister in January 2021. As an anchor institution we are committed to evolving our civic mission work in partnership with leaders and communities across generations.

Examples of the activities we have been involved in across the region under our Civic Mission Partnership Strategy include:

- enabling Flintshire and Wrexham Public Service Boards to work together to develop an approach to tackle key challenges as part of the regional response to community resilience which has been recognised as good practice by Welsh Government.
- Working in partnership with Betsi Cadwaladr University Health Board on the Together for Mental Health Strategy and the Healthier Wales Plan for Health and Social Care alongside local councils to develop story telling skills in communities.
- Supporting systems leadership and public narrative work to deliver a pilot 'Impact Through Stories' Leadership programme with 50 children in partnership with Betsi Cadwaladr University Health Board, Flintshire County Council and DO WELL LTD to support young people to develop

confidence about their role in the world. This work has been recognised by the Children's Commissioner for Wales.

- Development of a partnership approach to becoming the first Trauma and Adverse Childhood Experience (TrACE) University in Wales with an innovative partnership with the National Adverse Childhood Experience Hub engaging students and staff on their journey to becoming TrACE informed.
- Leading the new North Wales Research and Insight partnership to bring data, insight and engagement work together across the region to maximise and connect resources and expertise to support well-being plans for the next five years.

### **Developing the capabilities of our staff**

The University is committed to attracting, developing, engaging and retaining the best staff. Through implementation of our People Strategy we endeavour to provide staff with relevant opportunities to continuously develop their personal and professional skills to enable them to make a positive contribution to the University's vision and strategic objectives. Academic staff contribute to both teaching and research/scholarly activity to develop their professional practice. Staff also collaborate with academics in other universities within the UK and internationally.

The Covid-19 pandemic restricted many of the activities that we have undertaken in previous years in order to deliver community activities. However, below are examples of specific activities that the University and its students undertook during 2020/21.

- The Health and Wellbeing academic team hosted a free community event which coincided with Mental Health Awareness Week. The Nature of Mental Health was a discussion about the effect nature can have on our mental health.
- We were involved in the launch of the North Wales Public Services Lab hosting the first lunchtime lecture in July 2021 with a view to developing a programme of events for the future.
- The Sports Science department teamed up with the Olympus Gymnastics Club in Llay to provide help and support to elite athlete, Jacob Edwards. This was a key development for the 18-year-old as he targets a place in the 2022 Commonwealth Games.
- We led a Tedx Countdown COP26 on climate change in partnership with GwE, Natural Resources Wales, RENEW Wales and Do-Well (UK) Ltd as part of the global countdown to COP26 ensuring young people and children have a voice in the region with the aim of developing a future ambassadors programme so support learning and understanding about the Well-being of Future Generations Act (2015) Wales.
- A Policing student helped move people to safety after major flooding in Bangor on Dee. Ruth Tierney serves with North Wales Police as a Special Constable alongside her studies and helped evacuate at-risk residents when the River Dee burst its banks in January.
- A Youth & Community Work student was presented with a Highly Commended Award by Wrexham's MP, Sarah Atherton, for her volunteering work throughout the lockdowns. Savannah Lloyd delivered prescriptions and food hampers to the most vulnerable residents as well as going shopping for others.
- We celebrated National Welsh Language Music Day with a free community event on campus involving a series of musical performances, drawing together a diverse range of performers and businesses from across North East Wales.
- An Education with Childcare student signed up to Age Cymru's Friend in Need telephone befriending service. Sarah O'Brien volunteers with the service, which is aimed at over-70s who are self-isolating or in a shielded group.

- A Sport, Health and Performance Science student helped Wrexham Football Club's new management team and squad prepare for the next season. The team visited our Human Performance Lab to be weighed, measured and tested and their data recorded.
- The University made its Conference Centre in Wrexham and Conference Facilities in St Asaph available for use as NHS Covid-19 vaccination centres.
- Students on courses including Social Care, Youth and Community Work, and Criminology worked as both volunteers and in paid employment to ensure key services, charities and more kept running during the coronavirus pandemic. Glyndwr students on a range of degrees, from Engineering to Nursing, also helped to both provide goods and raise funds for charity during the Covid-19 pandemic.
- We signed up to the C-19 Business pledge an initiative launched by former Cabinet Minister, Rt Hon Justine Greening and entrepreneur David Harrison. The pledges were to develop an action plan to support our staff throughout and beyond the current challenges associated with Covid-19; to publish clear and simple advice for customers; and to commit to helping the country as well as the communities we serve through the coronavirus epidemic.

The University is governed by a non-remunerated Board of Governors/Trustees in common with other charitable higher education institutions in the UK. The majority of governors are independent of the University, and there are staff and student governors.

# CORPORATE GOVERNANCE STATEMENT

Wrexham Glyndŵr University is committed to high standards of corporate governance. This summary describes how the relevant principles of good governance are applied demonstrating its compliance with best practice within the higher education sector.

The University has a duty to conduct affairs in a responsible and transparent way, and to take into account the requirements of funding bodies, the standards in public life enunciated by the Nolan Committee, the Combined Code, the UK Corporate Governance Code as it applies to Higher Education, and the Committee of University Chairs' Higher Education Code of Governance (2020).

The Board of Governors carries overall responsibility for the University's and Group's systems ensuring there is a sound system of risk management, internal control and governance and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has adopted a [statement of primary responsibilities](#), which is published on the University's website and is reviewed at least every two years. The statement was revised during 2020/21 as part of a review against the provisions of the CUC Higher Education Code of Governance (2020).

The statement sets out the Board's responsibilities as the principal financial, business and legal authority of the University, and the employing authority for all of the staff. The Board is also responsible for the University's educational character, vision and strategy, reputation, academic and business planning, monitoring of institutional performance, effective academic governance, financial sustainability, health and safety, equality, diversity and inclusion, the University's assets, property and estate and student welfare and ensuring that its work in these areas meets the interests of the University's stakeholders.

The Board of Governors has received regular reports since the start of the Covid 19 pandemic on the implementation of specific measures to manage the Covid-19 impact and related risks. All the Board's meetings have been held on-line since the start of the Covid-19 pandemic, whilst retaining its normal schedule of meetings during the 2020/21 academic year. At its meeting in July 2021 the Board agreed that meetings should revert to face to face meetings on campus as the default position for the 2021/22 academic year, subject to Welsh Government guidance relating to the pandemic.

## University Corporate Governance Structure

The Board meets at least five times per year with much of its detailed work being handled initially by its standing committees. These committees are formally constituted with terms of reference, which are reviewed annually, and are made up of mainly independent members who are appointed in accordance with the University's Instrument and Articles of Government. Each committee is chaired by an independent governor. All committees review and reflect on their work and provide an annual report to the Board of Governors.

The Board engages in an annual Strategy day with members of the Vice-Chancellor's Board to reflect on the performance of the University and other matters of significance. The Board also engages in an annual development day at which a session is held for governors to meet without the Vice-Chancellor and Executive Officers present. During 2020/21 the Board engaged in a virtual development day facilitated by Advance HE, funded by HEFCW and the private session for governors was not held. This will be reinstated in 2021/22.

In March 2021 the Board undertook a 360-degree review of the Chair's performance, utilising a commercial survey tool, and the outcome was reported to the July 2021 Board. Feedback on the Chair's performance was higher in all areas than their own self-assessment. A whole Board approach to widening engagement with staff and the Students' Union more generally was agreed. A review of the appropriateness of the commercial survey tool for the Chair will be undertaken in 2021/22 academic year. The Chair conducted



individual review meetings with governors, and these were largely focussed on discussions regarding the appointment of the next Chair of the Board. The Chair also met with new governors as part of their induction.

The committee structure consists of five committees:

- The **Strategy and Finance Committee** meets five times per year and has a financial as well as a strategic remit.
- The **Human Resources Committee** meets four times per year and monitors health and safety, equality and diversity matters, and considers staff related data and policies and procedures.
- The **Remuneration Committee** meets twice annually, initially to consider the annual pay policy statement. The Committee's second meeting in June considers the remuneration of senior post holders in line with annual practice and makes a report to the full Board on its decisions. The Remuneration Committee has adopted the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code (June 2018).
- The **Nominations and Governance Committee** meets at least twice per year and makes recommendations to the Board of Governors in respect of the appointment of new governors in accordance with the Instrument and Articles of Government and the University's standing orders. The membership of the Committee includes an academic staff governor and a student governor as well as a co-opted external member who is not a member of the Board of Governors.
- The **Audit Committee** meets four times a year and is established by the Board to advise them and provide oversight of the effectiveness of the University's risk management, internal control and governance arrangements, the arrangements to promote economy, efficiency and effectiveness, and internal audit and external audit arrangements. The Committee comprises three external co-opted members from the public and private sector, who are not members of the Board of Governors, who provide externality to the Committee's deliberations.

At the start of every meeting, the members meet privately with the University's internal and external auditors. There are no members of the Audit Committee who are also members of the Strategy and Finance Committee.

