

UNIVERSITY OF WALES:TRINITY SAINT DAVID

England & Wales · Charity number 1149535

Details

Other names	PRIFYSGOL CYMRU: Y DRINDOD DEWI SANT, UWTSO
Status	Registered
Legal form	Other
Registered	2012-10-29
Register	View on the Charity Commission register

Contact

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Activities

Objects: III - THE OBJECTS OF THE UNIVERSITY ARE TO ADVANCE EDUCATION AND DISSEMINATE KNOWLEDGE BY TEACHING, SCHOLARSHIP AND RESEARCH FOR THE PUBLIC BENEFIT, WHICH INCLUDES BUT IS NOT LIMITED TO:1. THE POWER TO AWARD AND REVOKE DEGREES OF ANY RANK OF THE UNIVERSITY AND OTHER DISTINCTIONS (INCLUDING WITHOUT LIMITATION, DIPLOMAS, JOINT DEGREES, DUAL DEGREES, CERTIFICATES, FELLOWSHIPS, HONORARY DEGREES, HONORARY FELLOWSHIPS, MEMBERSHIPS AND ASSOCIATESHIPS) IN ITS OWN NAME AND/OR DUALY OR JOINTLY WITH OTHER EDUCATION INSTITUTIONS; AND2. THE PROVISION AND MAINTENANCE OF A SIGNIFICANT PHYSICAL UNIVERSITY PRESENCE IN SWANSEA, CARMARTHEN, AND LAMPETER (OR SUCH PLACES AS MAY BE DETERMINED), WHICH FACILITATES THE OBJECTS OF THE UNIVERSITY; AND3. THE OBJECTS OF THE UNIVERSITY SHALL HAVE REGARD TO THE VOCATIONAL, BILINGUAL, AND ANGLICAN HERITAGES OF HISTORICAL ENTITIES.

Activities: Scholarship and a commitment to the quality of the learning experience are central to the mission of the UoW: Trinity Saint David. Through academic programmes delivered on campus and in the workplace, and the range of activities delivered in schools and community venues, existing initiatives will be built upon to

widen access to HE and encourage participation from under-represented groups.

Classification

- **How:** Makes Grants To Individuals, Provides Human Resources, Provides Buildings/facilities/open Space, Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training, Arts/culture/heritage/science, Environment/conservation/heritage
- **Who:** The General Public/mankind

Geography

- **Area of benefit:** WALES
- Birmingham City
- Cardiff
- Carmarthenshire
- Ceredigion
- City Of Swansea
- Hackney

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£209,777,000	£208,082,000	£136,480,000	2120
2024-07-31	£202,701,000	£172,105,000	£141,930,000	2109
2023-07-31	£183,116,000	£193,985,000	£114,022,000	1938
2022-07-31	£180,870,000	£197,185,000	£114,122,000	1762
2021-07-31	£173,872,000	£165,667,000	£76,958,000	1658

Trustees

Name	Role	Appointed
Dr Chris Martin OBE DL		2025-11-15
Dr Elizabeth Siberry		2019-09-27
Dr Tracy Cruickshank		2024-08-01
Emlyn Dole		2023-03-06
Emlyn Michele James Griffith Schiavone		2021-10-01
GWYNEIRA DAVIES		2025-07-01
Jacqui Kedward		2025-10-31
Jennifer Helen Taylor		2025-07-01
Jonathan Chitty		2026-03-01
Jonathan Pugh		2025-11-01
Katrin Shaw		2025-01-01
Nigel Roberts		2023-03-30
Professor Elwen Evans KC		2023-09-01
Professor Kyle Glenn Erickson		2023-03-07
Richard Anthony Norton		2025-11-15
Richard John Bills		2025-07-01
Rowland Jones		2019-09-27
Timothy James Llewelyn		2023-01-01

Accounts

University of Wales Trinity Saint David

ANNUAL REPORT & Financial Statements 2024-2025

Charity number: 1149535

Introduction	P2
Council Membership	P5
Legal Status	P6
UWTSD Strategic Plan	P7
Vice Chancellor's Review	P8-13
Principal Risks and Uncertainties	P14
Joint Report on Financial Year	P16-27
Public Benefit Statement	P27
Statement of Corporate Governance	P28-33
Statement of Internal Control	P32
Statement of Council's Responsibilities	P33
Independent Auditor's Report	P34-37
Statement of Accounting Policies	P38-45
Statement of Comprehensive Income	P47
Statement of Changes in Revenue	P49
Statement of Financial Position	P51
Statement of Cash Flow	P51
Notes to the Accounts	P52-82



Introduction

Introduction



Emlyn Dole

Chair of Council

On behalf of the University Council, I would like to express my sincere thanks to the Senior Leadership Team, our dedicated staff and our students for their continued hard work and commitment. Their efforts this year have been central to helping the University navigate a period of challenge and change, all while remaining focused on delivering an excellent experience for our students.

Like many institutions across the Higher Education sector, we have faced significant financial pressures over recent years. However, I am pleased to report that, through determined action and shared resolve, we have made real progress towards financial sustainability. The University is now in a stronger and more stable position, with clear, evidence-based plans in place to build on our strengths and secure long-term success.

Working alongside the Vice-Chancellor and the Senior Leadership Team, Council has supported the development of a comprehensive, data-informed Annual Plan and we will approve a new institutional Strategic Plan in the next academic year. This framework guides the University's priorities and is underpinned by robust governance and financial stewardship.

Meaningful change often requires difficult decisions, but we are confident that the University is in a stronger place than a year ago, and that it remains focused and committed to its mission. Council itself has participated in a comprehensive Governance Effectiveness Review this year and responding to the outcomes will enable us to further enhance our governance practices as we move into the next phase of the University's strategic development.

Our University has a deep connection to place, with Welsh heritage and culture at the heart of our community. We value the Welsh language as a vital expression of our identity, and this strong cultural foundation helps to create an environment where all students can thrive.

That deep respect for place has been especially important in the context of the decisions that had to be made regarding our Lampeter campus. We fully recognise Lampeter's historic significance as a founding part of our University, as well as a symbol of our cultural and educational heritage. The decisions, though difficult, were taken with great care to safeguard the University's future, and I have been immensely proud of how our community has responded with understanding, resilience, and a shared commitment to ensuring that our heritage remains a living part of our future.

As Chair of Council I have deeply appreciated the insight and support of my Council colleagues. I would like to thank them and everyone who supports our committees for their ongoing contribution and dedication. Their role in ensuring effective governance and scrutiny has been essential as we continue to respond to sector-wide challenges.

There is no doubt that the Higher Education sector continues to face testing times. However, what remains constant is the transformative impacts it has for individuals and for the wider social and economic wellbeing of our communities. I am extremely proud of the role this University plays in providing life-changing opportunities for students of all ages and backgrounds.

It has been especially rewarding to see our students' experiences reflected so positively in the 2025 National Student Survey, and in our recognition as the Times and Sunday Times University of the Year for Teaching Quality 2026. This is a powerful reflection of the dedication and passion of colleagues across our academic and professional services teams, and it was a pleasure to see this work recognised with these national accolades.

One of the true highlights of the academic year is attending our graduation ceremonies. These are always joyful and moving occasions, where we see first-hand the impact that higher education can have on individuals and communities. It is an honour to share in those moments with our students, their families, and the staff who have supported them along the way, because it is our graduation ceremonies that remind us why our work matters.

Emlyn Dole
Chair of Council

Introduction



Prof Elwen Evans, KC

Vice-Chancellor

Despite continued challenges across the UK higher education sector, the past academic year has been one of meaningful progress and renewed confidence for the University of Wales Trinity Saint David (UWTSD).

Underpinned by a strong commitment to student success, financial sustainability, and strategic transformation, our University has emerged from a period of turbulence with a clear direction and a positive outlook. I am confident that UWTSD is embarking on a new phase with real optimism, resilience, and ambition.

As this report shows, the University ended the academic year with a financial surplus. This is the result of concerted effort, disciplined planning, and collaborative action across the institution. While financial prudence remains essential, I am confident that strong foundations are in place for our future success.

A landmark refinancing agreement has also been reached, replacing our previous overdraft facility with a more sustainable, long-term financial arrangement. This new partnership with the University's bank not only enhances our financial stability but also enables carefully managed, strategic investment over the next five years.

The student experience remains at the heart of our mission to transform education and lives, and we can all be proud that our commitment to our students has once again been recognised. Being named University of the Year for Teaching Quality 2026 by the Times and Sunday Times, and being ranked 1st in Wales and 2nd in the UK in The Times' analysis of the 2025 National Student Survey, is an incredible achievement that truly reflects the dedication and passion of our staff. I am extremely grateful to all my colleagues for their enduring commitment to ensuring that every student at UWTSD is supported to succeed.

Our apprenticeship provision has also been praised in its external quality review for offering real-world learning experiences delivered by passionate, sector-expert staff. Our focus has always been on providing excellent teaching and a transformative educational experience, and these accolades are a testament to the strength of that mission.

This year saw the establishment of Medr, the new national steward for tertiary education in Wales with a mandate to shape cohesive pathways between further and higher education. Medr's ambition aligns closely with our unique structure as a dual-sector group incorporating Coleg Sir Gâr and Coleg Ceredigion. In collaboration with our FE colleagues, we are laying the groundwork for a coherent, post-16 offering through our ongoing curriculum review. Our ambition is to open new routes through education to create more opportunities for more people, and to meet the skills needs of our region and Wales.

Following the decision to relocate our Humanities provision from Lampeter to Carmarthen, the University remains deeply committed to securing a sustainable and meaningful future for the Lampeter Campus. A stakeholder group is actively exploring new, community-led proposals for education, skills development, and regional collaboration. We are also working in partnership with Ceredigion County Council to explore how the Lampeter campus can play a key role in expanding vocational and skills training across the region, an initiative that aligns strongly with Medr's priorities.

As the UK higher education sector continues to respond to the financial pressures, I am proud of the way UWTSD is not just adapting to circumstance but is leading change. Following the completion of its long-term borrowing structure in the year, the University is financially stable, strategically focused and community-rooted, ready to seize the opportunities that are available to us.

I would like to take this opportunity to thank all my colleagues, members of the University Council and, of course, our students for their continued support, and for the many ways in which they have each contributed to the University's achievements this year.

Prof Elwen Evans KC
Vice-Chancellor

Council Membership

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 Primary Responsibilities are set out in the University’s Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University.

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 eligible Council meetings in 2024/25 is provided in brackets.

Board Member	Category	Status	Attendance (%)
Emlyn Dole	Chair	Independent	100%
Professor Elwen Evans, KC	Vice-Chancellor	Independent	100%
Justin Albert, OBE	Independent	-	40%
Natalie Beard	Student	Resigned 30.06.2025	100%
Richard Bills	Independent	Appointed 01.07.2025	100%
Dr Tracy Cruikshank	Staff	-	80%
Gwyneira Davies	Student	Appointed 01.07.2025	100%
Maria Dinu	Student	Resigned 30.06.2025	100%
John Edge	Independent	-	100%
Professor Kyle Erickson	Staff	-	100%
Dr Deborah Hughes	Staff	Appointed 01.08.2024	80%-
Uzo Iwobi	Independent	Resigned 31.01.2025	40%
Rowland Jones	Independent	-	800%
Jacqui Kedward	Independent	Appointed 31.10.2025	-
Timothy J Llewelyn	Independent	-	100%
Chris Martin	Independent	Appointed 15.11.2025	-
Richard Norton	Independent	Appointed 15.11.2025	-
Jonathan Pugh	Staff	Appointed 01.11.2025	-
Geraint Roberts	Independent	-	80%
Nigel Roberts	Independent	-	100%
Emlyn Schiavone	Independent	-	40%
Katrin Shaw	Independent	Appointed 01.01.2025	100%
Dr Liz Siberry, OBE	Independent	-	60%
Jennifer Taylor	Student	Appointed 01.07.2025	100%
Sarah Clark	Clerk and Secretary		100%

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.



Emlyn Dole



Professor Elwen Evans KC



Dr Tracy Cruickshank



Dr Elizabeth Siberry OBE



John Edge



Professor Kyle Erickson



Dr Deborah Hughes



Rowland Jones



Timothy J Llewelyn



Geraint Roberts



Nigel Roberts



Emlyn Schiavone



Jennifer Taylor



Richard Bills



Gwyneira Davies



Katrin Shaw

University of Wales: Trinity Saint David (UWTSD) is incorporated by Royal Charter. The most recent version of its constitution is the Supplemental Charter which was sealed by the Privy Council on 28 September 2012, following the constitutional merger with Swansea Metropolitan University.

Trinity University College Limited (TUC) is deemed to be controlled by UWTSD, as UWTSD is its sole member.

Trinity College incorporates the original endowment of 1848 and, as an education charity, embodies the assets of both land and buildings together with any charitable monies which have accrued to the charity. There is no direct ownership link between UWTSD and Trinity College. However, it is deemed to be controlled by UWTSD by virtue of the fact that TUC is the sole trustee.

Eclectica Drindod is a private company limited by guarantee with no share capital, established to undertake a role that more effectively delivers Third Mission activity for UWTSD. Eclectica Drindod is deemed to be controlled by UWTSD as TUC (whose sole member is UWTSD) is its sole member and has the power to appoint directors.

UWTSD Learning Centres Limited is a wholly owned subsidiary of UWTSD.

UWTSD Investments Limited is a wholly owned subsidiary of UWTSD.

Y Ganolfan Dysgu Cymraeg Genedlaethol is a private company limited by guarantee with no share capital. It undertakes the setting of the national strategic direction for the Welsh for Adults sector, providing leadership to Welsh for Adults providers. UWTSD is the sole member of the company.

Coleg Sir Gâr is a private company limited by guarantee with no share capital, which undertakes the provision of further education and higher education. UWTSD is the sole member of the company.

Coleg Ceredigion is a private company limited by guarantee with no share capital, which undertakes the provision of further education. Coleg Sir Gâr is the sole member of the company, and it is deemed to be controlled by UWTSD as the sole member of Coleg Sir Gâr.

Mentrau Creadigol Cymru Limited is a wholly owned subsidiary of UWTSD. It was established to operate a digital media centre at Canolfan S4C Yr Egin, adjacent to the University's campus in Carmarthen. Construction of the centre was completed during the year to 31st July 2019.

UW Centre for Advanced Batch Manufacture Limited, is a private company, the University has a 51% controlling interest in the company with University of Wales holding the remaining 49%.

OSTC Trinity St David LLP, is a limited liability partnership, the University has a 50% stake in the entity with the other 50% owned by OSTC limited.

UWTSD Innovation Centres Limited is a wholly owned subsidiary of UWTSD and did not trade during the year.

UWTSD Strategic Plan

The University of Wales Trinity Saint David’s Strategic Plan (2017-25) makes a commitment to its learners and specifically to Wales, its culture, heritage and language through its values and its distinctiveness.

Because of the change in senior leadership, Council has approved the extension of the Strategic Plan to cover the period 2025. A subsequent Strategic Plan is being prepared and will be presented to the University Council for approval during the current year, The new plan will be published by the end of the year to July 2026.

While reviewing the strategic plan, the Council has approved a business plan with 5 domains: Education & Student Experience; Recruitment: Home & International; People, Organisation & Culture; The Digital & Physical Estate; and Research & Civic Mission. The University views these as the core areas for the delivery of the University’s mission.

Vision:

Our vision is to be a University for Wales, with a commitment to the well-being and heritage of the nation at the heart of all that we do. Central to our vision is the promotion and embedding of a dual-sector educational system which educates learners of all ages and backgrounds, and stimulates economic development in our region, across Wales and beyond.

Mission:

Transforming Education; Transforming Lives.

Strategic Priorities:

1. Putting learners first
2. Maintaining excellence in teaching, scholarship and applied research
3. Creation of opportunities through partnerships
4. Maintaining a University of Wales

Enablers:

In addition, the Strategic Plan identifies seven key enablers to be achieved to support delivery of the strategic priorities. These are:

1. Maintaining financial security;
2. Supporting, encouraging and developing our people;
3. Providing high quality estates and infrastructure;
4. Maintaining good governance;
5. Providing effective leadership and management;
6. Promoting equality; and
7. Seeking continuous improvement.

Values:

Excellent teaching informed by scholarship and professional practice, and applied research that influences knowledge and policy in Wales and beyond.

Inclusivity, by removing barriers to participation and supporting people from all backgrounds and circumstances to fulfil their potential.

Employability and creativity, by offering educational programmes that develop entrepreneurial and creative skills, enabling learners to have the best opportunities to gain employment and to contribute to the prosperity of their communities.

