

PRIFYSGOL CYMRU / THE UNIVERSITY OF WALES

England & Wales · Charity number 1146516

Details

Other names PRIFYSGOL CYMRU / UNIVERSITY OF WALES

Status Registered

Legal form Other

Registered 2012-03-22

Register [View on the Charity Commission register](#)

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Activities

Objects: THE ADVANCEMENT OF EDUCATION, LEARNING AND RESEARCH. THE UNIVERSITY OF WALES EXISTS TO SERVE WALES AND ITS PEOPLE.

Activities: HIGHER EDUCATION INSTITUTION - UNIVERSITY FACILITY, EDUCATION AND RESEARCH

Classification

- **How:** Makes Grants To Individuals, Makes Grants To Organisations, Provides Other Finance, Provides Services, Sponsors Or Undertakes Research
- **What:** Education/training
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** WALES
- Cardiff
- Ceredigion
- City Of Swansea
- Powys

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£2,698,000	£1,898,000	£6,431,000	18
2024-07-31	£2,698,000	£1,898,000	£6,431,000	18
2023-07-31	£2,723,000	£5,080,000	£5,801,000	19
2022-07-31	£2,443,000	£2,789,000	£6,248,000	24
2021-07-31	£2,383,000	£2,741,000	£3,829,000	24

Trustees

Name	Role	Appointed
DR LIZ SIBERRY		2013-06-12
Deris Davies Williams MBE		2020-10-01
Dr Stuart Robb		2020-10-01
Emlyn Dole		2023-03-30
Nigel Roberts		2020-10-01
Professor Elwen Evans KC		2023-09-01
Timothy James Llewelyn		2023-01-01

Accounts

University of Wales

Charity number: **1146516**

**Consolidated Financial Statements
For the year ended 31 July 2025**



**Prifysgol Cymru
University of Wales**

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ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Members**

Members of the University's governing body, the Council, are the Trustees of the University. Those who served during the year (up to the Council meeting at which the financial statements were signed) are listed below. Attendance (%) at Council meetings in 2024/25 is provided in brackets.

The Council has formally adopted the definition of independence developed by the sector in response to the Review of Governance of the Universities in Wales. Independent members are neither registered students nor staff of the University and their appointment and responsibilities are consistent with the definition. A published Register of Members' Interests is reviewed and updated annually, and members are expected to explicitly identify at the start and end of each meeting any matters on which their interests may have a bearing. Further information is available in the Statement of Corporate Governance.

Member Ex Officio

The Vice-Chancellor (100%)

Independent Members

Emlyn Dole (Chair) (100%)

Justin Albert OBE (Resigned 31.07.2025) (40%)

Timothy J Llewelyn (100%)

Dr Elizabeth Siberry OBE (60%)

Nigel Roberts (100%)

Deris Davies Williams MBE (40%)

Co-opted Members

Geraint Evans (20%)

Iwan Thomas (60%)

Staff Member

Dr Stuart Robb (100%)

Clerk and Secretary: Sarah Clark (100%)

ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Legal Status**

Established by Royal Charter in 1893 (RC000676) the University is a registered charity (number 1146516). The principal office is the University Registry, King Edward VII Avenue, Cathays Park, Cardiff CF10 3NS. The names of the members of the University Council (who also act as charity trustees) are stated and disclosed in the previous page.

Professional Advisors

Independent Auditor	
External	KPMG, 66 Queen Square, Bristol, BS1 4BE
Internal	Mazars, One Caspian Point, Pierhead Street, Cardiff CF10 4DQ
Banker	HSBC Bank plc, 56 Queen Street, Cardiff. CF10 2PX
Insurance Adviser	University Mutual Association Ltd, 4th Floor, 5 St. Helen's Place, London. EC3A 6AB
Pensions Adviser	Mercer Ltd, 1 Whitehall Quay, Whitehall Road, Leeds. LS14HR
Investment Adviser	Jaggers & Associates, Exchange Quay, Salford. M5 3EQ
Solicitor	Blake Morgan, Bradley Court, Park Place, Cardiff. CF10 3DP Eversheds LLP, 1 Callaghan Square, Cardiff CF10 5BT

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

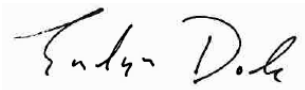
Introduction by the Chair of Council

I am pleased to introduce the Annual Report and Financial Operating Statement for the academic year 2024–25. This marks my second year as Chair of Council, and I continue to greatly value the experience and guidance of my fellow members. I would like to thank both past and present members of Council and its various committees for their ongoing commitment and contribution to the University; their support remains vital in ensuring that appropriate governance and scrutiny arrangements are maintained.

It is now over a decade since the University of Wales issued its formal Wales Pledge, reaffirming its commitment, through integration with the University of Wales Trinity Saint David (UWTSD), to safeguard cultural and heritage assets associated with the University. That commitment continues to guide our work. Over recent years, the University has engaged in initiatives to protect and strengthen this legacy; these activities remain in progress.

An enduring priority for the University Council has been to address legacy issues while advancing integration with UWTSD. Through good governance, due process, and structured execution, we continue to build on that foundation. This ongoing process requires careful investment and disinvestment, always mindful of safeguarding important cultural assets.

I am deeply grateful to colleagues and to members of the University Council for their sustained and valued support as we continue this important journey.

A handwritten signature in black ink, reading 'Emlyn Dole', written in a cursive style.

Emlyn Dole
Chair of Council

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

Introduction by the Vice Chancellor

On 1 September 2023, I was privileged to take on the role of Vice-Chancellor and Chief Accounting Officer of the University. I remain extremely proud to lead such a distinguished and historic institution. This review reflects the University's work during 2024–25. It highlights the progress that has been made through the commitment of the many colleagues who have helped move the University forward during a period of significant challenge for the sector.

Since 2012, the University's strategy has centred on preparing for academic and administrative integration with the University of Wales Trinity Saint David (UWTSD), building on strong foundations for future collaboration. This work is ongoing and continues to evolve in response to sector developments.

During the year, officers and trustees have continued to explore a confederal framework to address the implications of the Tertiary Education Act (2022) and the establishment of the Commission for Tertiary Education and Research. This development work remains active and involves close engagement with the UWTSD Group and its constituent colleges, as well as other partners.

The University of Wales has also maintained its oversight of academic governance and quality standards while managing the phased exit from collaborative provision. These responsibilities remain central to our mission and will continue to guide our work in the years ahead.

I am deeply grateful to the University's Governing Body, colleagues, and students for their sustained support and commitment as we continue this important journey.



Professor Elwen Evans, KC
Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Preparation of the consolidated financial statements

The consolidated financial statements for the year to 31 July 2025 have been prepared in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Education 2019, the Accounts Direction for 2024/25 issued by the Higher Education Funding Council for Wales (replaced by Medr, the Commission for Tertiary Education and Research from August 2024), and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The consolidated financial statements for the year to 31 July 2025 have been prepared on a going concern basis as detailed on page 31.

Basis of Consolidation

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2025.

Public benefit statement

The University is a registered charity and its charity number is 1146516.

Delivery of the above-described strategic objectives has also met the charitable objects of the University, which are for the advancement of education, learning and research and to serve Wales and its people.

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

The operational review below sets out the University's activities in support of its strategic and charitable objectives.

Ethical Investment and banking policies

University Council (as trustees of the University's endowment funds) is expected to act in the best interests of the beneficiaries of the funds for which it is responsible. The beneficiaries include the University itself, staff and students. Council's policy is to aim for the best possible financial return from investments, consistent with an appropriate risk profile, and it may exclude investments from the investment portfolios if the aims of the bodies concerned are incompatible with its objectives.

Equal opportunities

On 1 August 2017, the University adopted the equal opportunities systems and practices of UWTSD, whose commitment to equality and diversity is set out in its *Strategic Equality Plan 2024/28*. The University aims to create a culture of openness and respect in which barriers for those with protected characteristics are identified and removed. It wants its people to feel safe and valued, and to achieve their full potential for the benefit of the individual, the organisation and wider communities. It wishes to promote equality of opportunity, fair working practices, and good interpersonal relations throughout its staff and student bodies.

Health and Safety

There were no reportable safety incidents in 2024/25 or significant near miss events. On 1 August 2017, the University adopted the health and safety systems and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period.

OPERATING AND FINANCIAL REVIEW

Welsh Language

The University's Welsh Language Scheme treats the Welsh and English languages equally – with both enjoying the same status and validity in all areas of service and student, staff and public engagement. On 1 August 2017, the University adopted the Welsh language policy and practices of UWTSD. New members of staff receive Welsh language awareness training as part of induction and the training requirements of all staff are reviewed as part of the annual staff appraisal process.

Principal risks and uncertainties

The principal risks and uncertainties faced by the University are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of income receipts upon cash balances held within the University at any one point in time;
- Managing the existing relationships with its collaborative provision partners; and
- Developing a sustainable financial strategy for discreet units that form part of the Wales Pledge.

Both officers and trustees are content that the financial management of the University continues in a prudent manner that maintains or grows the net assets and cash balances of the University during a period where the new business plan is being developed. As the plan develops officers and trustees will consider emerging risks and opportunities and develop mitigation plans where applicable

Future prospects

The current environment within the sector is challenging but the University has managed its resources over the past few years in a way that places it in a good position to develop its new business plan which will establish new income streams in future years and enable the University to grow. During the initial development and implementation of the business plan the focus is on maintaining the current net asset position with modest cash generation to maintain a position of going concern.

Declaration of information to auditor

Insofar as each of the members who held office at the date of approval of this report is concerned:

- a) there is no relevant audit information of which the University's auditor is unaware; and
- b) each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

OPERATING AND FINANCIAL REVIEW

Collaborative Provision

The University's managed exit from collaborative provision is based on three principles. These affirm that during the exit process the University will: (i) take whatever additional steps are necessary to assure the quality of provision and ensure the academic standards of its awards; (ii) fulfil its responsibility to enable students to complete their studies leading to an award in a way that is consistent with the relevant University regulations; and (iii) honour the contracts which are in place for each collaborative centre which remains in good standing.

During the reporting period, the University has seen a reduction of 78% of its student population under the validated services model and has exited from a further two collaborative centres. At the end of 2024/25, the number of students studying at collaborative centres had fallen to around 10 (down from over 28,000 when the withdrawal from collaborative provision was announced).

During the 2024/25 academic year, the University consolidated the membership of the sub-Boards of Academic Board, while still maintaining the separate terms of reference established in 2019/20. This has enabled appropriate deliberative structures to maintain oversight of the quality and standards of the University's academic awards, whilst remaining proportionate to business received. During the period, the University has received and considered 34 reports from external examiners, moderators, and University Officers considering the quality assurance and academic standards of the University's awards. The University continues to maintain its systematic approach to addressing any actions arising from the reports. The University continues to deliver this through the Collaborative Partnerships Office which is responsible for supporting both UW collaborative centres and UWTSD partnerships.

University of Wales Press (UWP)

Financial year (FY) 2024-25 has, once again, been a challenging year for the Higher Education (HE) sector, as financial uncertainty takes affect, resulting in academic presses feeling the impact of squeezed library budgets. Similarly, high street bookstores have seen a slower year across most genres, including specialist and non-fiction trade within which UWP (including our Calon imprint) operates.

Financial overview - For UWP's academic publishing, print sales were down 16% on previous year, although we saw a 31% increase in eBook sales. Journals sales remained flat. Including all revenue and funding, overall income for 2024-25 was up 12% on previous year. Calon (UWP's non-fiction imprint launch in 2022), print sales and overall income remained flat, with little external funding received in the year, compensated by a strong year for eBooks; up 78% on last year. Overall bottom line, the University subsidy for UWP's operations in FY 24-25 was £276k, representing a 14% reduction from the previous year.

Wales Studies - In FY 2024-25, UWP published 18 new books in Wales Studies, including two titles in Welsh language and five in Open Access (OA).

The availability of Medr's UWP Publication Fund underpinned the publication of many important books in the fields of Welsh history and literature, including a festschrift for Professor Huw Pryce titled *Memory and Nation*, and the first three books in the groundbreaking "Race, Ethnicity: Wales and the World" series, edited by Neil Evans and Charlotte Williams, which have generated a great deal of attention and interest. All three books in this new series are available in OA. UWP also published two other OA books within Wales Studies during 2024/25; *The Sound of Welsh Patagonia* by Lucy Trotter and *Inventor of Britain: The Work and Legacies of Humphrey Llwyd* by Philip Schwyzer, in line with our broader aim to disseminate knowledge about Wales as widely and accessibly as possible.

In the Welsh language, 2024/25 saw the publication of *Cof Diwylliannol yng Nghymru'r Cyfnod Modern Cynnar* by Dewi Alter; an important study of the development of historiography in early modern Wales and Ffion Mair Jones's substantial volume on Thomas Pennant and his Welsh connections in the aptly named *Thomas Pennant; Cysylltiadau Cymreig*.

The academic value and strength of UWP's publications within Wales Studies was reflected in the fact that books by Ann Parry Owen and Sadie Jarrett won important prizes in the field during 2024-25, namely the Sir

OPERATING AND FINANCIAL REVIEW

Ellis-Griffith Memorial Prize for Owen's *Geirfau'r Fflyd* and the Francis Jones prize for Welsh history for Jarrett's *Gentility in Early Modern Wales*, as noted below (Academic conferences, events and awards).

Humanities and Social Sciences (HASS) - In FY 2024-25, UWP published 17 new books in our Humanities and Social Sciences portfolio, including OA chapters in *Spain's Eighteenth-Century Periodical Press* by Madeline Sutherland-Meier (Iberian and Latin American Studies); OA funded by the University of Texas at Austin.

UWP published two books in the newly established "Literary Geography" series; *Interspatiality* by Sheila Hones and *Making the literary-geographical world of Sherlock Holmes* by David McLaughlin.

Key titles included a new edition of a seminal work in the Horror Studies field: *Games of Terror* by Vera Dika. Initially published in the 1990s, the content was expanded and updated for a new generation of researchers. A further important and timely title was *The Catalan Crisis* by Sergi Auladell Fauchs, a unique in-depth philosophical and political analysis of the recent political crisis between Catalonia and Spain.

Queer for Fear (Horror) by H. Petrocelli was published in paperback, following impressive hardback sales.

A new series, "Romance Power and Desire" edited by Dr Jo Parsons of Falmouth University and Dr Meredith Miller of Cardiff University, was established to offer a forum for emerging scholarly debates in the humanities around power and agency, fantasy and social reality and relationships.

Journals - Two bilingual, Open Access issues of the *Wales Journal of Education (WJE)* were published, including a landmark special issue titled *Twenty-Five Years of Devolved Education in Wales: A Review*. WJE's "Focus on Practice" collection featured seven articles by practitioners and ECRs in Wales. Resources were created to help practitioners apply research findings and conduct their own studies (three podcast episodes, and three infographics on research methods). Funded by the Welsh Government, WJE continued to support the aim of developing an education system informed by research and empowering practitioners to become practitioner-researchers.

Two issues of the *Welsh History Review* were published, and annual issues of *Studia Celtica*, *Llên Cymru*, *the Journal of Celtic Linguistics* and *The Journal of Religious History, Literature and Culture*. These issues contributed to UWP's publishing output in the fields of Celtic studies, literary studies, linguistics and history.

Two of UWP's seven journals, *WJE* and *International Journal of Writing Welsh in English* remain fully OA – the former with thanks to Welsh Government – and our remaining five journals are hybrid.

Calon (non-fiction imprint) - Calon published 10 new books this year across multiple genres; nature; memoir; popular culture; literature; history; folklore and poetry, with key titles including *Tir* by Carwen Graves and *Nightshade Mother* by Gwyneth Lewis. We were delighted that these two books were shortlisted for Wales Book of the Year in the Creative Non-Fiction category, with *Nightshade Mother* taking the prize. Gwyneth Lewis' stunning memoir was also shortlisted for a Sky Arts Award, alongside books from London trade publishers Pan Macmillan and Faber and Faber.

We were pleased to see *My Year of Reading Welshly* by Alex Johnson become Blackwell's Book of the Year, and *International Velvet: How Wales Conquered the '90s Charts* by Neil Collins was nominated for the 2025 Association for Recorded Sound Collections Awards for Excellence in Historical Recorded Sound Research. *The Folklore of Wales: Ghosts* by Delyth Badder and Mark Norman was also shortlisted for the British Fantasy Awards.

Also this year, Calon was shortlisted for the Bookseller's Start-Up of the year award.

Hay saw an exciting event featuring Raymond Chester for *Raider* by Jon Gower and several events at Monty Literature Festival. Our Calon authors have also been holding bookshop events across the UK and at literary festivals, including the Clifton literary festival, Griffin books and Shrewsbury literature festival.

OPERATING AND FINANCIAL REVIEW

Academic conferences, events and awards - Aligning with many of UWP's academic series, to promote our books and seek new proposals, Press colleagues attending several important conferences this year including; The Society of French Studies; The Society of Latin American Studies; The Association of Contemporary Women's Writing; Manchester Metropolitan Gothic Conference for our HASS portfolio, and for Wales Studies; North American Association for the Study of Welsh Culture and History (NAASWCH); Learned Society of Wales' Colloquium and "Where Next for Wales Studies" event; and the National Eisteddfod Genedlaethol in Pontypridd where we held several well-attended events. We participated remotely in the North American Festival of Wales which has been held in Ottawa, Canada. We also had a strong presence at the International Medieval Conference in Leeds once again this year, that is invaluable for both of our academic portfolios.

During the year, the Press team were also delighted that our books were recognised through the following awards; *Geirfâu'r Fflyd* by Ann Parry Owen won the Sir Ellis-Griffith Memorial Prize; *Griffith Evans* by Gavin Gatehouse was longlisted for the BSHS Hughes Prize and *Gentility in Early Modern Wales: The Salesbury Family 1450-1720* by Sadie Jarrett won the Francis Jones Prize for Welsh History.

Dylan Thomas Centre

Located near UWTSD's SA1 Development, the Centre is home to a permanent exhibition to Dylan Thomas, which makes it a key part of Swansea's literary and cultural quarter. University investment in the building over the past few years has also transformed it into a multi-purpose and multi occupancy venue open to host a range of events and functions.

During 2024/25 the Centre continued to be an integral part of the new UWTSD SA1 Campus which opened in September 2018. It also now hosts students and academic staff as part of the wider campus and its operating costs are funded by UWTSD.

Gwasg Gregynog

The company undertakes fine press printing and is currently located within the Gregynog Estate, Newton, Powys.

Following the transfer of Gregynog Hall and Estate from the University of Wales to a new independent Gregynog Charitable Trust in 2019, Gwasg Gregynog remains an independent company, limited by guarantee and managed by a Board of Trustees. At this point The University of Wales took control of the charity and in the year to 31st July 2025 continues to exercise the powers of governance in the Company's Memorandum of Articles and Association.

Following the transfer of Gregynog Hall and Estate in 2019 the charity experienced a tough trading period with the onset of Covid-19 severely restricting footfall to the Hall and Estate in the period of March 2020 through to July 2022, removing the primary source of publication sales of books and publications. In the subsequent years footfall has remained restricted however the sale of books and publications through online channels and book fares have continued. Revenues of book sales in the year decreased to £3,090 (2024: £13,910).

During the prior year the charity was successful in an application for shared prosperity funding (£44,914). The aims of the funding was to produce a feasibility study into the future purpose of Gwasg Gregynog Press and the charity. Preparation of the study was completed by staff in University of Wales Trinity Saint David in the year with all costs being recognised in these financial statements. The final grant claim was submitted in September 2024. This grant funding was not repeatable and was a one off income source

The report and its findings have been received during the year with the options under consideration by the directors who are seeking to enact an appropriate future direction of the charity which will improve its financial performance.

OPERATING AND FINANCIAL REVIEW**Financial Review for the year**

The consolidated results recorded a total comprehensive income for the year of £255k (2024: an income of £639k). There was a surplus of £87k for the year before other gains. The other gains in respect of investments and the inhouse pension scheme made a further contribution of £167k to the total comprehensive income for the year.

A summary of the financial performance is shown in the table below

	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000	Movement £'000
Income	2,268	2,698	(430)
Expenditure	(2,181)	(1,898)	(283)
Surplus before other gains/(losses)	87	800	(713)
Gain in respect of investments	5	67	(62)
Surplus for the year	92	867	(775)
Actuarial gain/(loss) in respect of inhouse pension scheme	162	(228)	390
Total comprehensive income for the year	254	639	(385)

Income

Total consolidated income for the University in 2024-25 was £2.3m (£2.7m in 2023-24).

Collaborative provision income was £1.1m (£1.5m in 2023-24) and was the largest source of funding for the university accounting for 49% of total income. The decrease was due to the planned run out of students at collaborative centres.

Other income was £1.134m (£1.099m in 2023-24). The slight increase was attributable to an increase in grant funded publication for the UW Press.

Investment income for the year was £12k (£106k in 2023-24), a decrease due to the release of investments held..

Income analysis

	Year ended 31 July 2025 £'000	%	Year ended 31 July 2024 £'000	%
Collaborative Provision	1,118	49.3	1,493	55.3
Other income	1,139	50.2	1,099	40.8
Investment income	12	0.5	106	3.9
Total Consolidated Income	2,269	100.0	2,698	100.0

OPERATING AND FINANCIAL REVIEW

Expenditure

Total consolidated expenditure for the University was £2.2m (£1.9m in 2023-24).

Staff costs were £1.0m (£1.0m in 2023-24). There was also a pension service cost credit (this is an actuarial calculation and adjustment) of £117k (£126k credit in 2023-24) in relation to the inhouse pension scheme. There was £Nil movement in the USS staff costs provision in 2024-25 (£363 credit in 2023-24). There were also one off staff restructuring costs of £38k (£Nil in 2023-24).

Operating Expense costs were £1.3m (£1.4m in 2023-24). There was a slight increase in academic related and administration expenditure heads, offset by a slight decrease in premises and other services expenditure heads.

Depreciation costs were £88k (£86k in 2023-24). There was a one off impairment relating to a capital contribution of £53k to a subsidiary, being Awen Wales Ltd.

Pension interest costs was a credit of £101k (£98k credit in 2023-24). This is an actuarial calculation and adjustment.

Expenditure analysis

	Year ended 31 July 2025		Year ended 31 July 2024	
	£'000	%	£'000	%
Staff costs	975	44.7	1,039	54.7
Staff Costs – FRS Pension Adjustments	(117)	(5.4)	(126)	(6.7)
Staff Costs – USS Provision Movement	-	-	(363)	(19.0)
Staff Costs - Restructuring	38	1.8	-	-
	896	41.1	550	29.0
Academic and related expenditure	191	8.8	129	6.8
Administration and central services	377	17.3	319	16.8
Premises and central services	187	8.6	270	14.2
Other services and expenses	490	22.4	642	33.8
	1,245	57.1	1,360	71.6
Depreciation	88	4.0	86	4.5
Impairment	53	2.4	-	-
Interest (credit)	(101)	(4.6)	(98)	(5.2)
	40	1.8	(12)	(0.6)
Total Consolidated Expenditure	2,181	100.0	1,898	100.0

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £6.7m as at 31 July 2025 (2024: £6.4m).

Fixed assets were £1.2m (2024: £1.3m) and decreased slightly in line with depreciation. There were no additions or disposals in year.

Investments were reduced to £Nil (2024: £751k) following a final divestment.

Stock was £229k (2024: £226k) a minor increase relating to UW Press books for resale.

OPERATING AND FINANCIAL REVIEW

Total debtors were £3.4m at 31 July 2025 (2024: £2.2m). This is an increase from 2024 and is attributable to trade receivables with a related party.

Cash and cash equivalent balances were £2.3m at 31 July 2025 (2024: £2.6m).

Total creditors were £2.8m at the year-end (2024: £2.6m). The increase is mainly attributable to trade payables with a related party.

Pension Obligations to the defined pension scheme per the actuarial valuation showed a surplus of £2.4m (2024: £2.0m).

Cash Flow

The consolidated net cash outflow from operating activities was £1.0m for the year (2024: £1.0m outflow) and the overall cash decrease was £273k (2024: £38k increase).

Liquidity

The University has prepared cashflow forecasts for the 12 months from the date of the financial statements and is of the opinion that it will have sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow in the year.

Pensions

The in-house final salary pension scheme is in a technical surplus position at 31 July 2025 being an amount of £2.4m (2024:£2.0m).

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing. Key areas for management focus include:

- maintaining and being pro-active in the recruitment and retention of students;
- managing a change in the nature of core business with reduced reliance on historical collaborative activity and increased development of new and innovative delivery programmes in partnership with the University of Wales Trinity St David;
- maintaining a sufficient level of cash reserves to support ongoing operations ;
- managing cash flows, including the timely collection of receipts from collaborative partners to ensure sufficient working capital;
- responding to the changing political context of Higher Education in Wales;
- securing commitments made in the Wales Pledge and
- robustly managing increases in pension costs.

As the University continues to teach out on its validated courses the income related to this activity continues to fall. The University remains proactive in taking action to build upon innovative areas of activity with key partners with an emphasis on recruitment to local skills based courses in 2025/26 in partnership with the University of Wales Trinity St David.

Sustainability

The University considers sustainability on of the key risks that it faces, and maintaining financial security is the first listed enabler to achieving delivery of its strategic plan.

The University considers income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability. A key metric reported on the University's position to governors is the ability to meet its future liabilities on existing cash reserves for a period of not less than 3 months

OPERATING AND FINANCIAL REVIEW

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. At both the balance sheet date and the date of signing the accounts the University has no plans to enter into any material additional financial obligations.

The University has carefully managed the declining income from traditional sources and has divested from loss making activities within the institution in order to ensure its sustainability through the transitional period of establishing the future strategy detailed in the University Strategy section of this report

The University expects to maintain cash generation in 2025/26. It is also felt that the University has sufficient cash reserves at 31 July 2025 and a sensible budget for 2025/26 and 2026/27 that allows it to look at the medium term with confidence.

Going Concern

As outlined in the introduction, in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales.

The integration process has been paused by the University as opportunities to deliver an education offering across further and higher education continue to be assessed. The development of a dual sector regulator in Wales (Medr) provides further opportunities in this area and the University is assessing the impact that the new regulator will have on future opportunities.

The University has worked in partnership with UWTSD during the year to assess potential revenue generating operations that the legacy and brand of the University of Wales facilitates. Further progress on this plan is expected during the year to July 2026 and the University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, the University of Wales Press continues to improve on its financial performance which is forecast to continue as it exploits the funding streams that have been available directly from Welsh Government over the previous 2 years, and that will continue to be available.

Both the University and UWTSD continue to work in a focussed manner to finalise a plan that builds upon the brand identity of the University and ensures its sustainability in future periods. Under the plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2024/25 and 2025/26 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2027 under the existing operating model.

These forecasts build on the cash balance at 31st July 2025 and even under plausible downside scenarios indicate that the University can operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial

statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University

Accordingly, the Council have deemed it appropriate to use the going concern basis of preparation within these financial statements.

OPERATING AND FINANCIAL REVIEW

Environmental sustainability policy

Sustainability is at the heart of how the University does business. The University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. It has a duty to satisfy itself that all of its operations and activities are conducted with proper regard to the environment.

The University's sustainability team collaborates with the Sustainable Development Group and the Sustainability Steering group in this area and continues to support the embedding of sustainability within the University's curriculum at all levels as well as engaging with the widest number of organisations to develop sustainable practice across all sectors in Wales and further afield.

Environmental Reporting

The University is committed to embedding sustainability as a core principle. This is evidenced in the Strategic Plan and Environmental Policy Statement which articulates its values of Sustainable Development and Global Citizenship. Sustainability is embedded within the Strategic Action Plan (2022 – 2025) and Estates and Infrastructure have key performance indicators that are sustainability linked; these include: energy consumption, cost of core utilities, Scope 2 emissions. Progress is monitored through annual strategic plan reporting and Key Performance Indicator Reporting provided to the Resources and Performance Committee and University Council

The University is specifically committed to implementing a University-wide Carbon Management Plan to achieve Net Zero Scope 1 & 2 by 2030, scope 3 by 2045.

In 2022, the University adopted a Net Zero Carbon, Interim Plan to explicitly show its commitment to, and outline a plan for, managing and reducing its carbon emissions, against which considerable progress has been made. This has included: signed Swansea Healthy Travel Charter, being part of Public Service Boards Net Zero action groups, and external communications on student led projects. Solar installations, retro fitting the estate with energy efficient options such as LED lighting, Low carbon Heat Pumps, etc.

Systematic revision of this plan will enable the University to continue the journey to Net Zero Carbon while undertaking a range of assessments that will inform the development of a three-year plan that will recognise the progress to date and further map out the route to Net Zero Carbon.

The main action areas identified for carbon reduction fall within the following:

- Implementing a Monitoring Programme to ensure accurate monitoring of energy use, and water use through the provision and use of an Energy Management System enabled by an appropriate software package and the improvement of energy sub-metering
- All new capital projects are built to Net Zero Carbon BREEAM 'Excellent' score and there is an associated reduction in supply chain and waste impacts
- To significantly improve the energy efficiency of the remaining estate, with full consideration given to replacement & renewable energy heat schemes and discontinuation use of gas. Campus development plans must prioritise decarbonisation opportunities such as scoping for Low/No Carbon Heat pilot projects and making demonstrable progress on understanding and implementing the remaining energy efficiency opportunities. which include utilisation of effective building management controls
- To reduce waste across the institution in order to minimise waste processing, pollution and landfill activity whilst meeting the new Waste legislation for Wales that came into force in 2024.

OPERATING AND FINANCIAL REVIEW

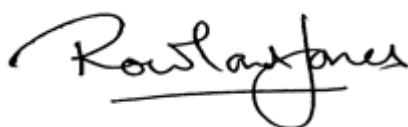
In addition, the University will:

- Develop people centred model of service delivery that reduces the need to travel for staff, students and visitors that promotes low emission travel, active travel and encourages a greater use of public transport, reducing car commutes and business travel
- Apply the principles of a circular economy to our procurement activities, incorporating a robust carbon reduction phase that assesses the carbon impact of goods and service across the lifespan.
- Utilise UK markets for carbon sequestration values to develop a land asset calculation
- Develop renewable energy sources to reduce our carbon footprint, mitigating business risk against overloading and power outage on the National Grid
- Student and staff engagement through a blended approach of both digital and face to face events which aims to promote behaviour change that creates a climate conscious Wales
- Maximise carbon sequestration through the biodiversity of its land holdings.

Central to this is the creation of a clear accountability route that ensures that sustainability becomes embedded into policy and establishes collective responsibility to make a positive impact upon our people, our communities and our planet.

The Sustainability Steering Group (SSG) is responsible for supporting the Sustainability agenda for the University Group, and for monitoring and measuring progress against performance indicators to confirm effective implementation and alignment with organisational objectives and strategy. It reviews (where appropriate) strategy and policy and approves or refer to Senior Directorate as is necessary, while working to ensure that the requirements of both UN Sustainable Development Goals and the Wellbeing of Future Generations Act (2015) requirements are met. This steering group is chaired by the Deputy Vice-Chancellor who is instrumental in driving the institutional change.

The Sustainability Development Group (SDG) is formed by managers across every academic and professional service in the University as well as Coleg Sir Gâr. This group has student representation, and membership is open to all students who wish to be part of it. They are tasked with creating a departmental sustainability action plan, capturing suggestions and actions to move the sustainability agenda forward to meet our commitments, including the Net-Zero Carbon by 2030 ambition. The group promotes and communicates sustainability across the whole institution. This has resulted in several initiatives relating to Net Zero being communicated to staff, such as our “One Campus, One Day” initiative aimed at reducing inter-campus travel as well as providing a consultation forum for policy development, check and challenge. The membership of these groups ensures senior level oversight and support for this agenda, as well as ensuring engagement and consultation with senior officers in terms of wider University Group impact.



Rowland Jones

Chair of Resources and
Performance Committee
University Registry,
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Director of Financial Services

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STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

In accordance with the University's Royal Charter, the Council is the governing body of the University and is responsible, through Statute, for approving the strategic plans for the University and for governing and regulating its finances, accounts, investments, property, business and affairs. Its Powers are set out in the University's Statutes and Ordinances. Since 1 August 2017, the administration of governance arrangements has been with UWTSD and there is a common practice across the two universities.

The Council comprises independent and staff and governors appointed under the Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University. Vacancies for independent members are advertised externally and appointments are made following completion of an interview and selection process. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. The Council is served by a Clerk who is responsible to the Chair.

The Council meets at least four times a year and also exercises its responsibilities through the executive management and several standing committees. A Scheme of Delegation sets out where decision-making authority in the name of, or on behalf of, the Council resides, and where this authority can and has been delegated. The standing committees are chaired by independent members of Council and all have a majority of independent members. Senior officers of the University attend meetings as necessary. A *Code of Practice for Council Members* provides information on the procedures to be followed should a conflict of interest or loyalty arise.

The standing committees of Council in 2024/25 were as follows:

- **Academic Committee**

The Academic Committee provides advice to Council on its determination of the educational character of the University.

The Committee met on two occasions in 2024/25. It considered a range of issues within the scope of its remit, including reports on the student experience, the learning environment, international activities quality assurance and the work of the University of Wales Press.

The membership was follows (with attendance (%) provided in brackets): Geraint Roberts (Chair) (100%); Emlyn Dole (50%); Natalie Beard (50%); Professor Elwen Evans (50%); Dr Deborah Hughes (100%); Uzo Iwobi (resigned January 2025; 0%); Deris Williams (50%).

- **Audit and Risk Committee**

The Audit and Risk Committee oversees audit across the UWTSD Group, with terms of reference that are based on the model terms of reference set out in the *Higher Education Audit Committees Code of Practice* published by the Committee of University Chairs (CUC).

The Committee met on four occasions in 2024/25. It considered a range of issues within the scope of its remit, including internal and external audit plans and findings; the financial statements prior to their submission to Council; the corporate risk register and assurance map; and the performance of the internal and external auditors.

The membership was follows (with attendance (%) provided in brackets): Nigel Roberts (Chair) (100%); Timothy Llewelyn (100%); Adrian Evans (co-opted; 75%); Jacqui Kedward (co-opted; 100%).

There is no cross-membership between the Audit and Risk Committee and the Resources and Performance Committee.

STATEMENT OF CORPORATE GOVERNANCE

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University. It did not meet in 2024/25. The annual report on subsidiary companies was presented direct to the Council for consideration.

- **Nominations and Governance Committee**

The Nominations and Governance Committee is responsible for monitoring Council's corporate governance capability and governance arrangements for the University and the wider UWTSD Group. It monitors the composition and membership needs of the Council and makes recommendations for appointments to committees and other bodies.

The Committee met on three occasions in 2024/25. It considered a range of issues within the scope of its remit, including arrangements for the Governance Effectiveness Review which took place in the spring and summer terms 2025; agreeing the data to inform the monitoring of Council's EDI plan; and monitoring of the third year of implementation of Council's development and retention plan.

The membership was as follows (with attendance (%) provided in brackets): Dr Liz Siberry (Chair; 100%); Maria Dinu (100%); Emlyn Dole (67%) Professor Elwen Evans (67%); Dr Stuart Robb (100%); Emlyn Schiavone (67%); Deris Williams (67%).

- **Remuneration Committee**

The Remuneration Committee determines on an annual basis the salaries, terms and conditions and, where appropriate, the severance conditions of the Vice-Chancellor and other specified senior staff. As part of this process the Committee considers a range of external contextual and comparative measures in determining pay awards as set out in the annual Pay Policy Statement.

The Committee met on two occasions in 2024/25. The membership was as follows (with attendance (%) provided in brackets): Justin Albert (Chair) (100%); Dr Tracy Cruickshank (100%); Maria Dinu (100%); Emlyn Dole (100%); Geraint Roberts (100%); Dr Liz Siberry (100%).

The University publishes its annual Pay Policy Statement on its website. The 2024 Statement can be viewed at the following link <https://www.uwtsd.ac.uk/media/uwtsd-website/content-assets/documents/strategies-policies/annual-pay-policy-statement-june-2023.pdf>

- **Resources and Performance Committee**

The Resources and Performance Committee maintains oversight of strategic planning and the financial affairs of the University.

The Committee met on four occasions in 2024/25. It considered a range of issues within the scope of its remit, including financial performance against forecasts and budgets and institutional sustainability; pensions; and human resources matters.

The membership was as follows (with attendance (%) provided in brackets): Rowland Jones (Chair) (100%); Justin Albert (100%); Natalie Beard (75%); Emlyn Dole (75%); Professor Kyle Erickson (100%); Professor Elwen Evans (100%); Taya Gibbons (60%); Rowland Jones (80%); Emlyn Schiavone (75%); Katrin Shaw (100%).

In addition, the Academic Board, which is the academic authority of the University and draws its membership mainly from the academic staff and students of the institution, also reports to Council. Its role is to direct and regulate the teaching and research work of the University.

CUC Higher Education Code of Governance

The University aspires to high standards of corporate governance. As a corporation founded by Royal Charter with charitable status, the University does not fall within the corporate governance reporting requirements of the London Stock Exchange, but it seeks to demonstrate that its governance is undertaken in an open and

STATEMENT OF CORPORATE GOVERNANCE

accountable manner and that it aspires to best practice within the higher education sector. All Council members are required to sign up annually to a *Code of Practice for Council Members* which sets out the standards of conduct and accountability which are expected of them in their role as governors of the University and charity trustees; the principles and values of the University and of public service more generally; and the University's approach to matters such as confidentiality and the declaration of interests.

The University's governance arrangements have been developed to reflect the principles and practices set out in CUC's *Higher Education Code of Governance*, the most recent iteration of which was published in September 2020. Through the Nominations and Governance Committee the Council has reviewed its practices in the context of the Code and has confirmed that all of the Primary Elements are in place and that the University's arrangements comply with all key principles. In 2025 the Council commissioned an external consultant to undertake a Governance Effectiveness Review of its practices, which included holistic consideration of adherence to the Code. The subsequent report, which focused primarily on UWTSD, found that the University was meeting the expectations of the Code, with several areas for further development identified. Council considered the report in July 2025 and an action plan is in preparation.

Through its Remuneration Committee, Council reviewed compliance with CUC's Higher Education Senior Staff Remuneration Code (June 2018) in 2018/19. A further review was undertaken in 2020 in the light of the recommendations of the Camm Review, and in 2022 following the publication of an updated Code. The University's practices adhere in full to the expectations of the Code. Through the Audit and Risk Committee, the Council has also confirmed that all elements of CUC's *Higher Education Audit Committees Code of Practice* (May 2020) have been adopted.

An internal audit of the University's approach to Corporate Governance was undertaken in December 2023 and provided substantial assurance on the control environment, with one recommendation identified in relation to skills assessment. The next audit of subsidiary governance is scheduled for November 2025.

Camm Review of Governance of the Universities in Wales

The Council has welcomed the *Review of Governance of the Universities in Wales* by Gillian Camm ('the Camm Review'), the report of which was published in February 2020. In July 2020 the Council formally adopted the Governance Charter for Universities in Wales published by the Chairs of Universities Wales (ChUW) and Universities Wales and agreed an action plan in response to the accompanying Commitment to Action. The Council's implementation of the plan is now complete and has informed governance practices in a range of areas. The work undertaken includes:

- formally reviewing quantitative and qualitative data relating to organisational culture and agreeing a mechanism for ensuring annual reflection by the Council;
- considering the sector-wide good practice guide on stakeholder engagement;
- confirming its expectations in respect of the size and shape of the governing body and the responsibilities and behaviours of governors;
- implementing a rolling recruitment and induction strategy with a focus on diversity;
- reviewing the standing committee structure;
- confirming its approach to governor independence and conflict management;
- reviewing its arrangements for remuneration governance;
- completing a review of risk management policy;
- reviewing the internal audit process;
- commissioning an annual report on whistleblowing;
- approving the statements on independence, the role of the Secretary and annual reporting developed through the Welsh Clerks and Secretaries Group;
- approving an approach to leadership succession planning;
- adopting the new template for the Annual Report and Financial Statements;
- approving and implementing a governor development and retention plan;
- participating in Advance HE workshops relating to equality and diversity and developing a Council EDI plan.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

As the governing body of the University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of the strategic plans, aims and objectives of the institution, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to Council in the Charter and Statutes.

The internal control system includes policies, regulations and plans; monitoring of financial and operational performance; segregation of duties; authorisation and approval procedures; information systems; and effective internal and external audit functions. It also includes an ongoing process designed to identify the principal risks to the achievement of the strategic plans and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. These systems have been in place for the year ended 31 July 2025 and up to the date of approval of the annual report and financial statements. The system accords with relevant guidance from the British Universities Finance Directors Group.

The system of internal control is designed to manage rather than eliminate the risk of failure in the achievement of business objectives; it therefore provides reasonable but not absolute assurance of effectiveness and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee has specific authority delegated by the Council to monitor and review internal control matters on its behalf and to report to Council on these matters. Independent Internal Auditors undertake regular reviews of the systems of internal control; the scope of their work is determined, in advance, by the Audit and Risk Committee which receives their reports and recommendations. The areas for review are determined by their significance to the University's operations and the risks associated with their failure; they include operational and compliance matters as well as financial risk. The Internal Auditors attend each meeting of the Committee and meet privately with independent members on each occasion. The deliberations of the Audit and Risk Committee are reported at each meeting of the Council.

The University has established a robust methodology for evaluating and managing risk on a continuing basis, linked explicitly to the achievement of institutional objectives. The corporate risk register, which rates the likelihood and impact of identified risks, is maintained and regularly reviewed by the Senior Leadership Team. Registers are also maintained for discrete major projects and activities. The corporate risk register is considered at each meeting of the Audit and Risk Committee and proposed changes are considered by the Council. The Risk Management Policy and the construction of the risk register were comprehensively reviewed in 2023/24, with the next review scheduled for 2025/26. An assurance map, following the 3-line model supported by the Chartered Institute of Internal Auditors, provides senior managers and governors with an overview of the mechanisms in place to oversee the risks identified on the corporate risk register and to facilitate the identification of areas where strengthening is required. An internal audit of the Group's approach to Risk Management was undertaken in summer 2022 and provided adequate assurance on the adequacy of internal controls and substantial assurance on the effectiveness of internal controls. The next audit is expected in 2025/26.

The Council's review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their year-end management letter and other reports. No significant internal control weaknesses or failures have arisen during the financial year or after the financial year but before these financial statements have been signed.

Risk Management / Risk Register

The Statement of Internal Control sets out the arrangements that are in place for risk management, including the continuing process of identifying, evaluating and managing risks.

Comprehensive procedures are in place and risk registers are updated on a regular basis and monitored by senior management. A report is presented to each meeting of the Audit and Risk Committee.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for preparing the Consolidated Financial Statements in accordance with the requirements of the Terms and Conditions of Funding 2024/25 issued by the Medr, the Accounts Direction to Higher Education Institutions for 2024/25 issued by Medr ("the Accounts Direction"), the Financial Management Code issued under the Higher Education (Wales) Act 2015 ("FMC") 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 2024/25 further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education and in accordance with the requirements of the Accounts Direction.

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, and of the Group's cash flows, for that period. In preparing each of the Group and parent University financial statements, the Council is 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 has 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 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 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 2024/25;
- 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales ("the University") for the year ended 31 July 2025 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Financial Position, the Consolidated and University Statement of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2025, 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 the 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; and
- 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.

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:

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

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

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries with unexpected account pairings with cash and revenue.

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

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

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 (including related charities legislation and higher education legislation, including the Accounts Direction issued by Medr), taxation legislation and pensions legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following areas as those most likely to have such an effect: compliance with higher education regulatory requirements of Medr, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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 the Operating & Financial Review and the Statement of Corporate Governance. 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 Operating & Financial Review, and the Statement of Corporate Governance (which together constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

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 University 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 22, 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 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 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 Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts Direction to Higher Education Institutions for 2024/25 issued by Medr ("the Accounts Direction").

The regulation of the Welsh Higher Education sector was transferred from HEFCW to Medr, the Commission for Tertiary Education and Research on 1 August 2024. The Financial Management Code and Terms and Conditions of Funding 2024/25 issued by HEFCW remain in place at the date of our report. In view of this transfer, any reference to HEFCW in our report should be read as also referring to Medr.

