



Annual Report and Accounts 2021-2022





PRIFYSGOL

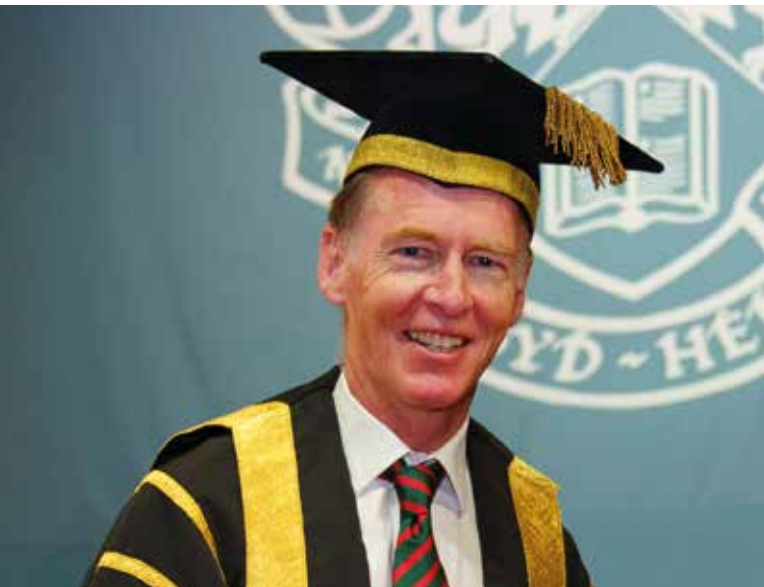
ABERYSTWYTH
UNIVERSITY



Contents

| | |
|---|----|
| Introduction by the Chair of Aberystwyth University Council | 4 |
| Aberystwyth University Council | 6 |
| Aberystwyth University's Strategic Plan | 12 |
| Vice-Chancellor's Review | 14 |
| Strategic Review | 16 |
| Graduation 2022 | 30 |
| Annual Pay Policy Statement and Senior Remuneration | 32 |
| Joint report on the financial year by the Chair of the Finance Committee and the Director of Finance | 33 |
| Public Benefit Statement | 42 |
| Corporate Governance and Internal Control | 44 |
| University Executive Group | 46 |
| Annual Reports from Council Committees | 48 |
| Statement of council responsibilities in respect of the consolidated financial statements | 55 |
| Professional Advisors | 57 |
| Independent auditor's report to the Council of Aberystwyth University | 58 |
| Financial Statements and Notes | 62 |

Introduction by the Chair of Aberystwyth University Council



This year has encapsulated why Aberystwyth University is such a highly respected institution. With impact and influence on a local, regional, national and international level, our staff are helping to change people's lives and play a major role educationally, economically and socially.

While the past two years have presented unprecedented challenges, primarily because of COVID-19, in 2021/22 the University continued to respond admirably to the testing circumstances and at the same time make progress towards its strategic aims and strengthening its underlying financial position.

The Council was regularly updated on the actions taken by the University to react as we emerged from the pandemic, and to support its staff, students and the wider community. The Vice-Chancellor, staff, students and stakeholders deserve much credit for how they have dealt with the uncertainties. They have achieved much during a time of difficulty and have impressed the Council with their resolve.

Our heartfelt thanks go out to all who have worked so hard.

The Council held five formal meetings during 2021/22, as well as a two-day strategy session, while the sub-committees continued to meet on a regular basis. As well as overseeing the operational responses to various challenges, Council members were pleased to receive a mid-term update of the University's five-year strategy and new actions that the Executive has identified to meet our identified objectives. The small operational surplus, excluding the movement in pension schemes, reported in this Annual Report is an important example of the progress that we are making in achieving our strategic aims as an institution.

At its heart, the role of the Council is to ensure that the University is maintained on solid foundations for the years ahead and is making the right decisions to build on success and futureproof the institution. We are happy to report on significant achievements during the year. The new £1.7 million Healthcare Education Centre will be the home of nursing courses at Aberystwyth from autumn 2022 and has been gratefully supported by a £500,000 Welsh Government grant. Work also began on installing our new solar array, as part of the University's drive towards net carbon-zero. This important agenda, fully supported by Council, is an important strand of how we continue to adapt sustainably for the coming decades.

Another highlight was the opening of our £2.4 million Vet School; a culmination of years of hard work and something that Aberystwyth University, and indeed the whole of Wales, has aspired to for many decades. We were honoured that the then Prince of Wales visited Aberystwyth in December to formally open the School and its wonderful facilities.

Council also took the decision during the year to proceed with the exciting Hen Goleg project which will breathe new life into our iconic Old College building. This is a significant commitment for the University that could not

have been made without generous financial support from a range of donors. With work now underway, we look forward to seeing the project bring about benefits for the whole of our community.

We made further progress in strengthening our governance arrangements in line with the 'Review of Governance of the Universities in Wales' (the Camm Review). While the effects of COVID-19 meant that some of the agreed actions had to be delayed, we have implemented or further progressed the majority of the recommendations in the report.

All Council members are trustees of the charity which is the University and each of them plays a key role in the University's decision-making, both for its present and its future. The University and I are extremely grateful for the contribution made by independent members, who do so generously on a voluntary basis and we are much richer for their input and expertise. During the course of the year Fiona Sharp, Owen Evans CBE and Professor Sir Robin Williams CBE stepped down as Council members. They each brought insight to the Council's deliberations and we greatly appreciated their membership.

The 2021/22 academic year was a period of great progress as our society emerged from the worst of the pandemic. We look forward to the next 12 months with renewed vigour and confidence, as we prepare to celebrate 150 years since our foundation as Wales' first University.

Dr Emyr Roberts
Chair of Council



Aberystwyth University Council

In accordance with Aberystwyth University's 2018 Supplemental Royal Charter, the Council is "the supreme governing body of the University". It is responsible for "determining the University's strategic direction and for the conduct of the University's financial, administrative and other affairs, in accordance with its objects".

For the year ended 31 July 2022, and the subsequent period until the Annual Report and Financial Statements were formally approved by the Council, the following were members of the governing body.

INDEPENDENT MEMBERS

The Council is responsible for formally appointing the Chair, Deputy Chair and other Independent Members of the governing body.

The institution's Nominations Committee has been tasked with leading on the relevant appointment processes by Council and for making suitable recommendations for appointment by the governing body.

As part of this responsibility, the Nominations Committee is required to ensure that the individuals being appointed are suitably independent (see below).



Dr Emyr Roberts – Chair of Council

Term of appointment: 01 August 2015 – 31 December 2023
(Chair 01 January 2018 – 31 December 2023)

Emyr Roberts was the first Chief Executive of Natural Resources Wales, leading the transition from the previous three legacy bodies into a single organisation with wide responsibilities to manage the natural resources and environment of Wales sustainably. Prior to this, he was a senior civil servant within the Welsh Government, managing a number of portfolios; his last posts were Director General for Local Government and Public Service Delivery, and Director General for Education and Skills.



Meri Huws – Deputy Chair of Council

Term of appointment: 01 May 2019 – 30 April 2026
(Deputy Chair 01 August 2021 – 30 April 2026)

Until April 2019, Meri Huws was the Welsh Language Commissioner, a role which she held from April 2012. She was Chairman of the Welsh Language Board from 2004 until the Board was abolished in March 2012. An AU graduate in Law and Politics, she previously was a Pro Vice-Chancellor at the University of Wales Trinity St David and Bangor University.

Kate Eden

Term of appointment: 01 August 2020 – 31 July 2024

Kate Eden is a non-executive director who has over 15 years of experience at senior management level both in the UK and internationally. Born and brought up in north Wales, she studied Social and Political Sciences at King's College, Cambridge. Her expertise in public affairs, policy and strategic communications was gained largely in the pharmaceutical sector. She has also worked on energy and science policy.



Owen Evans CBE

Term of appointment: 01 August 2021 – 12 May 2022

A Swansea University economics graduate, Owen Evans joined Aberystwyth University Management School in 1994, before being appointed Head of Policy for BT Wales in 1998. After nearly 10 years at BT, he joined Business in the Community Wales, before becoming Director of Skills, Higher Education and Lifelong Learning at the Welsh Government. He joined S4C as Chief Executive in 2017 where he has since led the complete overhaul of its digital and marketing capabilities.



Professor Simon Green

Term of appointment: 01 September 2021 – 31 September 2025

Professor Simon Green is Pro-Vice-Chancellor (Research) at Aston University, where he is responsible for the University's strategy around impactful, collaborative, excellent and sustainable research. He was educated at the universities of Manchester, Heidelberg and Birmingham. In 2011, he was elected as Fellow of the Academy of the Social Sciences. Alongside his academic activities, Professor Green is actively engaged in British-German relations.



Sharron Lusher MBE DL

Term of appointment: 01 August 2021 – 31 July 2025

Sharron Lusher began her early career with Marks & Spencer where she reached the role of company-wide European Logistics Controller before moving into the education sector. With a total of 22 years at Pembrokeshire College, she was Principal for six years until her retirement in 2018. In June 2002 Sharron became Chair of Vocational Qualifications Review Board.



Rhuanedd Richards

Term of appointment: 01 August 2020 – 31 July 2024

Rhuanedd Richards studied at Aberystwyth University and Cardiff University's School of Journalism. She started her career with BBC Wales as a journalist before presenting flagship news and political programmes. She left the BBC in 2007 and worked as a special advisor to the Welsh Government, Chief Executive of Plaid Cymru and as a policy advisor for the Welsh Parliament's Presiding Officer. She returned to the BBC in 2018 where she is currently Director of Content and Services.





Fiona Sharp

Term of appointment: 01 May 2019 – 30 April 2022

Fiona Sharp is a qualified accountant and has held senior finance positions within the PR and advertising industry, including Group Finance Director of Chime Communications Group. She is a Fellow of the Chartered Association of Certified Accountants. Fiona is currently employed as Group Financial Controller at Midatech Pharma, a drug delivery technology company focused on improving the bio-delivery and bio-distribution of medicines.



Mark Tweed

Term of appointment: 01 January 2020 – 31 December 2022

Mark Tweed is currently Group Chief Financial Officer, Director and Head of Legal at Propel Finance. Previously, he was Deputy CFO & Interim Head of Legal for Opel Vauxhall Finance (OVF). A graduate in Industrial Chemistry from Cardiff University, Mark is also an independent Board Member of the Welsh Sports Association. Prior to becoming a member of the University's Council, he served as an independent member on the Resources and Performance, and Investments committees.



Professor Sir Robin Williams CBE

Term of appointment: 01 August 2018 – 31 July 2022

Robin Williams was formerly the Vice-Chancellor of Swansea University. More recently he was a member of the Higher Education Funding Council for Wales from August 2009 until July 2018 and chaired its Research, Innovation and Engagement Committee. He is a former Chair of the Science Advisory Council for Wales and is a Fellow of the Royal Society.



Dr William Williams

Term of appointment: 01 August 2020 – 31 July 2024

Aberystwyth graduate William Williams is the CEO of Alacrity Foundation. He joined Rothschild in 1990 and spent five years in corporate finance before returning to academia. He has been Dean of Business School at Sohar University in Oman in 2013 and Director of Academic Affairs at a university in Abu Dhabi. Before joining Alacrity, William was a Director at the Abu Dhabi Education Council where he led the Higher Education Quality Improvement Division.

ELECTED STAFF MEMBERS

Two members are elected from and by the Senate as academic staff members of the Council, while the non-academic staff elect the non-academic staff member.



Dr Louise Marshall – Senate Member

Term of appointment: 01 August 2020 – 31 July 2024

Louise Marshall is a Reader in Restoration and Eighteenth-Century Literature and is Head of the Department of English and Creative Writing. Her research interests include theatre, theatrical families, and the representation of national identity.



Kath Williams – Non-academic Staff Member

Term of appointment: 01 August 2020 – 31 January 2022

A graduate of the Open University, Kath Williams joined the University in 1999 having previously held the role of Tutor Services Administrator at the OU in Wales. Appointed to the role of Departmental Administrator in the Department of Theatre, Film and Television Studies (TFTS) in 1999, she later became its Departmental Manager. Kath was appointed to the role of Manager for the Faculty of Arts and Social Sciences in 2018, and subsequently became Interim University Secretary on 10 January 2022.



Kylie Evans – Non-academic Staff Member

Born in Aberystwyth, Kylie attended Penglais Comprehensive School. She joined the University in 1994 and worked in admissions, recruitment and marketing. Her current role is Scholarships Manager in Global Marketing and Student Recruitment. She has recently enrolled on a PgCert in Higher Education Administration, Management and Leadership, run by the Association of University Administrators and Nottingham Trent University, and is a committee member of the AU Admin Forum.



Professor Reyer Zwiggelaar – Senate Member

Term of appointment: 01 August 2020 – 31 July 2024

Reyer Zwiggelaar was born in the Netherlands and moved to the UK to obtain a PhD at UCL in 1993. Since then, he has concentrated on research and the provision of postgraduate teaching. His research concentrates on biometrics and the analysis of cancer in medical images, especially breast and prostate cancer. Initially he concentrated on postgraduate research students, but as Head of the Graduate School he is also responsible for the taught postgraduate students.

STUDENT MEMBERS

Two members are appointed by Aberystwyth University Students' Union as student members of the Council.



Dafi Jones – UMCA President

Term of appointment: 01 July 2022 – 30 June 2023

Originally from Pontsian in Ceredigion, Dafi was brought up on the family farm in the middle of a rural Welsh community. He completed a degree in Agriculture with Animal Science from Aberystwyth University, which he describes as key to developing skills for the rest of his life. Dafi says he is eager and ready to make every effort as UMCA President to ensure that all Welsh students have the best possible experience at Aberystwyth University.



Mared Edwards – UMCA President

Term of appointment: 01 July 2021 – 30 June 2022

Originally from Church Bay, Anglesey, Mared read Welsh, Drama and Theatre Studies at University. She is currently President of the Urdd for the next two years, as well as President of UMCA and Welsh Culture Officer here in Aberystwyth. Edwards says she is keen to ensure that students have the same experience and opportunities at Aberystwyth University as she did.



Aisleen (Ash) Sturrock Aberystwyth University Students' Union President

Term of appointment: 01 July 2022 – 30 June 2023

Sturrock is the Student's Union President, acting as a voice for students and working on policies that matter to the student body and community. Prior to this, they studied their undergraduate degree in Literature and Creative Writing at Aberystwyth University, followed by their Master's in Creative Writing.



Sabina O'Donoghue Aberystwyth University Students' Union President

Term of appointment: 01 July 2021 – 30 June 2022

From the south-west coast of Ireland, O'Donoghue attended an all-Irish speaking boarding school before coming to Aberystwyth University to study a Joint Honours in Creative Writing and Drama and Theatre Studies. She served on a committee for bee conservation for two years as Social Secretary, as well as being a society representative on the Senedd during that time.

MEMBERS OF THE UNIVERSITY EXECUTIVE

The Vice-Chancellor, Professor Elizabeth Treasure, serves on the Council in an ex officio capacity, along with one of the Pro Vice-Chancellors, as nominated by the Vice-Chancellor, Professor Tim Woods. See The University's Executive Group on page 46.

ATTENDANCE

For the period 01 August 2021 – 31 July 2022, the Council met on five occasions. The attendance of Council members during that period was as follows:

| Member | Attendance |
|-------------------------|------------|
| Dr Emyr Roberts – Chair | 5/5 |
| Meri Huws | 5/5 |
| Kate Eden | 5/5 |
| Owen Evans | 1/2 |
| Professor Simon Green | 4/5 |
| Sharron Lusher | 3/5 |
| Rhuanedd Richards | 5/5 |
| Fiona Sharp | 1/3 |
| Mark Tweed | 4/5 |
| Prof Sir Robin Williams | 5/5 |
| Dr William Williams | 3/5 |
| Prof Elizabeth Treasure | 5/5 |
| Prof Tim Woods | 5/5 |
| Dr Louise Marshall | 4/5 |
| Kath Williams | 2/2 |
| Prof Reyer Zwiggelaar | 5/5 |
| Kylie Evans | 3/3 |
| Mared Edwards | 3/5 |
| Sabina O'Donoghue | 3/5 |
| Aisleen (Ash) Sturrock | 0/1 |
| Dafi Jones | 1/1 |

COUNCIL MEMBER INDEPENDENCE

All Council members are expected to provide a creative contribution to the governing body by providing independent oversight, strategic guidance, and constructive feedback to executive management.

Council members must not allow themselves to be captured or unduly influenced by the interests of others associated with the University such as staff, students, alumni, or trade unions. Council members need to be able to challenge effectively and constructively and they cannot do so if they have a vested interest in a matter under discussion.

Council includes within its membership those who are University staff or student representatives, and the above principles apply equally to their contributions to the governing body. However, the majority of the Council membership must be the Independent Members. These are individuals who are appointed to the governing body but who are neither a registered student, a sabbatical officer of the Students' Union, nor a member of University staff.

When considering applications and interviewing, prospective new Independent Members for appointment to the Council, the Nominations Committee seeks evidence that individuals:

- demonstrate selflessness, integrity, objectivity, accountability, openness, honesty, and leadership;
- will be able to challenge effectively and constructively;
- will be able to 'stand apart' from inappropriate influence and to be free of managerial capture;
- are free of mandates and any constraints that would prevent a correct course of action being taken; and
- are unrelated to any employee of the University, or of any organisation gaining a pecuniary advantage from the University.

CONFLICTS OF INTERESTS

All Council members are required to formally declare any interests they may have upon taking up their appointment. All members are also asked to review their declarations on an annual basis.

All declarations of interests made by members of the Council are open to public inspection. A summary version of the Register of Interests for such individuals is published on the University's Governance website.

The Independent Members serving on the Council are required to seek written approval from the Chair of Council prior to engaging in any new external activity or business development which may have a bearing, either direct or indirect, on the work of the University.

Aberystwyth University's Strategic Plan and Objectives

Aberystwyth University's mission is to deliver inspirational education and research in a supportive, creative, bilingual, and exceptional environment in Wales. Our vision is that by building on our historic strengths and expertise, we will contribute to society in Wales and the wider world by applying our knowledge to local and global challenges. Working within a welcoming community, we will use our expertise to cultivate critical thinking, independent questioning and skills that equip our learners for successful lives.



OUR VALUES

- **Transformational:** We strive to unlock individual potential by developing enduring personal strengths that enable people's future success. Our staff and students drive positive change by addressing local and global challenges. We encourage innovation from new ideas and actions within an entrepreneurial context.
- **Creative and Innovative:** We encourage imaginative, free, and critical thinking by drawing on our distinct Welsh culture, history, exceptional environment, and facilities. We foster the ingenuity of staff and students in problem-solving, adaptation and versatility.
- **Inclusive:** We promote openness and generosity of spirit and cherish the strong sense of community that exists across the University, Aberystwyth, and our wider world. We listen and respond to each other's honest opinions with respect. We take pride in the richness of the diversity of cultures, opinions, and backgrounds of our staff and students.
- **Ambitious:** We work to enhance our global reputation in discovery, educational quality, and innovation. We are committed to excellence in research, teaching, and engagement. We celebrate the achievements and contributions of our staff, students, and alumni.
- **Collaborative:** We are engaged externally, contributing to civic debate, the promotion of the Welsh language and culture, and to the local and wider economy. We work with our students to ensure the continuous improvement of their student experience and learning environment. We communicate the work and worth of the University to the wider world.

OUR CORE OBJECTIVES

- **Education and student experience:** We will empower students to unlock their own potential as independent learners in a supportive, inclusive, and creative bilingual community. Students will graduate as critical and free thinkers with specific and transferable skills.
- **Research and innovation with impact:** We will support and develop researchers to undertake research with impact of world leading quality, building upon our historic strengths to tackle contemporary challenges facing Wales and the world in the 21st century.
- **Contribution to society:** We have always made a significant contribution to Wales and beyond, benefitting our communities and society through the impact of our research, education, and the achievements of our staff, students, and alumni.
- **International engagement:** Aberystwyth is a leading university in Wales with an excellent global reputation. We will be an international destination of choice for those wanting to study here and will encourage our students to spend time studying abroad.
- **Welsh language and culture:** We have a strong and proud history of education and research through the medium of Welsh. We are committed to promoting Welsh language and culture, as well as enabling a greater understanding of its socio-economic needs.

The full version of Aberystwyth University's Strategic Plan and Mission can be found [online here](#).

Vice-Chancellor's Review



It is with great pleasure and pride that I can report on the 2021/22 academic year as a period in our history when we truly emerged from the worst effects of the COVID-19 pandemic. We came through the challenges faced thanks to the efforts of a huge array of people - national, regional and local stakeholders, our own staff and student body, and our fellow community members here in Aberystwyth. The excellence in teaching and research for which we are renowned continued; a testament to all these efforts, and the University succeeded in doing all of this while maintaining our hard-earned financial sustainability.

Our Graduation ceremonies in July 2022 were a period of great joy for me personally, my colleagues and their students, and for the wider community. It was truly inspiring to see three cohorts of students and their families come together to celebrate their achievements with us having so successfully navigated the challenges presented by COVID-19. The weather throughout was glorious, giving us a literal ray of sunshine after a period of such life-changing struggle.

We had entered the 2021/22 academic year with a greater sense of optimism and were pleased to offer our facilities as a vaccination centre for

our community. As an institution, we felt it was critical to provide among the highest levels of in-person teaching of any university in the UK when Government regulations allowed, all while prioritising the safety of students, staff and the wider community. I'm glad to say we did so thanks to a vast effort by our staff who responded admirably to uncertain circumstances and to our students who adapted so well to learn in different ways. We have already acted to incorporate good practise developed during the pandemic into our routine operations. Also, all our learning from what has been a very testing period is now being used to inform planning for future challenges - be that a re-emergence of COVID or entirely different circumstances.

We welcomed the first ever intake of veterinary medicine students on a joint degree with the Royal Veterinary College. Our state of the art £2.4 million facilities - Wales' only Vet School - are the culmination of more than 100 years of animal health teaching and a long-held national ambition to bring veterinary education to Wales. We were honoured to welcome the then Prince of Wales, an Aberystwyth University alumnus, to officially open the facility in December, when he spent time in conversation with students and staff.

Elsewhere we continued to refine our portfolio to reflect the needs of students and wider society. We are prepared and ready for the first intake of students for our nursing course, beginning in autumn 2022, who will provide skilled care staff for Wales and beyond. It is just one illustration of how a University's work is never finished. It is imperative that we challenge ourselves to give our students the best academic experience possible - offering new courses and refining existing ones, which will equip them with the necessary skills for the workplace. I am pleased to say we are doing that and will continue to do so.

The University received four important external evaluations of our work. The National Students Survey results found Aberystwyth to be the best university across both Wales and England. It is the seventh year in a row that we have been in the top 10 for student satisfaction. These are excellent results and reflect our staff's unwavering commitment to providing the best possible learning experience. Helping our students overcome a whole range of welfare challenges is also key. In this area of strength we are continuing to seek out improvements - responding to the needs of our students by both developing and adopting best practise.