The Board of Governors' assurance about the effectiveness of the system of risk and internal control is also informed by the work of the senior management within the University, who have responsibility for the development and maintenance of the internal control framework, through consideration by the Audit Committee; and comments made by the internal auditors in their annual report and external auditors in their management letter.

The Audit Committee has adopted the Committee of University Chairs (CUC) Higher Education Audit Committee Code of Practice (May,2020).

### **University's approach to effective management of risk**

The approach to risk management is predicated upon this being an active part of normal, good practice and business as usual, but recognising the need and value in having a clear, uniform and coherent process across the University and for this to be formally recorded and documented. There is an institutional risk framework that identifies strategic/corporate risks, which is then supported by an operational risk register. The corporate risk register is developed by the Vice-Chancellor's Board and reviewed and approved through the Audit Committee. The corporate risks range across several academic, professional and operational areas and take account of the University as a national and international institution operating in a public and regulated environment.

Corporate risks remain under review by senior managers who are appointed as risk 'owners' but are formally reviewed each year in terms of their overall appropriateness; and quarterly to determine their currency and

to recognise any changes happening within year. The corporate risk register identifies: the nature of the risk, the potential impact of the identified risk, the likelihood of the risk materialising, the 'owner' of the risk, and the mitigating factors to manage the risk, and this is scored both before and after the mitigating controls have been considered, as additional information is provided around risk 'triggers' and horizon scanning. The operational risk register then sits alongside the corporate risk register, with the responsibility as risk owner being the heads of relevant academic and professional areas across all parts of the University, with practical support from a risk lead in their own area. Each area is asked to ensure that local risks are actively considered within their management and reporting structures, with escalation to the Vice-Chancellor's Board triggered if a residual risk score is high or very high. The Audit Committee receives and considers a report from the University's independent audit provider RSM LLP on risk management processes.

The corporate risk register has been reviewed by the Board of Governors during the year.

Whilst the University's Internal Auditors have identified areas for improving the University's risk management framework, the Board of Governors is of the view that an effective and continuing process for identifying, evaluation and managing the university's key risks has been in place for the period of the financial statements. Plans are in place to implement Internal audit recommendations for improvement and the risk management process is reviewed regularly in line with the University's approved Risk Management Policy.

### **Statement of Internal control**

The key elements of the Group's system of internal controls, which is designed to discharge the responsibilities set out above included the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior managers and heads of academic and professional areas;
- A medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of student recruitment and regular reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approved levels set by the Board of Governors;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Board of Governors;
- A professional independent Internal Audit provider whose annual programme is approved by the Audit Committee;
- Linking the identification and management of risk to the achievement of the University's strategic objectives through the planning process;
- Evaluating the likelihood and impact of risks becoming a reality as part of that same process and establishing mitigating controls;
- Embedding risk management and internal control processes in the ongoing operation of all academic and professional services departments;
- Regular reporting to Audit Committee, and then to the Board of Governors, on internal control and risk; and
- Reporting to the Board of Governors the principal results of risk identification, evaluation and management review.

The Audit Committee, on behalf of the Board of Governors, has reviewed the effectiveness of the system of internal control of the University.

### **Committee of University Chair (CUC) Higher Education Code of Governance**

The Board has adopted the CUC Code and its last effectiveness review in 2017/18 confirmed adherence to the Code (2015). During 2020/21 the Board completed its action plan to implement the recommendations arising from this review and appointed an independent provider to undertake their next effectiveness review. This will be progressed during the 2021/22 academic year.

The Board assessed its practice against the revised CUC Code published in May 2020 and considered that it meets the provisions of the Code subject to consideration of two key matters.

- **Differential educational outcomes.** Whilst the Board, through the work of its Human Resources Committee, monitors and receives an annual report on equality, diversity and inclusion, the Board agreed that the report did not adequately consider significant differential outcomes by protected groups. A plan was developed to address this matter and the Board is due to receive enhanced reporting on differential student outcomes in the 2021/22 academic year.
- **Senior Independent Governor.** The Board considered the range of mechanisms in place to help advise the Chair, provide a voice and sounding board for other governors to sense check the effectiveness of the governance arrangements, and to undertake the appraisal of the Chair. The latter is currently undertaken by the Vice Chair. The Board decided that a Senior Independent Governor was not required for the time being. However, they determined that during the 2021/22 academic year a new Chair of the Nominations and Governance Committee will be appointed, and that person will not be the Chair of the Board as it is currently. The new Chair of Nominations and Governance Committee will become the *de facto* lead on governance matters.

The Board of Governors has throughout the 2020/21 academic year adhered to the provisions of the Committee of University Chairs Higher Education Code of Governance (May 2020), with the exception of the two matters above which will be addressed during the 2021/22 academic year.

### **Review of Governance of Welsh Universities (Camm) 2019.**

The Board adopted the Governance Charter for Universities in Wales in May 2020. The Charter maps out an approach to improving governance that has been adopted by all universities in Wales to demonstrate their commitment to the continuous development and improvement of governance both within their own universities and the sector in Wales as a whole.

Throughout the 2020/21 academic year the Board has continued to implement its [action plan](#) to meet the commitments within the review report. Thirty one of the forty-six actions have been completed to date with remaining actions either reliant on the work of other bodies external to the University or their implementation date has not been reached.

Building on actions taken in the 2019/20 academic year, among the actions completed during 2020/21 were: the adoption of Guidance on Independence for Governors and a revised Annual Report template both developed by the Welsh Universities Secretaries and Clerks Group; the approval of a Board Statement on Benchmarking; the introduction of a declaration of eligibility for new Governors/Trustees; the approval of a definition of large-scale multidisciplinary projects; the approval of a revised Public Interest Disclosure (Whistleblowing) Policy which was reviewed with external input; and the approval of a University Code of Practice on Managing Conflicts of Interest.

A 360-degree survey tool was utilised for the annual review of the performance of the Chair of the Board and the suitability of the survey tool will be reviewed during the 2020/21 academic year. 360-degree review has been introduced for members of the Vice-Chancellor's Executive Team during the year and in future years the process will be embedded into the established Professional Development Review process. The Board aims to complete those actions that are within its control by the end of the 2021/22 academic year.

# GOVERNORS AND TRUSTEES OF THE UNIVERSITY

The following people served as Governors and Trustees of the Charity during 2020/21 and up to the date of the signing of the audited financial statements.

## **Independent Governors**

Maxine Penlington OBE	Chair
Paul Barlow	Vice Chair
James Barclay	
Professor Martin Chambers	(from 27/9/21)
Claire Homard	
Celia Jenkins	
Professor Sandra Jowett	
Paul McGrady	
Dr Jayne Mitchell	(Until 31/8/21)
Judy Owen	
Askar Sheibani	
David Subacchi	
Diane McCarthy	(From 1/7/21)
Richard Thomas	(From 31/7/21)
Maureen Wain	(From 31/7/21)

## **Vice Chancellor**

Professor Maria Hinfelaar

## **Elected Staff Governors**

Laura Gough	(Until 31/8/21)
David Sprake	
Sally Lambah	(From 1/9/21)

## **Academic Board Nominee**

Colin Heron

## **Clerk to the Board of Governors**

Val Butterworth

## **Student Governors**

Ebony Banks	(Until 30/6/21)
Chloe Williams	(Until 13/9/21)
Lauren Hole	(From 1/7/21)
Amy Rowley	(From 14/9/21)

# RESPONSIBILITIES OF THE UNIVERSITY'S BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988 the Board of Governors of Glyndŵr University is responsible for the administration and management of the affairs of the University and Group and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time, the financial position of the University and Group and to enable it to ensure that the financial statements are prepared in accordance, with the Statement of Recommended Practice (SORP) on Accounting in Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability and the Financial Management Code issued by Higher Education Funding Council for Wales, the Board, through its accountable office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and Group and of the surplus or deficit, total recognised gains or losses and cash flows for that year.

In preparing these financial statements, the Board of Governors has ensured that:

- suitable accounting policies are selected and applied consistently;
- judgements and estimates are made that are reasonable and prudent;
- applicable accounting standards have been followed, 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 and Group will continue in operation.

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales are used only for the purposes for which they have been given and in accordance with the Financial Management Code 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.



**Professor Maria Hinfelaar**  
Vice-Chancellor and Chief Executive

# **INDEPENDENT AUDITOR'S REPORT TO BOARD OF GOVERNORS OF WREXHAM GLYNDWR UNIVERSITY**

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinion**

We have audited the financial statements of Wrexham Glyndŵr University ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows and related notes, including the Statement of principal accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

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

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

### **Going concern**

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

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

Our conclusions based on this work:

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

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



## **Fraud and breaches of laws and regulations – ability to detect**

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

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

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

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees relating to courses that span the year end are recorded in the wrong period and the risk that the University’s management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management, journals posted to cash outside our expected combinations, manual journals to cash after 31/07/2021, journals containing the description CHQ/Cheque and journals posted to turnover to defer tuition fees at the year end.
- Assessing whether tuition fee revenue transactions either side of the year end were recorded in the correct period.