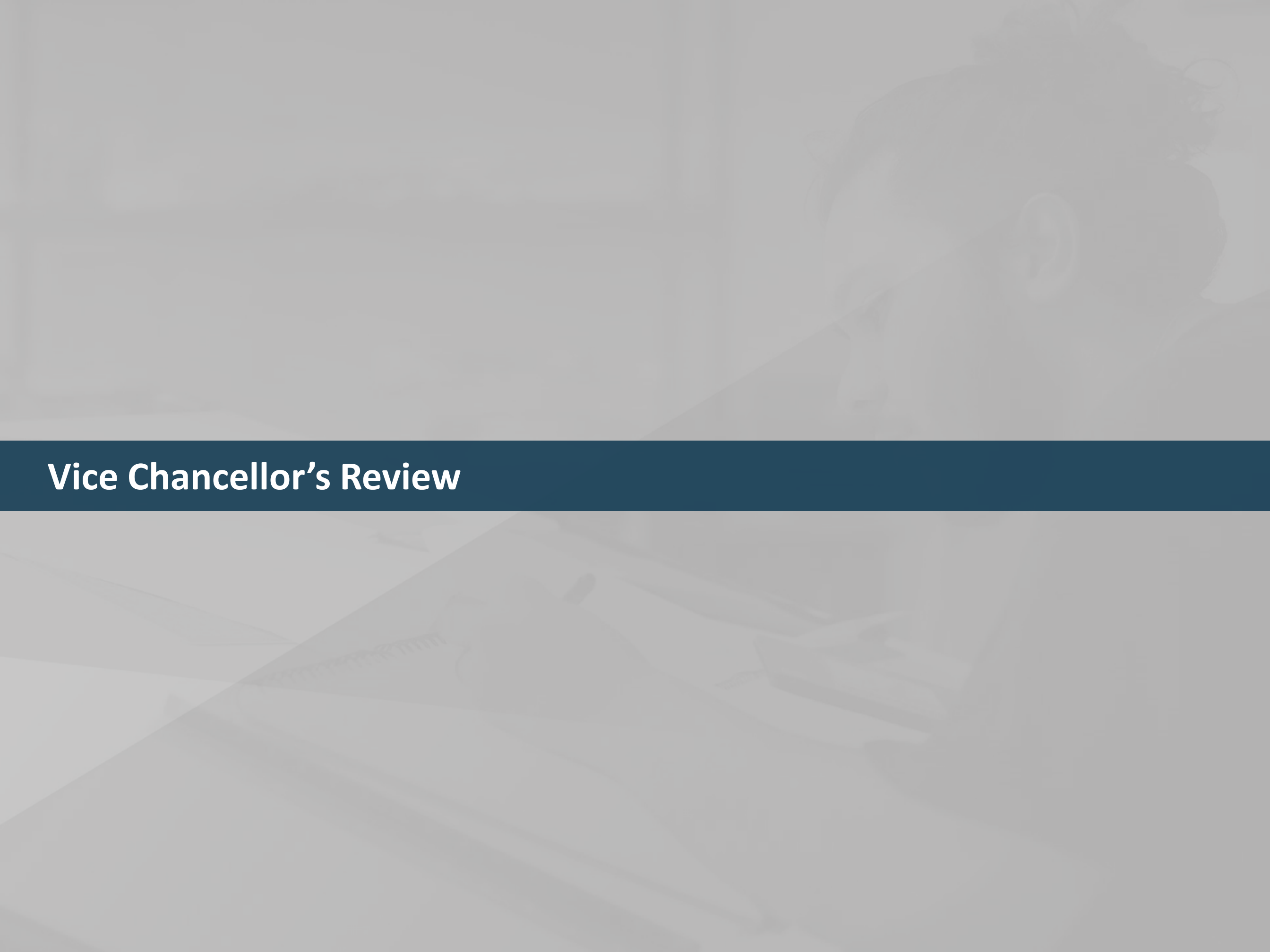
Collaboration through strategic relationships, working with others to provide educational and commercial opportunities and to ensure that Wales is connected to the wider world.

Sustainable development, by behaving in a way which ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs, and by systematically embedding this principle in our approach to teaching and learning.

The concept of global citizenship, through the development of multi-national activities and opportunities for our learners, staff and partners.

Wales and its distinctiveness, through embedding the goals of the *Well-Being of Future Generations (Wales) Act* in all of our activities, and by celebrating the vibrant culture, heritage and language of Wales.



The background of the slide features a faded, grayscale image. In the upper right, a person is seen from the side, looking down at a device or document. In the lower half, several sheets of paper are scattered, some with faint, illegible text and lines, suggesting a workspace or a review process.

Vice Chancellor's Review

Vice-Chancellor's Review

Review of the year

These Financial Statements are published at a challenging time for the higher education sector. The UK's universities face significant funding pressures, increased competition, reduced government support, a rapid decline in international students choosing to study in the UK and rising operational costs. The sector is also still recovering from the impacts and legacies of the Covid pandemic. At the time of writing, the majority of universities across the UK have announced cost-saving measures, including course closures and job cuts. The University of Wales Trinity Saint David has not been immune to these challenges but has implemented measures that have, despite the ongoing pressures, put our University in a strong position.

This past year has shown once again the strength and resilience of our whole university community and there is a great deal that we can all be proud of. We have continued to deliver meaningful impact across education, partnerships, research and innovation, and internationalisation.

A high-quality student experience

Our University's commitment to the quality of the student experience is supported by innovative approaches to Learning and Teaching and a range of professional support services. Our staff and students work together in partnership to deliver an inclusive, supportive and safe learning environment for all students.

Our success this year has resulted in UWTSD being named Times and Sunday Times University of the Year for Teaching Quality 2026. The University was also ranked 2nd in the UK for student satisfaction by the Times, Times Higher Education and the Daily Mail, based on the 2025 National Student Survey. We provide a range of responsive student support services to assist students with the demands of modern student life. Key services include wellbeing, learning support and money support; these are augmented by the student hwb team who provide a digital and physical service to students seeking information or needing help to access specialist support.

All our student services have seen growth in the number of students accessing support, with the demand for the wellbeing team increasing by a third over the past academic year. All students seeking wellbeing support have been seen by an advisor within ten days, with priority cases seen the same, or next, day.

The University's Careers Service continues to support both current students and recent graduates in developing their employability skills. Subject specific networking events and the provision of student placement activities have been particularly popular across the academic year. Our Welsh Government funded employability project has exceeded its target, with the University providing additional support to assist students in achieving their career development goals.

The University also continues to enhance the student experience through encouraging participation in international mobility opportunities, enabled through the Welsh Taith and UK Turing schemes. In 2024-25, we supported 79 students and 2 staff with mobility opportunities ranging from a semester abroad to two-week internships in North America, Europe, China and Japan.

Student Health and Wellbeing

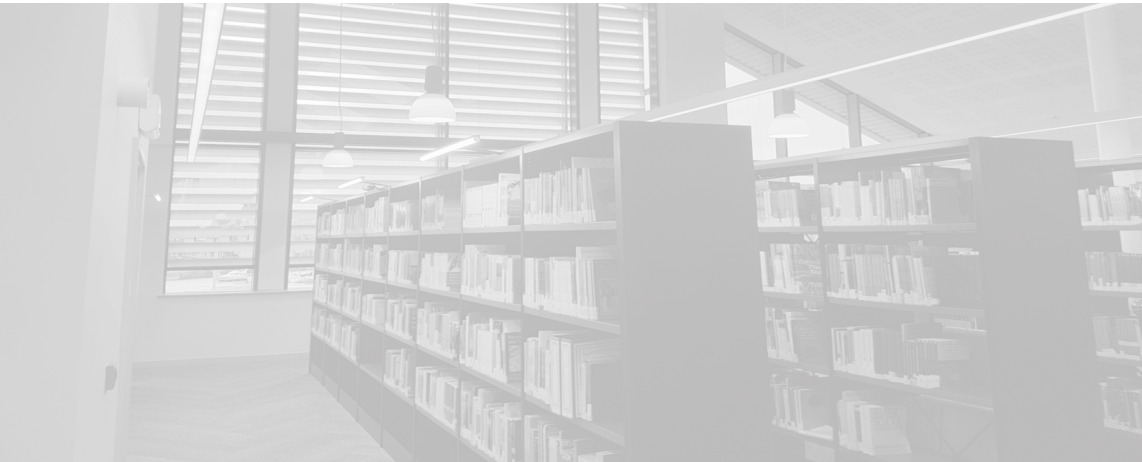
Student demand for wellbeing services is increasing year-on-year. The University has a robust support system in place, including specialist interventions through the Wellbeing Advisory Service and the Counselling Service, as well as established referral pathways to specialist and community-based support.

Headcount

Postgraduate Research: 658
Postgraduate Taught: 3,390
Undergraduate First Degree: 7,830
Other Undergraduate Degree: 8,862

Full-Time Equivalent

Postgraduate Research: 225.5
Postgraduate Taught: 1,713.5
Undergraduate First Degree: 6,329.33
Other Undergraduate Degree: 4,640



Vice-Chancellor's Review

We have continued to enhance the support we offer for student health and wellbeing. We work in partnership with a number of key organisations, such as the NHS, Papyrus, and People Unlimited, to develop support for and resilience within our community, and to provide training and resources for students and staff.

Our work in this area is guided by sector best practice and our aims are set out in our holistic Health and Wellbeing strategy, which has been developed around the national 'stepchange' model.

The University's wellbeing triage process has been further refined this year, maintaining pace with the national 'Mental Health Advisory Services (MULS)' project which has been driving closer links between higher education and the national health service within Wales. The University recognises the importance and benefits of aligning language and thresholds with the NHS and has been pleased with the level of progress on this important national project over the past twelve months. Ensuring that university services and community services are aligned can only result in better provision for students.

Training and staff development provision has continued to be an area of focus, particularly in relation to supporting student wellbeing and success. Through the realisation of our health and wellbeing action plan, the University has continued to implement mental health first aid, suicide prevention, and SAFetalk training, which is designed to continue to build a culture of positive mental health across our community. Students and staff also benefit from a range of preventative and self-help resources, including subscriptions to an online wellbeing community and access to the NHS-approved 'Sorted' app.

Learning and Teaching

UWTSD's broad portfolio, which includes degree apprenticeships and Certificates of Higher Education as well as traditional Undergraduate, Postgraduate and Doctoral programmes, provides a diverse offer that supports personalised learning in support of the University's mission: Transforming Education and Transforming Lives. We have begun the work of reviewing the design and development processes of programme portfolios as part of a wider curriculum review. The design element is completed through a structured programme of staff training, and design "sprints", including engagement with employers and students.

Programme design has emphasised introducing and embedding inclusive practice and skills for the future, through a focus on authentic and variable assessment methods, embedding central resources (e.g. Careers, Infoskills) in modules, and enhancing induction and transition through student journey mapping, particularly for vulnerable cohorts.

The formal inclusion of employers and students as an essential part of design "sprints" has provided greater opportunities for skill-focused developments and closer collaboration with our students and alumni.

Our annual Learning and Teaching Awards were held on Tuesday, 24 June as part of our Celebration and Showcase of Practice Day. The event celebrated the achievements of our staff in the areas of teaching and learning across eleven categories, including: Inspirational Colleague; Unseen Excellence; Collaborative Team, and Employability, Enterprise, and Real-World Learning.

Notable League Table Standings for UWTSD in 2024/25:



2nd in the UK for
Student Satisfaction



Satisfaction with Teaching:
7th in UK

Satisfaction with Feedback:
5th in UK

THE  TIMES
THE SUNDAY TIMES

**GOOD
UNIVERSITY
GUIDE
2026**

**UNIVERSITY
OF THE YEAR
FOR TEACHING
QUALITY**

Notable Guardian Subject Standings for UWTSD in 2025:



Film Production & Photography
1st in the UK
1st in Wales



Music
1st in the UK
1st in Wales



Sports Science
4th in the UK
2nd in Wales



Fashion and Textiles
5th in the UK
1st in Wales



Psychology
8th in the UK
1st in Wales



Animation and game design
9th in the UK
1st in Wales

Vice-Chancellor's Review

Welsh language and culture

The University's Welsh Language Services Centre (WLSC) continues to ensure our compliance with the Welsh Language Standards and services the University's Welsh medium and Welsh language training programmes for both staff and students.

WLSC also serves the education sector in Wales through its two commercially branded entities. Rhagoriaith is a main provider of the Welsh Government's National Sabbatical Scheme for teachers and delivers bespoke training to a variety of clients. It is recognised as a national centre of excellence for Welsh language training within the education sector in Wales. Similarly, Peniarth is recognised as one of Wales' main providers of education resources, in line with Cwricwlwm i Gymru. In 2025, Peniarth was commissioned to deliver a national training programme in Welsh language phonics for practitioners and

teaching assistants working with learners aged 3 to 7.

Additionally, WLSC is now responsible for Yr Egin, the creative and digital centre located on our Carmarthen campus. Yr Egin provides collaborative creative, digital and educational opportunities for staff and students, connecting the University with the creative industries regionally and nationally. Sixteen companies are co-located at the hub, which is a destination venue for meetings and conferences. Yr Egin provides clients with high standard livestream coverage as well as a curated artistic programme with wider outreach and community engagement. It was awarded 'Best Promoter of the Welsh Language in the Workplace' in 2025 by Careers Wales.



Vice-Chancellor's Review

Internationalisation

We have seen growth in our transnational education (TNE) activity. The strength of our partnerships with Lanzhou University and Wuhan University of Technology in China was noted in a Quality Assurance Agency (QAA) Quality Evaluation and Enhancement of UK Transnational Higher Education Provision (QE-TNE) review in January, which highlighted the close collaboration between our teams and partners in Wuhan, strengthening both quality and student support.

The review also commented on how shared delivery of teaching enhances the student experience and academic richness. We were subsequently asked to contribute to the QAA's TNE Thematic Insights: The Role of the Link Tutor in TNE Partnerships report, highlighting the strength of our international partnerships.

Our revitalised approach to international activity has resulted in an increase in the number of Confirmation of Acceptance for Studies allocated to UWTSD by the Home Office to enable international recruitment. In addition, we have continued to enhance and develop our processes following the successful UKVI audit in June 2024. The recruitment and admissions processes we have previously piloted were adopted as standard practice across all UWTSD campuses to ensure consistency. This has led to improved customer experience and applicant-to-enrolled student conversion rates. Across the year we also strengthened our communication and support across university departments to further enhance international recruitment delivery.

In addition, a promotional campaign increased the visibility of our brand and supported student recruitment in key South and East Asian markets. The campaign saw more direct engagement with prospective applicants and recruitment agent partners through the delivery of international recruitment webinars with a specific focus on the Wales and Birmingham campuses.

Research and innovation

The University now has a portfolio of seventy active projects worth more than eleven million pounds. For example, the University is part of a UK-wide, Arts and Humanities Research Council (AHRC)-funded project to investigate how older urban buildings and public spaces can be reimagined as sustainable, liveable places. Retrofitting for the Future: Nature-Based Solutions for Climate Adaptation brings together a powerful consortium of academic and societal partners to explore how biophilic design, working with nature rather than against it, can help urban areas adapt to the intensifying impacts of climate change.

The University of Wales Centre for Advanced Welsh and Celtic Studies (CAWCS) has also received AHRC awards, for instance for the research project 'The first Welsh Renaissance man? Gutun Owain and the scholarly culture of north-east Wales in the later Middle Ages'. This project will publish edited texts and translations of poetry by the fifteenth-century polymath Gutun Owain, and will investigate his contribution to the scholarship of his region on the eve of the Renaissance in Wales.

In Social Sciences, we lead the Camau i'r Dyfodol project, a £2m Welsh Government-funded initiative supporting educators with the new Curriculum for Wales. Other projects focus on disability research and community wellbeing, as well as research commissioned by UNESCO under its future leaders programme. We have also secured a number of projects in the Sciences, for instance on improving materials efficiency in manufacturing; contract research in glass technologies, and upskilling for regional economic growth and business efficiency.

Our Innovation Matrix building at the SA1 Waterfront campus was officially opened in March by Rebecca Evans MS, Cabinet Secretary for Economy, Energy and Planning (Welsh Government), and Dame Nia Griffith DBE MP, Parliamentary Under-Secretary of State (Wales Office, UK Government). Funded through a strategic partnership between the University and the Swansea Bay City Deal, the Innovation Matrix offers a space for businesses and start-ups to accelerate their product development, access specialist technical support, hire graduate talent and create knowledge exchange partnerships with us. The building is fully occupied and there is a waiting list of businesses seeking to be part of our community.



UWTSD is rated 4th in Wales for impact, with 74% of the University's research judged as delivering outstanding and very considerable impacts for society, culture, and industry



People & Planet green league table ranking: 2.1 Class and 39th

Vice-Chancellor's Review

In July, UWTSD and Aberystwyth University signed a partnership agreement that will see both universities supporting professional learning for schools. This strategic partnership will focus on delivering high-quality, professional development for schools, with a strong emphasis on curriculum design and support for learners with additional learning needs (ALN).

Our Professional Practice Framework is designed to enable employers and training providers to collaborate with the University to develop bespoke, accredited programmes that enhance the value, credibility and quality of in-house and commercial development programmes, as well as empowering learners to value their work-based learning and enhance their skills. The Framework was named Joint Runner Up in the 2025 Universities Association for Lifelong Learning (UALL) Awards under the new "Quiet Achiever" category.

Race Equality

At the end of the academic year, the University received confirmation that it had been awarded the Advance HE Race Equality Charter Bronze Award. Achievement of the award, which is a Welsh Government requirement of universities, involved a thorough self-assessment of our current position to inform the development of a five-year action plan aligned with the Strategic Equality Plan 2024-2028's three domains of Understanding, Belonging and Outcomes. Through this, UWTSD continues to actively work on removing barriers to participation, valuing differences, celebrating diversity and supporting people from all backgrounds and circumstances to fulfil their potential.

Digital innovation

We continue to embed leading-edge technology in our teaching, enhancing learning experiences and preparing staff and students for the rapidly evolving digital landscape. We have developed new resources to support Artificial Intelligence literacy for staff and students, with materials created for students to help build their understanding of AI and to guide its effective and responsible use in assessment.

In parallel, we continue to take advantage of our transformative teaching environments, including two state-of-the-art, LED immersive classrooms and the integration of extended reality technologies, with these innovations exemplifying our innovative approach to teaching and learning. We also continue to lead the pan-Wales Immersive Learning Network for Higher and Further Education.

In partnership with QAA Cymru and Medr we hosted the Welsh Collective: AI in Education Conference 2025, a two-day online event bringing together leaders in education, technology, and policy to explore the transformative potential of Artificial Intelligence across the Welsh higher and further education sectors and beyond.



Vice Chancellors Review - Principal Risks and Uncertainties

The University maintains a university-level Risk Register which is formally reviewed by the Senior Leadership Team, Council's Audit and Risk Committee, and Council. It is also updated as and when appropriate if it is clear that risks are changing more rapidly.