The Quality Enhancement Review assessment underlined the world-renowned standard of our academic provision and reflected the effort we put into the education of our students in partnership with the Aberystwyth Students' Union. Elsewhere, Estyn rated the University's Learn Welsh provision during the academic year as "excellent". We run courses for more than 1,500 learners across Ceredigion, Powys and Carmarthenshire.

In the Research Excellence Framework, the University's proportion of three and four star ratings increased. Five departments - Geography and Earth Sciences, Computer Science, International Politics, IBERS and Mathematics - were at or above the UK average for research that is world-leading or internationally excellent. We boast transformational research across a wide range of disciplines - whether it's climate change, combating disease, growing the Welsh economy, or AI - and we are continuing to grow our research community as we aim for further success in future evaluations.

While the forthcoming academic year will bring about numerous events to celebrate our 150th anniversary, we marked other major milestones in our history during the past 12 months. It has been 120 years since we formed Wales' first university law department. Since 1902, more than 9,000 graduates from more than 100 countries have launched their careers from Aberystwyth University. The Old Bailey in London and Amgueddfa Cymru/National Museum Wales in Cardiff both hosted celebrations.

The Urdd's centenary year saw it choose Aberystwyth University as its partner to prepare its annual Message of Peace & Goodwill. The theme was the climate emergency and Welsh students at the University partnered with the Norwegian University of Life Sciences in one workshop to prepare the message at the Nobel Peace Centre in Oslo. This is just one facet of our work, both national and international that reflects Wales as a bilingual nation. Work also continued on a new strategy for Welsh academic provision with input from Undeb Myfyrwyr Cymraeg Aberystwyth, the University's Welsh-speaking students' Union, and our branch of the Coleg Cymraeg Cenedlaethol.

It is important for any University to offer its students the opportunity to build relationships overseas and we were honoured to launch a new European Opportunities Fund, thanks to the generosity of former student William Parker. Students can receive grants of up to £3,000 to study, work or

attend conferences across the European Union and European Economic Area.

Our contribution to the fight against climate change took major steps forward as we progress towards meeting our target of a carbon neutral campus by 2030/31. Work began on a new £2.9 million solar array that will provide us with up to a quarter of the annual electricity needs of the Penglais Campus and reduce carbon emissions by more than 500 tonnes annually. Our own generation activities and collaborative work with other partners encapsulate just some of the actions we're taking to urgently reduce our environmental impact.

Very significantly, building work has started on renewing Hen Coleg, our iconic Old College building that stands as an inspiring landmark synonymous with our town. The principal building contractor was announced in January for this most ambitious project which will represent a multi-million pound investment in Aberystwyth and will establish a major cultural creative centre for Wales.

Five years into my tenure at Aberystwyth University, it is particularly rewarding to see the great strides that have been made to ensure that the University is financially sustainable and I'm pleased that we have delivered the first operating surplus, excluding the movement in pension schemes, since 2013/14. While the United Kingdom is facing some of the toughest economic headwinds since the 1970s, the budgets for forthcoming years are showing an improving position with growth in student numbers across our entire portfolio.

Wider influences on the economic outlook will certainly provide new challenges over the coming years, but the financial health of the university gives us cause for optimism as we head into a landmark year for the University. Celebrations for our 150th anniversary will be a common theme throughout - starting in August as Ceredigion hosts its first National Eisteddfod since 1992. We will celebrate our University's rich heritage and contribution over the many decades since it was established by our visionary founders; we will proudly herald the achievements of today by our enthusiastic students and our wonderfully talented and committed staff; and we will do all that with ambition and the knowledge that Aberystwyth University can build the next 150 years of our story from solid financial foundations.

Professor Elizabeth Treasure
Vice-Chancellor

1 | Education and student experience

Aberystwyth University prides itself on the strengths of its first-class teaching, innovation, and student satisfaction and it was heartening to see these continue to be recognised.

We remain the top university in Wales for student satisfaction and second across the UK, according to the latest National Student Survey. 'The Times/Sunday Times Good University Guide 2022' ranked us 38 out of 135 universities across the UK, based on satisfaction with our teaching quality, student experience, and degree completion rates.

Every one of our academics takes course design, interaction and collaboration, assessment, and learner support seriously. The breadth of departments whose academics came away with plaudits at the University's Exemplary Course Awards for innovation in teaching – Theatre, Film and Television Studies, Psychology, Physics and the Graduate School, Lifelong Learning, School of Education, Aberystwyth Business School, Learning and Teaching Unit, and Welsh and Celtic Studies – truly illustrates our strength in depth.

The University's new Vet School is a significant development in our undergraduate provision and something that will benefit west Wales and

beyond. Our new £2.4 million facilities, coupled with our investment to support our forthcoming nursing courses, demonstrate our willingness to adapt to the demands of students and the wider economy. The University also launched new Masters courses including an Executive Global MBA in Management, Radio Spectrum Engineering, and War, Strategy and Intelligence. We also diversified our DProf intake to include UK-based students.

A further illustration of Aberystwyth University's authority in the higher education sector was three of our senior academics being invited to join advisory groups at the Quality Assurance Agency for Higher Education, the body that ensures standards are upheld. In July 2022, the QAA separately commended the University for its achievements in areas such as Welsh-medium teaching and learning, its response to national and regional employability needs, and its relationship building with local and regional partners.

Ensuring students and staff are safe and happy is crucial for them gaining a quality education. We continued to offer them support through the Aber Hub on the University website and ensured a two-way conversation via our Your Voice Matters portal. By offering the opportunity to give anonymous feedback, we will improve and continue focusing on what's important.





“

“These results are excellent and reflect the dedication of our staff to providing the best possible learning experience under difficult and challenging circumstances that have extended over the best part of two years.”

Professor Elizabeth Treasure, Vice-Chancellor at Aberystwyth University

We also took a significant step to ensure students feel secure with the development of services and expertise designed to tackle sexual violence and misconduct. A new team has been established with a new reporting system and we have also trained First Responders.

A vital role of a university is preparing students for their future and across all of our faculties we have worked hard to embed as much careers education as possible into their learning. There was a 22% increase year on year in the number of students and graduates who engaged in one-to-one activities with the University's Careers Service, the tenth year of growth in a row.

In recognising that Aberystwyth University nurtures and supports an ever increasing number of students from diverse backgrounds,

as well as those potentially facing additional barriers to success as they enter the graduate labour market, the GO Wales programme has again been the most successful of all the teams across Welsh HEIs, being the first University, and the only one to date, to achieve all of the targets set by HEFCW for the project over the past six years.

Finally, bringing the latest technology to staff and students has been key to this academic year with a brand new 24-hour study space named The Workstation unveiled in the town centre, with PCs, printing, Wi-Fi, and a bookable group study room available to University students and staff. This was after an extensive refurbishment of teaching space across the University, providing leading edge equipment for students and staff on and off the campus.

2 | Research and innovation with impact

Since its inception 150 years ago, research carried out by Aberystwyth University has made a substantial difference to society, both in Wales and beyond. Our academic staff are driven by the desire to innovate across a wide range of fields and as a University we are focused on creating the environment that enables them to do so. After the disruption caused by COVID-19 over recent years, the University worked with its research community to create additional momentum and impetus in this area.

The latest results of the Research Excellence Framework illustrated the impact and quality of our research. The percentage of research activity of an internationally recognised standard or higher has risen to 98%. More than three quarters of the research is categorised as world-leading (4*) or internationally excellent (3*), up nine percentage points on the last assessment.

Computer Science, Geography and Earth Sciences, IBERS, International Politics, and Mathematics' work was at or above the UK average for world-leading or internationally excellent research. The Department of Law and Criminology and the Department of Theatre, Film and Television were both lauded for the impact of its research beyond academia and its research environment respectively.

Research grant success increased by 23% (by value) when profiled against a three year average. Other highlights of the year include IBERS' success in receiving an Impact Accelerator Award from the Biotechnology

and Biological Sciences Research Council. The award will embed knowledge exchange and commercialisation in climate change, human diet and health, animal health, and bioeconomy. The Department of International Politics launched the Creating Safer Space network, which supports research and knowledge exchange globally and explores how violence against people can be safely prevented.

Meanwhile, the Department of Modern Languages began work on the final letters in the revised Anglo-Norman Dictionary, a project which will give further insight into a language responsible for more than half the words used in modern English. In the Arts and Humanities, the Creative Exchange Network sponsored 10 knowledge exchange initiatives, helped to develop nine research projects involving creative practitioners and other external partners, and is scoping collaborators for future work.

European funding, historically an area of strength for Aberystwyth, has remained challenging this year because of the UK's decision to leave the European Union. A feature of the changing research environment is the increased emphasis upon knowledge exchange and innovation by working with local and national partners to benefit society, the environment and the economy. The Research Wales Innovation Fund supported activities ranging from pump-priming 29 public engagement and outreach projects, to training and workshops to improve networking and collaboration skills.

Within Wales, we increased our contribution to the local and wider economy by expanding and developing links with industrial, commercial, and cultural partners. We have been an active member of the Wales Innovation Network (WIN) and launched pan-Wales projects including an observatory to collect evidence and support knowledge exchange in rural Wales; earth observation expertise in climate change, biodiversity losses and sustainability challenges; applications of Artificial Intelligence to problems



in biological, rural, and life sciences; and eco-engineering solutions to the challenge of coastal adaptations to climate change.

Through WIN, the University is also working with Police & Crime Commissioners in Wales on research which will impact policing policy and is working with other partners in developing research and innovation opportunities at the Global Centre of Rail Excellence.

On the Gogerddan Campus, we completed refurbishment of the Lord Milford building, which will become the home of the National Spectrum Centre. It will provide training and research with industrial partners in radio-spectrum technologies.

In October, we were delighted to host the Right Honourable Mark Drakeford MS, First Minister of Wales (pictured), who officially opened our AberInnovation facilities. Thirty research and development projects in the Biorefining, Future Food, and Advanced Analysis Centres have started since it launched its activities. Ongoing projects with industrial partners include



exploring farm-to-fork improvements for food shelf-life and nutrition, innovative food and drink ingredients and formulations, by-product recovery for fine and speciality chemicals of value. The AberInnovation Business Incubator is proving a major success, being at full capacity and accommodating 14 early-stage technology-based businesses, as well as providing a range of business support programmes.

3 | Contribution to society and sustainability

Building on Aberystwyth University's historical strengths and its reputation for excellence, one of our main contributions to society in Wales and the wider world is through applying our knowledge to local and global challenges. However, during a winter of COVID-19 restrictions, the University worked closer to home, providing facilities and services within a supportive, welcoming, bilingual community.

Sports and the arts featured heavily, with the University's continued engagement in the local and regional community through partnerships with clubs and festivals. Following the well-established partnership with Aberystwyth Town Football Club, with the University as the main club sponsor supplying free season tickets to its students, the University has also formalised a partnership with the town's rugby club. The University also continued its other long associations as a community sponsor of the Scarlets Rugby Club and was a major supporter of the Aberystwyth Comedy Festival.

Looking back at community events, with ongoing COVID-19 restrictions the programme of engagement activities with alumni continued online this year but a range of in-person activities and events took place when allowed. Overall, the virtual meetings and alumni webinars attracted well over 1,000 participants. Webinars included stories of the University's origins, moving onto Penglais Campus, the National Lottery Heritage Fund's People's Voices in a 'People's War: Aberystwyth 1939-45', and a talk on the Law Department's 120

year history. Founders Day was also celebrated with a walk on the promenade to kick the bar followed by a breakfast reception with special guest alumna the Right Honourable Liz Saville-Roberts MP.

Another important milestone was also reached this year in the re-development of the Old College. Early in 2022, the University announced the appointment of Andrew Scott Ltd as main contractors for the project. In June, the project was awarded Listed Building Consent, a necessary precursor to any works beginning on site and ensuring a detailed set of requirements was in place to safeguard and enhance the many heritage features of the Grade I and Grade II listed buildings.

Work commenced on the site at the end of July with the initial clearing of the old Estates Department buildings on King Street, which will be in preparation for the new atrium that will provide a stunning new entrance and far greater access to all levels of the Old College.

Once completed, the Old College is expected to attract 200,000 visitors and to contribute up to £14.5 million annually to the local economy, putting it on par with major destinations such as Caernarfon and Conwy castles. Up to 130 jobs will be created directly and indirectly and there will also be more than 400 volunteering opportunities. There will be 4* hotel accommodation and spaces for activities and events across seven floors and 143 rooms, including 10 rooms with capacity ranging from 60 to 200 people.

The plans for the Old College are built on partnership and collaboration and in this vein the University continues to be involved in local and regional initiatives. The University contributed to the creation of the Aberystwyth Area Place Plan (2040) led by Aberystwyth Town Council.

Ceredigion Public Services Board continues to provide a valuable platform for partnership working and supporting the Wellbeing Plan for the county's residents and the University also plays a notable role in leading the development of one of the PSB's pilot projects, Aberystwyth Carbon Neutral and Decarbonisation Strategy.

In regional economic and skills development the University continues to play a significant role in supporting the Growing Mid Wales partnership, the Mid Wales Tourism Partnership, and the Mid Wales Regional Learning & Skills Partnership.

The University is aiming to achieve Net Zero by 2030 and in spring 2023, we will publish our strategy for how we are going to achieve that. In the last year, the University has invested £2.9M in a solar array of almost 4,500 panels to supply renewable electricity to Penglais campus. Once complete, the project is anticipated to provide 25% of the annual electricity requirements of the campus and reduce annual CO2 emissions by more than 500 tonnes each year.



4 | International engagement

Learning mobility is an opportunity for students to develop valuable skills and to expand their horizons by going abroad to study or to undertake training. The benefits, both to students' life experiences and their future employability are immeasurable and undeniable.

Thanks to the generous donation of an alumnus, we established a major new fund to support student study opportunities in Europe. William Parker, who graduated with a degree in History from Aberystwyth in 1981, donated over half a million pounds to establish the University's new European Opportunities Fund. Providing grants of between £500 and £3,000, the fund enables undergraduate and postgraduate students to study, work or attend conferences in the European Union and the European Economic Area.

As the world opened after several years of COVID-19 travel restrictions, we were able to welcome overseas delegations of students who make the University even more vibrant and diverse, and helping students from different backgrounds build friendships and learn from one another. We were pleased to see the number of new international applications increase by 60% year on year.

There was a significant increase of 250% in applications that came through agent networks that connect educators, consultants and students. Applications from India doubled thanks to an expansion of our office in the country. We are also continuing to build up some solid partnerships in key international student recruitment markets.

Students were supported to take semesters or a year abroad in universities across Europe, North and South America, and Africa. This was paid for by a combination of remaining Erasmus funds, Global Wales Discover, the University's own European Universities Fund, or money from the first year of the UK Government's Turing Scheme, a global programme for studying, working and living abroad that offers opportunities for personal and professional development for students.

During the academic year, we launched our Sanctuary Scholarship, a programme designed to help those from forced migrant backgrounds who face barriers accessing university. The first students accepted under the programme will join for the 22/23 academic year. Pre-sessional Scholarships, which enable sanctuary seekers to develop the English language and study skills needed for a degree, were also introduced and the first student on the programme enrolled in June 2022.

Inbound student numbers for short term study were also healthy, with the number of fee-paying semester abroad students and the number of partners sending fee payers steadily growing. The upcoming academic year 2022-23 will see further growth of mobility numbers. The new Welsh Government's mobility scheme Taith will help fund individual student travel as well as faculty-led programmes. A second bid has been successfully endorsed by the UK Government's Turing Scheme to support semester and year-long studying; further cementing our commitment to broadening opportunity.



5 | Welsh language and culture

Aberystwyth University has always prided itself on the breadth and depth of its Welsh language undergraduate and postgraduate provision.

We were honoured to be chosen for a landmark collaboration with Urdd Gobaith Cymru in its centenary year. Every year since its establishment in 1922, the Urdd has prepared a Message of Peace & Goodwill. This year we were picked as its partner to prepare its 100th Peace Message. A group of Welsh students volunteered to take part in workshops to prepare the message focusing on the climate emergency.

This project showcased our commitment to also broaden the reach of Welsh culture internationally, demonstrated by our partnership with students from the Norwegian University of Life Sciences (NMBU). A video was also filmed featuring students and some well-known Welsh public figures – led by Gareth Bale – with the text translated and shared in 100 languages. The Peace Message and video were officially launched in May at the Nobel Peace Centre, Oslo, in the company of the Welsh First Minister, Mark Drakeford, the Vice-Chancellor and the participating students.

In a further illustration of our cultural authority, we partnered with the Welsh Government in designing and delivering a new National MA in Education that offers upskilling opportunities to teachers. It is a key development on the bilingual Initial Teacher Education provision already offered by the University's School of Education.

Elsewhere, we held a wide-ranging consultation on the draft sub-strategy for Welsh Academic Provision and scholarly activity at the University. Input was given by key stakeholders including UMCA, Aberystwyth's Welsh Student Union and branch of the Coleg Cymraeg Cenedlaethol. The Strategy responds to the Coleg's own recently refreshed plans, as well as the needs of Welsh language staff, students and 21st century Wales.

For the sixth consecutive year, we made a key contribution to the growth of Wales's economy and

the developments of workforce skills through our Masters in Professional Translation Studies, delivered in collaboration with the University of Wales Trinity Saint David.

Another significant milestone was fulfilling the educational and training needs of contemporary Wales, with 16% of our undergraduate students studying our sector-leading veterinary provision through the medium of Welsh and several bilingual members of staff ready to deliver new nursing provision in Welsh.

The Aberystwyth University Welsh Language Awards 2021 were held virtually, with University staff and students nominating two employees and two students for their contributions to the Welsh language.



The University also conducted its fourth Staff Welsh Language Use Survey. The findings will inform plans to support and encourage learning the language and its greater use at work.

It was another busy year for the University's Learn Welsh team, who delivers provision online. A new Taster Course for students was piloted in partnership with UMCA in advance of a Welsh Government initiative, which will offer all young people aged 16-25 the opportunity to join a Learn Welsh course for free from September 2022. In addition to community provision, the Learn Welsh team delivered Cymraeg Gwaith classes at a range of levels funded by the Coleg Cymraeg Cenedlaethol.

Finally, we are delighted to see Pantycelyn once again become the vibrant centre for the Welsh speaking student community, after it reopened in September 2020. The gradual easing of COVID-19 restrictions led to students being able to take advantage of the full extent of Pantycelyn's generous social and study spaces. It once again was the venue for all student meetings associated with UMCA, as well as other clubs and societies. Aelwyd Pantycelyn had a busy year using Pantycelyn as rehearsal space for its participation in the Varsity Eisteddfod and August's Urdd National Eisteddfod, which we looked forward to with great excitement at the beginning of the next academic year.





For another year, the pandemic has tested the University's resilience and its staff. Both have come through with flying colours. There can be no better test of a University than how well it supports its students. The most recent National Student Survey results has proved again that our staff have gone the extra mile and beyond.

Regular and frequent communication with colleagues has been an important feature of the last 12 months – and it has shown from feedback that it is appreciated. But we will use what it has learned during the pandemic to its best advantage. Even with positive Research Excellence Framework (REF) results, academic colleagues have put so much time into teaching and student support so the time for research has been stretched. We are committed to addressing that balance in 2022/23 academic year by looking at how we better protect research time and boost research activity.

Regarding training, development, and career progression opportunities in the last 12 months, we reintroduced the academic promotions scheme, some new internal secondment opportunities, and a revised recognition scheme. The University is keen to ensure that every member of staff participates in the annual Effective Contribution Scheme and assists each member of staff by helping them to understand their role and responsibilities.

We have also introduced a significant suite of new training, including leadership and management. The feedback has been extremely encouraging, as has the demand for places. So much so that it has been agreed to double the training provision in the 2022/23 academic year. We also support hybrid working where the nature of roles allows. Many colleagues have appreciated this flexibility in the way they work.

Despite last year's challenges, we continue to thrive in other ways. We are recruiting new staff in significant numbers and the University remains a popular place to work and study. However, the labour market is different to last year. There is much more competition for talented staff in all levels of roles. We need to adapt our working practices to make the University a genuine employer of choice. That is an important priority for this coming year – in particular how we embed hybrid working principles.

In addition, we must not lose sight of our commitment to equality and diversity in the workplace. The rural location and census data show that we are very different to metropolitan areas – but we can turn this to its advantage. Even more effort will be dedicated to equality and inclusion initiatives this year to make our aspirations to be more diverse in our staff and student bodies more of a reality.

7 | Equality, Diversity and Inclusion



The development and promotion of equality and diversity across a University's practices and activities are key to its success. Our Strategic Equality Plan demonstrates our commitment to foster an inclusive learning and working community, free from discrimination, harassment, and victimisation, where staff and learners are supported, feel respected, and can realise their potential.

A range of practical measures to demonstrate the University's commitment to equality and diversity were successfully delivered this year and we remain focused on improving gender equality of our senior academics and racial diversity across our student and staff body. Two members of the University Executive have taken responsibility and will lead on Gender and Ethnicity respectively.

The University is committed to transparency in these areas by continuing to publish our Annual Equalities Report and the Gender Pay Gap. Whilst we are pleased that our gender pay gap is below the UK-wide average, we recognise that there is still work to be done. Achieving this will be less about pay gaps within levels and more about the proportion of women in senior roles. Addressing the gender pay gap at more senior levels will take time, but we are working towards this goal.

Recent initiatives from the University's action plan to address the gender representation and pay gap include: re-designing academic promotions methodology and process; setting up an Athena Swan Self-Assessment Team to look at gender equality; anonymised applications for internal and

external recruitment; and holding regular meetings for the Women in Research Network.

We also developed a Race Action Plan as part of HEFCW-Advance HE Race Access and Success Collaboration Project and also became a member of AdvanceHE's Race Equality Charter. Both show a commitment to racial equality in working with staff and students across the University by subjecting ourselves to strict self-assessment. Our ultimate plan is to apply for AdvanceHE's Race Equality Charter's Bronze Award.

Continued commitment to providing a welcoming and inclusive environment for LGBTQ+ staff and students has been recognised by Stonewall. We were awarded a Bronze Award as part of its Bring Yourself To Work campaign, climbing 25 places in the charity's Workplace Equality Index.

The year also saw the University renew its accreditation status as a Disability Confident Employer, and important diversity events, such as Black History Month, LGBT History Month, International Women's Day and others, were also marked.



Graduation 2022

In July we were delighted to welcome back graduating students from 2020, 2021 as well as 2022 for their graduation ceremonies.





Annual Pay Policy Statement and Senior Remuneration

All staff within the University, regardless of salary, undertake an Effective Contribution Scheme performance review annually, which is then used to inform career development plans and training needs. In addition, we offer a variety of networks and leadership development and mentoring schemes to support career development and progression.

The University has a performance related pay scheme, Individual Contribution Award (ICA) for Grades 1-9 and Individual Contribution Award (Progression Increment) for Grade 10. This was introduced in October 2021 and replaces the Accelerated Increments and Contribution Points (AICP) scheme.