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

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

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

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

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

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

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with Higher Education regulatory requirements of the Higher Education Funding Council for Wales,

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

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

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

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

**Other information**

The Board of Governors is responsible for the other information, which comprises the Operating and Financial Review, Corporate Governance Statement and Public Benefit Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- based solely on that work, we have identified material misstatements in the other information; and
- in our opinion the information given in Operating and Financial Review, Corporate Governance Statement and Public Benefit Statement, is consistent with the financial statements.

We have nothing to report in these respects.

**Matters on which we are required to report by exception**

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

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

We have nothing to report in these respects.

**Board of Governors' responsibilities**

As explained more fully in their statement set out on page 41, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either

intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

### **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 issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015.

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;
- funds provided by HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them and used for the purposes for which they were received; and
- the requirements of HEFCW's accounts direction have been met.
- 

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

This report is made solely to the Board of Governors and in accordance with paragraph 21(2) of the University's Articles of Government and section 124B of the Education Reform Act 1988 and in accordance with the with the section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



**James Boyle**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 St Peter's Square  
Manchester  
M2 3AE

1 December 2021

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

The Board of Governors is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Memorandum of Assurance and Accountability issued by the Higher Education Funding Council for Wales (HEFCW) and applicable law and regulations.

They are required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the requirements of the Charities Act 2011. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction to Higher Education Institutions for 2020/21 issued by HEFCW.

The Board of Governors are required to prepare financial statements which give a true and fair view of the state of affairs of the group and parent University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the group and parent University financial statements, the directors are required to:

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

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

The Board of Governors are also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability and the Financial Management Code have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

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

# Financial accounts

## Statement of principal accounting policies

### Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard (FRS102), The Financial Reporting Standard applicable in the UK and Republic of Ireland. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. Where relevant the financial statements adhere to the accounting directives of HEFCW.

### 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 Operational and Financial Review. The Operational and Financial Review 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 Board of Governors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements. After reviewing these forecasts the Governing Body is of the opinion that, taking account of severe but plausible downsides, including the anticipated impact of COVID-19 the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

In reaching this opinion on the financial sustainability of this institution, the following factors have been taken into account:

- regular performance monitoring through monthly reporting, annual budgets and forecasting, including HEFCW forecast submissions.
- measurement against the Corporate Strategy and related Key Performance Indicators complying with the financial covenants of our lender.
- a cash flow strategy which is aligned to the funding regime and which takes into account the peaks and troughs of the funding cycle.
- measurement against the Corporate Strategy and related Key Performance Indicators.
- maintaining a Risk Register which considers both financial and non-financial strategic risks.
- continuing to provide governance and legal functions which cover all financial, statutory and regulatory compliance.

The University had a loan facility in place with Allied Irish Bank ending in August 2021. The Board of Governors has negotiated a new loan agreement which will provide a £7.75m facility on a 1-year term to August 2022. During September 2021, two land sales have been completed by the University Group realising net cash proceeds of £9.4m to significantly increase held cash reserves. Thorough cashflow modelling and scenario testing completed which evidences that the University Group holds sufficient cash reserves to repay the loan facility when required, in addition to ongoing costs of activity for the going concern assessment period. These increased cash reserves are sufficient to meet the going concern basis of preparation.

Consequently, the Governing Body 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.

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention, as modified by the deemed cost for certain fixed assets as revalued with the introduction of FRS102 reporting.

### **Basis of consolidation**

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2021. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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.

Details of the University's subsidiary undertakings are provided in note 20 to the financial statements.

### **Income recognition**

Funding Council block grants are accounted for in the period to which they relate.

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

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

### **Governmental Grant Funding**

Recurrent income from grants, contracts and other services rendered is accounted for on an accruals basis and included to the extent the contract or service has been completed; any payments received in advance of such performance are recognised on the Statement of Financial Position sheet as liabilities.

### **Governmental Capital Grants**

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

### **Non-Governmental Grant Funding.**

Recurrent income from grants, contracts and other services rendered is accounted for on a performance basis and included to the extent the contract or service has been completed; any



payments received in advance of such performance are recognised on the Statement of Financial Position as liabilities.

## **Donations and Endowments**

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

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

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

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

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

## **Agency arrangements**

Funds the University receives and disburses as paying agents 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.

During 2017/18 the University entered into an Agency agreement for the supply of Catering services at the Plas Coch campus and which remains in place. All income and expenditure associated have been included within the University Statement of Comprehensive Income and Expenditure as the University retains the risk or reward of the activity under this agency agreement.

## **Leases and hire purchase contracts**

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Finance leases, which substantially transfer all the benefits and risk of ownership of an asset to the University, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases.

The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations, and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent-owned assets.

The leasing of assets under a finance lease (Racecourse Stadium and Colliers Park) are treated as a short and long term debtor consisting of capital and interest elements. The capital element is applied in order to reduce outstanding debtor obligations, and the interest element is recorded as income in the income and expenditure account in proportion to the reducing capital element outstanding.

## **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 UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act 2010 (CTA 2010) or section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied to exclusively charitable purposes.

All UK subsidiary companies are liable to corporation tax in the same way as any commercial organisation.

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

All UK subsidiary companies are liable to VAT in the same way as any other commercial organisation except that any education or training provided by a university subsidiary is an exempt supply of education.

## **Tangible fixed assets**

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE 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.

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life of 50 years. The hockey pitch is depreciated over its expected useful life of 10 years. Capital expenditure applied to existing buildings is depreciated over its estimated useful life of 10 years.

Where buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Fixtures, fittings and equipment costing less than £10,000 per individual item or group of related items is written off to the income and expenditure account in the period of acquisition. All other fixtures, fittings and equipment is capitalised at cost. Motor vehicles are capitalised at cost.

All assets are depreciated over their estimated useful economic life as follows:

- Fixtures, fittings and equipment – five years
- Motor vehicles – three years

Where equipment is acquired with the aid of specific government grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful life of the related equipment. It is University policy not to revalue this class of assets.

Equipment acquired for a specific funded project is depreciated over its expected useful life which ordinarily equates to the term of the project.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

Any impairments which are due to the clear consumption of economic benefits are recognised in the income and expenditure account in the period when they occur.

Any downward revaluations which are not due to the clear consumption of economic benefits are also recognised in the statement of comprehensive income and expenditure account in the period when they occur.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred.

The University has a planned maintenance programme, which is reviewed on an annual basis.

### **Investments**

Listed investments held as endowment assets are shown at market value. Investments in subsidiary undertakings and non-listed entities are shown at the lower of cost or net realisable value.

Current asset investments are included at the lower of cost and net realisable value.

### **Stock**

Stock is stated at the lower of cost and net realisable value.

### **Cash and cash equivalents**

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No other investments, however liquid, are included as cash.

Liquid resources comprise sums on short-term deposit with recognised banks. They exclude any such assets held as endowment assets.

Under FRS102, the exemption from the requirement to prepare a separate cash flow statement for the University has been applied.

### **Foreign currency translations**

Assets and liabilities denominated in foreign currencies are translated to the group's presentational currency (Sterling) at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

## **Financial instruments**

### **Risk Management**

The University's principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University's operations. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

We have assessed the potential impact of Brexit on the organisation at present and consider there to be no material impact or significant risk to going concern.

### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

Student and commercial debtors are reviewed on an-ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

### **Liquidity risk**

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University 5 year planning process and are revised during the financial year.

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the euro. The operating level of euros is reviewed on a regular basis to mitigate the risk of adverse exchange rate movements.

### **Accounting for retirement benefits**

The three principal pension schemes for the University's staff are:

1. Teachers' Pension Scheme (TPS)
2. Universities Superannuation Scheme (USS)
3. Local Government Pension Scheme (LGPS).

All schemes are defined benefit schemes which are externally managed and contracted out of the State Second Pension (S2P), however Glyndŵr University's financial element of the TPS and USS cannot be determined and as such these are treated as defined cost schemes under FRS102.

Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals.

The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method. Glyndwr University's financial element of the TPS and USS cannot be determined and as such these are treated as defined cost schemes under FRS 102.

The LGPS surplus or deficit is recognised as an asset or liability on the Statement of Financial Position. The current service cost and the past service costs are recorded within staff costs.

The interest element is calculated based on the year end deficit (net liability) multiplied by the discount rate. All changes in pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and the actual out-turn are reported in the statement of Comprehensive Income and Expenditure.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

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

Provisions are recognised in the financial statements when

- a) the University has a present legal or constructive obligation as a result of a past event
- b) it is probable that a transfer 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 discounted to present value where the time value of money is material.

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence of otherwise 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 probable asset whose existence will only be confirmed by the occurrence of otherwise uncertain future events not wholly within the control of the University. Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed by way of a note.