Institutional performance is systematically monitored. Council's Resources and Performance Committee and Council itself receives an annual report on performance. On behalf of the Council, the Resources and Performance Committee also maintains oversight of performance against Key Performance Indicators (KPIs). Monitoring reports are provided at each meeting, with an annual assessment and narrative presented at the final meeting of each year.

		Education & Student Experience	Recruitment: Home & International	People, Organisation & Culture	The Digital & Physical Estate	Research & Civic Mission
RISK	RISK	Our academic portfolio is not appropriately structured to provide the best opportunities for student recruitment, experience and outcomes.	Home and International student recruitment and retention do not align to forecast student numbers resulting in reduced financial sustainability.	Our staffing structures, workforce profile and workplace behaviours are not aligned to the needs of the University and our students	Costs associated with running and maintaining the geographical estate result in reduced financial sustainability. A cyber security breach or incident results in harm to the University.	Reduced income from research and commercial activities results in reduced financial sustainability.
MITIGATION	MITIGATION	Through a planned cycle, we will review the academic portfolio using a range of metrics and other information, both internal and external, to ensure that our offer is attractive, well-designed, appropriately structured and geographically located to provide the best opportunities for student recruitment, experience and outcomes.	We will review and enhance our marketing to increase our share of existing and developing markets with an offer to attract more students to our Welsh campuses and grow international activity.	We will frame and implement an organisational structure and culture, based on shared values and vision, within a post-16 educational group that responds to institutional and national priorities, delivered by academic and professional services, and managed by an agile Executive that is accountable to governors and our regulatory bodies. Within the parameters of our existing workforce, we will define organisation structures of appropriate shape, size and geographical distribution to effectively deliver and run the University.	We will optimise our campus infrastructure and footprint to support a sustainable efficient estate that is fit for purpose to deliver our educational and organisational requirements and respond to changing demands on usage. We will continue to implement our Digital Strategy, focusing on digital tools that will support improved student recruitment and staff and student services whilst maintaining strong cyber security.	We will define, structure and implement an appropriate research approach for the University that is embedded into our educational offer.

Vice-Chancellor's Review

Our estate

Having taken the difficult decision in January 2025 to move our Humanities provision from Lampeter to Carmarthen, the Senior Leadership Team has been involved in overseeing the work to ensure that our students and staff are supported in the move. Our focus has been to ensure that the Humanities programmes have the support and environment they need to flourish as academic disciplines, and to provide a more vibrant experience for students and staff.

UWTSD is wholly committed to securing a vibrant future for the Lampeter campus, which holds an important place in the history of higher education in Wales as well as within the local and regional community. We have convened key stakeholder group comprising local politicians, businesses and the community, with members of the community invited to present formal proposals for consideration. The work of progressing any financially viable proposals will be taken forward in the new academic year in collaboration with stakeholders.

We are working closely with Ceredigion County Council to explore how the Lampeter campus can continue to make a significant contribution to education as a centre for skills and vocational training, with particular emphasis on skills-based courses critical to the rural economy of Wales, such as agriculture, horticulture, gastronomy and construction. We are supportive of the Council's ambition to increase the range of vocational training options available to learners of all ages in the county and will continue to explore the opportunities, which are in line with Medr's priorities for tertiary education in Wales

Our Institute of Inner City Learning has enhanced the learning and teaching experience for students and staff at its Westferry Circus campus, alongside new social spaces for students and staff accommodation. Similarly, additional space was sought in our Birmingham Quay Place campus to accommodate our students.

This year we began the work of relocating the Swansea Business Campus as part of our strategy to enhance the student experience, improve facilities, and co-locate operations at the SA1 Waterfront campus. This relocation, completed in time for the 2025/26 academic year, will provide students and staff with upgraded teaching and learning environments, better collaboration opportunities, and access to state-of-the-art resources. It will also provide stronger engagement with student and academic communities across the Institutes.

Sustainability

We have maintained our Green Dragon Level 5 accreditation for our Environmental Management System Audit, reinforcing our commitment to sustainably responsible operations, and were proud to achieve Green Flag status for the 3rd year in succession on our Carmarthen and Lampeter campuses, which is recognition of our management of green spaces and the biodiversity. We continue to work on decarbonising our estate, for example with the installation of rooftop solar photovoltaics. The work undertaken also links directly into the delivery of academic programmes within Environment and Sustainability.

Staff from the Carmarthen Business School collaborated on a project to strengthen business sustainability and resilience in rural Carmarthenshire by fostering circular economy practices. The initiative, 'Identifying the Challenges for Enhancing Rural Resilience through the Circular Economy (CE)', funded by the UK Government's Shared Prosperity Fund, aimed to address the need for a move towards a green economy.

The University's Construction Wales Innovation Centre (CWIC) launched the ERFIT (Enhanced Retrofit Fabric Improvement Training) programme to provide technical skills for installing, advising, and troubleshooting retrofit projects. Fully funded and supported by the Passivhaus Trust, it complemented CWIC's Efficiency Without Compromise project, which trained designers and tradespeople in Passivhaus principles. CWIC was the first organisation outside England to offer the course. ERFIT included two days of online learning on fabric-first construction, carbon emissions, and retrofit contexts, followed by a practical workshop at CWIC's Swansea Waterfront Campus. CWIC also delivered shorter 2.5-hour Passivhaus Retrofit Practical sessions on airtightness and ventilation, insulation and thermal bridging, and windows, doors, and airtightness.



Joint Report on Financial Year

Joint Report on Financial Year

Financial Review

The Director of Financial Services and the Chair of the Resources and Performance Committee present the financial review of the Group for the year to July 2025.

The Group result encompasses all activities, other than the Students' Union which is an independent body.

The higher education sector continues to operate in an environment where a number of underlying factors are resulting in uncertain student enrolments, income generation and cost pressures. The year to 31 July 2025 saw an acute realisation of these pressures for all Universities.

The University is not immune to these pressures and have taken decisive actions in the past 3 years to ensure that its operating model promotes sustainability and enables it to navigate the challenging environment. The impact of these decisions is reflected in the results for both the current and prior year with the University being in a position to look to the future with confidence.

From the total comprehensive loss of £5.4 million, £4.7 million is attributed to the results of the University, a deficit of £0.1 million is attributed to the FE colleges, and a deficit of £0.6 million is attributed to the other subsidiaries in the Group.

The total comprehensive income for the prior year was significantly impacted by the release of the USS deficit provision which reduced pay costs by £33m. As noted on page 18 the underlying performance of the group showed an increase in its underlying profitability of £4.7m

The University and group operate in a complex environment and as such there are a number of non-cash impacting items and items outside of the University's influence that are reported in the surplus recorded in the statement of comprehensive income. Notably the release of the USS deficit provision in the prior year reduced pay costs, and therefore increasing the surplus generation by £33m.

A summary of the reported financial performance and the underlying financial position are shown in the tables overleaf. The University considers this underlying operating position to be an appropriate measurement of its performance.

The University of Wales Trinity Saint David is not immune to the risks and pressures in the sector but has a student and estate profile that provides additional risks. When managed appropriately with mitigating activities, they also provide the University with opportunities to navigate the current landscape.

The year to 31 July 2024 showed the first stage of recovery from a deficit position reported in the year to 31 July 2023 with the performance to 31 July 2025 continuing to show the impact of corrective actions taken in the current and previous year in addressing the deficit position.

Budgets and forecasts are set to ensure that the University is sustainable and underpinned with appropriate investment in both staff and operational expenditure. The budgets are set to a model that delivers surplus and cash generating positions.

The University is satisfied with the year's performance but also reflects the need to continue to reshape the financial model for the University and wider group to deliver a sustainable cash generating position.

Tuition fee income for the University continues to be the driver of its growth with an £8.5m increase in tuition fee income noted in the year. The growth in tuition fees is in part through the relocation of the University's London campus which saw its first intake in June 2024.

Other income fell by £6.8m in the year due to non-repeatable capital grant income of £8m recognised in the year to 31 July 2024 related to the construction of the Innovation Matrix building, with this being partially offset by small income gains in other operating areas.

The pay costs for the group in the year to 31 July 2025 have increased from the prior year due to pay awards in both the FE colleges and University and increases in TPS and LGPS pension contributions. The pay award for the University was deferred and implemented in June 2025. With the University's low exposure to the TPS pension increases, continued management of the University's headcount has mitigated these pressures and resulted in a small increase of pay costs of £0.9m. During the year the University has work to ensure that the distribution its employees aligns to the operations of the institution. This exercise has resulted in headcount remaining at a similar level to the prior year but the realignment activity has resulted in a restructuring cost of £1.8m.

Operating expenditure was managed closely throughout the year to ensure a breakeven position was met. The University reduced its non-pay expenditure by £6.8 million. This was offset by an increase in commission payments linked to student recruitment of £2.6 million. As a result, the University saw a net £4.2 million decrease in its operating expenditure. The University will continue to carefully manage its non-pay costs while minimising the impact on its ability to deliver a high-quality education for its students. Within the wider group operating expenditure increased £5.4 million largely as a result of increased grant funding for the delivery of further education.

In managing the cash position, some capital disposals anticipated for the year to 31 July 2025 were delayed and did not conclude in the year. These had a negative impact on the budget cashflow of £2 million. As noted on page 24 the University has restructured its financial borrowing with HSBC.



Joint Report on Financial Year

Consolidated

Statement of Comprehensive Income summary (Consolidated)

	Year ended 31 July 2025	Year ended 31 July 2024	Movement
	£'000	£'000	£'000
Income	209,756	202,701	7,055
Expenditure	(208,083)	(205,030)	(3,053)
Impact of movement of USS deficit provision	-	32,925	(32,925)
Profit/(Loss) on Sale of Assets	(33)	1,408	(1,441)
Decrease in fair value of investment properties	(3,833)	(655)	(3,178)
Gain/(Loss) on investments	8	(758)	766
Taxation	1	(4)	5
Surplus/(Deficit) for the year	(2,184)	30,587	(32,771)
- Actuarial gain/(loss) in respect of pension schemes	(3,222)	(2,679)	(543)
Total comprehensive income/(loss) for the year	(5,406)	27,908	(33,314)

The Group operates in a complex environment and as such there are a number of non-cash impacting items and items outside of the Group’s influence that are reported in the surplus recorded in the statement of comprehensive income. These are highlighted below:

Adjusted Underlying Performance (Consolidated)

	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
Total comprehensive income/(loss) for the year	(5,386)	27,908
Add back actuarial movement on pension schemes	3,222	2,679
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	-	(32,925)
Revaluation of derivative liability	-	-
Restructuring costs	1,821	459
Decrease in fair value of investment properties	3,833	655
Underlying surplus/(deficit)	3,490	(1,224)

The Group considers this underlying operating position to be an appropriate measurement of its performance.

University

Statement of Comprehensive Income summary (University)

	Year ended 31 July 2025	Year ended 31 July 2024	Movement
	£'000	£'000	£'000
Income	132,037	135,552	(3,515)
Expenditure	(131,104)	(136,230)	5,126
Impact of movement of USS deficit provision	-	32,925	(32,925)
Profit /(Loss) on Sale of Assets	(7)	1,403	(1,410)
Decrease in fair value of investment properties	(3,723)	(565)	(3,158)
Loss on investments	(4)	(746)	742
Surplus/(Deficit) for the year	(2,801)	32,339	(35,140)
- Actuarial gain/(loss) in respect of pension schemes	(1,879)	(1,915)	36
Total comprehensive income/(loss) for the year	(4,680)	30,424	(35,104)

The University operates in a complex environment and as such there are a number of non-cash impacting items and items outside of the University’s influence that are reported in the surplus recorded in the statement of comprehensive income. These are highlighted below:

Adjusted Underlying Performance (University)

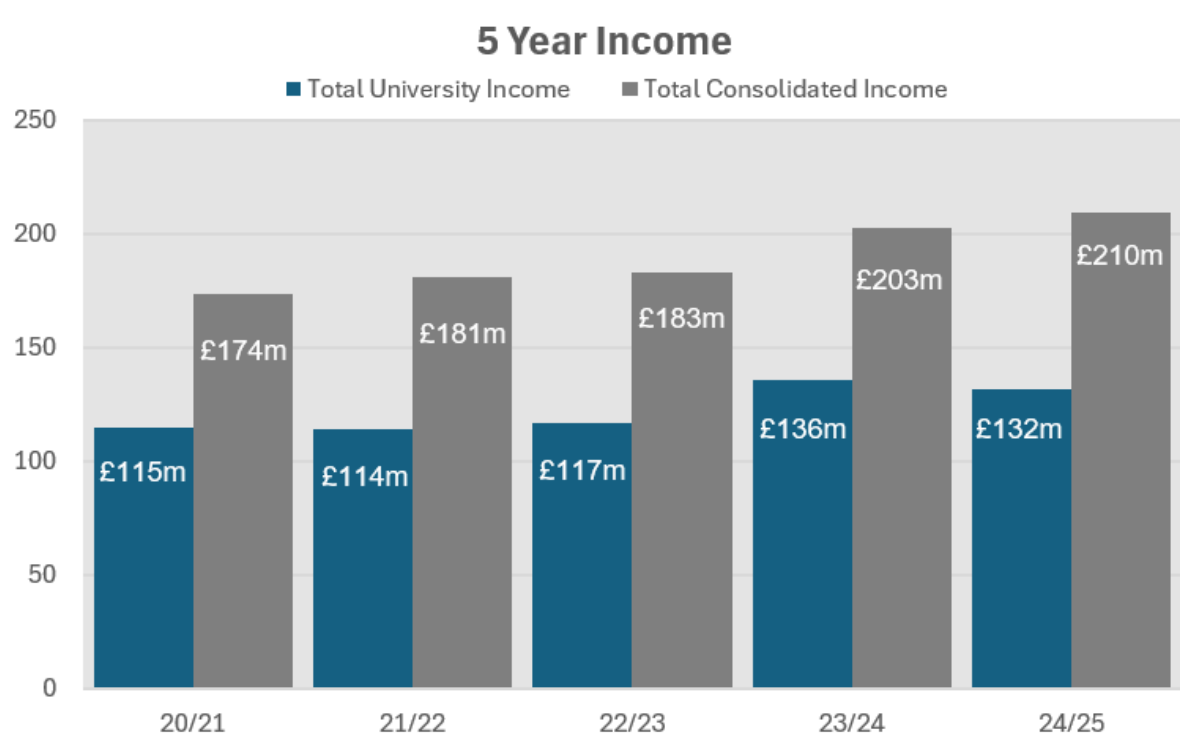
	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
Total comprehensive income/(loss) for the year	(4,680)	30,424
Add back actuarial movement on pension schemes	1,879	1,915
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	-	(32,925)
Revaluation of derivative liability	-	-
Restructuring costs	1,774	403
Decrease in fair value of investment properties	3,723	565
Underlying surplus/(deficit)	2,696	382

The University considers this underlying operating position to be an appropriate measurement of its performance.

Joint Report on Financial Year

Total Income

The growth in income continues a trend over the past 5 years where income has grown by 21% from an income of £174 million in 2020/2021 to £210 million in the current year. The University income in the same period has increased by 15% from £115 million in 2020/2021 to £132 million in the current year. During this same period, the Group tuition fee income increased by 26%.

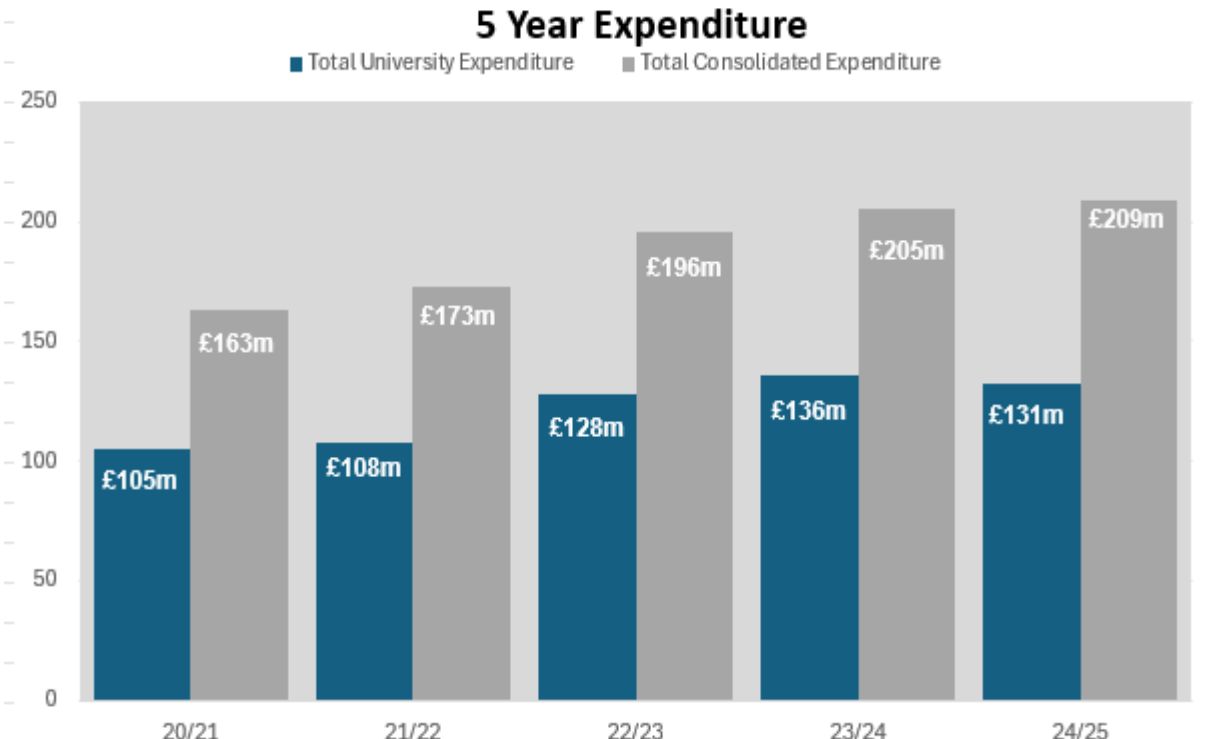


Consolidated Tuition Fee Income



Total Expenditure

The year to 31 July 2025 saw an increase in total group expenditure and a decrease in University expenditure. This decrease is the result of cost control measures implemented in the year with the increase in group expenditure through increased costs in delivering teaching activity in the FE colleges.