The highest pay point is Point 9 on the Grade 10 Scale, which equates to £102,491 (as at 31 July 2022). There are 10 senior posts with a remuneration package of more than £100,000, based on basic pay plus any allowance for additional responsibility as at 31 July 2022. These salaries take account of relevant benchmarking data from within and outside of the HE sector.

The lowest pay point is Spinal Point 3 on the Single Pay Spine, which equates to £17,338 (as at 31 July 2022). However, individuals on this spinal point in practice receive the prevailing Real Living Wage at £18,790 (the University started to pay the Real Living Wage in April 2018 and became an accredited Real Living Wage employer in October 2018).

The University recognises that it operates in a competitive environment and wishes to attract and retain the best staff possible. However, in taking any decisions relating to the remuneration of senior staff, the Remuneration Committee is required to be mindful of the affordability of those decisions and refer to benchmarking data for comparable Universities.

The outcomes of appraisals for senior staff under the institution's Effective Contribution Scheme are subsequently presented to the Remuneration Committee and form the basis of any recommendations to the Remuneration Committee with respect to any changes to the remuneration of the staff in question. All senior post holders at the University automatically receive any 'cost of living' pay awards provided by the University to employees on the nationally-agreed single pay spine.

The Governing Body has approved a Senior Remuneration Framework for the University, which sets out the institution's approach to the remuneration of senior post holders. As set out by the Senior Remuneration Framework, the Remuneration Committee has been delegated the authority by Council to agree matters relating to the remuneration of the Vice-Chancellor; Pro Vice-Chancellors; and Director of Finance and Corporate Services.

Joint report on the financial year by the Chair of the Finance Committee and the Director of Finance

During 2021-22 the University has effectively managed the return to operational normality following the impact of COVID-19. The £0.2 million surplus underlying operating position for the group is in line with budget expectations and monitoring undertaken throughout the year.

The underlying operating position is £0.2 million surplus, excluding the movement in pension schemes, in the group when these items are eliminated, and these are set out in the table below. The student body has grown and income has increased. Funding body grants have declined as expected, given the level of increased support received in 2020-21 as the University navigated the financial impact of the pandemic. Expenditure has remained largely consistent with previous years, matching increased income in areas with improved performance. As a result of COVID-related investment in 2020-21 and 2021-22, the University has returned to face-to-face on-campus teaching in 2022-23.

The result primarily reflects recovery following the constraints of COVID-19 in previous financial years. Income has increased, largely due to increased

tuition fees and student residential income, but also in trading outlets including Catering, the Sports Centre, the Arts Centre, and conferences as activity returned nearer to pre-pandemic levels. The financial benefits of the strategic refocus undertaken in recent years continue to support stability, particularly maintaining the University's cost base in relation to total income.

Aberystwyth University continues to invest to meet its strategic goals, specifically the long-term provision of excellent teaching and research including the associated capital investment that underpins those objectives. Ongoing capital investment on the re-development of existing buildings, in line with the recently developed Estates Strategy and investment in key IT systems to deliver the Digital Strategy was undertaken during the year.

Looking forward and in line with the wider sector, key issues faced by the University will relate to a competitive recruitment environment, as well as macro-economic headwinds. The University has seen growth in student numbers for the 2022/23 academic year. However, these numbers fell short of targets and further cost savings will be required in order to achieve an operational surplus. The University will continue to carefully allocate resources, supporting strategic growth objectives and ensuring that efficiencies in ongoing operations are maintained.

Scope of the financial statements

The financial statements for the year ended 31 July 2022 consolidate the results of the University, Aberystwyth Innovation and Enterprise Campus Ltd (AIEC), Aber Trading Ltd and Aber – Business Consultancy Ltd, all of which are subsidiary companies.

The table below shows a summary of the Group results. The total comprehensive income for the year includes a number of non-cash accounting entries. The University recognised a £27.8 million loss from an increase to the University Superannuation Scheme (USS) provision in 2021-22 (2020-21 £0.6 million gain). The University also recognised an accounting gain of £17.0 million in 2021-22 (2020-21 £2.3 million loss) following a valuation of the assets and liabilities of the pension fund (actuarial valuation) by our independent advisors Mercers. More detail on the University's pensions schemes is shown from page 90 onwards.

A summary reconciliation between the Financial Statements and the Management Accounts (underlying operating position) is shown below for completeness. Accounting standards require the University to include a number of non-cash items in the Statement of Comprehensive Income. The underlying operating position is £0.2 million surplus in the group when these items are eliminated, and these are set out in the table below.

| | 2021-22 £m | 2020-21 £m |
|---|---------------|---------------|
| Total comprehensive income | (11.0) | 1.9 |
| Impairment charge | 0.0 | (0.9) |
| Profit on disposal of fixed assets | (0.1) | (0.2) |
| Loss / (gain) on investments | 0.9 | (6.0) |
| New endowments | (0.5) | (0.3) |
| Movement in USS pension during the year | 27.8 | (0.6) |
| Pension charges | 1.3 | 0.6 |
| Other recognised gain | (1.2) | 0.0 |
| Movement in AUPAS and LA pensions during the year | (17.0) | 2.3 |
| Underlying operating position | 0.2 | (3.2) |

The table below provides a summary of group results for the year, further information and detail is available in the Financial Statements.

| | 2021-22 £m | 2020-21 £m |
|--|---------------|---------------|
| Income | 123.5 | 118.8 |
| Expenditure | (150.7) | (120.8) |
| Deficit before other gains and losses | (27.2) | (2.0) |
| Profit on disposal of fixed assets | 0.1 | 0.2 |
| (Loss) / gain on investments | (0.9) | 6.0 |
| Deficit before taxation | (28.0) | 4.2 |
| Surplus / (deficit) after taxation | (28.0) | 4.2 |
| Actuarial (Loss) / gain on pension schemes | 17.0 | (2.3) |
| Total comprehensive income | (11.0) | 1.9 |

The value of the University's own investments is also unpredictable due to its dependence on market values. In 2021-22 the University made an unrealised loss of £0.9 million based on the market value of investments (2020-21 £6.0 million gain).

Financial health metrics

The University utilises a number of Key Financial Indicators (KFI) to monitor its financial health. The KFIs used have been reviewed in 2021-22 and updated in line with the University's Financial Strategy and also to aid sector comparisons. These are summarised in the table below:

| FINANCIAL HEALTH METRICS | 2021-22 | 2020-21 | Target |
|-------------------------------------|---------|---------|----------|
| Profitability | | | |
| Retained result as % of Income | 0.20% | -2.70% | 5.00% |
| Liquidity | | | |
| Net liquidity days | 36 days | 34 days | 120 days |
| Current assets: Current liabilities | 0.8 | 0.7 | 1.3 |
| Gearing | | | |
| External borrowing as % of income | 46.40% | 46.30% | 50.00% |
| Efficiency | | | |
| Staff costs as % of Income | 56.30% | 56.20% | 58.00% |

Currently, only two of the KFI's have been met; those for gearing and staff costs as a percentage of income. The staff costs KFI is as a result of the continued close management of expenditure during and since conclusion of the SIP sustainability programme. The reduction in the gearing measure reflects improvements in income, rather than a reduction in the level of borrowing. The budget and five year financial forecasts from 2022/23 indicate that the remaining KFI's will improve. However, achievement of these measures will depend on continued achievement of recruitment and student fee income targets as well as successful new research grant capture.

Profitability

Ongoing rationalisation of costs and the lessening impact of COVID-19 on operations have resulted in the University delivering an operational surplus. This is clearly good news when viewed alongside ongoing operational pressures, most notably cost inflation, and shows the University is on a more sustainable operational footing.

The retained result as a percentage of income metric is 0.2% and reflects an underlying operating position that has moved into surplus following reported operating losses throughout the period impacted by COVID-19. The underlying operating position for 2021-22 demonstrates a sustainable position and a rationalised cost-base, despite the prevailing national and international economic challenges.

Liquidity

Despite the improved operational result and in-year operational cash generation, the University's cash holdings remain below aspirational targets due to the recent adverse impact of COVID-19 on operations, coupled with successful delivery of several significant strategic capital investments over the same period.

The University's increased cash holding of £8.1 million as at July 2022 (2020-21 £7.3 million), and an increase in net current assets of £3.7 million as at July 2022, has resulted in an improvement in liquidity measures, but these remain below aspirational targets. Net Liquidity Days have increased to 36 days (2020-21 34 days). The metric demonstrates the estimated number of days the University's cash and short-term investment balances at July 2022 could sustain its core operations. Core operations are calculated as expenditure less depreciation, interest, amortisation, non-cash pension adjustments and non-recurring costs. Despite this improvement, the metric remains below University targets and this remains a key consideration in the short and medium term. The cash figure reported includes £3 million of utilised funds from the University's RCF as at July 2022, meaning there remained further capacity (£12 million) within the facility for accessible short-term funds at the reporting date. An increase in net current assets of £3.7 million across 2021-22 has resulted in the University's Current Ratio (current assets : current liabilities) increasing from 0.7 to 0.8. This improvement highlights the work the University is doing to focus on its underlying liquidity as its operational activity nears pre-pandemic levels, but it is also mindful that this ratio remains below its internal targets. Liquidity measures will be closely monitored through existing reporting mechanisms.

Gearing

Although the University has reported improved operational income in 2021-22 of £123.5 million (2020-21 £118.8 million), external borrowing as percentage of this income has not moved materially compared to the prior year. The increase to external borrowing of £2.4 million in 2021-22 relates to further utilisation of unsecured interest-free Salix loans to fund energy efficiency projects. The remaining external borrowing in the metric consists of secured liabilities and the utilised element of the University's Revolving Credit Facility (RCF) as at July 2022. The University robustly monitors its debt obligations and covenant compliance to ensure all are met through the reporting period and beyond. External borrowing as 46.4% of income lies within University aspirational targets but this metric will be continually monitored through existing reporting mechanisms.

The University has reduced capital expenditure in 2021-22 of £11.5 million (2020-21 £20.9 million). However, a significant capital project commenced to refurbish and regenerate the Old College, with activity expected to escalate over 2022-23 and beyond. Operationally, the cash position continues to be mitigated through the planned utilisation of the RCF over the period. The total available balance on the facility was increased to £15 million in November 2020. As at July 2022 £3.0 million had been drawn down. The University remained compliant with the facility covenants in all four quarters of 2021-22 and is forecast to remain compliant over the next two financial years.

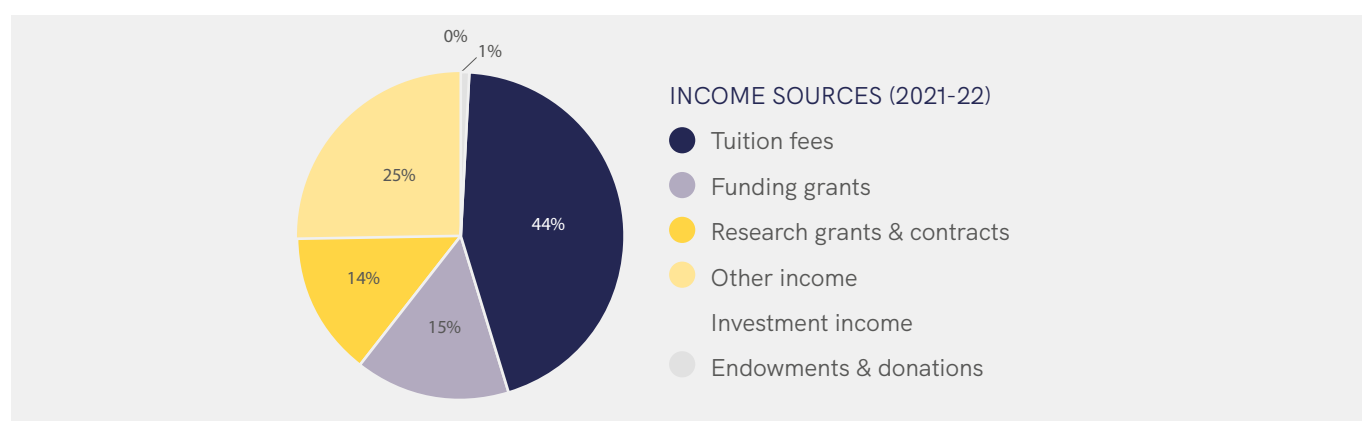
Efficiency

Staff costs are by far the group's biggest single element of cost. Reported group staff costs (excluding USS staff costs adjustments) were £70.4 million in 2021-22 (2020-21 £66.8 million). The operating environment for universities remains challenging and student recruitment market carries uncertainties and is highly competitive. Student numbers increased year on year in 2021-22 but were lower than our targets. For the 2022/23 academic year, we expect the size of our student body to grow again albeit at a lower rate than has been forecast, which will reduce budgeted income for the year by £3.0 million. A series of management actions and cost containment measures are being undertaken to ensure that the University achieves its budgeted surplus for the year.

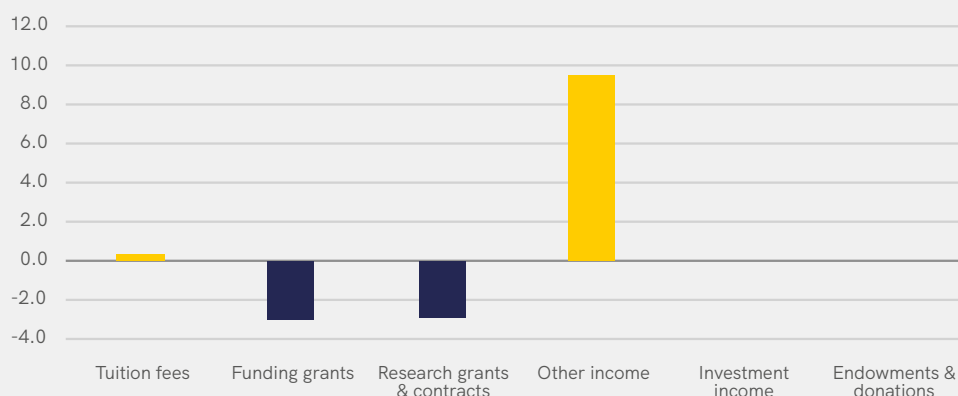
In Section 2 above, we have highlighted the improvement in the percentage of research activity of an internationally recognised standard. Whilst this is excellent news, the University's share of total research grant income is expected to fall significantly in future periods. Research grant funding for the 2023/24 academic year has largely been protected through mitigation funding, but steps will need to be taken to mitigate the impact in the longer term as the University seeks to grow its research activities. The expected marginal increase to staff costs, alongside a planned increase to operational income, means that staff costs as a percentage of income remains broadly unchanged at 57.0% in 2021-22. This metric is a barometer of institutional efficiency and sustainability and is currently within University targets.

Income

The University attracted more students in 2021-22 than in 2020-21 which led to increases in tuition fees and most notably in other income, which increased by £9.6 million (44.2%). The increase in other income was driven by a return to near pre-pandemic levels of activity across student and commercial facilities. Student residential and trading outlet income increased by £2.9 million, largely due to a return to pre-pandemic accommodation fee levels, coupled with increased activity in other commercial facilities. The Arts Centre and University Farms also generated an additional £1.4 million compared with 2020-21 as a result of increased activity and programming. Income received from funding bodies shows a significant reduction on 2020-21, reflecting a return to more normal and expected level following the receipt of additional support funding in the previous year. Due to a change in accounting treatment of research collaborators, research grant income is lower than 2020-21 but this has no effect on University contribution. As part of the budgeting process, the University had financially planned for the majority of the movements in income and these are therefore broadly in accordance with budget expectations, recognising that the University is a large and complex organisation that will naturally experience some variation. Our activities are planned to continue to match income fluctuations with necessary cost reductions, with the aim of delivering financial sustainability in line with the overarching Strategic Plan.



INCOME CHANGE £MILLION (2021-22 CF 2019-20)



Expenditure

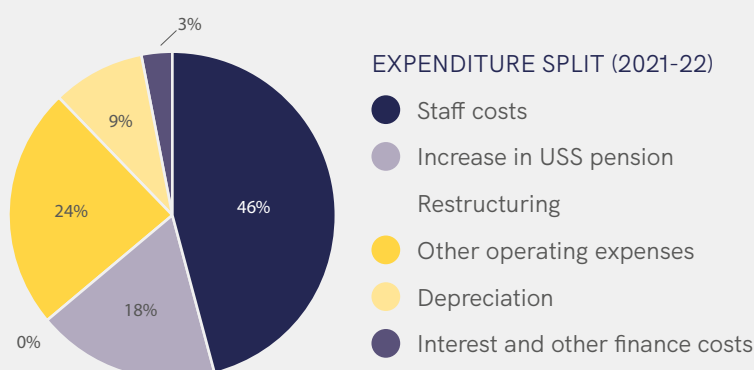
The University continued to carefully manage its cost base in 2021-22 in proportion to income generation, building upon the progress of recent years and fine-tuning key areas. A robust and challenging budget setting process, interlinked with a focus on developmental activities, continues to support this objective. In 2021-22 the University has balanced the cost base in proportion to income generated, albeit there remain business improvements to be made. Staff costs have increased by some £3.7 million (5.2%) compared with the prior year, reflecting in-year promotions, pay awards and increased national insurance contributions, as well as higher staff costs in residences and trading facilities as they return to more usual activity. Some change efficiencies were also undertaken during the year.

The balanced academic portfolio, supported by proportional professional services, provides for expenditure stability. The use of the staff establishment during 2021-22 has embedded that control environment.

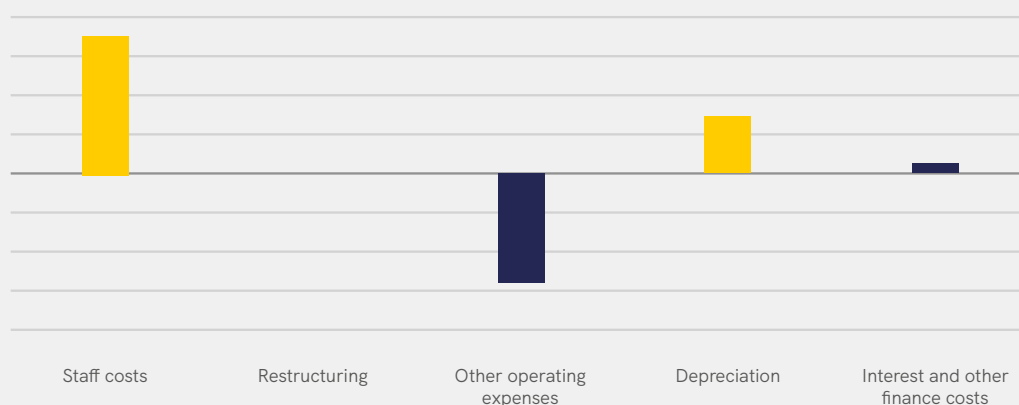
Some minor costs were incurred during 2021-22 as the planned restructuring of the University was completed, however they do not form part of the underlying cost base and as such do not form part of our longer-term planning.

Research expenditure has reduced by £2.7 million compared with 2020-21, mirroring the reduction in income above. Overall, research contribution has remained constant, despite the challenges of EU funding.

Consumable expenditure has also been tightly controlled, facilitated by rigorous budgetary review, and the use of real time management information for budget holders, driven from the financial reporting system. The continued financial impact of COVID-19 in early 2021-22 has also reduced variable operational expenditure in the year, as catering and other on campus activity recovered from the pandemic. The University has recognised that there remain challenges in managing the cost base of specific operations and has developed strategic action plans to target those areas. This, matched with the corporate strategy of sustainable planned growth of the student population, will drive the improving financial performance in future years.



EXPENDITURE CHANGE £MILLION (2020-21 CF 2020-21)



Note: Staff costs do not include pension service cost provision loss, see note 7.

Balance Sheet

The University's consolidated net assets have decreased by £11.0 million from that reported in 2020-21. Total non-current assets have decreased by £7.8 million due to a depreciation charge that has exceeded in-year investment and the first stage of an approved disinvestment strategy to fund the Old College disinvestment being enacted. Total net assets have been further reduced by a net increase to the Pension Provision of £9.3 million – this is a combination of an increase to the USS liability based on current assumptions and actuarial gains relating to the AUPAS and local authority schemes. Long-term creditors have decreased by £1.5 million from 2020-21 stemming from a deferred capital grant amortisation charge that is higher than in-year grant receipts.

| £ millions | Fixed Assets | Investments | Bank & Cash | Long-term Creditors | Pension Liability |
|------------|--------------|-------------|-------------|---------------------|-------------------|
| 2021-22 | 250.2 | 34.4 | 8.1 | 131.6 | 61.7 |
| 2020-21 | 252.1 | 40.3 | 7.3 | 133.1 | 52.4 |
| | ↓ | ↓ | ↑ | ↓ | ↑ |

Capital Investment

The University's investment in its estate, facilities and student residences reduced in 2021-22 following completion of several major capital projects in 2020-21. However, the spring of 2022 saw the commencement of the refurbishment of the Old College which will be a major capital programme for the University over the next three years. The forecast total cost of the redevelopment is £40million and the project will breathe new life into the University's historic seafront presence. Funding has already been secured from the Heritage Lottery Fund, the Welsh Government, fundraising initiatives and the University's own earmarked investments.

During the year £11.4 million (2020-21 £20.9 million) was spent on investment in infrastructure and equipment across the group. As well as initial construction costs relating to the Old College project, totalling £1.7 million in 2021-22, the University invested £0.3 million in existing premises to create facilities for the new Healthcare Education Centre which admitted its first students in September 2022. This is a much-needed provision welcomed by the region and investment in the building and fit out was funded by the Welsh Government. The University has continued to invest in projects aimed at reducing the carbon footprint of its operations and achieve its voluntary target of carbon neutrality by 2030. A significant step towards this goal was made through investment in a Solar PV Array on University land. Total capital costs of £2.5 million were incurred in 2021-22, with practical completion expected in the autumn of 2022. The majority of the project costs were funded through interest-free Salix finance.

Of the total capital expenditure, £2.2 million (2020-21 £1.7 million) relates to new research equipment funded by grants. The remaining expenditure relates to strategic investment in the campus and facilities, reflecting improvements to buildings and the physical and technological infrastructure.

Investments

Over the one-year period to 31 July 2022, the endowment and University investments returned a loss of 1.8% (gain 15.3% 2020-21) compared to the policy benchmark which returned a loss of 3.1% (14% 2020-21). The best performing portion of the portfolio was Absolute Return (3% growth) and Property (7.5% growth).

Cash and short-term deposits

The University's liquidity (net current assets / (liabilities)) as at July 2022 remains negative at (£6.1) million. However, this is an increase from the (£9.7) million reported as at July 2021. This improvement primarily relates to an increase in Trade and Other Receivables (£6.4 million), although an increase in cash held of £0.8 million compared to July 2021 has also contributed. Having realised an underlying operational surplus in 2021-22 underlying operations remain stable. The ability to retain cash and improve liquidity metrics alongside forecast student number growth and improving operational results remains a primary focus in 2022-23 and beyond.