### **Accounting judgements and estimates**

The following key judgements and estimates have been applied in these financial statements.

- USS Pension Scheme accounting judgements have been applied using the BUFDG standard USS modelling tool at a discount rate consistent with BUFDG guidance and in line with the University group's future salary roll increase expectations.
- Local Government Pension scheme accounting judgements have been supplied by our scheme actuaries Mercers.
- At 31 July 2021, in order to reflect the impact of proposals by the UK Chancellor and the UK Statistics Authority (UKSA) to align RPI with CPIH (a variant of the Consumer Prices Index that includes an estimate of housing costs), the CPI assumption methodology was reassessed. In particular, the fund actuary proposed the assumed long term gap between RPI inflation and CPI inflation was reduced from 120 basis points to 80 basis points at this year end. The impact of this change is expected to have resulted in a circa £8,000k increase in the Fund's liabilities since the prior year end as the CPI assumption is now 0.4% higher than it would have been under the prior year methodology.

- During 2019/20 the University received planning permission approval for a housing development on the Northern Quarter of the Plas Coch campus. The holding value of the asset was reduced during 2018/19 by £700k to reflect the estimated sale value. The sale was completed during August 2021 with no material difference from the current holding value.
- Holiday pay accrual was estimated using a direct sample methodology from the University Group's (academic and non-academic) departments taking actual leave levels as at 31<sup>st</sup> July 2021 and applied as a percentage basis.

## **Reserves**

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

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



# Consolidated and University Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2021

		Year Ended 31 July 2021		Year Ended 31 July 2020	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	31,630	31,630	26,921	26,921
Funding body grants	2	9,233	9,233	4,164	4,164
Research grants and contracts	3	1,138	1,138	679	679
Other income	4	4,916	2,987	5,085	3,246
Investment income	5	130	130	131	131
Donations and endowments	6	5	4	0	0
<b>Total income</b>		<b>47,052</b>	<b>45,122</b>	<b>36,980</b>	<b>35,141</b>
<b>Expenditure</b>					
Staff costs	7	19,095	17,711	18,684	17,300
Other pensions costs	7	1,696	1,548	1,446	1,271
LGPS Employer Pension	7	3,206	3,206	3,064	3,064
LGPS Past service costs	7	0	0	173	173
Other operating expenses	9	17,605	16,773	10,607	10,021
Depreciation	11	2,740	2,646	1,674	1,660
Impairment of fixed assets	11	98	98	0	0
Interest and other finance costs	8	881	881	977	977
Fundamental restructuring costs	7	0	0	0	0
<b>Total expenditure excluding net interest costs</b>		<b>45,321</b>	<b>42,863</b>	<b>36,625</b>	<b>34,466</b>
<b>Operating result before impairment and one off pension impact</b>		<b>1,829</b>	<b>2,357</b>	<b>528</b>	<b>848</b>
<b>Operating result after impairment and one off pension impact</b>		<b>1,731</b>	<b>2,259</b>	<b>355</b>	<b>675</b>
Profit on disposal of fixed asset	11	(3)	0	424	428
<b>Surplus / (Deficit) before tax</b>		<b>1,728</b>	<b>2,259</b>	<b>779</b>	<b>1,103</b>
Taxation	10	20	20	66	66
<b>Surplus / (Deficit) for the year</b>		<b>1,708</b>	<b>2,239</b>	<b>713</b>	<b>1,037</b>
Transfers between revaluation and income and expenditure reserve		0	0	-	-
Actuarial loss in respect of pension schemes	21	6,319	6,319	(8,578)	(8,578)
Change in fair value of hedging financial instruments		0	0	-	-
<b>Total comprehensive income for the year</b>		<b>8,027</b>	<b>8,558</b>	<b>(7,865)</b>	<b>(7,541)</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year		0	0	-	-
Unrestricted comprehensive expenditure for the year		8,027	8,558	(7,865)	(7,541)
Attributable to the University Group		<b>8,027</b>	<b>8,558</b>	<b>(7,865)</b>	<b>(7,541)</b>
<b>Surplus for the year attributable to:</b>					
Non controlling interest		0	0	-	-
University Group		1,708	2,239	713	1,037

All items of income and expenditure relate to continuing activities

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## Consolidated and University Statement of Changes in Reserves

### Year Ended 31 July 2021

Consolidated	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	Total excluding Non Controlling Interest	Total
			£'000	£'000
Balance at 1 August 2019	200	19,976	20,176	20,176
Surplus from the income and expenditure statement	-	713	713	713
Actuarial gain in respect of pension scheme	-	(8,578)	(8,578)	(8,578)
<b>Total comprehensive income for the year</b>	-	<b>(7,865)</b>	<b>(7,865)</b>	<b>(7,865)</b>
Balance at 1 August 2020	200	12,111	12,311	12,311
Surplus from the income and expenditure statement	-	1,708	1,708	1,708
Gift of asset	-	0	0	0
Closure of Subsidiary companies	-	0	0	0
Actuarial gain in respect of pension scheme	-	6,319	6,319	6,319
<b>Total comprehensive income for the year</b>	-	<b>8,027</b>	<b>8,027</b>	<b>8,027</b>
<b>Balance at 31 July 2021</b>	<b>200</b>	<b>20,138</b>	<b>20,338</b>	<b>20,338</b>

University	<i>Restricted</i> £'000	<i>Unrestricted</i> £'000	Total excluding Non Controlling Interest	Total
			£'000	£'000
Balance at 1 August 2019	200	20,252	20,452	20,452
(Deficit) from the income and expenditure statement	-	1,037	1,037	1,037
Actuarial gain in respect of pension scheme	-	(8,578)	(8,578)	(8,578)
<b>Total comprehensive income for the year</b>	-	<b>(7,541)</b>	<b>(7,541)</b>	<b>(7,541)</b>
Balance at 1 August 2020	200	12,711	12,911	12,911
Surplus from the income and expenditure statement	-	2,239	2,239	2,239
Gift Aid received	-	29	29	29
Actuarial gain in respect of pension scheme	-	6,319	6,319	6,319
<b>Total comprehensive income for the year</b>	-	<b>8,587</b>	<b>8,587</b>	<b>8,587</b>
<b>Balance at 31 July 2021</b>	<b>200</b>	<b>21,298</b>	<b>21,498</b>	<b>21,498</b>

# Consolidated and University Statement of Financial Position

## As at 31 July

		2021	2021	2020	2020
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Fixed assets	11	67,452	65,017	66,165	63,774
		67,452	65,017	66,165	63,774
<b>Current assets</b>					
Stock	12	28	9	19	12
Trade and other receivables : amounts falling due within one year	13	5,116	6,642	5,095	6,033
Cash and cash equivalents	18	17,820	17,627	5,933	5,724
		22,964	24,278	11,047	11,769
Less: Creditors: amounts falling due within one year	14	(14,710)	(14,315)	(7,470)	(7,184)
<b>Net current assets</b>		8,254	9,963	3,577	4,585
<b>Total assets less current liabilities</b>		75,706	74,980	69,742	68,359
Trade and other receivables : amounts falling due after more than one year	15	1,652	1,652	1,652	1,652
Creditors: amounts falling due after more than one year	16	(19,665)	(17,779)	(18,185)	(16,202)
<b>Provisions</b>					
Pension provisions	17	(36,549)	(36,549)	(40,898)	(40,898)
Other provisions	17	(806)	(806)	0	0
<b>Total net assets</b>		<b>20,338</b>	<b>21,498</b>	<b>12,311</b>	<b>12,911</b>
<b>Restricted Reserves</b>					
Income and expenditure reserve - restricted reserve		200	200	200	200
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		20,138	21,298	12,111	12,711
		<b>20,338</b>	<b>21,498</b>	<b>12,311</b>	<b>12,911</b>
Non-controlling interest		-	-	-	-
<b>Total Reserves</b>		<b>20,338</b>	<b>21,498</b>	<b>12,311</b>	<b>12,911</b>