Expenditure has increased over the past 5 years to support the income growth experienced in the period (21% group income growth, 15% University). When the annual adjustments to the USS provision are excluded, the Group expenditure has grown by 27% and University expenditure growth at 24% over the past 5 years.

Joint Report on Financial Year

Income Sources

The year to 31 July 2025 saw an increase in total group income of £7.1 million (3%) and decrease in University income of £3.5 million (3%). Total income for the group in the year is £209.8 million and for the University is £132.0 million.

Excluding the prior year capital grant income for the Innovation Matrix (£8.1 million), the increase in income from the previous year for the group and University was £15.2 million (7.5%) and £5.1 million (4%). This growth is

predominantly driven through an increase in tuition fees.

The make-up of the income has remained broadly consistent year on year and is summarised below:

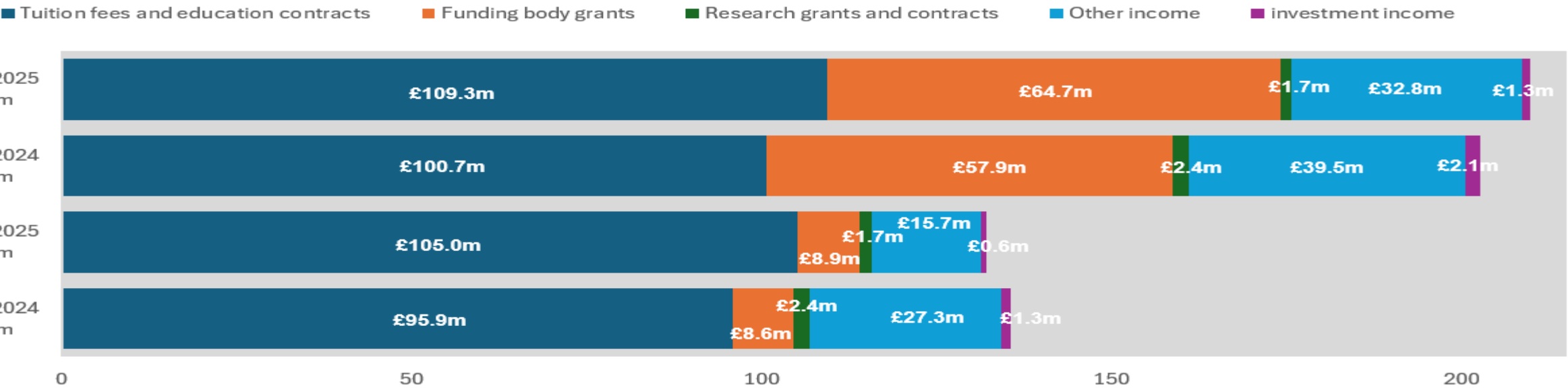
Funding Body Grants - The groups funding body grants include University funding for the provision of higher education, FE college funding for the provision fo further education and other group funding for the provision of Welsh Learning for adults. The increase in the funding body grant income of £0.4 million for the University and £6.7 million for the Group is through an increase in recurrent grant funding.

The recurrent Welsh Government grant funding of £47.5 million comprises of £16.1m awarded to Y Ganolfan Dysgu Cymraeg Genedlaethol for the delivery and promotion of Welsh Language learning and £39.6 million awarded to Coleg Sir Gar and Coleg Ceredigion for the provision of further education.

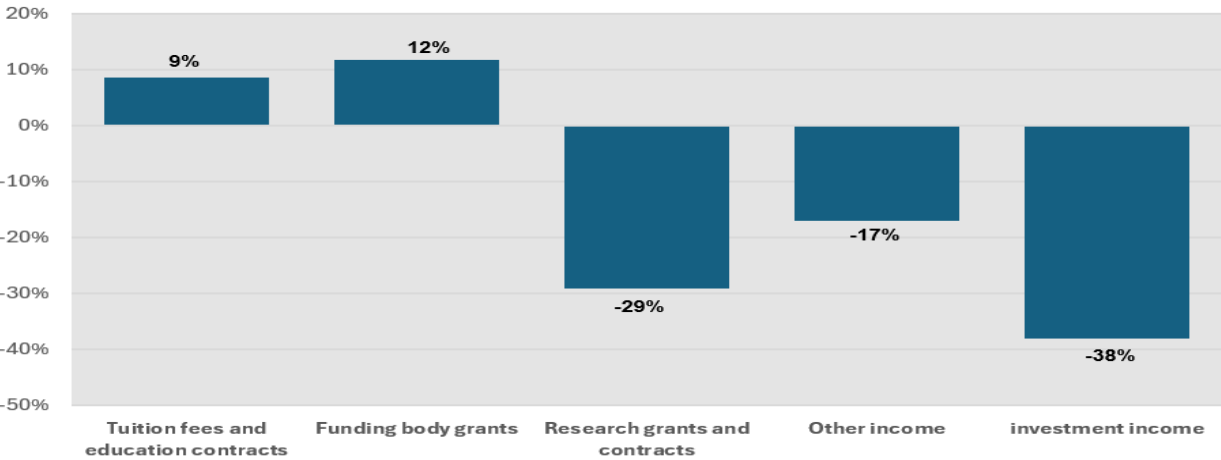
Funding body grants – Other reflect grants from the Welsh Government, received by Coleg Sir Gâr, Coleg Ceredigion and Y Ganolfan Dysgu Cymraeg Genedlaethol (YGDCG).

Other income arises from a wide range of sources including: student residences, catering and grant funding for projects and programmes.

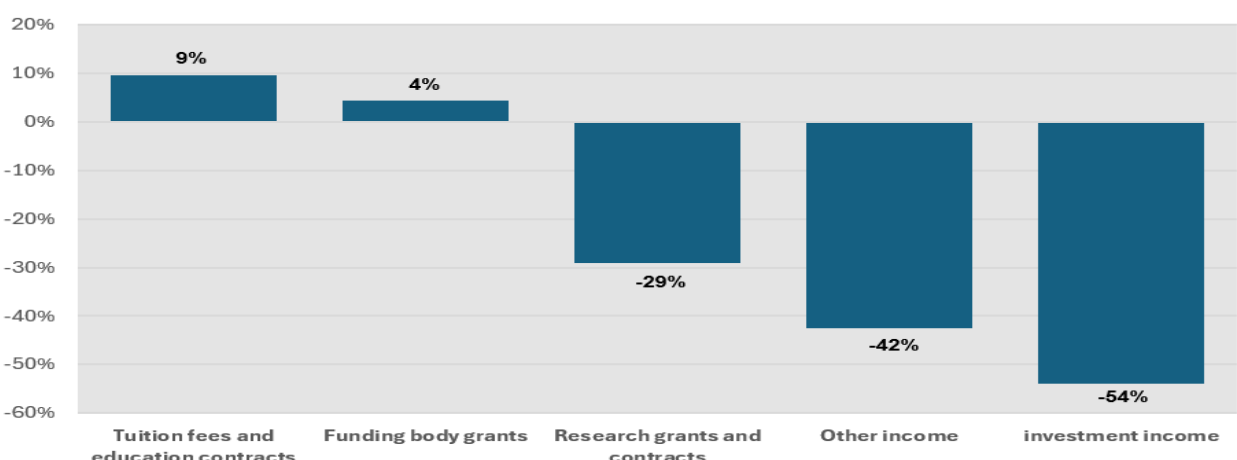
Income (£'m)



Consolidated income: Movement % 2024 -2025



University income: Movement % 2024 -2025



Joint Report on Financial Year

Staffing Costs

The University targets a staffing cost to income ratio of between 50% and 55%, over this 5-year period the ratios have been within this range. In the year to 31 July 2025, the University ratio is 53% and the Group Ratio 50%. When the non-recurring capital grant income is excluded, the ratios are 54% and 52% for the University and Group respectively.

Staffing costs are the largest single cost line for the University and Group representing 51% of Group expenditure (2024:42%) and 55% of University expenditure (2024:52%).

Restructuring costs totalling £1,821k were paid in the year. When the restructuring costs are excluded the Goup pay costs were 50% of income and University pay costs 53% of income

Other Operating Costs

60% of the University’s operating expenditure (47% group) falls within Academic and related expenditure. The University expenditure of £29.3 million in this area includes £19.1 million related to student recruitment, an increase of £2.6 million.

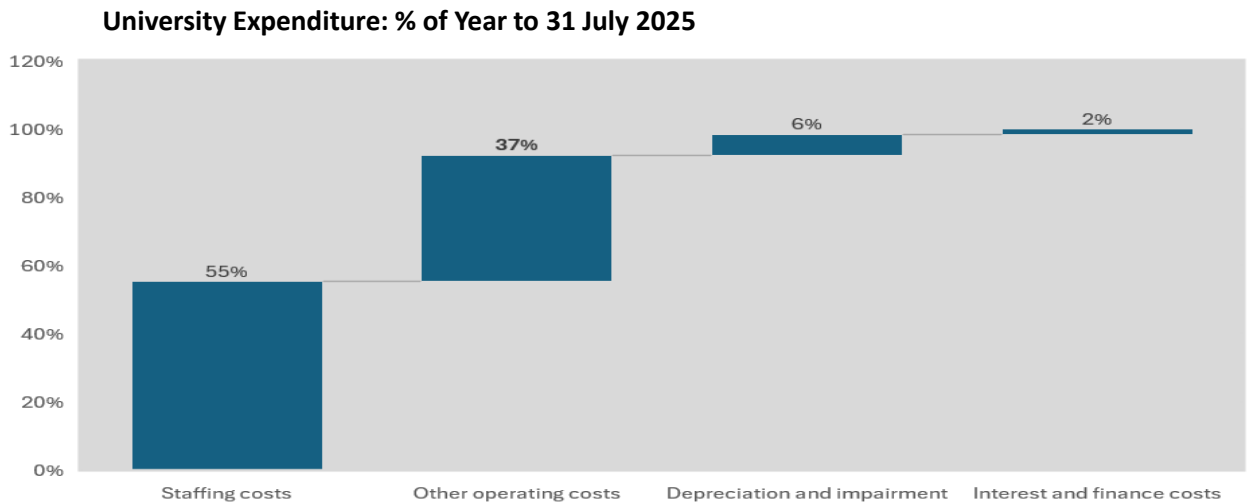
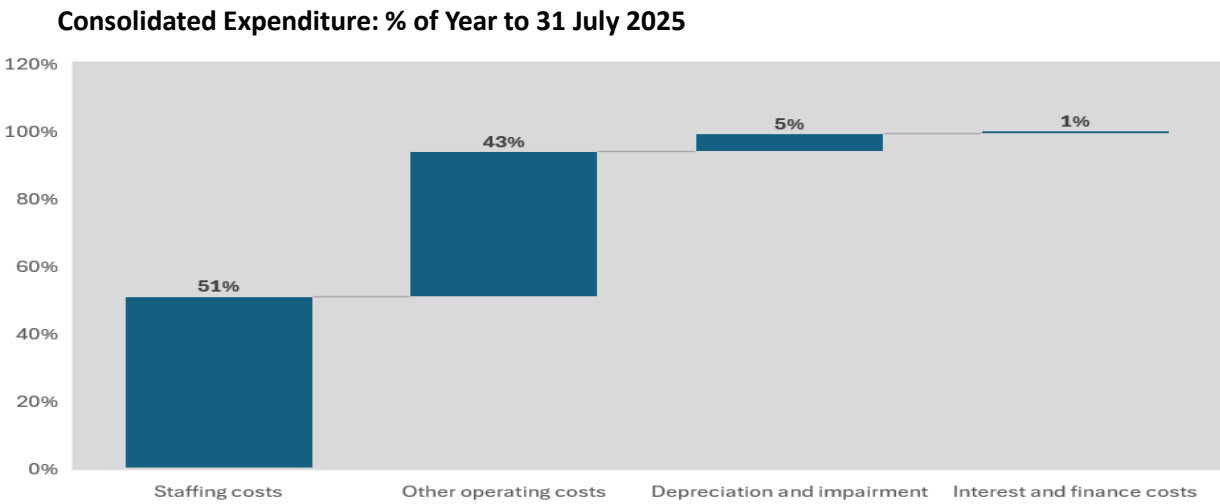
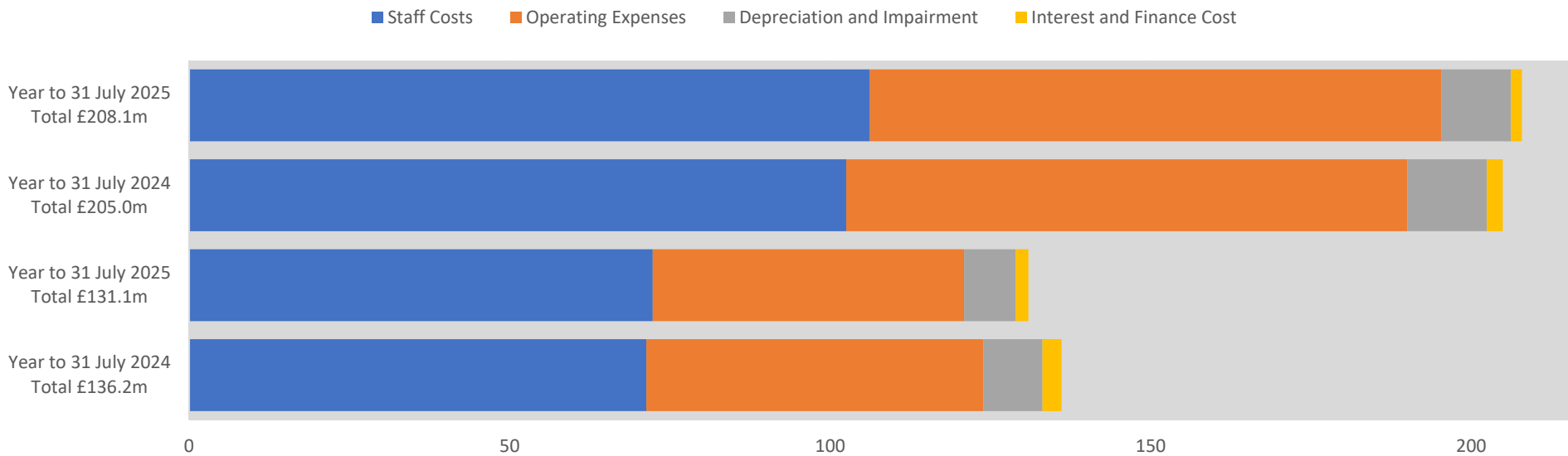
Premises expenditure for the University has reduced by £0.9 million (13%), Group expenditure has increased by £4.3 million (43%). The increase in group expenditure is due to funded maintenance expenditure.

The depreciation charge in the year has decreased by £1.2 million for the university (£1.5 million for the Group).

The University saw significant capital expenditure on equipment as part of a post-Covid recovery funding program. The items purchased in this period were at a nil NBV at 1 August 2024 with no depreciation charge in the year. Having undertaken reviews on expected future use of the key University buildings, the University has concluded that the carrying value is appropriate, with no impairment charges required in the current year.

University Interest and finance costs include a pension scheme interest credit of £0.4 million (2024: charge of £0.4 million) and loan interest of £2.3 million (2024: £2.1 million).

The Group Interest and finance costs include a pension scheme interest credit of £1 million (2024: £0.06 million credit) and loan interest of £2.3 million (2024: £2.1 million).



Joint Report on Financial Year

Capital Expenditure

2024 saw the completion of a range of capital projects previously committed to. The capital expenditure for the group in the year to July 2025 is at a lower value (£10.2 million) than in the prior year (£19.5 million). For the University the expenditure was £7.9 million (2024: £16.9 million).

The expenditure for the year included investment in the University’s 3 Welsh campus (£5.0 million), London Campus (£2.5 million) and general equipment (£1.0 million

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £136.5 million at 31 July 2025 (2024: £141.9 million). The decrease in net assets primarily arises from the decrease in value of investment properties, excluding amounts transferred to fixed asset of £3.6 million.

Cash balances are reported as £17.8 million for the Group at 31 July 2025 (2024: £20.4

million less £5.5 million overdraft) and £2.1 million for the University (2024: £2.0 million less £5.5 million overdraft).

The University drew down £7 million from its Revolving Credit Facility at 31 July 2025 with this balance showing under creditors due within 1 year. These funds were utilised in the year in repaying creditor balances due at 31 July 2025.

Cash Flow

The University and Group cash position peaked at July 2022 after which the cash balances have been utilised in the capital expenditure noted above in both the current and prior years and in servicing the deficit recorded in the Year to 31 July 2023. The consolidated net cash inflow from operating activities was £7.5 million for the year (2024: outflow £3.6 million) and the overall cash inflow was £2.9 million (2024: outflow £29.9 million).

Cashflows from operating activities are impacted by an increase in debtor balances of £4.7 million and a reduction in creditor balances of £1.6 million.

Cashflows from investing activities include proceeds from the sale of fixed assets of

£0.01 million (2024: £2.7 million) less payments made to acquire fixed assets of £10.2 million and investment properties of £0.2 million (2024: £2.9 million).

Cashflows from financing activities contain the £7.0 million drawdown of the RCF (2024: £nil), repayment of the University term loan £2 million and interest payments of £2.7 million (2024: £2.1 million).

Borrowing

During the year the University utilised an unsecured overdraft with Barclays. The overdraft facility expired in May 2025 and was not renewed.