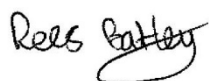
In our opinion, in all material respects:

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

- 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 by the University in accordance with paragraph 145 of the HEFCW's Financial Management Code;
- Funding Council grants (including grants from Medr) 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 2024/25 issued by HEFCW ; and
- the requirements of Medr'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 Charters and Statutes of the University and in accordance with the with the section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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

19 December 2025

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 July 2025		Year ended 31 July 2024	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Other income	1	2,256	2,254	2,592	2,528
Investment income	2	12	12	106	106
Total Income		2,268	2,266	2,698	2,634
Expenditure					
Staff costs	3	858	858	913	913
Staff Costs – restructuring	3	38	38	-	-
Staff Costs – USS provision movement	3	-	-	(363)	(363)
Other operating expenses	5	1,245	1,227	1,360	1,304
Depreciation and impairments	6&7a	141	141	86	86
Interest and other finance costs	4	(101)	(101)	(98)	(98)
Total expenditure		2,181	2,163	1,898	1,842
Surplus before other gains/(losses)		87	103	800	792
Gain on fixed assets investments	7	3	3	39	39
Gain on endowment investments	7	2	2	28	28
Surplus/(deficit) for the year		92	108	867	859
Actuarial gain/(loss) in respect of inhouse pension schemes	16	162	162	(228)	(228)
Total comprehensive income for the year		254	270	639	631
Represented by:					
Endowment comprehensive income for the year		7	7	72	72
Unrestricted comprehensive income for the year		247	263	567	559
		254	270	639	631

The notes on pages 31 to 47 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Account		Total £'000
	Endowment £'000	Unrestricted £'000	
Balance at 1 August 2023	2,782	3,019	5,801
Surplus from the income and expenditure statement	72	795	867
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income for the year	72	567	639
Other movement in year	-	(9)	(9)
Balance at 31 July 2024	2,854	3,577	6,431
Surplus from the income and expenditure statement	7	85	92
Other comprehensive income	-	162	162
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income for the year	7	247	254
Other in year movement	-	-	-
Balance at 31 July 2025	2,861	3,824	6,685

University	Income and Expenditure Account		Total £'000
	Endowment £'000	Unrestricted £'000	
Balance at 1 August 2023	2,782	3,001	5,783
Surplus from the income and expenditure statement	72	787	859
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income for the year	72	559	631
Other movement in year	-	(3)	(3)
Balance at 1 August 2024	2,854	3,557	6,411
Surplus from the income and expenditure statement	7	101	108
Other comprehensive income	-	162	162
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income for the year	7	263	270
Other in year movement	-	-	-
Balance at 31 July 2025	2,861	3,820	6,681

The notes on page 31 to 47 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION (Charity Number: 1146516)

		As at 31 July 2025		As at 31 July 2024	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible Fixed assets	6	1,180	1,180	1,268	1,268
Investments	7	0	0	751	751
Pension surplus	16	2,385	2,385	2,005	2,005
		3,565	3,565	4,024	4,024
Current assets					
Stock	8	229	229	226	226
Trade and other receivables	9	3,381	3,375	2,151	2,101
Cash and cash equivalents	12	2,312	2,308	2,586	2,585
		5,922	5,912	4,963	4,912
Less: Creditors: amounts falling due within one year	10	(2,802)	(2,797)	(2,556)	(2,525)
Net current assets		3,120	3,115	2,407	2,387
Provisions					
Pension provisions	16	-	-	-	-
Net assets		6,685	6,680	6,431	6,411
Restricted Reserves					
Income and expenditure reserve - endowment reserve	11	2,861	2,861	2,854	2,854
Unrestricted Reserves		3,824	3,819	3,577	3,557
Income and expenditure reserve - unrestricted					
Total Reserves		6,685	6,680	6,431	6,411

The financial statements were approved by the Governing Body on 18 December 2025 and were signed on its behalf on that date by



Emlyn Dole (Chair)



Prof Elwen Evans KC (Vice-Chancellor)

The notes on page 31 to 47 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cash flow from operating activities			
Surplus for the year		92	867
Adjustment for non-cash items			
Depreciation	6	88	86
Impairment	7a	53	-
Fair value increase in investments	7	(5)	(67)
Increase in stock	8	(3)	(92)
Increase in debtors	9	(1,230)	(1,393)
Increase in creditors	10	246	277
USS Pension costs less contributions payable	3	0	(363)
UWSS Pension costs less contributions payable	3	(117)	(126)
Interest receivable	4	(101)	(98)
Adjustments for investing and financing activities			
Investment income	2	(12)	(106)
Net cash outflow from operating activities		(989)	(1,015)
Cashflows from investing activities			
Disposal of non-current asset investments	7	443	563
Disposal of endowment asset investments	7	313	401
Investment income	2	7	62
Payments made to acquire tangible fixed assets	6	0	(17)
Capital contribution	7a	(53)	-
		710	1,009
Cashflows from financing activities			
Endowment income	2	5	44
		5	44
(Decrease)/Increase in cash and cash equivalents in the year	12	(274)	38
Cash and cash equivalents at beginning of the year		2,586	2,548
Cash and cash equivalents at end of the year		2,312	2,586

The notes on page 31 to 47 form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

a. **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 and in accordance with 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, except in relation to investment properties, current asset investments and derivative financial instruments carried at fair value.

b. **Basis of consolidation**

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2025.

c. **Going Concern**

The activities of the University and its subsidiaries, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial review. The financial position of the University and its subsidiaries, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The financial statements are prepared on a going concern basis which the senior management and Council believe to be appropriate for the following reasons.

As outlined in the introduction in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales.

The integration process has been paused by the University as opportunities to deliver an education offering across further and higher education continue to be assessed. The development of a dual sector regulator in Wales (Medr) provides further opportunities in this area and the University is assessing the impact that the new regulator will have on future opportunities.

The University has worked in partnership with UWTSD during the year to assess potential revenue generating operations that the legacy and brand of the University of Wales facilitates. Further progress on this plan is expected during the year to July 2026 and the University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, the University of Wales Press continues to improve on its financial performance which is forecast to continue as it exploits the funding streams that have been available directly from Welsh Government over the previous 2 years, and that will continue to be available.

Both the University and UWTSD continue to work in a focussed manner to finalise a plan that builds upon the brand identity of the University and ensures its sustainability in future periods. Under the plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2025/26 and 2026/27 to ensure the University balances its budget prior to the execution of the new University strategy

These forecasts build on the cash position at 31st July 2025 and even under plausible downside scenarios indicate that the University is able to operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University.

The University has recorded a surplus for the year with this performance level anticipated to continue in 2025/26. Officers and trustees are satisfied that the cash balances at 31 July 2025 and forecasts for the 12 months following the

STATEMENT OF ACCOUNTING POLICIES

date of approval of these financial statements provide sufficient cash and cash generating resources to meet its obligations as they fall due.

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

d. **Income recognition**

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

Investment income is credited to the Consolidated and University Statements of Comprehensive Income on a receivable basis.

Grant Funding

Government grants including funding council block grant; research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and the performance related conditions have been met.

Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

1. 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.
2. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital Grants

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

e. **Accounting for retirement benefits**

The two principal pension schemes for the University's staff, are the Universities Superannuation Scheme (USS) and the University of Wales Superannuation Scheme (UWSS). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

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

STATEMENT OF ACCOUNTING POLICIES

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company 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 Plan

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

f. **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 measured as the additional amount the University expects to pay as a result of the unused entitlement.

g. **Foreign Currency**

The functional currency is £ 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 are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

h. **Fixed Assets**

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Costs (including irrecoverable VAT costs) incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives up to a maximum of 50 years.

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

Equipment

Equipment, including computers and software, costing less than de-minimus of £5,000 per individual item or group of items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
Equipment acquired for specific research projects	3-5 years
Other Equipment	10 years

STATEMENT OF ACCOUNTING POLICIES

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

Borrowing costs

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

i. **Investments**

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

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

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

Investments are shown at market value. It is the University's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result, the Statement of Comprehensive Income does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated as changes in the valuation of the investment portfolio throughout the year.

j. **Stock**

Stock is held at the lower of cost and net realisable value. Cost represents the invoice price of the stock.

Stocks of books held by the University of Wales Press are valued at the lower of cost and net realisable value and are written down after two or five years from the date of publication as determined by UW Press management. The cost of journal is written off in the year of publication.

k. **Financial Instruments**

Trade and other debtors/creditors

Trade and other debtors and creditors are recognised initially at transaction price net of attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs less any impairment losses in the case of trade debtors.

Interest bearing borrowings

Interest-bearing borrowings other than public benefit entity concessionary loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Concessionary loans are recognised initially at the amount received or paid and subsequently measured at cost plus any accrued interest payable or receivable.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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

l. **Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

STATEMENT OF ACCOUNTING POLICIES

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.

m. Accounting for joint ventures and associates

The University accounts for its share of joint ventures and associates using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets within the Consolidated and University Statements of Comprehensive Income.

n. Taxation

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

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

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

o. Reserves

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

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

p. Accounting estimates and judgements – key sources of estimation uncertainty

Defined benefit pension scheme assumptions

The University has a defined benefit pension scheme. The valuation of the liabilities the scheme is calculated using a financial and demographic model to present a single scenario from a wide range of possibilities. The schemes' actual experience will inevitably differ from the assumptions underlying the financial and demographic model. The differences may be material because the valuation is very sensitive to the assumptions made over a long period of time. See note 16 for assumptions used in the valuation of pension assets and liabilities.

The University has adopted the IAS19 approach in relation to the recognition of the pension asset. It is the view that the surplus in full should be shown on the balance sheet..

NOTES TO THE ACCOUNTS

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Other income				
Collaborative Provision fees	1,118	1,118	1,493	1,493
Other services rendered	184	184	220	220
Sales of publications	476	476	487	487
Publication grants	298	298	213	213
Other income	180	178	179	115
	2,256	2,254	2,592	2,528

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2 Investment income				
Investment income on endowments-unrestricted	1	1	7	7
Investment income on endowments-restricted	4	4	37	37
Other investment income	7	7	62	62
	12	12	106	106

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Staff costs				
Salaries	772	772	823	823
Social security costs	87	87	82	82
Movement on USS pension	-	-	(363)	(363)
Other pension costs	(1)	(1)	8	8
	858	858	550	550

Emoluments of the Vice-Chancellor

The post of Vice Chancellor and Chief Executive is held by the Vice Chancellor of University of Wales: Trinity St. David who is employed by that institution and not by the University of Wales. In recognition of the services provided by the Vice-Chancellor and Chief Executive the University reimbursed University of Wales: Trinity St. David the sum of £60,000 in 2024-25 towards the basic salary and associated pension costs of the post. (2023-24 contribution: £56,800). This amount represented a proportion of the Vice-Chancellor's salary. These costs are recognised in other operating expenses and not within staff costs.

	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
Emoluments of the Vice-Chancellor		
Salary	262	283
Pension contributions to USS	38	46
	300	329

NOTES TO THE ACCOUNTS

On the 1st September 2023 Professor Elwen Evans KC replaced Professor Medwin Hughes CBE, DL as the Vice-Chancellor for both University of Wales Trinity Saint David and University of Wales and was in role for the remainder of the reporting period. Professor Medwin Hughes CBE, DL was in role for the period 1st August 2023 – 31st August 2023. The stated values for the year to 31 July 2024 therefore relate to 1 month for Professor Medwin Hughes CBE, DL and 11 months for Professor Elwen Evans KC.

There were no other higher paid staff in the year.

There was no compensation payable to other higher paid staff in year (2023: £Nil).

	Year ended 31 July 2025	Year ended 31 July 2024
	No.	No.
Average staff numbers by:		
Academic departments	-	-
Non-academic departments	22.3	17.4
	22.3	17.4

There are no key management personnel that require separate disclosure.

Trustees

The University's Council members are the trustees for charitable law purposes. The trustees who served in the year, and up to the signing date of these financial statements are listed on page 3.

Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. Other than the expenses paid in the year referenced below there were no transactions in the year with any members.

No Council member has received any remuneration/waived payments from the group during the year (2023 - £Nil).

The total expenses paid to or on behalf of 15 council members was £Nil (2023: £Nil to 15 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

Vice-Chancellor Remuneration Statement

The ratio of the annual salary of the Vice-Chancellor compared to the median average of the University is 7.7:1 with the ratio of the total remuneration of the Vice-Chancellor compared to the median average of the University is 6.9:1.

The Remuneration Committee noted the Vice-Chancellor's current salary in relation to the average in the HEFCW comparator group and also noted the Chair of Council's report on the Vice-Chancellor's contribution and key achievements (for clarity, the University does not operate a performance-related pay scheme).

The Remuneration Committee decided to mirror the sector pay award for Senior Officers within its scope including the Vice-Chancellor. Accordingly, a 2.5% uplift was awarded and implementation deferred until June 2025 which also mirrored the approach agreed locally for all staff.

The Vice-Chancellor is also Vice-Chancellor of the University of Wales. 20% of the Vice-Chancellor's emoluments are recharged to the University of Wales. The emoluments and ratios disclosed above represent 100% of the Vice-Chancellor's emoluments.

The Vice-Chancellor has a significant breadth of responsibility spanning Higher Education and Further Education. This includes the University of Wales Trinity Saint David, The University of Wales, Coleg Sir Gâr and Coleg Ceredigion. Within UWTSU, this

NOTES TO THE ACCOUNTS

includes responsibility for Birmingham and London. 100% of the Vice-Chancellor's emoluments are disclosed in these accounts and do not take into account any recharge to the University of Wales.

The University Council is responsible for establishing a Standing Committee of the Council, known as the Remuneration Committee, to determine fair and appropriate remuneration for the Vice-Chancellor, the Chief Operating Officer, the Pro Vice-Chancellors and the Clerk to the Council.

The Remuneration Committee is responsible for reviewing and determining on an annual basis the salaries, terms and conditions and, where appropriate the severance conditions of the above senior post-holders. The terms of reference are published on the University website ensuring these are available to staff, students and all stakeholders in an open and transparent manner: <https://www.uwtsd.ac.uk/about/governance-and-management> The Committee membership includes a staff member of Council and a student member of Council. The Vice-Chancellor is not a member.

The Remuneration Committee adheres to the Higher Education Senior Staff Remuneration Code, published by the CUC. Its deliberations take account of the context in which the institution operates. It considers the value delivered by an individual acting within a role based on relevant components for the UWTSd context. The Committee considers appropriate comparative information of other Universities to inform its decisions including the annual rate of increase of the average remuneration of all other staff. It also considers the Corporate Risk Register and a report on complaints made to the University by students, staff and external persons. The Committee makes every effort to ensure that all recommendations are fair and consider the institutional interest, key stakeholders and partners including the student community and wider society. The safeguarding of public funds also forms part of its deliberations.

The Chair of the Remuneration Committee is responsible for presenting the decisions of the Remuneration Committee to the University's Council.

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Interest and other finance costs				
Net charge on USS pension scheme	-	-	8	8
Net credit on UWSS pension scheme	(101)	(101)	(106)	(106)
	(101)	(101)	(98)	(98)

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Analysis of other operating expenses by activity				
Academic and related expenditure	191	191	129	129
Administration and central services	377	377	319	319
Premises related expenditure	187	187	270	270
Other services and expenses	490	472	642	586
	1,245	1,227	1,360	1,304

Other operating expenses include:

External auditor's remuneration in respect of audit services	58	47	48	42
External auditor's remuneration in respect of non-audit services	8	8	8	8

NOTES TO THE ACCOUNTS

	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Totals £'000
6 Tangible fixed assets			
Consolidated			
Cost or valuation			
At 1 August 2024	2,527	1,030	3,557
Additions in the year	-	-	-
Disposals	-	-	-
At 31 July 2025	2,527	1,030	3,557
At 1 August 2024	1,295	994	2,289
Charge for the year	79	9	88
Disposals	-	-	-
At 31 July 2025	1,374	1,003	2,377
Net book value			
At 31 July 2025	1,153	27	1,180
At 31 July 2024	1,232	36	1,268

	Leasehold land and buildings £'000	Equipment , fixtures and fittings £'000	Totals £'000
University			
Cost or valuation			
At 1 August 2024	2,527	1,030	3,557
Additions in the year	-	-	-
Disposals	-	-	-
At 31 July 2025	2,527	1,030	3,557
At 1 August 2024	1,295	994	2,289
Charge for the year	79	9	88
Disposals	-	-	-
At 31 July 2025	1,374	1,003	2,377
Net book value			
At 31 July 2025	1,153	27	1,180
At 31 July 2024	1,232	36	1,268

NOTES TO THE ACCOUNTS

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total 2025 £'000	Total 2024 £'000
7 Non-current investments Consolidated					
At 1 August 2024	440	311	-	751	1,648
Disposals	(443)	(313)	-	(756)	(964)
Additions	-	-	53	53	-
Impairment	-	-	(53)	(53)	-
Increase/(Decrease) in market value	3	2	-	5	67
At 31 July 2025	0	0	0	0	751

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total 2025 £'000	Total 2024 £'000
University					
At 1 August 2024	440	311	-	751	1,648
Disposals	(443)	(313)	-	(756)	(964)
Additions	-	-	53	53	-
Impairment	-	-	(53)	(53)	-
Increase/(Decrease) in market value	3	2	-	5	67
At 31 July 2025	0	0	0	0	751

7a Other Investments**Consolidated – Awen Wales Ltd**

The University owns 100% of the issued share capital of £1 ordinary shares of Awen Wales Limited, a company, registered in England and Wales and operating in the U.K. Through the company, as at 31 July 2020, the University had taken up 3.5% of a maximum 40% investment in the International University Malaya-Wales (IUMW), a joint venture initiative between the University of Malaya and the University of Wales. This investment amount is £224,000 but has been fully impaired in a prior year. During the year there was a capital contribution from the University to Awen Wales Ltd of £53k which was immediately impaired in year and an onward capital contribution from Awen Wales Ltd to IUMW which again was immediately impaired.

University – UW Centre for Advanced Batch Manufacture Ltd

At the 31 July 2019 the University had a 51% holding in the UW Centre for Advance Batch Manufacturing Ltd, the company undertakes research and consultancy to develop industrial specific solutions for SMEs. On the 1st July 2020 the University disposed 200,000 A shares to University of Wales Trinity St David for nil consideration and acquired 200,000 B shares from University of Wales Trinity St David for nil consideration. The increase in A shares, which have voting rights, give the University of Wales Trinity St David the controlling interest in the company and at which point its assets and liabilities were removed from the University of Wales's group balance sheet. At the date of disposal the University held an investment in this company to the value of £1.327m which has been fully impaired in a prior year.

During the year the University had a 49% holding in the company. Its share of the loss amounting to £90,347 (2024: £97,106) is unrecognised in the University's accounts.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Stock				
Books for resale	226	226	223	223
Other	3	3	3	3
	229	229	226	226

Stock is valued at the lower of its cost and net realisable value on an average basis

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
9 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	3,357	3,357	2,130	2,080
Prepayments and accrued income	24	18	21	21
	3,381	3,375	2,151	2,101

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Creditors				
Amounts falling due within one year:				
Trade creditors	1,505	1,500	1,269	1,238
Social security and other taxation payable	31	31	29	29
Receipts in advance	689	689	663	663
Accruals and deferred income	83	83	72	72
Welsh Church Act balances	494	494	523	523
	2,802	2,797	2,556	2,525

The Welsh Church Act balances represent those amounts held on the Beneficiaries Fund. These balances (net of any direct administration costs) are distributed in arrears to the beneficiaries under the Welsh Church Acts; namely the university institutions at Aberystwyth, Bangor, Cardiff and Swansea (3/16ths each), the University of Wales itself and the National Library of Wales (1/8th each). The balance due to the University itself is shown as deferred income. The funds are also held to cover the current and future administration costs (reflected in the in year movement) and are distributed to the benefactors at the discretion of the Trustees and are therefore disclosed as a short term creditor.

NOTES TO THE ACCOUNTS

	Restricted permanent endowment £'000	Unrestricted permanent endowment £'000	2025 Total £'000	2024 Total £'000
11 Endowment funds				
Consolidated and University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August	2,716	138	2,854	2,782
Disposals	-	-	-	-
Investment income	4	1	5	44
Increase/(decrease) in market value of investments	2	-	2	28
Total endowment comprehensive income for the year	6	1	7	72
Balance at 31 July	2,722	139	2,861	2,854

	At 31 July 2025 £'000	Cashflow £'000	At 1 August 2024 £'000
12 Cash and cash equivalents			
Consolidated			
Current assets	1,318	(596)	1,914
Investment Cash uninvested	994	322	672
Balance at 31 July	2,312	(274)	2,586
University			
Current assets	1,314	(599)	1,913
Investment Cash uninvested	994	322	672
Balance at 31 July	2,308	(277)	2,585

13 Related Party Transactions

The company has taken advantage of the disclosure exemptions of 100% owned related party transactions under FRS102. The transactions with related parties that are not 100% owned by the group are disclosed below:

University of Wales Trinity St David is deemed a related party in that it has key management personnel in common with the University - Balances: £3,180k receivable (2024: £1,763k), £601k payable (2024: £281k) Total income £1,682k (2024: £1,641k) Total expenditure £138k (2024: £58k).

University of Wales Trinity St David's utilises the DTC and CAWCS buildings, which are owned by the University of Wales. No consideration is received by the University for the use of these buildings.

NOTES TO THE ACCOUNTS

UW Centre for Advanced Batch Manufacture Limited is a related party in that it is a subsidiary company that the University has a minority interest. Balances: £228k payable (2024: £230k).

The University maintains a register of Council member interests, the scope of which includes interests of connected persons to the members. There have been no transactions in the year with any individual or company on the Register of Interests.

Payments to Council members in relation to their duties are disclosed in note 3.

14 Contingent Liabilities

There have been no material events in the period between 31st July 2025 and the signing of the accounts on the 18 December 2025.

The University is a member of UMAL, a company limited by guarantee, formed to provide a mutual association for insurance risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their prorated share, spread using an internal loan facility over seven years.

15 Non adjusting Post Balance Sheet Events

There have been no other material events in the period between 31st July 2025 and the signing of the accounts on the 18 December 2025.

16 Pension schemes

University of Wales Superannuation Scheme (UWSS)

The University operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 July 2022 and updated to 31 July 2025 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The full actuarial valuation carried out at 31 July 2022 showed the Scheme to be fully funded on the technical basis. As a result it has been agreed that no further contributions are required to meet the recovery plan. The Employer has agreed to pay additional voluntary contributions at a rate of £100k per annum. These contributions will continue until the earlier of: a revised schedule of contributions being agreed by the Trustees and Employer and certified by the Scheme Actuary; or the Scheme Actuary advising the trustees that the Scheme has achieved at least 100% funding on the solvency basis. In addition, and in accordance with the actuarial valuation, the Employer has agreed with the Trustees that it will pay 17.8% from 1 August 2023 of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the scheme and levies to the Pension Protection Fund. Member contributions are payable in addition at a rate of 8.0% of pensionable pay.

Amounts recognised in the statement of financial position are:

	31 Jul 2025 £'000	31 Jul 2024 £'000
Defined benefit obligation	(6,627)	(7,645)
Fair value of plan assets	9,012	9,650
Funded status	2,385	2,005
Impact of Asset Ceiling	-	-
Net defined benefit asset/(liability)	2,385	2,005

NOTES TO THE ACCOUNTS

The University has adopted the IAS19 approach in relation to the recognition of the pension asset.

Defined benefit costs recognised in comprehensive income statement are:

	31 Jul 2025 £'000	31 Jul 2024 £'000
Service cost:		
Change arising from employee service in reporting year (net of employer contributions)	(117)	(126)
Administration expenses paid from plan assets	-	-
	(117)	(126)
Net interest cost	(101)	(106)
Cost relating to defined benefit plans included SCI	(218)	(232)

Gains/(Losses) recognised in other comprehensive income are:

	31 Jul 2025 £'000	31 Jul 2024 £'000
Remeasurements-		
Return on plan assets	(944)	60
Effect of experience adjustments	(66)	15
Effect of changes in assumptions	1,172	(303)
Changes in unrecognised assets	-	-
Total amount recognised in other comprehensive income – (loss)/ gain	162	(228)

Significant actuarial assumptions were:

	31 July 2025	31 July 2024
Discount rate	5.85%	4.90%
Price Inflation rate – RPI	3.00%	3.15%
Price inflation rate – CPI	2.50%	2.55%
Salary increase rate	4.00%	4.05%

Post-retirement mortality assumption

90% (males) and 103% (females) of the standard tables S4Px_A_H, Year of Birth, no age rating projected using CMI_2024 converging to 1.25% pa	91% (males) and 98% (females) of the standard tables S3Px_A_H, Year of Birth, no age rating projected using CMI_2023 converging to 1.25% pa
--	---

Assumed life expectancy on retirement at age 64

Retiring today	21.2(M)/23.8(F)	20.8(M)/23.8(F)
Retiring in 20 years	22.6(M)/25.3(F)	22.2(M)/25.3(F)

Sensitivity analysis:

	31 July 2025 £'000	31 July 2024 £'000
Present value of defined benefit obligation	7,126	8,294
Discount rate -50 basis points	6,186	7,077
Discount rate +50 basis points	6,367	7,382
Price inflation rate -25 basis points	6,740	7,861
Price inflation rate +25 basis points	6,812	7,882
Post retirement mortality – 1 year age rating		

NOTES TO THE ACCOUNTS

Change in defined benefit obligation and fair value of plan assets:

	Assets £'000	Liabilities £'000	Total £'000
Reconciliation of scheme assets and liabilities:			
At start of period	9,650	(7,645)	2,005
Benefits paid	(365)	365	-
Administrative expenses	-	-	-
Current service cost	-	(54)	(54)
Contributions from employer	171	-	171
Contributions from employees	31	(31)	-
Interest income/(expense)	469	(368)	101
Return on assets (excluding amount included in net interest expense)	(944)	-	(944)
Actuarial gain/(losses)			
Effect of changes in assumptions	-	1,172	1,172
Effect of experience adjustments	-	(66)	(66)
At end of period	9,012	(6,627)	2,385

	31 July 2025 £'000	31 July 2024 £'000
The defined benefit obligations are as follows:		
Actives	840	987
Vested deferrers	2,582	3,067
Retirees	3,205	3,591
Total	6,627	7,645

	31 July 2025 £'000	31 July 2024 £'000
The scheme assets are as follows:		
Cash and cash equivalents	153	48
Equity instruments	238	1,566
Debt instruments	8,398	6,558
Other	223	1,478
Total	9,012	9,650

None of the fair value of the assets shown above include any direct investments in the university's own financial instruments property occupied by, or other assets used by, the university.

GMP equalisation – Current Members: An allowance for GMP equalisation was included in the 31 July 2024 year end disclosures. The Trustees and University have yet to implement GMP equalisation and there is no new evidence. Therefore, the previous GMP equalisation allowance has been retained but adjusted for the passage of time and to reflect the estimated impact of changes in market conditions. GMP equalisation – Pre 2018 Transfer Values: Following the outcome of a High Court case on 20 November 2020, transfers out of the Plan between May 1990 and October 2018 will need to be revisited and equalised for GMP (if applicable). No allowance is made for GMP equalisation in historic transfers out because it is assumed not to be material.

Virgin Media Court Case: In June 2023, a High Court judgment in the case of Virgin Media vs NTL Pension Trustees II Limited provided a ruling that has the potential to lead to additional pension obligations in certain circumstances. The issue relates to the requirement arising from Section 37 of the Pension Scheme Act 1993 for written actuarial confirmation from the Scheme Actuary that the scheme would continue to meet the 'reference scheme test' in certain circumstances where the scheme rules were changed for an occupational DB scheme contracted out on a reference scheme test basis between 6 April 1997 and 5 April 2016 (inclusive). The High Court ruling determined that both retrospective and prospective changes made without a section 37 actuarial confirmation are void. An appeal hearing took place in late June 2024; although narrow in scope, the appeal upheld the original High Court judgement. In June 2025, the Government issued a press release announcing its intention to introduce

NOTES TO THE ACCOUNTS

legislation in response to the 'section 37' matters arising from the Virgin Media legal decision. The University is actively monitoring the progress of the legislation and will reconsider the position once it's finalised.

A Benefit Specification Review was undertaken during the year for the Scheme, which revealed that a small number of pensioners in payment had errors in their benefit calculations. An exercise will be undertaken to rectify these errors in 2025/26. The amounts involved are however not expected to be material.

Universities Superannuation Scheme (USS)

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

The total credit charged to the Consolidated Statement of Comprehensive Income is £Nil (2024: Income £355k). Deficit recovery contributions due within one year for the University are £Nil (2024: £Nil).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2023 ("the valuation date"), which was carried out using the projected unit method.

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

The 2023 valuation was the seventh 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 (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

Surpluses or deficits which arise at future valuations may impact on the University's future contribution commitments. A deficit may require additional funding in the form of higher contribution requirements, whereas a surplus could, perhaps, be used to similarly reduce contribution requirements

The key financial assumptions used in the 2023 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-funding-principles).

Price inflation – Consumer Prices Index (CPI)	3.0% p.a. (based on a long-term average expected level of CPI, broadly consistent with long-term market expectations)
RPI/CPI gap	1.0% p.a. to 2030, reducing to 0.1% p.a. from 2030
Discount rate	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.
Pension increases (all subject to a floor of 0%)	Benefits with no cap: CPI assumption plus 3bps Benefits subject to a 'soft cap' of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps

NOTES TO THE ACCOUNTS

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 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA 'light' for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.40% p.a., 10% w2020 and w2021 parameters, and a long-term improvement rate of 1.80% p.a. for males and 1.60% p.a. for females

The current life expectancies on retirement at age 65 and 45 are:

	2025	2024
Males currently aged 65 (years)	23.8	23.7
Females currently aged 65 (years)	25.5	25.4
Males currently aged 45 (years)	25.7	25.6
Females currently aged 45 (years)	27.2	27.2

Accounts

University of Wales

Charity number: **1146516**

**Consolidated Financial Statements
For the year ended 31 July 2024**



**Prifysgol Cymru
University of Wales**

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ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Members**

Members of the University's governing body, the Council, are the Trustees of the University. Those who served during the year (up to the Council meeting at which the financial statements were signed) are listed below. Attendance (%) at Council meetings in 2023/24 is provided in brackets..

The Council has formally adopted the definition of independence developed by the sector in response to the Review of Governance of the Universities in Wales. Independent members are neither registered students nor staff of the University and their appointment and responsibilities are consistent with the definition. A published Register of Members' Interests is reviewed and updated annually, and members are expected to explicitly identify at the start and end of each meeting any matters on which their interests may have a bearing. Further information is available in the Statement of Corporate Governance.

Member Ex Officio

The Vice-Chancellor (100%)

Independent Members

The Venerable A. J. Randolph Thomas (Resigned 31.12.2023) (100%)

Emlyn Dole (Chair) (100%)

Justin Albert OBE (75%)

Timothy J Llewellyn (100%)

Arwel Ellis Owen OBE (Resigned 31.07.2024) (75%)

Dr Elizabeth Siberry OBE (75%)

Maria Stedman (Resigned 31.12.2023) (100%)

Nigel Roberts (100%)

Deris Davies Williams MBE (75%)

Co-opted Members

Geraint Evans (75%)

Iwan Thomas (100%)

Staff Member

Dr Stuart Robb (100%)

Clerk and Secretary: Sarah Clark (Appointed 01.04.2024) (100%) / Rebecca Doswell (Resigned 31.03.2024) (100%)

ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Legal Status**

Established by Royal Charter in 1893 (RC000676) the University is a registered charity (number 1146516). The principal office is the University Registry, King Edward VII Avenue, Cathays Park, Cardiff CF10 3NS. The names of the members of the University Council (who also act as charity trustees) are stated and disclosed in the previous page.

Professional Advisors**Independent Auditor**

External

KPMG, 3, Assembly Square, Britannia Quay, Cardiff CF10 4AX

Internal

Mazars, One Caspian Point, Pierhead Street, Cardiff CF10 4DQ

Banker

HSBC Bank plc, 56 Queen Street, Cardiff. CF10 2PX

Insurance AdviserUniversity Mutual Association Ltd,
4th Floor, 5 St. Helen's Place, London. EC3A 6AB**Pensions Adviser**

Mercer Ltd, 1 Whitehall Quay, Whitehall Road, Leeds. LS14HR

Investment Adviser

Jaggers & Associates, Exchange Quay, Salford. M5 3EQ

SolicitorBlake Morgan, Bradley Court, Park Place, Cardiff. CF10 3DP
Eversheds LLP, 1 Callaghan Square, Cardiff CF10 5BT

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

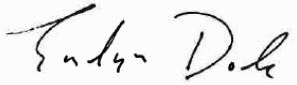
Introduction by the Chair of Council

I'm pleased to introduce the Annual Report and Financial Operating Statement for the academic year 2023-24 which is my first year as Chair to the Council. I took up the role of Chair of Council on 1 September 2023 and have immensely valued the experience and guidance of my fellow members and the out-going Chair in my first year. I would like to thank both past and present members of Council and its various committees for their commitment and contribution to the University. They have continued to provide committed support for the University's aims and ambitions and have ensured that appropriate governance and scrutiny arrangements are in place.

It is over ten years since the University of Wales issued its formal Wales Pledge as it reaffirmed its commitment, as part of the formal integration of the University of Wales with the University of Wales Trinity Saint David (UWTSD), to safeguard some of the cultural and heritage assets associated with the University. Over the last decade the University has systematically engaged in a series of structural initiatives which have safeguarded the legacy of the University of Wales.

An imperative for the University Council has been to deal with legacy issues as it secured integration with UWTSD. In doing so, it has, through good governance, due process and structured execution managed to successfully deliver upon the key pledges made over a decade ago. The nature of such implementation has called upon the University to invest and disinvest in an appropriate manner, while also being mindful to safeguard the cultural assets associated with the University of Wales. It has included the continual investment in the intellectual capital capacity of the University of Wales Press (UWP). UWP has continued to support and disseminate scholarship from and about Wales to a worldwide audience by publishing scholarly research in the Humanities, Arts and Social Sciences.

I am grateful to the staff and members of the University council for their continued and valued support.



Emlyn Dole
Chair of Council

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

Introduction by the Vice Chancellor

On the first of September 2023, I was privileged to take over as Vice-Chancellor and Chief Accounting Officer of the University. I am extremely proud to be given the opportunity to lead such a magnificent and historic institution and I pay tribute to those who have played an important part in my journey.

This review looks back at the University's work during 2023 and 2024 and therefore I must credit others for their commitment and diligence in moving the University forward during an unprecedented and challenging period for the sector, and to our whole society.

My first year as Vice-Chancellor has been focused on meeting colleagues across the institution as we look to crafting a new institutional strategic plan. These meetings have afforded me the opportunity to listen to colleagues' views and to gain an invaluable insight into the work of the University of Wales.

Since 2012, the University strategy has been to prepare for academic and administrative integration and merger with the University of Wales Trinity Saint David (UWTSD). In July 2017 the University Council was satisfied to move to the next phase of the formal merger and the academic and administrative functions of the University of Wales and UWTSD were integrated through a formal Deed in August 2017. The next phase was to be a constitutional merger, no formal timetable had been set for the conclusion of this merger and the integration plans have been paused.

During the year the officers and trustees of the University continued to explore a confederal framework that would allow the University to consider the implications of the new Tertiary Education Act (2022) and the establishment of the Commission for Tertiary Education and Research. Development of the framework has continued through the year between the University, the UWTSD Group, which includes Coleg Sir Gâr and Coleg Ceredigion as constituent colleges, as well as three other FE partners.

The University of Wales continued to manage the exit from its collaborative provision and maintained the academic governance through which it has continued to ensure that its structures remain appropriate for oversight of the quality and standards of the University's academic awards.

I would also like to express my enormous gratitude to the University's Governing Body, colleagues, and students for their continued and valued support.



Professor Elwen Evans, KC
Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Preparation of the consolidated financial statements

The consolidated financial statements for the year to 31 July 2024 have been prepared in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Education 2019, the Accounts Direction for 2023/24 issued by the Higher Education Funding Council for Wales (replaced by Medr, the Commission for Tertiary Education and Research from August 2024), and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The consolidated financial statements for the year to 31 July 2024 have been prepared on a going concern basis as detailed on page 31.

Basis of Consolidation

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2024.

Public benefit statement

The University is a registered charity and its charity number is 1146516.

Delivery of the above-described strategic objectives has also met the charitable objects of the University, which are for the advancement of education, learning and research and to serve Wales and its people.

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

The operational review below sets out the University's activities in support of its strategic and charitable objectives.

Ethical Investment and banking policies

University Council (as trustees of the University's endowment funds) is expected to act in the best interests of the beneficiaries of the funds for which it is responsible. The beneficiaries include the University itself, staff and students. Council's policy is to aim for the best possible financial return from investments, consistent with an appropriate risk profile, and it may exclude investments from the investment portfolios if the aims of the bodies concerned are incompatible with its objectives.

Equal opportunities

On 1 August 2017, the University adopted the equal opportunities systems and practices of UWTSD, whose commitment to equality and diversity is set out in its *Strategic Equality Plan 2024/28*. The University aims to create a culture of openness and respect in which barriers for those with protected characteristics are identified and removed. It wants its people to feel safe and valued, and to achieve their full potential for the benefit of the individual, the organisation and wider communities. It wishes to promote equality of opportunity, fair working practices, and good interpersonal relations throughout its staff and student bodies.

Health and Safety

There were no reportable safety incidents in 2023/24 or significant near miss events. On 1 August 2017, the University adopted the health and safety systems and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period.

OPERATING AND FINANCIAL REVIEW

Welsh Language

The University's Welsh Language Scheme treats the Welsh and English languages equally – with both enjoying the same status and validity in all areas of service and student, staff and public engagement. On 1 August 2017, the University adopted the Welsh language policy and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period. New members of staff receive Welsh language awareness training as part of induction and the training requirements of all staff are reviewed as part of the annual staff appraisal process.

Principal risks and uncertainties

The principal risks and uncertainties faced by the University are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of income receipts upon cash balances held within the University at any one point in time;
- Home student recruitment and retention given uncertain economic environment and demographic trends;
- Managing the existing relationships with its collaborative provision partners; and
- Developing a sustainable financial strategy for discreet units that form part of the Wales Pledge.

Both officers and trustees are content that the financial management of the University continues in a prudent manner that maintains or grows the net assets and cash balances of the University during a period where the new business plan is being developed. As the plan develops officers and trustees will consider emerging risks and opportunities and develop mitigation plans where applicable

Future prospects

The current environment within the sector is challenging but the University has managed its resources over the past few years in a way that places it in a good position to develop its new business plan which will establish new income streams in future years and enable the University to grow. During the initial development and implementation of the business plan the focus is on maintaining the current net asset position with modest cash generation to maintain a position of going concern.

Declaration of information to auditor

Insofar as each of the members who held office at the date of approval of this report is concerned:

- a) there is no relevant audit information of which the University's auditor is unaware; and
- b) each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

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Collaborative Provision

The University's managed exit from collaborative provision is based on three principles. These affirm that during the exit process the University will: (i) take whatever additional steps are necessary to assure the quality of provision and ensure the academic standards of its awards; (ii) fulfil its responsibility to enable students to complete their studies leading to an award in a way that is consistent with the relevant University regulations; and (iii) honour the contracts which are in place for each collaborative centre which remains in good standing.

During the reporting period, the University has seen a reduction of 80% of its student population under the validated services model and has exited from a further four collaborative centres. At the end of 2023/24, the number of students studying at collaborative centres had fallen to around 40 (down from over 28,000 when the withdrawal from collaborative provision was announced).

During the 2023/24 academic year, the University has maintained the academic governance structure implemented in 2019/20, through which it has continued to ensure that its deliberative structures remain appropriate for oversight of the quality and standards of the University's academic awards. During the period, the University has received and considered 38 reports from external examiners, moderators, and University Officers considering the quality assurance and academic standards of the University's awards. The University continues to embed its systematic approach to addressing any actions arising from the reports. The University continues to deliver this through the Collaborative Partnerships Office which is responsible for supporting both UW collaborative centres and UWTSD partnerships.

University of Wales Press (UWP)

This financial year has been challenging as we have seen the cross-industry impact of the cost of living crisis. In the Higher Education sector, student recruitment, reduced government funding and rising costs have created many challenges and UWP, like University Presses across the UK, has seen a reduction in academic book sales in 2023-24 as some departments and library budgets have experienced cuts.

Despite this, UWP has had a relatively strong year, with a number of successes to report. During the financial year, UWP proudly published 32 new academic print and e-books and 13 new journal issues across our Wales Studies and Humanities and Social Sciences portfolios; the former including two new Welsh language books. We also completed 32 reprints and new editions.

In Wales Studies, the recent increase in the level of HEFCW (now Medr) funding and its return to UWP's control continues to reap dividends through a renewed vibrancy in the list, resulting in an increase in the number of Wales Studies proposals received, commissioned, and published.

November 2023 marked the publication of a landmark book in the study of Welsh history, namely Professor Robin Okey's *Towards Modern Nationhood: Wales and Slovenia c. 1750-1918*. Professor Okey sadly passed away soon after the publication of his book which will stand as a lasting testament to his immense contribution over a fifty-year period to Welsh history. The book has been highly praised and won the Francis Jones Prize, awarded by Jesus College Oxford University, for the best book published on Welsh history in 2023.

This financial year also saw the publication of several other important and ground-breaking books in the fields of Welsh history and literature, including *Gender in Modern Welsh History* edited by Paul O'Leary, Beth Jenkins and Stephanie Ward in UWP's long-standing *Gender Studies in Wales* series. This edited volume takes the study of gender in Wales into exciting new areas. The Press also published a substantial volume on Swansea's Royal Institution and Wales's First Museum in collaboration with the Royal Institute of South Wales (RISW) and edited by Helen Hallesy and Gerald Gabb; and two important studies of medieval and early modern Welsh history and literature by the early career researchers - *Gentility in Early Modern Wales* by Dr Sadie Jarrett and *Grammar and Poetry in Late Medieval and Early Modern Wales* by Dr Michaela Jacques. In modern history, another monograph by an outstanding early career researcher, Dr Sam Blaxland, filled a gap in Welsh historiography through detailing the history of The Conservative Party in Wales 1945-1997.

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In the Welsh language, early 2024 saw the publication of Ruth Richards's innovative and original study of the Welsh Victorian photographer John Thomas's work, *Golwg Ehangach* and David Callander's study *Trawffurfio'r Seintiau*, based on his rare find of an early Welsh manuscript in Yale University Library.

Across our Humanities and Social Sciences portfolio, we published more cutting edge titles across our leading series. 2023-24 included the following note-worthy books;

Matthew Gregory Lewis: *The Gothic and Romantic Literary Culture* (Gothic Literary Studies) by leading Gothic scholar, Professor Dale Townsend of Manchester Metropolitan University. The monograph offers unique, fresh considerations of MGL, based on extensive archival research across Britain, North America, and the Caribbean.

Postcolonial Spain: Coloniality, Violence and Independence (Iberian and Latin American Studies) edited by Professor Helena Miguélez-Carballeira of Bangor University. This important book considers anticolonial and self-determination movements in modern Spain, against a historical post-imperial backdrop. Originally from Galicia, Professor Miguélez-Carballeira was honoured at 2024's Eisteddfod as "a shining example of how international scholars who have a feeling for our culture, and knowledge of our language, can enrich our national life."

Queer for Fear: Horror Film and the Queer Spectator (Horror) by Dr. Heather Petrocelli, a USA-based independent scholar. This landmark interdisciplinary empirical study of the LGBTQ+ community offers the first understanding of the queer audience's tastes, but also evidences why this audience has such a distinctive relationship to the horror genre.

UWP's Journals enjoyed a high number of new issues this financial year. The *Wales Journal of Education*, a fully bi-lingual Open Access journal funded by the Welsh Government, achieved our goals in respect of the number of issues published, and additional content in podcasts and on the journal's dedicated website.

UWP were also thrilled to announce two pioneering new series in 2023-24 - *Race, Ethnicity, Wales and the World*, with Series Editors Charlotte Williams and Neil Evans, and *Literary Geography: Theory and Practice* with Series Editors Sheila Hones and James Thurgill. Both series will launch in early 2024-25 with two new titles each.

In terms of awards this year, in *Wales Studies*, *Cranogwen* by Professor Jane Aaron won *Wales Book of the Year* 2024 in the Welsh language creative non-fiction category; *Towards Modern Nationhood* by Professor Robin Okey won the *Jesus College Francis Jones Prize* for 2023; and *Mae'r Beibl o'n Tu* by Dr Gareth Evans-Jones won the *Ellis-Griffith Memorial Prize* in December 2023.

In Humanities and Social Sciences, six books from the Gothic Literary Studies series were nominated for the International Gothic Association prize; five for the best monograph: *Financial Gothic* by A. Bride, University of Manchester; *Cornish Gothic* by J. Passey, University of Bristol, *Romantic Medicine and the Gothic Imagination* by L. Kremmel, South Dakota School of Mines and Technology, *Queer for Fear* by H. Petrocelli, an independent scholar; *The Blaxploitation Horror Film* by J. Mustafa, Lewis University, Chicago; and one for best edited collection: *Middle Eastern Gothics* edited by K. Grumberg, University of Texas. UWP books were in good company alongside works from Cambridge University Press, Edinburgh University Press, and a number of American University Presses.

Spain is Different? (IBLA) by Dale Knickerbocker (2021) won the inaugural *Alambique Award* for its "rich theoretical framework, the depth of the arguments, and the pertinence within and beyond Spanish studies led the committee to award this fantastic study with the inaugural *Premio Alambique*."

Furthermore this year, Karen Grumberg received an honourable mention from the *Modern Language Association Prize* for an Edited Collection for her title *Middle Eastern Gothics: Literature, Spectral Modernities and the Restless Past*.

Calon, UWP's non-fiction imprint, has succeeded beyond expectations in this financial year. Calon published 11 new hardback books in 2023-24 across a broad range of subjects, including; music with *International Velvet* by

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Neil Collins; literature with *Abandon All Hope* by Gary Raymond; myths and folklore with *Enchanted Wales* by Miranda Aldhouse-Green and *The Folklore of Wales: Ghosts* by Delyth Badder and Mark Norman; society and politics with *Why Can't I See My GP?* by Ellen Welch; and the first of Emily Garside's LGBTQ+ titles, *Gay Aliens* and *Queer Folk*, exploring the career of TV writer Russell T Davies. Calon also published fascinating and refreshing new titles touching on nature, travel, science and memoir from Carwyn Graves, Kathryn Tann, Marc P. Jones and Alan Marshall. Rounding out the list is M Wynn Thomas' *Poems from the Soul: Twelve of the Great Hymns of Wales*. We have been thrilled to see Calon titles reaching broad new audiences across Wales, the UK and beyond. Our authors have featured in newspapers such as the Guardian, the New York Times, the Western Mail, The Scotsman, Golwg, BBC Cymru FYW and Nation. Cymru, and also been guests on various broadcast channels including Sky News, BBC Radio Wales, S4C, Radio Cymru, and Radio 4. They have travelled around the UK promoting their books at some of the best independent bookshops and at Waterstones and Blackwell's stores and also made appearances at the Hay Festival, Montgomery Literature Festival, Abergavenny Food Festival, Oxford and Bradford literary festivals, and the 2024 National Eisteddfod in Pontypridd. Booksellers in Europe and further afield in places such as China, the Middle East and Asia are also becoming very interested in Calon publications and we aim to grow our global market share and see our books in evermore different territories. We are exceptionally proud of our authors and their abilities to take the stories of Wales out to the world.

Dylan Thomas Centre

Located near UWTSD's SA1 Development, the Centre is home to a permanent exhibition to Dylan Thomas, which makes it a key part of Swansea's literary and cultural quarter. University investment in the building over the past few years has also transformed it into a multi-purpose and multi occupancy venue open to host a range of events and functions.

During 2023/24 the Centre continued to be an integral part of the new UWTSD SA1 Campus which opened in September 2018. It also now hosts students and academic staff as part of the wider campus and its operating costs are funded by UWTSD.

Gwasg Gregynog

The company undertakes fine press printing and is currently located within the Gregynog Estate, Newton, Powys. Business plans are currently being developed for discussion and approval for implementation in 2024/25.

OPERATING AND FINANCIAL REVIEW**Financial Review for the year**

The consolidated results recorded a total comprehensive income for the year of £639k (2023: an expense of £447k). This was mainly attributable to FRS In house pension credit adjustments against expenditure and gains on investments, offset slightly by actuarial losses in respect of pensions schemes.