**Maxine Penlington OBE FLSW**  
Chair of Governors

26/11/21



**Professor Maria Hinfelaar**  
Vice-Chancellor and Chief Executive

26/11/21

# Consolidated Statement of Cash Flows as at 31 July

	2,021.00	2020
	£'000	£'000
<b>Cash flow from operating activities</b>		
Surplus for the year	1,708	713
<b>Adjustment for non-cash items</b>		
Depreciation	2,740	1,674
Deferred Capital Grants released to Income		
(Loss) / Gain on investments		
Decrease in stock	(9)	2
Decrease in debtors < 1 Yr	(20)	(1,543)
Decrease in debtors > 1 Yr	0	0
Increase/(Decrease) in creditors < 1 Yr	6,904	2,273
Increase in creditors > 1 Yr	0	(5)
USS Pension		
LGPS Pension Fund		
Increase in pension provision	1,970	1,095
(Decrease)/Increase in other provisions	806	(885)
Impairment of fixed asset	98	0
<b>Adjustment for investing or financing activities</b>		
Investment income	(130)	(131)
Interest payable	277	366
Interest element of finance lease	2	3
Endowment income	0	0
Loss/(Profit) on the sale of fixed assets	3	(424)
Capital grant income	(1,447)	(352)
<b>Net cash inflow from operating activities</b>	<b>12,902</b>	<b>2,786</b>
<b>Cash flows from investing activities</b>		
Capital grants receipts	3,803	3346
Withdrawal of deposits	0	0
Investment income	130	131
Disposal of fixed asset	0	768
Payments made to acquire fixed assets	(4,128)	(3,780)
New deposits	0	
	<b>(195)</b>	<b>465</b>
<b>Cash flows from financing activities</b>		
Interest paid	(277)	(366)
Interest element of finance lease	(2)	(3)
Endowment cash received	0	0
New secured loans	0	0
Unsecured loans	0	0
Repayments of amounts borrowed	(500)	(1,500)
Capital element of finance lease	(41)	(40)
	<b>(820)</b>	<b>(1,909)</b>
<b>Increase/(Decrease) in cash and cash equivalents in the year</b>	<b>11,887</b>	<b>1,342</b>
Cash and cash equivalents at beginning of the year	5,933	4,591
Cash and cash equivalents as at 31 July	17,820	5,933

# Notes to the Accounts

## Year Ended 31 July 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>1 Tuition fees and education contracts</b>				
Full-time home and EU students	20,233	20,233	20,783	20,783
Full-time international students	5,176	5,176	1,833	1,833
Part-time students	4,103	4,103	2,660	2,660
Academic Contracts	2,118	2,118	1,645	1,645
	<b>31,630</b>	<b>31,630</b>	<b>26,921</b>	<b>26,921</b>

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>2 Funding body grants</b>				
<b>Recurrent grant</b>				
Higher Education Funding Council	2,061	2,061	2,939	2,939
<b>Specific grants</b>				
Higher Education Funding Other	5,862	5,862	404	404
Higher Education Funding Degree Apprenticeships	465	465	336	336
Higher Education Funding Council Quality Research	229	229	229	229
Capital grant	264	264	240	240
Buildings	352	352	16	16
Equipment				
	<b>9,233</b>	<b>9,233</b>	<b>4,164</b>	<b>4,164</b>

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>3 Research grants and contracts</b>				
Research councils	25	25	7	7
Research charities	38	38	55	55
Government (UK and overseas)	1,035	1,035	599	599
Industry and commerce	40	40	18	18
	<b>1,138</b>	<b>1,138</b>	<b>679</b>	<b>679</b>

Income from Government (UK and overseas) includes £655k in respect of capital grants released in the year (2019/20: £nil)

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>4 Other income</b>				
Residences, catering and conferences	1,067	1,034	1,754	1,590
Other capital grants	831	99	96	96
Job Retention Scheme Grant	209	119	265	165
Other income	2,809	1,735	2,970	1,395
	<b>4,916</b>	<b>2,987</b>	<b>5,085</b>	<b>3,246</b>

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>5 Investment income</b>				
Investment income on finance lease	130	130	130	130
Other investment income	-	-	1	1
	<b>130</b>	<b>130</b>	<b>131</b>	<b>131</b>

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>6 Donations and endowments</b>				
Donations	5	4	-	-
	<b>5</b>	<b>4</b>	<b>0</b>	<b>0</b>

# Notes to the Accounts

## Year Ended 31 July 2021

	2021		2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
<b>7 Staff costs</b>				
Staff Costs :				
Salaries	17,382	16,104	17,019	15,741
Social security costs	1,700	1,594	1,613	1,515
Redundancy costs	13	13	52	44
<b>Staff Costs</b>	<b>19,095</b>	<b>17,711</b>	<b>18,684</b>	<b>17,300</b>
Other pension costs	1,696	1,548	1,446	1,271
LGPS Employer Pension Contributions	1,687	1,687	2,322	2,322
LGPS Current service costs	1,519	1,519	742	742
LGPS Past service costs	0	0	173	173
<b>Pensions Costs</b>	<b>4,902</b>	<b>4,754</b>	<b>4,683</b>	<b>4,508</b>
Fundamental restructuring costs	0	0	0	0
<b>Total Staff Costs</b>	<b>23,997</b>	<b>22,465</b>	<b>23,367</b>	<b>21,808</b>

### Past service costs (Sergeant / McCloud)

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to for the LGPS as "McCloud") have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. The Government has accepted that remedies relating to the McCloud judgement will need to be made in relation to all public service pension schemes, including the LGPS.

For the LGPS, we have based our calculations on the proposals contained within the consultation released by MHCLG on 16 July 2020.

### GMP equalisation

UK and European law requires pension schemes to provide equal benefits to men and women in respect of service after 17 May 1990 (the date of the "Barber" judgement). This includes providing equal benefits accrued from that date to reflect the differences in GMPs. Previously, there was no consensus or legislative guidance as to how this might be achieved in practice for ongoing schemes, but the 26 October 2018 Lloyds Bank court judgement has now provided further clarity in this area. However, in response to this judgement HM Treasury stated that "public sector schemes already have a method to equalise guaranteed minimum pension benefits, which is why we will not have to change our method as a result of this judgement". This clearly implies that the Government (who have the overall power to determine benefits provision) believe the judgement itself will not affect the benefits. Therefore, the natural conclusion for the main public service pension schemes, including Local Government Pension Scheme, is that it is not appropriate for any provision to be included for the effect of the Lloyds Bank judgement, at least at the present time, and so we have not made any direct allowance specifically for any additional liabilities relating to equalisation at this stage. This is consistent with the previous accounting disclosures. However, there is a wider potential issue in relation to GMP equality in general, and this is covered in the following paragraph.

### Post-retirement increases on GMPs

At present, the public service schemes are required to provide full CPI pension increases on GMP benefits for members who reach State Pension Age between 6 April 2016 and 5 April 2021. The UK Government may well extend this at some point in the future to include members reaching State Pension Age from 6 April 2021 onwards. In due course there may therefore be a further cost to the LGPS and its employers when the Government confirms their overall approach to equalisation / indexation. In particular, there is a possibility that all the public sector schemes will be required to index-link GMP benefits, in respect of those members who reach their State Pension Age after April 2021. Our own preference would have been to assume that the current provisions as regards increases will continue to apply. However, it has become clear in a number of discussions that several auditors are taking a different view, and are expecting to see the additional potential liabilities in this area being recognised in employers' accounts if they are material. We have therefore, unless advised otherwise, included the increase in past service liabilities as a "past service cost" (the schedule of figures separately identifies the elements of the past service cost which relates to the GMP increases).



# Notes to the Accounts

## Year Ended 31 July 2021

### 7 Staff costs (continued)

	2021	2020
	£	£
<b>Emoluments of the Vice-Chancellor:</b>		
Salary	203,600	203,600
<b>Total emoluments excluding pension contributions</b>	<b>203,600</b>	<b>203,600</b>
Pension contributions to TPS	48,213	47,000
<b>Total emoluments including pension contributions</b>	<b>251,813</b>	<b>250,600</b>

The emoluments were paid to the Vice-Chancellor, Professor Maria Hinfelaar, who has been remunerated in line with her contractual terms.

The governing body adopted the Committee of University Chair's Senior Staff Remuneration Code in July 2019 and assesses senior pay in line with its principals. The remuneration package of senior postholders including the Vice-Chancellor, is subject to annual review by the Remuneration Committee of the Board of Governors. A full explanation of the process for assessing the performance of the Vice-Chancellor and determining and justifying their remuneration is provided in the annual report section.

The Vice-Chancellor's basic salary is 5.85 times the median pay of staff (2020 - 6.39 times), where the median pay is calculated on a full time equivalent basis for the salaries paid by the University and its subsidiaries to its staff.

The Vice-Chancellor's total remuneration is 6.91 times the median total remuneration of staff (2020 - 6.29 times), where the median total remuneration is calculated on a full time equivalent basis for the total remuneration by the University and its subsidiaries to its staff. Total remuneration includes basic pay and employer pension contributions.

The median calculations do not include agency staff who are not employees of the University or its subsidiaries where the cost is accounted for within Other Operating Expenses.

Remuneration of other higher paid staff, excluding employer's pension contributions:

	2021	2020
	No.	No.
£100,000 - £104,999	0	1
£105,000 - £109,999	1	0
£110,000 - £114,999	0	0
£115,000 - £119,999	0	0
£120,000 - £124,999	0	0
£125,000 - £129,999	0	0
£130,000 - £134,999	1	1
£135,000 - £139,999	0	0
	<b>2</b>	<b>2</b>
	2021	2020
	£	£
Key management personnel compensation	<b>1,013,469</b>	<b>1,041,949</b>

Key management are the Universities Executive team who consist of Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor Partnerships, Pro Vice-Chancellor Research, Director of Finance, Director of HR and Director of Operations.