In July 2025 the University entered into a £30 million Revolving Credit Facility (RCF) with HSBC. This facility is secured on the same basis as the existing term loan with HSBC with no further security granted. The RCF will remain through to July 2030. An initial draw of £7 million was made prior to the 31 July 2025 with this recorded under

creditors due within one year on the balance sheet

The University retained the term loan as part of the renewal. The capital repayment on the loan remains at £2 million per year, paid in 4 equal instalments. The maturity of the loan was extended to align with the RCF until July 2030.

Details of the University borrowings are in note 20

Liquidity

The Group's current ratio at 31 July 2025 was 0.82 (2024: 0.84).

Detailed monthly cashflow forecasts have been prepared for the 12 months ended 31 July 2026 and into the Year ending 31 July 2027 showing that there are sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow for both periods.

Trade and other receivables increased by £4.7million for the group and £4.3 million for the University, driven by an increase in the amount of student fees outstanding at 31 July.

The increase in trade receivables reflects the growing tuition fee income and is not an indicator of the recoverability of these balances

Creditors due within one year amount to £72.1 million for the University (2024: £64.2 million), and £56.3 million for the Group (2024: £66.8 million). The increase primarily arises from an increase in deferred tuition

fee income of £2.9 million reflecting the increased student fee income generated from the University's in year intakes, an increase in short term borrowing of £1.5 million, a reduction in trade creditors of £1 million. Other accrual balances decreased by £0.5 million for the group and increased by £1.9 million for the University.

The decrease in deferred income is driven through the release of the capital grant of £8.1 million held at 31 July 2023 relating to the Innovation Matrix building and a £2 million decrease in other deferred grant income as long-term projects reach their end point.

The trade creditors decrease is due to timing of transactions. There has been no amendment to the creditor payment policy in the year which continues to follow best practice. The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods and of a valid invoice.

Covenants

The 3 covenants in place up to 30 April 2025 on a group basis were

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs – Capital Expenditure in the year to be net of opening balance sheet cash;
- The ratio of net debt to total income to be not more than 50%; and
- The level of consolidated net assets excluding pension liabilities to be not less than £105 million.

These covenants were tested based on the University's management accounts at 31st October 2024, 31st January 2025, and 30th April 2025. All 3 tests were passed at each testing point.

Under the new loan agreement the covenants were restated. The Covenants in place at 31 July 2025 were:

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs – Capital Expenditure in the year to be net of opening balance sheet cash;
- The ratio of net debt to total income to be not more than 50%; and
- The level of consolidated net assets excluding pension liabilities to be not less than £75 million

Under the new loan agreement no covenant test is required for July 2025.

The budget and forecasts prepared indicate that they will be passed at all points for the forecast period through to December 2026.

Joint Report on Financial Year

Pensions

The University contributes into 6 defined benefit pension schemes, of which one (USS) remains open to new members. In addition, the two FE colleges each contribute into a defined benefit scheme. Of the 8 schemes in total, 2 Teachers Pension Schemes (TPS) are accounted for as a defined contribution scheme with no balance sheet provision, 4 Local Government Pension Schemes (LPGS) and 1 in-house scheme are accounted for as pension provisions and the USS scheme is accounted for as a deficit provision. All provisions are recorded as non-current liabilities.

The LPGS and in-house scheme were in a surplus position at 31 July 2025 and 31 July 2024. The University undertook a review on the underlying assumptions within the actuarial reports for each of the LPGS, TPS and in-house schemes and concluded that all of the inflation, discount rate and salary movement assumptions fell within the range expected, based on a peer review of 5 other institutions' schemes.

The Group has assessed the future economic benefit from the surplus position

of its pension schemes. As it is not anticipating to derive any economic benefit from the surplus position on any of the LPGS or in-house schemes, no surplus has been recognised on any scheme.

FRS102 requires the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS). This liability is included in the pension provision. Additional costs are processed through staff costs in the consolidated statement of income and expenditure.

Following the release of the USS pension deficit no provision for the USS pension deficit has been recognised at 31 July 2025 or 31 July 2024.

Financial Health

The University is pro-actively managing its activities to meet the challenges of the current difficult economic environment.

The key indicators of surplus, cashflow and banking headroom reflect the challenging environment. These have been significantly influenced over the previous 3 years through significant capital expenditure levels resulting in a deterioration of cash balances. The Group reserves and external funding structures provide sufficient headroom to meet the challenges faced in the immediate term and provide a platform for success and sustainable financial performance in future periods.

The University recognises the need to actively manage this position in future periods with key areas for focus including:

- reviewing the academic portfolio to ensure that our offer is attractive, well-designed, appropriately structured and geographically located to provide the best opportunities for student recruitment, experience and outcomes;
- enhancing our marketing and increase our share of existing and developing markets with an offer to attract more students to our Welsh campuses and grow international activity.
- defining organisation structures of appropriate shape, size and geographical distribution to effectively deliver and run the University.
- optimising our campus infrastructure and footprint to support a sustainable efficient estate that is fit for purpose

to deliver our educational and organisational requirements and respond to changing demands on usage.

- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from Medr and Welsh Government; and
- responding to the changing political context of Higher Education in Wales;

During the year ended 31 July 2025 the University's increased teaching activity and cost controls have increased the surplus delivered through its operating performance. The University will continue to seek increased student recruitment through each of its entry points and continue to manage expenditure levels in a way to drive an operating surplus and begin to replenish the cash reserves that have decreased over the previous 3 years.

The budget for the year to 31 July 2026 indicates a net cash inflow for the year of £3.9 million with future years building on this position. A 5-year forecasting model was approved by the University council in the year which sets out a recurring annual cash generation which leads to the RCF not being utilised in the outer years of the forecast.

Joint Report on Financial Year

Going Concern

In preparing the financial statements for 2024/2025 and a budget for 2025/2026 the Group and University acknowledged and appreciated the challenging external environment that all tertiary education providers in Wales and the UK are operating under. The Group and University consider income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability.

For the year to July 2025, the Group's income, excluding one off capital grants, grew by £7 million despite a reduction in Capital Grants of £8.1 million. University income excluding this capital grant reduction grew by £4m with the University income of £132.0 million (Group £209.8 million considered to be repeatable).

June 2024 saw the first intake of students in the University's new campus in London, providing the base for tuition fee growth in the year. Further expansion work in the year provides additional income opportunities for 2025/2026 and beyond. The University is working with its partners to increase the level of International students within its student population and will benefit from an increase in the level of home undergraduate tuition fees from September 2025

In addressing the deficit position at July 2023, the University has made a number of difficult decisions across all areas of operations. The output of these decisions have fed into the improved performance of the University and Group in both the prior and the current year, and will provide longer term stability for the Group and University's income generation potential. The impact of these decisions, along with the operational improvements being applied during the current year, result in a budget for

2025/2026 with an increase in tuition fee income, an increase in operating surplus and cash generation of £3.9 million in the University. At the date of signing the accounts, both the Group and University remain confident that their budgets will be delivered in the financial year.

The growth in operating surplus is largely as a result in an increase in tuition fee income, both through a small expansion to the London campus completed in the year, targeted increases in International students and growth in the full-time undergraduate tuition fee.

The cost saving objectives for 2024/2025 were met by the University and wider group with the budget for 2025/2026 maintaining the cost base without further savings.

The University's pay costs are just under 55% of total income with the budget for 2025/2026 showing a small decrease in this ratio. The University recognise the impact of this ratio on the financial performance and are managing its headcount accordingly to ensure that any increase in pay costs is proportional to increases in income.

Within the budget process, all members of the Group set appropriate targets for EBITDA and cash generation that will aid the management of their primary sustainability metric - being the Group and University's cash position and projections alongside meeting its banking covenants..

The budget setting for 2025/2026 and forecasting for 2026/2027 acknowledges the current cost base and the external pressures facing the Group and University, resulting in prudent and centrally controlled costs levels in both pay and non-pay for future years.

The forecasts are made with an underlying assumption of continued support from its bankers in the provision of its term loan facility. On 31 July 2025, the University completed on a £30 million Revolving Credit Facility with HSBC that will provide the financial support for its operational and investment activity over its 5-year term. At 31 July 2025 £7m of the facility had been drawn down as noted in note 20 As part of the facility completion the existing term loan facility period was aligned to the RCF with both facilities expiring in July 2030. As part of the renewal, the University agreed updated covenants and is forecasting to achieve the revised covenant obligations throughout the going concern period, even when considering the stress testing and sensitivity.

The Group banking covenants to HSBC are tested on a quarterly basis on the 31st October, 31st January, 31st April and 31st July. The forecasts referred to above demonstrate that the Group and University will be compliant with its covenants during the assessment period on both base case and downside with mitigation case scenarios.

As noted above and in the Consolidated Statement of Cash flows, there was a net cash inflow of £2.9 million in the year to 31 July 2025 with a net cash inflow from operating activities of £4.7 million. The forecasts for 2025/2026 show a continuation of a recovery in both the Group and University cash positions with an expected net cash inflow of £3.9 million. During 2025/2026, the Group and University intend to utilise the revolving facility

referred to above with HSBC to manage its monthly cashflow. The overdraft facility with Barclays utilised during the year to July 2025 expired on the 31st May 2025 and was not renewed

The Group cash reserves position and external funding structure are available and sufficient, even under plausible downside scenarios, to allow all Group and University liabilities to be met as they fall due for a period of 12 months from the date of signing the financial statements.

The applied downside scenarios consider a reduction in tuition fee income, increases in operating expenditure and an overspend in capital expenditure. Whilst being plausible to the University, the performance in the year to the date of signing the accounts suggests the potential downsides are unlikely. The testing to the downside scenarios give further confidence in the ability of the Group and the University to manage any uncertainty arising in the 12 months from the date of signing these financial statements.

The output of the forecasts demonstrate that the University has sufficient cash generation in the 12 months from the date of signing the accounts to meet its liabilities, and also that all banking covenants will be met in the same period. The accounts are produced on a going concern basis to reflect the points covered above.

Joint Report on Financial Year

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 1&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;
- 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.

In addition, the University will:

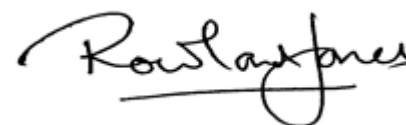
- Develop people centred model of service delivery that reduces the need to travel for staff, students and visitors that promotes low emission travel, active travel and encourages a greater use of public transport, reducing car commutes and business travel;
- Apply the principles of a circular economy 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 Leadership Team 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 Chief Operating Officer 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, Resources and
Performance Committee)



Gavin Bessant
(Director of Financial Services)

Public Benefit Statement

The University is a registered charity, and its charity number is 1149535.

Our Mission of Transforming Education; Transforming Lives derives from our Royal Charter’s Objects to ‘to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit’.

These Objects constitute the University’s charitable purposes for the public benefit.

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.

Academic Success

Education for the public good is at the heart of the University’s values. We are committed to the principles of equality and diversity and to building strong communities on all sites and within our partners’ academic communities. We are committed to create an inclusive, supportive learning and working environment in which all staff, students and learners can flourish and fulfil their personal potential. UWTSd Students are not a single group, they include – but are not limited to - mature students, disabled students, minority ethnic students, international students, LGBTQ+ students and students from further

underrepresented groups in higher education. Our students enter with a wide range of prior qualifications and experiences which enhance our University community. Understanding the barriers facing these different students, and the impact of intersections between different characteristics, will be crucial to the success of this strategy. We also recognise that the barriers faced by various groups of students are not mutually exclusive and through its mission the University aims to work to reduce these barriers to enable student success.

Scholarship and Research

Our research and engagement create impact in the public realm, improving equality, diversity and inclusion. Our research activity is critical to the delivery of the University’s

mission and public purpose, and the Research and Innovation Strategy seeks to ensure that all research areas should make a positive contribution to the communities we serve.

Welsh Medium

Our commitment to Welsh medium learning, including supporting second language learning and Welsh cultures is underpinned by the University’s Welsh Language Strategy. The Strategy contains firm commitment to ensuring opportunities to learn and study through the medium of Welsh in line with the

Welsh Government’s Cymraeg 2050: A million Welsh Speakers Strategy. Compliance with Welsh Language Standards also ensures that the University provides a supportive environment and ethos for individuals learning the language or studying through the medium of Welsh.



The background of the slide features a faded, grayscale photograph of a group of people in a professional setting. In the upper half, two men are visible, one looking towards the camera and the other slightly to the side. Below them, a woman is seen from the chest up, looking down at a laptop or tablet. The lower half of the image shows a person's hands and arms, possibly working on a desk with various items like a coffee cup and papers. The overall tone is professional and collaborative.

Statement of Corporate Governance

Governance Overview

In accordance with the University’s Supplemental 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 Primary Responsibilities are set out in the University’s Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and 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. Staff and student Council members are members of all standing committees with the exception of the Audit and Risk Committee. Senior officers of the University attend meetings as necessary.

A register of interests is maintained and presented annually for all members of Council and the standing committees along with senior officers of the University and its subsidiary companies. A Code of Practice for Council Members provides information on the procedures to be followed should a conflict of interest or loyalty arise.

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 and quality assurance; the University’s strategy for developing and promoting Welsh medium and bilingual education; and reports from Coleg Sir Gâr on learners and standards. The Committee considered Senate’s Annual Report to the University Council and the assurances it provided on the maintenance of quality and standards following its presentation to the full Council in November 2024.

Areas of particular focus during the year included the University’s wide-ranging curriculum review and collaborative partnerships. The Committee also considered monitoring reports on strategies in a range of areas, including learning and teaching, student mental health and wellbeing, Welsh language and widening participation.

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 and risk 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 Internal and External Auditors are present at each meeting.

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 for the University and its subsidiary companies prior to their submission to Council; the corporate risk register and assurance map; a twice-yearly transparency report on a range of matters including procurement and freedom of information; an annual report on whistleblowing; the performance of the internal and external auditors and arrangements for audit service tendering in 2025/26; and reports from the Coleg Sir Gâr Audit and Risk Management Committee.

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.

Group Scrutiny Committee

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University, focusing in particular on strategies pertaining to the relationship between the University and Coleg Sir Gâr.

In the light of wider strategic discussions about the Group, the Committee 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 the recruitment strategy for new independent governors; the biennial review of the internal Code of Practice for Council Members; governance reports from Coleg Sir Gâr; reports on complaints; and nominations for honorary awards.

Key areas of work in 2024/25 included 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. Two new independent governors were selected and recommended for appointment to Council by a panel of the Committee.

The membership was as follows (with attendance (%) provided in brackets): Dr Liz Siberry (Chair; 100%); Maria Dinu (100%); Emlyn Dole (100%) 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. It considered a range of issues within the scope of its remit, including annual salary reviews for the staff within its remit with accompanying relevant supporting information; and the University’s annual Pay Policy statement.

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 which can be viewed through the following link [Strategies and Policies | University of Wales Trinity Saint David](#)

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 strategic developments; assessments of performance in relation to the Annual Plan and the Strategic Plan, the institutional Key Performance Indicators, and the targets of Fee and Access Plans; reports on student recruitment and retention; financial performance against forecasts and budgets and institutional sustainability; pensions; financial reports from the Students’ Union; human resources matters including approval of the annual pay award and reports from the Joint Consultative Committee; and reports relating to finance and resources from Coleg Sir Gâr.

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%); Emlyn Schiavone (75%); Katrin Shaw (100%).

Senate

In addition, the Senate, 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.

Senior Leadership Team

At executive level, the Senior Leadership Team meets on a regular basis in an advisory role to support the Vice-Chancellor in formulating proposals for the strategic direction of the University. 21 meetings were held in 2024/25. A wide range of topics are discussed at the meetings – both strategic and operational.

In 2024/25 the Senior Leadership Team membership included: the Vice-Chancellor, the Chief Operating Officer, the Pro Vice-Chancellors, the Deans, the Executive Director of Human Resources, the Director of Financial Services, the University Secretary and the Chief of Staff.

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 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 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 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 Group 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.

A key focus for the Council following the Camm Review has been the articulation, consolidation and enhancement of arrangements for governor induction and development. Formal and comprehensive induction arrangements, including a 'buddy' scheme for new independent governors, have been established, and a development and retention plan has been implemented, setting out the opportunities (both mandatory and optional) that are provided for all governors. Record-keeping has been formalised, as has the approach to appraisal.

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, and the annual Terms and Conditions of Funding issued by Medr (formerly HEFCW).

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. UWTS

Group and corporate-wide University risk registers, which rate the likelihood and impact of identified risks, are maintained and regularly reviewed by the Senior Leadership Team. Departmental risk registers are developed and reviewed at local level, with risks escalated to the corporate risk register as appropriate. 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 Group 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 University's Internal Auditors, Forvis Mazars, produce an annual report covering the specific audit areas reviewed in the year alongside an overall assessment rating for the year. The report for 2025/26 covered 9 specific audits, concluding that overall the University's framework of governance, risk management and control is moderate in its overall adequacy and effectiveness.

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. No instances of actual or suspected fraud were encountered during the audit work carried out in the internal audit cycle.

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.

A comprehensive risk register is maintained by the University with specific risks allocated to the appropriate senior managers and departmental heads. It is the responsibility of these risk owners to identify and implement mitigating actions to protect the University.

Risks are allocated an initial 'score' based on likelihood of occurrence and impact on the University with updates at each relevant committee and Council meeting detailing progress towards mitigating actions/ new actions identified and an updated risk score post mitigation.

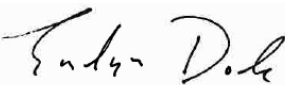
A full update to the register is presented to each meeting of the Audit and Risk Committee.

Conclusion

The Higher Education sector is one of continually evolving challenges and is not immune to the inflationary pressures that have, and continue to, impact the UK economy. The challenges facing the sector will continue throughout any reasonably forecastable period.

As a response the University continues to strengthen its core operations and deliver a divergence in products and markets.

Cost management remains a key focus for the University and the activity that has been taken in previous years has provided a sound base from which the University can react to the challenges that it will face in future periods and deliver a sustainable operating position to meet future challenges.