A summary of the financial performance is shown in the table below

	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000	Movement £'000
Income	2,698	2,723	(25)
Expenditure	(1,898)	(2,480)	582
	800	243	557
Endowment Transfer	-	(2,599)	2,599
Surplus/(Deficit) before other gains/(losses)	800	(2,356)	3,157
Gain/(Loss) in respect of investments	67	(56)	123
Surplus/(Deficit) for the year	867	(2,412)	3,280
Actuarial (loss)/gain in respect of inhouse pension schemes	(228)	1,965	(2,193)
Total comprehensive income/(expense) for the year	639	(447)	1,087

Income

Total consolidated income for the University in 2023-24 was £2.7m (£2.7m in 2022-23).

Collaborative provision income was £1.5m (£1.5m in 2022-23) and was the largest source of funding for the university accounting for 55% of total income.

Other income was £1.099m (£1.085m in 2022-23). The slight increase was attributable to increased sale of publications offset by a decrease in publication grants for the UW Press.

Investment income for the year was £106k (£140k in 2022-23), a decrease due to the release of investments held..

Income analysis

	Year ended 31 July 2024 £'000	%	Year ended 31 July 2023 £'000	%
Collaborative Provision	1,493	55.3	1,499	55.1
Other income	1,099	40.7	1,085	39.8
Investment income	106	3.9	140	5.1
Total Consolidated Income	2,698	100.0	2,723	100.0

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Expenditure

Total consolidated expenditure for the University was £1.9m (£2.5m plus a one-off transfer of £2.6m being £5.1m in 2022-23).

Staff costs were £1.0m (£1.0m in 2022-23). There was also a pension service cost credit (this is an actuarial calculation and adjustment) of £126k (£27k in 2022-23) in relation to the inhouse pension scheme and a release of the USS Provision of £363k (£19k increase in 2022-23).

Operating Expense costs were £1.4m (£1.4m in 2022-23). There was a slight decrease in academic related and administration expenditure heads, offset by a slight increase in premises and other services expenditure heads.

Depreciation costs were £86k (£86k in 2022-23).

Pension interest costs was a credit of £98k (cost of £2k in 2022-23). This is an actuarial calculation and adjustment.

There was a one off transfer of endowment asset investments to UWRET in 2022-23 of £2.6m (see Note 5a).

Expenditure analysis

	Year ended 31 July 2024		Year ended 31 July 2023	
	£'000	%	£'000	%
Staff costs	1,039	54.7	1,048	42.3
Staff Costs – FRS Pension Adjustments	(126)	(6.7)	(27)	(1.0)
Staff Costs – USS Provision Movement	(363)	(19.0)	19	0.6
	550	29.0	1,040	41.9
Academic and related expenditure	129	6.8	270	10.9
Administration and central services	319	16.8	380	15.3
Premises and central services	270	14.2	193	7.8
Other services and expenses	642	33.8	509	20.5
	1,360	71.6	1,352	54.5
Depreciation	86	4.5	86	3.5
Interest (credit)/payable	(98)	(5.2)	2	0.1
	(12)	(0.6)	88	3.5
Total Expenditure before transfer	1,898	100.0	2,480	100.0
Endowment transfer	-	-	2,599	-
Total Consolidated Expenditure	1,898		5,080	

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £6.4m as at 31 July 2024 (2023: £5.8m).

Fixed assets were £1.3m (2023: £1.3m) and decreased slightly in line with depreciation. There was a minor addition in year and no disposals.

Stock was £226k (2023: £134k) an increase due to UW Press books for resale.

Total debtors were £2.2m at 31 July 2024 (2023: £0.8m). This is an increase from 2023 and is attributable to trade receivables with a related party.

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Cash and cash equivalent balances were £2.5m at 31 July 2024 (2023: £2.5m).

Total creditors were £2.6m at the year-end (2023: £2.3m). The increase is mainly attributable to receipts in advance linked to UW Press grant funding and trade payables with a related party.

Pension provisions were £Nil at 31 July 2024 (2023: £0.3m). Pension Obligations to the defined pension scheme per the actuarial valuation showed a surplus of £2.0m (2023: £2.0m).

Cash Flow

The consolidated net cash outflow from operating activities was £0.9m for the year (2023: £1.9m outflow) and the overall cash decrease was £39k (2023: £993k decrease).

Treasury Management and investments

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. As at 31 July 2024 the value of investments was £751k (2023: £1.6m) being fixed asset investments of £439k (2023: £1.0m) and endowment investments £312k (2023: £0.7m). In addition, there is an amount of £0.7m uninvested cash (2023 : £0.7m), redeemed in 2021/22 from a ceased investment fund. An amount of £2.6m (valued at 30 October 2023) was transferred to the UW Restricted Endowment Trust (UWRET) from endowment investments and uninvested cash in 2022/23.

Liquidity

The University has prepared cashflow forecasts for the 12 months from the date of the financial statements and is of the opinion that it will have sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow in the year.

Pensions

The in-house final salary pension scheme is in a technical surplus position at 31 July 2024 being an amount of £2.0m (2023:£Nil).

Accounting standards require the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS) and this liability is included in the pension provision and additional costs are processed through staff costs in the consolidated statement of income and expenditure. During the year the liability on the USS decreased by £355k to £Nil (2023: £355k liability).

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing. Key areas for management focus include:

- maintaining and being pro-active in the recruitment and retention of students;
- managing a change in the nature of core business with reduced reliance on historical collaborative activity and increased development of new and innovative delivery programmes in partnership with the University of Wales Trinity St David;
- maintaining a sufficient level of cash reserves to support ongoing operations ;
- managing cash flows, including the timely collection of receipts from collaborative partners to ensure sufficient working capital;
- responding to the changing political context of Higher Education in Wales;
- securing commitments made in the Wales Pledge and
- robustly managing increases in pension costs.

OPERATING AND FINANCIAL REVIEW

As the University continues to teach out on its validated courses the income related to this activity continues to fall. The University remains proactive in taking action to build upon innovative areas of activity with key partners with an emphasis on recruitment to local skills based courses in 2024/25 in partnership with the University of Wales Trinity St David.

Sustainability

The University considers sustainability one of the key risks that it faces, and maintaining financial security is the first listed enabler to achieving delivery of its strategic plan.

The University considers income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability. A key metric reported on the University's position to governors is the ability to meet its future liabilities on existing cash reserves for a period of not less than 3 months

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. At both the balance sheet date and the date of signing the accounts the University has no plans to enter into any material additional financial obligations.

The University has carefully managed the declining income from traditional sources and has divested from loss making activities within the institution in order to ensure its sustainability through the transitional period of establishing the future strategy detailed in the University Strategy section of this report

The University expects to maintain cash generation in 2024/25. It is also felt that the University has sufficient cash reserves at 31 July 2024 and a sensible budget for 2024/25 and 2025/26 that allows it to look at the medium term with confidence.

Going Concern

As outlined in the introduction, in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales.

The integration process has been paused by the University as opportunities to deliver an education offering across further and higher education are assessed. The development of a dual sector regulator in Wales (Medr) provides further opportunities in this area and the University is looking at what impact the new regulator will have on future opportunities.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2024/25 and 2025/26 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2026 under the existing operating model.

These forecasts build on the cash balance at 31st July 2024 and even under plausible downside scenarios indicate that the University can operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial

OPERATING AND FINANCIAL REVIEW

statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University

Accordingly, the Council have deemed it appropriate to use the going concern basis of preparation within these financial statements.

Environmental sustainability policy

Sustainability is at the heart of how the University does business. The University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. It has a duty to satisfy itself that all of its operations and activities are conducted with proper regard to the environment.

The University's sustainability team collaborates with the Sustainable Development Group and the Sustainability Steering group in this area and continues to support the embedding of sustainability within the University's curriculum at all levels as well as engaging with the widest number of organisations to develop sustainable practice across all sectors in Wales and further afield.

Environmental Reporting

The University is committed to embedding sustainability as a core principle. This is evidenced in the Strategic Plan and Environmental Policy Statement which articulates its values of Sustainable Development and Global Citizenship. Sustainability is embedded within the Strategic Action Plan (2022 – 2025) and Estates and Infrastructure have key performance indicators that are sustainability linked; these include: energy consumption, cost of core utilities, Scope 2 emissions. Progress is monitored through annual strategic plan reporting and Key Performance Indicator Reporting provided to the Resources and Performance Committee and University Council

The University is specifically committed to implementing a University-wide Carbon Management Plan to achieve Net Zero Scope 1 & 2 by 2030, scope 3 by 2045.

In 2022, the University adopted a Net Zero Carbon, Interim Plan to explicitly show its commitment to, and outline a plan for, managing and reducing its carbon emissions, against which considerable progress has been made. This has included: signed Swansea Healthy Travel Charter, being part of Public Service Boards Net Zero action groups, and external communications on student led projects. Solar installations, retro fitting the estate with energy efficient options such as LED lighting, Low carbon Heat Pumps, etc.

Systematic revision of this plan will enable the University to continue the journey to Net Zero Carbon while undertaking a range of assessments that will inform the development of a three-year plan that will recognise the progress to date and further map out the route to Net Zero Carbon.

The main action areas identified for carbon reduction fall within the following:

- Implementing a Monitoring Programme to ensure accurate monitoring of energy use, and water use through the provision and use of an Energy Management System enabled by an appropriate software package and the improvement of energy sub-metering
- All new capital projects are built to Net Zero Carbon BREEAM 'Excellent' score and there is an associated reduction in supply chain and waste impacts
- To significantly improve the energy efficiency of the remaining estate, with full consideration given to replacement & renewable energy heat schemes and discontinuation use of gas. Campus development plans must prioritise decarbonisation opportunities such as scoping for Low/No Carbon Heat pilot projects and making demonstrable progress on understanding and implementing the remaining energy efficiency opportunities. which include utilisation of effective building management controls
- To reduce waste across the institution in order to minimise waste processing, pollution and landfill activity whilst meeting the new Waste legislation for Wales that came into force in 2024.

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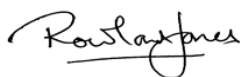
In addition, the University will:

- Develop people centred model of service delivery that reduces the need to travel for staff, students and visitors that promotes low emission travel, active travel and encourages a greater use of public transport, reducing car commutes and business travel
- Apply the principles of a circular economy to our procurement activities, incorporating a robust carbon reduction phase that assesses the carbon impact of goods and service across the lifespan.
- Utilise UK markets for carbon sequestration values to develop a land asset calculation
- Develop renewable energy sources to reduce our carbon footprint, mitigating business risk against overloading and power outage on the National Grid
- Student and staff engagement through a blended approach of both digital and face to face events which aims to promote behaviour change that creates a climate conscious Wales
- Maximise carbon sequestration through the biodiversity of its land holdings.

Central to this is the creation of a clear accountability route that ensures that sustainability becomes embedded into policy and establishes collective responsibility to make a positive impact upon our people, our communities and our planet.

The Sustainability Steering Group (SSG) is responsible for supporting the Sustainability agenda for the University Group, and for monitoring and measuring progress against performance indicators to confirm effective implementation and alignment with organisational objectives and strategy. It reviews (where appropriate) strategy and policy and approves or refer to Senior Directorate as is necessary, while working to ensure that the requirements of both UN Sustainable Development Goals and the Wellbeing of Future Generations Act (2015) requirements are met. This steering group is chaired by the Deputy Vice-Chancellor who is instrumental in driving the institutional change.

The Sustainability Development Group (SDG) is formed by managers across every academic and professional service in the University as well as Coleg Sir Gâr. This group has student representation, and membership is open to all students who wish to be part of it. They are tasked with creating a departmental sustainability action plan, capturing suggestions and actions to move the sustainability agenda forward to meet our commitments, including the Net-Zero Carbon by 2030 ambition. The group promotes and communicates sustainability across the whole institution. This has resulted in several initiatives relating to Net Zero being communicated to staff, such as our "One Campus, One Day" initiative aimed at reducing inter-campus travel as well as providing a consultation forum for policy development, check and challenge. The membership of these groups ensures senior level oversight and support for this agenda, as well as ensuring engagement and consultation with senior officers in terms of wider University Group impact.



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STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

In accordance with the University's Royal Charter, the Council is the governing body of the University and is responsible, through Statute, for approving the strategic plans for the University and for governing and regulating its finances, accounts, investments, property, business and affairs. Its Powers are set out in the University's Statutes and Ordinances. Since 1 August 2017, the administration of governance arrangements has been with UWTSD and there is a common practice across the two universities.

The Council comprises independent and staff and governors appointed under the Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University. Vacancies for independent members are advertised externally and appointments are made following completion of an interview and selection process. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. The Council is served by a Clerk who is responsible to the Chair.

The Council meets at least four times a year and also exercises its responsibilities through the executive management and several standing committees. A Scheme of Delegation sets out where decision-making authority in the name of, or on behalf of, the Council resides, and where this authority can and has been delegated. The standing committees are chaired by independent members of Council and all have a majority of independent members. Senior officers of the University attend meetings as necessary. A *Code of Practice for Council Members* provides information on the procedures to be followed should a conflict of interest or loyalty arise.

The standing committees of Council in 2023/24 were as follows:

- **Academic Committee**

The Academic Committee provides advice to Council on its determination of the educational character of the University.

The Committee met on three occasions in 2023/24. It considered a range of issues within the scope of its remit, including reports on the student experience, the learning environment, international activities quality assurance and the work of the University of Wales Press.

The membership was follows (with attendance (%) provided in brackets): Geraint Roberts (Chair) (100%); Emlyn Dole (100%); Professor Elwen Evans (67%); Taya Gibbons (67%); Uzo Iwobi (33%); Dr Peter Spring (67%); Dr Kerry Tudor (100%); Deris Williams (33%).

- **Audit and Risk Committee**

The Audit and Risk Committee oversees audit across the UWTSD Group, with terms of reference that are based on the model terms of reference set out in the *Higher Education Audit Committees Code of Practice* published by the Committee of University Chairs (CUC).

The Committee met on five occasions in 2023/24. It considered a range of issues within the scope of its remit, including internal and external audit plans and findings; the financial statements prior to their submission to Council; the corporate risk register and assurance map; and the performance of the internal and external auditors.

The membership was follows (with attendance (%) provided in brackets): Nigel Roberts (Chair) (100%); Timothy Llewelyn (100%); Emlyn Schiavone (100%); Adrian Evans (co-opted; 40%); Jacqui Kedward (co-opted; 100%); Nia Morgan (co-opted – resigned May 2024; 20%).

There is no cross-membership between the Audit and Risk Committee and the Resources and Performance Committee.

STATEMENT OF CORPORATE GOVERNANCE

- **Estates Committee**

Established in its current form in 2022/23, the Committee provides advice to Council on the operational management of the estate; and estates maintenance and compliance, including health and safety.

The Committee met on three occasions in 2022/23. It considered a range of issues within the scope of its remit, largely focusing on developments at UWTSD.

The Committee's membership includes the Principal of Coleg Sir Gar and several independent members of the Coleg Board. In 2023/24 the membership was as follows (with attendance (%) provided in brackets): Rowland Jones (Chair) (100%); Dr Andrew Cornish (0%); Emlyn Dole (67%); John Edge (33%); Professor Kyle Erickson (67%); Professor Elwen Evans (100%); Taya Gibbons (0%); Delwyn Jones (33%); Arwel Ellis Owen (67%); Maria Stedman (100%; resigned December 2023).

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University.

The Committee met on one occasion in 2023/24. It considered a range of issues within the scope of its remit, including the financial position of the University's trading subsidiaries.

The membership was follows (with attendance (%) provided in brackets): Rowland Jones (Chair) (100%); Natalie Beard (0%); Professor Elwen Evans (100%); Nigel Roberts (0%); Dr Kerry Tudor (100%); Jacqui Kedward (co-opted; 100%).

- **Nominations and Governance Committee**

The Nominations and Governance Committee is responsible for monitoring Council's corporate governance capability and governance arrangements for the University and the wider UWTSD Group. It monitors the composition and membership needs of the Council and makes recommendations for appointments to committees and other bodies.

The Committee met on three occasions in 2023/24. It considered a range of issues within the scope of its remit, including progress against the University's action plan arising from the Review of Governance of the Universities in Wales and a biennial review of adherence to the sector-wide Code of Governance published by the Committee of University Chairs.

The membership was as follows (with attendance (%) provided in brackets): Dr Liz Siberry (Chair; 100%); Natalie Beard (67%); Emlyn Dole (67%); Professor Elwen Evans (100%); Dr Stuart Robb (100%); Emlyn Schiavone (100%); Maria Stedman (resigned December 2023; 100%); Deris Williams (100%).

- **Remuneration Committee**

The Remuneration Committee determines on an annual basis the salaries, terms and conditions and, where appropriate, the severance conditions of the Vice-Chancellor and other specified senior staff. As part of this process the Committee considers a range of external contextual and comparative measures in determining pay awards as set out in the annual Pay Policy Statement.

The Committee met on two occasions in 2023/24.

The membership was as follows (with attendance (%) provided in brackets): Justin Albert (Chair) (100%); Natalie Beard (100%); Emlyn Dole (0%); Uzo Iwobi (100%); Professor Conny Matera-Rogers (0%); Geraint Roberts (50%); Dr Liz Siberry (100%).

The University publishes its annual Pay Policy Statement on its website. The 2023 Statement can be viewed at the following link <https://www.uwt.ac.uk/media/uwt-ac-website/content-assets/documents/strategies-policies/annual-pay-policy-statement-june-2023.pdf>

STATEMENT OF CORPORATE GOVERNANCE

- **Resources and Performance Committee**

The Resources and Performance Committee maintains oversight of strategic planning and the financial affairs of the University.

The Committee met on five occasions in 2023/24. It considered a range of issues within the scope of its remit, including financial performance against forecasts and budgets and institutional sustainability; pensions; and human resources matters.

The membership was as follows (with attendance (%) provided in brackets): Arwel Ellis Owen (Chair) (100%); Justin Albert (60%); Emlyn Dole (80%); Professor Elwen Evans (100%); Taya Gibbons (60%); Rowland Jones (80%); Professor Conny Matera-Rogers (80%); Maria Stedman (resigned December 2023; 100%).

In addition, the Academic Board, which is the academic authority of the University and draws its membership mainly from the academic staff and students of the institution, also reports to Council. Its role is to direct and regulate the teaching and research work of the University.

CUC Higher Education Code of Governance

The University aspires to high standards of corporate governance. As a corporation founded by Royal Charter with charitable status, the University does not fall within the corporate governance reporting requirements of the London Stock Exchange, but it seeks to demonstrate that its governance is undertaken in an open and accountable manner and that it aspires to best practice within the higher education sector. All Council members are required to sign up annually to a *Code of Practice for Council Members* which sets out the standards of conduct and accountability which are expected of them in their role as governors of the University and charity trustees; the principles and values of the University and of public service more generally; and the University's approach to matters such as confidentiality and the declaration of interests.

The University's governance arrangements have been developed to reflect the principles and practices set out in CUC's *Higher Education Code of Governance*, the most recent iteration of which was published in September 2020. Through the Nominations and Governance Committee the Council has reviewed its practices in the context of the Code and has confirmed that all of the Primary Elements are in place and that the University's arrangements comply with all key principles. In 2019 the Council undertook a Governance Effectiveness Review, with external input, which included holistic consideration of adherence to the Code and resulted in a published action plan. The next full Effectiveness Review, originally scheduled to take place in 2022/23, was deferred until 2024/25 in the light of the appointment of a new Chair and Vice-Chancellor.

Through its Remuneration Committee, Council reviewed compliance with CUC's Higher Education Senior Staff Remuneration Code (June 2018) in 2018/19. A further review was undertaken in 2020 in the light of the recommendations of the Camm Review, and in 2022 following the publication of an updated Code. The University's practices adhere in full to the expectations of the Code. Through the Audit and Risk Committee, the Council has also confirmed that all elements of CUC's *Higher Education Audit Committees Code of Practice* (May 2020) have been adopted.

An internal audit of the University's approach to Corporate Governance was undertaken in December 2023 and provided substantial assurance on the control environment, with one recommendation identified in relation to skills assessment. The next audit is scheduled for March 2025.

Camm Review of Governance of the Universities in Wales

The Council has welcomed the *Review of Governance of the Universities in Wales* by Gillian Camm ('the Camm Review'), the report of which was published in February 2020. In July 2020 the Council formally adopted the Governance Charter for Universities in Wales published by the Chairs of Universities Wales (ChUW) and Universities Wales and agreed an action plan in response to the accompanying Commitment to Action. The Council's implementation of the plan is now complete. The work undertaken includes:

STATEMENT OF CORPORATE GOVERNANCE

- formally reviewing quantitative and qualitative data relating to organisational culture and agreeing a mechanism for ensuring annual reflection by the Council;
- considering the sector-wide good practice guide on stakeholder engagement;
- confirming its expectations in respect of the size and shape of the governing body and the responsibilities and behaviours of governors;
- implementing a rolling recruitment and induction strategy with a focus on diversity;
- reviewing the standing committee structure;
- confirming its approach to governor independence and conflict management;
- reviewing its arrangements for remuneration governance;
- completing a review of risk management policy;
- reviewing the internal audit process;
- commissioning an annual report on whistleblowing;
- approving the statements on independence, the role of the Secretary and annual reporting developed through the Welsh Clerks and Secretaries Group;
- approving an approach to leadership succession planning;
- adopting the new template for the Annual Report and Financial Statements;
- approving and implementing a governor development and retention plan;
- participating in Advance HE workshops relating to equality and diversity and developing a Council EDI plan.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

As the governing body of the University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of the strategic plans, aims and objectives of the institution, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to Council in the Charter and Statutes.

The internal control system includes policies, regulations and plans; monitoring of financial and operational performance; segregation of duties; authorisation and approval procedures; information systems; and effective internal and external audit functions. It also includes an ongoing process designed to identify the principal risks to the achievement of the strategic plans and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. These systems have been in place for the year ended 31 July 2024 and up to the date of approval of the annual report and financial statements. The system accords with relevant guidance from the British Universities Finance Directors Group.

The system of internal control is designed to manage rather than eliminate the risk of failure in the achievement of business objectives; it therefore provides reasonable but not absolute assurance of effectiveness and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee has specific authority delegated by the Council to monitor and review internal control matters on its behalf and to report to Council on these matters. Independent Internal Auditors undertake regular reviews of the systems of internal control; the scope of their work is determined, in advance, by the Audit and Risk Committee which receives their reports and recommendations. The areas for review are determined by their significance to the University's operations and the risks associated with their failure; they include operational and compliance matters as well as financial risk. The Internal Auditors attend each meeting of the Committee and meet privately with independent members on each occasion. The deliberations of the Audit and Risk Committee are reported at each meeting of the Council.

The University has established a robust methodology for evaluating and managing risk on a continuing basis, linked explicitly to the achievement of institutional objectives. The corporate risk register, which rates the likelihood and impact of identified risks, is maintained and regularly reviewed by the Senior Leadership Team. Registers are also maintained for discrete major projects and activities. The corporate risk register is considered at each meeting of the Audit and Risk Committee and proposed changes are considered by the Council. The Risk Management Policy and the construction of the risk register were comprehensively reviewed in 2023/24, with the next review scheduled for 2025/26. An assurance map, following the 3-line model supported by the Chartered Institute of Internal Auditors, provides senior managers and governors with an overview of the mechanisms in place to oversee the risks identified on the corporate risk register and to facilitate the identification of areas where strengthening is required. An internal audit of the Group's approach to Risk Management was undertaken in summer 2022 and provided adequate assurance on the adequacy of internal controls and substantial assurance on the effectiveness of internal controls. The next audit is expected in 2025/26.

The Council's review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their year-end management letter and other reports. No significant internal control weaknesses or failures have arisen during the financial year or after the financial year but before these financial statements have been signed.

Risk Management / Risk Register

The Statement of Internal Control sets out the arrangements that are in place for risk management, including the continuing process of identifying, evaluating and managing risks.

Comprehensive procedures are in place and risk registers are updated on a regular basis and monitored by senior management. A report is presented to each meeting of the Audit and Risk Committee.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for preparing the Consolidated Financial Statements in accordance with the requirements of the Terms and Conditions of Funding 2023/24 issued by the Higher Education Funding Council for Wales ("HEFCW"), the Accounts Direction to Higher Education Institutions for 2023/24 issued by HEFCW ("the Accounts Direction"), the Financial Management Code issued under the Higher Education (Wales) Act 2015 ("FMC") and applicable law and regulations.

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

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 2023/24 further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education and in accordance with the requirements of the Accounts Direction.

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, and of the Group's cash flows, for that period. In preparing each of the Group and parent University financial statements, the Council is 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 has 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 FMC;
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding 2023/24;
- 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales ("the University") for the year ended 31 July 2024 which comprise the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Financial Position, the Consolidated and University Statement of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the accounting policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024, and of the Group's and of the University's 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 the 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; and
- 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

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

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries posted at the end of the financial reporting period.

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

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

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 and regulation (including related charities legislation and higher education legislation, including the Accounts Direction issued by the Higher Education Funding Council for Wales (“HEFCW”), taxation legislation and pensions legislation, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

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

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

Other information

The 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 the Operating & Financial Review and the Statement of Corporate Governance. 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 Operating & Financial Review, and the Statement of Corporate Governance (which together constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

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 University 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 23, 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 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 University or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

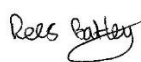
We are required to report on the following matters prescribed in the Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts Direction to Higher Education Institutions for 2023/24 issued by HEFCW ("the Accounts Direction").

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

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied by the University in accordance with paragraph 145 of the HEFCW's Financial Management Code ("FMC");
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding 2023/24 issued by the HEFCW; and
- the requirements of HEFCW's Accounts Direction have been met.

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

This report is made solely to the Council in accordance with Section 4 of the Charters and Statutes of the University and in accordance with the with the section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the 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

18 December 2024

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

	Notes	Year ended 31 July 2024		Year ended 31 July 2023	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Other income	1	2,592	2,528	2,583	2,581
Investment income	2	106	106	140	140
Total Income		2,698	2,634	2,723	2,721
Expenditure					
Staff costs	3	913	913	1,021	1,021
Staff Costs – USS provision movement	3	(363)	(363)	19	19
Other operating expenses	5	1,360	1,304	1,352	1,346
Endowment transfer	5a	-	-	2,599	2,599
Depreciation and impairments	6	86	86	86	86
Interest and other finance costs	4	(98)	(98)	2	2
Total expenditure		1,898	1,842	5,079	5,073
Surplus/(deficit) before other gains(losses)		800	792	(2,356)	(2,353)
Gain/(Loss) on fixed assets investments	7	39	39	(39)	(39)
Gain/(Loss) on endowment investments	7	28	28	(17)	(17)
Surplus/(deficit) for the year		867	859	(2,412)	(2,409)
Actuarial (loss)/gain in respect of inhouse pension schemes	17	(228)	(228)	1,965	1,965
Total comprehensive income/(expense) for the year		639	631	(447)	(444)
Represented by:					
Endowment comprehensive income for the year		72	72	64	64
Unrestricted comprehensive income/(expense) for the year		567	559	(511)	(508)
		639	631	(447)	(444)

The notes on pages 32 to 50 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Account		Total
	Endowment	Unrestricted Restated	
	£'000	£'000	£'000
Balance at 1 August 2022	5,317	931	6,248
Surplus/(deficit) from the income and expenditure statement	64	(2,476)	(2,412)
Other comprehensive income	-	1,965	1,965
Transfers between revaluation reserve and I&E Account	(2,599)	2,599	-
Total comprehensive income/(expense) for the year	(2,535)	2,088	(447)
Other movement in year	-	-	-
Balance at 31 July 2023	2,782	3,019	5,801
Surplus/(deficit) from the income and expenditure statement	72	795	867
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income/(expense) for the year	72	567	639
Other in year movement	-	(9)	(9)
Balance at 31 July 2024	2,854	3,577	6,431

University	Income and Expenditure Account		Total
	Endowment	Unrestricted Restated	
	£'000	£'000	£'000
Balance at 1 August 2022	5,317	911	6,228
Surplus/(deficit) from the income and expenditure statement	64	(2,473)	(2,409)
Other comprehensive income	-	1,965	1,965
Transfers between revaluation reserve and I&E Account	(2,599)	2,599	-
Total comprehensive income/(expense) for the year	(2,535)	2,091	(444)
Other movement in year	-	(1)	(1)
Balance at 1 August 2023	2,782	3,001	5,783
Surplus/(deficit) from the income and expenditure statement	72	787	859
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income/(expense) for the year	72	559	631
Other in year movement	-	(3)	(3)
Balance at 31 July 2024	2,854	3,557	6,411

The prior year reserves have been restated as disclosed within note 17

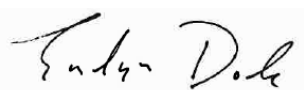
The notes on page 32 to 50 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION (Charity Number: 1146516)

	Notes	As at 31 July 2024		As at 31 July 2023 Restated	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible Fixed assets	6	1,268	1,268	1,338	1,338
Investments	7	751	751	1,648	1,648
Pension surplus	16	2,005	2,005	2,001	2,001
		4,024	4,024	4,987	4,987
Current assets					
Stock	8	226	226	134	134
Trade and other receivables	9	2,151	2,101	758	758
Cash and cash equivalents	12	2,586	2,585	2,548	2,524
		4,963	4,912	3,440	3,416
Less: Creditors: amounts falling due within one year	10	(2,556)	(2,525)	(2,271)	(2,266)
Net current assets		2,407	2,387	1,169	1,150
Provisions					
Pension provisions	16	-	-	(355)	(355)
Net assets		6,431	6,411	5,801	5,782
Restricted Reserves					
Income and expenditure reserve - endowment reserve	11	2,854	2,854	2,782	2,782
Unrestricted Reserves		3,577	3,557	3,019	3,000
Income and expenditure reserve - unrestricted					
Total Reserves		6,431	6,411	5,801	5,782

The prior year reserves have been restated as disclosed within note 17

The financial statements were approved by the Governing Body on 18 December 2024 and were signed on its behalf on that date by



Emlyn Dole (Chair)



Prof Elwen Evans KC (Vice-Chancellor)

The notes on page 32 to 50 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flow from operating activities			
Surplus/(Deficit) for the year		867	(2,412)
Adjustment for non-cash items			
Depreciation	6	86	86
Fair value (increase)/decrease in investments	7	(67)	56
Increase in stock	8	(92)	(47)
(Increase)/decrease in debtors	9	(1,393)	1,088
Increase/(decrease) in creditors	10	277	(429)
USS Pension costs less contributions payable	3	(363)	19
UWSS Pension costs less contributions payable	3	(126)	(27)
Interest (receivable)/payable	4	(98)	2
Adjustments for investing and financing activities			
Investment income	2	(106)	(140)
Net cash outflow from operating activities		(1,015)	(1,804)
Cashflows from investing activities			
Disposal of non-current asset investments	7	563	671
Disposal of endowment asset investments	7	401	-
Investment income	2	62	60
Payments made to acquire tangible fixed assets	6	(17)	-
		1,009	731
Cashflows from financing activities			
Endowment income	2	44	81
		44	81
Increase/(Decrease) in cash and cash equivalents in the year	12	38	(993)
Cash and cash equivalents at beginning of the year		2,548	3,541
Cash and cash equivalents at end of the year		2,586	2,548

The notes on page 32 to 50 form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

a. **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 and in accordance with 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, except in relation to investment properties, current asset investments and derivative financial instruments carried at fair value.

b. **Basis of consolidation**

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2024.

c. **Going Concern**

The activities of the University and its subsidiaries, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial review. The financial position of the University and its subsidiaries, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The financial statements are prepared on a going concern basis which the senior management and Council believe to be appropriate for the following reasons.

As outlined in the introduction in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. This integration plan has been paused by the University as opportunities to deliver a future business plan that works alongside and future direction provided by the Medr in its remit across higher and further education.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2024/25 and 2025/26 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2026 under the existing operating model, acknowledging that any income streams from the new strategy are anticipated from the 2023/24 – 24/25 financial years

These forecasts build on the cash position at 31st July 2024 and even under plausible downside scenarios indicate that the University is able to operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University.

The University has recorded a surplus for the year of £0.8m with this performance level anticipated to continue in 2024/25. Officers and trustees are satisfied that the cash balance of £2.6 million at 31 July 2024 and forecasts for the 12 months following the date of approval of these financial statements provide sufficient cash and cash generating resources to meet its obligations as they fall due.

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

STATEMENT OF ACCOUNTING POLICIES

d. **Income recognition**

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

Investment income is credited to the Consolidated and University Statements of Comprehensive Income on a receivable basis.

Grant Funding

Government grants including funding council block grant; research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and the performance related conditions have been met.

Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

1. 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.
2. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital Grants

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

e. **Accounting for retirement benefits**

The two principal pension schemes for the University's staff, are the Universities Superannuation Scheme (USS) and the University of Wales Superannuation Scheme (UWSS). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

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

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company 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 Plan

STATEMENT OF ACCOUNTING POLICIES

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

f. 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 measured as the additional amount the University expects to pay as a result of the unused entitlement.

g. Foreign Currency

The functional currency is £ 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 are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

h. Fixed Assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Costs (including irrecoverable VAT costs) incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives up to a maximum of 50 years.

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

Equipment

Equipment, including computers and software, costing less than de-minimus of £5,000 per individual item or group of items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
Equipment acquired for specific research projects	3-5 years
Other Equipment	10 years

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

Borrowing costs

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

STATEMENT OF ACCOUNTING POLICIES

i. **Investments**

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

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

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

Investments are shown at market value. It is the University's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result, the Statement of Comprehensive Income does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated as changes in the valuation of the investment portfolio throughout the year.

j. **Stock**

Stock is held at the lower of cost and net realisable value. Cost represents the invoice price of the stock.

Stocks of books held by the University of Wales Press are valued at the lower of cost and net realisable value and are written down after two or five years from the date of publication as determined by UW Press management. The cost of journal is written off in the year of publication.

k. **Financial Instruments**

Trade and other debtors/creditors

Trade and other debtors and creditors are recognised initially at transaction price net of attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs less any impairment losses in the case of trade debtors.

Interest bearing borrowings

Interest-bearing borrowings other than public benefit entity concessionary loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Concessionary loans are recognised initially at the amount received or paid and subsequently measured at cost plus any accrued interest payable or receivable.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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

l. **Provisions, contingent liabilities and contingent assets**

Provisions are recognised in the financial statements when:

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

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

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

STATEMENT OF ACCOUNTING POLICIES

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.

m. Accounting for joint ventures and associates

The University accounts for its share of joint ventures and associates using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets within the Consolidated and University Statements of Comprehensive Income.

n. Taxation

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

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

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

o. Reserves

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

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

p. Accounting estimates and judgements – key sources of estimation uncertainty

Defined benefit pension scheme assumptions

The University has a defined benefit pension scheme. The valuation of the liabilities the scheme is calculated using a financial and demographic model to present a single scenario from a wide range of possibilities. The schemes' actual experience will inevitably differ from the assumptions underlying the financial and demographic model. The differences may be material because the valuation is very sensitive to the assumptions made over a long period of time. See note 17 for assumptions used in the valuation of pension assets and liabilities.

The University has adopted the IAS19 approach in relation to the recognition of the pension asset. It is the view that the surplus in full should be shown on the balance sheet..

USS pension scheme assumptions

At 31 July 2023, the institution's balance sheet included a liability of £355k for future contributions payable under the deficit recovery agreement which was concluded on 30 September 2021, following the 2020 valuation when the scheme was in deficit. No deficit recovery plan was required from the 2023 valuation, because the scheme was in surplus. Changes to contribution rates were implemented from 1 January 2024 and from that date the institution was no longer required to make deficit recovery contributions. The remaining liability of £355k was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 17.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Other income				
Collaborative Provision fees	1,493	1,493	1,498	1,498
Other services rendered	220	220	164	164
Sales of publications	487	487	442	442
Publication grants	213	213	268	268
Other income	179	115	211	209
	2,592	2,528	2,583	2,581

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2 Investment income				
Investment income on endowments-unrestricted	7	7	6	6
Investment income on endowments-restricted	37	37	74	74
Other investment income	62	62	60	60
	106	106	140	140

NOTES TO THE ACCOUNTS

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Staff costs				
Salaries	823	823	807	807
Social security costs	82	82	83	83
Movement on USS pension	(363)	(363)	19	19
Other pension costs	8	8	131	131
	550	550	1,040	1,040

Emoluments of the Vice-Chancellor

The post of Vice Chancellor and Chief Executive is held by the Vice Chancellor of University of Wales: Trinity St. David who is employed by that institution and not by the University of Wales. In recognition of the services provided by the Vice-Chancellor and Chief Executive the University reimbursed University of Wales: Trinity St. David the sum of £56,800 in 2023-24 towards the basic salary and associated pension costs of the post. (2022-23 contribution: £58,400). This amount represented a proportion of the Vice-Chancellor's salary. These costs are recognised in other operating expenses and not within staff costs.

Emoluments of the Vice-Chancellor paid by the University of Wales: Trinity St David

	Year ended 31 July 2024			Year ended 31 July 2023
	Prof Medwin Hughes £'000	Prof Elwen Evans KC £'000	Total £'000	Total £'000
Emoluments of the Vice-Chancellor				
Salary	44	239	283	285
Monetary value of benefits:				
Health Insurance	-	-	-	3
				288
Pension contributions to USS	5	41	46	57
	49	280	329	345

There were no other higher paid staff in the year.

There was no compensation payable to other higher paid staff in year (2023: £Nil).

	Year ended 31 July 2024	Year ended 31 July 2023
Average staff numbers by:	No.	No.
Academic departments	-	-
Non-academic departments	17.4	18.3
	17.4	18.3

There are no key management personnel that require separate disclosure.

Trustees

The University's Council members are the trustees for charitable law purposes. The trustees who served in the year, and up to the signing date of these financial statements are listed on page 3.

Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's

NOTES TO THE ACCOUNTS

length and in accordance with the University's Financial Regulations and usual procurement procedures. Other than the expenses paid in the year referenced below there were no transactions in the year with any members.

No Council member has received any remuneration/waived payments from the group during the year (2023 - £Nil).

The total expenses paid to or on behalf of 15 council members was £Nil (2023: £Nil to 15 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

Vice-Chancellor Remuneration Statement

On the 1st September 2023 Professor Elwen Evans KC replaced Professor Medwin Hughes as the Vice-Chancellor for both University of Wales Trinity Saint David and University of Wales and was in role for the remainder of the reporting period. Professor Medwin Hughes was in role for the period 1st August 2023 – 31st August 2023.

The ratio of the annual salary of Medwin Hughes compared to the median average of the University was 6.48:1 with the ratio of the total remuneration compared to the median average of the University was 7.32:1.

The ratio of the annual salary of the Vice-Chancellor compared to the median average of the University is 6.25:1 with the ratio of the total remuneration of the Vice-Chancellor compared to the median average of the University is 6.39:1.

The Remuneration Committee noted the Vice-Chancellor's current salary was below the average in the HEFCW comparator group and also noted the Chair of Council's report on the Vice-Chancellor's contribution and key achievements (for clarity, the University does not operate a performance-related pay bonus scheme).

The Vice-Chancellor is also Vice-Chancellor of the University of Wales. 20% of the Vice-Chancellor's emoluments are recharged to the University of Wales. The emoluments and ratios disclosed above represent 100% of the Vice-Chancellor's emoluments.

The Vice-Chancellor has a significant breadth of responsibility spanning Higher Education and Further Education. This includes the University of Wales Trinity St David, The University of Wales, Coleg Sir Gâr and Coleg Ceredigion. Within UWTSD, there has been an expansion of responsibility in Birmingham and London. 100% of the Vice-Chancellor's emoluments are disclosed in these accounts and do not take into account any recharge to the University of Wales.

The University Council is responsible for establishing a Standing Committee of the Council, known as the Remuneration Committee, to determine fair and appropriate remuneration for the Vice-Chancellor, the Deputy Vice-Chancellors, the Pro Vice-Chancellors and the Clerk to the Council.

The Remuneration Committee is responsible for reviewing and determining on an annual basis the salaries, terms and conditions and, where appropriate the severance conditions of the above senior post-holders. The terms of reference are published on the University website ensuring these are available to staff, students and all stakeholders in an open and transparent manner: <https://www.uwttd.ac.uk/governance-management/governance/> The Committee membership includes a staff member of Council and a student member of Council. The Vice-Chancellor is not a member.

The Remuneration Committee adheres to the Higher Education Senior Staff Remuneration Code, published by the CUC. Its deliberations take account of the context in which the institution operates. It considers the value delivered by an individual acting within a role based on relevant components for the UWTSD context. The Committee considers appropriate comparative information of other Universities to inform its decisions including the annual rate of increase of the average remuneration of all other staff. It also considers the Corporate Risk Register and a report on complaints made to the University by students, staff and external persons. The Committee makes every effort to ensure that all recommendations are fair and consider the institutional interest, key stakeholders and partners including the student community and wider society. The safeguarding of public funds also forms part of its deliberations.

The Chair of the Remuneration Committee is responsible for presenting the recommendations of the Remuneration Committee to the University's Council.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Interest and other finance costs				
Net charge on USS pension scheme	8	8	11	11
Net credit on UWSS pension scheme	(106)	(106)	(9)	(9)
	(98)	(98)	2	2

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Analysis of other operating expenses by activity				
Academic and related expenditure	129	129	270	270
Administration and central services	319	319	380	380
Premises related expenditure	270	270	193	193
Other services and expenses	642	586	508	503
	1,360	1,304	1,351	1,346

Other operating expenses include:

External auditor's remuneration in respect of audit services	48	42	50	45
External auditor's remuneration in respect of non-audit services	8	8	5	5

5a Endowment transfer

In prior year 2022-23 only an amount of £2.6m (valued at 31 October 2022) was transferred to the UW Restricted Endowment Trust (UWRET). This was a cash transfer to the value of the investments held.

UWRET is a registered charity, number 1162374 and UWRET Trustee Company Ltd., number 09430036 is the corporate trustee.

The trust was established by the University of Wales under its "Adduned Cymru-Wales Pledge" initiative. For more information please see the University website: www.wales.ac.uk/Resources/Documents/Merger/Adduned-Cymru-English.pdf. This was created by the University (being the Settlor) following the announcement of its commitment to merge with the University of Wales Trinity Saint David in order to ensure that the assets it held would continue to benefit the whole of Wales. The UW Restricted Endowment Trust was established to safeguard the numerous charitable bequests the University received over the years which were donated for a particular purpose.

NOTES TO THE ACCOUNTS

	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Totals £'000
6 Tangible fixed assets			
Consolidated			
Cost or valuation			
At 1 August 2023	2,527	1,013	3,540
Additions in the year	-	17	17
Disposals	-	-	-
At 31 July 2024	2,527	1,030	3,557
At 1 August 2023	1,216	987	2,203
Charge for the year	79	7	86
Disposals	-	-	-
At 31 July 2024	1,295	994	2,289
Net book value			
At 31 July 2024	1,232	36	1,268
At 31 July 2023	1,312	26	1,338
	Leasehold land and buildings £'000	Equipment , fixtures and fittings £'000	Totals £'000
University			
Cost or valuation			
At 1 August 2023	2,527	1,013	3,540
Additions in the year	-	17	17
Disposals	-	-	-
At 31 July 2024	2,527	1,030	3,557
At 1 August 2023	1,216	987	2,203
Charge for the year	79	7	86
Disposals	-	-	-
At 31 July 2024	1,295	994	2,289
Net book value			
At 31 July 2024	1,232	36	1,268
At 31 July 2023	1,312	26	1,338

NOTES TO THE ACCOUNTS

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total 2024 £'000	Total 2023 £'000
7 Non-current investments Consolidated					
At 1 August 2023	964	684	-	1,648	2,375
Disposals	(563)	(401)	-	(964)	(671)
Transfers	-	-	-	-	-
Increase/(Decrease) in market value	39	28	-	67	(56)
At 31 July 2024	440	311	-	751	1,648

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total 2024 £'000	Total 2023 £'000
University					
At 1 August 2023	964	684	-	1,648	2,375
Disposals	(563)	(401)	-	(964)	(671)
Transfers	-	-	-	-	-
Increase/(Decrease) in market value	39	28	-	67	(56)
At 31 July 2024	440	311	-	751	1,648

7a Other Investments**Consolidated – Awen Wales Ltd**

The University owns 100% of the issued share capital of £1 ordinary shares of Awen Wales Limited, a company, registered in England and Wales and operating in the U.K. Through the company, as at 31 July 2020, the University had taken up 7% of a maximum 40% investment in the International University Malaya-Wales, a joint venture initiative between the University of Malaya and the University of Wales. This investment amount is £224,000 but has been fully impaired in a prior year.

University – UW Centre for Advanced Batch Manufacture Ltd

At the 31 July 2019 the University had a 51% holding in the UW Centre for Advance Batch Manufacturing Ltd, the company undertakes research and consultancy to develop industrial specific solutions for SMEs. On the 1st July 2020 the University disposed 200,000 A shares to University of Wales Trinity St David for nil consideration and acquired 200,000 B shares from University of Wales Trinity St David for nil consideration. The increase in A shares, which have voting rights, give the University of Wales Trinity St David the controlling interest in the company and at which point its assets and liabilities were removed from the University of Wales's group balance sheet. At the date of disposal the University held an investment in this company to the value of £1.327m which has been fully impaired in a prior year.

During the year the University had a 49% holding in the company. Its share of the loss amounting to £97,106 (2023: £131,132) is unrecognised in the University's accounts.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Stock				
Books for resale	223	223	132	132
Other	3	3	2	2
	226	226	134	134

Stock is valued at the lower of its cost and net realisable value on a average basis

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
9 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	2,130	2,080	707	707
Prepayments and accrued income	21	21	51	51
	2,151	2,101	758	758

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Creditors				
Amounts falling due within one year:				
Trade creditors	1,269	1,238	1,148	1,142
Social security and other taxation payable	29	29	27	27
Receipts in advance	663	663	497	497
Accruals and deferred income	72	72	76	76
Welsh Church Act balances	523	523	523	523
	2,556	2,525	2,271	2,265

The Welsh Church Act balances represent those amounts held on the Beneficiaries Fund. These balances are distributed in arrears to the beneficiaries under the Welsh Church Acts; namely the university institutions at Aberystwyth, Bangor, Cardiff and Swansea (3/16ths each), the University of Wales itself and the National Library of Wales (1/8th each). The balance due to the University itself is shown as deferred income. The funds are also held to cover the current and future administration costs and are distributed to the benefactors at the discretion of the Trustees and are therefore disclosed as a short term creditor. A distribution was last made in 2022-23.