Average staff numbers by major category :	2021	2020
	No.	No.
Teaching Departments & Academic Support	189	178
Administraton & Central Services	225	206
Premises	25	25
	<b>439</b>	<b>409</b>

# Notes to the Accounts

Year Ended 31 July 2021

## 8 Interest and other finance costs

	2021 Consolidated £'000	University £'000	2020 Consolidated £'000	University £'000
Loan interest	277	277	366	366
Finance lease interest	2	2	3	3
Net charge on USS pension scheme	1	1	4	4
	<b>280</b>	<b>280</b>	<b>373</b>	<b>373</b>
Net charge on LGPS pension scheme	601	601	604	604
	<b>601</b>	<b>601</b>	<b>604</b>	<b>604</b>
	<b>881</b>	<b>881</b>	<b>977</b>	<b>977</b>

## 9 Analysis of operating expenditure by activity

	2021 Consolidated £'000	University £'000	2020 Consolidated £'000	University £'000
Academic & Related Expenditure	8,783	8,624	3,599	3,461
Administration & Central Services	4,869	4,869	2,568	2,568
Premises	2,635	2,523	2,775	2,695
Residences, Catering & Conferences	424	418	665	588
Research Grants & Contracts	181	181	413	413
Other Expenses	713	158	587	296
	<b>17,605</b>	<b>16,773</b>	<b>10,607</b>	<b>10,021</b>

### Other operating expenses include:

External auditors remuneration in respect of audit services	59	43	59	43
External auditors remuneration in respect of non-audit services	7	1	2	1
<b>Operating lease rentals</b>				
Other	64	64	58	58

## 10 Taxation

	2021 Consolidated £'000	University £'000	2020 Consolidated £'000	University £'000
<b>Recognised in the statement of comprehensive income</b>				
<b>Current tax</b>				
Current tax expense	20	20	18	18
Adjustment in respect of previous years	0	0	48	48
<b>Current tax expense</b>	<b>20</b>	<b>20</b>	<b>66</b>	<b>66</b>
<b>Deferred tax</b>				
Origination and reversal of timing differences	-	-	-	-
Reduction in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
<b>Deferred tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total tax expense</b>	<b>20</b>	<b>20</b>	<b>66</b>	<b>66</b>

In the opinion of the Board of Governors, the criteria of the s505 ICTA 1998 and s256 TCGA 1992 are fulfilled and there is no Corporation Tax liability arising on the University's activities for the period ended 31 July 2021 or 31 July 2020.

# Notes to the Accounts

## Year Ended 31 July 2021

### 11 Fixed Assets

#### Consolidated

	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Deemed Cost</b>				
At 1 August 2020	68,582	5,652	4,877	79,111
Additions	-	-	4,128	4,128
Transfers	3,251	3,926	(7,177)	-
Surplus on revaluation	-	0	0	-
Disposals	-	(15)	0	(15)
<b>At 31 July 2021</b>	<b>71,833</b>	<b>9,563</b>	<b>1,828</b>	<b>83,224</b>
<b>Depreciation</b>				
At 1 August 2020	8,093	4,853	-	12,946
Charge for the year	1,483	1,257	-	2,740
Additions	0	0	-	0
Impairment	98	0	-	98
Written back on revaluation	0	0	-	0
Disposals	0	(12)	-	(12)
<b>At 31 July 2021</b>	<b>9,674</b>	<b>6,098</b>	<b>0</b>	<b>15,772</b>
<b>Net book value</b>				
<b>At 31 July 2021</b>	<b>62,159</b>	<b>3,465</b>	<b>1,828</b>	<b>67,452</b>
<b>At 31 July 2020</b>	<b>60,489</b>	<b>799</b>	<b>4,877</b>	<b>66,165</b>

# Notes to the Accounts

## Year Ended 31 July 2021

### 11 Fixed Assets

University	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Deemed Cost</b>				
At 1 August 2020	68,582	5,582	2,504	76,668
Additions	0	0	3,987	3,987
Transfers	1,013	3,650	(4,663)	0
Disposals	0	0	0	0
<b>At 31 July 2021</b>	<b>69,595</b>	<b>9,232</b>	<b>1,828</b>	<b>80,655</b>
<b>Depreciation</b>				
At 1 August 2020	8,093	4,801	0	12,894
Charge for the year	1,446	1,200	0	2,646
Additions	0	0	0	0
Impairment	98	0	0	98
Written back on revaluation	0	0	0	0
Disposals	0	0	0	0
<b>At 31 July 2021</b>	<b>9,637</b>	<b>6,001</b>	<b>0</b>	<b>15,638</b>
<b>Net book value</b>				
<b>At 31 July 2021</b>	<b>59,958</b>	<b>3,231</b>	<b>1,828</b>	<b>65,017</b>
<b>At 31 July 2020</b>	<b>60,489</b>	<b>781</b>	<b>2,504</b>	<b>63,774</b>

During the 2018/19 year the University entered into a development agreement and 99 year finance lease with the Football Association of Wales to lease Colliers park training ground. This has been removed from fixed assets and is now represented within finance lease assets / finance leases. See note 19.

During the 2016/17 year the University entered into a 99 year finance lease with WST Assets Limited, Wrexham AFC Limited and Wrexham Football Supporters Society Limited to lease the Racecourse football stadium. This has been removed from fixed assets and is now represented within finance lease assets / finance leases. See note 19.

During September 2021, two land sales have been completed by the University Group realising net cash proceeds of £9.4m to increase held cash reserves. The current asset holding values for the sites are £3.3m which will result in a significant profit on sale during the 2021/22 financial statements.

At 31 July 2021, freehold land and buildings included £5.8m (2020 - £5.8m) in respect of freehold land and is not depreciated.

#### Leased assets included above:

	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Net Book Value:				
At 31 July 2021	-	23	-	23
At 31 July 2020	-	62	-	62

Consolidated fixtures, fittings and equipment include assets held under finance leases as follows:

	Year Ended 31 July 2021 £'000
Cost B/fwd	470
Accumulated depreciation B/fwd	(408)
Charge for year	(39)
Net book value	23

# Notes to the Accounts

## Year Ended 31 July 2021

### 12 Stock

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	28	9	19	12
	<u>28</u>	<u>9</u>	<u>19</u>	<u>12</u>

### 13 Trade and other receivables : amounts falling due within one year

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade receivables	3,697	2,451	4,491	3,541
Prepayments and accrued income	1,419	1,417	604	599
Amounts due from subsidiary companies	-	2,774	-	1,893
Amount due from finance lease	-	-	-	-
	<u>5,116</u>	<u>6,642</u>	<u>5,095</u>	<u>6,033</u>

### 14 Creditors : amounts falling due within one year

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Bank overdraft	0	0	0	0
Secured loans	500	500	500	500
Unsecured loans	0	0	0	0
Obligations under finance leases	25	25	41	41
Service concession arrangements (note 14)	0	0	0	0
Trade payables	2,345	2,245	1,159	1,133
Social security and other taxation payable	460	430	408	381
Other Creditors	464	413	124	103
Accruals and deferred income	9,103	8,944	3,621	3,475
Holiday Pay	356	337	513	487
Amounts due to subsidiary companies	0	55	0	0
Deferred Capital Grants	1,457	1,366	1,104	1,064
	<u>14,710</u>	<u>14,315</u>	<u>7,470</u>	<u>7,184</u>

### 15 Trade and other receivables : amounts falling due after more than one year

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amount due from finance lease	1,652	1,652	1,652	1,652
	<u>1,652</u>	<u>1,652</u>	<u>1,652</u>	<u>1,652</u>

## Notes to the Accounts

### Year Ended 31 July 2021

#### 16 Creditors : amounts falling due after more than one year

	2021		2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred Capital Grants	11,290	9,404	9,285	7,302
Service concession liabilities due after one year	0	0	0	0
Obligations under finance lease	0	0	25	25
Derivatives	0	0	0	0
Secured loans	8,375	8,375	8,875	8,875
Unsecured loans	0	0	0	0
Energy efficiency loan scheme (SALIX)	0	0	0	0
	<b>19,665</b>	<b>17,779</b>	<b>18,185</b>	<b>16,202</b>
Analysis of secured and unsecured loans:				
<b>Due within one year or on demand (Note 14)</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
Due between one and two years	8,375	8,375	8,875	8,875
Due between two and five years	0	0	0	0
<b>Due after more than one year</b>	<b>8,375</b>	<b>8,375</b>	<b>8,875</b>	<b>8,875</b>
<b>Total secured and unsecured loans</b>	<b>8,875</b>	<b>8,875</b>	<b>9,375</b>	<b>9,375</b>
Secured loans repayable by 22nd August 2023				
	8,875	8,875	9,375	9,375
	<b>8,875</b>	<b>8,875</b>	<b>9,375</b>	<b>9,375</b>

Included in loans are the following:

Lender	Amount £'000	Term	Interest rate %	Borrower
AIB	7,875	Aug-22	LIBOR + 2.8%	University
WVL	1,000	Aug-21	Barclays Base + 4%	University
<b>Total</b>	<b>8,875</b>			

During September 2021 the original 3 year AIB loan facility was extended for a further 1 year period until August 2022.