The University's Revolving Credit Facility (RCF) has enabled it to navigate planned and short-term volatility in its cashflow profile. In November 2020, the University increased the total available RCF facility from £10 million to £15 million. In line with cashflow forecasts, the University had drawn down £3 million against the facility as at July 2022, which was the same as the amount drawn down as at July 2021. The RCF assists with short-term cash timing differences only and is not long-term, secured loan finance. The University forecasts to maintain operational surpluses and improved cash retention in its financial plans from 2022-23 onwards, subject to achievement of fee income targets. The RCF will continue to be used to smooth cashflow whilst investing in significant capital projects, particularly where timing differences between cash payments and funding receipts exist.

The University robustly monitors its cash balances and commitments through monthly and quarterly reporting and forecasting, whereby risks are highlighted and managed. During 2021-22, the impact of COVID-19 on university operations lessened, however considerable economic pressures such as energy costs, wider inflation and increasing interest rates continue to pose a challenge to the University as well as the sector as a whole. The University has financially planned accordingly and remains confident that operations will be managed to deliver its forecast cash generation and retention in 2022-23 and beyond.

The University continues to review and consolidate its asset holdings with a view to disinvesting some assets that are surplus to operational requirements and strategic plans. Across 2021-22, this strategy realised cash proceeds totalling £0.2 million (2020-21 £0.9 million) from asset sales. In May 2022, the University identified an updated schedule of land and buildings which it proposes to divest to support capital improvements and developments that dovetail with the University's strategic direction, most notably the Old College redevelopment.

Principal risks and uncertainties

The University's risk management process recognises a number of areas of risk, including: corporate strategic risks, which identify the most significant risks to achieving the University's objectives; operational risks, which may affect the day to day operations of the institution; and risks associated with major development projects, which identify the risks affecting the University's capital investment programme.

All risk registers are recorded in an online tool to facilitate management oversight and the identification of linked risks. Corporate risks are updated on a regular basis and reviewed by the Governing Body. The Audit, Risk and Assurance Committee receives a detailed report on the management of risk at each of its meetings. Risk registers for each academic and professional service department are recorded in the same online tool and are monitored at faculty level. During the 2021/22 academic year, the University has introduced target risk scores to focus attention on risk records where further mitigation may be required.

Sector wide uncertainties remain that will affect all universities, particularly those relating to the UK's relationship with the European Union. These potential impacts have been incorporated into risk records as appropriate. Student recruitment remains a key issue, especially from international markets, where global events have introduced greater uncertainty over student numbers and fee income. Greater focus is being given to the threat posed to cyber security and issues relating to mental wellbeing and student experience are subject to considerable activity and attention.

The principal risks to the University and how they have been mitigated are shown in the table below:

| Risk Area | Risk Description | Risk Mitigation |
|----------------------------------|--|--|
| Recruitment | The University fails to recruit and retain sufficient student numbers. | The University plans realistically for student demand and has recruitment strategies in place, focusing on key areas around the UK and Wales, developing international networks as well as strong links with local schools. The University regularly reviews its portfolio to ensure it continues to meet student and employer needs |
| Sustainability and funding | Changes in the funding of Universities from public sources, including the impact of changes in student fees and the funding of research introduce considerable uncertainty in financial planning and forecasting. Increased costs in the wider supply chain and in energy prices creates increased cost pressures. | The University plans prudently and has incorporated detailed sensitivity analyses of income assumptions within its financial forecasts, coupled with effective controls over costs. Financial plans beyond the 2021-22 academic year show an improving operating position. |
| Cyber security | Failure to prevent a cyber security breach. | The University has accredited cyber security arrangements, including centralised technical controls, policies, procedures and mandatory staff training, that are all updated and reviewed regularly. |
| Education and student experience | High levels of student withdrawals due to increased demand for support services arising from mental health, wellbeing and financial pressures from increases in the cost of living | An external review of student support measures has been undertaken with an action plan and recommendations being addressed, including steps to embed wellbeing into the curriculum. A series of measures to support students and staff with concerns over the cost of living are being undertaken. |
| Reputation | The University fails to maintain its international reputation in both teaching and research. | The University invests significantly in the student experience and in world class research. Success in league tables, Teaching Excellence Framework and Research Excellence Framework, including the latest REF 2021, validates the University's strategies. |
| Exit from the EU | The University recognises a number of risks associated with exit from the EU, in terms of the impact on: recruitment of EU students; loss of access to research programmes and research income; loss of EU staff; increased costs of goods and services; loss of ERASMUS and Exchange programmes. | The University's risk registers fully reflect the implications of the exit from the EU for the impact on student recruitment, staff recruitment and retention, and the implications for supply chains. The University monitors the pipeline of research grant activity and is actively developing links with industry partners on research activity. |
| COVID-19 pandemic | The University, students, staff and the local community have been adversely affected by a high incidence of COVID-19 in our area. | The University continues to take steps to mitigate the potential resurgence of COVID-19 cases through improving ventilation and monitoring air quality in teaching spaces and shared offices. Staff working patterns have been amended to reflect more flexible working arrangements where practicable. |

Sustainability

The University's long-term financial planning to 2026-27 is built on the delivery of excellence for students.

Aberystwyth continues to refocus marketing and recruitment for both domestic and international students. Our strategies are based around developing a portfolio of high-quality programmes with clearly articulated identities, meaningful relationships with our feeder schools, and an individual and supportive relationship with our applicants. The priorities underpinning the growth component of our plans are to establish a uniformly excellent teaching provision and a leading marketing and recruitment function. Both are embedded in our Corporate Strategy for the future and we continue to actively review the teaching and recruiting activities of all University departments.

Student intake in September 2021 was slightly lower than budgeted, but an increase on 2020-21. The student body has grown. Expectations are that this will continue in 2022-23 but at a lower rate than has been forecast. Our strategic aims are to ensure that more students choose Aberystwyth University as a place where they can learn and live in an exceptional environment; our business intelligence and modelling supports this assumption, illustrated through increasing applications compared with previous enrolment cycles.

The University continues to make a major investment in its estate which will impact upon its financial position over the planning horizon. Liquidity continues to be maintained, and the University has increased cash balances in 2021-22. However, it remains clear that forecast growth and associated financial performance over the planning period needs to be achieved to secure long-term sustainability.

Our Corporate Strategy for the next few years will see a major capital programme progressed and our core strengths built upon. Our financial forecasts show a tight budgetary landscape, with the University forecasting to maintain an operating surplus in 2022-23, subject to achievement of cost efficiencies and fee income targets. As well as these items, the University has included in its forecasts pay awards, the real living wage and additional employer pension contributions including deficit reduction charges arising from the latest valuation.

The University is a member of a number of pension schemes (see note 29) which contain a degree of risk relating to the outcome of valuation processes. Given these significant uncertainties it remains important that the University delivers an improved financial performance during 2022-23 and beyond. It will continue to carefully control expenditure, particularly those incurred in acquiring fixed assets, ensuring they are in line with capital planning projections. The ongoing emphasis on delivery of Strategic Plan objectives will continue to ensure long-term sustainability, attracting students to study at all levels at the University. Against the wider economic backdrop, there will be challenging times ahead. However, with continuing strong management the University is confident of successfully making progress in its strategic plans and achieving its objectives.

As part of its approach to financial sustainability, the University undertakes detailed expenditure reviews and has a robust budget monitoring system in place. Additional financial commitments have been reviewed and reduced as necessary, such as phasing some capital expenditure. During 2021-22, the University continued a comprehensive strategic review of its procurement activities, which has the propensity to be transformational in the way the University purchases goods and services, together with realising long-term sustainable savings. The University Executive and the Governing Body exercise detailed oversight of the financial position and cash flows, alongside the consideration of any mitigating actions. Additional revenue generation opportunities, necessary cost controls, cash management and financing options are considered. An integrated planning process is being reviewed and updated to model fee income, growth in student numbers and research activity, together with associated infrastructure requirements over the longer-term planning horizon.

The financial outlook remains uncertain and 2022-23 will be challenging, as we fully return to on-campus teaching and manage the additional costs and challenges presented from inflationary pressures and the cost of living crisis. Like most universities, Aberystwyth's income is exposed to this risk, particularly that relating to student recruitment and commercial trading activities. However, our financial and cash management modelling demonstrates that the University remains able to meet its financial commitments, including scenarios that incorporate downside risk.

Stephen Forster,
Director of Finance and Corporate Services

Dr Emyr Roberts,
Acting Chair of the Resources and
Performance Committee

Public Benefit Statement

Aberystwyth University is a Registered Charity (No 1145141) in accordance with the terms of the Charities Act 2011. In setting and reviewing the University's objectives and activities, the University Council has due regard for the Charity Commission's general guidance on public benefit and supplementary guidance for charities established for educational purposes.

Since 1872 the University has promoted excellence in research and teaching under its motto 'Nid byd, byd heb wybodaeth – A world without knowledge is no world at all'. We aim to enable the student to develop a passion for academic enquiry, learning, and personal development which is both lifelong and life changing. We value innovation and excellence in research in all fields and disciplines and we encourage an inter-disciplinary approach to seek solutions to global issues. We seek to break down barriers to education and work closely with the community to widen access to our provision.

Teaching

Our core mission is to produce well-educated, skilled, and confident graduates, fully equipped for the world of work and for the work of the world. We provide this through excellent teaching across 19 core academic departments and embedding employability, transferrable skills, and issues of global citizenship into our curriculum. We support a range of projects for learning in the community, including providing a wide range of lifelong learning courses in languages, the sciences, arts and humanities on the University campus as well as in community venues across Wales and a portfolio of part-time and day courses. We recognise our special responsibility to further Welsh medium engagement and promote the Welsh language, and are active in encouraging Welsh speaking students to pursue their studies through the medium of Welsh. We have recently established the first School of Veterinary Science in Wales and are set to play a key role in training future nurses following our successful tender to offer nursing qualifications for the first time.

Research

We have a long and distinguished record of undertaking cutting edge research of international significance, conducting research that addresses the major challenges society faces, including climate and environmental change, global inequality, space research, international economics, artificial intelligence, and cultural identities. We are establishing ourselves as a centre for research collaborations with business through our now operational Innovation and Enterprise Campus, AberInnovation. Community engagement with research includes health and wellbeing programmes, robotics workshops, and public lectures.

Widening Participation

Our approach to widening access involves targeted projects aimed at raising school leaver aspirations and we work closely with schools and the local community on activities to improve skills, particularly in STEM (Science, Technology, Engineering, and Maths) subjects. We provide a comprehensive range of bursaries, scholarships and awards, including bursaries for Postgraduate Research students who are funded via University and alumni-funded endowments. We also provide a range of targeted academic and personal support to students to aid retention and promote student success.

International Reach

We are a thriving international community, welcoming staff and students from over 90 countries worldwide and working in partnership with institutions, businesses and organisations across the world. Our International English Centre helps overseas students to gain language skills so that they can be confident members of our safe, inclusive community.

Sustainability

We are wholly committed to the enhancement, promotion and development of sustainable practices, with the overarching aim to encourage sustainable growth and practices, both for individuals and for the institution. We have taken several steps to eliminate single-use plastics, including introducing a coffee cup tax, providing free water fountains for staff, students and visitors and introducing compostable takeaway containers. These changes have in turn reduced the University's carbon emissions from the purchasing of single use plastics and increased rates of recycling and reuse. The installation of state of the art solar panels at a site adjacent to Fferm Penglais – a renewable energy scheme which would generate approximately 25% of the annual electricity requirements of Penglais Campus – was completed at the end of the summer 2022.

We are committed to being carbon neutral by 2030 and are prioritising our responsibility to protect the environment from the impact of its operations and activities. The University's Sustainability Policy Statement outlines its commitment to conduct its activities in an environmentally responsible manner.

Community Engagement

We engage fully with our local community through our Arts Centre's thriving cultural programmes which include theatre, music, cinema, gallery exhibitions, film and literary festivals, dancing classes, summer projects for school children, and

evening classes and workshops for adults. We are also proud of our partnership work with the National Library of Wales and with local schools and community groups and charities including the University Charity of the Year, which is chosen by our staff and students. We encourage staff and student volunteering and are proud of the involvement of both in activities such as beach conservation and engagement with St John's Ambulance Brigade. We offer services to regional businesses. We support the local hospital and community health programmes and provide access to high quality sporting facilities and classes for the local community (including sports classes, sports holiday clubs, and activities to promote health and wellbeing in the over-50s).

COVID-19

From research to community support, our staff and students have made vital contributions to the fight against COVID-19. We are committed to working together with our partners, including Ceredigion County Council, Hywel Dda University Health Board and Public Health Wales to reduce the impact of COVID-19 across our communities and provide support planning for the future. In addition to our academic work related to COVID-19, the University has continued to work consistently with our students and staff to raise awareness of changing Welsh Government restrictions and recommended behaviours. We have provided dedicated support in light of the pandemic and facilitated testing as we have prioritised the safety of our students, staff and wider community. We have provided University facilities for delivery of the community vaccination programme, which has meant many thousands of people visiting our campus to be vaccinated by local health service staff.

Corporate governance and internal control

In accordance with Aberystwyth University's Supplemental Royal Charter as revised in 2018, the institution's Council is "the supreme governing body of the University" and is responsible for "determining the University's strategic direction and for the conduct of the University's financial, administrative and other affairs, in accordance with its objects".

As set out in the University's governing documents, the Council consists of: Independent Members (some serving in an ex-officio capacity); ex-officio staff members; and members elected by the Senate, the non-academic staff, and the students. In total, the membership of the Council shall not exceed 18 voting members. The Council may also appoint additional co-opted members provided the overall number of members is consistent with Statute, although this is not current practice.

The majority of Council members are non-executive, independent members who are not members of staff or students at the University. Further, the role of the Chair of the Council – which can only be undertaken by an Independent Member – is separated from the role of the University's Chief Executive, the Vice-Chancellor.

Aberystwyth University is committed to promoting equality and diversity, and endeavours to be inclusive, valuing the diverse nature of its staff, students and community. All vacancies for Independent Members on the Council are advertised externally, with expressions of interest particularly welcome from under-represented groups. Such expressions of interest are considered by a Nominations Committee against the Council's current composition to ensure that members possess a range of skills which meet the University's requirements.

The University aims to conduct its activities in an ethical manner in accordance with the seven principles set out in the Nolan Committee's 'Report on Standards in Public Life': selflessness, integrity, objectivity, accountability, openness, honesty, and leadership. The University is also committed to exhibiting best practice in all aspects of corporate governance, applying the core values and associated

seven primary elements of governance as set out in the Committee of University Chairs (CUC) 'Higher Education Code of Governance' (September 2020), as well as the relevant principles detailed in the 'UK Corporate Governance Code' issued by the Financial Reporting Council.

A review of governance effectiveness was commissioned by the Council during the spring 2019. This was undertaken by AdvanceHE, with its final report presented to Council on 28 June 2019. The Council applies an approach of continuous improvement to governance and institutional performance. The recommendations made in the most recent governance effectiveness review are being implemented under the oversight of the Governance and Compliance Committee. The next review of governance effectiveness is scheduled to be conducted during the 2022-23 academic year.

On 19 February 2020, Gillian Camm's independent review of Governance in Wales ('A review of Governance of the Universities in Wales') was published, along with the sector's unanimous response (in the form of a 'Governance Charter for Universities in Wales' and a 'Commitment to Action' plans). The University has developed its own action plan in response to the recommendations of the Camm Review, as well as the sector's own Charter and 'Commitment to Action' plan. The University's own action plan was agreed by the Council on 27 April 2020, with progress implementation reports submitted to the Governance and Compliance Committee biannually. Good progress has been made since April 2020 in implementing many of the agreed actions. Although the COVID-19 pandemic had led to some actions being delayed the majority has either been implemented or significantly progressed.

The Council's primary responsibilities are set out in both the University's Statutes and Ordinances. By custom, and under the Financial Management Code agreed with the Higher Education Funding Council of Wales, the Council holds to itself, inter alia, the approval of major development and expenditure, as well as responsibility for the establishment and activities of any subsidiary companies.

The Council met on six occasions during the 2021-22 academic year. Much of the detailed work is initially handled by several sub-committees. The University's main governance sub-committees include: an Audit, Risk and Assurance Committee; a Governance and Compliance Committee; a Remuneration Committee; and a Resources and Performance Committee.

All of these sub-committees report their decisions to the Council and are formally constituted with their own terms of reference and a proportion of their membership drawn from the Independent Members serving on the Council. Detailed information on the membership and responsibilities of these sub-committees can be found on our website.

The Remuneration Committee is constituted to consider and determine matters relating to the remuneration of Senior Staff at the University, within an overall framework approved by the Council. In agreeing any changes to the remuneration of the Vice-Chancellor, the Pro Vice-Chancellors and other defined Senior Staff, the Remuneration Committee is mindful of the affordability of any such determinations. All decisions taken by the Remuneration Committee are reported to the Council.

The University's Council is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and will only provide reasonable – and not absolute – assurance against material misstatement or loss.

The Council undertakes an ongoing process for identifying, evaluating, and managing the University's significant risks, and that has been in place for the year ended 31 July 2022, and up to the date of approval of the annual report and financial statements. It is regularly reviewed by the governing body; and it accords with the internal control guidance for Directors on the UK Corporate Governance Code, as amended by the British Universities Finance Directors Group.

The Audit, Risk and Assurance Committee is responsible for meeting with the External Auditors to discuss audit findings, and with the Internal Auditors to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with the management's responses and implementation plans. This sub-committee also monitors adherence with regulatory requirements and reviews the University's annual financial statements together with accounting policies. In addition, they may be required to investigate instances of non-compliance with legislation and other regulations. Whilst senior executives attend meetings of the Audit, Risk and

Assurance Committee as necessary, they are not members of the sub-committee, and sub-committee members may meet with the Auditors on their own for independent discussions.

The University's Executive has formal processes in place for evaluating and managing significant risks faced on an on-going basis. This involves identifying the types of risks the University faces through a top down and bottom-up process of identification of risks at both corporate and departmental level. Risks are prioritised in terms of potential impact and likelihood of occurrence in accordance with an established and approved risk management policy. These risks are aligned to the institution's Strategic Objectives and are monitored along with the associated controls and risk mitigation actions on an ongoing basis by the University Executive. The Audit, Risk and Assurance Committee receives an update on risk at each of its meetings, with appropriate reports and recommendations presented to the University Council.

The University has a process for dealing with significant control issues which involves immediate notification to the Chair of Council and Chairs of the Resources & Performance Committee and the Audit, Risk and Assurance Committee along with notification to the Higher Education Funding Council of Wales and the Charity Commission as appropriate.

The University has an agreed Publication Scheme which sets out the information made publicly available by the institution. Further information can be found on our website. Once formally approved by the Council, this document shall be published on the University's website alongside documents relating to previous academic and financial years.

The University's Executive Group

The Executive is the University's senior management team and is responsible for the overall management and administration of the University.



Professor Elizabeth Treasure

Vice-Chancellor

Professor Elizabeth Treasure joined Aberystwyth University in April 2017. Previously, she was Deputy Vice-Chancellor of Cardiff University. A Vice-President (Wales) of UUK, she is a member of the Universities & Colleges Employers Association (UCEA) Board. A graduate of Birmingham University, she has worked in the NHS in both clinical and managerial roles as well as in the University of Otago, New Zealand. Elizabeth is a Fellow of the Learned Society of Wales.



Professor Colin McInnes

Pro Vice-Chancellor for Research, Knowledge Exchange and Innovation

Colin is a fellow of the Academy of Social Sciences, the Royal Society for the Arts and the Learned Society of Wales. He recently worked with the World Health Organisation developing its advisory framework for civil-military cooperation in health emergencies, is currently a member of the REF2021 panel for Politics and International Studies, and also served on the REF2021 interdisciplinary advisory panel.



Professor Tim Woods

Pro Vice-Chancellor for Learning, Teaching and Student Experience

Professor Tim Woods currently oversees quality assurance and student-related matters across the University. He is a reviewer for the Quality Assurance Agency and was appointed to chair Advance HE's Fellowship and Accreditation Expert Advisory Group in 2021. He represents Aberystwyth University on numerous Universities Wales networks. He has participated in previous REF and TEF panels, and currently sits on the QAA Board representing UnisWales. He chairs the QAA Wales Strategic Advisory Committee.



Professor Anwen Jones

Pro Vice-Chancellor for the Faculty of Arts and Social Sciences

In addition to her role as Pro Vice-Chancellor, Professor Anwen Jones has institutional responsibility for Welsh academic provision, scholarship, and research as well as for the gender strand of the Equality and Diversity agenda. A Professor in Theatre Studies, she is Editor for the Welsh language interdisciplinary scholarly e-journal, Gwerddon, supported by the Coleg Cymraeg Cenedlaethol, is a National Library of Wales trustee and a Coleg Cymraeg Cenedlaethol Director.

Professor Qiang Shen

Pro Vice-Chancellor for the Faculty of Business and Physical Sciences

Professor Qiang Shen was awarded a PhD in Computing and Electrical Engineering from Heriot-Watt University and a DSC in Computational Intelligence from Aberystwyth University. He was elected as a Fellow of the Learned Society of Wales in 2012. He is a former Head of Department of Computer Science and Director of the Institute of Mathematics, Physics and Computer Science.



Professor Neil Glasser

Pro Vice-Chancellor for the Faculty of Earth and Life Sciences

In addition to his role as Pro Vice-Chancellor, Professor Glasser has responsibility for Equality, Diversity and Inclusion as well as Environment and Sustainability across the University. A former Fulbright Distinguished Scholar at the National Snow and Ice Data Centre in Boulder, Colorado, he is a member of the NERC Peer Review College and editor on the Journal of Glaciology.



Mr Stephen Forster

Director of Finance and Corporate Services

Stephen Forster joined the University in 2018. His current role encompasses strategic oversight and responsibility for Finance & Procurement, Planning & Risk Management, Estates Facilities & Residences and Commercial Services. Formerly of the UK firm of PricewaterhouseCoopers LLP (PwC) where he held roles in Finance, Risk Management & Insurance, Supplier Contract Management and Internal Management Consultancy, he is a fellow of the Chartered Association of Certified Accounts (FCCA).

Stephen will be leaving the University on 31st December 2022. Mark Godsell, currently the Deputy Director of Finance, will be covering all Finance responsibilities from then onwards on an interim basis.



Dr Rhodri Llwyd Morgan

Director of Welsh Language and External Engagement

Prior to joining the University, Dr Rhodri Llwyd Morgan worked for BBC Wales, the Welsh Language Board and Ceredigion County Council. He is Chair of the Board for Welsh-medium early years care and education provider Mudiad Meithrin and a member of the Welsh Government's Welsh Language Partnership Council. He also chaired the Welsh Speaking Communities' Task & Finish Group, which published its programme for 'Increasing the Number of Welsh Speaking Communities'.