NOTES TO THE ACCOUNTS

	Restricted permanent endowment £'000	Unrestricted permanent endowment £'000	2024 Total £'000	2023 Total £'000
11 Endowment funds				
Consolidated and University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August	2,656	126	2,782	5,317
Disposals	-	-	-	(2,599)
Investment income	37	7	44	81
Increase/(decrease) in market value of investments	23	5	28	(17)
Total endowment comprehensive income for the year	60	12	72	(2,535)
Balance at 31 July	2,716	138	2,854	2,782

	At 31 July 2024 £'000	Cashflow £'000	At 1 August 2023 £'000
12 Cash and cash equivalents			
Consolidated			
Current assets	951	(925)	1,876
Investment Cash uninvested	1,635	963	672
Balance at 31 July	2,586	38	2,548
University			
Current assets	950	(902)	1,852
Investment Cash uninvested	1,635	963	672
Balance at 31 July	2,585	61	2,524

13 Related Party Transactions

The company has taken advantage of the disclosure exemptions of 100% owned related party transactions under FRS102. The transactions with related parties that are not 100% owned by the group are disclosed below:

University of Wales Trinity St David is deemed a related party in that it has key management personnel in common with the University - Balances: £1,763k receivable (2023: £651k), £281k payable (2023: £138k) Total income £1,641k (2023: £1,574k) Total expenditure £58k (2023: £57k).

University of Wales Trinity St David's utilises the DTC and CAWCS buildings, which are owned by the University of Wales. No consideration is received by the University for the use of these buildings.

NOTES TO THE ACCOUNTS

UW Centre for Advanced Batch Manufacture Limited is a related party in that it is a subsidiary company that the University has a minority interest. During the year the University provided further financing of £Nil (2023: £Nil) into the subsidiary. Balances: £230k payable (2023: £224k).

The University maintains a register of Council member interests, the scope of which includes interests of connected persons to the members. There have been no transactions in the year with any individual or company on the Register of Interests.

Payments to Council members in relation to their duties are disclosed in note 3.

14 Contingent Liabilities

There have been no material events in the period between 31st July 2024 and the signing of the accounts on the ** December 2024.

The University is a member of UMAL, a company limited by guarantee, formed to provide a mutual association for insurance risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their prorated share, spread using an internal loan facility over seven years.

15 Non adjusting Post Balance Sheet Events

There have been no other material events in the period between 31st July 2024 and the signing of the accounts on the 18 December 2024.

NOTES TO THE ACCOUNTS

16 Pension schemes

University of Wales Superannuation Scheme (UWSS)

The University operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 July 2022 and updated to 31 July 2024 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The full actuarial valuation carried out at 31 July 2022 showed the Scheme to be fully funded on the technical basis. As a result it has been agreed that no further contributions are required to meet the recovery plan. The Employer has agreed to pay additional voluntary contributions at a rate of £100k per annum. These contributions will continue until the earlier of: a revised schedule of contributions being agreed by the Trustees and Employer and certified by the Scheme Actuary; or the Scheme Actuary advising the trustees that the Scheme has achieved at least 100% funding on the solvency basis. In addition, and in accordance with the actuarial valuation, the Employer has agreed with the Trustees that it will pay 17.8% from 1 August 2023 of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the scheme and levies to the Pension Protection Fund. Member contributions are payable in addition at a rate of 8.0% of pensionable pay.

Amounts recognised in the statement of financial position are:

	31 Jul 2024 £'000	31 Jul 2023 £'000
Defined benefit obligation	(7,645)	(7,297)
Fair value of plan assets	9,650	9,298
Funded status	2,005	2,001
Impact of Asset Ceiling	-	-
Net defined benefit asset/(liability)	2,005	2,001

The University has adopted the IAS19 approach in relation to the recognition of the pension asset.

Defined benefit costs recognised in comprehensive income statement are:

	31 Jul 2024 £'000	31 Jul 2023 £'000
Service cost:		
Change arising from employee service in reporting year (net of employer contributions)	(126)	(27)
Administration expenses paid from plan assets	-	-
	(126)	(27)
Net interest cost	(106)	(8)
Cost relating to defined benefit plans included SCI	(232)	(35)

Gains/(Losses) recognised in other comprehensive income are:

	31 Jul 2024 £'000	31 Jul 2023 £'000
Remeasurements-		
Return on plan assets	60	(589)
Effect of experience adjustments	15	(215)
Effect of changes in assumptions	(303)	2,543
Changes in unrecognised assets	-	227
Total amount recognised in other comprehensive income – (loss)/ gain	(228)	1,966

NOTES TO THE ACCOUNTS

Significant actuarial assumptions were:

	31 July 2024	31 July 2023
Discount rate	4.90%	5.15%
Price Inflation rate – RPI	3.15%	3.20%
Price inflation rate – CPI	2.55%	2.50%
Salary increase rate	4.05%	4.00%

The methodology for calculating the discount rate has changed from the Mercer AA Yield Curve (without options) to the Mercer AA Yield Curve (with expanded dataset). Mercer's confirmation in their assumptions advice that the discount rate would have been 0.1% higher under the previous methodology.. Based on the disclosed sensitivity for discount rate, the change in methodology increases the DBO by around £130k.

Post-retirement mortality assumption	91% (males) and 98% (females) of the standard tables S3PxA_H, Year of Birth, no age rating projected using CMI_2023 converging to 1.25% pa	91% (males) and 98% (females) of the standard tables S3PxA_H, Year of Birth, no age rating projected using CMI_2022 converging to 1.25% pa
Assumed life expectancy on retirement at age 64		
Retiring today	20.8(M)/23.8(F)	20.8(M)/23.7(F)
Retiring in 20 years	22.2(M)/25.3(F)	22.2(M)/25.2(F)

Sensitivity analysis:

	31 July 2024	31 July 2023
Present value of defined benefit obligation	£'000	£'000
Discount rate -50 basis points	8,294	7,902
Discount rate +50 basis points	7,077	6,765
Price inflation rate -25 basis points	7,382	7,209
Price inflation rate +25 basis points	7,861	7,671
Post retirement mortality – 1 year age rating	7,882	7,516

Change in defined benefit obligation and fair value of plan assets:

	Assets £'000	Liabilities £'000	Total £'000
Reconciliation of scheme assets and liabilities:			
At start of period	9,298	(7,297)	2,001
Benefits paid	(386)	386	-
Administrative expenses	-	-	-
Current service cost	-	(46)	(46)
Contributions from employer	172	-	172
Contributions from employees	32	(32)	-
Interest income/(expense)	474	(368)	106
Return on assets (excluding amount included in net interest expense)	60	-	60
Actuarial gain/(losses)			
Effect of changes in assumptions	-	(303)	(303)
Effect of experience adjustments	-	15	15
At end of period	9,650	(7,645)	2,005

NOTES TO THE ACCOUNTS

	31 July 2024 £'000	31 July 2023 £'000
The defined benefit obligations are as follows:		
Actives	987	794
Vested deferrers	3,067	2,827
Retirees	3,591	3,676
Total	7,645	7,297

	31 July 2024 £'000	31 July 2023 £'000
The scheme assets are as follows:		
Cash and cash equivalents	48	86
Equity instruments	1,566	3,726
Debt instruments	6,558	1,866
Other	1,478	3,620
Total	9,650	9,298

None of the fair value of the assets shown above include any direct investments in the university's own financial instruments property occupied by, or other assets used by, the university.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. The Company and pension trustees are currently considering the implications of the case for the University of Wales Superannuation Scheme. The defined benefit obligation has been calculated on the basis of the pension benefits currently being administered, and at this stage the directors do not consider it necessary to make any adjustments as a result of the Virgin Media case.

Universities Superannuation Scheme (USS)

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

The total credit charged to the Consolidated Statement of Comprehensive Income is £355k (2023: Cost £30k). Deficit recovery contributions due within one year for the University are £Nil (2023: £31k).

A deficit recovery plan was put in place as part of the 2020 valuation, which required payment of 6.2% of salaries over the period 1 April 2022 until 31 March 2024, at which point the rate would increase to 6.3%. No deficit recovery plan was required under the 2023 valuation because the scheme was in surplus on a technical provisions basis. The institution was no longer required to make deficit recovery contributions from 1 January 2024 and accordingly released the outstanding provision to the profit and loss account.

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

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

NOTES TO THE ACCOUNTS

The 2023 valuation was the seventh 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 (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

The key financial assumptions used in the 2023 valuation are described below. More detail is set out in the Statement of Funding Principles (uss.co.uk/about-us/valuation-and-funding/state-ment-of-funding-principles).

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.0% p.a. to 2030, reducing linearly by 0.1% p.a. from 2030.
Pension increases (subject to a floor of 0%)	Benefits with no cap: CPI assumptions plus 0.05% Benefits subject to a "soft cap" of 5% (providing inflationary increases up to 5%, and half of any excess inflation over 5% up to a maximum of 10%): CPI assumption minus 3bps.
Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.5% p.a. Post-retirement: 0.9% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2023 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	101% of S2PMA "light" for males and 95% of S3PFA for females
Future improvements to mortality	CMI_2021 with a smoothing parameter of 7.5, an initial addition of 0.4%p.a., 10% w2020 and w2021 parameters and long term improvement rate of 1.8% p.a for males and 1.6% p.a for females.

The current life expectancies on retirement at age 65 are:

	2024	2023
Males currently aged 65 years	23.7	24.0
Females currently aged 65 years	25.6	25.6
Males currently aged 45 years	24.4	26.0
Females currently aged 45 years	27.2	27.4

	31 July 2024 £'000	31 July 2023 £'000
Opening deficit	(355)	(325)
Deficit contributions paid during the year	12	26
Change in expected contributions	351	(45)
	363	(19)
Interest costs (in the form of the discount unwind)	(8)	(11)
Closing deficit	Nil	(355)

NOTES TO THE ACCOUNTS

17 Restatement

During the preparation of the 2023/24 accounts it was identified that an investment revaluation reserve was recognised for amounts that should be categorised under unrestricted reserves

This adjustment does not affect the overall net figures in the accounts, with the impact noted in the tables below.

	Year Ended 31 July 2023 (Consolidated)			Year Ended 31 July 2023 (University)		
	As previously Reported	Adjustment	As Restated	As previously Reported	Adjustment	As Restated
STATEMENTS OF FINANCIAL POSITION IMPACT						
Income and expenditure reserve - unrestricted	2,523	496	3,019	2,505	496	3,001
Revaluation reserve	496	(496)	-	496	(496)	-

STATEMENTS OF CHANGES IN RESERVES IMPACT

	Income and Expenditure Account			Revaluation Reserve		
	As previously Reported	Adjustment	As Restated	As previously Reported	Adjustment	As Restated
Consolidated						
Balance at 1 August 2022	(275)	1,206	931	1,206	(1,206)	-
Surplus / (deficit) from the income and expenditure statement	(2,437)	(39)	(2,476)	(39)	39	-
Other comprehensive income	1,965	-	1,965	-	-	-
Transfers between revaluation reserve and I&E account	3,270	(671)	2,599	(671)	671	-
Total Comprehensive Income / expense for the year	2,798	(710)	2,088	(710)	710	-
Other Movement in year	-	-	-	-	-	-
Balance at 31 July 2023	2,523	496	3,019	496	(496)	-

	Income and Expenditure Account			Revaluation Reserve		
	As previously Reported	Adjustment	As Restated	As previously Reported	Adjustment	As Restated
University						
Balance at 1 August 2022	(295)	1,206	911	1,206	(1,206)	-
Surplus / (deficit) from the income and expenditure statement	(2,434)	(39)	(2,473)	(39)	39	-
Other comprehensive income	1,965	-	1,965	-	-	-
Transfers between revaluation reserve and I&E account	3,270	(671)	2,599	(671)	671	-
Total Comprehensive Income / expense for the year	2,801	(710)	2,091	(710)	710	-
Other Movement in year	(1)	-	(1)	-	-	-
Balance at 31 July 2023	2,505	496	3,001	496	(496)	-

Accounts

University of Wales

Charity number: **1146516**

**Consolidated Financial Statements
For the year ended 31 July 2023**

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ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Members**

Members of the University's governing body, the Council, are the Trustees of the University. Those who served during the year (up to the Council meeting at which the financial statements were signed) are listed below. Attendance (%) at Council meetings in 2022/23 is provided in brackets, calculated on the basis of the number of meetings individuals were eligible to attend.

The Council has formally adopted the definition of independence developed by the sector in response to the Review of Governance of the Universities in Wales. Independent members are neither registered students nor staff of the University and their appointment and responsibilities are consistent with the definition. A published Register of Members' Interests is reviewed and updated annually, and members are expected to explicitly identify at the start and end of each meeting any matters on which their interests may have a bearing. Further information is available in the Statement of Corporate Governance.

Member Ex Officio

The Vice-Chancellor (100%)

Independent Members

The Venerable A. J. Randolph Thomas (Chair until 31 August 2023) (100%) (2022: 100%)

Emlyn Dole (Appointed 6.3.2023; Chair from 1 September 2023) (n/a) (2022: n/a)

Justin Albert OBE (100%) (2022: 50%)

Siwan Davies (Resigned 31.5.2023) (100%) (2022: 50%)

Timothy J Llewellyn (Appointed 1.1.2023) (100%) (2022: n/a)

Arwel Ellis Owen OBE (75%) (2022: 80%)

Dr Elizabeth Siberry OBE (100%) (2022: 80%)

Maria Stedman (75%) (2022: 80%)

Nigel Roberts (100%) (2022: 100%)

Deris Davies Williams MBE (75%) (2022: 60%)

Co-opted Members

Geraint Evans (Appointed 1 August 2023) (2022: n/a)

Iwan Thomas (Appointed 1 August 2023) (2022: n/a)

Staff Member

Dr Stuart Robb (100%) (2022: 100%)

Clerk and secretary: Sarah Clark (Resigned 31.08.2023) (100%) (2022: 100%)

Clerk and secretary: Rebecca Doswell (Appointed 01.09.2023) (2022: n/a)

ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Legal Status**

Established by Royal Charter in 1893 (RC000676) the University is a registered charity (number 1146516). The principal office is the University Registry, King Edward VII Avenue, Cathays Park, Cardiff CF10 3NS. The names of the members of the University Council (who also act as charity trustees) are stated and disclosed in the previous page.

Professional Advisors

Independent Auditor	
External	KPMG, 3, Assembly Square, Britannia Quay, Cardiff CF10 4AX
Internal	Mazars, One Caspian Point, Pierhead Street, Cardiff CF10 4DQ
Banker	HSBC Bank plc, 56 Queen Street, Cardiff. CF10 2PX
Insurance Adviser	University Mutual Association Ltd, 4th Floor, 5 St. Helen's Place, London. EC3A 6AB
Pensions Adviser	Mercer Ltd, 1 Whitehall Quay, Whitehall Road, Leeds. LS14HR
Investment Adviser	Jaggers & Associates, Exchange Quay, Salford. M5 3EQ
Solicitor	Blake Morgan, Bradley Court, Park Place, Cardiff. CF10 3DP Eversheds LLP, 1 Callaghan Square, Cardiff CF10 5BT

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE-CHANCELLOR

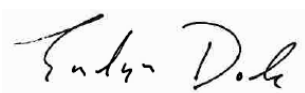
Introduction by the Chair of Council

I'm pleased to introduce the Annual Report and Financial Operating Statement for the academic year 2022-23. As a newly appointed Chair of Council, I am indebted to my fellow Council Members and to the former Chair, the Venerable Randolph Thomas and Vice-Chancellor, Professor Medwin Hughes, CBE, DL for their achievements during the period of this report.

It is now over ten years since the University of Wales issued its formal Wales Pledge as it reaffirmed its commitment, as part of the formal integration of the University of Wales with the University of Wales Trinity Saint David (UWTSD), to safeguard some of the cultural and heritage assets associated with the University. Over the last decade the University has systematically engaged in a series of structural initiatives which have safeguarded the legacy of the University of Wales.

An imperative for the University Council has been to deal with legacy issues as it secured integration with UWTSD. In doing so, it has, through good governance, due process and structured execution managed to successfully deliver upon the key pledges made over a decade ago. The nature of such implementation has called upon the University to invest and disinvest in an appropriate manner, while also being mindful to safeguard the cultural assets associated with the University of Wales. It has included the continual investment in the intellectual capital capacity of the University of Wales Press (UWP). UWP, which celebrated its centenary in 2022, has continued to support and disseminate scholarship from and about Wales to a worldwide audience by publishing scholarly research in the Humanities, Arts and Social Sciences. In the same context, the University's commitment to Celtic scholarship was further promoted with the University of Oxford and UWTSD with a number of initiatives taken forward via the Centre for Advanced Welsh and Celtic Studies.

I am grateful to the staff and members of the University council for their continued and valued support.



Emlyn Dole
Chair of Council

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE-CHANCELLOR

Introduction by the Vice-Chancellor

On the first of September 2023, I was privileged to take over as Vice-Chancellor and Chief Accounting Officer of the University. I am extremely proud to be given the opportunity to lead such a magnificent and historic institution and I pay tribute to those who have played an important part in my journey.

This review looks back at the University's work during 2021 and 2022 and therefore I must credit others for their commitment and diligence in moving the University forward during an unprecedented and challenging period for the sector, and to our whole society.

My first few months as Vice-Chancellor has been focused on meeting colleagues across the institution as we look to crafting a new institutional strategic plan. These meetings have afforded me the opportunity to listen to colleagues' views and to gain an invaluable insight into the work of the University of Wales.

Since 2012, the University strategy has been to prepare for academic and administrative integration and merger with the University of Wales Trinity Saint David (UWTSD). In July 2017 the University Council was satisfied to move to the next phase of the formal merger and the academic and administrative functions of the University of Wales and UWTSD were integrated through a formal Deed in August 2017. The next phase was to be a constitutional merger, no formal timetable had been set for the conclusion of this merger and the integration plans have been paused.

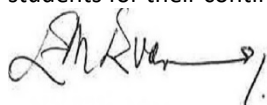
During 2022 the officers and trustees of the University began to explore a confederal framework that would allow the University to consider the implications of the new Tertiary Education Act (2022) and the establishment of the Commission for Tertiary Education and Research. Development of the framework has continued through the year between the University, the UWTSD Group, which includes Coleg Sir Gâr and Coleg Ceredigion as constituent colleges, as well as three other FE partners.

During 2022-23, the University of Wales Press (UWP) published 42 new titles, including 5 Welsh language and 1 bilingual, and 14 journals editions with a total of 65 articles and reviews. The new trade imprint, Calon, published 7 new titles, all of which has a Welsh connection and were successful both within the UK and more widely, particularly in the United States. I'm delighted to note that Dr Simon Brooks' book, *Hanes Cymry: Lleiafrifoedd Ethnig a'r Gwareiddiad Cymraeg* won the Ellis-Griffith Memorial Prize in December 2022. UWP also retained the BIC Metadata Excellence Award, reflecting its commitment to the quality of data and ensuring that sales potential is maximised. During the year, UWP developed its Print-on-Demand programme with a view to expanding into various global territories over the coming year.

The University of Wales continued to manage the exit from its collaborative provision and maintained the academic governance through which it has continued to ensure that its structures remain appropriate for oversight of the quality and standards of the University's academic awards.

During the academic year, the Venerable Randolph Thomas, Chair of the Councils of University of Wales Trinity Saint David and University of Wales and Professor Medwin Hughes, CBE, DL, Vice-Chancellor retired. Both have shown exceptional leadership and steadfast commitment to the University over many years, and I would like to thank them for their exceptional contribution to the University and to higher education in Wales.

I would also like to express my enormous gratitude to the University's Governing Body, colleagues, and students for their continued and valued support.



Professor Elwen Evans, KC
Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Preparation of the consolidated financial statements

The consolidated financial statements for the year to 31 July 2023 have been prepared in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Education 2019, the Accounts Direction for 2022/23 issued by the Higher Education Funding Council for Wales, and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The consolidated financial statements for the year to 31 July 2023 have been prepared on a going concern basis as detailed on page 31.

Basis of Consolidation

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2022. Gwasg Gregynog was fully consolidated in the consolidated accounts following a change of control in the company at 31 July 2023.

Public benefit statement

The University is a registered charity and its charity number is 1146516.

Delivery of the above-described strategic objectives has also met the charitable objects of the University, which are for the advancement of education, learning and research and to serve Wales and its people.

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

The operational review below sets out the University's activities in support of its strategic and charitable objectives.

Ethical Investment and banking policies

University Council (as trustees of the University's endowment funds) is expected to act in the best interests of the beneficiaries of the funds for which it is responsible. The beneficiaries include the University itself, staff and students. Council's policy is to aim for the best possible financial return from investments, consistent with an appropriate risk profile, and it may exclude investments from the investment portfolios if the aims of the bodies concerned are incompatible with its objectives.

Equal opportunities

On 1 August 2017, the University adopted the equal opportunities systems and practices of UWTSD, whose commitment to equality and diversity is set out in its *Strategic Equality Plan 2020/24*. The University aims to create a culture of openness and respect in which barriers for those with protected characteristics are identified and removed. It wants its people to feel safe and valued, and to achieve their full potential for the benefit of the individual, the organisation and wider communities. It wishes to promote equality of opportunity, fair working practices, and good interpersonal relations throughout its staff and student bodies.

Environmental sustainability policy

Sustainability is at the heart of how the University does business. The University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. It has a duty to satisfy itself that all of its operations and activities are conducted with proper regard to the environment.

Health and Safety

There were no reportable safety incidents in 2022/23 or significant near miss events. On 1 August 2017, the University adopted the health and safety systems and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period.

OPERATING AND FINANCIAL REVIEW

Welsh Language

The Welsh Language (Wales) Measure 2011 affords the Welsh language official status in Wales. This means it must be treated no less favourably than the English language. It establishes a legal framework to impose a duty on some organisations to comply with standards of conduct on the Welsh Language.

Welsh Language Standards replace the system of Welsh language schemes, introduced by the Welsh Language Act 1993.

. On 1 August 2017, the University adopted the Welsh language policy and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period. New members of staff receive Welsh language awareness training as part of induction and the training requirements of all staff are reviewed as part of the annual staff appraisal process.

Principal risks and uncertainties

The principal risks and uncertainties faced by the University are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of income receipts upon cash balances held within the University at any one point in time;
- Home student recruitment and retention given uncertain economic environment and demographic trends;
- Managing the existing relationships with its collaborative provision partners; and
- Developing a sustainable financial strategy for discreet units that form part of the Wales Pledge.

Both officers and trustees are content that the financial management of the University continues in a prudent manner that maintains or grows the net assets and cash balances of the University during a period where the new business plan is being developed. As the plan develops officers and trustees will consider emerging risks and opportunities and develop mitigation plans where applicable

Future prospects

The current environment within the sector is challenging but the University has managed its resources over the past few years in a way that places it in a good position to develop its new business plan which will establish new income streams in future years and enable the University to grow. During the initial development and implementation of the business plan the focus is on maintaining the current net asset position with modest cash generation to maintain a position of going concern.

Declaration of information to auditor

Insofar as each of the members who held office at the date of approval of this report is concerned:

- a) there is no relevant audit information of which the University's auditor is unaware; and
- b) each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

OPERATING AND FINANCIAL REVIEW

Collaborative Provision

The University's managed exit from collaborative provision is based on three principles. These affirm that during the exit process the University will: (i) take whatever additional steps are necessary to assure the quality of provision and ensure the academic standards of its awards; (ii) fulfil its responsibility to enable students to complete their studies leading to an award in a way that is consistent with the relevant University regulations; and (iii) honour the contracts which are in place for each collaborative centre which remains in good standing.

During the reporting period, the University has seen a reduction of 58% of its student population under the validated services model and has exited from a further seven collaborative centres. At the end of 2022/23, the number of students studying at collaborative centres had fallen to around 200 (down from over 28,000 when the withdrawal from collaborative provision was announced).

During the 2022/23 academic year, the University has maintained the academic governance structure implemented in 2019/20, through which it has continued to ensure that its deliberative structures remain appropriate for oversight of the quality and standards of the University's academic awards. During the period, the University has received and considered 58 reports from external examiners, moderators, and University Officers considering the quality assurance and academic standards of the University's awards. The University continues to embed its systematic approach to addressing any actions arising from the reports. The University continues to deliver this through the Collaborative Partnerships Office which is responsible for supporting both UW collaborative centres and UWTSD partnerships.

University of Wales Press (UWP)

It has been another very busy year for the University of Wales Press (UWP/the Press). During 22-23 It published 42 new UWP titles (including 5 Welsh language and 1 Bilingual) and 14 journals editions with a total of 65 articles and reviews. The new trade imprint, Calon, published 7 new titles.

UWP are continuing to develop our Print on Demand program with a view to expanding into various global territories over the coming year. It also expanded its freelance pool of expert editors, typesetters and designers in order to maintain the highest standards expected from UWP.

Wales Studies: Publications this year included six Welsh language books: *Mae'r Beibl o'n Tu* by Gareth Evans-Jones; *Griffith Davies* by Haydn Edwards; *Cranogwen* by Jane Aaron; *Geirfâu'r Fflyd* by Ann Parry Owen; *Llwyfannu'r Genedl Anghyflawn* edited by Ian Rowlands and *Beth yw'r Gymraeg* edited by Angharad Naylor, Dylan Foster Evans and Llion Pryderi Roberts (in partnership with Coleg Cymraeg Cenedlaethol and available in open access).

It also published important landmark works in English in Wales Studies this year, including the first full length biography of Iorwerth Peate, *Man, Myth and Museum* by Eurwyn Wiliam, an edited volume on *Child Poverty in Wales* and a collection of Aneurin Bevan's writings, *This is my Truth* edited by Nye Davies, to coincide with the 75th birthday of the NHS. We also published three further monographs in our long-standing 'Writing Wales in English' series by Hywel Dix, Lindon Peach and M. Wynn Thomas, along with a book on labour history by Martin Wright from the History Department at Cardiff University. One of our most topical Wales Studies books this year was Rob Jones and Richard Wyn Jones's book on *The Welsh Criminal Justice System* which has proved a critical and commercial success. *Frank Lloyd Wright: The Architecture of Defiance*, by J. Adams, was published in the Architecture of Wales series.

The return of the HEFCW Fund to UWP's control has also greatly facilitated commissioning Wales Studies titles as it gives UWP added confidence and assurance that we will have the funding required to enable us to publish a broad range of titles in Welsh and English. This has led to an increase in the amount of Wales Studies proposals received and commissioned over the past twelve months. HEFCW are very pleased with the vibrancy of the list, noting that as well as the funding, of key importance is the field of Wales Studies as a whole.

Humanities and Social Sciences: Within its international humanities and social sciences list, we published ground-breaking titles across our leading series including a *How Kant Matters for Biology* (Political Philosophy

OPERATING AND FINANCIAL REVIEW

Now series), by Dr. A. Jones, University of Exeter, *Jesus of Nazareth in the Literature of Unamuno* (Iberian and Latin American Studies series), by globally renowned Unamuno scholar, Professor Carlos Longhurst. Other new titles in the series included *Latin America and Existentialism* by Dr. E. Murillo of University TN-Chattanooga, *Fractal Families in New Millennium Narrative by Afro-Puerto Rican Women* by Dr. J. Maddox of University of Alabama, Birmingham, and *Theatre Censorship in Spain 1921-1982* by Professors M. Thompson, University of Durham and C. O'Leary of University of St Andrews. The French & Francophone Studies series saw the publication of "*Taking Up Space*": *Women at Work in Contemporary France*, edited by Dr. S. Bouamer, University of Cincinnati, and Dr. S. Stojanovic, University of Notre Dame.

UWP's Gothic Literary Studies series continues to publish innovative titles such as *Middle Eastern Gothics*, Ed. Professor K. Grumberg, University of Texas, and *Cornish Gothic* by Dr. J. Passey of Bristol University. The Horror series included *The Blaxploitation Horror Film* by Prof. Jamil Mustafa of Lewis University, Chicago, and *House of Horrors* by Dr. A. Lotwasińska of Warsaw University. Our Medieval Studies list included the publication of perhaps the most emblematic of Medieval animals, the fox, by Emeritus Professor Paul Wackers, Utrecht University, in his short book *Introducing the Medieval Fox* (Medieval Animals Series).

UWP published the first title in the new Gothic Originals series: *Charlotte Dacre: A Novel in Four Volumes* by D. J. Airey, University of Tulsa. The series consists of scholarly editions of out of copyright classic Gothic literature. The series is developing very well: we have a further two titles in production for publication in the next financial year.

Awards: *Hanes Cymry: Lleiafrifoedd Ethnig a'r Gwareiddiad Cymraeg* by Dr. Simon Brooks won the Ellis-Griffith Memorial Prize in December 2022.

UWP also retained the BIC Metadata Excellence Award, reflecting our commitment to the quality of our data and ensuring we maximise our sales potential.

Calon: 22-23 was the first full financial year for our new non-fiction trade imprint. We published 7 new titles, all of which have a Welsh connection. Titles published during 22-23 were *Return to my Trees* by Matthew Yeomans, *Rock Legends at Rockfield* by Jeff Collins, *An Indigo Summer* by Ellie Evelyn Orrell, *Wales on this Day* by Huw Rees and Sian Kilcoyne, *A Map of Love* by M. Wynn Thomas, *Shaping the Wild* by David Elias and *Escape to Gwrych Castle* by Andrew Hesketh. Titles have been successful both within Wales/UK and more widely – particularly seeing success in the US. Calon has twelve titles publishing in the coming financial year, with many more planned into the future.

Other News: The Research Excellence Framework (REF) 2028 was announced in June; this is a major event for authors in UK Higher Education Institutions, therefore we'll work with relevant authors to adhere to REF deadlines.

Dylan Thomas Centre

Located near UWTSD's SA1 Development, the Centre is home to a permanent exhibition to Dylan Thomas, which makes it a key part of Swansea's literary and cultural quarter. University investment in the building over the past few years has also transformed it into a multi-purpose and multi occupancy venue open to host a range of events and functions.

During 2022/23 the Centre continued to be an integral part of the new UWTSD SA1 Campus which opened in September 2018. It also now hosts students and academic staff as part of the wider campus and its operating costs are funded by UWTSD.

Gwasg Gregynog

During 2021/22 the University regained control of Gwasg Gregynog Ltd following a change of directors. The company undertakes fine press printing and is currently located within the Gregynog Estate, Newton, Powys. Business plans are currently being developed for discussion and approval for implementation in 2023/24.

OPERATING AND FINANCIAL REVIEW

Financial Review for the year

The consolidated results recorded a total comprehensive income for the year was an expense of £447k (2022: income of £2.421m). This was an decrease in the net position, from 2021-22, mainly attributable to the one-off endowment transfer out of £2.599m offset by the movement from gain to loss in respect of pension schemes amounting to £1.965m.

A summary of the financial performance is shown in the table below

Statement of Comprehensive Income summary

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000	Movement £'000
Income	2,723	2,443	280
Expenditure	(2,480)	(2,789)	309
	243	(346)	589
Endowment Transfer	(2,599)	-	(2,599)
Deficit before other losses	(2,356)	(346)	(2,010)
Loss in respect of investments	(56)	(150)	94
Deficit for the year	(2,412)	(496)	(1,916)
Actuarial (loss)/gain in respect of pension schemes	1,965	2,917	(952)
Total comprehensive (expense)/income for the year	(447)	2,421	(2,868)

Income

Total consolidated income for the University in 2022-23 was £2.7m (£2.4m in 2021-22).

Collaborative provision income was £1.5m (£1.3m in 2021-22) and was the largest source of funding for the university accounting for 55% of total income.

Other income was £1,085m (£993k in 2021-22). The increase was attributable to increased grant funding for the UW Press.

Investment income for the year was £140k (£131k in 2021-22) and £Nil donations (£1k in 2021-22).

Income analysis

	Year ended 31 July 2023 £'000	%	Year ended 31 July 2022 £'000	%
Collaborative Provision	1,499	55.1	1,318	54.0
Other income	1,085	39.8	993	40.5
Investment income	140	5.1	131	5.4
Donations	-	-	1	0.1
Total Consolidated Income	2,723	100.0	2,443	100.0

OPERATING AND FINANCIAL REVIEW

Expenditure

Total consolidated expenditure for the University was £2.5m plus a one-off transfer of £2.6m being £5.1m (£2.8m in 2021-22).

Staff costs were £1.0m (£1.3m in 2021-22). This was an overall decrease due to decreasing pension service costs (this is an actuarial calculation and adjustment) which was partly offset by a slight increase in actual staff costs in 2022-23 in line with the budget plan.

Operating Expense costs were £1.4m (£1.3m in 2021-22). The overall decrease was across a number of expenditure heads.

Depreciation costs were £86k (£97k in 2021-22). The decrease was due to equipment depreciation coming to an end in 2021-22.

Pension interest costs were £2k (£42k in 2021-22). This is an actuarial calculation and adjustment.

There was a one off transfer of endowment asset investments to UWRET in 2022-23 of £2.6m (see Note 5a).

Expenditure analysis

	Year ended 31 July 2023		Year ended 31 July 2022	
	£'000	%	£'000	%
Staff costs	1,048	42.3	977	35.0
Pension Service costs	(8)	(0.3)	354	12.7
	1,040	41.9	1,331	47.7
Academic and related expenditure	270	10.9	90	3.2
Administration and central services	380	15.3	493	17.7
Premises and central services	193	7.8	142	5.1
Other services and expenses	509	20.5	593	21.3
	1,352	54.5	1,318	47.3
Depreciation	86	3.5	97	3.5
Interest payable	2	0.1	43	1.5
	88	3.5	140	5.0
Total Expenditure before transfer	2,480	100.0	2,789	100.0
Endowment transfer	2,599	-	-	-
Total Consolidated Expenditure	5,080	-	2,789	-

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £3.9m as at 31 July 2023 (2022: £6.2m). When Pension liabilities are excluded the net asset position is £4.3m at 31 July 2023 (2022: £6.6m).

Fixed assets decreased in line with depreciation and there were no additions or disposals in year.

Total debtors were £0.8m at 31 July 2023 (2022: £1.8m). This is a decrease from 2022 and is attributable to trade debtors with a related party.

Cash and cash equivalent balances were £2.5m at 31 July 2022 (2022: £3.5m). The decrease and is linked to the transfer of assets to UWRET (see note5a) which was partly offset with disinvestment receipts.

OPERATING AND FINANCIAL REVIEW

Total creditors were £2.3m at the year-end (2022: £2.7m). The decrease was due to the distribution of WCA creditor balances in year which was partly offset with an increase of receipts in advance linked to UW Press grant funding and related party transactions.

Pension provisions were £0.3m at 31 July 2023 (2022: £0.3m). Pension Obligations to the defined pension scheme per the actuarial valuation showed a surplus of £2.0m (2022: £Nil).

Cash Flow

The consolidated net cash outflow from operating activities was £1.9m for the year (2022: £509k outflow) and the overall cash decrease was £993k (2022: £231k decrease). The decrease is attributable to the transfer of endowment funds.

Treasury Management and investments

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. As at 31 July 2023 the value of fixed asset investments was £1.0m (2022: £0.8m) and the value of the endowment investments was £0.7m (2022: £1.7m). In addition, there is an amount of £0.7m uninvested cash (2022 : £2.5m), redeemed in 2021/22 from a ceased investment fund. An amount of £2.6m (valued at 30 October 2023) was transferred to the UW Restricted Endowment Trust (UWRET) from endowment investments and uninvested cash in 2022/23.

Liquidity

The University has prepared cashflow forecasts for the 12 months from the date of the financial statements and is of the opinion that it will have sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow in the year.

Pensions

The in-house final salary pension scheme is in a technical surplus position at 31 July 2023 being an amount of £2.0m (2022:£Nil).

Accounting standards require the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS) and this liability is included in the pension provision and additional costs are processed through staff costs in the consolidated statement of income and expenditure. During the year the liability on the USS increased by £30k to £355k (2022: £325k liability).

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing. Key areas for management focus include:

- maintaining and being pro-active in the recruitment and retention of students;
- managing a change in the nature of core business with reduced reliance on historical collaborative activity and increased development of new and innovative delivery programmes in partnership with the University of Wales Trinity Saint David;
- maintaining a sufficient level of cash reserves to support ongoing operations ;
- managing cash flows, including the timely collection of receipts from collaborative partners to ensure sufficient working capital;
- responding to the changing political context of Higher Education in Wales;
- securing commitments made in the Wales Pledge and
- robustly managing increases in pension costs.

OPERATING AND FINANCIAL REVIEW

During 2021/22 the University experienced continued reductions in some income streams but has been taking proactive action to build upon innovative areas of activity with key partners with an emphasis on recruitment to local skills based courses in 2022/23 in partnership with the University of Wales Trinity Saint David.

Sustainability

The University considers sustainability one of the key risks that it faces, and maintaining financial security is the first listed enabler to achieving delivery of its strategic plan.

The University considers income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability. A key metric reported on the University's position to governors is the ability to meet its future liabilities on existing cash reserves for a period of not less than 3 months

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. At both the balance sheet date and the date of signing the accounts the University has no plans to enter into any material additional financial obligations.

The University has carefully managed the declining income from traditional sources and has divested from loss making activities within the institution in order to ensure its sustainability through the transitional period of establishing the future strategy detailed in the University Strategy section of this report

The University expects to maintain cash generation in 2023/24. It is also felt that the University has sufficient cash reserves at 31 July 2023 and a sensible budget for 2023/24 and 2024/25 that allows it to look at the medium term with confidence.

Going Concern

As outlined in the introduction, in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. With the development of a new direction of the University of Wales being delivered through the business plan outlined in the University Strategy on page 5 this integration process has paused.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2023/24 and 2024/25 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2025 under the existing operating model, acknowledging any income streams from the new strategy are anticipated from the 2023/24 – 24/25 financial years.

OPERATING AND FINANCIAL REVIEW

These forecasts build on a strong cash balance at 31st July 2023 and even under plausible downside scenarios indicate that the University can operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University

Accordingly, the Council have deemed it appropriate to use the going concern basis of preparation within these financial statements.

Environmental Reporting

The University is committed to embedding sustainability as a core principle. This is evidenced in the Strategic Plan and Environmental Policy Statement which articulates its values of Sustainable Development and Global Citizenship. Sustainability is embedded within the Strategic Action Plan (2022 – 2025) and Estates and Infrastructure have key performance indicators that are sustainability linked; these include: energy consumption, cost of core utilities, Scope 2 emissions. Progress is monitored through annual strategic plan reporting and Key Performance Indicator Reporting provided to the Resources and Performance Committee and University Council

The University is specifically committed to implementing a university wide Carbon Management Plan to achieve Net Zero by 2030.

In July 2014, the University adopted a Carbon Management Strategy to explicitly show its commitment to, and outline a plan for, managing and reducing its carbon emissions, against which considerable progress has been made; This has included: Solar installations, retro fitting the estate with energy efficient options such as LED lighting, Low carbon Heat Pumps, etc.

Systematic revision of this plan will enable the University to continue the journey to Net Zero Carbon while undertaking a range of assessments that will inform the development of a three-year plan that will recognise the progress to date and further map out the route to Net Zero Carbon

The action areas identified for carbon reduction fall within the following three main pillars.

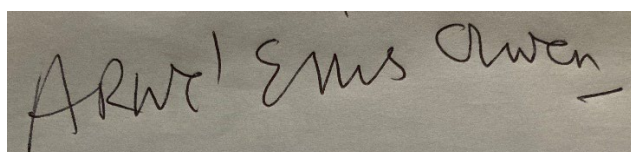
1. Implementing a Monitoring Programme to ensure accurate monitoring of energy use, and water use through the provision and use of an Energy Management System enabled by an appropriate software package.
2. Transition to ensure that all new capital projects are built to Net Zero Carbon BREEAM 'Excellent' score and there is an associated reduction in supply chain impacts.
3. To significantly improve the energy efficiency of the remaining estate, with full consideration given to replacement & renewable energy heat schemes and discontinuation use of gas. Campus development plans must prioritise decarbonisation opportunities such as scoping for Low/No Carbon Heat pilot projects and making demonstrable progress on understanding and implementing the remaining energy efficiency opportunities. which include utilisation of effective building management controls

OPERATING AND FINANCIAL REVIEW

In addition, the University will:

- Develop people centred model of service delivery that reduces the need to travel for staff, students and visitors that promotes low emission travel, active travel and encourages a greater use of public transport, reducing car commutes and business travel
- Apply the principles of a circular economy to our procurement activities, incorporating a robust carbon reduction phase that assesses the carbon impact of goods and service across the lifespan.
- Utilise UK markets for carbon sequestration values to develop a land asset calculation
- Develop renewable energy sources to reduce our carbon footprint, mitigating business risk against overloading and power outage on the National Grid
- Student and staff engagement through a blended approach of both digital and face to face events which aims to promote behaviour change that creates a climate conscious Wales

Central to this is the Sustainable Development Group that the University has established, to bring together individuals from each institute and professional services unit to promote and communicate sustainability across the whole institution. This has resulted in several initiatives relating to Net Zero being communicated to staff, such as our “One Campus, One Day” initiative aimed at reducing inter-campus travel as well as providing a consultation forum for policy development, check and challenge.



Arwel Ellis Owen

Chair of Resources and
Performance Committee
University Registry,
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Director of Financial Services

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STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

In accordance with the University's Royal Charter, the Council is the governing body of the University and is responsible, through Statute, for approving the strategic plans for the University and for governing and regulating its finances, accounts, investments, property, business and affairs. Its Powers are set out in the University's Statutes and Ordinances. Since 1 August 2017, the administration of governance arrangements has been with UWTSD and there is a common practice across the two universities.

The Council comprises independent and staff and governors appointed under the Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University. Vacancies for independent members are advertised externally and appointments are made following completion of an interview and selection process. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. A Chair-Designate of Council was appointed in March 2023 following an external advertisement process and became Chair in September 2023. The Council is served by a Clerk who is responsible to the Chair.

The Council meets at least four times a year and also exercises its responsibilities through the executive management and several standing committees. A Scheme of Delegation sets out where decision-making authority in the name of, or on behalf of, the Council resides, and where this authority can and has been delegated. The standing committees are chaired by independent members of Council and all have a majority of independent members. Senior officers of the University attend meetings as necessary. A *Code of Practice for Council Members* provides information on the procedures to be followed should a conflict of interest or loyalty arise.

The standing committees of Council in 2022/23 were as follows:

- **Academic Committee**

The Academic Committee provides advice to Council on its determination of the educational character of the University.

The Committee met on four occasions in 2022/23. It considered a range of issues within the scope of its remit, including reports on the student experience, the learning environment, international activities quality assurance and the work of the University of Wales Press. Areas of particular focus during the year included the development of new partnerships with FE Colleges.

The membership was follows (with attendance (%) provided in brackets): Geraint Roberts (Chair) (100%); Professor Medwin Hughes (50%); Uzo Iwobi (75%); Matthew Peake (resigned 7.12.2023; 50%); Vanessa Liverpool (on authorised absence from 15.3.2023; 25%); Victoria Provis (100%); Randolph Thomas (100%); Dr Kerry Tudor (75%); Deris Williams (25%).

- **Audit and Risk Committee**

The Audit and Risk Committee oversees audit across the UWTSD Group, with terms of reference that are based on the model terms of reference set out in the *Higher Education Audit Committees Code of Practice* published by the Committee of University Chairs (CUC).

The Committee met on four occasions in 2022/23. It considered a range of issues within the scope of its remit, including internal and external audit plans and findings; the financial statements prior to their submission to Council; the corporate risk register and assurance map; and the performance of the internal and external auditors.

The membership was follows (with attendance (%) provided in brackets): Nigel Roberts (Chair) (100%); Siwan Davies (resigned 31.5.2023; 75%); Emlyn Schiavone (25%); Dr Liz Siberry (50%); Adrian Evans (co-opted; 100%); Nia Morgan (co-opted from 1.1.2023; 100%); Jayne Woods (co-opted; 100%).

STATEMENT OF CORPORATE GOVERNANCE

There is no cross-membership between the Audit and Risk Committee and the Resources and Performance Committee.

- **Estates Committee**

Established in its current form in 2022/23, the Committee provides advice to Council on the operational management of the estate; and estates maintenance and compliance, including health and safety.

The Committee met on six occasions in 2022/23. It considered a range of issues within the scope of its remit, largely focusing on developments at UWTSD.

The Committee's membership includes the Principal of Coleg Sir Gar and several independent members of the Coleg Board. In 2022/23 the membership was as follows (with attendance (%) provided in brackets): Rowland Jones (Chair) (100%); Dr Andrew Cornish (67%); John Edge (100%); Taya Gibbons (67%); Professor Medwin Hughes (83%); Delwyn Jones (67%); Arwel Ellis Owen (100%); Maria Stedman (83%); Randolph Thomas (100%); Dr Kerry Tudor (67%).

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University.

The Committee met on one occasion in 2022/23. It considered a range of issues within the scope of its remit, including an annual report on the subsidiary companies. It considered and endorsed for approval by Council a new framework for the oversight and operation of subsidiary companies.

The membership was follows (with attendance (%) provided in brackets): Rowland Jones (Chair) (100%); Professor Medwin Hughes (0%); Vanessa Liverpool (on authorised absence from 15.3.2023; 0%); Nigel Roberts (100%); Dr Peter Spring (100%); Maria Stedman (100%); Randolph Thomas (100%); Jayne Woods (co-opted; 100%).

- **Nominations and Governance Committee**

The Nominations and Governance Committee is responsible for monitoring Council's corporate governance capability and governance arrangements for the University and the wider UWTSD Group. It monitors the composition and membership needs of the Council and makes recommendations for appointments to committees and other bodies.

The Committee met on five occasions in 2022/23. It considered a range of issues within the scope of its remit, including progress against the University's action plan arising from the Review of Governance of the Universities in Wales; consideration and endorsement of a new Council development and retention plan; and the recruitment of a new Chair of Council.

The membership was as follows (with attendance (%) provided in brackets): Siwan Davies (Chair; resigned 31.5.2023) 60%); Professor Medwin Hughes (100%); Vanessa Liverpool / Taya Gibbons (60%); Dr Stuart Robb (100%); Emlyn Schiavone (80%); Dr Liz Siberry (Acting Chair from 1.6.2023) (80%); Maria Stedman (100%); Randolph Thomas (100%); Deris Williams (60%).

- **Remuneration Committee**

The Remuneration Committee determines on an annual basis the salaries, terms and conditions and, where appropriate, the severance conditions of the Vice-Chancellor, Deputy Vice-Chancellors, the Pro Vice-Chancellors and the Clerk to the Council. As part of this process the Committee considers a range of external contextual and comparative measures in determining pay awards as set out in the annual Pay Policy Statement.