Emlyn Dole
Chair of University Council

Statement of Council's Responsibilities

In Respect of The Annual Report and The 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 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.

The Council 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 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 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 Auditor's Report

Declaration of information to auditor

In so far 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*

Independent Auditor's Report

Opinion

We have audited the financial statements of University of Wales Trinity Saint David (“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 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 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.

Independent Auditor’s Report

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 containing specific key words, 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, 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

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 Auditor’s Report

Other Information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work,

the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion the information given on pages 8 to 26 (which constitutes the Trustees’ Annual Report for the financial year) is inconsistent in any material respect with the financial statements. We have nothing to report in these respects.

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’s responsibilities

As explained more fully in its statement set out on page 33, 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.

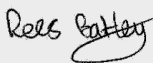
In our opinion, in all material respects:

- 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

28 November 2025



Statement of Accounting Policies

Administrative Details

Charity Number	1149535
Company Number	RC000537
Principal Office	Carmarthen Campus, College Road, Carmarthen, SA31 3EP

Professional Advisors

External Auditor	KPMG LLP	66 Queen Square, Bristol, BS1 4BE
Internal Auditor	Forvis Mazars LLP	90 Victoria Square, Bristol, BS1 6DP
Bankers	Barclays Bank Plc HSBC Plc Natwest Bank Plc	

The consolidated financial statements of University of Wales: Trinity Saint David consolidate the following entities:

University of Wales: Trinity Saint David
Trinity University College Limited
Trinity College Carmarthen
Eclectica Drindod Limited
UWTSD Investments Limited
Y Ganolfan Dysgu Cymraeg Genedlaethol
Coleg Sir Gâr
Coleg Ceredigion
Mentrau Creadigol Cymru
UW Centre for Advance Batch Manufacture Limited
OSTC Trinity St David LLP (Joint Venture)
UWTSD Innovation Centres Limited
Swansea Business School Limited (Dormant)
UWTSD Innovation Centres Ltd (Dormant)
Welsh American Academy Enterprises Ltd (Dormant)
The International Foundation for Interfaith and Intercultural Dialogue (Dormant)

During the year Tidal Lagoon Academy Ltd and The Trinity St David Trust were dissolved

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, 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 37.

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.

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2025, which include Coleg Sir Gâr and Coleg Ceredigion. Intra entity transactions are eliminated fully on consolidation.

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

Associated companies and joint ventures are accounted for using the equity method.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosure required by FRS102.11 Basic Financial Instruments and FRS102.12. Other Financial Instrument issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

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 Joint Financial Statement. 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 University and Council believe to be appropriate for the following reasons.

For the year to July 2025, the Group's income, excluding one off capital grants, grew by £7 million despite a reduction in Capital Grants of £8.1 million. University income excluding this capital grant reduction grew by £4m with the University income of £132.0 million (Group £209.8 million considered to be repeatable).

June 2024 saw the first intake of students in the University's new campus in London, providing the base for tuition fee growth in the year. Further expansion work in the year provides additional income opportunities for 2025/2026 and beyond. The University is working with its partners to increase the level of International students within its student population and will benefit from an increase in the level of home undergraduate tuition fees from September 2025.

As noted on page 17 in the Joint Financial review, the University has taken proactive decisions over the past 3 years in ensuring its operating model was robust in the challenging HE environment and ensure its long-term sustainability. The core features of managements focus remain consistent through the current year as the business plan is implemented:

- reviewing the academic portfolio to ensure that our offer is attractive, well-designed, appropriately structured and geographically located to provide the best opportunities for student recruitment, experience and outcomes;
- enhancing our marketing and increase our share of existing and developing markets with an offer to attract more students to our Welsh campuses and grow international activity.
- defining organisation structures of appropriate shape, size and geographical distribution to effectively deliver and run the University.
- optimising our campus infrastructure and footprint to support a sustainable efficient estate that is fit for purpose to deliver our educational and organisational requirements and respond to changing demands on usage.
- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from Medr and Welsh Government; and
- responding to the changing political context of Higher Education in Wales;

In addressing the deficit position at July 2023, the University has made a number of difficult decisions across all areas of operations. The output of these decisions have fed into the improved performance of the University and Group in both the prior and the current year, and will provide longer term stability for the Group and University's income generation potential. The impact of these decisions, along with the operational improvements being applied during the current year, result in a budget for 2025/2026 with an increase in tuition fee income, an increase in operating surplus and cash generation of £3.9 million in the University. At the date of signing the accounts, both the Group and University remain confident that their budgets will be delivered in the financial year.

The Group cash reserves position and external funding structure are available and sufficient, even under plausible downside scenarios, to allow all Group and University liabilities to be met as they fall due for a period of 12 months from the date of signing the financial statements.

The applied downside scenarios consider a reduction in tuition fee income, increases in operating expenditure and an overspend in capital expenditure. Whilst being plausible to the University, the performance in the year to the date of signing the accounts suggests the potential downsides are unlikely. The testing to the downside scenarios give further confidence in the ability of the Group and the University to manage any uncertainty arising in the 12 months from the date of signing these financial statements.

The forecasts are made with an underlying assumption of continued support from its bankers in the provision of its term loan facility. On 31 July 2025, the University completed on a Revolving Credit Facility with HSBC that will provide the financial support for its operational and investment activity over its 5-year term. As part of the facility completion the existing term loan facility period was aligned to the RCF with both facilities expiring in July 2034. As part of the renewal, the University agreed updated covenants and is forecasting to achieve the revised covenant obligations throughout the going concern period, even when considering the stress testing and sensitivity.

The Group banking covenants to HSBC are tested on a quarterly basis on the 31st October, 31st January, 31st April and 31st July with the first testing period 31st January 2026. The forecasts referred to above demonstrate that the Group and University will be compliant with its covenants during the assessment period on both base case and downside with mitigation case scenarios.

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

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.

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

Income from accommodation provision is credited to the Consolidated and University Statements of Comprehensive Income over the contracted length of the accommodation. Accommodation contracts are issued on a yearly basis. Bonds held on accommodation are held on the Consolidated and University Balance Sheets and repaid to students at the end of each academic year provided the terms of the accommodation contract have been upheld. Any bond retained by the University is credited to the Consolidated and University Statements of Comprehensive Income at the end of the accommodation period as an income item.

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

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

Grant Funding

Government 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.

Income received in advance of performance-related conditions is deferred within creditors in the Statement of Financial Performance and released to the Statement of Comprehensive Income in line with such conditions being met.

Commercial research contracts are accounted for in line with the policy for income from the sale of goods or services (exchange transactions) above. Other grants and donations received from non-government sources including research grants from non-government sources are recognised within the Statement of Comprehensive Income when the University is entitled to the income and the performance-related conditions have been met.

Income received in advance of performance-related conditions is deferred within creditors in the Statement of Financial Performance and released to the Statement of Comprehensive Income in line with such conditions being 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 four main types of donations and endowments within reserves:

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

Capital Grants

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

Accounting for retirement benefits

There are five principal pension schemes for the University's staff, one of these schemes the Universities Superannuation Scheme (USS), is open to new members. The other four, Teachers' Pension; two local authority schemes (Swansea and Dyfed) and the University of Wales Lampeter Pension and Assurance Scheme are closed to new members from the University. The local authority schemes for Coleg Sir Gâr and Coleg Ceredigion remain open to new member. The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

The USS and Teachers' Pension schemes are 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.

Multi- Employer Schemes

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

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.

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.

Finance Leases

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

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

Operating Leases

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

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.

STATEMENT OF ACCOUNTING POLICIES

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 2019 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 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 as follows:

Academic buildings	50 years
Residences	30 years
Laboratories and lecture theatres	30 years
Refurbishments	20 years

A full year’s depreciation is charged in the year of acquisition.
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	3 years or across the length of its lease if different
Equipment acquired for specific research projects	3 years
Other equipment	3 years
Motor vehicles	4 years

A full year’s depreciation is charged in the year of acquisition
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.

Heritage Assets

Works of art and other valuable artefacts valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.
Works of Art are included at costs incurred from 1 April 1981 or subsequent revaluation. The latest valuation of heritage assets was at 31 July 2014, which was carried out for insurance purposes. This valuation indicated that the value had increased, however no gain was recognised for accounting purposes.

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

Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated and University Statements of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

The review of the fair value of the investment properties is undertaken by Savills.

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.

Stock

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

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.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a 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.

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.

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.

Several of the University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

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.

Accounting estimates and judgements – key sources of estimation uncertainty

In preparing the financial statements management have exercised judgment in the following areas:

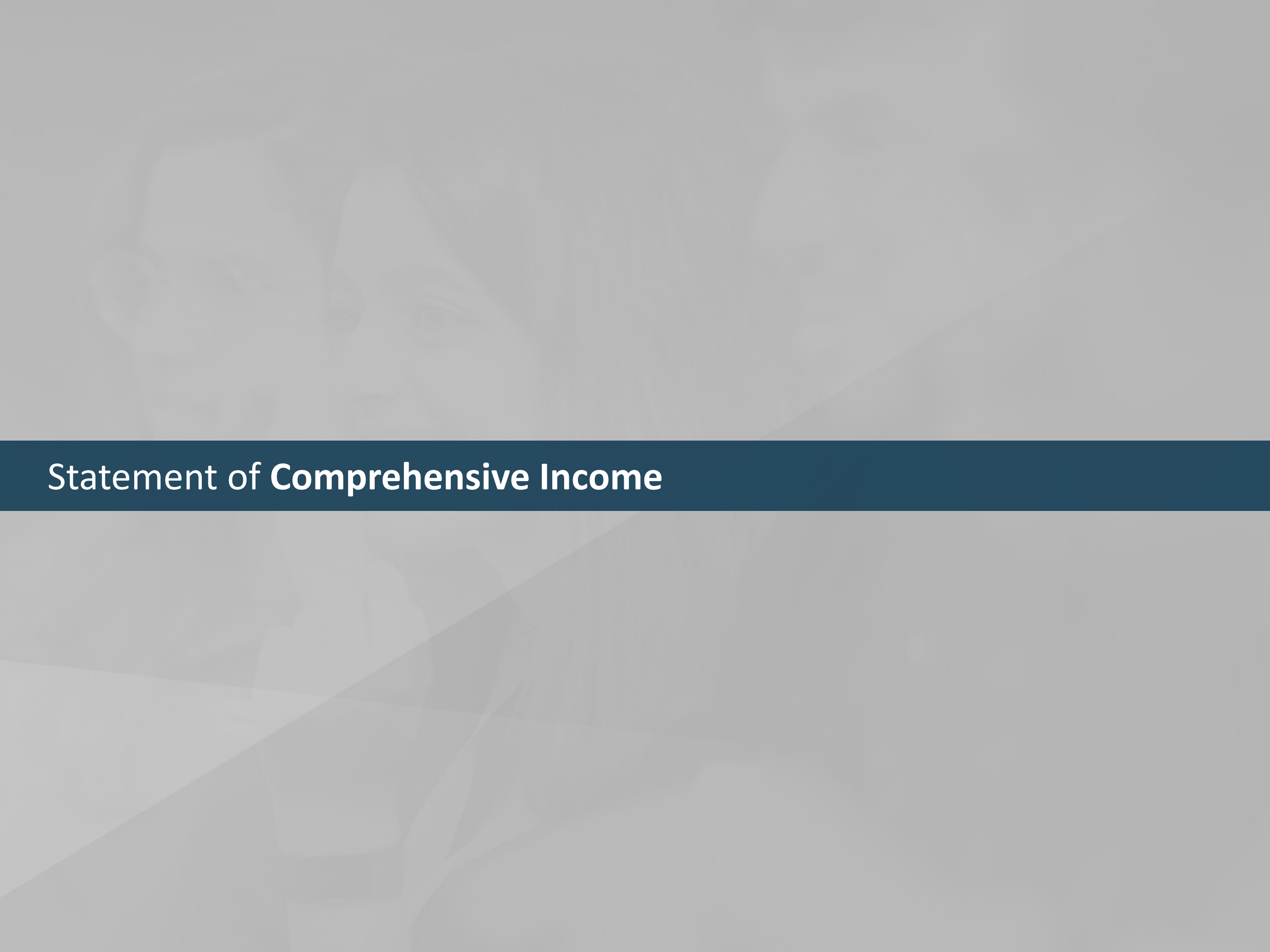
- **Defined benefit pension scheme assumptions**

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.

- **USS pension scheme assumptions**

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

Following the 2023 valuation the University has no deficit liability with USS and does not make any deficit contributions to the scheme.

The background of the slide features a faded, grayscale image of a person with dark hair, seen from the chest up, looking intently at a laptop screen. The image is semi-transparent, allowing the dark blue title bar to stand out.

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 July 2025

Year ended 31 July 2024

	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	2	109,269	104,990	100,735	95,932
Funding body grants	3	64,673	8,988	57,928	8,570
Research grants and contracts	4	1,734	1,734	2,429	2,429
Other income	5	32,771	15,706	39,533	27,342
Investment income	6	1,330	619	2,076	1,279
Total Income		209,777	132,037	202,701	135,552
Expenditure					
Staff costs	7	106,205	72,289	102,477	71,353
Movement on USS Provision	7	-	-	(32,925)	(32,925)
Other operating expenses	9	89,145	48,458	87,504	52,653
Depreciation and impairments	11	10,990	8,048	12,493	9,213
Interest and other finance costs	8	1,742	2,309	2,556	3,011
Total expenditure		208,082	131,104	172,105	103,305
Surplus/(deficit) before other gains losses and share of operating surplus/ (deficit) of joint ventures and associates.		1,695	933	30,596	32,247
Gain on disposal of fixed assets		(33)	(7)	1,408	1,403
Decrease in fair value of Investment properties	13	(3,833)	(3,723)	(655)	(565)
Gain/(Loss) on investments		8	(4)	(758)	(746)
		(2,163)	(2,801)	30,591	32,339
Taxation	10	1	-	(4)	-
Surplus/(deficit) for the year		(2,162)	(2,801)	30,587	32,339
Actuarial gain/(loss) in respect of pension schemes	27	(3,288)	(1,925)	(2,679)	(1,915)
Total comprehensive income for the year		(5,450)	(4,726)	27,908	30,424
Represented by:					
Endowment comprehensive income for the year	22	2	6	15	19
Unrestricted comprehensive income for the year		(5,452)	(4,732)	27,893	30,405
Surplus for the year attributable to					
University		(2,060)	(2,801)	30,684	32,339
Non-controlling interest		(102)	-	(97)	-
		(2,162)	(2,801)	30,587	32,339
Total comprehensive income for the year attributable to					
University		(5,348)	(4,726)	28,005	30,424
Non-controlling interest		(102)	-	(97)	-
		(5,450)	(4,726)	27,908	30,424

All items of income and expenditure relate to continuing activities

The accompanying policies on pages notes 38 – 45 and notes on pages 52 to 82 form part of these financial statements.

The background of the slide features a grayscale photograph of a woman with long dark hair, seen from the side, looking at a laptop screen. A solid dark blue horizontal bar is positioned across the middle of the image, containing the title text in white.

Statement of Changes in Reserves

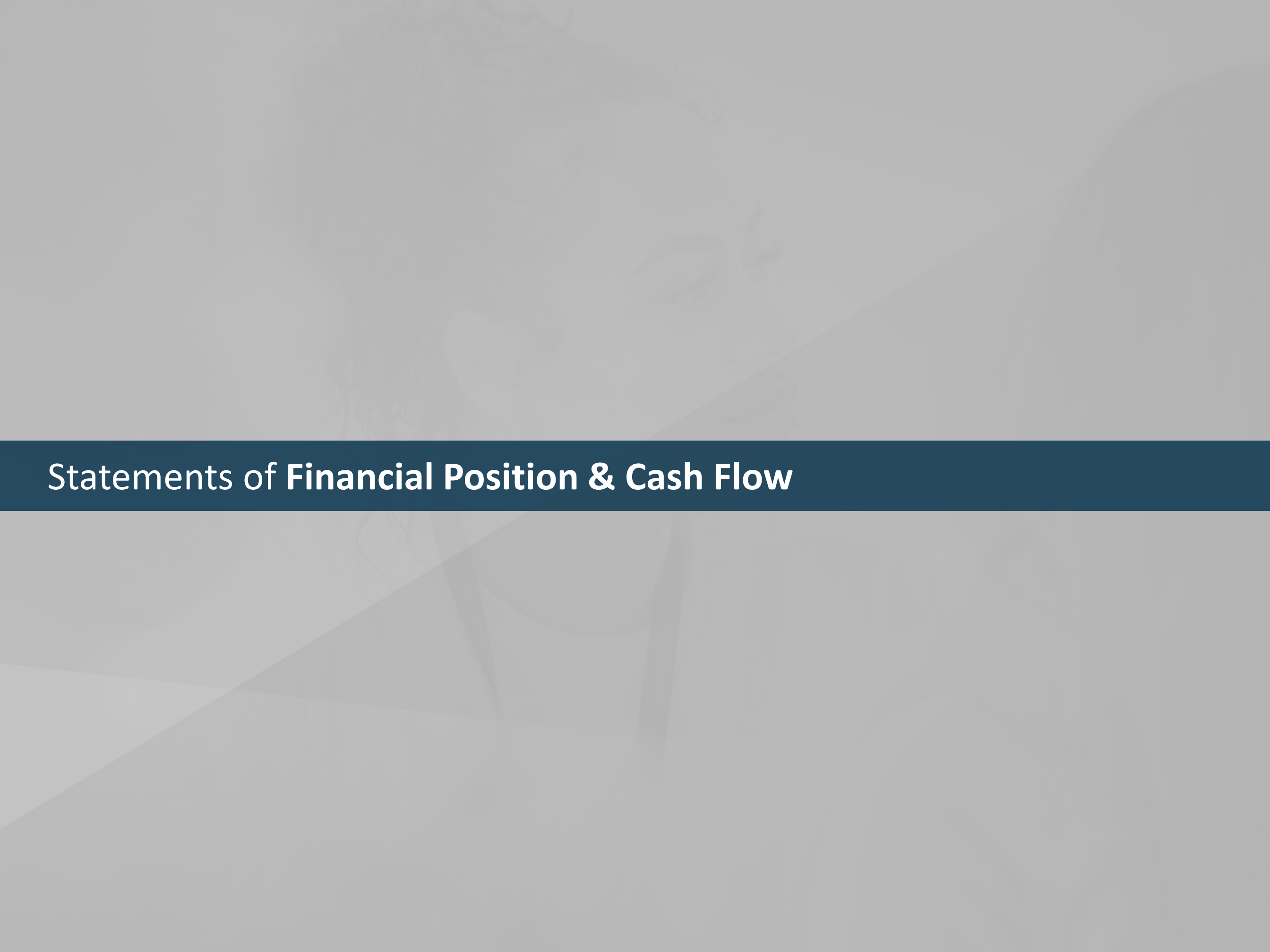
STATEMENT OF CHANGES IN RESERVES

Consolidated

	Endowment	Unrestricted	Revaluation Reserve	Total Excluding Non- Controlling Interest	Non- Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2023	10,120	80,806	23,967	114,893	(871)	114,022
Surplus/(deficit) from the income and expenditure statement	15	30,669	-	30,684	(97)	30,587
Other comprehensive income		(2,679)	-	(2,679)	-	(2,679)
Total comprehensive income for the year	15	27,990	-	28,005	(97)	27,908
Balance at 31 July and 1 August 2024	10,135	108,796	23,967	142,898	(968)	141,930
Surplus/(deficit) from the income and expenditure statement	2	(2,062)	-	(2,060)	(102)	(2,162)
Other comprehensive income	-	(3,288)	-	(3,288)	-	(3,288)
Total comprehensive income for the year	2	(5,350)	-	(5,348)	(102)	(5,450)
Balance at 31 July 2025	10,137	103,446	23,967	137,550	(1,070)	136,480