Annual reports from Council committees

AUDIT, RISK AND ASSURANCE COMMITTEE

For the 2021-2022 academic year, the members of this Committee were:

| Name | Category | Meetings Attended |
|--------------------|--------------------|-------------------|
| Mark Tweed (Chair) | Independent Member | 4/4 |
| Kate Eden | Independent Member | 2/4 |
| Sharron Lusher | Independent Member | 3/4 |
| Charu Maini | Independent Member | 3/4 |
| Rachel Barwise | Student Member | 2/4 |

As permitted by paragraph 122 of the Funding Council's Financial Management Code, Kate Eden served as an Independent Member on both the Audit, Risk and Assurance Committee (ARAC), and the Resources and Performance Committee (RPC). This had been agreed by Council on 10 July 2020 on the basis that the increasing focus on financial viability within the sector deemed cross-representation essential so that the member could hear first-hand from the auditors at ARAC, and then relay to RPC as appropriate. Following the end of Fiona Sharp's term on Council and as Chair of RPC on 30 April 2022, Kate Eden was formally appointed to Chair RPC on 12 May 2022 and therefore did not attend the June 2022 meeting of ARAC.

Representatives of the University's External and Internal Auditors were present during the Committee meetings held in 2021-2022, as were the Director of Finance and Corporate Services, the University Secretary, and the Vice-Chancellor.

The role of the Audit, Risk and Assurance Committee is to advise and assist the governing body in respect of the entire assurance and control environment of the University. Accountable to Council, its overriding duties include:

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

and Internal audits and the effectiveness of the audit processes; and

- Oversight of audit aspects of the institution's financial statements, including the External Auditors' opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the External Auditors' management letter.

During 2021-2022, the Committee largely focused on scrutinising and advising the Council as appropriate on key business. Where appropriate, decisions were also taken by the Committee in accordance with its terms of reference. The business being considered during 2021-22 included:

- the outcome of the External Audit of the Annual Report and Accounts for the year ended 31 July 2021, and the steps taken by the University Executive to address any recommendations raised by the External Auditors;
- the formal re-appointment of External Auditors from 1 August 2022;
- the formal appointment of Internal Auditors;
- the Annual Report and Opinion of the Internal Auditors;
- the Internal Audit Plan for the 2021-22 and 2021-22 academic years and the resulting Internal Audit reports. During 2021-22, Internal Audit reports were received on: Student Progression and Employability; HE Data and Systems; Cyber Security; Corporate Governance; Risk Management; and the annual follow up of recommendations raised in previous years;

- the progress made by the University Executive in implementing recommendations raised as part of Internal Audit reports over recent years;
- risk management arrangements within the institution, including the review of the Risk Management Policy, and the Risk Appetite Statement and Matrix;
- A progress report on Risk 'Deep Dives'; and
- the annual report on value for money within the institution.

GOVERNANCE AND COMPLIANCE COMMITTEE

For the 2021-22 academic year, the members of this Committee were:

| Name | Category | Meetings Attended |
|-------------------------|---------------------------|-------------------|
| Meri Huws (Chair) | Independent Member | 3/3 |
| Mared Edwards | Student Member | 2/3 |
| Melanie Hamer | Independent Member | 3/3 |
| Dr Louise Marshall | Senate Member | 3/3 |
| David Moyle | Non-academic Staff member | 2/3 |
| Rhuanedd Richards | Independent Member | 2/3 |
| Jane Usherwood | Independent Member | 2/3 |
| Claire Vaughan | Independent Member | 3/3 |
| Prof Elizabeth Treasure | Vice-Chancellor | 3/3 |

The Director of Human Resources and Organisational Development, the Health, Safety and Environment Manager, and the University Secretary were also present during all meetings held in 2021-22. The Director of Finance and Commercial Services was also present for meetings requiring input on relevant matters.

The Governance and Compliance Committee undertakes a scrutiny role and advises the Council on matters including institutional governance; information governance; human resources and staff development; equality and diversity; health and safety; the Welsh language; and compliance with legislation, and with the general requirements of government, HEFCW, and other regulators.

During 2021-22, the Committee largely focused on scrutinising and advising the Council as appropriate on key business, including:

- the employment of University staff and the associated terms and conditions;
- the development and implementation of a new Organisational Development Plan, initiatives to enhance institutional culture, and proposals to undertake a staff survey during the academic year;
- the institution's Annual Pay Statement, to be published in accordance with the requirements of the Welsh Government;
- compliance with the Prevent Duty, including the institution's annual report on compliance with the Duty and revisions to the Code of Practice on Freedom of Speech;
- revisions to key compliance-related policies, which during the year included the Anti-Bribery and the Counter-Fraud and Malpractice policies;
- the development and implementation of initiatives to enhance equality and diversity within the institution, both with respect to staff and students; as well as the Annual Equalities Report which the Council is required to agree and publish;
- As agreed by Council, an Action Plan has been implemented to address the recommendations made in the 2019 Gillian Camm Review of Governance of the Universities in Wales, as well as the actions agreed as part of the national Charter. As at the year end, the majority of actions were under way or had been completed or implemented. A key recommendation awaiting implementation is the development of a strategy for Governor Diversity and Inclusion.

The outcomes of that exercise is pending final approval by Chairs of Universities Wales and the Wales Secretaries Group;

- noting progress with the institutional action plan in response to the 2019 external review of governance effectiveness at the University; and
- the Relationship Agreement in place between the University and Aberystwyth University Students' Union; and testing compliance with Part II of the Education Act 1994.

NOMINATIONS COMMITTEE

For the 2021-22 academic year, the members of this Committee were:

| Name | Category | Meetings Attended |
|-------------------------|---------------------------|-------------------|
| Dr Emyr Roberts (Chair) | Chair of Council | 2/2 |
| Sabina O'Donoghue | Student Member | 2/2 |
| Dr Rebecca Edwards | Non-academic Staff Member | 1/2 |
| Professor Simon Green | Independent Member | 2/2 |
| Meri Huws | Independent Member | 2/2 |
| Prof Elizabeth Treasure | Vice-Chancellor | 2/2 |

The University Secretary was also present during all meetings held in 2021-22. The Chair of Audit, Risk and Assurance was also co-opted to serve during both meetings.

The Nominations Committee considers and agrees recommendations to Council in relation to key appointments, including the appointment and re-appointment of the Chair and Independent Members to the governing body and its sub-committees. The Committee also considers and agrees recommendations in relation to the term of the Vice-Chancellor, and any re-appointment for further terms.

During 2021-22, the Committee was charged with leading on key appointment processes on behalf of and advising the Council accordingly. During the year, the Committee met twice to oversee the external recruitment of new independent members to serve on Council and its sub-committees.

In accordance with best practice, when considering applications and interviewing prospective new Independent Members for appointment to the Council, the Nominations Committee sought evidence that individuals:

- demonstrate selflessness, integrity, objectivity, accountability, openness, honesty, and leadership;
- will be able to challenge effectively and constructively;
- will be able to 'stand apart' from inappropriate influence and to be free of managerial capture;
- are free of mandates and any constraints that would prevent a correct course of action being taken; and
- are unrelated to any employee of the University or of any organisation gaining a pecuniary advantage from the University.

REMUNERATION COMMITTEE

For the 2021-22 academic year, the members of this Committee were:

| Name | Category | Meetings Attended |
|-------------------------|-------------------------|-------------------|
| Meri Huws (Chair) | Deputy Chair of Council | 1/1 |
| Sabina O'Donoghue | Student Member | 1/1 |
| Dr Emyr Roberts | Chair of Council | 1/1 |
| Claire Vaughan | Independent Member | 1/1 |
| Prof Sir Robin Williams | Independent Member | 1/1 |
| Prof Reyer Zwiggelaar | Senate Member | 0/1 |

The Director of Human Resources and Organisational Development, the University Secretary, and the Vice-Chancellor were also present during meetings of the Committee held in 2021-22. The Vice-Chancellor and the Director of Human Resources and Organisational Development did not participate in any discussions relating to their own remuneration, while the remuneration of the University Secretary does not come within the purview of the Remuneration Committee.

The Remuneration Committee considers and determines matters relating to the remuneration of senior staff at the University, in accordance with the policy approved by Council. The Committee is independent and competent and has the ability to engage external independent expertise if required.

In 2021-2022 the Remuneration Committee agreed a number of non-consolidated bonuses in recognition of the achieved targets and additional work undertaken, particularly during the COVID-19 period (further details are included elsewhere in the report).

A fuller report on the activities of the Remuneration Committee during 2021-22 is presented elsewhere in the Annual Report, as required by the Committee of University Chairs (CUC) 'Higher Education Senior Staff Remuneration Code' (June 2018).

RESOURCES AND PERFORMANCE COMMITTEE

For the 2021–22 academic year, the members of this Committee were:

| Name | Category | Meetings Attended |
|--|--|-------------------|
| Fiona Sharp (Chair from 1 August 2021 until 30 April 2022) | Independent Member | 2/4 |
| Sabina O'Donoghue | Student Member | 2/4 |
| Kate Eden (Chair from 12 May 2022) | Independent Member | 4/4 |
| Dr Rebecca Edwards | Non-academic staff member | 3/4 |
| Owen Evans | Independent Member (until 12 May 2022) | 2/4 |
| Dr Emyr Roberts | Chair of Council | 4/4 |
| Prof Elizabeth Treasure | Vice-Chancellor | 4/4 |
| Prof Sir Robin Williams | Independent Member | 4/4 |
| Dr William Williams | Independent Member | 4/4 |
| Prof Reyer Zwiggelaar | Senate member | 3/4 |

The Director of Finance and Commercial Services, and the University Secretary were also present during all meetings held in 2021–22.

The Resources and Performance Committee undertakes a scrutiny role and advises the Council on matters including institutional financial management and sustainability; student recruitment and enrolment, including international activity; income generation; research, knowledge transfer and innovation; estates and the environment.

During 2021–22, the Committee largely focused on scrutinising and advising the Council as appropriate on key business, including:

- the Annual Report and Accounts for the year ended 31 July 2021, and associated annual sustainability return to the Funding Council;
- development of the institutional budget for 2022–23, and financial forecasts for the years through to 2025–26;
- the delivery of major projects against agreed schedules and budgets, with a particular focus on the Old College refurbishment project;
- the current condition of the University's estate, the development of a new Estates Strategy, and proposals to dispose of land and building assets which are deemed surplus to the institution's requirements;
- institutional performance against its Carbon Management Strategy, proposals to revise that Strategy, and initiatives to improve environmental sustainability; and
- the performance of the Aberystwyth University Pension and Assurance Scheme, the related investment strategy, and the University's covenants as employer.

SENATE

For the 2021–22 academic year, the members of this Senate were:

| Name | Category | Meetings Attended |
|---------------------------------|--|-------------------|
| Prof Elizabeth Treasure (Chair) | Vice-Chancellor | 5/5 |
| Dr Cathryn Charnell-White | Departmental Representative | 2/5 |
| Prof Hazel Davey | Departmental Representative | 5/5 |
| Prysor Davies | Departmental Representative | 5/5 |
| Prof Sarah Davies | Departmental Representative | 3/5 |
| Prof Iain Donnison | Departmental Representative | 5/5 |
| Sabina O'Donoghue | Student Member | 3/5 |
| Mared Edwards | Student Member | 5/5 |
| Rebecca Edwards | Non-academic staff member | 3/5 |
| Dr Gwion Evans | Departmental Representative | 5/5 |
| Dr Patrick Finney | Departmental Representative | 5/5 |
| Prof Neil Glasser | Pro Vice-Chancellor | 5/5 |
| Dr Sarah Higgins | Departmental Representative | 4/5 |
| Dr Aloysius Igboekwu | Departmental Representative | 4/5 |
| Professor Thomas Jansen | Departmental Representative | 3/5 |
| Penri James | Chair of the University branch of the Coleg Cymraeg Cenedlaethol | 5/5 |
| Prof Anwen Jones | Pro Vice-Chancellor | 5/5 |
| Chris Loftus | Departmental Representative (until 29 October 2021) | 1/1 |
| Prof Colin McInnes | Pro Vice-Chancellor | 4/5 |
| Dr Alex Mangold | Departmental Representative | 5/5 |
| Elizabeth Manners | Student Member | 4/5 |
| Dr Louise Marshall | Departmental Representative | 5/5 |
| Prof Robert Meyrick | Departmental Representative | 4/5 |
| John Morgan | Departmental Representative | 5/5 |
| David Moyle | Non-academic Staff Member | 4/5 |
| Dr Heather Norris | Departmental Representative | 5/5 |
| Prof Eleri Pryse | Departmental Representative | 5/5 |
| Prof Phillipp Schofield | Departmental Representative | 4/5 |
| Prof Qiang Shen | Pro Vice-Chancellor | 5/5 |
| Prof Tim Woods | Pro Vice-Chancellor | 5/5 |
| Dr Sarah Wydall | Departmental Representative | 1/5 |
| Prof Reyer Zwiggelaar | Head of the Graduate School | 1/5 |

The Academic Registrar, the Head of the Vice-Chancellor's Office, and the University Secretary were invited to attend all meetings held in 2021–22, as were the heads of all academic departments where they had not been elected to represent their departments on the Senate.

The Senate is the academic authority of the University and provides assurance to the Council on academic quality in teaching and research, managing and approving the academic portfolio, and managing the regulation of the academic interests of the institution.

During 2021–22, the Senate reviewed and approved revisions to the Student Charter, as well as various academic regulations and procedures. Senate also received and approved the Quality Enhancement Review (QER) – Self-Evaluative Analysis, a key document submitted in response to an external quality review in April 2022. Senate also approved the QER student submission.

The Senate scrutinised and advised Council on relevant decisions to be taken by the governing body, including the annual Quality Assurance Statements, for submission to the Funding Council.

UNIVERSITY EXECUTIVE

For the 2021–22 academic year, the members of the University Executive were:

| Name | Category | Meetings Attended |
|---------------------------------|--|-------------------|
| Prof Elizabeth Treasure (Chair) | Vice-Chancellor | 22/22 |
| Stephen Forster | Director of Finance and Corporate Services | 22/22 |
| Prof Neil Glasser | Pro Vice-Chancellor | 21/22 |
| Prof Anwen Jones | Pro Vice-Chancellor | 18/22 |
| Prof Colin McInnes | Pro Vice-Chancellor | 14/22 |
| Dr Rhodri Llwyd Morgan | Director of Welsh Language and External Engagement | 19/22 |
| Prof Qiang Shen | Pro Vice-Chancellor | 18/22 |
| Prof Tim Woods | Pro Vice-Chancellor | 22/22 |

The Director of Human Resources and Organisational Development, the Head of Communications and Public Affairs, the Head of the Vice-Chancellor's Office, and the University Secretary also attended meetings of the University Executive held during 2021–22.

As the institution's senior management team, the University Executive is primarily advisory to the Vice-Chancellor who, as the chief academic, administrative and accounting officer, has been delegated overall responsibility by Council for the management of the University.

The University Executive therefore considered any such matter which was deemed appropriate to:

- advise the Vice-Chancellor on matters for which they have overall responsibility, where the Vice-Chancellor wishes to consult with members of the University Executive before taking a decision;

- advise other members of the University Executive on matters for which they have specific delegated responsibility, where these core members wish to consult with colleagues before taking a decision; and
- Consider and advise the Vice-Chancellor on matters delegated to the University Executive Group relating to the University's Charter and Statutes, Ordinances, Regulations, Policies and Procedures.

Where appropriate, the University Executive presented recommendations to Council and its sub-committees for approval – such matters are outlined above as part of the summary of business considered by each committee.

Statement of council responsibilities in respect of the annual report and the financial statements

The Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Terms and Conditions of Funding issued by the Higher Education Funding Council for Wales (HEFCW), the Accounts Direction to Higher Education Institutions for 2021/22 issued by HEFCW, the Financial Management Code issued under the Higher Education (Wales) Act 2015 and applicable law and regulations.

It is 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 2021/22 issued by HEFCW.

The Council is 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 and the Statement of Recommended Practice 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 it either intends to liquidate the Group or the parent University or to cease operations, or have no realistic alternative but to do so.

The Council 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. It is responsible for 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, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Council is 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;
- income, where appropriate, has been applied in accordance with paragraph 145 of the HEFCW's Financial Management Code (FMC);
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding;
- 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 Council 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.

UNIVERSITY TRUSTEES

The University's Trustees for the year ended 31 July 2022, and subsequently to the Council meeting where these financial statements were formally approved, were:

Independent Members

Ex-officio

Dr Emyr Roberts, Chair of Council (5/5)

Ms Meri Huws, Deputy Chair of Council (5/5)

Appointed

Ms Kate Eden (5/5)

Mr Owen Evans [until 12 May 2022] (1/2)

Prof Simon Green (4/5)

Ms Sharron Lusher (3/5)

Ms Rhuanedd Richards (5/5)

Ms Fiona Sharp [until 30 April 2022] (1/3)

Mr Arwel Thomas [from 01 August 2022]

Mr Mark Tweed (4/5)

Prof Sir Robin Williams [until 31 July 2022] (5/5)

Dr William Williams (3/5)

Ms Nicola Wood [from 1 August 2022]

Staff / Student Members

Ex-officio

Prof Elizabeth Treasure, Vice-Chancellor (5/5)

Prof Tim Woods, Pro Vice-Chancellor (5/5)

Senate Members

Dr Louise Marshall (4/5)

Prof Reyer Zwiggelaar (5/5)

Non-academic Staff Members

Ms Kylie Evans [from 1 February 2022-31 August 2022] (3/3)

Ms Kath Williams [until 31 January 2022] (2/2)

Student Representative Members

Ms Mared Edwards, UMCA President [until 30 June 2022] (3/5)

Mr Dafï Jones, UMCA President [from 1 July 2022] (1/1)

Ms Sabina O'Donoghue, Aberystwyth University Students' Union President [until 30 June 2022] (3/5)

Ms Aisleen Sturrock, Aberystwyth University Students' Union President [from 1 July 2022] (0/1)

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

Professional advisors

External auditor and corporate tax advisors

KPMG LLP
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Internal auditor

Deloitte LLP
The Pinnacle
150 Midsummer Boulevard
Milton Keynes
Buckinghamshire
MK9 1FD

Bankers

Barclays Bank
26 Terrace Road
Aberystwyth
Ceredigion
SY23 2AE

Solicitors

Shakespeare Martineau
No 1 Colmore Square
Birmingham
B4 6AA

Principal office

Aberystwyth University
Visualisation Centre
Penglais Campus
Aberystwyth
Ceredigion
SY23 3BF

Independent auditor's report to the Council of Aberystwyth University

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Aberystwyth University ("the University") for the year ended 31 July 2022 which comprise the Consolidated & University Statement of Comprehensive Income, the Consolidated and University Balance Sheet, the Consolidated and University Statement of Changes in Reserves, the Consolidated Cash Flow Statement, the Statement of Principal Accounting Policies and related notes.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

As required by auditing standards and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from research income is not recognised in accordance with the relevant grant terms and conditions and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

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

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those journals posted to either revenue or cash with the corresponding entries being posted to unusual amounts, and those journals with fraud or restatement in the narrative.
- Verifying research income recognised is appropriate based on the underlying grant agreement and corresponding research expenditure.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

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

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

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

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

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, taxation legislation, pensions legislation, charities legislation and specific disclosures required by higher education legislation and regulation, including the Accounts Direction issued by the Higher Education Funding Council for Wales 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 loss of the Group’s license to operate as a university of higher education. 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 Council 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 fraud 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 Council (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information, which comprises all of the information in the Annual Report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion the information given in the Strategic Review and the Report of the Governors and Corporate Governance Statement is inconsistent in any material respect 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.

Council responsibilities

As explained more fully in its statement set out on page 55, the Council is responsible for: the preparation of the financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

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.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

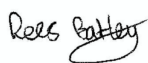
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts Direction to Higher Education Institutions for 2021/22 issued by the HEFCW ("the Accounts Direction").

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied in accordance with paragraph 145 of the HEFCW's Financial Management Code (FMC);
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding;
- 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 Council in accordance with Section 4 of the University's Charter and Statutes 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 Council 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 Council for our audit work, for this report, or for the opinions we have formed.



Rees Batley

for and on behalf of KPMG LLP, Statutory Auditor

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

66 Queen Square
Bristol
BS1 4BE

Date: 30 November 2022

Financial Statements for the Year ending 31 July 2022

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019; Accounts Direction issued by HEFCW; and Financial Reporting Standards (FRS102).

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention with the exception of investment properties and the defined benefit pension liabilities which are held at fair value.

The University has presented the Cash Flow Statement of the group only as permitted by the disclosure exemption available in FRS102.

The financial statements have been prepared on a going concern basis.

Going Concern

The Consolidated Aberystwyth University Group made a loss of £28.0 million (2020-21 surplus £4.2 million) which has resulted in a net cash inflow of £0.8 million (2020-21 £5.0 million outflow). Additionally, the Group has net current liabilities of £6.1 million (net current liability 2020-21 £9.7 million) and net assets of £89.0 million (2020-21 £100 million), of which £58.1 million (2020-21 £68.9 million) is represented by unrestricted reserves. Included within net current assets are cash and cash equivalents of £8.1 million (2020-21 £7.3 million) which may be used by the Group to settle its ongoing liabilities and support the Group's Capital Programme.

Financial forecasts, including cash flow projections and sensitivity analysis, have been prepared for the Group covering the going concern assessment period, being 12 months from the date of approval of these financial statements. These forecasts indicated that the Group will have a consistent net cash inflow during the going concern assessment period.

The Group retains capacity to defer uncommitted capital investment plans in order to maintain sufficient cash balances and reserves to meet liabilities as they fall due. To support cashflow, Aberystwyth University has in place a £10 million revolving credit facility, and an additional £5 million revolving credit facility through the CLBILS scheme. The facilities are in place until May 2024 and November 2023 respectively, with the agreement of the University's lenders. The University has forecasted to achieve its covenant obligations throughout the period to January 2024. Consequently, the University Council is confident that the Group 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.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include the University, Aberystwyth Innovation and Enterprise Campus (AIEC) (subsidiary), Aber Trading Ltd (subsidiary) and Aber Bangor Consultancy Ltd (subsidiary) for the financial year to 31 July 2022. The results of the subsidiary during the period are included in the consolidated statement of income and expenditure. 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. Associated companies and joint ventures are accounted for using the equity method.

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

3. INCOME RECOGNITION

Income from the sale of goods or services is credited to the Consolidated and University 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 and University 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 or guaranteed discount for all students, income receivable is shown net of the discount. Non general bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

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

Grant funding

Government revenue grants, including funding council block grant and research grants, are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year, and due after more than one year as appropriate.

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

Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other capital grants are recognised in income when the University is entitled to the funds subject to any performance related conditions being met.

Donations and endowments

Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Restricted endowment income is retained within the endowment 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. Unrestricted endowment income is recognised in the period it is received.

Restricted donations are retained within restricted reserves 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. The classification depends on the term and restrictions 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.

4. ACCOUNTING FOR RETIREMENT BENEFITS

The four principal pension schemes for the University are:

- the Universities Superannuation Scheme (USS), this is a Multi-employer Defined Benefit scheme;
- the Aberystwyth University Pension Provision (AUPP), this is a Defined Contribution Plan;
- the Aberystwyth University Pension and Assurance Scheme (AUPAS), this is a Defined Benefit Scheme closed to future employee contributions; and
- the Dyfed Pension Fund (DPF), this is a Defined Benefit scheme closed to new entrants.