The Committee met on two occasions in 2022/23.

STATEMENT OF CORPORATE GOVERNANCE

The membership was as follows (with attendance (%) provided in brackets): Justin Albert (Chair) (50%); Emlyn Dole (appointed 6.3.2023; 50%); Taya Gibbons (100%); Uzo Iwobi (50%); Geraint Roberts (100%); Vanessa Liverpool (on authorised absence from 15.3.2023; 66%); Dr Conny Matera-Rogers (100%); Randolph Thomas (100%).

The University publishes its annual Pay Policy Statement on its website. The 2023 Statement and can be viewed at the following link <https://www.uwtsd.ac.uk/media/uwtsd-website/content-assets/documents/strategies-policies/annual-pay-policy-statement-june-2023.pdf>

- **Resources and Performance Committee**

The Resources and Performance Committee maintains oversight of strategic planning and the financial affairs of the University.

The Committee met on four occasions in 2022/23. It considered a range of issues within the scope of its remit, including strategic and confederal developments; financial performance against forecasts and budgets and institutional sustainability; pensions; and human resources matters.

The membership was as follows (with attendance (%) provided in brackets): Arwel Ellis Owen (Chair) (100%); Justin Albert (75%); John Edge (co-opted; 100%); Taya Gibbons (25%); Professor Medwin Hughes (100%); Rowland Jones (100%); Timothy J Llewelyn (appointed 1.1.2023; 75%); Dr Conny Matera-Rogers (75%); Maria Stedman (50%); Randolph Thomas (100%).

In addition, the Academic Board, which is the academic authority of the University and draws its membership mainly from the academic staff and students of the institution, also reports to Council. Its role is to direct and regulate the teaching and research work of the University.

CUC Higher Education Code of Governance

The University aspires to high standards of corporate governance. As a corporation founded by Royal Charter with charitable status, the University does not fall within the corporate governance reporting requirements of the London Stock Exchange, but it seeks to demonstrate that its governance is undertaken in an open and accountable manner and that it aspires to best practice within the higher education sector. All Council members are required to sign up annually to a *Code of Practice for Council Members* which sets out the standards of conduct and accountability which are expected of them in their role as governors of the University and charity trustees; the principles and values of the University and of public service more generally; and the University's approach to matters such as confidentiality and the declaration of interests.

The University's governance arrangements have been developed to reflect the principles and practices set out in CUC's *Higher Education Code of Governance*, the most recent iteration of which was published in September 2020. Through the Nominations and Governance Committee the Council has reviewed its practices in the context of the Code and has confirmed that all of the Primary Elements are in place and that the University's arrangements comply with all key principles. In 2019 the Council undertook a Governance Effectiveness Review, with external input, which included holistic consideration of adherence to the Code and resulted in a published action plan. The next Effectiveness Review, originally scheduled to take place in 2022/23, was deferred until 2023/24 in the light of the impending appointment of a new Chair and Vice-Chancellor.

Through its Remuneration Committee, Council reviewed compliance with CUC's Higher Education Senior Staff Remuneration Code (June 2018) in 2018/19. A further review was undertaken in 2020 in the light of the recommendations of the Camm Review, and in 2022 following the publication of an updated Code. The University's practices adhere in full to the expectations of the Code. Through the Audit and Risk Committee, the Council has also confirmed that all elements of CUC's *Higher Education Audit Committees Code of Practice* (May 2020) have been adopted.

An internal audit of the Group's approach to Corporate Governance was undertaken in summer 2022 and provided substantial assurance on the adequacy of the control environment and the effectiveness of internal controls. The next audit is scheduled for winter 2023.

STATEMENT OF CORPORATE GOVERNANCE

Camm Review of Governance of the Universities in Wales

The Council has welcomed the *Review of Governance of the Universities in Wales* by Gillian Camm ('the Camm Review'), the report of which was published in February 2020. In July 2020 the Council formally adopted the Governance Charter for Universities in Wales published by the Chairs of Universities Wales (ChUW) and Universities Wales and agreed an action plan in response to the accompanying Commitment to Action. By summer 2023 the Council's implementation of the plan was largely complete. The work undertaken includes:

- formally reviewing quantitative and qualitative data relating to organisational culture;
- considering the sector-wide good practice guide on stakeholder engagement;
- confirming its expectations in respect of the size and shape of the governing body and the responsibilities and behaviours of governors;
- implementing a rolling recruitment and induction strategy with a focus on diversity;
- reviewing the standing committee structure;
- confirming its approach to governor independence and conflict management;
- reviewing its arrangements for remuneration governance;
- completing a review of risk management policy;
- reviewing the internal audit process;
- commissioning an annual report on whistleblowing;
- approving the statements on independence, the role of the Secretary and annual reporting developed through the Welsh Clerks and Secretaries Group;
- approving an approach to leadership succession planning;
- adopting the new template for the Annual Report and Financial Statements;
- approving and implementing a governor development and retention plan;
- participating in Advance HE workshops relating to equality and diversity and commencing work on its own EDI plan.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

As the governing body of the University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of the strategic plans, aims and objectives of the institution, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to Council in the Charter and Statutes.

The internal control system includes policies, regulations and plans; monitoring of financial and operational performance; segregation of duties; authorisation and approval procedures; information systems; and effective internal and external audit functions. It also includes an ongoing process designed to identify the principal risks to the achievement of the strategic plans and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. These systems have been in place for the year ended 31 July 2023 and up to the date of approval of the annual report and financial statements. The system accords with relevant guidance from the British Universities Finance Directors Group.

The system of internal control is designed to manage rather than eliminate the risk of failure in the achievement of business objectives; it therefore provides reasonable but not absolute assurance of effectiveness and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee has specific authority delegated by the Council to monitor and review internal control matters on its behalf and to report to Council on these matters. Independent Internal Auditors undertake regular reviews of the systems of internal control; the scope of their work is determined, in advance, by the Audit and Risk Committee which receives their reports and recommendations. The areas for review are determined by their significance to the University's operations and the risks associated with their failure; they include operational and compliance matters as well as financial risk. The Internal Auditors attend each meeting of the Committee and meet privately with independent members on each occasion. The deliberations of the Audit and Risk Committee are reported at each meeting of the Council.

The University has established a robust methodology for evaluating and managing risk on a continuing basis, linked explicitly to the achievement of institutional objectives. The corporate risk register, which rates the likelihood and impact of identified risks, is maintained and regularly reviewed by the Senior Directorate. Registers are also maintained for discrete major projects and activities. The corporate risk register is considered at each meeting of the Audit and Risk Committee and proposed changes are considered by the Council. The Risk Management Policy and the construction of the risk register were comprehensively reviewed in 2021/22 and proposed revisions were approved by the Council in July 2022, with the next review scheduled for 2023/24. An assurance map, following the 3-line model supported by the Chartered Institute of Internal Auditors, has been introduced to provide senior managers and governors with an overview of the mechanisms in place to oversee the risks identified on the corporate risk register and to facilitate the identification of areas where strengthening is required. An internal audit of the Group's approach to Risk Management was undertaken in summer 2022 and provided adequate assurance on the adequacy of internal controls and substantial assurance on the effectiveness of internal controls. By May 2023 one of the two recommendations had been fully addressed, with the other pending the review of the Group Risk Management Policy in 2024.

The Council's review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their year-end management letter and other reports. No significant internal control weaknesses or failures have arisen during the financial year or after the financial year but before these financial statements have been signed.

Risk Management / Risk Register

The Statement of Internal Control sets out the arrangements that are in place for risk management, including the continuing process of identifying, evaluating and managing risks.

Comprehensive procedures are in place and risk registers are updated on a regular basis and monitored by senior management. A report is presented to each meeting of the Audit and Risk Committee.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for preparing the Annual Report, Operating and Financial Review and the Directors' Report and the financial statements in accordance with the requirements of the Terms and Conditions of Funding 2023/23 issued by the Higher Education Funding Council for Wales ("HEFCW"), the Accounts Direction to Higher Education Institutions for 2022/23 issued by HEFCW ("the Accounts Direction"), the Financial Management Code issued under the Higher Education (Wales) Act 2015 ("FMC") and applicable law and regulations.

They are required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the requirements of the Charities Act 2011. HEFCW further requires 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 2022/23 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, and the of Group's cash flows, for that period. In preparing each of the Group and parent University financial statements, the directors are required to:

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

The 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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The 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;
- funds provided by the HEFCW have been applied in accordance with the Financial Management Code and the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The 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.

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales ("the University") for the year ended 31 July 2023 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

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

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

Going concern

The 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 and Risk Committee, internal audit and inspection of policy documentation as to the Group's high-level policies and procedures to prevent and detect fraud, including

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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 and Risk Committee, estates and other committees' minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

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

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

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included journal entries containing unusual descriptions, unusual journal entries in relation to revenue, unusual journal entries in relation to cash and borrowings and material journals posted after the ledger closing date.

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

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

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.

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 need to include significant provisions. We identified the following area as that most likely to have such an effect: compliance with higher education regulatory requirements of the Higher Education Funding Council for Wales, recognising the regulated nature of the Group's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

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

Other information

The 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 the Operating & Financial Review, and the Statement of Corporate Governance. 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 Operating & Financial Review, and the Statement of Corporate Governance (which together constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

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's responsibilities

As explained more fully in its statement set out on page 22, the [Governing Body / Board of Governors / 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

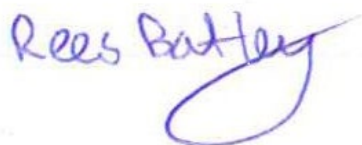
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ("HEFCW") Audit Code of Practice (effective 1 August 2017) issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales)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

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

This report is made solely to the Council in accordance with the Ordinances of the University and in accordance with the with 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*

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

8 February 2024

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 July 2023		Year ended 31 July 2022	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Other income	1	2,583	2,581	2,311	2,289
Investment income	2	140	140	131	131
Donations		-	-	1	1
Total Income		2,723	2,721	2,443	2,421
Expenditure					
Staff costs	3	1,040	1,040	1,331	1,331
Other operating expenses	5	1,352	1,346	1,318	1,316
Endowment transfer	5a	2,599	2,599	-	-
Depreciation and impairments	6	86	86	97	97
Interest and other finance costs	4	2	2	43	43
Total expenditure		5,080	5,074	2,789	2,787
Deficit before other gains(losses)		(2,356)	(2,353)	(346)	(366)
Loss on fixed assets investments	7	(39)	(39)	(47)	(47)
Loss on endowment investments	7	(17)	(17)	(103)	(103)
Share of loss in associate	7	-	-	-	-
Deficit for the year		(2,412)	(2,409)	(496)	(516)
Actuarial (loss)/gain in respect of pension schemes	17	1,965	1,965	2,917	2,917
Total comprehensive (expense)/income for the year		(447)	(444)	2,421	2,401
Represented by:					
Endowment comprehensive income/(expense) for the year		64	64	(12)	(12)
Unrestricted comprehensive (expense)/income for the year		(511)	(508)	2,433	2,413
		(447)	(444)	2,421	2,401

The notes on pages 31 to 48 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Account		Investment	Total
	Endowment	Unrestricted	Revaluation Reserve	
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	5,329	(2,753)	1,253	3,829
Surplus/(deficit) from the income and expenditure statement	(12)	(437)	(47)	(496)
Other comprehensive income	-	2,917	-	2,917
Total comprehensive income/(expense) for the year	(12)	2,480	(47)	2,421
Other movement in year	-	(2)	-	(2)
Balance at 1 August 2022	5,317	(275)	1,206	6,248
Surplus/(deficit) from the income and expenditure statement	64	(2,437)	(39)	(2,412)
Other comprehensive income	-	1,965	--	1,965
Transfers between revaluation reserve and I&E Account	(2,599)	3,270	(671)	-
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income/(expense) for the year	(2,535)	2,798	(710)	(447)
Other in year movement	-	-	-	-
Balance at 31 July 2023	2,782	2,523	496	5,801

University	Income and Expenditure Account		Investment	Total
	Endowment	Unrestricted	Revaluation Reserve	
	£'000	£'000	Year £'000	£'000
Balance at 1 August 2021	5,329	(2,751)	1,253	3,831
Surplus/(deficit) from the income and expenditure statement	(12)	(457)	(47)	(516)
Other comprehensive income	-	2,917	-	2,917
Total comprehensive income/(expense) for the year	(12)	2,460	(47)	2,401
Other movement in year	-	(4)	-	(4)
Balance at 1 August 2022	5,317	(295)	1,206	6,228
Surplus/(deficit) from the income and expenditure statement	64	(2,434)	(39)	(2,409)
Other comprehensive income	-	1,965	-	1,965
Transfers between revaluation reserve and I&E Account	(2,599)	3,270	(671)	-
Release of restricted funds spent in year	-	-	-	-
Total comprehensive income/(expense) for the year	(2,535)	2,802	(710)	(444)
Other in year movement	-	(2)	-	(2)
Balance at 31 July 2023	2,782	2,505	496	5,782

The notes on page 31 to 48 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION (Charity Number: 1146516)

	Notes	As at 31 July 2023		As at 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible Fixed assets	6	1,338	1,338	1,424	1,424
Investments	7	1,648	1,648	2,375	2,375
Pension surplus	17	2,001	2,001	-	-
		4,987	4,987	3,799	3,799
Current assets					
Stock	8	134	134	87	87
Trade and other receivables	9	758	758	1,846	1,846
Cash and cash equivalents	13	2,548	2,524	3,541	3,519
		3,440	3,416	5,474	5,452
Less: Creditors: amounts falling due within one year	10	(2,271)	(2,266)	(2,700)	(2,698)
Net current assets		1,169	1,150	2,774	2,754
Provisions					
Pension provisions	17	(355)	(355)	(325)	(325)
Pension Obligations to Defined Pension Scheme	17	-	-	-	-
Net assets		5,801	5,782	6,248	6,228
Restricted Reserves					
Income and expenditure reserve - endowment reserve	11	2,782	2,782	5,317	5,317
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		2,523	2,505	(275)	(295)
Revaluation reserve	12	496	496	1,206	1,206
Total Reserves		5,801	5,782	6,248	6,228

The financial statements were approved by the Governing Body on 7th February 2024 and were signed on its behalf on that date by



Emlyn Dole (Chair)



Prof Elwen Evans KC (Vice-Chancellor)

The notes on page 31 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Deficit for the year		(2,412)	(496)
Adjustment for non-cash items			
Depreciation	6	86	97
Investment income	2	(140)	(131)
Decrease/(increase) in stock	8	(47)	25
(Increase)/decrease in debtors	9	1,088	(479)
Increase/(decrease) in creditors	10	(429)	78
USS Pension costs less contributions payable	3	19	184
UWSS Pension costs less contributions payable	17	(27)	170
Interest payable	4	2	43
Net cash outflow from operating activities		(1,860)	(509)
Cash flows from investing activities			
Disposal of non-current asset investments	7	671	-
Disposal of endowment asset investments	7	-	-
Investment income	2	60	41
Endowment income	11	81	90
Fair value (increase)/decrease in investments	7	56	150
Net cash inflow from investing activities		868	281
Cash flows from financing activities			
Capital purchases		-	(3)
		-	(3)
(Decrease)/Increase in cash and cash equivalents in the year	13	(993)	(231)
Cash and cash equivalents at beginning of the year		3,541	3,772
Cash and cash equivalents at end of the year		2,548	3,541

The notes on page 31 to 48 form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

a. **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 and in accordance with 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, except in relation to investment properties, current asset investments and derivative financial instruments carried at fair value.

b. **Basis of consolidation**

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2023.

c. **Going Concern**

The activities of the University and its subsidiaries, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial review. The financial position of the University and its subsidiaries, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The financial statements are prepared on a going concern basis which the senior management and Council believe to be appropriate for the following reasons.

As outlined in the introduction in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. With the development of a new direction of the University of Wales being delivered through the business plan outlined in the University Strategy on page 5 this integration process has paused.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2023/24 and 2024/25 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2025 under the existing operating model, acknowledging that any income streams from the new strategy are anticipated from the 2023/24 – 24/25 financial years

These forecasts build on a strong cash position at 31st July 2023 and even under plausible downside scenarios indicate that the University is able to operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University.

The University has recorded a deficit for the year of £2.4m, of which £2.6m is attributed to the transfer of funds to the UW restricted Endowment Trust. This deficit translates into a decrease in cash of £1m in the year. Officers and trustees are satisfied that the cash balance of £2.5 million at 31 July 2023 and forecasts for the 12 months following the date of approval of these financial statements provide sufficient cash and cash generating resources to meet its obligations as they fall due.

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

STATEMENT OF ACCOUNTING POLICIES

d. **Income recognition**

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

Investment income is credited to the Consolidated and University Statements of Comprehensive Income on a receivable basis.

Grant Funding

Government grants including funding council block grant; research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and the performance related conditions have been met.

Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

1. 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.
2. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital Grants

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

e. **Accounting for retirement benefits**

The two principal pension schemes for the University's staff, are the Universities Superannuation Scheme (USS) and the University of Wales Superannuation Scheme (UWSS). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

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

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company 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 Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk

STATEMENT OF ACCOUNTING POLICIES

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

f. 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 measured as the additional amount the University expects to pay as a result of the unused entitlement.

g. Foreign Currency

The functional currency is £ 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 are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

h. Fixed Assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Costs (including irrecoverable VAT costs) incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives up to a maximum of 50 years.

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

Equipment

Equipment, including computers and software, costing less than de-minimis of £5,000 per individual item or group of items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
Equipment acquired for specific research projects	3-5 years
Other Equipment	10 years

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

Borrowing costs

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

STATEMENT OF ACCOUNTING POLICIES

i. Investments

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

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

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

Investments are shown at market value. It is the University's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result, the Statement of Comprehensive Income does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated as changes in the valuation of the investment portfolio throughout the year.

j. Stock

Stock is held at the lower of cost and net realisable value. Cost represents the invoice price of the stock.

Stocks of books held by the University of Wales Press are valued at the lower of cost and net realisable value and are written down after two or five years from the date of publication as determined by UW Press management. The cost of journal is written off in the year of publication.

k. Financial Instruments

Trade and other debtors/creditors

Trade and other debtors and creditors are recognised initially at transaction price net of attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs less any impairment losses in the case of trade debtors.

Interest bearing borrowings

Interest-bearing borrowings other than public benefit entity concessionary loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Concessionary loans are recognised initially at the amount received or paid and subsequently measured at cost plus any accrued interest payable or receivable.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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

l. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

STATEMENT OF ACCOUNTING POLICIES

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.

m. Accounting for joint ventures and associates

The University accounts for its share of joint ventures and associates using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets within the Consolidated and University Statements of Comprehensive Income.

n. Taxation

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

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

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

o. Reserves

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

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

p. Accounting estimates and judgements – key sources of estimation uncertainty

Defined benefit pension scheme assumptions

The University has a defined benefit pension scheme. The valuation of the liabilities the scheme is calculated using a financial and demographic model to present a single scenario from a wide range of possibilities. The schemes' actual experience will inevitably differ from the assumptions underlying the financial and demographic model. The differences may be material because the valuation is very sensitive to the assumptions made over a long period of time. See note 17 for assumptions used in the valuation of pension assets and liabilities.

The University has adopted the IAS19 approach in relation to the recognition of the pension asset. It is the view that the surplus in full should be shown on the balance sheet..

USS pension scheme assumptions

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 18.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Other income				
Collaborative Provision fees	1,499	1,499	1,318	1,318
Other services rendered	164	164	147	147
Sales of publications	442	442	373	373
Publication grants	268	268	150	150
Other income	211	209	323	301
	2,583	2,581	2,311	2,289

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2 Investment income				
Investment income on endowments-unrestricted	6	6	3	3
Investment income on endowments-restricted	75	75	87	87
Other investment income	60	60	41	41
	140	140	131	131

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Staff costs				
Salaries	807	807	752	752
Social security costs	83	83	75	75
Movement on USS pension	19	19	184	184
Other pension costs	131	131	320	320
	1,040	1,040	1,331	1,331

Emoluments of the Vice-Chancellor

The post of Vice-Chancellor and Chief Executive is held by the Vice-Chancellor of University of Wales: Trinity St. David who is employed by that institution and not by the University of Wales. In recognition of the services provided by the Vice-Chancellor and Chief Executive the University reimbursed University of Wales: Trinity St. David the sum of £58,400 in 2022-23 towards the basic salary and associated pension costs of the post. (2021-22 contribution: £58,400). This amount represented a proportion of the Vice-Chancellor's salary. These costs are recognised in other operating expenses and not within staff costs.

Emoluments of the Vice-Chancellor paid by the University of Wales: Trinity Saint David

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Salary	285	240
Monetary value of benefits: Health Insurance	3	3
	288	243
Pension contributions to USS	57	54
	345	297

There were no other higher paid staff in the year.

There was no compensation payable to other higher paid staff in year (2022: £Nil).

	Year ended 31 July 2023 No.	Year ended 31 July 2022 No.
Average staff numbers by:		
Academic departments	-	-
Non-academic departments	18.3	18.7
	18.3	18.7

There are no key management personnel that require separate disclosure.

Trustees

The University's Council members are the trustees for charitable law purposes. The trustees who served in the year, and up to the signing date of these financial statements are listed on page 2.

Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. Other than the expenses paid in the year referenced below there were no transactions in the year with any members.

NOTES TO THE ACCOUNTS

3 Staff costs (continued)

No Council member has received any remuneration/waived payments from the group during the year (2022 - £Nil).

The total expenses paid to or on behalf of 15 council members was £Nil (2022: £Nil to 15 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

Vice-Chancellor Remuneration Statement

The ratio of the salary of the Vice-Chancellor compared to the median average of the University is 9.2:1 and the ratio of the total remuneration of the Vice-Chancellor compared to the median average of the University is 8.6:1.

The Remuneration Committee noted the Vice-Chancellor's current salary was below the average in the HEFCW comparator group and also noted the senior officers, including the Vice-Chancellor, had not received a pay increase for the last two years.

The Vice-Chancellor is also Vice-Chancellor of the University of Wales Trinity Saint David and 20% of the Vice-Chancellor's emoluments are recharged to the University of Wales. The emoluments and ratios disclosed above represent 100% of the Vice-Chancellor's emoluments.

The Vice-Chancellor has a significant breadth of responsibility spanning Higher Education and Further Education. This includes the University of Wales Trinity Saint David, The University of Wales, Coleg Sir Gar and Coleg Ceredigion. Within UWTSD, there has been an expansion of responsibility in Birmingham and London. In recognition of all the relevant contextual information including the level of the sector pay award and the need to broadly maintain UWTSD's position amongst the comparators, the Vice-Chancellor was awarded a salary increase for 2022-23.

The University Council is responsible for establishing a Standing Committee of the Council, known as the Remuneration Committee, to determine fair and appropriate remuneration for the Vice-Chancellor, the Deputy Vice-Chancellors, the Pro Vice-Chancellors and the Clerk to the Council.

The Remuneration Committee is responsible for reviewing and determining on an annual basis the salaries, terms and conditions and, where appropriate the severance conditions of the above senior post-holders. The terms of reference are published on the University website ensuring these are available to staff, students and all stakeholders in an open and transparent manner: <https://www.uwtsd.ac.uk/governance-management/governance/> The Committee membership includes a staff member of Council and a student member of Council. The Vice-Chancellor is not a member.

The Remuneration Committee adheres to the Higher Education Senior Staff Remuneration Code, published by the CUC. Its deliberations take account of the context in which the institution operates. It considers the value delivered by an individual acting within a role based on relevant components for the UWTSD context. The Committee considers appropriate comparative information of other Universities to inform its decisions including the annual rate of increase of the average remuneration of all other staff. It also considers the Corporate Risk Register and a report on complaints made to the University by students, staff and external persons. The Committee makes every effort to ensure that all recommendations are fair and consider the institutional interest, key stakeholders and partners including the student community and wider society. The safeguarding of public funds also forms part of its deliberations.

The Chair of the Remuneration Committee is responsible for presenting the recommendations of the Remuneration Committee to the University's Council.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Interest and other finance costs				
Net charge on USS pension scheme	11	11	1	1
Net charge on UWSS pension scheme	(9)	(9)	42	42
	2	2	43	43

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Analysis of other operating expenses by activity				
Academic and related expenditure	270	270	90	90
Administration and central services	380	380	493	493
Premises related expenditure	193	193	142	142
Other services and expenses	509	504	593	591
	1,352	1,346	1,318	1,316

Other operating expenses include:

External auditor's remuneration in respect of audit services	50	45	52	43
External auditor's remuneration in respect of non-audit services	5	5	5	5

5a Endowment transfer

As at 30 November an amount of £2.6m (valued at 31 October 2022) was transferred to the UW Restricted Endowment Trust (UWRET). This was a cash transfer to the value of the investments held.

UWRET is a registered charity, number 1162374 and UWRET Trustee Company Ltd., number 09430036 is the corporate trustee.

The trust was established by the University of Wales under its "Adduned Cymru-Wales Pledge" initiative. For more information please see the University website: www.wales.ac.uk/Resources/Documents/Merger/Adduned-Cymru-English.pdf. This was created by the University (being the Settlor) following the announcement of its commitment to merge with the University of Wales Trinity Saint David in order to ensure that the assets it held would continue to benefit the whole of Wales. The UW Restricted Endowment Trust was established to safeguard the numerous charitable bequests the University received over the years which were donated for a particular purpose.

NOTES TO THE ACCOUNTS

6 Tangible fixed assets**Consolidated****Cost or valuation**

At 1 August 2022

Additions in the year

Disposals

At 31 July 2023

At 1 August 2022

Charge for the year

Disposals

At 31 July 2023**Net book value****At 31 July 2023**

At 31 July 2022

Leasehold land and buildings	Equipment, fixtures and fittings	Totals
£'000	£'000	£'000

2,528 1,013 3,541

- - -

- - -

2,528 1,013 3,541

1,137 980 2,117

79 7 86

- - -

1,216 987 2,203**1,312 26 1,338**

1,391 33 1,424

Leasehold land and buildings	Equipment, fixtures and fittings	Totals
£'000	£'000	£'000

2,528 1,013 3,541

- - -

- - -

2,528 1,013 3,541

1,137 980 2,117

79 7 86

- - -

1,216 987 2,203**1,312 26 1,338**

1,391 33 1,424

University**Cost or valuation**

At 1 August 2022

Additions in the year

Disposals

At 31 July 2023

At 1 August 2022

Charge for the year

Disposals

At 31 July 2023**Net book value****At 31 July 2023**

At 31 July 2022

NOTES TO THE ACCOUNTS

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total £'000
7 Non-current investments				
Consolidated				
At 1 August 2022	749	1,626	-	2,375
Disposals	(671)	-	-	(671)
Transfers	925	(925)	-	-
(Decrease)/increase in market value	(39)	(17)	-	(56)
At 31 July 2023	964	684	-	1,648

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total £'000
University				
At 1 August 2021	749	1,626	-	2,375
Disposals	(671)	-	-	(671)
Transfers	925	(925)	-	-
(Decrease)/increase in market value	(39)	(17)	-	(56)
At 31 July 2022	964	684	-	1,648

7a Other Investments**Consolidated – Awen Wales Ltd**

The University owns 100% of the issued share capital of £1 ordinary shares of Awen Wales Limited, a company, registered in England and Wales and operating in the U.K. Through the company, as at 31 July 2020, the University had taken up 7% of a maximum 40% investment in the International University Malaya-Wales, a joint venture initiative between the University of Malaya and the University of Wales. This investment amount is £224,000 but has been fully impaired in a prior year.

University – UW Centre for Advanced Batch Manufacture Ltd

At the 31 July 2019 the University had a 51% holding in the UW Centre for Advance Batch Manufacturing Ltd, the company undertakes research and consultancy to develop industrial specific solutions for SMEs. On the 1st July 2020 the University disposed 200,000 A shares to University of Wales Trinity Saint David for nil consideration and acquired 200,000 B shares from University of Wales Trinity Saint David for nil consideration. The increase in A shares, which have voting rights, give the University of Wales Trinity Saint David the controlling interest in the company and at which point its assets and liabilities were removed from the University of Wales' group balance sheet. At the date of disposal the University held an investment in this company to the value of £1.327m which has been fully impaired in a prior year.

During the year the University had a 49% holding in the company. Its share of the loss amounting to £131,132 (2022: £24,330) is unrecognised in the University's accounts.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Stock				
Books for resale	132	132	85	85
Other	2	2	2	2
	134	134	87	87

Stock is valued at the lower of its cost and net realisable value on a average basis

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
9 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	707	707	1,796	1,796
Prepayments and accrued income	51	51	50	50
	758	758	1,846	1,846

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Creditors				
Amounts falling due within one year:				
Trade creditors	1,148	1,143	1,111	1,109
Social security and other taxation payable	27	27	28	28
Receipts in advance	497	497	384	384
Accruals and deferred income	76	76	179	179
Welsh Church Act balances	523	523	998	998
	2,271	2,266	2,700	2,698

The Welsh Church Act balances represent those amounts held on the Beneficiaries Fund. These balances are distributed in arrears to the beneficiaries under the Welsh Church Acts; namely the university institutions at Aberystwyth, Bangor, Cardiff and Swansea (3/16ths each), the University of Wales itself and the National Library of Wales (1/8th each). The balance due to the University itself is shown as deferred income. The funds are also held to cover the current and future administration costs and are distributed to the benefactors at the discretion of the Trustees and are therefore disclosed as a short term creditor. A distribution was made in 2022-23.

NOTES TO THE ACCOUNTS

	Restricted permanent endowment £'000	Unrestricted permanent endowment £'000	2023 Total £'000	2022 Total £'000
11 Endowment funds				
Consolidated and University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August	5,194	123	5,317	5,329
Disposals	(2,599)	-	(2,599)	-
Investment income	75	6	81	90
Increase/(decrease) in market value of investments	(14)	(3)	(17)	(102)
Total endowment comprehensive income for the year	(2,538)	3	(2,535)	(12)
Balance at 31 July	2,656	126	2,782	5,317
	Year ended 31 July 2023	Year ended 31 July 2022		
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
12 Fixed asset investments				
Consolidated and University				
Balances at 1 August	1,206	1,206	1,253	1,253
Realisation of market value of investments	(671)	(671)	-	-
Increase/(decrease) in market value of investments	(39)	(39)	(47)	(47)
Total fixed asset comprehensive income for the year	(710)	(710)	(47)	(47)
Balance at 31 July	496	496	1,206	1,206
	At 31 July	Cashflow	At 1 August	
	2023		2022	
	£'000	£'000	£'000	
13 Cash and cash equivalents				
Consolidated				
Current assets	1,876	806	1,070	
Investment Cash uninvested	672	(1,799)	2,471	
Balance at 31 July	2,548	(993)	3,541	
University				
Current assets	1,852	804	1,048	
Investment Cash uninvested	672	(1,799)	2,471	
Balance at 31 July	2,524	(995)	3,519	

NOTES TO THE ACCOUNTS

14 Related Party Transactions

The company has taken advantage of the disclosure exemptions of 100% owned related party transactions under FRS102. The transactions with related parties that are not 100% owned by the group are disclosed below:

University of Wales Trinity Saint David is deemed a related party in that it has key management personnel in common with the University - Balances: £651k receivable (2022: £1,404k), £138k payable (2022: £173k) Total income £1,574k (2022: £1,796k) Total expenditure £57k (2022: £39k).

University of Wales Trinity Saint David's utilises the DTC and CAWCS buildings, which are owned by the University of Wales. No consideration is received by the University for the use of these buildings.

UW Centre for Advanced Batch Manufacture Limited is a related party in that it is a subsidiary company that the University has a minority interest. During the year the University provided further financing of £Nil (2022: £Nil) into the subsidiary. Balances: £224k payable (2022: £196k).

The University maintains a register of Council member interests, the scope of which includes interests of connected persons to the members. There have been no transactions in the year with any individual or company on the Register of Interests.

Payments to Council members in relation to their duties are disclosed in note 3.

15 Contingent Liabilities

There have been no material events in the period between 31st July 2023 and the signing of the accounts on the 7 February 2024.

The University is a member of UMAL, a company limited by guarantee, formed to provide a mutual association for insurance risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their prorated share, spread using an internal loan facility over seven years.

16 Non adjusting Post Balance Sheet Events

The output of the 2023 USS Valuation came into effect from the 1st January 2024. The University contribution rate has decreased from 21.6% to 14.5%. The 2023 valuation put the USS pension scheme in a surplus position and as such no deficit contributions are due during the period in which the valuation covers, which is to the conclusion of the next valuation in 2026.

There have been no other material events in the period between 31st July 2022 and the signing of the accounts on the 7 February 2024.

NOTES TO THE ACCOUNTS

17 Pension schemes

University of Wales Superannuation Scheme (UWSS)

The University operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 July 2022 and updated to 31 July 2023 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The full actuarial valuation carried out at 31 July 2022 showed the Scheme to be fully funded on the technical basis. As a result it has been agreed that no further contributions are required to meet the recovery plan. The Employer has agreed to pay additional voluntary contributions at a rate of £100k per annum. These contributions will continue until the earlier of: a revised schedule of contributions being agreed by the Trustees and Employer and certified by the Scheme Actuary; or the Scheme Actuary advising the trustees that the Scheme has achieved at least 100% funding on the solvency basis. In addition, and in accordance with the actuarial valuation, the Employer has agreed with the Trustees that it will pay 17.8% from 1 August 2023 of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the scheme and levies to the Pension Protection Fund. Member contributions are payable in addition at a rate of 8.0% of pensionable pay.

Amounts recognised in the statement of financial position are:

	31 Jul 2023 £'000	31 Jul 2022 £'000
Defined benefit obligation	(7,297)	(9,503)
Fair value of plan assets	9,298	9,730
Funded status	2,001	227
Impact of Asset Ceiling	-	(227)
Net defined benefit asset/(liability)	2,001	-

The University has adopted the IAS19 approach in relation to the recognition of the pension asset.

Defined benefit costs recognised in comprehensive income statement are:

	31 Jul 2023 £'000	31 Jul 2022 £'000
Service cost:		
Change arising from employee service in reporting year (net of employer contributions)	(27)	160
Administration expenses paid from plan assets	-	10
	(27)	170
Net interest cost	(8)	42
Cost relating to defined benefit plans included SCI	(35)	212

Gains/(Losses) recognised in other comprehensive income are:

	31 Jul 2023 £'000	31 Jul 2022 £'000
Remeasurements-		
Return on plan assets	(589)	(734)
Effect of experience adjustments	(215)	(823)
Effect of changes in assumptions	2,543	4,701
Changes in unrecognised assets	227	(227)
Total amount recognised in other comprehensive income - gain	1,965	2,917

NOTES TO THE ACCOUNTS

University of Wales Superannuation Scheme (UWSS) (continued)

Significant actuarial assumptions were:

	31 July 2023	31 July 2022
Discount rate	5.15%	3.50%
Price Inflation rate – RPI	3.20%	3.25%
Price inflation rate – CPI	2.50%	2.35%
Salary increase rate	4.00%	3.85%
Post-retirement mortality assumption	91% (males) and 98% (females) of the standard tables S3PxA_H, Year of Birth, no age rating projected using CMI_2022 converging to 1.25% pa	114% (males) and 112% (females) of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2021 converging to 1.25% pa
Assumed life expectancy on retirement at age 64		
Retiring today	20.8(M)/23.7(F)	22.1(M)/24.6(F)
Retiring in 20 years	22.2(M)/25.2(F)	23.4(M)/26.1(F)

Sensitivity analysis:

	31 July 2023	31 July 2022
Present value of defined benefit obligation		
Discount rate -50 basis points	7,902	10,473
Discount rate +50 basis points	6,765	8,666
Price inflation rate -25 basis points	7,209	9,070
Price inflation rate +25 basis points	7,671	9,899
Post retirement mortality – 1 year age rating	7,516	9,913

Change in defined benefit obligation and fair value of plan assets:

	Assets £'000	Liabilities £'000	Total £'000
Reconciliation of scheme assets and liabilities:			
At start of period	9,730	(9,503)	227
Benefits paid	(342)	342	-
Administrative expenses	-	-	-
Current service cost	-	(103)	(103)
Contributions from employer	130	-	130
Contributions from employees	32	(32)	-
Interest income/(expense)	337	(329)	8
Return on assets (excluding amount included in net interest expense)	(589)	-	(589)
Actuarial gain/(losses)			
Effect of changes in assumptions	-	2,543	2,543
Effect of experience adjustments	-	(215)	(215)
At end of period	9,298	(7,297)	2,001

The defined benefit obligations are as follows:

	31 July 2023 £'000	31 July 2022 £'000
Actives	794	1,243
Vested deferreds	2,827	3,781
Retirees	3,676	4,479
Total	7,297	9,503

NOTES TO THE ACCOUNTS

	31 July 2023 £'000	31 July 2022 £'000
The scheme assets are as follows:		
Cash and cash equivalents	86	97
Equity instruments	3,726	3,876
Debt instruments	1,866	1,987
Other	3,620	3,770
Total	9,298	9,730

None of the fair value of the assets shown above include any direct investments in the university's own financial instruments property occupied by, or other assets used by, the university.

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore both gross DBOs and assets have fallen.

Universities Superannuation Scheme (USS)

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £30k (2022: £186k). Deficit recovery contributions due within one year for the University are £31k (2021: £22k).

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

Since the institution cannot identify its share of 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 and latest valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

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-funding-principles).

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 assumptions plus 0.05%
Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% Post-retirement: 1.00%

NOTES TO THE ACCOUNTS

USS (continued)

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

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 and an long term improvement rate of 1.8% p.a for males and 1.6% p.a for females

The current life expectancies on retirement at age 65 are:

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

The liability figures have been produced using the following assumptions:

	2023	2022
Discount rate	5.52%	3.31%
Pension growth (CPI)	2.35%	2.35%

The employers' contribution rate are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.0%
1 October 2021 to 31 March 2022	21.4%
1 April 2022 to 31 March 2024	21.6%
1 April 2024 to 30 April 2038	21.4%

The deficit provision recognised by the University is sensitive to movements in the input assumptions. The impact of movements in the key assumptions are as below

Change to current position at 31 July 2022	£'000
0.5% pa decrease in discount rate	12
0.5% increase in discount rate	(13)
0.5% pa increase in salary inflation over duration	(13)

	31 July 2023 £'000	31 July 2022 £'000
Opening deficit	(325)	(139)
Deficit contributions paid during the year	26	9
Change in expected contributions	(45)	(194)
	(19)	(185)
Interest costs (in the form of the discount unwind)	(11)	(1)
Closing deficit	(355)	(325)

Accounts

University of Wales

Charity number: **1146516**

**Consolidated Financial Statements
For the year ended 31 July 2022**

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ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS

Members

Members of the University's governing body, the Council, are the Trustees of the University. Those who served during the year (up to the Council meeting at which the financial statements were signed) are listed below. Attendance (%) at Council meetings in 2021/22 is provided in brackets.

The Council has formally adopted the definition of independence developed by the sector in response to the Review of Governance of the Universities in Wales. Independent members are neither registered students nor staff of the University and their appointment and responsibilities are consistent with the definition. A published Register of Members' Interests is reviewed and updated annually, and members are expected to explicitly identify at the start and end of each meeting any matters on which their interests may have a bearing. Further information is available in the Statement of Corporate Governance.

Member Ex Officio

The Vice-Chancellor (100%)

Independent Members

The Venerable A. J. Randolph Thomas (Chair) (100%)

Anthony Ball (Resigned 30 Aug 2022) (60%)

Margaret Evans (Vice Chair) (Resigned 30 Aug 2022) (60%)

Arwel Ellis Owen (80%)

Dr Elizabeth Siberry (80%)

Pamela Berry (Resigned 30 Aug 2022) (60%)

Andrew Curl (Resigned 30 Aug 2022) (60%)

Eifion Griffiths (Resigned 30 Aug 2022) (100%)

Maria Stedman (80%)

Nigel Roberts (100%)

Deris Davies Williams (60%)

Co-opted Members

Justin Albert (50%)

Siwan Davies (50%)

Staff Member

Dr Stuart Robb (100%)

Clerk and Secretary: Sarah Clark (100%)

ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Legal Status**

Established by Royal Charter in 1893 (RC000676) the University is a registered charity (number 1146516). The principal office is the University Registry, King Edward VII Avenue, Cathays Park, Cardiff CF10 3NS. The names of the members of the University Council (who also act as charity trustees) are stated and disclosed in the previous page.

Professional Advisors

Independent Auditor	
External	KPMG, 3, Assembly Square, Britannia Quay, Cardiff CF10 4AX
Internal	Mazars, One Caspian Point, Pierhead Street, Cardiff CF10 4DQ
Banker	HSBC Bank plc, 56 Queen Street, Cardiff. CF10 2PX
Insurance Adviser	University Mutual Association Ltd, 4th Floor, 5 St. Helen's Place, London. EC3A 6AB
Pensions Adviser	Mercer Ltd, 1 Whitehall Quay, Whitehall Road, Leeds. LS14HR
Investment Adviser	Jaggers & Associates, Exchange Quay, Salford. M5 3EQ
Solicitor	Blake Morgan, Bradley Court, Park Place, Cardiff. CF10 3DP Eversheds LLP, 1 Callaghan Square, Cardiff CF10 5BT

INTRODUCTION BY THE VICE-CHANCELLOR AND THE CHAIR OF COUNCIL

We are pleased to introduce the Annual Report and Financial Operating Statement for the year 2021-2022.

During The year the University continued to be managed to deliver ongoing support to a range of collaborative partners and in accordance with its strategic plan.

It is now over ten years since the University of Wales issued its formal Wales Pledge as it reaffirmed its commitment, as part of the formal integration of the University of Wales with the University of Wales Trinity St David (UWTSD), to safeguard some of the cultural and heritage assets associated with the University. Over the last decade the University has systematically engaged in a series of structural initiatives which have safeguarded the legacy of the University.

An imperative for the Governing Body has been to systematically deal with a number of legacy issues as it secured integration with UWTSD. In doing so it has, through good governance, due process and structured execution managed to successfully deliver upon a number of the key pledges articulated over a decade ago. The nature of such implementation has called upon the University to invest and disinvest in an appropriate manner, always mindful of safeguarding the cultural assets associated with the University of Wales. This has included a detailed engagement with regard to securing the future of Gregynog and allowing a new Trust to develop a future strategic plan. It also has included the continual investment in the intellectual capital capacity of the University of Wales Press which has served Higher Education well.

In the same context, the University's commitment to Celtic Scholarship has been further promoted with the University of Oxford and UWTSD.

The further integration of the Centre for Advanced Batch Manufacture Ltd (CBM Ltd) with UWTSD has also allowed the University to continue to play a role in the context of innovation and applied research as it serves the economic resilience and reconstruction mission of the Government of Wales. The University of Wales has over the last decade successfully delivered upon its core pledges and has systematically facilitated significant transformational change within the context of Welsh Government policy.

University Strategy

Since 2012, the strategy of the University has been to prepare for academic and administrative integration and merger with the University of Wales Trinity Saint David (UWTSD). In July 2017 the University Council was satisfied that the University could move to the next phase of the formal merger. Pursuant to this decision, the academic and administrative functions of the University of Wales and UWTSD were integrated through a formal Deed in August 2017.

The next phase was to be a formal constitutional merger, no formal timetable had been set for the conclusion of this merger.

Further information regarding the background to the merger can be found in previous annual reports or on the University website: www.wales.ac.uk/en/AboutUs/Developments/Developments-Merger-and-Reconfiguration.aspx

During 2022 the officers and trustee of the University agreed to explore a confederal framework that would allow the University to consider the implications of the new Tertiary Education Bill which the Welsh Government is currently taking through the Senedd.

Officers have worked on a development plan during the year that builds on existing relationships with further education institutions along with building new relationships with institutions who do not currently have engagement with the University.

INTRODUCTION BY THE VICE-CHANCELLOR AND THE CHAIR OF COUNCIL

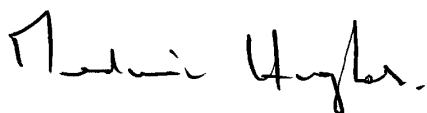
There is confidence that the structure developed under the confederal relationships will deliver benefits to the University, its further education partners and the 'post-16' education sector in Wales as a whole as it delivers on the challenges posed by the establishment of a unified Tertiary Education system. It is expected that the implementation of the business development plan will deliver new income streams from the 2023/2024 academic year

Throughout the pre constitutional merger period the priorities of the University have been to manage the resources of the institution to:

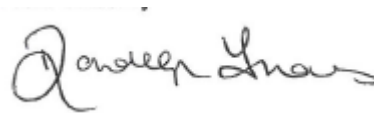
- Maintain the high quality and standards of a University of Wales degree;
- Maintain the University's traditional contribution to the economic, social, cultural and intellectual wellbeing of a sustainable Wales;
- Prepare for constitutional merger with UWTSD; and
- Ensure that the University is financially sustainable and able to meet its obligations to students and to enable constitutional merger with UWTSD.

The way in which the University has continued to safeguard its legacy for future generations, remain faithful to its core values, and ensure that assets are used their intended purpose are set out in Adduned Cymru (the Wales Pledge). For more information please see the University website: www.wales.ac.uk/Resources/Documents/Merger/Adduned-Cymru-English.pdf.

As officers continue to develop the new business plan over the next 12 month trustees are committed to maintaining the priorities listed above. Under the current income and cost commitments the University is forecast to maintain a modest surplus and cash generation in this interim period.



Prof Medwin Hughes (Vice-Chancellor)



The Venerable Randolph Thomas (Chair)

OPERATING AND FINANCIAL REVIEW

Preparation of the consolidated financial statements

The consolidated financial statements for the year to 31 July 2022 have been prepared in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Education 2019, the Accounts Direction for 2021/22 issued by the Higher Education Funding Council for Wales, and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The consolidated financial statements for the year to 31 July 2022 have been prepared on a going concern basis as detailed on page 31.

Basis of Consolidation

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2022. Gwasg Gregynog was fully consolidated in the consolidated accounts following a change of control in the company at 31 July 2022.

Public benefit statement

The University is a registered charity and its charity number is 1146516.

Delivery of the above-described strategic objectives has also met the charitable objects of the University, which are for the advancement of education, learning and research and to serve Wales and its people.

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

The operational review below sets out the University's activities in support of its strategic and charitable objectives.