#### 17 Provisions for liabilities

Consolidated							
	Obligation to fund deficit on USS Pension £'000	Pension enhancements on termination £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Redundancy £'000	Part-time Credit clawback provision £'000	Total Other £'000
At 1 August 2020	122	2,219	38,557	40,898	0	0	0
Utilised/released in year	(3)	(107)	0	(110)	0	0	0
Additions in 2021	0	0	0	0	0	806	806
Unused amounts reversed in 2021	(40)	0	(4,199)	(4,239)	0	0	0
<b>At 31 July 2021</b>	<b>79</b>	<b>2,112</b>	<b>34,358</b>	<b>36,549</b>	<b>0</b>	<b>806</b>	<b>806</b>
University							
	Obligation to fund deficit on USS Pension £'000	Pension enhancements on termination £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Redundancy £'000	Part-time Credit clawback provision £'000	Total Other £'000
At 1 August 2020	122	2,219	38,557	40,898	0	0	0
Utilised/released in year	(3)	(107)	0	(110)	0	0	0
Additions in 2021	0	0	0	0	0	806	806
Unused amounts reversed in 2021	(40)	0	(4,199)	(4,239)	0	0	0
<b>At 31 July 2021</b>	<b>79</b>	<b>2,112</b>	<b>34,358</b>	<b>36,549</b>	<b>0</b>	<b>806</b>	<b>806</b>

Defined benefit pension obligations are covered in more detail in note 21.

#### Pension enhancement

The enhanced pension provision relates to the cost of staff who have already left the college's employ and commitments for reorganisation costs from which the college cannot reasonably withdraw at the balance sheet date. The principal assumptions for this calculation are:

	2021	2020
Price inflation	3.74%	3.74%
Discount rate	2.50%	2.50%

#### USS deficit

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



# Notes to the Accounts

## Year Ended 31 July 2021

### 18 Cash and cash equivalents

	At 1st August 2020	Cash Flows	At 31st July 2021
	£'000	£'000	£'000
Consolidated	5,933	11,887	17,820
Cash and cash equivalents	<u>5,933</u>	<u>11,887</u>	<u>17,820</u>

### 19 Lease obligations

#### Total rentals payable under operating leases:

	Land and Buildings £'000	Plant and Machinery £'000	31 July 2021 Total £'000	31 July 2020 Total £'000
Payable during the year	30	64	94	88
Future minimum lease payments due:				
Not later than 1 year	30	64	94	94
Later than 1 year and not later than 5 years	120	6	126	190
Later than 5 years	2,760	0	2,760	2,790
Total lease payments due	<u>2,910</u>	<u>70</u>	<u>2,980</u>	<u>3,074</u>

#### Total rentals payable under financing leases:

	31 July 2021 IT Lease £'000	31 July 2020 IT Lease £'000
Payable during the year	41	40
Future minimum lease payments due:		
Not later than 1 year	25	41
Later than 1 year and not later than 5 years	0	25
Total lease payments due	<u>25</u>	<u>66</u>

#### Total rental receivable under financing leases:

	Consolidated and University			
			31 July 2021 £'000	31 July 2020 £'000
	Asset receipt £'000	Interest receipts £'000	Total lease receipts £'000	Total lease receipts £'000
Racecourse Stadium / Colliers Park Leases				
Receiveable during the year	-	130	130	130
Future minimum lease receipts due:				
Not later than 1 year	-	130	130	130
Later than 1 year and not later than 5 years	-	519	519	520
Later than 5 years	1,652	10,009	11,661	11,790
Total lease receipts due	<u>1,652</u>	<u>10,658</u>	<u>12,310</u>	<u>12,440</u>

As at 4th June 2018 the University entered into a development agreement and 99 year full repairing finance lease with the Football Association of Wales to lease Colliers Park training ground. The training ground asset has been removed from fixed assets and is now represented above. The lease has an implicit interest rate of 9.9% with annual payments of £30,000 over the 99 year term. The present value of total lease payments is £302.4k.

As at 1st August 2016 the University entered into a 99 year full repairing finance lease with WST Assets Limited, Wrexham AFC Limited and Wrexham Football Supporters Society Limited to lease The Racecourse football stadium. The stadium asset has been removed from fixed assets and is now represented above. The lease has an implicit interest rate of 7.4% with annual payments of £100,000 over the 99 year term. The present value of total lease payments is £1,350k.

# Notes to the Accounts

## Year Ended 31 July 2021

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### 20 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

Company	Principal Activity	Status
Glyndwr Innovations Ltd	Consultancy, commercial technical contracts, incubation	100% owned
North Wales Science	Science discovery centre	Limited by guarantee
Glyndwr Services Ltd	Provision of security and combined facilities support activities	100% owned

All of the above subsidiaries operate to the same financial year end as the University.

# Notes to the Accounts

Year Ended 31 July 2021

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## 21 Pension Schemes

Retirement benefits for employees of the University are provided by defined benefit schemes which are funded by contributions from the University and employees.

Payments are made to the Teachers' Pension Scheme (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-academic staff and the Universities Superannuation Scheme for pre-existing members. These are all independently administered schemes.

The total pension cost for the period was £4,902k (2020- £4,683k). The expected costs for 2021/22 for the LGPS are £3,389k service costs and £536k net interest costs in addition to contributions to TPS and USS schemes.

### (i) Teachers Pension Scheme

#### The Teachers' Pension Budgeting and Valuation Account

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The college is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the college has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The college has set out above the information available on the plan and the implications for the college in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

#### Valuation Of The Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2019. The valuation report was published by the Department for Education (the Department) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £198 billion giving a notional past service deficit of £22 billion.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/9. DfE has agreed to pay a teacher pension employer contribution grant to cover the additional costs during the 2020-21 academic year.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

# Notes to the Accounts

Year Ended 31 July 2021

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## 21 Pension Schemes

### Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

### (ii) The Universities Superannuation Scheme

The institution participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. As required by Section 28 of FRS 102 "Employee Benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the Consolidated Statement of Comprehensive Income represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with related expenses being recognised through the Consolidated Statement of Comprehensive Income.

# Notes to the Accounts

## Year Ended 31 July 2021

### 21 Pension Schemes

#### (ii) The Universities Superannuation Scheme (continued)

##### Critical accounting judgements

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and the resulting expense in profit or loss in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving the financial statements.

##### Pension Costs

The total cost charged to the profit and loss account is £40,015 (prior year: £58,480). Deficit recovery contributions due within one year for the institution are £3,793 (prior year: £4,759).

The latest available completed actuarial valuation of the Retirement Income Builder is at 31 March 2018 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2020 is underway but not yet complete.

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

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

Due to the small number of members the University has in the scheme an indicative estimate of the crystallisation of the Section 75 debt was sought from USS. Estimated Section 75 debt as at 31 July 2020 - Glyndwr University's proportion of the whole scheme debt; i.e. 0.00505% of £85.6bn was £4.3m.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

Pension increase (CPI)

Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates)

Years 1-10: CPI + 0.14% reducing linearly to CPI – 0.73%  
Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21  
Years 21 +: CPI + 1.55%

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

Mortality base table

##### 2018 valuation

##### Pre-retirement:

71% of AMC00 (duration 0) for males and  
112% of AFC00 (duration 0) for females.

##### Pre-retirement:

97.6% of SAPS S1NMA "light" for males and  
102.7% of RFV00 for females.

Future improvements to mortality

CMI\_2017 with a smoothing parameter of 8.5  
and a long term improvement rate of 1.8% pa  
for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

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

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

	2021	2020
Discount rate	0.87%	0.73%
Pension increases (CPI)	2.50%	2.50%

# Notes to the Accounts

## Year Ended 31 July 2021

### 21 Pension Schemes (continued)

#### (iii) LGPS

#### (Retirement Benefits) Disclosure for the accounting period ending 31 July 2021

The following information is based upon the last formal triennial actuarial valuation of the scheme was performed as at 31 March 2019 and updated at 31 March 2021 by an independent qualified actuary.

#### Assumptions

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

	At 31 July 2021 %pa	At 31 July 2020 %pa
Discount rate	1.60%	4.15%
Price Inflation (CPI)	2.60%	2.40%
Rate of increase in salaries (short term - for 4 years)	2.60%	2.00%
Rate of increase in salaries (long term)	2.60%	3.65%
Rate of increase of pensions in payment for LGPS members	2.70%	2.40%

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

	Years
Life expectancy for a male aged 65 now	22.6
Life expectancy at 65 for a male aged 45 now	24.2
Life expectancy for a female aged 65 now	25.0
Life expectancy at 65 for a female aged 45 now	27.0

The mortality rate is based on publicly available mortality tables for the specific country. COVID-19 has caused a short-term increase in deaths in the UK but the excess deaths to date have not generally had a material impact on UK pension scheme liabilities. The future impact of COVID-19 on long term mortality improvements is currently uncertain with potential adverse implications of delayed medical interventions and "long COVID" along with potential positive implications if the surviving population is less "frail" or the pandemic causes improved healthcare initiatives and lifestyle changes. Overall, the University Group believes there is insufficient evidence to require an explicit adjustment to the mortality assumption for COVID-19 at this time.