Multi-employer Defined Benefit scheme

Multi-employer Defined Benefit schemes are valued every three years by professionally qualified independent actuaries. Where the University is not able to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis due to the mutual nature of the scheme, the scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund any past deficits within the scheme.

Defined Contribution Plan

The University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit Scheme

Under defined benefit schemes the University's obligation is to provide the agreed benefits to current and former employees. The University bears the actuarial risk (that benefits will cost more or less than expected) and the investment risk (that returns on assets set aside to fund the benefits will differ from expectations).

The University recognises a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. Defined benefit schemes are valued every three years by professionally qualified independent actuaries.

5. EMPLOYMENT BENEFITS

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

6. FINANCE LEASES

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease and the corresponding lease liabilities are initially recognised at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

7. OPERATING LEASES

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

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

8. FOREIGN CURRENCY

The functional currency of the Aberystwyth University Group is GBP (Sterling).

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation to the functional currency are recognised in Consolidated Statement of Comprehensive Income.

The assets and liabilities of foreign operations are translated to Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of interest and other finance costs.

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

A review for potential indicators of impairment is carried out at each reporting date. If events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable, a calculation of the impact is completed and arising impairment values charged against the asset and to the Consolidated & University Statement of Comprehensive Income.

Land and buildings

The University's freehold property excluding Residences and other trading related buildings, were revalued on a depreciated replacement value basis as at 31 July 2014. These assets are carried at the 2014 valuation. Subsequent additions are held at cost.

Freehold buildings are depreciated on a straight-line basis over their expected useful lives according to their constituent parts as follows:

| | |
|--|----------------|
| Long term e.g. foundations & structure | 40 to 60 years |
| Medium Term e.g. services | 10 to 30 years |
| Short Term e.g. internal fittings | 5 to 10 years |

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the University. No depreciation is charged on assets in the course of construction.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Leasehold land is depreciated over the life of the lease.

Plant and Machinery

Equipment costing less than £10,000 per individual item is written off in the year of acquisition. Other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated on a straight-line basis over its expected useful life of five years, other than equipment acquired for specific research projects which is depreciated over the life of the project (generally three years).

Heritage assets

Heritage assets represent paintings, works of art and ceramics held by the University. They are held and maintained principally for their contribution to knowledge and culture. Those items valued at over £10,000 have been capitalised and recognised at the cost or value of acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Any costs incurred relating to the restoration or conservation of these assets is included in the Consolidated Statement of Comprehensive Income in the year in which it is incurred.

10. INVESTMENT PROPERTIES

Investment property is land and buildings held for rental income or capital appreciation rather than for use in delivering services.

Investment properties are measured initially at cost and subsequently at fair value and to be considered annually with movements recognised in the Consolidated Statement of Comprehensive Income.

11. OTHER INVESTMENTS

Listed investments are valued at fair market value with gains and losses recognised in the Statement of Comprehensive income.

Non current asset investments are held on the Balance Sheet at amortised cost less impairment.

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment in the University's accounts.

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

12. STOCK

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

13. CASH AND CASH EQUIVALENTS

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

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

14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

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

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

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

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

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

15. TAXATION

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

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation.

Deferred tax would be provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date.

The University's principal activities are exempt from Value Added Tax (VAT) but certain ancillary supplies and services are liable to VAT at various rates. Expenditure includes irrecoverable VAT charged by suppliers to the University.

16. RESERVES

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

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

17. BASIC FINANCIAL INSTRUMENTS

Trade and other debtors / creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

Long-term financial liabilities

Long-term financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans held by the Group are classified as basic financial instruments in accordance with FRS 102 and are held at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

The University's student accommodation Fferm Penglais, was acquired using finance from Legal & General (L&G) and Balfour Beatty. The building has been recognised at cost. The finance provided by L&G and Balfour Beatty has been recognised under long-term creditors based on the implicit interest rate of the arrangements.

18. CRITICAL ESTIMATES AND JUDGEMENTS

The preparation of the Institution's financial statements requires management to make judgements, estimates, and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income, and expenses. These judgements, estimates, and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

- (i) Retirement benefit obligations

Estimate – AUPAS

The University operates its own scheme, Aberystwyth University Pension Scheme (AUPAS); a defined benefit scheme. Actuarial valuation of the scheme is carried out as determined by the trustees at intervals of not more than three years. Pension costs under FRS 102 are assessed in accordance with the advice of independent actuaries based upon latest actuarial valuations and assumptions determined by the actuaries. The assumptions are based upon information supplied to the actuaries by the University, supplemented by discussions between the actuary and management where relevant. The assumptions are documented in Note 29.

Estimate – USS

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability in the balance sheet. The provision is currently based on USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. These contributions are re-assessed within each triennial valuation of the scheme. The provision is based on management's estimate of future salaries inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in Note 29.

Judgement – USS

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

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

CONSOLIDATED & UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 July 2022

| | Notes | 2022 | | 2021 | |
|--|-------|-----------------|-----------------|----------------|----------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| INCOME | | | | | |
| Tuition fees and education contracts | 1 | 54,236 | 54,236 | 53,989 | 53,989 |
| Funding body grants | 2 | 19,106 | 19,106 | 22,054 | 22,054 |
| Research grants and contracts | 3 | 17,449 | 17,449 | 20,217 | 20,217 |
| Other income | 4 | 31,315 | 27,642 | 21,707 | 19,652 |
| Investment income | 5 | 337 | 337 | 233 | 233 |
| Donations and endowments | 6 | 1,080 | 1,080 | 642 | 642 |
| Total income | | 123,523 | 119,850 | 118,842 | 116,787 |
| EXPENDITURE | | | | | |
| Staff costs | 7/9 | 70,448 | 69,913 | 66,761 | 66,308 |
| Staff costs - increase/(decrease) in USS pension scheme | 7 | 27,752 | 27,752 | (574) | (574) |
| Fundamental restructuring costs | 7 | 133 | 133 | 184 | 184 |
| Other operating expenses | 9 | 34,791 | 33,299 | 38,544 | 37,949 |
| Depreciation | 10/11 | 13,389 | 11,795 | 11,946 | 10,891 |
| Interest and other finance costs | 8/9 | 4,212 | 4,212 | 4,003 | 4,003 |
| Total expenditure | | 150,725 | 147,104 | 120,864 | 118,761 |
| Deficit before other gains losses and share of operating deficit of joint ventures and associates. | | (27,202) | (27,254) | (2,022) | (1,974) |
| Gain on disposal of fixed assets | | 110 | 110 | 243 | 243 |
| (Loss)/Gain on investments | | (919) | (919) | 6,020 | 6,020 |
| (Deficit)/Surplus before tax | | (28,011) | (28,063) | 4,241 | 4,289 |
| Taxation | | (11) | - | - | - |
| (Deficit)/Surplus after tax | | (28,022) | (28,063) | 4,241 | 4,289 |
| Actuarial gain/(loss) in respect of pension schemes | 29 | 17,059 | 17,059 | (2,298) | (2,298) |
| Total comprehensive (loss)/income for the year | | (10,963) | (11,004) | 1,943 | 1,991 |
| Represented by: | | | | | |
| Endowment comprehensive (expenditure) for the year | 21 | (675) | (675) | (4,611) | (4,611) |
| Restricted comprehensive income/(expenditure) for the year | 22 | 432 | 432 | (7) | (7) |
| Unrestricted comprehensive (expenditure)/income for the year | | (10,720) | (10,761) | 6,561 | 6,609 |
| | | (10,963) | (11,004) | 1,943 | 1,991 |
| Total Comprehensive income for the year attributable to | | | | | |
| Non-controlling interest | | (13) | - | - | - |
| University | | (10,950) | (11,004) | 1,943 | 1,991 |
| | | (10,963) | (11,004) | 1,943 | 1,991 |
| Surplus / (Deficit) after tax attributable to | | | | | |
| Non-controlling interest | | (13) | - | - | - |
| University | | (28,009) | (28,063) | 4,241 | 4,289 |
| | | (28,022) | (28,063) | 4,241 | 4,289 |

CONSOLIDATED AND UNIVERSITY BALANCE SHEET as at 31 July 2022

| | Notes | 2022 | | 2021 | |
|---|-------|---------------|---------------|---------------|---------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| NON CURRENT ASSETS | | | | | |
| Fixed assets | 10 | 250,176 | 222,339 | 252,144 | 222,857 |
| Heritage assets | 11 | 1,898 | 1,898 | 1,898 | 1,898 |
| Investment properties | 12 | 5,155 | 5,155 | 5,223 | 5,223 |
| Investments | 14 | 31,971 | 31,971 | 37,765 | 37,765 |
| | | 289,200 | 261,363 | 297,030 | 267,743 |
| CURRENT ASSETS | | | | | |
| Stock | 15 | 2,189 | 2,189 | 1,684 | 1,684 |
| Trade and other receivables | 16 | 19,803 | 19,409 | 13,387 | 13,870 |
| Investments | 17 | 2,389 | 2,389 | 2,495 | 2,495 |
| Cash and cash equivalents | | 8,111 | 7,853 | 7,290 | 6,548 |
| | | 32,492 | 31,839 | 24,856 | 24,597 |
| Less: Creditors: amounts falling due within one year | 18 | 38,577 | 37,901 | 34,582 | 33,214 |
| Net current (liabilities) | | (6,085) | (6,062) | (9,726) | (8,617) |
| Total assets less current liabilities | | 283,115 | 255,301 | 287,304 | 259,126 |
| Creditors: amounts falling due after more than one year | 19 | 131,596 | 103,760 | 133,149 | 104,923 |
| PROVISIONS | | | | | |
| Pension provisions | 20 | 61,657 | 61,657 | 52,392 | 52,392 |
| Other provisions | 20 | 889 | 889 | 1,813 | 1,813 |
| Total net assets | | 88,973 | 88,995 | 99,950 | 99,998 |
| RESTRICTED RESERVES | | | | | |
| Income and expenditure reserve - endowment reserve | 21 | 30,271 | 30,271 | 30,946 | 30,946 |
| Income and expenditure reserve - restricted reserve | 22 | 580 | 580 | 148 | 148 |
| UNRESTRICTED RESERVES | | | | | |
| Income and expenditure reserve - unrestricted | | 58,135 | 58,144 | 68,856 | 68,904 |
| Non-controlling interest | | (13) | - | - | - |
| Total Reserves | | 88,973 | 88,995 | 99,950 | 99,998 |

The financial statements were approved by the University Council on 28th November 2022 and were signed on its behalf by:



Dr Emyr Roberts,
Chair of Council



Professor Elizabeth Treasure,
Vice-Chancellor

CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES

year ended 31 July 2022

| CONSOLIDATED | Income and expenditure account | | | Total Including Non Controlling Interest | Non controlling interest | Total |
|--|--------------------------------|---------------------|-----------------------|---|-----------------------------|----------|
| | Endowment £'000 | Restricted £'000 | Unrestricted £'000 | | | |
| Balance at 1 August 2021 | 30,946 | 148 | 68,856 | 99,950 | - | 99,950 |
| Surplus/(deficit) from the statement of comprehensive income | (675) | 432 | (10,720) | (10,963) | (13) | (10,976) |
| Total comprehensive income for the year | (675) | 432 | (10,720) | (10,963) | (13) | (10,976) |
| Balance at 31 July 2022 | 30,271 | 580 | 58,136 | 88,987 | (13) | 88,974 |

| UNIVERSITY | Income and expenditure account | | | Total Including Non Controlling Interest | Non controlling interest | Total |
|--|--------------------------------|---------------------|-----------------------|---|-----------------------------|----------|
| | Endowment £'000 | Restricted £'000 | Unrestricted £'000 | | | |
| Balance at 1 August 2021 | 30,946 | 148 | 68,904 | 99,998 | - | 99,998 |
| Surplus/(deficit) from the statement of comprehensive income | (675) | 432 | (10,760) | (11,003) | - | (11,003) |
| Total comprehensive income for the year | (675) | 432 | (10,760) | (11,003) | - | (11,003) |
| Balance at 31 July 2022 | 30,271 | 580 | 58,144 | 89,995 | - | 88,995 |

The revaluation reserve was created on transition to FRS102 when the properties were recognised at deemed cost. As the Group does not have a policy of revaluing its fixed assets, it has deemed that more appropriate presentation is to show this within its Income and Expenditure reserves.

CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 July 2022

| | Notes | 2022 | 2021 |
|---|-------|----------|----------|
| | | £'000 | £'000 |
| Cash flow from operating activities | | | |
| (Deficit)/Surplus for the year | | (28,022) | 4,241 |
| Adjustment for non-cash items | | | |
| Depreciation | 11 | 13,390 | 11,946 |
| Impairment of fixed assets | | 0 | 897 |
| Loss/(Gain) on endowment investments | 21 | 496 | (3,950) |
| Loss/(Gain) on other investments | | 423 | (2,070) |
| (Increase) in stock | 15 | (505) | (81) |
| (Increase) / Decrease in debtors | 16 | (6,416) | 1,643 |
| Increase in creditors | 18/19 | 3,631 | 1,492 |
| Pension Interest cost | 29 | 845 | 649 |
| Contribution to Pension greater than current service charge | 29 | (2,284) | (2,030) |
| Change in USS deficit reduction plan assumptions | 29 | 27,752 | (574) |
| (Decrease)/Increase in other provisions | 20 | (924) | (1,516) |
| Share of operating (surplus)/deficit in subsidiaries | 18 | 0 | 41 |
| Adjustment for investing or financing activities | | | |
| Investment income | 5 | (337) | (233) |
| Interest payable | 9 | 3,397 | 3,296 |
| Endowment income | 21 | (504) | (330) |
| Profit on the disposal of fixed assets | | (110) | (243) |
| Capital grant income within research grant | 3/5 | (5,852) | (3,874) |
| Net cash inflow from operating activities | | 4,980 | 9,304 |
| Cash flows from investing activities | | | |
| Proceeds from sales of fixed assets | | 178 | 868 |
| Capital grants receipts | | 2,529 | 12,768 |
| Investment income | 5 | 337 | 233 |
| Payments made to acquire fixed assets | | (11,423) | (20,941) |
| New non-current asset investments | | 4,981 | (810) |
| | | (3,398) | (7,882) |
| Cash flows from financing activities | | | |
| Interest paid | | (3,399) | (3,287) |
| Unsecured loans | | 2,134 | (3,500) |
| Endowment cash received | 21 | 504 | 330 |
| | | (761) | (6,457) |
| Increase/(Decrease) in cash and cash equivalents in the year | | 821 | (5,035) |
| Cash and cash equivalents at beginning of the year | 23 | 7,290 | 12,325 |
| Cash and cash equivalents at end of the year | 23 | 8,111 | 7,290 |

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2022

| | Notes | 2022 | | 2021 | |
|--|-------|--------------|------------|--------------|------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| 1 TUITION FEES AND EDUCATION CONTRACTS | | | | | |
| Full-time home and EU students | | 44,027 | 44,027 | 46,643 | 46,643 |
| Full-time international students | | 9,108 | 9,108 | 6,310 | 6,310 |
| Part-time students | | 930 | 930 | 752 | 752 |
| Research Training Support Grant | | 171 | 171 | 284 | 284 |
| | | 54,236 | 54,236 | 53,989 | 53,989 |
| 2 FUNDING BODY GRANTS | | | | | |
| Recurrent grant | | | | | |
| Higher Education Funding Council | | 15,843 | 15,843 | 18,497 | 18,497 |
| Release of HEFCW deferred capital grant | | 1,078 | 1,078 | 1,172 | 1,172 |
| Specific grants | | | | | |
| Strategic Development Fund | | - | - | 405 | 405 |
| Welsh Government Department for Education and Skills | | 2,185 | 2,185 | 1,980 | 1,980 |
| | | 19,106 | 19,106 | 22,054 | 22,054 |
| 3 RESEARCH GRANTS AND CONTRACTS | | | | | |
| Research councils | | 5,483 | 5,483 | 6,074 | 6,074 |
| Research charities | | 1,159 | 1,159 | 1,546 | 1,546 |
| Government (UK and overseas) | | 9,356 | 9,356 | 11,293 | 11,293 |
| Industry and commerce | | 1,281 | 1,281 | 1,296 | 1,296 |
| Other | | 170 | 170 | 8 | 8 |
| | | 17,449 | 17,449 | 20,217 | 20,217 |
| 4 OTHER INCOME | | | | | |
| Residences, catering and conferences | | 11,037 | 11,037 | 8,176 | 8,176 |
| Other revenue grants | | 2,334 | 348 | 1,457 | 459 |
| Other services rendered | | 2,925 | 2,925 | 2,948 | 2,941 |
| Arts Centre | | 3,038 | 3,038 | 1,991 | 1,991 |
| Farms | | 1,783 | 1,783 | 1,474 | 1,474 |
| Released from deferred capital grants | | 3,669 | 2,080 | 2,702 | 1,647 |
| Other income | | 6,529 | 6,431 | 2,959 | 2,964 |
| | | 31,315 | 27,642 | 21,707 | 19,652 |
| 5 INVESTMENT INCOME | | | | | |
| Investment income on endowments | 21 | 13 | 13 | 33 | 33 |
| Investment income on restricted reserves | 21 | 187 | 187 | 182 | 182 |
| Other investment income | | 137 | 137 | 18 | 18 |
| | | 337 | 337 | 233 | 233 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | Notes | 2022 | | 2021 | |
|-----------------------------------|-------|--------------|------------|--------------|------------|
| | | Consolidated | University | Consolidated | University |
| | | £'000 | £'000 | £'000 | £'000 |
| 6 DONATIONS AND ENDOWMENTS | | | | | |
| New endowments | 21 | 504 | 504 | 260 | 260 |
| Donations with restrictions | 22 | 482 | 482 | 271 | 271 |
| Unrestricted donations | | 94 | 94 | 111 | 111 |
| | | 1,080 | 1,080 | 642 | 642 |

| | | | | | |
|--|--|--------|--------|--------|----------|
| 7 STAFF COSTS | | | | | |
| Salaries | | 56,468 | 56,054 | 52,277 | 51,802 |
| Social security costs | | 5,046 | 5,009 | 4,638 | 4,612 |
| USS pension costs | | 7,769 | 7,686 | 7,549 | 7,549 |
| Other pension costs | | 1,164 | 1,164 | 2,319 | 2,319 |
| | | 70,448 | 69,913 | 66,783 | 66,308 |
| Staff costs - Increase / (decrease) in USS pension | | 27,752 | 27,752 | (574) | (10,947) |
| | | 98,199 | 97,665 | 66,209 | 65,734 |
| Staff costs - restructuring | | 133 | 133 | 184 | 184 |

2021 staff costs were lower than in usual years due to the University not employing as many casual staff within Catering and the Arts Centre because of the COVID-19 pandemic. This has distorted the usual ability to compare changes between Financial Years.

| | | | |
|-----------------------------------|--|-----|-----|
| Emoluments of the Vice-Chancellor | | | |
| Salary | | 236 | 232 |
| Taxable benefits in kind | | 22 | 23 |
| | | 258 | 255 |
| Pension contributions to USS | | 13 | 5 |
| | | 271 | 260 |

The amount shown as "Taxable benefits subsidised accommodation" in the table above relates to the accommodation provided by Aberystwyth University at Plas Penglais. The accommodation provision itself has not changed.

On 21st September 2018, the Council approved a Senior Remuneration Framework for the University, which sets out the institution's approach to the remuneration of senior post holders, including the Vice Chancellor. A copy can be accessed at: <https://www.aber.ac.uk/en/corporate-information/remuneration/>.

The Remuneration Committee has been delegated the authority by Council to agree matters relating to the Vice Chancellor's remuneration. There is no bonus scheme in place and no other benefit is provided other than accommodation and being a member of the USS pension scheme as shown in the table above.

The University recognises that it operates in a competitive environment and wishes to attract and retain the best staff possible. However, in taking any decisions relating to the remuneration of senior staff, the Remuneration Committee is required to be mindful of the affordability of those decisions and refer to benchmarking data for comparable Universities. For the Vice-Chancellor's remuneration, benchmarking data is drawn from the annual Universities and Colleges Employer Association (UCEA) Senior Staff Remuneration Survey, and the annual Committee of University Chairs (CUC) Vice-Chancellor Salary Survey. The salary paid is considered to be in line with similar roles within other institutes of similar size and stature.

All senior post holders at the University - including the Vice-Chancellor - automatically receive any "cost of living" pay awards provided by the University to employees on the nationally agreed single pay spine.

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 STAFF COSTS (continued)

The Vice-Chancellor is also required to participate in the institution's Effective Contribution Scheme appraisal process. This annual appraisal is conducted by the Chair of Council, and the process takes account of how the institution as a whole is performing against the Key Performance Indicators (KPIs) which had been agreed by Council to monitor the delivery of the institutional Strategic Plan. The outcome of this appraisal is subsequently presented to the Remuneration Committee and forms the basis of any recommendations by the Remuneration Committee with respect to any changes to the Vice-Chancellor's remuneration.

Additional Information regarding the Annual Pay Policy Statement and Senior Remuneration and Remuneration Committee can be found on pages 32 and 51 respectively.

The Vice-Chancellor's basic salary, expressed as a multiple of all other employees, is 6.87 times (2020-21 6.77 times) the median pay of staff, where the median pay is calculated on a full-time basis for the salaries paid by the University of its staff.

The Vice-Chancellor's total salary, expressed as a multiple of all other employees, is 7.90 times (2020-21 7.55 times) the median pay of staff, where the median pay is calculated on a full-time basis for the salaries paid by the University of its staff.

The emolument of the Vice-Chancellor is shown on the same basis as for higher paid staff." keep subsequent sentence as stands.

Remuneration of other **higher paid staff**, excluding employer's NI and pension contributions (subject to relevant accounts direction) is shown below. All remuneration shown before any salary sacrifice:

| | Number of Staff 2022 | Number of Staff 2021 |
|---|----------------------|----------------------|
| £100,001-£105,000 | 6 | 5 |
| £105,001-£110,000 | 1 | 2 |
| £110,001-£115,000 | 1 | - |
| £115,001-£120,000 | - | 1 |
| £120,001-£125,000 | 2 | 1 |
| £125,001-£130,000 | - | - |
| £130,001-£135,000 | - | - |
| £135,001-£140,000 | - | 1 |
| £140,001-£145,001 | 1 | - |
| | 11 | 10 |
| Total Cost of Higher Paid Staff (shown above) | 1,221 | 1,095 |

The above costs include Vice-Chancellor and employers' pensions costs

| AVERAGE STAFF NUMBERS BY MAJOR CATEGORY | 2022 | 2021 |
|---|-------|-------|
| Academic | 399 | 391 |
| Research | 125 | 126 |
| Management & specialist | 354 | 344 |
| Technical | 132 | 135 |
| Other | 416 | 398 |
| | 1,426 | 1,394 |

KEY MANAGEMENT PERSONNEL

Key management personnel relate to those members of the executive board of the University only which is made up of nine members.

| | 2022 | 2021 |
|---------------------------------------|-------|-------|
| | £'000 | £'000 |
| Key management personnel compensation | 1,330 | 1,295 |

The above costs exclude Vice-Chancellor and employers' pensions costs

NOTES TO THE FINANCIAL STATEMENTS (continued)

7 STAFF COSTS (continued)

Council Members

No member of Council has received any remuneration or waived payment from the University for acting as a member of council during the year (2020-21 Nil). Members of University staff appointed to the Council do not receive any additional remuneration in respect of their membership of council.