Ethical Investment and banking policies

University Council (as trustees of the University's endowment funds) is expected to act in the best interests of the beneficiaries of the funds for which it is responsible. The beneficiaries include the University itself, staff and students. Council's policy is to aim for the best possible financial return from investments, consistent with an appropriate risk profile, and it may exclude investments from the investment portfolios if the aims of the bodies concerned are incompatible with its objectives.

Equal opportunities

On 1 August 2017, the University adopted the equal opportunities systems and practices of UWTSD, whose commitment to equality and diversity is set out in its *Strategic Equality Plan 2020/24*. The University aims to create a culture of openness and respect in which barriers for those with protected characteristics are identified and removed. It wants its people to feel safe and valued, and to achieve their full potential for the benefit of the individual, the organisation and wider communities. It wishes to promote equality of opportunity, fair working practices, and good interpersonal relations throughout its staff and student bodies.

Environmental sustainability policy

Sustainability is at the heart of how the University does business. The University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. It has a duty to satisfy itself that all of its operations and activities are conducted with proper regard to the environment.

Health and Safety

There were no reportable safety incidents in 2021/22 or significant near miss events. On 1 August 2017, the University adopted the health and safety systems and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period.

OPERATING AND FINANCIAL REVIEW

Welsh Language

The University's Welsh Language Scheme treats the Welsh and English languages equally – with both enjoying the same status and validity in all areas of service and student, staff and public engagement. On 1 August 2017, the University adopted the Welsh language policy and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period. New members of staff receive Welsh language awareness training as part of induction and the training requirements of all staff are reviewed as part of the annual staff appraisal process.

Principal risks and uncertainties

The principal risks and uncertainties faced by the University are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of income receipts upon cash balances held within the University at any one point in time;
- Home student recruitment and retention given uncertain economic environment and demographic trends;
- Managing the existing relationships with its collaborative provision partners; and
- Developing a sustainable financial strategy for discreet units that form part of the Wales Pledge.

2021/2022 saw the University move into a post Covid-19 environment where there was a relaxation and then removal of restrictions that had been put in place by both the UK and Welsh Governments during 2020 and 2021. The results of 2021/2022 reflect this changing environment.

Whilst the primary risks of Covid-19 are no longer a principle risk to the University management recognise that this situation could change and retain mitigation plans should they be needed.

The longer-term impacts of Covid-19 and the war in Ukraine continue to provide risks to the operating model of all Higher Education providers with significant inflationary pressures on utilities, staff costs and general operating expenditure impacting budgets for 2022/2023 and forecasts for 2023/2024 and beyond.

For other costs the University maintains a policy of prudent budget setting and close cost management process to ensure that University funds are spent in the right manner and in a way that supports both the current service delivery and future needs of the University.

Both officers and trustees are content that the financial management of the University continues in a prudent manner that maintains or grows the net assets and cash balances of the University during a period where the new business plan is being developed. As the plan develops officers and trustees will consider emerging risks and opportunities and develop mitigation plans where applicable

Future prospects

The current environment within the sector is challenging but the University has managed its resources over the past few years in a way that places it in a good position to develop its new business plan, as noted on page 5, which will establish new income streams in future years and enable the University to grow. During the initial development and implementation of the business plan the focus is on maintaining the current net asset position with modest cash generation to maintain a position of going concern.

Declaration of information to auditor

Insofar as each of the members who held office at the date of approval of this report is concerned:

- a) there is no relevant audit information of which the University's auditor is unaware; and
- b) each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

OPERATING AND FINANCIAL REVIEW

Collaborative Provision

The University's managed exit from collaborative provision is based on three principles. These affirm that during the exit process the University will: (i) take whatever additional steps are necessary to assure the quality of provision and ensure the academic standards of its awards; (ii) fulfil its responsibility to enable students to complete their studies leading to an award in a way that is consistent with the relevant University regulations; and (iii) honour the contracts which are in place for each collaborative centre which remains in good standing.

During the reporting period, the University has seen a reduction of 47% of its student population under the validated services model and has exited from a further three collaborative centres. At the end of 2021/22, the number of students studying at collaborative centres had fallen to around 400 (down from over 28,000 when the withdrawal from collaborative provision was announced).

During the 2021/22 academic year, the University has continued to embed the new academic governance structure implemented in 2019/20, through which it has continued to ensure that its deliberative structures remain appropriate for oversight of the quality and standards of the University's academic awards. During the period, the University has received and considered 101 reports from external examiners, moderators, and University Officers considering the quality assurance and academic standards of the University's awards. The University continues to embed its systematic approach to addressing any actions arising from the reports.

The Collaborative Partnerships Office (CPO) continues to work to support both UW collaborative centre and UWTSD Partnerships. The CPO has continued to take action to provide both general and individual support to collaborative centres and partners in the context of the COVID-19 pandemic. This has included the support of modifications to the delivery of validated programmes, as well as individually tailored support to manage risk in relation to quality assurance, academic standards, and business continuity.

University of Wales Press (UWP)

This has been a very special year for University of Wales Press (UWP/the Press), as it celebrates 100 years since its founding in 1922. The Press marked the occasion in a variety of different ways. UWP published celebratory Centenary titles by two key authors in Wales; *The History of Wales in 12 Poems* by M. Wynn Thomas in September 2021, and *Dychmygu Iaith* by Mererid Hopwood in July 2022. UWP also published a short early history of the Press by our very own Llion Wigley; *Gwasg Prifysgol Cymru Y Degawdau Cynnar (1922–1953) / The University of Wales Press The Founding Years (1922–1953)*. Furthermore, UWP published *Trysorau: Casgliadau Arbennig Prifysgol Cymru Y Drindod Dewi Sant / Treasures: The Special Collections of the University of Wales Trinity Saint David* edited by John Morgan Guy to celebrate the University of Wales Trinity Saint David's Bicentenary.

The Press held a very special Centenary event in the Senedd in June 2022, with First Minister Mark Drakeford offering a keynote speech, and our Vice Chancellor, Chair of Advisory Board and a selection of authors and colleagues across the Press sharing their memories and experiences of working with the Press. The event was hugely enjoyable and we were delighted to catch up with so many of our authors, partners and former Press Directors. UWP also celebrated its Centenary at a number of other key events throughout the year, particularly enjoying this year's Eisteddfod in Tregaron.

During 2021/22, UWP published 38 new academic books and 58 new journal articles from seven journals across our Wales Studies and humanities and social sciences portfolios.

As well as exciting new developments within and additions to our academic portfolios, the Press was delighted to break into new markets this year, including the non-fiction trade market through the launch of a new imprint called Calon, and the publication of the first title in partnership with Coleg Cymraeg Cenedlaethol. Furthermore,

the Press worked closely with Hodder Education on new resources for the New Curriculum for Wales for ages 11-14, ensuring that materials for schools reflected Wales and Welshness in an authentic way.

OPERATING AND FINANCIAL REVIEW

Wales Studies

Publications this year included five Welsh language publications; *Sylfeini Cyfieithu Testun* by Ben Screen; *Y Gymraeg a Gweithle'r Gymru Gyfoes* edited by Rhianedd Jewell and Rhiannon Heledd Williams; *Llunio Hanes* edited by Gethin Matthews and Meilyr Powel in partnership with Coleg Cymraeg Cenedlaethol. Also, as mentioned, *Dychmygu Iaith* by Mererid Hopwood and *Trysorau: Casgliadau Arbennig Prifysgol Cymru Y Drindod Dewi Sant* edited by John Morgan Guy.

UWP also published titles including *Theologia Cambrensis Volume 2, 1760-1900* by Densil Morgan; *Patronage and Power in the Medieval Welsh March: One Family's Story* by David Stephenson; *A History of Christianity in Wales* by David Ceri Jones, Madeleine Gray, Barry Lewis, Densil Morgan; *Edward Lhwyd* by Brynley Roberts; and *The Impact of Devolution in Wales: Social Democracy with a Welsh Stripe?* edited by Aled Eirug and Jane Williams.

This year, the Higher Education Funding Council for Wales (HEFCW) undertook a consultation on the HEFCW publications fund - a pot of money to support the publication of Wales Studies titles. Allocated to universities since 2011 to be ringfenced for Wales Studies publications (prior to which the Press received the fund), the fund has now been returned to the Press, to be overseen by an independent panel. This is good news for the sustainability of Wales Studies publications.

Humanities and Social Sciences

Within our humanities and social sciences portfolio, UWP published dozens of titles across our key series including; *South Asian Gothic* edited by Ancuta and D. Valančiūnas; *Chaucer and the Ethics of Time* by G. Adler; *Precarious Sociality* by A. Evrard; *Curating and the Legacies of Colonialism in Contemporary Iberia* edited by C. Carrido Castellano and B. Leitão; and *Blumhouse Productions: The New House of Horror* edited by Platts and McCollum.

UWP launched an exciting new series this year; *Literary Geography: Theory and Practice* with Series Editors Drs. Sheila Jones and James Thurgill.

Awards

UWP were delighted to receive more award recognitions for titles this year; *Darllen y Dychymyg* by Siwan M. Rosser won the Sir Ellis-Griffith Memorial Prize; *Theologia Cambrensis Volume 2* by Densil Morgan won the Francis Jones Prize in Welsh History; and *The World of the Newport Medieval Ship* edited by Evan Jones and Richard Stone won the G.T. Clark Prize. UWP titles nominated were; *Star Warriors of the Modern Raj* by Sami Ahmad Khan for BFSa Prize longlist; *Industrial Gothic* by Bridget M. Marshall for the Allan Lloyd Smith shortlist; and *Monstrous Textualities* by Anya Heise-von der Lippe for the Allan Lloyd Smith longlist. Congratulations to all of our authors and editors.

Calon

UWP launched Calon, a new non-fiction imprint, this year. The aim of Calon is to publish fascinating yet trusted stories that follow trends across the international non-fiction market but bringing a Welsh flavour and perspective. The first book published under this new imprint was *Welsh Food Stories* by Carwyn Graves, in May 2022. The imprint has seven titles publishing in the coming financial year and many more planned beyond.

Other news

Also this year, UWP were one of 17 University Presses to launch EvenUP, a commitment of UK and Irish university presses to equity, diversity, inclusivity and belonging in our workplaces, in who we work with and in what we publish.

Dylan Thomas Centre

Located near UWTSd's SA1 Development, the Centre is home to a permanent exhibition to Dylan Thomas, which makes it a key part of Swansea's literary and cultural quarter. University investment in the building over the past few years has also transformed it into a multi-purpose and multi occupancy venue open to host a range of events and functions. The Centre is home to a 110 seat theatre and popular 1825 Coffee Shop.

OPERATING AND FINANCIAL REVIEW

During 2021/22 the Centre continued to be an integral part of the new UWTSD SA1 Campus which opened in September 2018. It also now hosts students and academic staff as part of the wider campus and its operating costs are funded by UWTSD.

Gwasg Gregynog

During 2021/22 it was deemed that the University gained control of Gwasg Gregynog Ltd following a change of directors. The company undertakes fine press printing and is currently located within the Gregynog Estate, Newton, Powys. Business plans are currently being developed for discussion and approval during 2022/23 for implementation in 2023/24.

Financial Review for the year

The consolidated results recorded a total comprehensive income for the year of £2.421m (2021: income £1.552m). This was an increase in the surplus position in 2021/22 from the surplus in 2020-21 amounting to £869k. It was mainly attributable to a movement gain in respect of pension schemes amounting to £1.592m offset with a movement in investments from a gain to a loss of £735k.

A summary of the financial performance is shown in the table below

Statement of Comprehensive Income summary

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000	Movement £'000
Income	2,443	2,383	60
Expenditure	(2,789)	(2,462)	(327)
	(346)	(79)	(267)
Endowment Transfer	-	(279)	279
Deficit before other gains/(losses)	(346)	(358)	12
(Loss)/Gain in respect of investments	(150)	585	(735)
(Deficit)/Surplus for the year	(496)	227	(723)
Actuarial gain in respect of pension schemes	2,917	1,325	1,592
Total comprehensive income for the year	2,421	1,552	869

Income

Total consolidated income for the University in 2020-21 was £2.4m (£2.4m in 2020-21).

Collaborative provision income was £1.3m (£1.5m in 2020-21) and was the largest source of funding for the university accounting for 54% of total income.

Other income was £993 (£785k in 2020-21). The increase was attributable to a one-off funding contribution.

Investment income for the year was £131k (£121k in 2019-20) and a small donation of £1k (£Nil in 2020-21).

OPERATING AND FINANCIAL REVIEW**Income analysis**

	Year ended 31 July 2022		Year ended 31 July 2021	
	£'000	%	£'000	%
Collaborative Provision	1,318	54.0	1,477	62.0
Other income	993	40.5	785	32.9
Investment income	131	5.4	121	5.1
Donations	1	0.1	-	-
Total Consolidated Income	2,443	100.0	2,383	100.0

Expenditure

Total consolidated expenditure for the University was £2.7m (£2.7m in 2020-21).

Staff costs were £1.3m (£1.2m in 2020-21). This was an overall increase due to increased pension service costs (this is an actuarial calculation and adjustment) which was partly offset by a reduction in actual staff costs in 2021-22 in line with the budget plan.

Operating Expense costs were £1.3m (£1.0m in 2020-21). The overall increase was due to one off expenditure for which there was also a one-off funding contribution.

Depreciation costs were £97k (£146k in 2020-21). The decrease was due to equipment depreciation coming to an end in 2020-21.

Pension interest costs were £43k (£54k in 2020-21). This is an actuarial calculation and adjustment.

Expenditure analysis

	Year ended 31 July 2022		Year ended 31 July 2021	
	£'000	%	£'000	%
Staff costs	977	35.0	1,081	39.4
Pension Service costs	354	12.7	139	5.1
Restructuring costs	-	-	8	0.3
	1,331	47.7	1,228	44.8
Academic and related expenditure	90	3.2	203	7.4
Administration and central services	493	17.7	337	12.3
Premises and central services	142	5.1	118	4.3
Other services and expenses	593	21.3	376	13.7
	1,318	47.3	1,034	37.7
Depreciation	97	3.5	146	5.3
Interest payable	43	1.5	54	2.0
	140	5.0	200	7.3
Endowment transfer	-	-	279	10.2
Total Consolidated Expenditure	2,789	100.0	2,741	100.0

OPERATING AND FINANCIAL REVIEW

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £6.2m as at 31 July 2022 (2021: £3.8m). When Pension liabilities are excluded the net asset position is £6.6m at 31 July 2022 (2021: £6.7m).

Total debtors were £1.8m at 31 July 2022 (2021: £1.4m). This is an increase from 2021 and is attributable to trade debtors with a related party.

Cash and cash equivalent balances were £3.5m at 31 July 2022 (2020: £3.8m). This is a slight decrease and is linked to the timing of receipts from a related party. These balances include £2.5m investment cash uninvested.

Total creditors were £2.7m at the year-end (2021: £2.6m). The slight increase due to an increase in receipts in advance linked to UW Press grant funding.

Pension provisions and obligations were £0.3m at 31 July 2022 (2021: £2.8m). A significant decrease related to actuarial valuation reductions on the pension obligation to the defined pension scheme.

Cash Flow

The consolidated net cash outflow from operating activities was £531k for the year (2021: £1k outflow) and the overall cash decrease was £0.3m (2021: £2.1m increase). The decrease is related to the timing of related party receipts.

Treasury Management and investments

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. As at 31 July 2022 the value of fixed asset investments was £0.8m (2021: £0.8m) and the value of the endowment investments was £1.7m (2021: £1.7m). In addition, there is an amount of £2.5m uninvested cash, redeemed in 2020/21 from a ceased investment fund. An amount of £2.7m (valued at 31 July 2022) is still due for transfer to the UW Restricted Endowment Trust (UWRET) from endowment investments and uninvested cash. It is planned to transfer these in 2022/23.

Liquidity

The University has prepared cashflow forecasts for the 12 months from the date of the financial statements and is of the opinion that it will have sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow in the year.

Pensions

The net liability in the local in-house final salary pension scheme has decreased during the year, from £2.7m to £Nil.

Accounting standards require the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS) and this liability is included in the pension provision and additional costs are processed through staff costs in the consolidated statement of income and expenditure. During the year the liability on the USS increased by £186k to £325k (2021: £139k liability).

OPERATING AND FINANCIAL REVIEW

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing. Key areas for management focus include:

- maintaining and being pro-active in the recruitment and retention of students;
- managing a change in the nature of core business with reduced reliance on historical collaborative activity and increased development of new and innovative delivery programmes in partnership with the University of Wales Trinity St David;
- maintaining a sufficient level of cash reserves to support ongoing operations ;
- managing cash flows, including the timely collection of receipts from collaborative partners to ensure sufficient working capital;
- responding to the changing political context of Higher Education in Wales;
- securing commitments made in the Wales Pledge and
- robustly managing increases in pension costs.

During 2021/22 the University experienced continued reductions in some income streams but has been taking proactive action to build upon innovative areas of activity with key partners with an emphasis on recruitment to local skills based courses in 2022/23 in partnership with the University of Wales Trinity St David.

Sustainability

The University considers sustainability on of the key risks that it faces, and maintaining financial security is the first listed enabler to achieving delivery of its strategic plan.

The University considers income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability. A key metric reported on the University's position to governors is the ability to meet its future liabilities on existing cash reserves for a period of not less than 3 months

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. At both the balance sheet date and the date of signing the accounts the University has no plans to enter into any material additional financial obligations.

The University has carefully managed the declining income from traditional sources and has divested from loss making activities within the institution in order to ensure its sustainability through the transitional period of establishing the future strategy detailed in the University Strategy section of this report

The University expects to maintain cash generation in 2022/23. It is also felt that the University has sufficient cash reserves at 31 July 2022 and a sensible budget for 2022/23 and 2023/24 that allows it to look at the medium term with confidence.

Going Concern

As outlined in the introduction, in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. With the development of a new direction of the University of Wales being delivered through the business plan outlined in the University Strategy on page 5 this integration process has paused.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

OPERATING AND FINANCIAL REVIEW

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2022/23 and 2023/24 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2024 under the existing operating model, acknowledging any income streams from the new strategy are anticipated from the 2023-2024 financial year.

These forecasts build on a strong cash balance at 31st July 2022 and even under plausible downside scenarios indicate that the University can operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University

Accordingly, the Council have deemed it appropriate to use the going concern basis of preparation within these financial statements.

Environmental Reporting

The University is committed to embedding sustainability as a core principle. This is evidenced in the Strategic Plan and Environmental Policy Statement which articulates its values of Sustainable Development and Global Citizenship. Sustainability is embedded within the Strategic Action Plan (2022 – 2025) and Estates and Infrastructure have key performance indicators that are sustainability linked; these include: energy consumption, cost of core utilities, Scope 2 emissions. Progress is monitored through annual strategic plan reporting and Key Performance Indicator Reporting provided to the Resources and Performance Committee and University Council

The University is specifically committed to implementing a university wide Carbon Management Plan to achieve Net Zero by 2030.

In July 2014, the University adopted a Carbon Management Strategy to explicitly show its commitment to, and outline a plan for, managing and reducing its carbon emissions, against which considerable progress has been made; This has included: Solar installations, retro fitting the estate with energy efficient options such as LED lighting, Low carbon Heat Pumps, etc.

Systematic revision of this plan will enable the University to continue the journey to Net Zero Carbon while undertaking a range of assessments that will inform the development of a three-year plan that will recognise the progress to date and further map out the route to Net Zero Carbon

The action areas identified for carbon reduction fall within the following three main pillars.

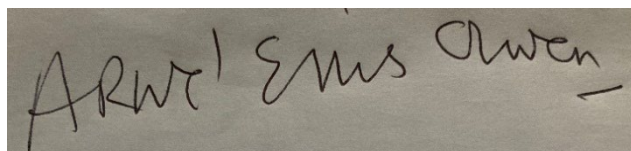
1. Implementing a Monitoring Programme to ensure accurate monitoring of energy use, and water use through the provision and use of an Energy Management System enabled by an appropriate software package.
2. Transition to ensure that all new capital projects are built to Net Zero Carbon BREEAM 'Excellent' score and there is an associated reduction in supply chain impacts.
3. To significantly improve the energy efficiency of the remaining estate, with full consideration given to replacement & renewable energy heat schemes and discontinuation use of gas. Campus development plans must prioritise decarbonisation opportunities such as scoping for Low/No Carbon Heat pilot projects and making demonstrable progress on understanding and implementing the remaining energy efficiency opportunities. which include utilisation of effective building management controls

OPERATING AND FINANCIAL REVIEW

In addition, the University will:

- Develop people centred model of service delivery that reduces the need to travel for staff, students and visitors that promotes low emission travel, active travel and encourages a greater use of public transport, reducing car commutes and business travel
- Apply the principles of a circular economy to our procurement activities, incorporating a robust carbon reduction phase that assesses the carbon impact of goods and service across the lifespan.
- Utilise UK markets for carbon sequestration values to develop a land asset calculation
- Develop renewable energy sources to reduce our carbon footprint, mitigating business risk against overloading and power outage on the National Grid
- Student and staff engagement through a blended approach of both digital and face to face events which aims to promote behaviour change that creates a climate conscious Wales

Central to this is the Sustainable Development Group that the University has established, to bring together individuals from each institute and professional services unit to promote and communicate sustainability across the whole institution. This has resulted in several initiatives relating to Net Zero being communicated to staff, such as our “One Campus, One Day” initiative aimed at reducing inter-campus travel as well as providing a consultation forum for policy development, check and challenge.



Arwel Ellis Owen

Chair of Resources and
Performance Committee
University Registry,
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Gavin Bessant

Director of Financial Services

University Registry,
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OPERATING AND FINANCIAL REVIEW

Governance arrangements

In accordance with the University's Royal Charter, the Council is the governing body of the University and is responsible, through Statute, for approving the strategic plans for the University and for governing and regulating its finances, accounts, investments, property, business and affairs. Its Powers are set out in the University's Statutes and Ordinances. Since 1 August 2017, the administration of governance arrangements has been with UWTSD and there is a common practice across the two universities.

The Council comprises independent and staff and governors appointed under the Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University. Vacancies for independent members are advertised externally and appointments are made following completion of an interview and selection process. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. The Council is served by a Clerk who is responsible to the Chair.

The Council meets at least four times a year and also exercises its responsibilities through the executive management and several standing committees. A Scheme of Delegation sets out where decision-making authority in the name of, or on behalf of, the Council resides, and where this authority can and has been delegated. The standing committees are chaired by independent members of Council and all have a majority of independent members. Senior officers of the University attend meetings as necessary. . A *Code of Practice for Council Members* provides information on the procedures to be followed should a conflict of interest or loyalty arise.

The standing committees of Council in 2021/22 were as follows:

- **Academic Committee**

Established in 2019/20, the Academic Committee provides advice to Council on its determination of the educational character of the University.

The Committee met on three occasions in 202/22. It considered a range of issues within the scope of its remit, including reports on the student experience, the learning environment and international activities and quality assurance.

The membership was follows (with attendance (%) provided in brackets): Geraint Roberts (Chair) (100%); Professor Medwin Hughes (66%); Uzo Iwobi (33%); Matthew Peake (66%); Liam Powell (resigned March 2022; 50%); Victoria Provis (100%); Randolph Thomas (100%); Dr Kerry Tudor (66%); Deris Williams (authorised period of absence; 0%).

- **Audit and Risk Committee**

The Audit and Risk Committee oversees audit across the UWTSD Group, with terms of reference that are based on the model terms of reference set out in the *Higher Education Audit Committees Code of Practice* published by the Committee of University Chairs (CUC).

The Committee met on four occasions in 2021/22. It considered a range of issues within the scope of its remit, including internal and external audit plans and findings; the financial statements prior to their submission to Council; and the corporate risk register. A major activity for the year was the tender for the appointment of internal and external auditors, with the Committee considering subsequent proposals for appointment and making recommendations to Council according.

The membership was follows (with attendance (%) provided in brackets): Arwel Ellis Owen (Chair) (100%); Tony Ball (100%); Nigel Roberts (100%); Dr Liz Siberry (75%); Deris Williams (authorised period of absence; 25%); Jayne Woods (co-opted; 100%).

There is no cross-membership between the Audit and Risk Committee and the Resources and Performance Committee.

OPERATING AND FINANCIAL REVIEW

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University.

The Committee met on one occasion in 2021/22. It considered a range of issues within the scope of its remit, including an annual report on the subsidiary companies.

The membership was follows (with attendance (%) provided in brackets): Rowland Jones (Chair) (100%); Pam Berry (100%); Professor Medwin Hughes (100%); Liam Powell (resigned March 2022; 0%); Dr Stuart Robb (100%); Maria Stedman (100%); Randolph Thomas (100%); Jayne Woods (co-opted; 100%)

- **Nominations and Governance Committee**

The Nominations and Governance Committee is responsible for monitoring Council's corporate governance capability and governance arrangements for the University and the wider UWTS D Group. It monitors the composition and membership needs of the Council and makes recommendations for appointments to committees and other bodies.

The Committee met on three occasions in 2021/22. It considered a range of issues within the scope of its remit, including progress against the University's action plan arising from the Review of Governance of the Universities in Wales; the biennial review of compliance with the CUC Higher Education Code of Governance; and succession planning and the recruitment strategy for new independent governors.

The membership was as follows (with attendance (%) provided in brackets): Pam Berry (Chair) (100%); Andrew Curl (33%); Tania Davies (66%); Margaret Evans (100%); Professor Medwin Hughes (100%); Vanessa Liverpool (33%); Maria Stedman (66%); Randolph Thomas (100%); Deris Williams (authorised period of absence; 66%).

- **Remuneration Committee**

The Remuneration Committee determines on an annual basis the salaries, terms and conditions and, where appropriate, the severance conditions of the Vice-Chancellor, Deputy Vice-Chancellors, the Pro Vice-Chancellors and the Clerk to the Council. As part of this process the Committee considers a range of external contextual and comparative measures in determining pay awards as set out in the annual Pay Policy Statement.

The Committee met on three occasions in 2021/22. The Committee also commissioned and participated in a two-part training programme on senior remuneration delivered by QCG Consulting.

The membership was as follows (with attendance (%) provided in brackets): Pam Berry (Chair) (100%); Justin Albert (33%); Andrew Curl (100%); Eifion Griffiths (66%); Vanessa Liverpool (66%); Dr Conny Matera-Rogers (100%); Randolph Thomas (100%).

The University publishes its annual pay policy on its website and can be viewed at the following link [annual-pay-policy-statement-july-2022.pdf](#)

- **Resources and Performance Committee**

The Resources and Performance Committee maintains oversight of strategic planning and the financial affairs of the University.

The Committee met on four occasions in 2021/22. It considered a range of issues within the scope of its remit, including strategic and confederal developments; financial performance against forecasts and budgets and institutional sustainability; pensions; and human resources matters.

The membership was as follows (with attendance (%) provided in brackets): Andrew Curl (50%); Pam Berry (75%); John Edge (co-opted; 100%); Margaret Evans (100%); Eifion Griffiths (75%); Professor Medwin Hughes (50%); Rowland Jones (100%); Vanessa Liverpool (50%); Dr Conny Matera-Rogers

OPERATING AND FINANCIAL REVIEW

(75%); Maria Stedman (100%); Dr Geoffrey Thomas (co-opted; 100%); Randolph Thomas (chaired on two occasions in the absence of the Chair; 100%).

In addition, the Academic Board, which is the academic authority of the University and draws its membership mainly from the academic staff and students of the institution, also reports to Council. Its role is to direct and regulate the teaching and research work of the University.

CUC Higher Education Code of Governance

The University aspires to high standards of corporate governance. As a corporation founded by Royal Charter with charitable status, the University does not fall within the corporate governance reporting requirements of the London Stock Exchange, but it seeks to demonstrate that its governance is undertaken in an open and accountable manner and that it aspires to best practice within the higher education sector. All Council members are required to sign up annually to a *Code of Practice for Council Members* which sets out the standards of conduct and accountability which are expected of them in their role as governors of the University and charity trustees; the principles and values of the University and of public service more generally; and the University's approach to matters such as confidentiality and the declaration of interests.

The University's governance arrangements have been developed to reflect the principles and practices set out in CUC's *Higher Education Code of Governance*, the most recent iteration of which was published in September 2020. Through the Nominations and Governance Committee the Council has reviewed its practices in the context of the Code and has confirmed that all of the Primary Elements are in place. In 2019 the Council undertook a Governance Effectiveness Review, with external input, which included holistic consideration of adherence to the Code and resulted in a published action plan. The next Effectiveness Review is scheduled to take place in 2022/23.

Through its Remuneration Committee, Council reviewed compliance with CUC's Higher Education Senior Staff Remuneration Code (June 2018) in 2018/19. A further review was undertaken in 2020 in the light of the recommendations of the Camm Review, and in 2022 following the publication of an updated Code. The University's practices adhere in full to the expectations of the Code. Through the Audit and Risk Committee, the Council has also confirmed that all elements of CUC's *Higher Education Audit Committees Code of Practice* (May 2020) have been adopted.

An internal audit of the Group's approach to Corporate Governance was undertaken in summer 2022 and provided substantial assurance on the adequacy of the control environment and the effectiveness of internal controls.

Camm Review of Governance of the Universities in Wales

The Council has welcomed the *Review of Governance of the Universities in Wales* by Gillian Camm ('the Camm Review'), the report of which was published in February 2020. In July 2020 the Council formally adopted the Governance Charter for Universities in Wales published by the Chairs of Universities Wales (ChUW) and Universities Wales and agreed an action plan in response to the accompanying Commitment to Action. By October 2022 the Council had made considerable progress with implementing the plan, including by:

- formally reviewing quantitative and qualitative data relating to organisational culture;
- confirming its expectations in respect of the size and shape of the governing body and the responsibilities and behaviours of governors;
- implementing a recruitment and induction strategy with a focus on diversity;
- reviewing the standing committee structure;
- confirming its approach to governor independence and conflict management;
- reviewing its arrangements for remuneration governance;
- completing a review of risk management policy;
- reviewing the internal audit process;
- commissioning an annual report on whistle-blowing; and
- approving the statements on independence, the role of the Secretary and annual reporting developed through the Welsh Clerks and Secretaries Group;
- approving an approach to leadership succession planning;

OPERATING AND FINANCIAL REVIEW

- adopting the new template for the Annual Report and Financial Statements;
- drafting a governor development and retention plan;
- participating in Advance HE workshops relating to equality and diversity and commencing work on its own EDI plan.

The Council's remaining work in relation to the Camm Review is scheduled for completion in 2022/23 following the publication of the sector-wide guidance on stakeholder engagement and the completion of other sector-wide work to support governor development and EDI planning.

OPERATING AND FINANCIAL REVIEW

STATEMENT OF INTERNAL CONTROL

As the governing body of the University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of the strategic plans, aims and objectives of the institution, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to Council in the Charter and Statutes.

The internal control system includes policies, regulations and plans; monitoring of financial and operational performance; segregation of duties; authorisation and approval procedures; information systems; and effective internal and external audit functions. It also includes an ongoing process designed to identify the principal risks to the achievement of the strategic plans and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. These systems have been in place for the year ended 31 July 2022 and up to the date of approval of the annual report and financial statements. The system accords with relevant guidance from the British Universities Finance Directors Group.

The system of internal control is designed to manage rather than eliminate the risk of failure in the achievement of business objectives; it therefore provides reasonable but not absolute assurance of effectiveness and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee has specific authority delegated by the Council to monitor and review internal control matters on its behalf and to report to Council on these matters. Independent Internal Auditors undertake regular reviews of the systems of internal control; the scope of their work is determined, in advance, by the Audit and Risk Committee which receives their reports and recommendations. The areas for review are determined by their significance to the University's operations and the risks associated with their failure; they include operational and compliance matters as well as financial risk. The Internal Auditors attend each meeting of the Committee and meet privately with independent members on each occasion. The deliberations of the Audit and Risk Committee are reported at each meeting of the Council.

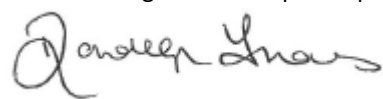
The University has established a robust methodology for evaluating and managing risk on a continuing basis, linked explicitly to the achievement of institutional objectives. The University risk register, which rates the likelihood and impact of identified risks, is maintained and regularly reviewed by the Senior Directorate. Registers are also maintained for discrete major projects and activities. The corporate risk register are considered at each meeting of the Audit and Risk Committee and changes are reported to the Council. The Risk Management Policy and the construction of the risk register were comprehensively reviewed in 2021/22 and proposed revisions were approved by the Council in July 2022. An internal audit of the Group's approach to Risk Management was undertaken in summer 2022 and provided adequate assurance on the adequacy of internal controls and substantial assurance on the effectiveness of internal controls. By October 2022 good progress had been made in addressing the audit recommendations.

The Council's review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their year-end management letter and other reports. No significant internal control weaknesses or failures have arisen during the financial year or after the financial year but before these financial statements have been signed.

Risk Management / Risk Register

The Statement of Internal Control sets out the arrangements that are in place for risk management, including the continuing process of identifying, evaluating and managing risks.

Comprehensive procedures are in place and risk registers are updated on a regular basis and monitored by senior management. A report is presented to each meeting of the Audit and Risk Committee.



The Venerable Randolph Thomas
Chair of University Council

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

The Council is responsible for preparing the Annual Report, Operating and Financial Review and the Directors' Report and the financial statements in accordance with HEFCW requirements and applicable law and regulations.

They are required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the requirements of the Charities Act 2011. HEFCW further requires 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 2022/22 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 have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent University or to cease operations, or have no realistic alternative but to do so.

The 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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The 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;
- funds provided by the HEFCW have been applied in accordance with the Financial Management Code and the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the university's resources and expenditure.

The 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales ("the University") for the year ended 31 July 2022 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statements of Changes in Reserves, Consolidated and University Statements of Financial Position, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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 and Risk Committee, internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit and Risk Committee, estates and other committees’ minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the Group’s fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at the Group level and requests to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls. On this audit we did not identify a fraud risk related to revenue recognition due to the non-complex revenue recognition criteria, which limits the opportunity to fraudulently manipulate revenue.

We did not identify any additional fraud risks.

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

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. We tested journals based on the following high-risk criteria: revenue journals posted to unrelated accounts; journal entries contain key words and unusual journal entries in relation to cash and borrowings.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Council and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the Council 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the need to include significant provisions. We identified the following area as that 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 and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information

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

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

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion the information given in Operating and Financial 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 [X], 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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

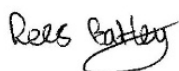
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts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

3 Assembly Square
 Britannia Quay
 Cardiff
 CF10 4AX
 6 December 2022

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 July 2022		Year ended 31 July 2021	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Other income	1	2,311	2,289	2,262	2,262
Investment income	2	131	131	121	121
Donations		1	1	-	-
Total Income		2,443	2,421	2,383	2,383
Expenditure					
Staff costs	3	1,331	1,331	1,220	1,220
Fundamental restructuring costs	3	-	-	8	8
Other operating expenses	5	1,318	1,316	1,034	1,032
Endowment transfer	5a	-	-	279	279
Depreciation and impairments	6	97	97	146	146
Interest and other finance costs	4	43	43	54	54
Total expenditure		2,789	2,787	2,741	2,739
Deficit before other gains(losses)		(346)	(366)	(358)	(356)
Gain/(loss) on fixed assets investments	7	(47)	(47)	197	197
Gain/(loss) on endowment investments	7	(103)	(103)	388	388
Surplus/(deficit) for the year		(496)	(516)	227	229
Actuarial gain/(loss) in respect of pension schemes	17	2,917	2,917	1,325	1,325
Total comprehensive income/(expense) for the year		2,421	2,401	1,552	1,554
Represented by:					
Endowment comprehensive income/(expense) for the year		(12)	(12)	469	469
Unrestricted comprehensive income/(expense) for the year		2,433	2,413	1,083	1,085
		2,421	2,401	1,552	1,554

The notes on pages 31 to 50 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Account		Investment	Total
	Endowment	Unrestricted	Revaluation Reserve	
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	4,860	(3,724)	1,141	2,277
Surplus/(deficit) from the income and expenditure statement	469	(439)	197	227
Other comprehensive income	-	1,325	-	1,325
Transfers between revaluation reserve and I&E Account	-	85	(85)	-
Total comprehensive income/(expense) for the year	469	971	112	1,552
Other movement in year	-	-	-	-
Balance at 1 August 2021	5,329	(2,753)	1,253	3,829
Surplus/(deficit) from the income and expenditure statement	(12)	(437)	(47)	(496)
Other comprehensive income	-	2,917	-	2,917
Total comprehensive income/(expense) for the year	(12)	2,480	(47)	2,421
Other in year movement	-	(2)	-	(2)
Balance at 31 July 2022	5,317	(275)	1,206	6,248

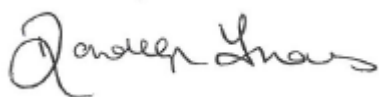
University	Income and Expenditure Account		Investment	Total
	Endowment	Unrestricted	Revaluation Reserve	
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	4,860	(3,720)	1,141	2,281
Surplus/(deficit) from the income and expenditure statement	469	(437)	197	229
Other comprehensive income	-	1,325	-	1,325
Transfers between revaluation reserve and I&E Account	-	85	(85)	-
Total comprehensive income/(expense) for the year	469	973	112	1,554
Other movement in year	-	(4)	-	(4)
Balance at 1 August 2021	5,329	(2,751)	1,253	3,831
Surplus/(deficit) from the income and expenditure statement	(12)	(457)	(47)	(516)
Other comprehensive income	-	2,917	-	2,917
Total comprehensive income/(expense) for the year	(12)	2,460	(47)	2,401
Other in year movement	-	(4)	-	(4)
Balance at 31 July 2022	5,317	(295)	1,206	6,228

The notes on page 31 to 50 form part of these financial statements.

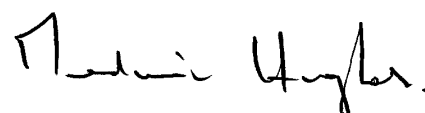
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION (Charity Number: 1146516)

	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible Fixed assets	6	1,424	1,424	1,519	1,519
Investments	7	2,375	2,375	2,525	2,525
		3,799	3,799	4,044	4,044
Current assets					
Stock	8	87	87	112	112
Trade and other receivables	9	1,846	1,846	1,367	1,367
Cash and cash equivalents	13	3,541	3,519	3,772	3,772
		5,474	5,452	5,251	5,251
Less: Creditors: amounts falling due within one year	10	(2,700)	(2,698)	(2,622)	(2,620)
Net current assets/(liabilities)		2,774	2,754	2,629	2,631
Provisions					
Pension provisions	17	(325)	(325)	(139)	(139)
Pension obligation to defined pension scheme	17	-	-	(2,705)	(2,705)
Net assets		6,248	6,228	3,829	3,831
Restricted Reserves					
Income and expenditure reserve - endowment reserve	11	5,317	5,317	5,329	5,329
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		(275)	(295)	(2,753)	(2,751)
Revaluation reserve	12	1,206	1,206	1,253	1,253
Total Reserves		6,248	6,228	3,829	3,831

The financial statements were approved by the Governing Body on 6th December 2022 and were signed on its behalf on that date by



The Venerable Randolph Thomas (Chair)



Prof Medwin Hughes (Vice-Chancellor)

The notes on page 31 to 50 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Cash flow from operating activities			
(Deficit)/Surplus for the year		(496)	227
Adjustment for non-cash items			
Depreciation	6	97	146
Investment income	2	(131)	(121)
Decrease/(increase) in stock	8	25	3
(Increase)/decrease in debtors	9	(479)	(655)
Increase in creditors	10	78	206
USS Pension costs less contributions payable	3	184	(85)
UWSS Pension costs less contributions payable	3	170	224
Interest payable	4	43	54
Net cash outflow from operating activities		(509)	(1)
Cash flows from investing activities			
Disposal of non-current asset investments	7	-	919
Disposal of endowment asset investments	7	-	1,638
Investment income	2	41	40
Endowment income	2	90	81
Fair value (increase)/decrease in investments	7	150	(585)
Net cash inflow from investing activities		281	2,093
Cash flows from financing activities			
Capital purchases		(3)	(16)
		(3)	(16)
(Decrease)/Increase in cash and cash equivalents in the year	13	(231)	2,076
Cash and cash equivalents at beginning of the year		3,772	1,696
Cash and cash equivalents at end of the year		3,541	3,772

The notes on page 31 to 50 form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

a. **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 and in accordance with 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, except in relation to investment properties, current asset investments and derivative financial instruments carried at fair value.

b. **Basis of consolidation**

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited and Gwasg Gregynog Limited, for the year to 31 July 2022. As noted in note 17 Gwasg Gregynog was fully consolidated in the consolidated statement of financial position at 31 July 2022.

c. **Going Concern**

The activities of the University and its subsidiaries, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial review. The financial position of the University and its subsidiaries, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The financial statements are prepared on a going concern basis which the senior management and Council believe to be appropriate for the following reasons.

As outlined in the introduction in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. With the development of a new direction of the University of Wales being delivered through the business plan outlined in the University Strategy on page 5 this integration process has paused.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2022/23 and 2023/24 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2024 under the existing operating model, acknowledging that any income streams from the new strategy are anticipated from the 2023-2024 financial year.

These forecasts build on a strong cash position at 31st July 2022 and even under plausible downside scenarios indicate that the University is able to operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University.

The University has recorded a deficit for the year of £518k, of which £184k is attributed to an increase in the USS deficit provision. This deficit translates into a decrease in cash of £231k in the year. The position for the year follows a surplus of £227k generated in the year to July 2021 and positive cash generation in the previous year of £2.1 million. Officers and trustees are satisfied that the cash balance of £3.5 million at 31 July 2022 and forecasts for the 12 months following the date of approval of these financial statements provide sufficient cash and cash generating resources to meet its obligations as they fall due.

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

STATEMENT OF ACCOUNTING POLICIES

d. **Income recognition**

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

Investment income is credited to the Consolidated and University Statements of Comprehensive Income on a receivable basis.

Grant Funding

Government grants including funding council block grant; research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and the performance related conditions have been met.

Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

1. 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.
2. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital Grants

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

e. **Accounting for retirement benefits**

The two principal pension schemes for the University's staff, are the Universities Superannuation Scheme (USS) and the University of Wales Superannuation Scheme (UWSS). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

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

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company 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 Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk

STATEMENT OF ACCOUNTING POLICIES

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

f. 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 measured as the additional amount the University expects to pay as a result of the unused entitlement.

g. Foreign Currency

The functional currency is £ 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 are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

h. Fixed Assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Costs (including irrecoverable VAT costs) incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives up to a maximum of 50 years.

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

Equipment

Equipment, including computers and software, costing less than de-minimus of £5,000 per individual item or group of items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
Equipment acquired for specific research projects	3-5 years
Other Equipment	10 years

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

Borrowing costs

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

STATEMENT OF ACCOUNTING POLICIES

i. Investments

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

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

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

Investments are shown at market value. It is the University's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result, the Statement of Comprehensive Income does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated as changes in the valuation of the investment portfolio throughout the year.

j. Stock

Stock is held at the lower of cost and net realisable value. Cost represents the invoice price of the stock.

Stocks of books held by the University of Wales Press are valued at the lower of cost and net realisable value and are written down after two or five years from the date of publication as determined by UW Press management. The cost of journal is written off in the year of publication.

k. Financial Instruments

Trade and other debtors/creditors

Trade and other debtors and creditors are recognised initially at transaction price net of attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs less any impairment losses in the case of trade debtors.

Interest bearing borrowings

Interest-bearing borrowings other than public benefit entity concessionary loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Concessionary loans are recognised initially at the amount received or paid and subsequently measured at cost plus any accrued interest payable or receivable.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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

l. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

STATEMENT OF ACCOUNTING POLICIES

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.

m. Accounting for joint ventures and associates

The University accounts for its share of joint ventures and associates using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets within the Consolidated and University Statements of Comprehensive Income.

n. Taxation

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

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

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

o. Reserves

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

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

p. Accounting estimates and judgements – key sources of estimation uncertainty

Defined benefit pension scheme assumptions

The University has a defined benefit pension scheme. The valuation of the liabilities the scheme is calculated using a financial and demographic model to present a single scenario from a wide range of possibilities. The schemes' actual experience will inevitably differ from the assumptions underlying the financial and demographic model. The differences may be material because the valuation is very sensitive to the assumptions made over a long period of time. Please see note 44 for assumptions used in the valuation of pension assets and liabilities.

USS pension scheme assumptions

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 18.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Other income				
Collaborative Provision fees	1,318	1,318	1,477	1,477
Other services rendered	147	147	126	126
Sales of publications	373	373	442	442
Publication grants	150	150	111	111
Other income	323	301	106	106
	2,311	2,289	2,262	2,262

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2 Investment income				
Investment income on endowments-unrestricted	3	3	3	3
Investment income on endowments-restricted	87	87	78	78
Other investment income	41	41	40	40
	131	131	121	121

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Staff costs				
Salaries	752	752	840	840
Social security costs	75	75	85	85
Movement on USS pension	184	184	(85)	(85)
Other pension costs	320	320	380	380
	1,331	1,331	1,220	1,220

Emoluments of the Vice-Chancellor

The post of Vice Chancellor and Chief Executive is held by the Vice Chancellor of University of Wales: Trinity St. David who is employed by that institution and not by the University of Wales. In recognition of the services provided by the Vice-Chancellor and Chief Executive the University reimbursed University of Wales: Trinity St. David the sum of £59,400 in 2020-21 towards the basic salary and associated pension costs of the post. (2020-21 contribution: £59,800). This amount represented 20% of the Vice-Chancellor's salary. These costs are recognised in other operating expenses and not within staff costs.

Emoluments of the Vice-Chancellor paid by the University of Wales: Trinity St David

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Salary	240	233
Monetary value of benefits: Health Insurance	3	3
Monetary value of benefits: Accommodation	-	11
	243	247
Pension contributions to USS	54	52
	297	299

There were no other higher paid staff in the year.

There was no compensation payable to other higher paid staff in year (2021: £Nil).

NOTES TO THE ACCOUNTS

3 Staff costs (continued)

	Year ended 31 July 2021	Year ended 31 July 2020
Average staff numbers by:	No.	No.
Academic departments	-	-
Non-academic departments	18.7	24.0
	18.7	24.0

There are no key management personnel that require separate disclosure.

Restructuring Costs

The University accounts for restructuring costs in the period that the cost is incurred, where a restructuring plan has been communicated but not fully concluded at the Balance Sheet date and amounts due to be paid are recognised on the Balance Sheet and within the Statement of Comprehensive Income in the year that the plan was communicated.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Paid to employees on termination of employment	-	-	8	8

Trustees

The University's Council members are the trustees for charitable law purposes. The trustees who served in the year, and up to the signing date of these financial statements are listed on page 2.

Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. Other than the expenses paid in the year referenced below there were no transactions in the year with any members.

No Council member has received any remuneration/waived payments from the group during the year (2021 - £Nil).

The total expenses paid to or on behalf of 15 council members was £Nil (2021: £Nil to 15 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

NOTES TO THE ACCOUNTS

3 Staff costs (continued)

Vice-Chancellor Remuneration Statement

The ratio of the salary of the Vice Chancellor compared to the median average of the University is 8.1:1 and the ratio of the total remuneration of the Vice Chancellor compared to the median average of the University is 7.7:1.

The Remuneration Committee noted the Vice Chancellor's current salary was below the average in the HEFCW comparator group and also noted the senior officers, including the Vice-Chancellor, had not received a pay increase for the last two years.

The Vice Chancellor is also Vice Chancellor of the University of Wales Trinity St David and 20% of the Vice Chancellor's emoluments are recharged to the University of Wales. The emoluments and ratios disclosed above represent 100% of the Vice Chancellor's emoluments (as disclosed above).

The Vice Chancellor has a significant breadth of responsibility spanning Higher Education and Further Education. This includes the University of Wales Trinity St David, The University of Wales, Coleg Sir Gar and Coleg Ceredigion. Within UWTSD, there has been an expansion of responsibility in Birmingham and London. In recognition of all the relevant contextual information including the level of the sector pay award and the need to broadly maintain UWTSD's position amongst the comparators, the Vice-Chancellor was awarded a salary increase for 2021/2022. 100% of the Vice Chancellor's emoluments are disclosed in these accounts and do not take into account any recharge to the University of Wales.

The University Council is responsible for establishing a Standing Committee of the Council, known as the Remuneration Committee, to determine fair and appropriate remuneration for the Vice Chancellor, the Deputy Vice Chancellors, the Pro Vice Chancellors and the Clerk to the Council.

The Remuneration Committee is responsible for reviewing and determining on an annual basis the salaries, terms and conditions and, where appropriate the severance conditions of the above senior post-holders. The terms of reference are published on the University website ensuring these are available to staff, students and all stakeholders in an open and transparent manner: <https://www.uwtsd.ac.uk/governance-management/governance/> The Committee membership includes a staff member of Council and a student member of Council. The Vice Chancellor is not a member.

The Remuneration Committee adheres to the Higher Education Senior Staff Remuneration Code, published by the CUC. Its deliberations take account of the context in which the institution operates. It considers the value delivered by an individual acting within a role based on relevant components for the UWTSD context. The Committee considers appropriate comparative information of other Universities to inform its decisions including the annual rate of increase of the average remuneration of all other staff. It also considers the Corporate Risk Register and a report on complaints made to the University by students, staff and external persons. The Committee makes every effort to ensure that all recommendations are fair and consider the institutional interest, key stakeholders and partners including the student community and wider society. The safeguarding of public funds also forms part of its deliberations.

The Chair of the Remuneration Committee is responsible for presenting the recommendations of the Remuneration Committee to the University's Council.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
4 Interest and other finance costs				
Net charge on USS pension scheme	1	1	2	2
Net charge on UWSS pension scheme	42	42	52	52
	43	43	54	54

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
5 Analysis of other operating expenses by activity				
Academic and related expenditure	90	90	203	203
Administration and central services	493	493	337	337
Premises related expenditure	142	142	118	118
Other services and expenses	593	591	376	374
	1,318	1,316	1,034	1,032

Other operating expenses include:

External auditor's remuneration in respect of audit services	36	33	28	26
External auditor's remuneration in respect of non-audit services	2	2	2	2

5a Endowment transfer

In 2018-19 The Gregynog Estate was transferred to an independent charitable trust being The Gregynog Trust (Charity No 1180943) under a Business Transfer Agreement signed on 21 June 2019. As part of this agreement there was a subsequent transfer of a restricted endowment trust amounting to £279k in 2020-21.

NOTES TO THE ACCOUNTS

6 Tangible fixed assets**Consolidated****Cost or valuation**

At 1 August 2021

Additions in the year

Disposals

At 31 July 2022

At 1 August 2021

Charge for the year

Disposals

At 31 July 2022**Net book value****At 31 July 2022**

At 31 July 2021

Leasehold land and buildings	Equipment, fixtures and fittings	Totals
£'000	£'000	£'000

2,528 1,483 4,011

- 2 2

- (472) (472)

2,528 1,013 3,541

1,058 1,434 2,492

79 18 97

- (472) (472)

1,137 980 2,117**1,391 33 1,424**

1,470 49 1,519

Leasehold land and buildings	Equipment, fixtures and fittings	Totals
£'000	£'000	£'000

2,528 1,483 4,011

- 2 2

- (472) (472)

2,528 1,013 3,541

1,058 1,434 2,492

79 18 97

- (472) (472)

1,137 980 2,117**1,391 33 1,424**

1,470 49 1,519

University**Cost or valuation**

At 1 August 2021

Additions in the year

Disposals

At 31 July 2022

At 1 August 2021

Charge for the year

Disposals

At 31 July 2022**Net book value****At 31 July 2022**

At 31 July 2021

NOTES TO THE ACCOUNTS

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total £'000
7 Non-current investments				
Consolidated				
At 1 August 2021	796	1,729	-	2,525
(Decrease)/increase in market value	(47)	(103)	-	(150)
At 31 July 2022	749	1,626	-	2,375

	Fixed Asset Investments £'000	Endowment Investments £'000	Other Investments £'000	Total £'000
University				
At 1 August 2021	796	1,729	-	2,525
Additions	-	-	-	-
Impairment	-	-	-	-
(Decrease)/increase in market value	(47)	(103)	-	(150)
At 31 July 2022	749	1,626	-	2,375

7a Other Investments**Consolidated – Awen Wales Ltd**

The University owns 100% of the issued share capital of £1 ordinary shares of Awen Wales Limited, a company, registered in England and Wales and operating in the U.K. Through the company, as at 31 July 2020, the University had taken up 7% of a maximum 40% investment in the International University Malaya-Wales, a joint venture initiative between the University of Malaya and the University of Wales. This investment amount is £224,000 but has been fully impaired in a prior year.

University – UW Centre for Advanced Batch Manufacture Ltd

At the 31 July 2019 the University had a 51% holding in the UW Centre for Advance Batch Manufacturing Ltd, the company undertakes research and consultancy to develop industrial specific solutions for SMEs. On the 1st July 2020 the University disposed 200,000 A shares to University of Wales Trinity St David for nil consideration and acquired 200,000 B shares from University of Wales Trinity St David for nil consideration. The increase in A shares, which have voting rights, give the University of Wales Trinity St David the controlling interest in the company and at which point its assets and liabilities were removed from the University of Wales' group balance sheet. At the date of disposal the University held an investment in this company to the value of £1.327m which has been fully impaired in a prior year.

During the year the University had a 49% holding in the company. Its share of the loss amounting to £24,330 is unrecognised in the University's accounts.

NOTES TO THE ACCOUNTS

Gwasg Gregynog

Gwasg Gregynog is a registered charity that acts to promote for the benefit of the public and for the furtherance of education:

- i. the preservation and maintenance of Gwasg Gregynog
- ii. the printing, binding and production of fine private press books of literary, artistic or historical interest by traditional letter-press methods in addition to using materials of high quality.
- iii. an educational service to the University of Wales Trinity St David, schools, colleges and other interested parties by giving lectures on the history and work of Gwasg Gregynog and giving guided tours of the press.
- iv. the promotion of a wider understanding and appreciation of all aspects of the craft and art of book printing and binding by holding permanent and temporary exhibitions of fine books produced by Gwasg Gregynog and the printing techniques used to produce the books.
- v. the preservation and encouragement of the knowledge and traditional skills of letterpress, bookbinding and associated skills.

Following the transfer of Gregynog Hall and Estate from the University to a new independent Gregynog Charitable Trust in 2019 the University has exercised the powers of governance in the Company's Memorandum of Articles and Association. A business plan is in development that the University believes will generate value to Gwasg Gregynog and the company has been fully consolidated into the consolidated financial statements accordingly at 31st July 2022.

No purchase price was paid by the University and the consolidation is based on an effective change in control.

At the date of transfer Gwasg Gregynog's balance sheet consists of a cash balance of £21k which is recognised in the consolidated cash balance.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Stock				
Books for resale	85	85	106	106
Other	2	2	6	6
	87	87	112	112

Stock is valued at the lower of its cost and net realisable value on a average basis

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
9 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	1,796	1,796	1,360	1,360
Prepayments and accrued income	50	50	7	7
	1,846	1,846	1,367	1,367

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Creditors				
Amounts falling due within one year:				
Trade creditors	1,111	1,109	1,122	1,120
Social security and other taxation payable	28	28	41	41
Receipts in advance	384	384	273	273
Accruals and deferred income	179	179	188	188
Welsh Church Act balances	998	998	998	998
	2,700	2,698	2,622	2,620

The Welsh Church Act balances represent those amounts held on the Beneficiaries Fund. These balances are distributed in arrears to the beneficiaries under the Welsh Church Acts; namely the university institutions at Aberystwyth, Bangor, Cardiff and Swansea (3/16ths each), the University of Wales itself and the National Library of Wales (1/8th each). The balance due to the University itself is shown as deferred income. The funds are also held to cover the current and future administration costs and are distributed to the benefactors at the discretion of the Trustees and are therefore disclosed as a short term creditor. It is planned to make a distribution in 2022-23.

	Restricted permanent endowment £'000	Unrestricted permanent endowment £'000	2022 Total £'000	2021 Total £'000
11 Endowment funds				
Consolidated and University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August	5,206	123	5,329	4,860
New endowments	-	-	-	-
Investment income	87	3	90	81
Increase/(decrease) in market value of investments	(99)	(3)	(102)	388
Total endowment comprehensive income for the year	(12)	-	(12)	469
Balance at 31 July	5,194	123	5,317	5,329

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
12 Fixed asset investments				
Consolidated and University				
Balances at 1 August	1,253	1,253	1,141	1,141
Disposals	-	-	(85)	(85)
Increase/(decrease) in market value of investments	(47)	(47)	197	197
Total fixed asset comprehensive income for the year	(47)	(47)	112	112
Balance at 31 July	1,206	1,206	1,253	1,253

	At 31 July 2022 £'000	Cashflow £'000	At 1 August 2021 £'000
13 Cash and cash equivalents			
Consolidated			
Current assets	1,070	(231)	1,301
Investment Cash uninvested	2,471	-	2,471
Balance at 31 July	3,541	(231)	3,772
University			
Current assets	1,048	(253)	1,301
Investment Cash uninvested	2,471	-	2,471
Balance at 31 July	3,519	(253)	3,772

14 Intercompany Transactions

The company has taken advantage of the disclosure exemptions of 100% owned related party transactions under FRS102.

The transactions with related parties that are not 100% owned by the group are disclosed below:

University of Wales Trinity St David is deemed a related party in that it has key management personnel in common with the University - Balances: £1,404k receivable (2021: £906k), £173k payable (2021: £474k) Total income £1,796k (2021: £878k) Total expenditure £39k (2020: £2k).

University of Wales Trinity St David's utilises the DTC and CAWCS buildings, which are owned by the University of Wales. No consideration is received by the University for the use of these buildings.

UW Centre for Advanced Batch Manufacture Limited is a related party in that it is a subsidiary company that the University has a minority interest. During the year the University provided further financing of £Nil (2020: £Nil) into the subsidiary. Balances: £196k payable (2021: £126k).

The University maintains a register of Council member interests, the scope of which includes interests of connected persons to the members. There have been no transactions in the year with any individual or company on the Register of Interests.

Payments to Council members in relation to their duties are disclosed in note 3.

NOTES TO THE ACCOUNTS

15 Contingent Liabilities

There have been no material events in the period between 31st July 2022 and the signing of the accounts on the 6 December 2022.

The University is a member of UMAL, a company limited by guarantee, formed to provide a mutual association for insurance risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their prorated share, spread using an internal loan facility over seven years.

16 Non adjusting Post Balance Sheet Events

As at 30 November an amount of £2.6m (valued at 31 October 2022) was transferred to the UW Restricted Endowment Trust (UWRET) in relation to restricted endowments previously held under the university's name but transferred to UWRET's administration under the Wales Pledge promise.

There have been no other material events in the period between 31st July 2022 and the signing of the accounts on the 6th December 2022

17 Business Combinations

Gwasg Gregynog is a registered charity that acts to promote for the benefit of the public and for the furtherance of education:

- i. the preservation and maintenance of Gwasg Gregynog
- ii. the printing, binding and production of fine private press books of literary, artistic or historical interest by traditional letter-press methods in addition to using materials of high quality.
- iii. an educational service to the University of Wales Trinity St David, schools, colleges and other interested parties by giving lectures on the history and work of Gwasg Gregynog and giving guided tours of the press.
- iv. the promotion of a wider understanding and appreciation of all aspects of the craft and art of book printing and binding by holding permanent and temporary exhibitions of fine books produced by Gwasg Gregynog and the printing techniques used to produce the books.
- v. the preservation and encouragement of the knowledge and traditional skills of letterpress, bookbinding and associated skills.

During the company's financial year to March 2020 ownership and management of Gregynog Hall and Estate was transferred from the University to a new independent Gregynog Charitable Trust.

In the period to July 2022 the University has exercised the powers of governance in the Company's Memorandum of Articles and Association, the company made no transactions in these periods and no value was associated to the company. During the year to July 2022 the development of a business plan was initiated that the University believes will generate value to Gwasg Gregynog and the company has been fully consolidated into the consolidated financial statements accordingly at 31st July 2022.

At the date of transfer the following balances were brought into the consolidated accounts Gwasg Gregynog's balance.

	£'000
Cash and cash equivalents	22
Net Assets	22
Funds:	
Unrestricted funds	22
Total Funds	22

NOTES TO THE ACCOUNTS

18 Pension schemes

University of Wales Superannuation Scheme (UWSS)

The University operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 July 2019 and updated to 31 July 2021 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The full actuarial valuation showed a deficit of £609k. The university has agreed with the trustees that it will aim to eliminate the deficit over a period of 7 years and 2 months from 31 July 2019 i.e. by 30 September 2026 with a payment of additional contributions of £50k in respect of the deficit. The first of these payments was made on or before 31 July 2021 and will continue for 6 years, with each instalment due before 31 July each year until 2026. In addition, and in accordance with the actuarial valuation, the university has agreed with the trustees that it will pay 27.6% until 30 November 2020 and 20.0% from 1 December 2020 of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the scheme and levies to the Pension Protection Fund. Member contributions are payable in addition at a rate of 8.0% of pensionable pay.

Amounts recognised in the statement of financial position are:

	31 Jul 2022 £'000	31 Jul 2021 £'000
Defined benefit obligation	(9,503)	(13,221)
Fair value of plan assets	9,730	10,516
Funded status	227	(2,705)
Unrecognised assets	(227)	-
Net defined benefit asset/(liability)	-	(2,705)

The scheme is in a technical surplus position at 31 July 2022. The University does not recognise pension assets and the balances are stated at £Nil.

Defined benefit costs recognised in comprehensive income statement are:

	31 Jul 2022 £'000	31 Jul 2021 £'000
Service cost:		
Change arising from employee service in reporting year (net of employer contributions)	160	85
Administration expenses paid from plan assets	10	139
	170	224
Net interest cost	42	52
Cost relating to defined benefit plans included SCI	212	276

Gains/(Losses) recognised in comprehensive income statement are:

	31 Jul 2022 £'000	31 Jul 2021 £'000
Remeasurements-		
Return on plan assets	(734)	1,493
Effect of experience adjustments	(823)	160
Effect of changes in assumptions	4,701	(328)
Changes in unrecognised assets	(227)	-
Total amount recognised in other comprehensive income - gain	2,917	1,325

NOTES TO THE ACCOUNTS

University of Wales Superannuation Scheme (UWSS) (continued)

Significant actuarial assumptions were:

	31 July 2022	31 July 2021
Discount rate	3.50%	1.60%
Price Inflation rate – RPI	3.25%	3.20%
Price inflation rate – CPI	2.35%	2.30%
Salary increase rate	3.85%	3.60%
Post-retirement mortality assumption	114% (males) and 112% (females) of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2021 converging to 1.25% pa	114% (males) and 112% (females) of the standard tables S3PxA, Year of Birth, no age rating projected using CMI_2020 converging to 1.25% pa
Assumed life expectancy on retirement at age 64		
Retiring today	22.1(M)/24.6(F)	22.0(M)/24.5(F)
Retiring in 20 years	23.4(M)/26.1(F)	23.4(M)/26.0(F)

Change in defined benefit obligation and fair value of plan assets:

	Assets £'000	Liabilities £'000	Total £'000
Reconciliation of scheme assets and liabilities:			
At start of period	10,516	(13,221)	(2,705)
Benefits paid	(343)	343	-
Administrative expenses	(10)	-	(10)
Current service cost	-	(256)	(256)
Contributions from employer	96	-	96
Contributions from employees	38	(38)	-
Interest income/(expense)	167	(209)	(42)
Return on assets (excluding amount included in net interest expense)	(734)	-	(734)
Actuarial gain/(losses)	-	3,878	3,878
At end of period	9,730	(9,503)	227
Unrecognised assets	(227)	-	(227)
At end of period	9,503	(9,503)	-

	31 July 2022 £'000	31 July 2021 £'000
The defined benefit obligations are as follows:		
Actives	1,243	2,009
Vested deferreds	3,781	5,869
Retirees	4,479	5,343
Total	9,503	13,221

	31 July 2022 £'000	31 July 2021 £'000
The scheme assets are as follows:		
Cash and cash equivalents	97	98
Equity instruments	3,876	4,197
Debt instruments	1,987	2,198
Other	3,770	4,023
Total	9,730	10,516

None of the fair value of the assets shown above include any direct investments in the university's own financial instruments property occupied by, or other assets used by, the university.

NOTES TO THE ACCOUNTS

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS102 discount rate, have increased significantly since 31 July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

Universities Superannuation Scheme (USS)

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

The total charged to the Consolidated Statement of Comprehensive Income is £186k (2020: credit £83k). Deficit recovery contributions due within one year for the University are £22k (2021: £18k).

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

Since the institution cannot identify its share of 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 and latest valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion and a funding ratio of 83%.

The key financial assumptions used in the 2018 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-funding-principles).

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 assumptions plus 0.05%
Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% Post-retirement: 1.00%

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

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 and an long term improvement rate of 1.8% p.a for males and 1.6% p.a for females

NOTES TO THE ACCOUNTS

USS (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 liability figures have been produced using the following assumptions:

	2022	2021
Discount rate	3.31%	0.87%
Pension growth (CPI)	2.35%	2.00%

The employers' contribution rate are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.0%
1 October 2021 to 31 March 2022	21.4%
1 April 2022 to 31 March 2024	21.6%
1 April 2024 to 30 April 2038	21.4%

The deficit provision recognised by the University is sensitive to movements in the input assumptions. The impact of movements in the key assumptions are as below

Change to current position at 31 July 2022	£'000
0.5% pa decrease in discount rate	12
0.5% increase in discount rate	(13)
0.5% pa increase in salary inflation over duration	(13)

	31 July 2022 £'000	31 July 2021 £'000
Opening deficit	(139)	(222)
Deficit contributions paid during the year	9	7
Change in expected contributions	(194)	78
	(185)	85
Interest costs (in the form of the discount unwind)	(1)	(2)
Closing deficit	(325)	(139)

Accounts

University of Wales

Charity number: **1146516**

**Consolidated Financial Statements
For the year ended 31 July 2021**

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OPERATING AND FINANCIAL REVIEW

Members of the University's governing body, the Council, are the Trustees of the University. Those who served during the year (up to the Council meeting at which the financial statements were signed) are listed below. Attendance (%) at Council meetings in 2020/21 is provided in brackets.

The Council has formally adopted the definition of independence developed by the sector in response to the Review of Governance of the Universities in Wales. Independent members are neither registered students nor staff of the University and their appointment and responsibilities are consistent with the definition. A published Register of Members' Interests is reviewed and updated annually, and members are expected to explicitly identify at the start and end of each meeting any matters on which their interests may have a bearing. Further information is available in the Statement of Corporate Governance.

Member Ex Officio

The Vice-Chancellor (100%)

Independent Members

The Venerable A. J. Randolph Thomas (Chair) (100%)

Anthony Ball (100%)

Margaret Evans (Vice Chair) (100%)

Arwel Ellis Owen (100%)

Dr Elizabeth Siberry (100%)

Pamela Berry (100%)

Andrew Curl (100%)

Eifion Griffiths (100%)

Maria Stedman (100%)

Nigel Roberts (100%)

Deris Davies Williams (80%)

Staff Member

Dr Stuart Robb (100%)

Clerk and Secretary: Sarah Clark (100%)

OPERATING AND FINANCIAL REVIEW

Legal Status

Established by Royal Charter in 1893 (RC000676) the University is a registered charity (number 1146516). The principal office is the University Registry, King Edward VII Avenue, Cathays Park, Cardiff CF10 3NS. The names of the members of the University Council (who also act as charity trustees) are stated and disclosed in the previous page.

Professional Advisors

Independent Auditor	
External	KPMG, 3, Assembly Square, Britannia Quay, Cardiff CF10 4AX
Internal	Mazars, One Caspian Point, Pierhead Street, Cardiff CF10 4DQ
Banker	HSBC Bank plc, 56 Queen Street, Cardiff. CF10 2PX
Insurance Adviser	University Mutual Association Ltd, 4th Floor, 5 St. Helen's Place, London. EC3A 6AB
Pensions Adviser	Mercer Ltd, 1 Whitehall Quay, Whitehall Road, Leeds. LS14HR
Investment Adviser	Jaggers & Associates, Exchange Quay, Salford. M5 3EQ
Solicitor	Blake Morgan, Bradley Court, Park Place, Cardiff. CF10 3DP Eversheds LLP, 1 Callaghan Square, Cardiff CF10 5BT

Preparation of the consolidated financial statements

The consolidated financial statements for the year to 31 July 2021 have been prepared in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Education 2019, the Accounts Direction for 2020/21 issued by the Higher Education Funding Council for Wales, and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

The consolidated financial statements for the year to 31 July 2021 have been prepared on a going concern basis as detailed on page 28.

Basis of Consolidation

The consolidated financial statements comprise of the University and its subsidiary companies; Awen Wales Limited, for the year to 31 July 2021. The consolidated financial statements for 2019/20 included Awen Wales Ltd and the UW Centre for Batch Manufacture Limited, from 1 August 19 to 30 June 2020, with control being passed to UWTSD on 1 July 2020.

Background

It is now over ten years since the University of Wales issued its formal Wales Pledge as it reaffirmed its commitment, as part of the formal integration of the University of Wales with UWTSD, to safeguard some of the cultural and heritage assets associated with the University. Over the last decade the University has systematically engaged in a series of structural initiatives which have safeguarded the legacy of the University. An imperative for the Governing Body has been to systematically deal with a number of legacy issues as it secured integration with UWTSD. In doing so it has, through good governance, due process and structured execution managed to successfully deliver upon a number of the key pledges articulated over a decade ago. The nature of such implementation has called upon the University to invest and disinvest in an appropriate manner, always mindful of safeguarding the cultural assets associated with the University of Wales. This has included a detailed engagement with regard to securing the future of Gregynog and allowing a new Trust to develop a future strategic plan. It also has included the continual investment in the intellectual capital capacity of the

OPERATING AND FINANCIAL REVIEW

University of Wales Press which has served Higher Education well. In the same context, the University's commitment to Celtic Scholarship has been further promoted with the University of Oxford and UWTSD. The further integration of CBM with UWTSD has also allowed the University to continue to play a role in the context of innovation and applied research as it serves the economic resilience and reconstruction mission of the Government of Wales. The University of Wales has over the last decade successfully delivered upon its core pledges and has systematically facilitated significant transformational change within the context of Welsh Government policy.

University Strategy

Since 2012, the strategy of the University has been to prepare for academic and administrative integration and merger with the University of Wales Trinity Saint David (UWTSD). In July 2017 the University Council was satisfied that the University could move to the next phase of the formal merger. Pursuant to this decision, the academic and administrative functions of the University of Wales and UWTSD were integrated through a formal Deed in August 2017.

The next phase was to be a formal constitutional merger.

Further information regarding the background to the merger can be found in previous annual reports or on the University website: www.wales.ac.uk/en/AboutUs/Developments/Developments-Merger-and-Reconfiguration.aspx

During 2021 the trustees of the University commenced discussions with officers on the implications of the new Tertiary Education Bill which the Welsh Government is currently taking through the Senedd. The establishment of a unified Tertiary Education system allows for far greater confederal engagement between universities and colleges and in that context the trustees approved a development plan which will build upon the confederal framework of the University. This in turn would establish new strategic relationships with implications for additional income streams. Building upon the success of the current integration between the University and UWTSD the trustees have given authority to officers to take forward a transitional structure which will deliver on the objectives of the Welsh Government.

Throughout the pre constitutional merger period the priorities of the University have been to manage the resources of the institution to:

- Maintain the high quality and standards of a University of Wales degree;
- Maintain the University's traditional contribution to the economic, social, cultural and intellectual wellbeing of a sustainable Wales;
- Prepare for constitutional merger with UWTSD; and
- Ensure that the University is financially sustainable and able to meet its obligations to students and to enable constitutional merger with UWTSD.

The way in which the University has continued to safeguard its legacy for future generations, remain faithful to its core values, and ensure that assets are used their intended purpose are set out in Adduned Cymru (the Wales Pledge). For more information please see the University website: www.wales.ac.uk/Resources/Documents/Merger/Adduned-Cymru-English.pdf.

Officers will be tasked with developing a new business plan over the next 12-18 months which will have regard to the potential of the new confederal arrangements and during this period the trustees are committed to maintaining the priorities listed above. Under the current income and cost commitments the University is forecast to maintain a modest surplus and cash generation in this interim period.

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Public benefit statement

The University is a registered charity and its charity number is 1146516.

Delivery of the above-described strategic objectives has also met the charitable objects of the University, which are for the advancement of education, learning and research and to serve Wales and its people.

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

The operational review below sets out the University's activities in support of its strategic and charitable objectives.

Ethical investment and banking policies

University Council (as trustees of the University's endowment funds) is expected to act in the best interests of the beneficiaries of the funds for which it is responsible. The beneficiaries include the University itself, staff and students. Council's policy is to aim for the best possible financial return from investments, consistent with an appropriate risk profile, and it may exclude investments from the investment portfolios if the aims of the bodies concerned are incompatible with its objectives.

Equal opportunities

On 1 August 2017, the University adopted the equal opportunities systems and practices of UWTSD, whose commitment to equality and diversity is set out in its *Strategic Equality Plan 2016-20*. The University aims to create a culture of openness and respect in which barriers for those with protected characteristics are identified and removed. It wants its people to feel safe and valued, and to achieve their full potential for the benefit of the individual, the organisation and wider communities. It wishes to promote equality of opportunity, fair working practices, and good interpersonal relations throughout its staff and student bodies.

Environmental sustainability policy

Sustainability is at the heart of how the University does business. The University believes that environmental sustainability is the foundation of wider economic and social sustainability and is an integral part of good institutional practice. It has a duty to satisfy itself that all of its operations and activities are conducted with proper regard to the environment.

Health and Safety

There were no reportable safety incidents in 2020-21 or significant near miss events. On 1 August 2017, the University adopted the health and safety systems and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period.

Welsh Language

The University's Welsh Language Scheme treats the Welsh and English languages equally – with both enjoying the same status and validity in all areas of service and student, staff and public engagement. On 1 August 2017, the University adopted the Welsh language policy and practices of UWTSD, which was a smooth transition as the two institutions had previously worked closely to align arrangements during the pre-merger period. New members of staff receive Welsh language awareness training as part of induction and the training requirements of all staff are reviewed as part of the annual staff appraisal process.

OPERATING AND FINANCIAL REVIEW

Principal risks and uncertainties

The principal risks and uncertainties faced by the University are as follows:

- The continued impact of Covid-19 on the University's ongoing activities at the date of signing the accounts;
- Managing in year cash-flows, particularly in light of the impact of the timing of income receipts upon cash balances held within the University at any one point in time;
- Recruitment of collaborative partners across the international stage served by the University;
- Home/EU student recruitment and retention given uncertain economic environment and demographic trends; and
- Developing a sustainable financial strategy for discreet units that form part of the Wales Pledge.

Covid-19

The University, as is common across the Higher Education sector, is faced with a wide-reaching range of risks that have arisen purely as a result of the Covid-19 pandemic and associated lockdown measures. The impact of these risks are reflected in the results for 2020/21 and remain throughout 2021/22. It is unclear at this time as to whether the pandemic will remain as an influencing factor in 2022/23 and beyond and the University's strategy for the medium term recognises that the risk may still remain but is one of readiness to successfully operate in a post pandemic environment.

The University is working towards managing the risks posed by Covid-19 to ensure that the teaching, operations and support of the University continue and allow it to deliver on the immediate future as well as its longer-term strategic developments.

Declaration of information to auditor

Insofar as each of the members who held office at the date of approval of this report is concerned:

- a) there is no relevant audit information of which the University's auditor is unaware; and
- b) each member has taken all the steps that he or she ought to have taken to be aware of any relevant audit information and to establish that the University's auditor is aware of that information.

Operating Review for the year

Collaborative Provision

The University's managed exit from collaborative provision is based on three principles. These affirm that during the exit process the University will: (i) take whatever additional steps are necessary to assure the quality of provision and ensure the academic standards of its awards; (ii) fulfil its responsibility to enable students to complete their studies leading to an award in a way that is consistent with the relevant University regulations; and (iii) honour the contracts which are in place for each collaborative centre which remains in good standing.

During the reporting period, the University has seen a reduction of 52% of its student population under the validated services model and has exited from a further five collaborative centres. At the end of 2020-21, the number of students studying at collaborative centres had fallen to around 900 (down from over 28,000 when the withdrawal from collaborative provision was announced).

During the 2020-21 academic year, the University has continued to embed the new academic governance structure implemented in 2019-20, through which it has continued to ensure that its deliberative structures remain appropriate for oversight of the quality and standards of the University's academic awards. During the period, the University has received and considered 117 reports from external examiners, moderators, and University Officers considering the quality assurance and academic standards of the University's awards. The University continues to embed its systematic approach to addressing any actions arising from the reports.

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The Collaborative Partnerships Office (CPO) continues to work to support both UW collaborative centre and UWTSO Partnerships. The CPO has continued to take action to provide both general and individual support to collaborative centres and partners in the context of the COVID-19 pandemic. This has included the support of modifications to the delivery of validated programmes, as well as individually tailored support to manage risk in relation to quality assurance, academic standards, and business continuity.

University of Wales Press (UWP)

During 20/21 UWP have published 38 new books and 56 new journal articles across seven journals in the subjects of Welsh history, literature, language and culture, and new titles in key humanities subjects internationally.

UWP's new Welsh language publications this financial year include; *Y Dychymyg Ôl-Fodern: Golwg ar Ffuglen Fer Mihangel Morgan* by Rhiannon Marks; *Darllen y Dychymyg: Creu ystyron newydd i blant a phlentyn yn Llenyddiaeth y Bedwaredd Ganrif ar Bymtheg* by Siwan Rosser; *Ysbryd Morgan: Adferiad y Meddwl Cymreig* by Huw Williams; and *Hanes Cymry* by Simon Brooks.

Key new English language titles published this year include; *The Centenary Edition Raymond Williams Who Speaks for Wales? Nation, Culture, Identity* edited by Daniel Williams; *Eutopia: Studies in Cultural Euro-Welshness, 1850–1980* by M. Wynn Thomas; *Representing the Male: Masculinity, Genre and Social Context in Six South Wales Novels* by John Perrott Jenkins; *Industrial Gothic: Workers, Exploitation and Urbanization in Transatlantic Nineteenth-Century Literature* by Bridget M. Marshall; and *Chaucer and Italian Culture* by Helen Fulton.

UWP also publish two fully Open Access books this year; *Embodying Contagion: The Viropolitics of Horror and Desire in Contemporary Discourse* within our Horror series, edited by M. de Buin Molé et al and funded by the Dutch National Research Council; and *Blood, Land, Power: The Rise and Fall of the Spanish Nobility and Lineages in the Early Modern Period* within our Iberian and Latin American Series, written by Dr. M. Perez Garcia and funded by EU Horizon 2020. UWP continues to engage with and contribute to Open Access policy developments, including monitoring UK Research and Innovation (UKRI) policies and in advance of the Research Excellence Framework mandates. UWP are also working closely with other University Presses and JISC on new OA plans to be shared later this year.

UWP continue to publish the Wales Journal of Education (WJE) as fully bilingual and Open Access, with support from Welsh Government. Working with the Open Library of Humanities during 2020/21, UWP now offer the first Welsh/English journals submission and hosting site on their Janeway platform, and its authors, peer reviewers and Journal Editing team are now using this platform for their WJE publications.

UWP were delighted that its titles received recognition with the following awards this year; *Y Gyfraith yn ein Llên* by R. Hywel Parry was awarded the Hywel Dda Prize; and *Medieval Welsh Medical Texts: Volume One, The Recipes* by Diana Luft was awarded the Vernam Hull Memorial Prize. UWP titles were also nominated as follows; *Charms, Charmers and Charming in Ireland: From the Medieval to the Modern* edited by John Carey, Ciarán Ó Gealbháin, Ilona Tuomi and Barbara Hillers for the Katharine Briggs Award; *William Morgan: Eighteenth-Century Actuary, Mathematician and Radical* by Nicola Bruton Bennetts for the BSHS Hughes Prize longlist; *Plants in Science Fiction: Speculative Vegetation* edited by Katherine E. Bishop, David Higgins and Jerry Määttä, a top ten finalist for the Locus Award; *Darllen y Dychymyg* by Siwan Rosser for Wales Book of the Year Creative Non-fiction; and *New Queer Horror Film and Television* edited by J. Edgar Browning and D. Elliott Smith featured in bookauthority.org's 15 Best New Aesthetics Books To Read In 2021.

UWP commissioned two new series this year. A new series entitled *Race, Ethnicity: Wales and the World* with Series Editors Charlotte Williams OBE and Neil Evans. This series aims to; sustain and promote scholarship on race and ethnicity in Wales that enhances an understanding of Wales, its history, development and contemporary profile; promote multi-disciplinary research and publication in this field of study; and provide works that are accessible to a broad public and available for cross national comparison. Also, a major new series capturing growing interest and research into queer and trans studies entitled *Queer and Trans Intersections* with

OPERATING AND FINANCIAL REVIEW

Series Editors Dr. Ardel Haefele-Thomas and Dr. Luke Chwala. The series aims to publish ground-breaking research with a global perspective, to include queer and trans subjects beyond the anglophone western canon.

The Press has supported the wider publishing sector in Wales by collaborating with publishing houses across the nation to found a new bilingual group called Cyhoeddi Cymru/Publishing Wales in 2020/21. This is the first whole-sector representation in line with Publishing Ireland, Publishing Scotland, Publishing New Zealand etc. This body aims to; give publishing in Wales an identity; put the Welsh publishing sector on the global map; champion and grow the publishing sector in Wales; encourage the growth of readers within Wales at all levels; encourage and support the growth of the Welsh language, multiculturalism, and diversity; and be a unified, authoritative voice for the sector. The body is financially supported by the Books Council of Wales and paid membership from publishing houses across Wales.

Dylan Thomas Centre

Located near UWTSD's SA1 Development, the Centre is home to a permanent exhibition to Dylan Thomas, which makes it a key part of Swansea's literary and cultural quarter. University investment in the building over the past few years has also transformed it into a multi-purpose and multi occupancy venue open to host a range of events and functions. The Centre is home to a 110 seat theatre and popular 1825 Coffee Shop.

During 2020-21 the Centre continued to be an integral part of the new UWTSD SA1 Campus which opened in September 2018. It also now hosts students and academic staff as part of the wider campus and its operating costs are funded by UWTSD.

OPERATING AND FINANCIAL REVIEW

Financial Review

The consolidated results recorded a total comprehensive income for the year of £1.552m (2020: expense £607k). This was an overall movement from a deficit position in 2020 to a surplus position in 2021 amounting to £2.159m. This is mainly attributable to a gain in respect of investments and pension schemes amounting to £2.298m in total.

A summary of the financial performance is shown in the table below

Statement of Comprehensive Income summary

	Year ended 31 July 2021	Year ended 31 July 2020	Movement
	£'000	£'000	£'000
Income	2,383	3,818	(1,435)
Expenditure	(2,462)	(3,597)	1,135
	(79)	221	(300)
Endowment Transfer	(279)	-	(279)
Impairments	-	(97)	97
Loss on disposal of CBM Ltd	-	(343)	343
Deficit before other gains/(losses)	(358)	(219)	(139)
Gain/(loss) in respect of investments	585	(466)	1,051
Surplus/(Deficit) for the year	227	(685)	912
Actuarial gain in respect of pension schemes	1,325	78	1,247
Total comprehensive income/(expense) for the year	1,552	(607)	2,159

Income

Total consolidated income for the University in 2020-21 was £2.4m (£3.8m in 2019-20) which was a decrease of £1.4m.

Funding Council grants and Research grant income attributable with the Centre for Advanced Welsh and Celtic Studies (CAWCS) being discontinued in 2020-21 as these activities were transferred to UWTSD at the end of 2019-20.

Collaborative provision income was £1.5m (£1.6m in 2019-20) and was the largest source of funding for the university accounting for 62% of total income.

Other income was £785k (£1.4m in 2019-20). The decrease is attributable to income associated with the Centre for Advanced Batch Manufacture Ltd (CBM Ltd) and CAWCS being discontinued in 2020-21 as these activities were transferred to UWTSD at the end of 2019-20.

Investment income for the year was £121k (£132k in 2019-20).

OPERATING AND FINANCIAL REVIEW**Financial Review (continued)****Income analysis**

	Year ended 31 July 2021		Year ended 31 July 2020	
	£'000	%	£'000	%
Funding Council Grants	-	-	189	5.0
Research Grants and Other Contracts	-	-	442	11.6
Collaborative Provision	1,477	62.0	1,633	42.8
Other income	785	32.9	1,422	37.2
Investment income	121	5.1	132	3.5
	2,383	100.0	3,818	100.0
Total Consolidated Income	2,383		3,818	

Expenditure

Total consolidated expenditure for the University was £2.7m (£4.0m in 2019-20) which was a decrease of £1.3m.

Staff costs were £1.2m (£2.0m in 2019-20). The decrease was attributable to the transfer of costs associated with CBM Ltd and CAWCS being discontinued in 2020-21 as these activities were transferred to UWTSd at the end of 2019-20.

Operating Expenses costs were £1.0m (£1.2m in 2019-20). The decrease was attributable to the transfer of costs associated with CBM Ltd and CAWCS being discontinued in 2020-21 as these activities were transferred to UWTSd at the end of 2019-20.

Depreciation costs were £146k (£296k in 2019-20), again the decrease was attributable to the transfer of CBM Ltd and CAWCS activities to UWTSd and impairment costs were £Nil (£97k in 2019-20).

Pension interest costs were £54k (£96k in 2019-20).

Expenditure analysis

	Year ended 31 July 2021		Year ended 31 July 2020	
	£'000	%	£'000	%
Staff costs	1,081	39.4	2,631	65.1
Pension Service costs	139	5.1	(676)	(16.7)
Restructuring costs	8	0.3	12	0.3
	1,228	44.8	1,967	48.7
Academic and related expenditure	203	7.4	423	10.5
Administration and central services	337	12.3	201	5.0
Premises and central services	118	4.3	166	4.1
Other services and expenses	376	13.7	448	11.1
	1,034	37.7	1,238	30.7
Depreciation	146	5.3	296	7.3
Impairment	-	-	97	2.4
Interest payable	54	2.0	96	2.4
	200	7.3	489	12.1
Endowment transfer	279	10.2	-	-
Loss on disposal of CBM Ltd	-	-	343	8.5
Total Consolidated Expenditure	2,741	100.0	4,037	100.0

OPERATING AND FINANCIAL REVIEW

Financial Review (continued)**Balance Sheet**

The consolidated Balance Sheet discloses a net assets position of £3.8m as at 31 July 2021 (2020: £2.3m). When Pension liabilities are excluded the net asset position is £6.7m at 31 July 2021 (2020: £6.3m).

Total debtors were £1.4m at 31 July 2021 (2021: £0.7m). This is an increase from 2020 and is attributable to a related party.

Cash and cash equivalent balances were £3.8m at 31 July 2021 (2020: £1.7 m). An increase from 2020 due to an investment redemption from an investment fund which ceased in 2020-21. There is a corresponding reduction in the value of investments.

Total creditors were £2.6m at the year-end (2020: £2.4m). An increase from 2020 due to an increase in trade payables attributable to a related party.

Pension provisions and obligations were £2.8m at 31 July 2021 (2020: £4.0m). A decrease related to actuarial valuations.

Cash Flow

The consolidated net cash outflow from operating activities was £1k for the year (2020: £155k inflow) and the overall cash inflow was £2.1m (2020: £1.2m inflow).

Treasury Management and investments

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. As at 31 July 2021 the value of fixed asset investments by the University was £0.8m (2020: £1.5m) and the value of the endowment investments was £1.7m (2020: £3.0m) together with the value of uninvested cash, redeemed from a ceased investment fund, of £2.5m. An amount of £2.7m is still due for transfer to the UW Restricted Endowment Trust from endowment investments and uninvested cash.

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Liquidity

The University has prepared cashflow forecasts for the 12 months from the date of the financial statements and is of the opinion that it will have sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow in the year.

Pensions

The net liability in the local in-house final salary pension scheme has decreased during the year, from £3.8m to £2.7m.

Accounting standards require the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS) and this liability is included in the pension provision and additional costs are processed through staff costs in the consolidated statement of income and expenditure. During the year the liability on the USS decreased by £83k to £139k (2020: £222k decrease).

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing. Key areas for management focus include:

- maintaining and being pro-active in the recruitment and retention of students;
- managing a change in the nature of core business with reduced reliance on historical collaborative activity and increased development of new and innovative delivery programmes in partnership with the University of Wales Trinity St David;
- maintaining a sufficient level of cash reserves to support ongoing operations ;
- managing cash flows, including the timely collection of receipts from collaborative partners to ensure sufficient working capital;
- responding to the changing political context of Higher Education in Wales;
- securing commitments made in the Wales Pledge and
- robustly managing increases in pension costs.

During 2020-21 the University experienced continued reductions in some income streams but has been taking proactive action to build upon innovative areas of activity with key partners with an emphasis on recruitment to local skills based courses in 2021-22 in partnership with the University of Wales Trinity St David.

Sustainability

The University considers sustainability on of the key risks that it faces, and maintaining financial security is the first listed enabler to achieving delivery of its strategic plan.

The University considers income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability. A key metric reported on the University's position to governors is the ability to meet its future liabilities on existing cash reserves for a period of not less than 3 months

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. At both the balance sheet date and the date of signing the accounts the University has no plans to enter into any material additional financial obligations.

The University has carefully managed the declining income from traditional sources and has divested from loss making activities within the institution in order to ensure its sustainability through the transitional period of establishing the future strategy detailed in the University Strategy section of this report

The University expects to maintain cash generation in 2021/22, despite the anticipated relatively short term impact of Covid-19 in 2020/21. It is also felt that the University has sufficient cash reserves at 31 July 2021 and a sensible budget for 2021/22 and 2022/23 that allows it to look at the medium term with confidence

OPERATING AND FINANCIAL REVIEW

that any additional financial impact from Covid-19 that is not within the budget assumptions, can be managed.

Going Concern

As outlined in the introduction, in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. With the development of a new direction of the University of Wales being delivered through the business plan outlined in the University Strategy on page 5 this integration process has paused.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2021/22 and 2022/23 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2023 under the existing operating model, acknowledging that any income streams from the new strategy are anticipated from the 2023-2024 financial year.

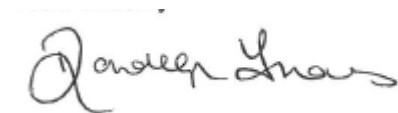
These forecasts indicate that the University is able to operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University

Accordingly, the Council have deemed it appropriate to use the going concern basis of preparation within these financial statements.

Risk Management / Risk Register

The Statement of Internal Control sets out the arrangements that are in place for risk management, including the continuing process of identifying, evaluating and managing risks.

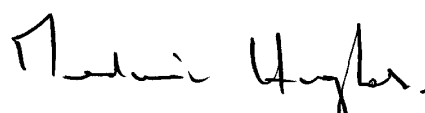
Comprehensive procedures are in place and risk registers are updated on a regular basis and monitored by senior management. A report is presented to each meeting of the Audit and Risk Committee.



The Venerable Randolph Thomas

Chair of University Council

University Registry,
King Edward VII Avenue,
Cathays Park,
Cardiff CF10 3NS



Professor Medwin Hughes

Vice Chancellor

University Registry,
King Edward VII Avenue,
Cathays Park,
Cardiff CF10 3NS

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

In accordance with the University's Royal Charter, the Council is the governing body of the University and is responsible, through Statute, for approving the strategic plans for the University and for governing and regulating its finances, accounts, investments, property, business and affairs. Its Powers are set out in the University's Statutes and Ordinances. Since 1 August 2017, the administration of governance arrangements has been with UWTSD and there is a common practice across the two universities.

The Council comprises independent and staff and governors appointed under the Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University. Vacancies for independent members are advertised externally and appointments are made following completion of an interview and selection process. The role of Chair of Council is separated from the role of the University's Chief Executive, the Vice-Chancellor. The Council is served by a Clerk who is responsible to the Chair.

The Council meets at least four times a year and also exercises its responsibilities through the executive management and several standing committees. A Scheme of Delegation sets out where decision-making authority in the name of, or on behalf of, the Council resides, and where this authority can and has been delegated. The standing committees are chaired by independent members of Council and all have a majority of independent members. Senior officers of the University attend meetings as necessary.

The standing committees of Council in 2020/21 were as follows:

- **Academic Committee**

Established in 2019/20, the Academic Committee provides advice to Council on its determination of the educational character of the University.

The Committee met on two occasions in 2020/21. It considered a range of issues within the scope of its remit, including reports on the student experience, the learning environment and international activities and quality assurance.