University

	Endowment	Unrestricted	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2023	9,664	32,615	14,454	56,733
Surplus/(deficit) from the income and expenditure statement	19	32,320	-	32,339
Other comprehensive income		(1,915)	-	(1,915)
Total comprehensive income for the year	19	30,405	-	30,424
Balance at 31 July and 1 August 2023	9,683	63,020	14,454	87,157
Surplus/(deficit) from the income and expenditure statement	6	(2,807)	-	(2,801)
Other comprehensive income	-	(1,925)	-	(1,925)
Total comprehensive income for the year	6	(4,732)	-	(4,726)
Balance at 1 August 2024	9,689	58,288	14,454	82,431

A faint, grayscale background image of a person's face, likely a woman, looking slightly to the side. The image is semi-transparent and serves as a backdrop for the text.

Statements of Financial Position & Cash Flow

STATEMENT OF FINANCIAL POSITION & CASH FLOW

Statement of Financial Position

		As at 31 July 2025		As at 31 July 2024	
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Non-current assets					
Tangible Fixed assets	11	166,008	123,656	165,346	122,361
Heritage assets	12	6,241	6,205	6,241	6,205
Investment properties	13	5,160	4,585	10,197	9,512
Investments	14	805	-	754	-
		178,214	134,446	182,538	138,078
Current assets					
Assets held for sale	11	-	-	-	-
Stock	16	914	392	594	393
Trade and other receivables	17	38,770	45,451	34,039	41,099
Investments	18	356	339	1,641	1,625
Cash and cash equivalents		17,835	2,064	20,394	2,033
		57,875	48,246	56,668	45,150
Less: Creditors: amounts falling due within one year	19	(69,872)	(72,158)	(66,885)	(66,772)
Net current assets/(liabilities)		(11,997)	(23,912)	(10,217)	(21,622)
Total assets less current liabilities					
		166,217	110,534	172,321	116,456
Creditors: amounts falling due after more than one year	20	(28,216)	(27,795)	(29,155)	(28,834)
Provisions					
Pension provisions	27	(547)	(46)	-	-
Other provisions	21	(974)	(262)	(1,236)	(465)
Net assets		136,480	82,431	141,930	87,157
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	10,137	9,689	10,135	9,683
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		103,446	58,288	108,796	63,020
Revaluation reserve		23,967	14,454	23,967	14,454
		137,550	82,431	142,898	87,157
Non-controlling interest	25	(1,070)	-	(968)	-
Total Reserves		136,480	82,431	141,930	87,157

The accompanying policies on pages notes 38 – 45 and notes on pages 52 to 82 form part of these financial statements.

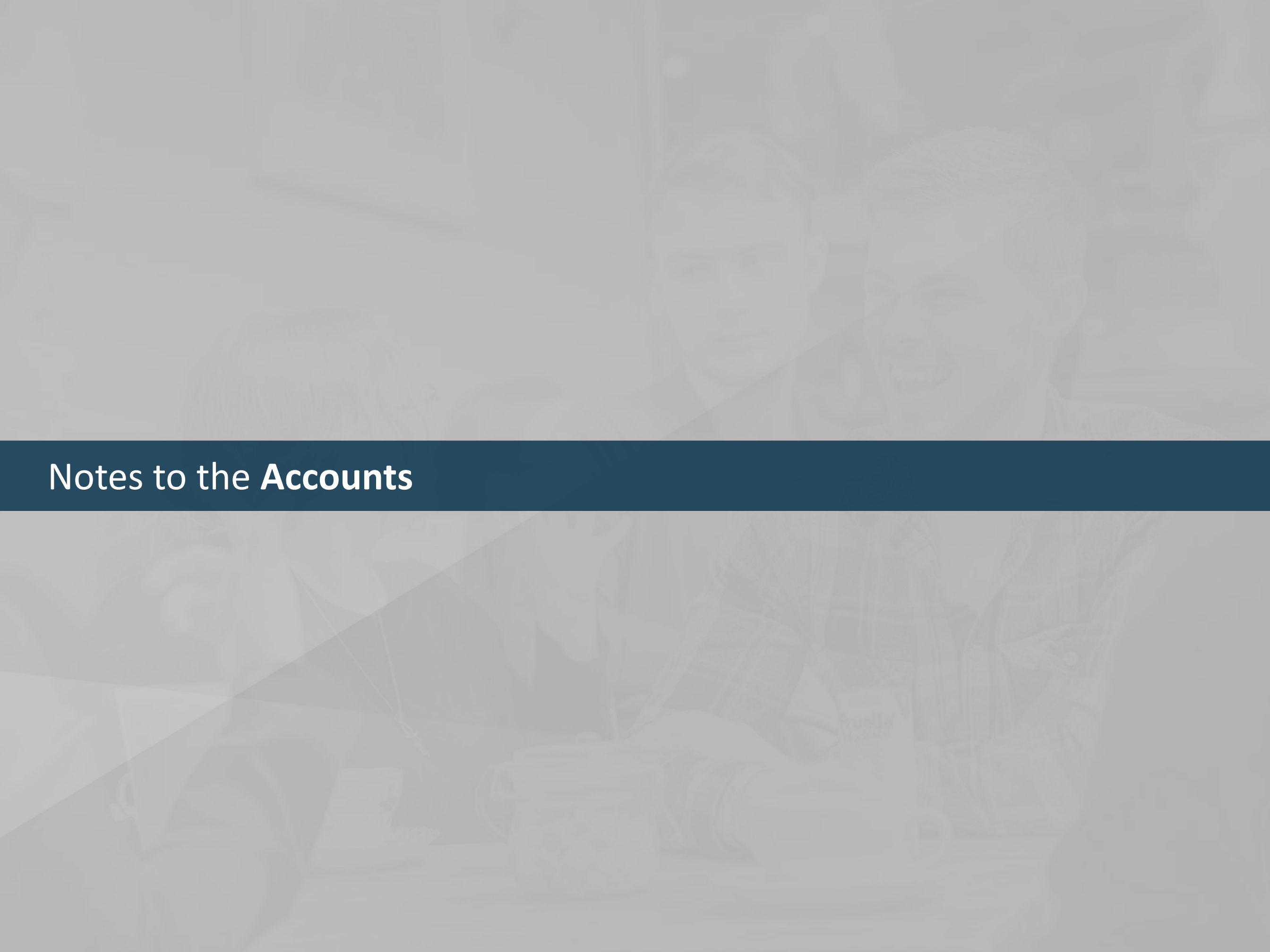
The financial statements were approved by the Governing Body on 26 November 2025 and were signed on its behalf on that date by:

Emlyn Dole
Chair

Prof Elwen Evans KC
Vice-Chancellor

Statement of Cash Flow

	Notes	Year ended 31 July 2025	Year ended 31 July 2024
		£'000	£'000
Cash flow from operating activities			
Deficit for the year		(2,164)	30,587
Adjustment for non-cash items			
Depreciation and impairments	11	10,990	12,493
(Gain)/Loss in market value of investments		11	(15)
(Gain)/Loss in investment properties	13	3,833	655
Loss in revaluation of livestock	11	-	-
Decrease/(increase) in stock	16	(320)	(25)
Decrease/(increase) in debtors	17	(4,730)	3,168
Increase/(decrease) in creditors	19	1,575	(4,499)
Increase/(decrease) in other provisions	21	(262)	(690)
Increase/(decrease) in pension provision	27	(2,741)	(35,905)
Adjustment for investing or financing activities			
Investment income	6	(1,329)	(2,076)
Interest payable	8	2,629	2,156
Endowment income		-	-
Profit on the sale of fixed assets		33	(1,408)
Capital grant income	5	(2,868)	(8,068)
Cashflows from operating activities			
Taxation		1	-
Net cash inflow/(outflow) from operating activities		4,658	(3,627)
Cash flows from investing activities			
Proceeds from sales of tangible assets		1	2,684
Capital Grant Receipts		2,868	-
Non-current investment disposal		1,274	4,353
Withdrawal of deposits		-	-
Investment income		1,329	2,076
Payments made to acquire tangible assets	11	(9,750)	(24,817)
Reversal of prior impairment	11	-	(2,628)
Payments made to acquire investment properties	13	(244)	(2,906)
		(4,522)	(21,238)
Cash flows from financing activities			
Interest paid		(2,738)	(2,124)
Interest element of finance lease and service concession payments		(116)	(77)
New endowments		-	-
Endowment payments		-	-
Revolving credit drawdown		7,000	-
New unsecured loan		1,340	-
New secured loans (finance Leases)		58	-
Repayments of amounts borrowed		(2,000)	(2,000)
Capital element of finance lease and service concession payments		(782)	(823)
		2,762	(5,024)
Increase/(decrease) in cash and cash equivalents in the year		2,897	(29,888)
Cash and cash equivalents at beginning of the year		14,938	44,826
Cash and cash equivalents at end of the year		17,835	14,938

The background of the slide is a faded, light gray image. The top half shows a group of people, including two men in the foreground who are smiling. The bottom half shows a person's hands working on a laptop, with a mug and some papers on the desk. The overall tone is professional and collaborative.

Notes to the Accounts

NOTES TO THE ACCOUNTS

2. Tuition fees and education contracts

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	90,842	87,530	82,160	78,606
Full-time international students	10,887	10,887	9,652	9,652
Part-time students	6,291	6,573	7,674	7,674
Education contracts	1,249	-	1,249	-
	109,269	104,990	100,735	95,932

3. Funding body grants

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant				
- Medr Teaching grants	2,495	2,495	3,339	3,339
- Medr Research grants	2,820	2,820	3,441	3,441
- Welsh Government	53,950	-	47,518	-
Specific grants				
- Medr Student wellbeing grants	364	364	492	492
- Medr Capital grants	2,868	2,868	952	952
- Medr Other grants	441	441	346	346
- Welsh Government grants	1,735	-	1,840	-
	64,673	8,988	57,928	8,570

4. Research grants and contracts

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research councils	19	19	11	11
Research charities	23	23	23	23
Other	1,692	1,692	2,395	2,395
	1,734	1,734	2,429	2,429

5. Other income

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	5,514	4,103	4,945	3,607
Other revenue grants	11,533	3,459	11,536	6,038
Other capital grants	-	-	8,068	8,068
Other income generating activities	8,475	6,003	9,535	6,715
Other income	7,249	2,141	5,449	2,914
	32,771	15,706	39,533	27,342

6. Investment income

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment income on endowments	615	615	1,217	1,217
Other investment income	715	4	859	62
Increase in fair value of derivative	-	-	-	-
	1,330	619	2,076	1,279

NOTES TO THE ACCOUNTS

7. Staff costs

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Salaries	81,719	55,183	79,916	55,852
Social security costs	8,487	5,733	7,870	5,750
Movement on USS provision	-	-	(32,925)	(32,925)
Other pension costs	14,178	9,599	14,232	9,348
Restructuring Costs	1,821	1,774	459	403
	106,205	72,289	69,552	38,428

The pay award negotiated by UCEA, applicable from August 2024 was for an average of 2.5% for staff on the national pay spine. The pay award provided an uplift of 5.7% for staff on the lowest spine points and 2.5% for staff on or above spine point 38. The pay award was deferred and enacted from June 2025.

	Year ended 31 July 2025	Year ended 31 July 2024		
	Total	Prof Medwin Hughes	Prof Elwen Evans KC	Total
	£'000	£'000	£'000	£'000
Emoluments of the Vice-Chancellor				
- Salary	262	44	239	283
Pension contributions to USS	38	5	41	46
	300	49	280	329

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.

	Year ended 31 July 2025	Year ended 31 July 2024
	£'000	£'000
Key management personnel remuneration	1,863	2,347
	No.	No.
Key management personnel	11	16

This does not include the cost of key management that are employed by the University of Wales, but working across both institutions. These costs totalling £55k (2020: £55k) are included in other operating expenses as they are recharged by invoice from the University of Wales.

Remuneration of other higher paid staff, excluding employer's pension contributions (subject to the relevant Medr accounts direction) all shown before any salary sacrifice:

	Year ended 31 July 2025	Year ended 31 July 2024
	No.	No.
£100,000 to £104,999	2	2
£105,000 to £109,999	2	1
£110,000 to £114,999	2	-
£115,000 to £119,999	2	1
£120,000 to £124,999	2	2
£125,000 to £129,999	1	1
£130,000 to £134,999	-	-
£135,000 to £139,999	-	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	-
£150,000 to £154,999	1	-
£155,000 to £159,999	-	-
£160,000 to £164,999	-	2
£165,000 to £169,999	2	-
£170,000 to £174,999	-	-
£175,000 to £179,999	-	2
£180,000 to £184,999	2	-
£185,000 to £189,999	-	-
£190,000 to £194,999	-	-
£195,000 to £199,999	-	-
£200,000 to £204,999	-	1
£205,000 to £209,999	-	-
£210,000 to £214,999	-	-
£215,000 to £219,999	-	-
£220,000 to £224,999	-	-
£225,000 to £229,999	-	-
£230,000 to £234,999	-	-
£235,000 to £239,999	-	-
£240,000 to £244,999	-	-
£245,000 to £249,999	-	-
£250,000 to £254,999	-	-
£255,000 to £259,999	-	-
£260,000 to £264,999	1	-
	17	12

NOTES TO THE ACCOUNTS

In addition to this as a Real Living Wage employer, the University enacted the increase to the National Living Wage, including where applicable the London weighting. Where eligible, staff were awarded progression pay increases in the usual manner.

	Year ended 31 July 2025	Year ended 31 July 2024
Average staff numbers by:	No.	No.
- Academic departments	887	868
- Non-academic departments	1,233	1,241
	2,120	2,109

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.

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 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Paid to employees on termination of employment	1,821	1,774	459	403

Compensation was paid to a total of 2 higher paid staff in the year (2024: 4) at a total of 155k (2024: £373). This included compensation for loss of office and PILON. The pay banding disclosure includes employees where this applies. At 31 July 2024 the number of employees with remuneration greater than £100,000 is 15 (31 July 2024: 9).

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 5.

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 (2024: £nil).

The total expenses paid to or on behalf of 23 council members was £12K (2024: £12K to 23 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

NOTES TO THE ACCOUNTS

Vice-Chancellor Remuneration Statement

The ratio of the annual salary of the Vice-Chancellor compared to the median average of the University is 6.29:1. The ratio of the total remuneration of the new Vice-Chancellor compared to the median average of the University is 6.16:1.

The Remuneration Committee noted the Vice-Chancellor's current salary in relation to the average in the Medr 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 UWTSD, this 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.