# Notes to the Accounts

## Year Ended 31 July 2021

### 21 Pension Schemes (continued)

#### Scheme assets for LGPS

	Year Ended 31 July 2021 £'000	Year Ended 31 July 2020 £'000
<b>Analysis of the amount shown in the balance sheet for LGPS :</b>		
Scheme assets	66,725	54,776
Scheme liabilities	(101,083)	(93,333)
<b>Deficit in the scheme – net pension liability</b>	<b>(34,358)</b>	<b>(38,557)</b>
<b>recorded within pension provisions (Note 17)</b>		
Current service cost	3,136	2,576
Administration expenses	62	57
Past service cost (loss)	0	173
Effect of curtailments	8	431
<b>Total operating charge:</b>	<b>3,206</b>	<b>3,237</b>
<b>Analysis of the amount charged to interest payable/credited to other finance income for LGPS</b>		
Interest cost	1,489	1,816
Expected return on assets	(888)	(1,212)
Interest on net deficit	-	-
<b>Net charge to other finance income</b>	<b>601</b>	<b>604</b>
<b>Total profit and loss charge before deduction for tax</b>		
<b>Analysis of other comprehensive income for LGPS :</b>		
(Loss)/gain on assets	(9,991)	2,208
Experience (gain)/loss on liabilities	(1,774)	17
Loss/(gain) on liabilities	5,446	6,353
<b>Total other comprehensive income before deduction for tax</b>	<b>(6,319)</b>	<b>8,578</b>

# Notes to the Accounts

## Year Ended 31 July 2021

### 21 Pension Schemes (continued)

	At 31-Jul 2021 £'000	At 31-Jul 2020 £'000
<b>Cumulative actuarial loss recognised as other comprehensive income for LGPS</b>		
Cumulative actuarial losses recognised at the start of the year	(11,330)	(2,752)
Cumulative actuarial losses recognised at the end of the year	(5,011)	(11,330)
<b>Analysis of movement in surplus/(deficit) for LGPS</b>		
<b>Deficit at beginning of year</b>	<b>(38,557)</b>	<b>(28,460)</b>
Contributions or benefits paid by the University	1,687	2,322
Current service cost	(3,136)	(2,576)
Past service cost	0	(173)
Administration expenses	(62)	(57)
Curtailments	(8)	(431)
Other finance charge	(601)	(604)
(Loss)/gain recognised in other comprehensive income	6,319	(8,578)
<b>Deficit at end of year</b>	<b>(34,358)</b>	<b>(38,557)</b>
	<b>Year to 31 July 2021 £'000</b>	<b>Year to 31 July 2020 £'000</b>
<b>Analysis of movement in the present value of LGPS</b>		
<b>Present value of LGPS at the start of the year</b>	<b>93,333</b>	<b>83,179</b>
Current service cost (net of member contributions)	3,136	2,576
Interest on member liabilities	1,489	1,816
Curtailments	8	431
Actual member contributions (including notional contributions)	525	486
Past service cost (GMP)	0	173
Experience (gain)/loss	(1,774)	17
Actuarial loss	5,446	6,353
Actual benefit payments	(1,080)	(1,698)
<b>Present value of LGPS at the end of the year</b>	<b>101,083</b>	<b>93,333</b>
	<b>Year to 31 July 2021 £'000</b>	<b>Year to 31 July 2020 £'000</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	<b>54,776</b>	<b>54,719</b>
Interest on plan assets	888	1,212
Administration expenses	(62)	(57)
Remeasurements (assets)	9,991	(2,208)
Actual contributions paid by University	1,687	2,322
Actual member contributions (including notional contributions)	525	486
Actual benefit payments	(1,080)	(1,698)
<b>Fair value of scheme assets at the end of the year</b>	<b>66,725</b>	<b>54,776</b>

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

The University Group acts as guarantor for the LGPS payments of those staff that were transferred under TUPE to Aramark Ltd and those staff employed by the Students Union

# Notes to the Accounts

## Year Ended 31 July 2021

### 22 Events after the reporting period

In September 2020, the Trustee of the USS Pension Scheme (USS) launched a consultation with Universities UK on key aspects of the scheme's 2020 valuation. The scope of this exercise covers a wide range of potential outcomes - reflecting issues still to be resolved on employer support as well as uncertainties for the higher education sector and financial markets in general - but based on the proposals put forward, the Trustees have indicated that the fund's deficit at 31 March 2020 could range from between £9.8bn and £17.9bn.

This would represent a significant deterioration from the £3.6bn deficit established under the 2018 valuation (and against which the current recovery plan is set) and a return to the levels of shortfall experienced under the previous 2017 valuation (£11.8bn).

At this stage, an outcome is far from agreed and the USS Trustee has until 30 June 2021 to conclude the valuation. As an early indication of the scale of the impact though, between £0.96m and £0.22m increase in pension provision is expected to be required (£0.04m release in 2020-21).

Due to the small number of employees in the USS scheme ongoing payroll contributions would not be materially impacted. However, this is purely an illustration and is before any other measures are considered to reduce the deficit and is still being widely debated across the sector and by the Trustee of the Pension Scheme. For the 2020-21 financial year however, this is considered a non adjusting event.

During September 2021, two land sales have been completed by the University Group realising cash proceeds of £9.3m to increase held cash reserves. The current asset holding values for the sites are £3.3m which will result in a significant profit on sale during the 2021/22 financial statements.

### 23 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, transactions may take place with organisations in which a member of the Board of Governors may have an interest.

No Board of Governors member has received any remuneration/waived payments from the group during the year (2020 - none).

All transactions involving organisations in which a member of the Board of Governors, their closely related family members or dependants may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. All members of the Board of Governors and senior post holders are required annually to declare any interests and disclose all related party transactions, where appropriate.

The Institution has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

Included within the financial statements are the following transactions with related parties :

	Income	Expenditure	Balance at 31
	£'000	£'000	July 2021
			£'000
<b>Mr Askar Shiehani - North Wales Science</b>	(44.3)	0.0	0.0
Plas Coch Campus, Mold Road, Wrexham, LL11 2AW			
<b>Mr Askar Shiehani - CBI Wales</b>	0.0	3.0	0.0
2 Caspian Way, Cardiff CF10 4DQ			
<b>Mr David Sprake - Energy Institute</b>	0.0	1.2	0.0
61 New Cavendish Street, London, United Kingdom, W1G 7AR			
<b>Mr David Subacchi - Ysgol Esgob Morgan</b>	0.0	0.7	0.0
Ffordd Siarl, Saint Asaph LL17 OPT			
<b>Mr David Subacchi - Wrexham County Borough Council</b>	(12.0)	125.0	73.7
The Guildhall, Wrexham, LL11 1AY			
<b>Mr Jim Barclay - Glyndwr Innovations Ltd</b>	0.0	0.2	0.0
Plas Coch Campus, Mold Road, Wrexham, LL11 2AW			
<b>Mr Richard Thomas - Lancaster University</b>	0.0	4.3	0.0
Bailrigg, Lancaster LA1 4YW			
<b>Mrs Celia Jenkins - University of Chester</b>	0.0	65.1	0.0
Parkgate Road, Chester, CH1 4BJ			
<b>Mrs Claire Homard - Flintshire County Council</b>	(4.7)	27.8	0.6
County Hall, Mold, Flintshire CH7 6NB			
<b>Mrs Claire Homard - Theatr Clwyd Music Trust</b>	0.0	1.5	0.0
Raikes Ln, Mold CH7 1YA			
<b>Ms Amy Rowley - Wrexham Glyndŵr Students' Union</b>	(0.5)	412.8	(0.1)
Wrexham Glyndwr University Plas Coch, Mold Road, Wrexham, Wales, LL11 2AW			
<b>Ms Lauren Hole - Wrexham Glyndŵr's Students' Union</b>	(0.5)	412.8	(0.1)
Wrexham Glyndwr University Plas Coch, Mold Road, Wrexham, Wales, LL11 2AW			
<b>Ms Lauren Hole - Wrexham Glyndŵr Students' Union</b>	(0.5)	412.8	(0.1)
Wrexham Glyndwr University Plas Coch, Mold Road, Wrexham, Wales, LL11 2AW			
<b>Professor Martin Chambers - Betsi Cadwaladr University Health Board</b>	(128.0)	17.4	(55.0)
Penrhosgarnedd, Bangor, LL57 2PW			



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