The membership was follows: Geraint Roberts (Chair); Sian Eirian; Emma Hughes; Gareth Hughes; Professor Medwin Hughes; James Mills; Matthew Peake; Victoria Provis; Georgia Thomas; Randolph Thomas; Dr Kerry Tudor; Deris Williams.

One member did not attend the first meeting and resigned before the second meeting. The attendance rate was otherwise 100%.

- **Audit and Risk Committee**

The Audit and Risk Committee oversees audit across the UWTSD Group, with terms of reference that are based on the model terms of reference set out in the *Higher Education Audit Committees Code of Practice* published by the Committee of University Chairs (CUC).

The Committee met on five occasions in 2020/21. It considered a range of issues within the scope of its remit, including internal and external audit plans and findings; the financial statements prior to their submission to Council; and the corporate risk register. The Committee also reviewed the performance of the Internal and External Auditors and made recommendations to Council in respect of their contracts.

The membership was follows: Arwel Ellis Owen (Chair); Tony Ball; Eileen Curry; Nigel Roberts; Dr Liz Siberry; Alun Walters; Deris Williams; Jayne Woods.

The independent and co-opted members had an average attendance rate of 100% and 58% respectively.

There is no cross-membership between the Audit and Risk Committee and the Resources and Performance Committee.

STATEMENT OF CORPORATE GOVERNANCE

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University.

The Committee met on one occasion in 2020/21. It considered a range of issues within the scope of its remit, including an annual report on the subsidiary companies.

The membership was follows: Rowland Jones (Chair); Pam Berry; Professor Medwin Hughes; James Mills; Dr Stuart Robb; Maria Stedman; Randolph Thomas; Jayne Woods.

The attendance rate was 75%.

- **Nominations and Governance Committee**

The Nominations and Governance Committee is responsible for monitoring Council's corporate governance capability and governance arrangements for the University and the wider UWTSD Group. It monitors the composition and membership needs of the Council and makes recommendations for appointments to committees and other bodies.

The Committee met on three occasions in 2020/21. It considered a range of issues within the scope of its remit, including progress against the action plans arising from the Governance Effectiveness Review in 2019 and the Review of Governance of the Universities in Wales; the revised CUC Higher Education Code of Governance; and succession planning and the recruitment strategy for new independent governors.

The membership was as follows: Pam Berry (Chair); Andrew Curl; Tania Davies; Margaret Evans; Professor Medwin Hughes; James Mills; Maria Stedman; Randolph Thomas; Deris Williams.

One member did not attend on one occasion. The attendance rate was otherwise 100%.

- **Remuneration Committee**

The Remuneration Committee determines on an annual basis the salaries, terms and conditions and, where appropriate, the severance conditions of the Vice-Chancellor, Deputy Vice-Chancellors, the Pro Vice-Chancellors and the Clerk to the Council. As part of this process the Committee considers a range of external contextual and comparative measures in determining pay awards as set out in the annual Pay Policy Statement.

The Committee met on two occasions in 2020/21.

The membership was as follows: Pam Berry (Chair); Andrew Curl; Sian Eirian; Andrew Gibson; Eifion Griffiths; Dr Conny Matera-Rogers; James Mills; Randolph Thomas.

One member did not attend on one occasion. Another member did not attend the first meeting and resigned before the second meeting. The attendance rate was otherwise 100%.

- **Resources and Performance Committee**

The Resources and Performance Committee maintains oversight of strategic planning and the financial affairs of the University.

The Committee met on five occasions in 2020/21. It considered a range of issues within the scope of its remit, including strategic developments; financial performance against forecasts and budgets and institutional sustainability; pensions; and human resources matters.

The membership was as follows: Andrew Curl; Pam Berry; John Edge; Margaret Evans; Eifion Griffiths; Dr Gareth Hughes; Professor Medwin Hughes; Rowland Jones; Dr Conny Matera-Rogers; James Mills; Maria Stedman; Dr Geoffrey Thomas; Randolph Thomas.

STATEMENT OF CORPORATE GOVERNANCE

Two members attended four of the five meetings and one member attended two of the five. The attendance rate was otherwise 100%.

In addition, the Academic Board, which is the academic authority of the University and draws its membership mainly from the academic staff and students of the institution, also reports to Council. Its role is to direct and regulate the teaching and research work of the University.

CUC Higher Education Code of Governance

The University aspires to high standards of corporate governance. As a corporation founded by Royal Charter with charitable status, the University does not fall within the corporate governance reporting requirements of the London Stock Exchange, but it seeks to demonstrate that its governance is undertaken in an open and accountable manner and that it aspires to best practice within the higher education sector. All Council members are required to sign up annually to a *Code of Practice for Council Members* which sets out the standards of conduct and accountability which are expected of them in their role as governors of the University and charity trustees; the principles and values of the University and of public service more generally; and the University's approach to matters such as confidentiality and the declaration of interests.

The University's governance arrangements have been developed to reflect the principles and practices set out in CUC's *Higher Education Code of Governance*, published in December 2014 and revised in June 2018. In 2019 the Council undertook a Governance Effectiveness Review, with external input, which included holistic consideration of adherence to the Code and resulted in a published action plan. Through the Nominations and Governance Committee the Council has since reviewed the revised Code, published in September 2020. It has confirmed that all of the Primary Elements are in place and that adoption of all aspects of the Code will be complete following completion of its current work in relation to the Camm Review (see below).

Through its Remuneration Committee, Council reviewed compliance with CUC's Higher Education Senior Staff Remuneration Code (June 2018) in 2018/19. A further review was undertaken in 2020 in the light of the recommendations of the Camm Review. The University's practices adhere in full to the expectations of the Code. Through the Audit and Risk Committee, the Council has also confirmed that all elements of CUC's *Higher Education Audit Committees Code of Practice* (May 2020) have been adopted.

An internal audit of the Group's approach to Corporate Governance was undertaken in summer 2020 and provided substantial assurance on the adequacy of the control environment and the effectiveness of internal controls.

Camm Review of Governance of the Universities in Wales

The Council has welcomed the *Review of Governance of the Universities in Wales* by Gillian Camm ('the Camm Review'), the report of which was published in February 2020. In July 2020 the Council formally adopted the Governance Charter for Universities in Wales published by the Chairs of Universities Wales (ChUW) and Universities Wales and agreed an action plan in response to the accompanying Commitment to Action. By October 2021 the Council had made considerable progress with implementing the plan, including by:

- formally reviewing quantitative and qualitative data relating to organisational culture;
- confirming its expectations in respect of the size and shape of the governing body and the responsibilities and behaviours of governors;
- implementing a recruitment and induction strategy with a focus on diversity;
- reviewing the standing committee structure;
- confirming its approach to governor independence and conflict management;
- reviewing its arrangements for remuneration governance;
- completing a review of risk management policy;
- reviewing the internal audit process;
- commissioning an annual report on whistle-blowing; and
- approving the statements on independence, the role of the Secretary and annual reporting developed through the Welsh Clerks and Secretaries Group;

STATEMENT OF CORPORATE GOVERNANCE

- approving an approach to leadership succession planning; and
- adopting the new template for the Annual Report and Financial Statements 2020-21.

The Council's completion of its remaining work in relation to the Camm Review is now largely dependent on the completion of sector-wide work in relation to, for example, stakeholder engagement, and the development of a common approach to induction and development in support of retention.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

As the governing body of the University, the Council has responsibility for maintaining a sound system of internal control that supports the achievement of the strategic plans, aims and objectives of the institution, whilst safeguarding the public and other funds and assets for which it is responsible, in accordance with the responsibilities assigned to Council in the Charter and Statutes.

The internal control system includes policies, regulations and plans; monitoring of financial and operational performance; segregation of duties; authorisation and approval procedures; information systems; and effective internal and external audit functions. It also includes an ongoing process designed to identify the principal risks to the achievement of the strategic plans and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively, and economically. These systems have been in place for the year ended 31 July 2021 and up to the date of approval of the annual report and financial statements. The system accords with relevant guidance from the British Universities Finance Directors Group.

The system of internal control is designed to manage rather than eliminate the risk of failure in the achievement of business objectives; it therefore provides reasonable but not absolute assurance of effectiveness and not absolute assurance against material misstatement or loss.

The Audit and Risk Committee has specific authority delegated by the Council to monitor and review internal control matters on its behalf and to report to Council on these matters. Independent Internal Auditors undertake regular reviews of the systems of internal control; the scope of their work is determined, in advance, by the Audit and Risk Committee which receives their reports and recommendations. The areas for review are determined by their significance to the University's operations and the risks associated with their failure; they include operational and compliance matters as well as financial risk. The Internal Auditors attend each meeting of the Committee and meet privately with independent members on each occasion. The deliberations of the Audit and Risk Committee are reported at each meeting of the Council.

The University has established a robust methodology for evaluating and managing risk on a continuing basis, linked explicitly to the achievement of institutional objectives. The University risk register, which rates the likelihood and impact of identified risks, is maintained and regularly reviewed by the Senior Directorate. Registers are also maintained for discrete major projects and activities. The corporate risk register are considered at each meeting of the Audit and Risk Committee and changes are reported to the Council. The Risk Management Policy and the construction of the risk register were comprehensively reviewed in 2019/20 and proposed revisions were approved by the Council in July 2020. An internal audit of the Group's approach to Risk Management was undertaken in summer 2020 and provided substantial assurance on the adequacy of the control environment and the effectiveness of internal controls.

The Council's review of the effectiveness of the system of internal control is also informed by the work of senior officers within the University, who have responsibility for the development and maintenance of the internal control framework, and by comments made by the External Auditors in their year-end management letter and other reports.

No significant internal control weaknesses or failures have arisen during the financial year or after the financial year but before these financial statements have been signed.

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF COUNCIL RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

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

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

The 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. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

The Council are also responsible for ensuring that:

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

The 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

INDEPENDENT AUDITOR'S REPORT TO COUNCIL OF UNIVERSITY OF WALES REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statements of Changes in Reserves, Consolidated and University Balance Sheets, Consolidated Statement of Cash Flows and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

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

Basis for opinion

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

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

Going concern

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

In our evaluation of the 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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 and Risk Committee, internal audit and inspection of policy documentation as to the Group’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Group’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Council, Audit and Risk Committee, estates and other committees’ minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.
- Obtaining a copy of the Group’s fraud register.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit. This included communication from the group to component audit teams of relevant fraud risks identified at the Group level and requests to component audit teams to report to the Group audit team any instances of fraud that could give rise to a material misstatement at group.

As required by auditing standards, and taking into account possible pressures to meet loan covenants and regulatory performance targets, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from tuition fees and other revenue grants is recorded in the wrong period, 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 some of the Group’s wide fraud risk management controls.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. We tested journals based on the following high risk criteria: revenue journals posted to unrelated accounts; and unusual journal entries in relation to cash and borrowings.
- Inspecting cash receipts in the period prior to and following 31 July 2021 to verify collaborative provision income had been recognised in the correct accounting period.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Council and other management (as required by auditing standards), and from inspection of the Group’s regulatory and legal correspondence and discussed with the Council 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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 need to include significant provisions. We identified the following area as that 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 and employment law. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

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

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

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

Other information

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

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

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

Council responsibilities

As explained more fully in their statement set out on page 20, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

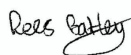
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income has been applied in accordance with the University's Statutes (or articles of government for post 1992 institutions);
- funds provided by HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them and used for the purposes for which they were received; and
- the requirements of HEFCW's accounts direction have been met.

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

This report is made solely to the Council 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

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

6 April 2022

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

		Year ended 31 July 2021		Year ended 31 July 2020	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Funding body grants	1	-	-	189	189
Research grants and contracts	2	-	-	442	442
Other income	3	2,262	2,262	3,055	2,695
Investment income	4	121	121	132	132
Total Income		2,383	2,383	3,818	3,458
Expenditure					
Staff costs	5	1,220	1,220	1,955	1,634
Fundamental restructuring costs	5	8	8	12	12
Other operating expenses	7	1,034	1,032	1,238	926
Loss on disposal	7a	-	-	343	-
Endowment transfer	7b	279	279	-	-
Depreciation and impairments	8	146	146	393	255
Interest and other finance costs	6	54	54	96	96
Total expenditure		2,741	2,739	4,037	2,923
Surplus/(deficit) before other gains(losses)		(358)	(356)	(219)	535
Gain/(loss) on fixed assets investments	9	197	197	(150)	(150)
Gain/(loss) on endowment investments	9	388	388	(316)	(316)
Surplus/(deficit) for the year		227	229	(685)	69
Actuarial gain/(loss) in respect of pension schemes	20	1,325	1,325	78	78
Total comprehensive income/(expense) for the year		1,552	1,554	(607)	147
Total comprehensive income/(expense) for the year from					
Continuing operations		1,552	1,554	192	584
Discontinued operations	7a	-	-	(799)	(437)
		1,552	1,554	(607)	147
Represented by:					
Endowment comprehensive income/(expense) for the year		469	469	(226)	(226)
Unrestricted comprehensive income/(expense) for the year		1,083	1,085	(381)	373
		1,552	1,554	(607)	147
Surplus/(deficit) for the year attributable to					
University		(358)	(356)	(38)	535
Non-controlling interest		-	-	(181)	-
		(358)	(356)	(219)	535
Total comprehensive income for the year attributable to					
University		1,552	1,554	(426)	147
Non-controlling interest		-	-	(181)	-
		1,552	1,554	(607)	147

The notes on pages 29 to 48 form part of these financial statements.

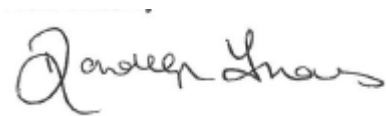
CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Account Endowment	Unrestricted	Investment Revaluation Reserve	Total Excluding Non- Controlling Interest	Non- Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019	5,436	(3,918)	1,366	2,884	(654)	2,230
Surplus/(deficit) from the income and expenditure statement	(226)	(128)	(150)	(504)	(181)	(685)
Other comprehensive income	-	78	-	78	-	78
Transfers between revaluation reserve and I&E Account	-	75	(75)	-	-	-
Release of restricted funds in year	(350)	350	-	-	-	-
Total comprehensive income/(expense) for the year	(576)	375	(225)	(426)	(181)	(607)
Movements in relation to subsidiary disposal	-	(181)	-	(181)	834	653
Balance at 1 August 2020	4,860	(3,724)	1,141	2,277	-	2,277
Surplus/(deficit) from the income and expenditure statement	469	(439)	197	227	-	227
Other comprehensive income	-	1,325	-	1,325	-	1,325
Transfers between revaluation reserve and I&E Account	-	85	(85)	-	-	-
Total comprehensive income for the year	469	971	112	1,552	-	1,552
Balance at 31 July 2021	5,329	(2,753)	1,253	3,829	-	3,829
University	Income and Expenditure Account Endowment	Unrestricted	Investment Revaluation Reserve	Total		
	£'000	£'000	£'000	£'000		
Balance at 1 August 2019	4,458	(4,745)	1,340	1,053		
Surplus/(deficit) from the income and expenditure statement	(226)	445	(150)	69		
Other comprehensive income	-	78	-	78		
Transfers between revaluation reserve and I&E Account	-	75	(75)	-		
Release of restricted funds in year	(350)	350	-	-		
Impairment of subsidiary investments	-	-	-	-		
Total comprehensive income/(expense) for the year	(576)	948	(225)	147		
Group transfer	978	77	26	1,081		
Balance at 1 August 2020	4,860	(3,720)	1,141	2,281		
Surplus/(deficit) from the income and expenditure statement	469	(437)	197	229		
Other comprehensive income	-	1,325	-	1,325		
Transfers between revaluation reserve and I&E Account	-	85	(85)	-		
Total comprehensive income for the year	469	973	112	1,554		
Other reserves movement	-	(4)	-	(4)		
Balance at 31 July 2021	5,329	(2,751)	1,253	3,831		

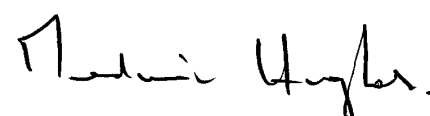
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION (Charity Number: 1146516)

	Notes	As at 31 July 2021		As at 31 July 2020	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible Fixed assets	8	1,519	1,519	1,649	1,649
Investments	9	2,525	2,525	4,497	4,497
		4,044	4,044	6,146	6,146
Current assets					
Stock	11	112	112	115	115
Trade and other receivables	12	1,367	1,367	712	712
Cash and cash equivalents	16	3,772	3,772	1,696	1,696
		5,251	5,251	2,523	2,523
Less: Creditors: amounts falling due within one year	13	(2,622)	(2,620)	(2,416)	(2,412)
Net current assets/(liabilities)		2,629	2,631	107	111
Provisions					
Pension provisions	20	(139)	(139)	(222)	(222)
Pension obligation to defined pension scheme	20	(2,705)	(2,705)	(3,754)	(3,754)
Net assets		3,829	3,831	2,277	2,281
Restricted Reserves					
Income and expenditure reserve - endowment reserve	14	5,329	5,329	4,860	4,860
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		(2,753)	(2,751)	(3,724)	(3,720)
Revaluation reserve	15	1,253	1,253	1,141	1,141
Total Reserves		3,829	3,831	2,277	2,281

The financial statements were approved by the Governing Body on 31 March 2022 and were signed on its behalf on that date by



The Venerable Randolph Thomas (Chair)



Prof Medwin Hughes (Vice-Chancellor)

The notes on page 29 to 48 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus/(deficit) for the year		227	(685)
Adjustment for non-cash items			
Depreciation	8	146	296
Investment income	4	(121)	(132)
Decrease/(increase) in stock	11	3	(8)
(Increase)/decrease in debtors	12	(655)	866
Increase in creditors	13	206	270
Decrease in other provisions		-	(34)
USS Pension costs	5	(85)	(934)
UWSS Pension costs	5	224	258
Loss on disposal of CBM Ltd	7a	-	343
Interest payable	6	54	96
Adjustment for NCI result		-	(181)
Net cash inflow from operating activities		(1)	155
Cash flows from investing activities			
Disposal of non-current asset investments	9	919	75
Disposal of endowment asset investments	9	1,638	350
Investment income	4	40	42
Endowment income	4	81	90
Fair value (increase)/decrease in investments	9	(585)	466
Impairment of investment assets	9	-	97
Net cash inflow from investing activities		2,093	1,120
Cash flows from financing activities			
Capital purchases		(16)	-
Repayment of finance lease		-	(85)
		(16)	(85)
Increase in cash and cash equivalents in the year	16	2,076	1,191
Cash and cash equivalents at beginning of the year		1,696	505
Cash and cash equivalents at end of the year		3,772	1,696

STATEMENT OF ACCOUNTING POLICIES

a. **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 and in accordance with 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, except in relation to investment properties, current asset investments and derivative financial instruments carried at fair value.

b. **Basis of consolidation**

The consolidated financial statements consist of the financial statements of the University and its subsidiary companies, Awen Wales Limited for the financial year 31 July 2020 and UW Centre for Advanced Batch Manufacture Limited for the period 1 August to 1 July 2020. Intra-group transactions have been eliminated fully on consolidation. The subsidiary company, The Centre for Advanced Welsh and Celtic Studies, was dissolved in 2019/20.

c. **Going Concern**

The activities of the University and its subsidiaries, together with the factors likely to affect its future development and performance, are set out in the Operating and Financial review. The financial position of the University and its subsidiaries, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying Notes. The financial statements are prepared on a going concern basis which the senior management and Council believe to be appropriate for the following reasons.

As outlined in the introduction in October 2017 both the University of Wales and the University of Wales Trinity Saint David (UWTSD) approved a Deed which delivered on the original policy objective of integrating the two Universities, thus creating a new University for Wales. With the development of a new direction of the University of Wales being delivered through the business plan outlined in the University Strategy on page 5 this integration process has paused.

The University is confident that in the interim period of executing the business plan the University will continue to maintain a modest surplus and cash generation position. In addition, new funding streams for the University of Wales Press will be explored to build upon its brand identity and opportunities for integration into UWTSD will be taken forward. Under the above plans the University of Wales would remain as a separate legal entity with reduced powers to see out its obligations to registered students under the existing collaborative provision agreements.

Reserves of the University will continue to be applied appropriately to help finance the costs of its current obligations to students and to further invest in forward looking strategies that build upon the heritage and services of the University of Wales. Further work on historical debts will be expedited to maximise cash reserves available to the University moving forward. Appropriate measures will continue to be taken during 2021/22 and 2022/23 to ensure the University balances its budget prior to the execution of the new University strategy

The University has prepared cash flow forecasts to the end of July 2023 under the existing operating model, acknowledging that any income streams from the new strategy are anticipated from the 2023-2024 financial year. These forecasts indicate that the University is able to operate within its currently available financial resources and meet its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements. These forecasts include opportunities for growth within the Press and appropriate allocation of resources across the University.

The University has recorded a surplus of £227k in the year and has a cash reserve of £3.7m at 31 July 2021 after cash generation of £2.1m in the year. Based on the forecasts for 2021/2022 and 2022/2023 the University has sufficient cash and cash generating resources to meet its obligations as they fall due.

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

STATEMENT OF ACCOUNTING POLICIES

d. **Income recognition**

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

Investment income is credited to the Consolidated and University Statements of Comprehensive Income on a receivable basis.

Grant Funding

Government grants including funding council block grant; research grants from government sources and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and the performance related conditions have been met.

Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

1. 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.
2. Restricted permanent endowments - the donor has specified that the fund is to be permanently invested to generate an income stream to be applied to a particular objective.

Capital Grants

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

e. **Accounting for retirement benefits**

The two principal pension schemes for the University's staff, are the Universities Superannuation Scheme (USS) and the University of Wales Superannuation Scheme (UWSS). The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

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

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company 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 Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk

STATEMENT OF ACCOUNTING POLICIES

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

f. 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 measured as the additional amount the University expects to pay as a result of the unused entitlement.

g. Foreign Currency

The functional currency is £ 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 are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

h. Fixed Assets

Fixed assets are stated at cost/deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation. Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets.

Land and Buildings

Costs (including irrecoverable VAT costs) incurred in relation to land and buildings after initial purchase or construction, and prior to valuation, are capitalised to the extent that they increase the expected future benefits to the University. Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight line basis over their expected useful lives up to a maximum of 50 years.

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

Equipment

Equipment, including computers and software, costing less than de-minimus of £5,000 per individual item or group of items is written off in the year of acquisition. All other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

Computer Equipment	4 years
Equipment acquired for specific research projects	3-5 years
Other Equipment	10 years

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

Borrowing costs

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

STATEMENT OF ACCOUNTING POLICIES

i. Investments

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

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

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

Investments are shown at market value. It is the University's policy to keep valuations up to date such that when investments are sold there is no gain or loss arising relating to previous years. As a result, the Statement of Comprehensive Income does not distinguish between the valuation adjustments relating to sales and those relating to continued holdings, as they are treated as changes in the valuation of the investment portfolio throughout the year.

j. Stock

Stock is held at the lower of cost and net realisable value. Cost represents the invoice price of the stock.

Stocks of books held by the University of Wales Press are valued at the lower of cost and net realisable value and are written down after two or five years from the date of publication as determined by UW Press management. The cost of journal is written off in the year of publication.

k. Financial Instruments

Trade and other debtors/creditors

Trade and other debtors and creditors are recognised initially at transaction price net of attributable transaction costs. Subsequent to initial recognition they are measured at amortised costs less any impairment losses in the case of trade debtors.

Interest bearing borrowings

Interest-bearing borrowings other than public benefit entity concessionary loans are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Concessionary loans are recognised initially at the amount received or paid and subsequently measured at cost plus any accrued interest payable or receivable.

Cash and cash equivalents

Cash includes cash in hand and deposits repayable on demand. 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

l. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

STATEMENT OF ACCOUNTING POLICIES

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.

m. Accounting for joint ventures and associates

The University accounts for its share of joint ventures and associates using the equity method.

The University accounts for its share of transactions from joint operations and jointly controlled assets within the Consolidated and University Statements of Comprehensive Income.

n. Taxation

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

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

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

o. Reserves

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

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

p. Accounting estimates and judgements – key sources of estimation uncertainty

Defined benefit pension scheme assumptions

The University has a number of defined benefit pension schemes. The valuation of the liabilities on each defined benefit scheme is calculated using a financial and demographic model to present a single scenario from a wide range of possibilities. The schemes' actual experience will inevitably differ from the assumptions underlying the financial and demographic model. The differences may be material because the valuation is very sensitive to the assumptions made over a long period of time. Please see note 20 for assumptions used in the valuation of pension assets and liabilities

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
1 Funding body grants				
Recurrent grant				
Higher Education Funding Council Wales	-	-	189	189
	-	-	189	189

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2 Research grants and contracts				
UK Central Government	-	-	290	290
BIS Research Council	-	-	152	152
	-	-	442	442

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Other income				
Collaborative Provision fees	1,477	1,477	1,633	1,633
Other services rendered	126	126	737	470
Sales of publications	442	442	280	280
Publication grants	111	111	179	179
Other income	106	106	226	133
	2,262	2,262	3,055	2,695

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Investment income				
Investment income on endowments-unrestricted	3	3	3	3
Investment income on endowments-restricted	78	78	87	87
Other investment income	40	40	42	42
	121	121	132	132

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Staff costs				
Salaries	840	840	1,993	1,744
Social security costs	85	85	211	186
Movement on USS provision	(85)	(85)	(934)	(934)
Movement on UWSS obligation	224	224	258	258
Other pension costs	156	156	427	380
	1,220	1,220	1,955	1,634

Emoluments of the Vice-Chancellor

The post of Vice Chancellor and Chief Executive is held by the Vice Chancellor of University of Wales: Trinity St. David who is employed by that institution and not by the University of Wales. In recognition of the services provided by the Vice-Chancellor and Chief Executive the University reimbursed University of Wales: Trinity St. David the sum of £59,800 in 2020-21 towards the basic salary and associated pension costs of the post. (2019-20 contribution: £59,600). This amount represented 20% of the Vice-Chancellor's salary. These costs are recognised in other operating expenses and not within staff costs.

Emoluments of the Vice-Chancellor paid by the University of Wales: Trinity St David

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Salary	233	232
Monetary value of benefits: Health Insurance	3	3
Monetary value of benefits: Accommodation	11	11
	247	246
Pension contributions to USS	52	52
	299	298

Remuneration of other higher paid staff, excluding employer's pension contributions (subject to the relevant HEFCW accounts direction) all shown before any salary sacrifice:

	Year ended 31 July 2021 No.	Year ended 31 July 2020 No.
£150,000 to £154,999	-	1
	-	1

There were no other higher paid staff in the year.

There was no compensation payable to other higher paid staff in year (2020 : £Nil).

NOTES TO THE ACCOUNTS

5 Staff costs (continued)

	Year ended 31 July 2021	Year ended 31 July 2020
Average staff numbers by:	No.	No.
Academic departments	-	16.1
Non-academic departments	24.0	37.6
	24.0	53.7

There are no key management personnel that require separate disclosure.

Restructuring Costs

The University accounts for restructuring costs in the period that the cost is incurred, where a restructuring plan has been communicated but not fully concluded at the Balance Sheet date and amounts due to be paid are recognised on the Balance Sheet and within the Statement of Comprehensive Income in the year that the plan was communicated.

	Year ended 31 July 2020		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Paid to employees on termination of employment	8	8	12	12

Trustees

The University's Council members are the trustees for charitable law purposes. The trustees who served in the year, and up to the signing date of these financial statements are listed on page 3.

Due to the nature of the University's operations and the compositions of the Council, being drawn from local public and private organisations, it is inevitable that transactions will take place with organisations in which a member of the Council may have an interest. All transactions involving organisations in which a member of Council may have an interest are conducted at arm's length and in accordance with the University's Financial Regulations and usual procurement procedures. Other than the expenses paid in the year referenced below there were no transactions in the year with any members.

No Council member has received any remuneration/waived payments from the group during the year (2020 - £nil).

The total expenses paid to or on behalf of 15 council members was £Nil (2020: £1k to 15 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

NOTES TO THE ACCOUNTS

5 Staff costs (continued)**Vice-Chancellor Remuneration Statement**

The ratio of the salary of the Vice Chancellor compared to the median average of the University is 8.2:1 (6.5:1 for the University of Wales : Trinity St David) and the ratio of the total remuneration of the Vice Chancellor compared to the median average of the University is 8.0:1 (6.9:1 for the University of Wales : Trinity St David).

The Remuneration Committee noted the Vice Chancellor's current salary was the lowest in the HEFCW comparator group.

The Vice Chancellor is also Vice Chancellor of the University of Wales. 20% of the Vice Chancellor's emoluments are recharged to the University of Wales. The emoluments and ratios disclosed above represent 100% of the Vice Chancellor's emoluments.

The Vice Chancellor has a significant breadth of responsibility spanning Higher Education and Further Education. This includes the University of Wales Trinity St David, The University of Wales, Coleg Sir Gar and Coleg Ceredigion. Within UWTSd, there has been an expansion of responsibility in Birmingham and London. In recognition of the financial context of the University and the restructuring programme, no change to the Vice Chancellor's salary was made for 2019/2020. 100% of the Vice Chancellor's emoluments are disclosed in these accounts and do not take into account any recharge to the University of Wales

The University Council is responsible for establishing a Standing Committee of the Council, known as the Remuneration Committee, to determine fair and appropriate remuneration for the Vice Chancellor, the Deputy Vice Chancellors, the Pro Vice Chancellors and the Clerk to the Council.

The Remuneration Committee is responsible for reviewing and determining on an annual basis the salaries, terms and conditions and, where appropriate the severance conditions of the above senior post-holders. The Committee membership includes a staff member of Council and a student member of Council (see page 16). The Vice Chancellor is not a member.

The Remuneration Committee adheres to the Higher Education Senior Staff Remuneration Code, published by the CUC. Its deliberations take account of the context in which the institution operates. It considers the value delivered by an individual acting within a role based on relevant components for the UWTSd context. The Committee considers appropriate comparative information of other Universities to inform its decisions including the annual rate of increase of the average remuneration of all other staff. It also considers the Corporate Risk Register and a report on complaints made to the University by students, staff and external persons. The Committee makes every effort to ensure that all recommendations are fair and consider the institutional interest, key stakeholders and partners including the student community and wider society. The safeguarding of public funds also forms part of its deliberations.

The Chair of the Remuneration Committee is responsible for presenting the recommendations of the Remuneration Committee to the University's Council.

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
6 Interest and other finance costs				
Net charge on USS pension scheme	2	2	18	18
Net charge on UWSS pension scheme	52	52	78	78
	54	54	96	96

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Analysis of other operating expenses by activity				
Academic and related expenditure	203	203	423	423
Administration and central services	337	337	201	199
Premises related expenditure	118	118	166	166
Other services and expenses	376	374	448	138
	1,034	1,032	1,238	926

Other operating expenses include:

External auditor's remuneration in respect of audit services:

Audit related assurance services –	Consolidated	£28,200	University	£26,000
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	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7a Discontinued operations				
Fixed assets disposal	-	-	260	-
Stock transfer	-	-	14	-
Debtors transfer	-	-	29	-
Creditors transfer	-	-	(92)	-
LT Creditors transfer	-	-	(702)	-
Reversal of Non-Controlling Interest Reserve	-	-	834	-
Loss on disposal	-	-	343	-
Funding Council grants	-	-	189	189
Research grants and contracts	-	-	442	442
Other income	-	-	390	30
Less				
Staff costs	-	-	(1,302)	(980)
Operating expenses	-	-	(353)	(91)
Depreciation	-	-	(165)	(27)
Deficit for the year	-	-	(799)	(437)

In 2019-20 control of CBM Ltd was transferred to UWTSD on 1 July 2020. The loss on the disposal amounted to £343k as detailed above. The income and expenditure attributable to this discontinued operation is also detailed above. The figures for 2019-20 are for the 11 months to 30 June 2020 whilst the prior year comparators are for the full year.

In 2019-20 the activities at CAWCS was transferred to UWTSD on 1 July 2020. The income and expenditure attributable to this discontinued operation is also detailed above. The figures for 2019-20 are for the 11 months to 30 June 2020 while the prior year comparators are for the full year.

7b Endowment transfer

In 2018-19 The Gregynog Estate was transferred to an independent charitable trust being The Gregynog Trust (Charity No 1180943) under a Business Transfer Agreement signed on 21 June 2019. As part of this agreement there was a subsequent transfer of a restricted endowment trust amounting to £279k in 2020-21.

NOTES TO THE ACCOUNTS

8 Tangible fixed assets**Consolidated****Cost or valuation**

At 1 August 2020

Additions in the year

Revaluation

Disposals

At 31 July 2021

At 1 August 2020

Charge for the year

Disposals

At 31 July 2021**Net book value****At 31 July 2021**

At 31 July 2020

Leasehold land and buildings	Equipment, fixtures and fittings	Totals
£'000	£'000	£'000

2,528 1,467 3,995

- 16 16

- - -

- - -

2,528 1,483 4,011

978 1,368 2,346

79 67 146

- - -

1,057 1,435 2,492**1,471 48 1,519**

1,550 99 1,649

Leasehold land and buildings	Equipment, fixtures and fittings	Totals
£'000	£'000	£'000

2,528 1,467 3,995

- 16 16

- - -

- - -

2,528 1,483 4,011

978 1,368 2,346

79 67 146

- - -

1,057 1,435 2,492**1,471 48 1,519**

1,550 99 1,649

University**Cost or valuation**

At 1 August 2020

Additions in the year

Revaluation

Disposals

At 31 July 2021

At 1 August 2020

Charge for the year

Disposals

At 31 July 2021**Net book value****At 31 July 2021**

At 31 July 2020

NOTES TO THE ACCOUNTS

	Fixed Asset Investments £'000	Endowment Investments £'000	Other investments £'000	Total £'000
9 Non-current investments				
Consolidated				
At 1 August 2020	1,518	2,979	-	4,497
Additions	-	-	-	-
(Decrease)/increase in market value	197	388	-	585
Disposals	(919)	(1,638)	-	(2,557)
Impairments	-	-	-	-
At 31 July 2021	796	1,729	-	2,525

	Fixed Asset Investments £'000	Endowment Investments £'000	Other investments £'000	Total £'000
University				
At 1 August 2020	1,518	2,979	-	4,497
Additions	-	-	-	-
(Decrease)/increase in market value	197	388	-	585
Disposals	(919)	(1,638)	-	(2,557)
Impairments	-	-	-	-
At 31 July 2021	796	1,729	-	2,525

10 Other Investments**Consolidated – International University Malaya-Wales**

The University owns 100% of the issued share capital of £1 ordinary shares of Awen Wales Limited, a company, registered in England and Wales and operating in the U.K. Through the company, as at 31 July 2020, the University had taken up 7% of a maximum 40% investment in the International University Malaya-Wales, a joint venture initiative between the University of Malaya and the University of Wales. This investment amount is £224,000 but has been fully impaired in a prior year.

University – UW Centre for Advanced Batch Manufacture Ltd

At the 31st July 2019 the University had a 51% holding in the UW Centre for Advance Batch Manufacturing Ltd, the company undertakes research and consultancy to develop industrial specific solutions for SMEs. On the 1st July 2020 the University disposed 200,000 A shares to University of Wales Trinity St David for nil consideration and acquired 200,000 B shares from University of Wales Trinity St David for nil consideration. The increase in A shares, which have voting rights, give the University of Wales Trinity St David the controlling interest in the company and at which point its assets and liabilities were removed from the University of Wales' group balance sheet. At the date of disposal the University held an investment in this company to the value of £1.327m which has been fully impaired in a prior year.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
11 Stock				
Books for resale	106	106	110	110
Other	6	6	5	5
	112	112	115	115

Stock is valued at the lower of its cost and net realisable value on a average basis

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
12 Trade and other receivables				
Amounts falling due within one year:				
Research grants receivable	-	-	41	41
Trade debtors	1,360	1,360	671	671
Prepayments and accrued income	7	7	-	-
	1,367	1,367	712	712

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
13 Creditors				
Amounts falling due within one year:				
Trade creditors	1,122	1,120	933	929
Social security and other taxation payable	41	41	86	86
Receipts in advance	273	273	184	184
Accruals and deferred income	188	188	215	215
Welsh Church Act balances	998	998	998	998
	2,622	2,620	2,416	2,412

The Welsh Church Act balances represent those amounts held on the Beneficiaries Fund. These balances are distributed in arrears to the beneficiaries under the Welsh Church Acts; namely the university institutions at Aberystwyth, Bangor, Cardiff and Swansea (3/16ths each), the University of Wales itself and the National Library of Wales (1/8th each). The balance due to the University itself is shown as deferred income. The funds are also held to cover the current and future administration costs and are distributed to the benefactors at the discretion of the Trustees and are therefore disclosed as a short term creditor.

NOTES TO THE ACCOUNTS

	Restricted permanent endowment £'000	Unrestricted permanent endowment £'000	2021 Total £'000	2020 Total £'000
14 Endowment funds				
Consolidated and University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August	4,752	108	4,860	5,436
New endowments	-	-	-	-
Investment income	78	3	81	90
Expenditure	-	-	-	-
Disposals	-	-	-	(350)
Increase/(decrease) in market value of investments	375	12	388	(316)
Total endowment comprehensive income for the year	453	15	468	(576)
Balance at 31 July	5,205	123	5,329	4,860

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
15 Fixed asset investments				
Consolidated and University				
Balances at 1 August	1,141	1,141	1,366	1,340
Disposals	(85)	(85)	(75)	(75)
Increase/(decrease) in market value of investments	197	197	(150)	(150)
Movement on reserves	-	-	-	26
Total fixed asset comprehensive income for the year	112	112	(225)	(199)
Balance at 31 July	1,253	1,253	1,141	1,141

	At 31 July 2021 £'000	Cashflow £'000	At 1 August 2020 £'000
16 Cash and cash equivalents			
Consolidated and University			
Current assets	1,346	(350)	1,696
Investment Cash uninvested	2,471	2,471	-
Balance at 31 July	3,817	2,121	1,696

NOTES TO THE ACCOUNTS

17 Intercompany Transactions

The company has taken advantage of the disclosure exemptions of 100% owned related party transactions under FRS102.

The transactions with related parties that are not 100% owned by the group are disclosed below:

University of Wales Trinity St David is deemed a related party in that it has key management personnel in common with the University - Balances : £906,000 receivable (2020: £13,000), £474,000 payable (2020: £132,000) Total income £878,000 (2020: £1,468,000) Total expenditure £2,000 (2020: £1,000).

University of Wales Trinity St David's utilises the DTC and CAWCS buildings, which are owned by the University of Wales. No consideration is received by the University for the use of these buildings.

UW Centre for Advanced Batch Manufacture Limited is a related party in that it is a subsidiary company that the University had a minority interest. During the year the University provided further financing of £Nil (2020: £Nil) into the subsidiary. Balances: £126,000 payable (2020: £Nil).

The University maintains a register of Council member interests, the scope of which includes interests of connected persons to the members. There have been no transactions in the year with any individual or company on the Register of Interests.

Payments to Council members in relation to their duties are disclosed in note 6.

18 Contingent Liabilities

There have been no material events in the period between 31st July 2021 and the signing of the accounts on the 31 March 2022.

The University is a member of UMAL, a company limited by guarantee, formed to provide a mutual association for insurance risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their prorated share, spread using an internal loan facility over seven years.

19 Non adjusting Post Balance Sheet Events

As set out in Note 20 in respect of the USS pension scheme a further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every 6 months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Recalculating the USS provision on the basis of these contributions, and assuming all other assumptions used to calculate the provision remained unchanged, would result in a revised obligation to fund the deficit of £34.2m as at 31 July 2021. Negotiations continue and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions

There have been no material events in the period between 31st July 2021 and the signing of the accounts on the 31 March 2022.

NOTES TO THE ACCOUNTS

20 Pension schemes**University of Wales Superannuation Scheme (UWSS)**

The University operates a defined benefit scheme in the UK. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities. A full actuarial valuation was carried out at 31 July 2019 and updated to 31 July 2021 by a qualified actuary, independent of the scheme's sponsoring employer. The major assumptions used by the actuary are shown below.

The actuarial valuation showed a deficit of £609k. The university has agreed with the trustees that it will aim to eliminate the deficit over a period of 7 years and 2 months from 31 July 2019 i.e. by 30 September 2026 with a payment of additional contributions of £50k in respect of the deficit. The first of these payments was made on or before 31 July 2021 and will continue for 6 years, with each instalment due before 31 July each year until 2026. In addition, and in accordance with the actuarial valuation, the university has agreed with the trustees that it will pay 27.6% until 30 November 2020 and 20.0% from 1 December 2020 of pensionable earnings in respect of the cost of accruing benefits and will meet expenses of the scheme and levies to the Pension Protection Fund. Member contributions are payable in addition at a rate of 8.0% of pensionable pay.

Present values of defined benefit obligation, fair value of assets and defined benefit liability:

	31 Jul 2021	31 Jul 2020
	£'000	£'000
Defined benefit obligation	(13,221)	(12,949)
Fair value of plan assets	10,516	9,195
Net defined benefit liability	(2,705)	(3,754)
Restriction on asset recognised	-	-
Net amount recognised at year end (before adjustment for deferred tax)	(2,705)	(3,754)

Defined benefit costs recognised in comprehensive income statement are:

	31 Jul 2021	31 Jul 2020
	£'000	£'000
Service cost:		
Current service cost (net of employee contributions)	234	189
Administration expenses	139	254
Loss/(gain) on scheme introductions, changes, curtailments and settlements – GMP equalisations	-	-
Net interest expense/(credit)	52	78
Charge/(credit) recognised in the profit or loss	425	521
Remeasurements of the net liability:		

Defined benefits costs recognised in other comprehensive income:

	31 Jul 2021	31 Jul 2020
	£'000	£'000
Return on scheme assets (excluding amount included in net interest expense) – gain/(loss)	1,493	(147)
Experience gains and losses arising on scheme liabilities - gain	160	-
Effects of changes in the demographic and financial assumptions underlying the present value of the scheme liabilities – gain/(loss)	(328)	225
Total amount recognised in other comprehensive income - gain	1,325	78

NOTES TO THE ACCOUNTS

University of Wales Superannuation Scheme (UWSS) (continued)

The principal actuarial assumptions were:

	31 July 2021	31 July 2020
Liability discount rate	1.60%	1.35%
Inflation assumption – RPI	3.20%	2.80%
Inflation assumption – CPI	2.80%	2.00%
Rate of increase in salaries	3.60%	3.25%
Allowance for revaluation of deferred pensions of CPI or 5% p.a. if less	2.30%	2.00%
Allowance for pension in payment increases of CPI or 3% p.a. if less	2.40%	1.90%
Allowance for pension in payment increases of CPI or 5% p.a. if less	2.80%	2.00%
Allowance for pension in payment increases of RPI or 5% p.a. if less	3.20%	2.80%
Allowance for commutation of pension for cash at retirement	50.00%	50.00%

The mortality assumptions adopted at 31 July 2021 imply the following life expectancy:

Life expectancy at age 64 (Years):

Male retiring in 2021	22.0
Female retiring in 2021	24.5
Male retiring in 2041	23.4
Female retiring in 2041	26.0

The best estimate of contributions to be paid by the university to the scheme for the period commencing 1 August 2021 is £137k.

	Assets £'000	Liabilities £'000	Total £'000
Reconciliation of scheme assets and liabilities:			
At start of period	9,195	(12,949)	(3,754)
Benefits paid	(477)	477	-
Administrative expenses	-	(139)	(139)
Current service cost	-	(234)	(234)
Contributions from employer	149	-	149
Contributions from employees	34	(34)	-
Interest income/(expense)	122	(174)	(52)
Return on assets (excluding amount included in net interest expense)	1,493	-	1,493
Actuarial gain/(losses)	-	(168)	(168)
At end of period	10,516	(13,221)	(2,705)

NOTES TO THE ACCOUNTS

University of Wales Superannuation Scheme (UWSS) (continued)

	31 July 2021 £'000	31 July 2020 £'000
The scheme assets are as follows:		
UK Equities	-	161
Overseas Equities	4,197	3,578
Corporates	-	-
Gilts	-	-
Index Linked	2,198	1,741
Property	-	-
Alternative Assets	-	-
Diversified growth fund	4,023	3,665
Cash	98	50
Total market value of assets	10,516	9,195

None of the fair value of the assets shown above include any direct investments in the university's own financial instruments property occupied by, or other assets used by, the university.

At 31 July 2021, the methodology for calculating the discount rate has changed. The University has changed the assessment of what constitutes a high-quality corporate bond for the purposes of establishing the discount rate under FRS 102.28.17. The Mercer yield curve used is a single discount rate which, when used to discount the projected benefit cashflows underlying a pension scheme with a 22-year duration, would give broadly the same result as using a full AA corporate bond yield curve to discount the same cashflows. This results in an assumption at 31 July 2021 of 1.60% p.a.

The University has updated its approach to setting RPI and CPI inflation assumptions in light of RPI reform published on 25 November 2020. The University continued to set RPI inflation in line with the market break-even expectations less an inflation risk premium of 0.2%. For CPI, the University increased the assumed difference between the RPI and CPI by 0.1% to an average of 0.9% per annum. The impact of this change in the CPI methodology is an increase of the Defined Benefit Obligation of 1.25% (£165K).

NOTES TO THE ACCOUNTS

USS

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

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

The total credit charged to the Consolidated Statement of Comprehensive Income is £85k (2020: credit £934k). Deficit recovery contributions due within one year for the University are £7k (2020: £24k).

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

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

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

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

Discount Rate (forward rates)	Years 1-10	CPI + 0.14% reducing linearly to CPI – 0.73%
	Years 11-20	CPI + 2.52% reducing linearly to CPI – 1.55%
	Years 21+	CPI + 1.55%
Pension increase (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.	

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

Mortality base table	<u>Pre-retirement</u>
	71% of AMC00 (duration 0) for males and 112% of AC00 (duration 0) for females
Future improvements to mortality	<u>Post-retirement</u>
	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
	CMI_2017 with a smoothing parameter of 8.5 and an long term improvement rate of 1.8% p.a for males and 1.6% p.a for females

NOTES TO THE ACCOUNTS**USS (continued)**

The current life expectancies on retirement at age 65 are:

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

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2020	2020
Discount rate	0.87%	0.73%
Pension growth (CPI)	2.00%	2.08%

Consolidated and University

	31 July 2021	31 July 2020
	£'000	£'000
Opening deficit	(222)	(1,138)
Deficit contributions paid during the year	7	24
Movement in provision to reflect new deficit recovery agreement	78	910
	85	934
Interest in the form of the discount unwind	(2)	(18)
Closing deficit	(139)	(222)