No member of Council has received payment for other services provided to the University, other than under a contract of employment for members of council who are also University employees, during the year (2021-22: £Nil).

The total expenses paid to or on behalf of nine council members were £2,858 following the return to on-site meetings. In the previous year no on-site meetings were held (2020-21 £400 to 1 council member). This represents travel and subsistence expenses incurred in attending Council and other meetings in their official capacity.

| | 2022 | | 2021 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 8 INTEREST AND OTHER FINANCE COSTS | | | | |
| Interest on Penglais Farm Students Accommodation | 3,274 | 3,274 | 3,295 | 3,295 |
| Exchange differences | 93 | 93 | 59 | 59 |
| Interest cost re USS pension liability | 276 | 276 | 135 | 135 |
| Net charge on pension scheme | 569 | 569 | 514 | 514 |
| | 4,212 | 4,212 | 4,003 | 4,003 |

9 UNIVERSITY ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

| | Staff costs | | | Other | | Total 2022 | Total 2021 |
|--|-------------------------|---------------------|--------------|--------------------------|------------------|------------|------------|
| | Operational staff costs | Restructuring costs | Depreciation | Other operating expenses | Interest Payable | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academic Department | 28,891 | - | 997 | 2,048 | - | 31,936 | 32,698 |
| Academic Services | 5,894 | - | 64 | 3,099 | 937 | 9,994 | 9,218 |
| Research Grants & Contracts | 11,706 | - | 992 | 4,688 | - | 17,387 | 20,089 |
| Residences, Catering & Conference | 5,336 | - | 1,403 | 4,996 | - | 11,735 | 10,696 |
| Premises | 1,234 | - | 7,630 | 5,755 | 3,274 | 17,893 | 17,086 |
| General Education Expenditure | 4,896 | - | 59 | 3,061 | - | 8,016 | 7,207 |
| Central Administration & services | 31,139 | 133 | 287 | 5,604 | - | 37,163 | 10,396 |
| Student & staff facilities & amenities | 2,723 | - | 36 | 587 | - | 3,345 | 4,927 |
| Disposals/derecognition | - | - | - | - | - | - | (907) |
| Other Services Rendered | 1,790 | - | 17 | 798 | - | 2,605 | 3,172 |
| Arts Centre | 1,943 | - | 140 | 1,253 | - | 3,336 | 2,208 |
| Farms | 632 | - | 170 | 1,257 | - | 2,059 | 1,745 |
| Auditor's remuneration | - | - | - | 126 | - | 126 | 140 |
| Other Expenses | 9 | - | - | 25 | - | 34 | 86 |
| | 96,192 | 133 | 11,795 | 33,299 | 4,212 | 145,630 | 118,761 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

9 CONSOLIDATED ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY (continued)

| | Staff costs | | | Other | | Total 2022 | Total 2021 |
|--|----------------------------|------------------------|--------------|--------------------------------|---------------------|---------------|---------------|
| | Operational staff costs | Restructuring costs | Depreciation | Other operating expenses | Interest Payable | | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Academic Department | 28,891 | - | 997 | 2,048 | - | 31,936 | 32,698 |
| Academic Services | 5,894 | - | 64 | 3,099 | 937 | 9,994 | 9,218 |
| Research Grants & Contracts | 11,706 | - | 992 | 4,688 | - | 17,387 | 20,089 |
| Residences, Catering & Conference | 5,336 | - | 1,403 | 4,996 | - | 11,735 | 10,696 |
| Premises | 1,234 | - | 7,630 | 5,755 | 3,274 | 17,893 | 17,086 |
| General Education Expenditure | 4,896 | - | 59 | 3,061 | - | 8,016 | 7,207 |
| Central Administration & services | 31,674 | 133 | 1,881 | 7,075 | - | 40,764 | 12,485 |
| Student & staff facilities & amenities | 2,723 | - | 36 | 587 | - | 3,345 | 4,927 |
| Disposals/derecognition | - | - | - | - | - | - | (907) |
| Other Services Rendered | 1,790 | - | 17 | 798 | - | 2,605 | 3,172 |
| Arts Centre | 1,943 | - | 140 | 1,253 | - | 3,337 | 2,208 |
| Farms | 632 | - | 170 | 1,257 | - | 2,059 | 1,745 |
| Auditor's remuneration | - | - | - | 148 | - | 148 | 154 |
| Other Expenses | 9 | - | - | 25 | - | 34 | 86 |
| | 96,727 | 133 | 13,390 | 34,791 | 4,212 | 149,253 | 120,864 |

| AUDITOR'S REMUNERATION INCLUDES | 2022 | | 2021 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| External auditors remuneration in respect of audit services | 98 | 79 | 70 | 56 |
| External auditors remuneration in respect of non-audit services: | | | | |
| All other assurance services | 23 | 23 | 31 | 31 |
| All other non-audit services | 27 | 27 | 53 | 53 |

Voluntary Severance

The obligation to fund voluntary severance included in restructuring costs relates to arrangements that have been agreed and costs are expected to be incurred within one year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

10 FIXED ASSETS

Consolidated

| | Freehold Land and Buildings | Leasehold Land and Buildings | Plant and Machinery | Assets in the Course of construction | Total |
|---------------------------|--------------------------------|---------------------------------|------------------------|--|---------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| COST AND VALUATION | | | | | |
| At 1 August 2021 | 271,862 | 53,156 | 54,460 | 16,581 | 396,059 |
| Additions | 1,098 | - | 2,927 | 7,453 | 11,478 |
| Transfers | 2,193 | - | 1,721 | (3,914) | - |
| Surplus on revaluation | 177 | - | (227) | (5) | (55) |
| Disposals | - | - | (702) | (7,470) | (8,172) |
| At 31 July 2022 | 275,330 | 53,156 | 58,179 | 12,645 | 399,311 |

DEPRECIATION

| | | | | | |
|-------------------------|---------|--------|--------|---------|---------|
| At 1 August 2021 | 83,946 | 8,695 | 43,804 | 7,470 | 143,915 |
| Charge for the year | 8,021 | 1,347 | 4,021 | - | 13,389 |
| Disposals/derecognition | - | - | (700) | (7,470) | (8,169) |
| At 31 July 2022 | 91,967 | 10,042 | 47,125 | - | 149,134 |
| Net book value | | | | | |
| At 31 July 2022 | 183,363 | 43,114 | 11,054 | 12,645 | 250,176 |
| At 31 July 2021 | 187,916 | 44,461 | 10,656 | 9,111 | 252,144 |

UNIVERSITY

Cost and valuation

| | | | | | |
|-------------------------|---------|--------|--------|---------|---------|
| At 1 August 2021 | 244,988 | 53,156 | 50,997 | 16,575 | 365,716 |
| Additions | 1,098 | - | 2,783 | 7,453 | 11,334 |
| Transfers | 2,193 | - | 1,721 | (3,914) | - |
| Surplus on revaluation | 177 | - | (227) | (5) | (55) |
| Disposals/derecognition | - | - | (702) | (7,470) | (8,172) |
| At 31 July 2022 | 248,456 | 53,156 | 54,572 | 12,639 | 368,823 |

DEPRECIATION

| | | | | | |
|-----------------------|---------|--------|--------|---------|---------|
| At 1 August 2021 | 83,071 | 8,696 | 43,623 | 7,470 | 142,860 |
| Charge for the year | 7,142 | 1,347 | 3,306 | - | 11,795 |
| Impairment | - | - | - | (7,470) | (7,470) |
| Disposals | - | - | (700) | - | (700) |
| At 31 July 2022 | 90,213 | 10,043 | 46,229 | - | 146,485 |
| Net Book Value | | | | | |
| At 31 July 2022 | 158,243 | 43,113 | 8,343 | 12,639 | 222,339 |
| At 31 July 2021 | 161,917 | 44,460 | 7,374 | 9,105 | 222,856 |

Included within freehold land and buildings is £3,132,000 (2020-21 £3,132,000) that relates to endowment property (see note 21).

The University undertook an asset verification exercise. All assets with a nil book value and that have been verified to be no longer owned by the University have been written back in both gross book value and accumulated depreciation. This has decreased the gross book value and accumulated depreciation of tangible assets by £8.2 million.

Impairment took place of an asset in the course of construction in the previous Financial Year, total of £7.5 million which was included within the Disposals/derecognition total of £8.2 million. No other impairments took place during this Financial Year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11 FIXED ASSETS - HERITAGE ASSETS

University and Consolidated

| | Heritage Assets | Total |
|---------------------------|-----------------|-------|
| | £'000 | £'000 |
| COST AND VALUATION | | |
| At 1 August 2021 | 1,898 | 1,898 |
| Additions | - | - |
| At 31 July 2022 | 1,898 | 1,898 |
| DEPRECIATION | | |
| At 1 August 2021 | - | - |
| Impairment | - | - |
| At 31 July 2022 | - | - |
| Net book value | | |
| At 31 July 2022 | 1,898 | 1,898 |
| At 21 July 2021 | 1,898 | 1,898 |

The last full valuation external valuation of heritage assets was completed by Webb Valuations Fine Art Ltd in March 2011. During the previous financial year, a review of all heritage assets with a value greater than £10,000 was undertaken by experienced staff within the University's School of Art. Although this review was limited to internal staff, they have a vast experience in dealing with these items and keep up to date with their current market value. It was deemed not to be value for money to have these assets revalued externally when our own staff are closer to the current market values for our assets. No adjustment for Heritage Assets was undertaken during this Financial Year.

12 FIXED ASSETS - INVESTMENT PROPERTIES

University and Consolidated

| | Freehold investment Land and Buildings | Total |
|-------------------------|--|-------|
| Valuation | £'000 | £'000 |
| At 1 August 2021 | 5,223 | 5,223 |
| Transfers | - | - |
| Fair valuation movement | - | - |
| Disposals | (68) | (68) |
| At 31 July 2022 | 5,155 | 5,155 |

Freehold Investment land and buildings

The last full valuation of these assets was completed by Cooke & Arkwright in July 2016. During the year a review of all investment properties was undertaken on 31 July 2022 and it was not considered value for money to have these assets revalued externally. Therefore no gains or losses were recorded in the Consolidated Statement of Comprehensive Income for the year.

NOTES TO THE FINANCIAL STATEMENTS (continued)

13 INVESTMENTS IN UNIVERSITY SUBSIDIARY COMPANIES

| Company | Principal Activity | Status | Shareholding |
|--|---|------------|-------------------|
| Aberystwyth University Innovation and Enterprise Campus Limited (AIEC) | Provision of research in food, nutrition & energy security, renewable energies & biotechnologies in UK | 75% owned | 75 Class A shares |
| Aber Trading Limited | Provider of consultancy and research work in UK | 100% owned | 1 Ordinary share |
| Aber Bangor Consultancy Limited | Dormant company provider of consultancy work in UK | 100% owned | 2 Ordinary shares |
| Aber Commercial Trading Limited | Dormant company commercial trading through the Old College project including hotel and conference facilities. | 100% owned | 1 Ordinary share |

Aberystwyth Limited and Aber Ceredigion Limited were both dissolved during the financial year 1st August 2021-31st July 2022

| | 2022 | | 2021 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |

14 NON-CURRENT INVESTMENTS

| | | | | |
|------------------------|--------|--------|--------|--------|
| Fixed interest Stocks | 3,935 | 3,935 | 5,430 | 5,430 |
| Non-equity investments | 108 | 108 | 108 | 108 |
| Equities | 19,089 | 19,089 | 22,386 | 22,386 |
| Absolute returns | 6,504 | 6,504 | 7,791 | 7,791 |
| Property unit trust | 2,335 | 2,335 | 2,050 | 2,050 |
| | 31,971 | 31,971 | 37,765 | 37,765 |

| | 2022 | | 2021 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |

15 STOCK

| | | | | |
|---------------------|-------|-------|-------|-------|
| General consumables | 2,189 | 2,189 | 1,684 | 1,684 |
| | 2,189 | 2,189 | 1,684 | 1,684 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 2022 | | 2021 | |
|---------------------------------------|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 16 TRADE AND OTHER RECEIVABLES | | | | |
| Amounts falling due within one year: | | | | |
| Research grants receivables | 9,834 | 9,834 | 6,902 | 6,902 |
| Other trade receivables | 5,496 | 4,713 | 2,970 | 2,936 |
| Taxation asset RDEC credit | 16 | 16 | 16 | 16 |
| Prepayments and accrued income | 4,457 | 3,987 | 3,499 | 3,499 |
| Amounts due from subsidiary companies | - | 859 | - | 517 |
| | 19,803 | 19,409 | 13,387 | 13,870 |

| | 2022 | | 2021 | |
|-------------------------------|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 17 CURRENT INVESTMENTS | | | | |
| Treasury bills | 2,389 | 2,389 | 2,495 | 2,495 |
| | 2,389 | 2,389 | 2,495 | 2,495 |

| | 2022 | | 2021 | |
|--|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR | | | | |
| Payment Received on Account | 8,734 | 8,734 | 6,622 | 6,622 |
| Research Grant Balances | 8,517 | 8,842 | 6,647 | 6,863 |
| Deferred Income from Student Village Lease | 680 | 680 | 680 | 680 |
| Salix Loan | 298 | 298 | 182 | 182 |
| Short-term employee benefit | 1,651 | 1,651 | 1,841 | 1,841 |
| Trade payables | 3,461 | 3,298 | 5,678 | 5,678 |
| Social security and other taxation payable | 3,011 | 3,051 | 2,856 | 2,900 |
| Rolling Credit Facility | 3,000 | 3,000 | 3,000 | 3,000 |
| Accruals and deferred income | 4,971 | 4,093 | 2,559 | 1,986 |
| Deferred Capital Grant less than 1 year | 4,254 | 4,254 | 4,517 | 3,462 |
| | 38,577 | 37,901 | 34,582 | 33,214 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 2022 | | 2021 | |
|---|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| 19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR | | | | |
| Deferred income from Student Village lease | 3,392 | 3,392 | 4,071 | 4,071 |
| Salix Loan | 3,654 | 3,654 | 1,636 | 1,636 |
| Secured liabilities | | | | |
| - L&G finance | 45,086 | 45,086 | 45,008 | 45,008 |
| - Balfour Beatty deferred consideration | 5,253 | 5,253 | 5,163 | 5,163 |
| Deferred capital grants greater than 1 year | 74,211 | 46,375 | 77,271 | 49,045 |
| | 131,596 | 103,760 | 133,149 | 104,923 |
| Analysis of secured and unsecured loans: | | | | |
| Due in five years or more | 50,339 | 50,339 | 50,171 | 50,171 |
| Total secured and unsecured loans | 50,339 | 50,339 | 50,171 | 50,171 |
| | | | | |
| Secured loans repayable by 2048 | 50,339 | 50,339 | 50,171 | 50,171 |
| | 50,339 | 50,339 | 50,171 | 50,171 |

Both the L&G and Balfour Beatty liabilities are repaid through annual payments that increase by RPI until 2048. The implicit interest rates are 6.8% (2020-21 6%) for the L&G finance and 13.8% (2020-21 12.6%) for Balfour Beatty.

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 20 PROVISIONS FOR LIABILITIES AT 31 JULY 2022 | | | | | | | |
|---|---|-----------------------------|---------------------------|-------|---------------------|-------|-------------|
| | Pensions | | | Other | | | |
| | Obligation to fund deficit on USS pension | Defined benefit obligations | Total pensions provisions | Tax | Voluntary severance | Other | Total other |
| Consolidated | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 1 August 2021 | 17,230 | 35,162 | 52,392 | 260 | 27 | 1,526 | 1,813 |
| Utilised in year | - | - | - | (100) | (27) | (797) | (924) |
| Interest | 276 | 571 | 847 | - | - | - | - |
| Deficit contribution in year | (991) | (1,209) | (2,200) | - | - | - | - |
| Movement on pension scheme | 27,752 | (17,134) | 10,618 | - | - | - | - |
| At 31 July 2022 | 44,267 | 17,390 | 61,657 | 160 | - | 729 | 889 |
| University | | | | | | | |
| At 1 August 2021 | 17,230 | 35,162 | 52,392 | 260 | 27 | 1,526 | 1,813 |
| Utilised in year | - | - | - | (100) | (27) | (797) | (924) |
| Interest | 276 | 571 | 847 | - | - | - | - |
| Deficit contribution in year | (991) | (1,209) | (2,200) | - | - | - | - |
| Movement on pension scheme | 27,752 | (17,134) | 10,618 | - | - | - | - |
| At 31 July 2022 | 42,267 | 17,390 | 61,657 | 160 | - | 729 | 889 |

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 projections for future employees within the USS scheme and projections for salary payment over the period of the contracted obligation in assessing the value of this provision. More detail can be found in note 29.

Tax Provision

This tax provision is in respect of an ongoing taxation review resulting in a payment that is expected to be incurred within one year.

Other Provision

Of the total £729,000, £629,000 of the other provision relates to backlog maintenance on leased property which the University is contractually obliged to restore back to its original condition for which payments are expected to be incurred within one to five years. This value is based on current expected costs.

These outflows of economic resources are deemed probable and therefore a provision has been made rather than a contingent liability.

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 ENDOWMENT RESERVES

Restricted net assets relating to endowments are as follows:

| | Restricted permanent endowments | Unrestricted permanent endowments | Expendable endowments | Total |
|--|---------------------------------|-----------------------------------|-----------------------|--------|
| | £'000 | £'000 | £'000 | £'000 |
| Restated capital brought forward | 26,824 | - | 1,505 | 28,329 |
| Restated accumulated income brought forward | 2,554 | - | 63 | 2,617 |
| Restated balances at 1 August 2021 | 29,378 | - | 1,568 | 30,946 |
| New endowments | - | - | 504 | 504 |
| Investment income | 187 | - | 13 | 200 |
| Expenditure | (774) | - | (59) | (833) |
| (Decrease) / increase in market value of investments | (515) | - | (31) | (546) |
| Total endowment comprehensive income for the year | (1,102) | - | 427 | (675) |
| Balances At 31 July 2022 | 28,276 | - | 1,995 | 30,271 |
| Capital carry forward | 26,309 | - | 1,978 | 28,287 |
| Accumulated income carry forward | 1,967 | - | 17 | 1,984 |
| At 31 July 2022 | 28,276 | - | 1,995 | 30,271 |

In addition to the decrease in market value of the investments (£546,000) during the year included in the above (2020-21 increase £3.95 million), there has been a movement in the market value of investment properties (Nil) (2020-21 Nil) other than the disposal and revaluation shown above.

The University has undertaken an internal review and rationalisation of the endowment funds to ensure that they reflect the purpose and intentions of the donors' wishes.

| | 2022 | | 2021 | |
|-------------------------------------|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| Analysis by type of purpose: | £'000 | £'000 | £'000 | £'000 |
| Lectureships | 2,188 | 2,188 | 2,242 | 2,242 |
| Scholarships and bursaries | 18,960 | 18,960 | 18,837 | 18,837 |
| Research support | 6,252 | 6,252 | 6,380 | 6,380 |
| Prize funds | 1,402 | 1,402 | 1,426 | 1,426 |
| General | 1,469 | 1,469 | 2,061 | 2,061 |
| | 30,271 | 30,271 | 30,946 | 30,946 |
| Analysis by asset: | | | | |
| Investment | 22,272 | 22,272 | 22,702 | 22,702 |
| Land and Buildings | 3,132 | 3,132 | 3,132 | 3,132 |
| Endowment cash and treasury bills | 4,867 | 4,867 | 5,112 | 5,112 |
| | 30,271 | 30,271 | 30,946 | 30,946 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

21 ENDOWMENT RESERVES (CONTINUED)

The accumulated income relating to the following permanent endowments is currently in deficit. In both cases income to cover these deficits is expected to be received by 31 July 2023.

| | Capital | Income |
|--|---------|--------|
| Balances at 31 July 2021 | £'000 | £'000 |
| Evan Morgan | 1,400 | (26) |
| Glaxo Book Prize (Biochemistry) | 1 | (2) |
| Open Scholarship Fund | 2,487 | (349) |
| The Peter Hancock Need and Merit Scholarship | 618 | (17) |
| | 4,506 | (394) |

The Institution has the following individually material endowments all of which are restricted in their use.

| | Nature and purpose | Assets | Liabilities | Income | Expenditure |
|--|--------------------|--------|-------------|--------|-------------|
| Balances at 31 July 2022 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Gregynog Gift Fund | | 6,283 | | 30 | 51 |
| Wilson Chair of International Politics | | 1,854 | | 15 | 24 |
| Open Scholarship Fund | | 2,487 | | 21 | 4 |
| David & Eleanor James Research Studentship | | 2,393 | | 20 | 4 |
| | | 13,017 | | 86 | 83 |

- (a) Gregynog Gift Fund - Funds are to be allocated to Geography, Welsh and Celtic Studies, Music, Extra Mural studies for public lectures and travelling grants for students.
- (b) Wilson Chair of International Politics - Paying for a Professor to teach International Politics, assist with travelling for the professor, purchase books to assist with lectures and students. Cover the cost of printing and publishing books. Scholarships tenable to undergraduates and postgraduates and prizes for students.
- (c) Open Scholarship Fund - The Charity Commissioners approved in February 1984 pooling of income from the dormant endowment funds.
- (d) David & Eleanor James Research Studentship - The purpose of the gift is to establish The David and Eleanor James Research Studentship Fund to fund at least three-year periods of study for students undertaking research at the university and who satisfy at least one of the following four criteria:
- Has undertaken his/her secondary education in Wales
 - Has lived in Wales for at least 10 years
 - Graduated from the University
 - Was born in Wales

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 22 RESTRICTED RESERVES | | | | |
|--|---------------------------|-------|---------------------------|-------|
| Reserves with restrictions are as follows: | 2022 | | 2021 | |
| | Consolidated & University | | Consolidated & University | |
| | Donations | Total | Donations | Total |
| | £'000 | £'000 | £'000 | £'000 |
| Capital brought forward | 116 | 116 | 116 | 116 |
| Accumulated income brought forward | 32 | 32 | 39 | 39 |
| Aa at 31 July 2021 | 148 | 148 | 155 | 155 |
| New donations | 483 | 483 | 271 | 271 |
| Expenditure | (51) | (51) | (278) | (278) |
| Total restricted comprehensive income for the year | 432 | 432 | (7) | (7) |
| Capital carry forward | 116 | 116 | 116 | 116 |
| Accumulated income carry forward | 464 | 464 | 32 | 32 |
| Balances At 31 July 2022 | 580 | 580 | 148 | 148 |
| Analysis of other restricted funds and donations by purpose: | | | | |
| Scholarships and bursaries | 99 | 99 | 110 | 110 |
| Prize funds | 1 | 1 | 2 | 2 |
| General | 480 | 480 | 36 | 36 |
| | 580 | 580 | 148 | 148 |

| 23 CONSOLIDATED RECONCILIATION OF NET DEBT | | | | |
|--|--------------------|---------------------------|-----------|-------------------|
| | At 1st August 2021 | Other - Non Cash Movement | Cash flow | At 31st July 2022 |
| | £'000 | £'000 | £'000 | £'000 |
| L&G Loan | (45,008) | (78) | - | (45,086) |
| Balfour Beatty deferred consideration | (5,163) | (90) | - | (5,253) |
| Revolving Credit Facility | (3,000) | - | - | (3,000) |
| Salix Loan | (1,818) | - | (2,134) | (3,952) |
| | (54,989) | (168) | (2,134) | (57,291) |
| Cash and Cash Equivalents | | | | |
| Cash available to university | 3,552 | - | (1,690) | 1,862 |
| Restricted endowment cash | 3,738 | - | 2,512 | 6,250 |
| | 7,290 | - | 822 | 8,112 |
| Net Debt | (47,699) | (168) | (1,312) | (49,179) |

NOTES TO THE FINANCIAL STATEMENTS (continued)

| 24 FINANCIAL INSTRUMENTS | 2022 | | 2021 | |
|---|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Financial assets | | | | |
| Financial assets at fair value through Statement of Comprehensive Income | | | | |
| Listed investments | 37,654 | 37,654 | 31,830 | 31,830 |
| | 37,654 | 37,654 | 31,830 | 31,830 |
| Financial assets that are equity instruments measured at cost less impairment | | | | |
| Other investments | 94 | 94 | 111 | 111 |
| | 94 | 94 | 111 | 111 |
| Financial assets that are debt instruments measured at amortised cost | | | | |
| Cash and cash equivalents | 8,112 | 7,853 | 7,290 | 6,548 |
| Investments | 2,389 | 2,389 | 2,495 | 2,495 |
| Other debtors | 21,991 | 21,597 | 15,071 | 15,554 |
| | 32,492 | 31,839 | 24,856 | 24,597 |
| Financial liabilities | | | | |
| Financial liabilities at fair value through Statement of Comprehensive Income | | | | |
| Loans RCF - Natwest | 3,000 | 3,000 | 3,000 | 3,000 |
| Loans Salix | 3,952 | 3,952 | 1,818 | 1,818 |
| Legal & General Loan | 45,086 | 45,086 | 45,008 | 45,008 |
| Balfour Beatty deferred consideration | 5,253 | 5,253 | 5,163 | 5,163 |
| Deferred income from Student Village lease | 3,392 | 3,392 | 4,071 | 4,071 |
| Deferred Capital Grant | 78,465 | 50,629 | 81,788 | 52,507 |
| Trade payables | 3,461 | 3,298 | 5,678 | 5,678 |
| Other creditors | 27,553 | 27,051 | 21,204 | 20,891 |
| | 170,162 | 141,661 | 167,730 | 138,136 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 FINANCIAL RESPONSIBILITY SUPPLEMENT SCHEDULE

The following extracts of the three tables illustrate an approach of using the two left-most columns to reflect the required local customisation for both page numbers and referencing of primary statements/notes/line items in an institution's own accounts:

| PRIMARY RESERVES RATIO | | | 2022 University | 2021 University |
|------------------------|---|-----------------------|-----------------|-----------------|
| Page | Line item/related disclosures | Expendable Net Assets | £'000 | £'000 |
| 70 | Net assets no restriction | Unrestricted Reserves | 58,144 | 68,904 |
| 70 | Net assets with donor restriction | Restricted Reserves | 30,851 | 31,094 |
| 82 & 84 | Restricted in perpetuity | Note 21 & 22 | (28,158) | (29,526) |
| 76 & 77 | PPE | Note 10, 11 & 12 | (229,392) | (229,978) |
| | Annuities | | - | - |
| | Term endowments | | - | - |
| | Life income funds | | - | - |
| | Goodwill | | - | - |
| 79 | Remove pre-implementations lease right-of-use asset Liability | Note 16 | 9,105 | 9,105 |
| | Lease - right of use, net | | - | - |
| 81 | Pension liability | Note 20 | 60,657 | 52,392 |
| | Line of credit - short term for CIP | | - | - |
| | Notes payable | | - | - |
| 80 | Line of credit for long term purposes | Note 19 | 103,760 | 104,923 |
| | Monify for post implementation debt not related to purchase of assets | | - | - |
| | Lease right-of-use asset liability | | - | - |
| | Remove pre-implementation lease right-of-use liability | | - | - |
| | Related party receivable | | - | - |
| | | | 4,967 | 6,914 |

| EQUITY RATIO | | | | |
|--------------|--|---|---------|---------|
| Page | Total Expenses and Losses without Donor Restrictions | | | |
| 74 | Total operating expenses | Note 9 less Depreciations, interest & pension change in assumptions | 169,585 | 116,157 |
| 70 | Other components of net periodic pension cost | Cashflow statement | (2,284) | (2,030) |
| | Change in value of split-interest agreements | | - | - |
| | Other gains (losses) | | - | - |
| | | | 167,301 | 114,127 |

| Page | Modified Net Assets | | | |
|------|--------------------------------------|-----------------------|--------|--------|
| 67 | Net Assets without Donor Restriction | Unrestricted Reserves | 58,143 | 68,904 |
| 67 | Net Assets with Donor Restrictions | Restricted Reserves | 30,851 | 31,094 |
| | Goodwill | - | - | - |
| | Related party receivable | - | - | - |
| | | | 88,994 | 99,998 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

25 FINANCIAL RESPONSIBILITY SUPPLEMENT SCHEDULE (CONTINUED)

NET INCOME RATIO

| Page | Line item/related disclosures | Modified Assets | £'000 | £'000 |
|---------|--|--|----------|---------|
| 68 | Total Assets | Balance Sheet | 293,203 | 292,340 |
| | Goodwill | - | - | - |
| | Related party receivable | - | - | - |
| 76 | Pre-implementation Lease asset | Assets in the Course of contruction | (9,105) | (9,105) |
| | | | 284,098 | 283,235 |
| | | | | |
| Page | Line item/related disclosures | Change in Net Assets Without Donor Restrictions | | |
| 67 | Change in net assets wthout donor restrictions | Trading I&E adjusted for pension changes in assumptions | (21,994) | 9,497 |
| | | | (21,994) | 9,497 |
| | | | | |
| Page | Line item/related disclosures | Total Revenues and Gains Without Donor Restrictions | | |
| 67 | Total operating revenue - unrestricted | Total income on I&E | 119,850 | 116,787 |
| 71 & 72 | Investment return appropriated for spending | Note 5 & 6, unrestricgtd investmetn income and donations | (431) | (400) |
| 67 | Sale of fixed assets | Disposals of fixed assets | 110 | 243 |
| | | | 119,529 | 116,630 |

26 CAPITAL AND OTHER COMMITMENTS

| | 2022 | | 2021 | |
|---------------------|--------------|------------|--------------|------------|
| | Consolidated | University | Consolidated | University |
| | £'000 | £'000 | £'000 | £'000 |
| Capital commitments | 33,279 | 33,279 | 118 | 118 |
| | 33,279 | 33,279 | 118 | 118 |

27 CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets at the end of the period

28 EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 UNIVERSITY AND CONSOLIDATED PENSION SCHEMES

The University participates in four different schemes:

| | |
|---|--|
| Aberystwyth University Pension Plan (AUPP) | defined contribution |
| Universities' Superannuation Scheme (USS) | defined benefit multi-employer |
| Aberystwyth University Pension Assurance Scheme (AUPAS) | defined benefit closed |
| Dyfed Pension Fund (DPF) | defined benefit closed to new entrants |

AUPAS has been closed to further member contributions since April 2015. The Dyfed Pension Fund is not open to new members.

| IMPACT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME | 2022 | 2021 |
|--|--------|---------|
| Operating charge in staff costs | £'000 | £'000 |
| USS | 35,527 | 6,975 |
| DPF | 17 | 16 |
| Total pension charge in staff costs | 35,544 | 6,991 |
| Interest costs | | |
| USS | 276 | 135 |
| AUPAS | 571 | 500 |
| DPF | (2) | 14 |
| Total interest costs | 844 | 649 |
| Actuarial gain/(loss) in respect of pension schemes | | |
| AUPAS | 17,211 | (3,336) |
| DPF | (162) | 1,038 |
| Total actuarial gain/(loss) | 17,059 | (2,298) |
| Impact on Balance Sheet | | |
| Pension Provision | | |
| USS | 44,267 | 17,230 |
| AUPAS | 17,390 | 35,240 |
| DPF | - | (78) |
| Total Pension Liability | 61,657 | 52,392 |

(i) ABERYSTWYTH UNIVERSITY PENSION PLAN

The Aberystwyth University Pension Plan is a defined contribution pension plan which is administered by Legal & General. All employee and Institute contributions are invested in a Legal & General Group Personal Pension Plan. The University contributes 10% of salary into the pension scheme. The total contribution in 2021-22 was £1,095,108 (2020-21 £1,065,000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 PENSION SCHEMES (continued)

(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.

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

The total adjustment charge to the Consolidated Statement of Comprehensive Income is £35,527,000 (2021: £6,975,000) including PensionChoice but excluding the impact of the change in the deficit recovery plan, as shown in note 7.

Deficit recovery contributions due within one year for the institution are £8,765,696 (2022: £8,338,697).

The latest available complete actuarial valuation of the Retirement Income Builder is as at 31 March 2020 (the valuation date), and was carried out using the projected unit method.

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 2020 valuation was the sixth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

Assumptions

The key financial assumptions used in the 2020 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/statement-of-fundingprinciples).

| | |
|---|---|
| CPI assumption | Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long-term difference of 0.1% p.a. from 2040 |
| Pension increases (subject to a floor of 0%) | CPI assumption plus 0.05% |
| Discount rate (forward rates) | Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a. |

The main demographic assumptions used relate to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2020 actuarial valuation. The mortality assumptions used in these figures are as follows:

| | |
|----------------------------------|--|
| | 2020 valuation |
| Mortality base table | 101% of S2PMA "light" for males and 95% of S3PFA for females |
| Future improvements to mortality | CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% pa for males and 1.6% pa for females |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 PENSION SCHEMES (continued)

| THE CURRENT LIFE EXPECTANCIES ON RETIREMENT AT AGE 65 ARE: | 2022 | 2021 |
|--|------|------|
| Males currently aged 65 (years) | 23.9 | 24.7 |
| Females currently aged 65 (years) | 25.5 | 26.1 |
| Males currently aged 45 (years) | 25.9 | 26.7 |
| Females currently aged 45 (years) | 27.3 | 27.9 |

The funding position of the scheme has since been updated on an FRS 102 basis:

| | 2022 | 2021 |
|------------------------------|---------|---------|
| Scheme assets | £88.9bn | £67.3bn |
| Total scheme liabilities | £90.4bn | £70.9bn |
| FRS 102 total scheme deficit | £1.5bn | £3.6bn |
| FRS 102 total funding level | 98% | 95% |

A new deficit recovery plan was put in place as part of the 2020 valuation, which requires payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate will increase to 6.3%. The 2022 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

| | 2022 | 2021 |
|---------------------------|-------|-------|
| Discount rate* | 3.31% | 2.55% |
| Pensionable salary growth | | |
| Yr 1 | 4.20% | 2.50% |
| Yr 2 | 3.50% | 2.50% |
| Yr 3-16 (avg) | 3.00% | 2.89% |

Significant accounting policies

The institution participates in Universities Superannuation Scheme. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The 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 defined contribution scheme. As a result, the amount charged to the profit and loss account 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 profit and loss account.

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) with the resulting expense charged through the profit or loss account 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 these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (continued)

| | 2022 | 2021 |
|---|----------|----------|
| | £'000 | £'000 |
| Opening deficit | (17,230) | (18,459) |
| Current service cost | (7,775) | (7,549) |
| Change in deficit reduction plan assumptions | (27,752) | 574 |
| USS Pension cost in the Consolidated Income Statement | (35,527) | (6,975) |
| Net interest cost | (276) | (135) |
| Contribution from University | 8,766 | 8,339 |
| Closing deficit | (44,266) | (17,230) |

(iii) ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME

The University maintains a closed final salary defined benefit pension scheme called the Aberystwyth University Pension and Assurance Scheme. The scheme is externally funded. The last formal triennial actuarial valuation of the scheme was performed as at 1 August 2020 by a professionally qualified actuary.

| ASSUMPTIONS | 2022 | 2021 |
|--|------|------|
| The financial assumptions used to calculate scheme liabilities under FRS102 are: | | |
| | %pa | %pa |
| Price Inflation (RPI) | 3.20 | 3.20 |
| Price Inflation (CPI) | 2.80 | 2.75 |
| Rate of increase in salaries | 3.30 | 3.25 |
| Deferred pension revaluation | 2.80 | 2.70 |
| Discount Rate | 3.50 | 1.65 |

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.

| | | |
|-----------------------------------|------|------|
| Males currently aged 65 (years) | 21.7 | 21.6 |
| Females currently aged 65 (years) | 24.1 | 24.0 |
| Males currently aged 40 (years) | 23.9 | 23.2 |
| Males currently aged 40 (years) | 26.3 | 25.8 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 PENSION SCHEMES (continued)

| SUMMARY OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR AUPAS | 2022 | 2021 |
|--|----------|---------|
| | £'000 | £'000 |
| Scheme assets | 87,531 | 105,192 |
| Scheme liabilities | 104,921 | 140,432 |
| Net pension liability | 17,390 | 35,240 |
| Analysis of movement in the present value of AUPAS liabilities | | |
| Present value of AUPAS liabilities at the start of the year | 140,432 | 134,833 |
| Current service cost (net of member contributions) | - | - |
| Loss on curtailments/changes | - | 5 |
| Interest cost | 2,281 | 2,059 |
| Actual member contributions (including notional contributions) | - | - |
| Actuarial (gain)/loss due to changes in assumptions | (37,564) | 4,534 |
| (Gain) / loss on curtailments/change/introduction | - | - |
| Actuarial (gain)/loss due to effect of experience adjustment | 4,143 | 2,926 |
| Actual benefit payments | (4,371) | (3,925) |
| Present value of AUPAS liabilities at the end of the year | 104,921 | 140,432 |
| Analysis of movement in the present value of AUPAS liabilities | | |
| Fair value of assets at the start of the year | 105,193 | 102,274 |
| Expected interest income on plan assets | 1,710 | 1,564 |
| Actual return on plan assets (excluding interest income) | (16,210) | 4,124 |
| Actual contributions paid by University | 1,209 | 1,156 |
| Actual member contributions (including notional contributions) | - | - |
| Actual benefit payments | (4,371) | (3,925) |
| Administrative expenses paid from plan assets | - | - |
| Fair value of scheme assets at the end of the year | 87,531 | 105,192 |
| Fair value of AUPAS scheme assets | | |
| Cash and cash equivalents | 8,224 | 12,655 |
| Equity instruments | 14,244 | 16,733 |
| Debt instruments | 34,231 | 45,158 |
| Real estate | 4,660 | 5,063 |
| Other | 26,172 | 25,583 |
| Total fair value of AUPAS scheme assets | 87,531 | 105,192 |
| AUPAS assets do not include any of the University's own financial instruments, or any property occupied by the University. | | |
| Actual return on scheme assets | | |
| Expected return on scheme assets | 1,710 | 1,564 |
| Asset gain/(loss) | (16,210) | 4,124 |
| Actual return on scheme assets | (14,500) | 5,688 |
| Percentage return on scheme assets at start of year | -13.80% | 5.60% |

Pension asset has not been recognised as such on the Statement of Financial Position, as there is no automatic entitlement to a refund from the scheme.

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 PENSION SCHEMES (continued)

(IV) DYFED PENSION FUND

The University is an admitted member of the Dyfed Pension Fund which is a multi-employer Local Government Pension Scheme regulated by statute. The last full actuarial valuation was carried out at 31 March 2016 by a qualified independent actuary. An approximate actuarial valuation was carried out at 31 July 2020 by a qualified independent actuary.

| ASSUMPTIONS | 2022 | 2021 |
|--|------|------|
| The financial assumptions used to calculate scheme liabilities under FRS102 are: | | |
| | %pa | %pa |
| Price inflation | 2.7 | 2.6 |
| Rate of increase in salaries | 4.2 | 4.1 |
| Rate of increase of pensions in payment for DPF members | 2.8 | 2.7 |
| Discount rate | 3.4 | 1.6 |

"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."

| | | |
|-----------------------------------|------|------|
| Males currently aged 65 (years) | 23.0 | 23.1 |
| Females currently aged 65 (years) | 24.9 | 25.0 |
| Males currently aged 45 (years) | 24.4 | 24.7 |
| Females currently aged 45 (years) | 27.1 | 27.2 |

| ANALYSIS OF THE AMOUNT SHOWN IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR DPF | 2022 | 2021 |
|--|------------|-----------|
| | £'000 | £'000 |
| Pension cost within surplus/deficit before other gains/losses | | |
| Current service cost | 17 | 16 |
| Total operating charge in staff costs | 17 | 16 |
| Interest on plan assets | 101 | 79 |
| Interest on pension liabilities | 99 | 93 |
| Net interest cost | (2) | 14 |
| Administrative cost | - | - |
| Total pension cost within surplus/deficit before other gains/losses | 15 | 30 |
| Actuarial gain/(loss) in respect of pension schemes | | |
| (Loss)/gain on assets | (158) | 1,063 |
| Gain/(loss) on liabilities | (880) | 25 |
| Asset Ceiling Adjustment | 884 | |
| Net Actuarial gain/(loss) in respect of pension schemes | (162) | 1,038 |
| Total Comprehensive income/(cost) for the year | (177) | 1,008 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

29 PENSION SCHEMES (continued)

| SUMMARY OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR DPF | 2022 | 2021 |
|---|--------|-------|
| | £'000 | £'000 |
| Scheme assets | 6,187 | 6,355 |
| Scheme liabilities | 5,303 | 6,277 |
| Net pension (liability) / asset | 884 | 78 |
| Analysis of movement in the present value of DPF liabilities | | |
| Present value of DPF liabilities at the start of the year | 6,277 | 6,368 |
| Current service cost (net of member contributions) | 17 | 16 |
| Interest cost | 99 | 93 |
| Actual member contributions (including notional contributions) | 2 | 2 |
| Past service costs | 0 | 0 |
| Actuarial (gain) / loss due to changes in assumptions | (880) | 25 |
| Actual benefit payments | (212) | (227) |
| Present value of DPF liabilities at the end of the year | 5,303 | 6,277 |
| Analysis of movement in the fair value of scheme assets | | |
| Fair value of assets at the start of the year | 6,355 | 5,340 |
| Expected interest income on plan assets | 101 | 79 |
| Actual return on plan assets (excluding interest income) | (158) | 1,063 |
| Actual contributions paid by University | 99 | 98 |
| Actual member contributions (including notional contributions) | 2 | 2 |
| Actual benefit payments | (212) | (227) |
| Fair value of scheme assets at the end of the year | 6,187 | 6,355 |
| Fair value of DPF scheme assets | | |
| Cash and cash equivalents | 68 | 108 |
| Equity instruments | 4,355 | 4,767 |
| Debt instruments | 539 | 635 |
| Real estate | 978 | 661 |
| Other | 247 | 184 |
| Total fair value of DPF scheme assets | 6,187 | 6,355 |
| Actual return on scheme assets | | |
| Expected return on scheme assets | 101 | 79 |
| Asset gain | (158) | 1,063 |
| Actual return on scheme assets | (57) | 1,142 |
| Per cent return on scheme assets at start of year | -0.40% | 18% |

NOTES TO THE FINANCIAL STATEMENTS (continued)

30 UNIVERSITY AND CONSOLIDATED LEASE OBLIGATIONS

| | Land and Buildings | Plant and Machinery | Other leases | Total 2022 | Total 2021 |
|--|-----------------------|------------------------|-----------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Payable during the year | 270 | - | 135 | 405 | 377 |
| Future minimum lease payments due: | | | | | |
| Not later than 1 year | 236 | - | 142 | 378 | 370 |
| Later than 1 year and not later than 5 years | 858 | - | 112 | 970 | 865 |
| Later than 5 years | 1,570 | - | - | 1,570 | 995 |
| Total lease payments due | 2,664 | - | 254 | 2,919 | 2,230 |

NOTES TO THE FINANCIAL STATEMENTS (continued)

31 RELATED PARTY TRANSACTIONS

The University's Council, Senate and Senior Staff members are the Trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the trustees, it is inevitable that transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest, including those identified below, are conducted at arms' length and in accordance with the University's Financial Regulations and usual procurement procedures.

| | Income | Expenditure | Debtor | Creditor |
|--|--------|-------------|--------|----------|
| | £'000 | £'000 | £'000 | £'000 |
| Members of Council | | | | |
| Committee of University Chairs (Dr Emyr Roberts) | - | (2) | - | - |
| Public Health Wales (Kate Eden) | 5 | (9) | - | - |
| Coleg Cymraeg Cenedlaethol (Meri Huws) | - | (9) | - | (9) |
| Senior Staff Members | | | | |
| UUK - (Prof Elizabeth T Treasure) | - | (2) | - | - |
| UCEA - (Prof Elizabeth T Treasure) | - | (3) | - | - |

Ms Mared Edwards and Ms Sabina O'Donoghue, in addition to being University Trustees were also members of the Aberystwyth University Students' Union.

Investment in Aberystwyth University Innovation and Enterprise Campus Limited (AIEC)

Investment in Aberystwyth University Innovation and Enterprise Campus Limited (AIEC) During the year the University invoiced AIEC for expenditure the University had incurred on behalf of AIEC totalling £765,081 (2020-21 £630,647) and AIEC invoiced the University £150,688 (2020-21 £49,958). The University also advanced cash to AIEC to the value of £520,000 (2020-21 £2,265,000) which has incurred an interest rate of 5%. At the year-end AIEC had a long-term creditor to the University which includes cash advances of £322,751 (2020-21 £469,960). The non controlling interest is £25 and therefore does not show up in the consolidated and university balance sheet as the figures are shown in thousands. AIEC is a 75% owned subsidiary.

Aberystwyth University Pension and Assurance Scheme (AUPAS)

The University runs a payroll service on behalf of AUPAS for which no administrative cost recharges are made. The Pension Scheme debtor during the year-end was £383,933 (2020-21 £365,461) which relates to PAYE payments made by Aberystwyth University on behalf of AUPAS during the year, which is now owed to the University.

Aberystwyth Students Union

Aberystwyth University Students' Union (AUSU) is a separate entity funded by the University by the provision of a grant. It is administered by elected student officers for the benefit of the students. The University's grant to AUSU amounted to £889,927 (2020-21 £782,586). The Students Union occupies premises owned by the University for which no rent is charged and received payroll services from the University for which no fee is charged. At the year-end the University was owed £233 (2020-21 £233).