NOTES TO THE ACCOUNTS

8. Interest and other finance costs

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Finance leases	116	54	77	36
Loan interest	2,262	2,261	2,124	2,124
Net charge on pension schemes	(1,004)	(374)	(58)	438
Other	368	368	413	413
	1,742	2,309	2,556	3,011

9. Analysis of other operating expenses by activity

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and related expenditure	42,206	29,268	45,893	27,896
Administration and central services	22,773	10,122	22,296	14,284
Premises	14,333	6,009	10,031	6,953
Residences, catering and conferences	1,927	690	1,922	866
Other expenses	7,906	2,369	7,362	2,654
	89,145	48,458	87,504	52,653

Other operating expenses include:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
External auditor's remuneration in respect of audit services:				
- These financial statements	135	135	122	122
- Other group financial statements	126	-	116	-
External auditor's remuneration in respect of non-audit services:				
- Audit related assurance services	32	32	29	23
- Tax compliance services			-	-
- Tax advisory services	12		12	-

10. Taxation

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recognised in the statement of comprehensive income				
Current tax expense	(3)	-	(9)	-
Prior year adjustment	4	-	5	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Reduction in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	1	-	(4)	-

Factors affecting the total tax charge for the current period

The tax assessed for the period relates to Eclectica Drindod Limited, Mentrau Creadigol Cymru , UWTSD Investments and Y Ganolfan Dysgu Cymraeg Genedlaethol and is lower than the standard rate of corporation tax in the UK of 25% (2024: 25%). The differences are explained as follows:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
(Deficit)/Surplus before tax	(2,625)	(2,801)	30,591	32,339
Amounts not subject to tax	1,573	2,801	(32,130)	(32,339)
Taxable Profits	(1,052)	-	(1,539)	-
Tax at 25% (2024: 25%)	(263)	-	(385)	-
Effects of:				
- Disallowable expenditure	260	-	376	-
- Prior year adjustment	4	-	5	-
Total tax charged in the year	1	-	(4)	-

The standard rate of tax applied to reported profit is 25% (2024: 25%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

NOTES TO THE ACCOUNTS

11. Tangible Fixed assets (Consolidated)

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated Cost or valuation							
At 1 August 2024	208,374	97	18,532	41,583	980	500	270,066
Additions in the year	4,625	3,722	-	1,861	-	27	10,235
Transfers	91	(97)	-	6	-	-	-
Transfer from Investment Properties	1,448	-	-	-	-	-	1,448
Disposals	-	-	-	(1,653)	(41)	-	(1,694)
Reversal of prior impairment	-	-	-	-	-	-	-
At 31 July 2025	214,538	3,722	18,532	41,797	939	527	280,055
Accumulated depreciation							
At 1 August 2024	64,919	-	5,485	33,953	364	-	104,721
Charge for the year	5,077	-	365	5,359	188	-	10,989
Disposals	-	-	-	(1,629)	(34)	-	(1,663)
At 31 July 2025	69,996	-	5,850	37,683	518	-	114,047
Net book value							
At 31 July 2025	144,542	3,722	12,682	4,114	421	527	166,008
At 31 July 2024	143,455	97	13,047	7,630	616	500	165,345

Land and buildings owned by Coleg Sir Gâr were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2025 is as follows:

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Valuation in 1998	19,716	-	-	-	-	527	20,243
Cost	194,822	3,722	18,532	41,797	939	-	259,812
	214,538	3,722	18,532	41,797	939	527	280,055

NOTES TO THE ACCOUNTS

11. Tangible Fixed assets (University)

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Motor vehicles £'000	Livestock £'000	Totals £'000
University Cost or valuation							
At 1 August 2024	137,969	97	18,532	22,520	981	-	180,100
Additions in the year	3,175	3,722	-	1,005	-	-	7,902
Transfers	91	(97)	-	6	-	-	-
Transfer from Investment Properties	1,448	-	-	-	-	-	1,448
Disposals	-	-	-	-	(40)	-	(40)
Reversal of prior impairment	-	-	-	-	-	-	-
At 31 July 2025	142,683	3,722	18,532	23,531	941	-	189,409
Accumulated depreciation							
At 1 August 2024	34,295	-	5,486	17,595	363	-	57,739
Charge for the year	3,674	-	365	3,821	188	-	8,048
Disposals	-	-	-	-	(34)	-	(34)
At 31 July 2025	37,969	-	5,851	21,416	517	-	65,753
Net book value							
At 31 July 2025	104,714	3,722	12,681	2,115	424	-	123,656
At 31 July 2024	103,674	97	13,046	4,925	618	-	122,361

12. Heritage assets: Consolidated and University

The heritage assets include a collection of rare manuscripts, tracts, incunabula and printed books. The assets were formally revalued at 31st July 2014 by Bernard Quaritch Ltd, resulting in an increase in value of £250k. The assets have been valued as part of the University’s insurance with no increase in value noted, a formal revaluation for the 2025 accounts has not been deemed necessary on this basis.

The University of Wales Lampeter Pension & Assurance Scheme trustees have a £2m floating charge over the University’s heritage assets.

The University’s heritage assets are hosted in a specialist purpose-built annexe to the library on the Lampeter Campus and are managed by 2 specialist, qualified members of staff. Where the assets require any preservation or conservation work, this is carried out by the National Library of Wales

There have been no acquisitions or disposals of heritage assets within the last five years.

Details of the University’s collection is available on the University’s website
<https://uwtsd.ac.uk/rbla/a-z-list-of-collections/>

NOTES TO THE ACCOUNTS

13. Investment Properties

	Freehold Property	
	Consolidated	University
	£'000	£'000
Balance at 1 August 2024	10,197	9,512
Additions	244	244
Transfer to fixed assets	(1,448)	(1,448)
Revaluation	(3,833)	(3,723)
Balance at 31 July 2025	5,160	4,585

The Investment properties are valued by an independent RICS registered valuer on an annual basis with the latest valuation being dated 31st July 2025. The valuation basis for the investment properties is at fair value as defined under FRS102 with an assumption that the properties selling value is subject to any existing leases. The revaluation amount recognised in 2025 relates to revaluing the investment properties to fair value in line with a valuation prepared by Savilles.

The University has no restriction of use on the income generated from the investment properties and at 31 July 2025 has no contractual obligations for future development or maintenance of the properties.

14. Non-current investments

Non-Current Investments: Consolidated

	Interest in Joint Venture (Note 15)	Other fixed asset investments	Total
	£'000	£'000	£'000
At 1 August 2024	661	236	897
Additions	-	-	-
Disposals	-	-	-
Impairment	-	12	12
At 31 July 2025	661	248	909
Share of post-acquisition reserves			
At 1 August 2024	(143)	-	(143)
Retained profit less losses	39	-	39
At 31 July 2025	(104)	-	(104)
Balance at 31 July 2025	557	248	805
Balance at 31 July 2024	518	236	754

Non-Current Investments: University

	Investment in Subsidiary	Total
	£'000	£'000
At 1 August 2024	-	-
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2025	-	-

NOTES TO THE ACCOUNTS

15. Investment in Joint Venture

One of the University’s subsidiaries, UWTSD Investments Limited, holds a 50% share of OSTC TSD LLP, a limited liability partnership. This is a joint venture owned equally by UWTSD Investments Limited and OSTC, a Commercial Company. The investment in OSTC TSD LLP is partly in share capital (£300,000 (2023: £300,000)) and partly as an unsecured loan, repayable on demand, with an interest rate of 4% over base rate (£510,051 (2024: £471,290)). The increase is way of accrued interest earned in the period of £38,761 (2024: £41,634).

The arrangement is treated as a joint venture and is accounted for using the equity method, such that the investment is initially recorded at cost and is subsequently adjusted to reflect the University’s 50% share of the net profit or loss of the joint venture. The Group’s share of the operating loss of the joint venture within the joint venture’s most recent financial statements (dated 31 December 2024) is £nil (2024: £nil). The Group’s interest in the joint venture is £510,051 (2024: £476,458), consisting of the loan as disclosed above, plus capital investment in its consolidated balance sheet.

16. Stock

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
Finished goods	914	392	583	393
Livestock for resale	-	-	11	-
	914	392	594	393

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

17. Trade and other receivables

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
Amounts falling due within one year:				
- Trade debtors	30,556	30,237	26,474	26,187
- Prepayments and accrued income	8,214	3,985	7,565	3,949
- Amounts due from subsidiary companies	-	11,229	-	10,963
- Derivatives	-	-	-	-
	38,770	45,451	34,039	41,099

The amounts due from subsidiaries are an aggregate of trading balances that are interest free and repayable on demand. The University has provided letters of support to its subsidiary companies in which it confirms that the debtor balances will not be called in during a period of 12 months from the Statement of Financial Position date. Accordingly, these balances are considered to fall due in more than one year. Applying this gives the following split of trade and other receivables

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
Trade and other receivables				
- Due within one year	38,769	34,222	34,039	30,136
- Due after one year	-	11,229	-	10,963
Total	38,769	45,451	34,039	41,099

NOTES TO THE ACCOUNTS

18. Investments

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term investment in shares	341	339	1,626	1,625
Short term deposits	15	-	15	-
	356	339	1,641	1,625

The University follows a conservative investment policy with an emphasis on obtaining an increase in the real capital value of each fund within the portfolio each year, a target of 5% real growth is expected, with 3.5% being income growth and 1.5% being capital growth.

The investments are held within the University and consolidated endowment funds. The movement in fair value on these investments is detailed in Note 22.

19 Creditors: amounts falling due within one year

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Bank Overdraft	-	-	5,457	5,457
Secured loans (note 20)	2,464	2,464	2,573	2,573
Revolving credit facility	7,000	7,000	-	-
Unsecured loans (note 20)	65	65	-	-
Obligations under finance leases (note 20)	808	596	996	835
Trade creditors	10,918	8,855	12,008	10,051
Social security and other taxation payable	2,381	1,731	1,056	512
Accruals and deferred income	46,236	41,845	44,795	37,685
Amounts due to subsidiary companies	-	9,602	-	9,659
	69,872	72,158	66,885	66,772

The amounts due to subsidiaries are an aggregate of trading balances that are interest free and repayable on demand.

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Funding Body Grants	-	-	-	-
Other Grant Income	2,290	1,491	3,349	2,481
Capital Grant Income	-	-	-	-
Student Income	29,495	29,495	26,626	26,626
Other Income	2,626	2,608	2,677	2,657
	34,411	33,594	32,652	31,764

The secured loan consists of a term loan with a capital amount of £2 million and accrued interest of £464k and a revolving credit facility with a capital amount of £7m . A capital payment relating to the term loan of £500k was due on the 1st August 2025 with subsequent £500k repayments being due 1st November 2025 on 1st February 2026 and 1st April 2026.

NOTES TO THE ACCOUNTS

20. Creditors: Amounts falling due after more than one year

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Obligations under finance leases	941	520	1,155	834
Secured loans	26,000	26,000	28,000	28,000
Unsecured loans	1,275	1,275	-	-
	28,216	27,795	29,155	28,834
Analysis of obligations under finance leases				
Due within one year (note 19)	808	596	996	835
Due between two and five years	941	520	1,155	834
Total obligations under finance leases	1,749	1,116	2,151	1,669
Analysis of secured loans:				
Due within one year or on demand - term loan (note 19)	2,464	2,464	2,573	2,573
Due within one year or on demand – RCF (note 19)	7,000	7,000	-	-
Due between one and two years	2,000	2,000	2,000	2,000
Due between two and five years	24,000	24,000	26,000	26,000
Due in five years or more	-	-	-	-
Total secured loans	35,464	35,464	30,573	30,573
Analysis of unsecured loans:				
Due within one year or on demand (note 19)	65	65	-	-
Due between one and two years	56	56	-	-
Due between two and five years	295	295	-	-
Due in five years or more	924	924	-	-
Total unsecured loans	1,340	1,340	-	-

The borrowing at 31 July 2025 consisted of:

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To July 2034	1.75% over the prevailing SONIA rate	University
HSBC	Revolving credit facility	30,000	To July 2034	1.75% over the prevailing SONIA rate	University
Salix Finance	Overdraft	1,332	To May 2025	2.05%	University

The term and rate of the term loan were negotiated and aligned to the revolving credit facility in July 2025.

£7m was drawn from the revolving credit facility at 31 July 2025 as noted in note 19

The borrowing at 31 July 2024 consisted of:

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To February 2033	2.35% over the prevailing SONIA rate	University
Barclays	Overdraft	5,457	To May 2025	1.95% Over the prevailing base rate	University

The overdraft facility expired in May 2025 and was not renewed

21. Provision for liabilities

Consolidated

	Other	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000	£'000
At 1 August 2024	448	750	38	1,236
Utilised in year	-	(301)	-	(301)
Additions in year	-	39	-	39
At 31 July 2025	448	488	38	974

The other provision of £448K relates to a potential repayment of European Funds (ESF) in relation to one of the subsidiaries’ overhead recovery methodology.

The pension enhancements provision relates to staff in both the University and its subsidiaries who have already left employment and commitments for reorganisation costs at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular.

The Pension rectification provision is a potential liability on the University’s in-house pension scheme.

University

	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000
At 1 August 2024	427	38	465
Utilised in year	(203)	-	(203)
Additions in year	-	-	-
At 31 July 2025	224	38	262

The pension enhancements and the pension rectification provisions are as previously stated.

NOTES TO THE ACCOUNTS

22. Endowment funds

Consolidated

Restricted net assets relating to endowments are as follows:

	Unrestricted permanent endowment	Restricted permanent endowment	Restricted expendable endowment	2025 Total	2024 Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August					
Capital	2,500	4,751	25	7,276	7,453
Accumulated income	106	2,753	-	2,859	2,668
	2,606	7,504	25	10,135	10,121
New endowments	-	(2)	-	(2)	-
Investment income	4	146	2	152	344
Expenditure	(5)	(115)	(1)	(121)	(156)
Increase/(decrease) in market value of investments	-	(27)	-	(27)	(174)
Total endowment comprehensive income for the year	(1)	2	1	2	14
Balance at 31 July	2,605	7,506	26	10,137	10,135
Represented by:					
Capital	2,499	4,721	26	7,246	7,276
Accumulated income	106	2,785	-	2,891	2,859
	2,605	7,506	26	10,137	10,135
Analysis by type of purpose:					
Lectureships	-	3,941	-	3,941	3,941
Fellowships, scholarships and prize funds	23	1,717	26	1,766	1,764
General	2,582	1,848	-	4,430	4,430
	2,605	7,506	26	10,137	10,135
Analysis by asset					
Investments	23	307	26	356	1,335
Cash	777	1,288	-	2,065	1,958
Other current assets	1,805	5,911	-	7,716	6,937
	2,605	7,506	26	10,137	10,135

University

Restricted net assets relating to endowments are as follows:

	Unrestricted permanent endowment	Restricted permanent endowment	2025 Total	2024 Total
	£'000	£'000	£'000	£'000
Balance at 1 August				
Capital	2,370	4,586	6,956	7,132
Accumulated income	60	2,667	2,727	2,532
	2,430	7,253	9,683	9,664
New endowments	-	(2)	(2)	-
Investment income	4	146	150	344
Expenditure	-	(115)	(115)	(149)
Increase/(decrease) in market value of investments	-	(27)	(27)	(176)
Total endowment comprehensive income for the year	4	2	6	19
Balance at 31 July	2,434	7,255	9,689	9,683
Represented by:				
Capital	2,370	4,556	6,926	6,956
Accumulated income	64	2,699	2,763	2,727
	2,434	7,255	9,689	9,683
Analysis by type of purpose:				
Lectureships	-	3,941	3,941	3,941
Fellowships, scholarships and prize funds	-	1,680	1,680	1,679
General	2,434	1,634	4,068	4,063
	2,434	7,255	9,689	9,683
Analysis by asset				
Investments	23	306	329	1,309
Cash	776	1,288	2,064	1,708
Other current assets	1,635	5,661	7,296	6,761
	2,434	7,255	9,689	9,683

NOTES TO THE ACCOUNTS

23. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2025

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Commitments contracted for	-	-	-	-
Commitments authorised	-	-	-	-
	-	-	-	-

24. Lease obligations

	At 31 July 2025			At 31 July 2024
	Land and buildings	Other leases	Total	Total
	£'000	£'000	£'000	£'000
Consolidated				
Total rentals payable under operating leases:				
Payable during the year	1,679	207	1,886	2,876
Future minimum lease payments due:				
Not later than 1 year	1,862	270	2,132	1,564
Later than 1 year and not later 5 years	9,236	334	9,570	8,173
Greater than 5 years	14,785	-	14,785	12,683
Total lease payments due	25,883	604	26,487	22,420
University				
Total rentals payable under operating leases:				
Payable during the year	1,516	185	1,701	2,582
Future minimum lease payments due:				
Not later than 1 year	1,813	166	1,979	1,448
Later than 1 year and not later 5 years	9,220	207	9,427	8,043
Greater than 5 years	14,785	-	14,785	12,682
Total lease payments due	25,818	373	26,191	22,173

25. Subsidiary undertakings

Company	Principal Activity	Status
Eclectica Drindod Limited	Deliver third mission activity	TUC sole member
Trinity College	Hold endowment assets	TUC sole trustee
Trinity University College (TUC)	Dormant	UWTSD sole member
UWTSD Investments Limited	Commercial activities	100% owned
Y Ganolfan Dysgu Cymraeg Genedlaethol	Delivery of Welsh for Adults programme	UWTSD sole member
Mentrau Creadigol Cymru	Operation of Yr Egin activities	100% owned
Welsh American Academy Enterprises Limited	Dormant	100% owned
Swansea Business School Limited	Dormant	100% owned
Coleg Sir Gâr	Further education	100% owned
Coleg Ceredigion	Further education	100% owned
UW Centre for Advance Batch Manufacture Limited	Commercial and research activities	51% owned
Welsh American Academy Enterprises Ltd	Dormant	100% owned
The International Foundation for Interfaith and Intercultural Dialogue	Dormant	100% owned

The minority interest in UW Centre for Advance Batch Manufacture Limited is held in University of Wales. 51% of the surplus or deficit for each accounting period is recognised in these financial statements with 49% being recognised in the financial statements of University of Wales.

26. Related Parties

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 is deemed a related party in that it has key management personnel in common with the University

Balances: Receivables £5,489 (2024: £4,421), Payables £nil (2024: £1,527,924)

Total income £56,491 (2024: £58,304), Total expenditure £1,687,074 (2024: £1,664,222)

OSTC Trinity St David LLP is deemed a related party in that the UWTSD Investments Limited (a wholly owned subsidiary of the University) is a partner in it and has significant influence over it.

The balance below represents an unsecured loan, for which more details are provided in note 14

Balances: Receivables £510,051 (2024: £471,290), Payables £nil (2024: £nil)

Total income £38,761 (2024: £41,634), Total expenditure £nil (2024: £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 7.

NOTES TO THE ACCOUNTS

27. Pension Schemes

There are five pension schemes in operation via the Group for its staff: the Teachers’ Pension Scheme (TPS) for academic staff and Universities Superannuation Scheme (USS) for academic and support staff and all staff appointed after 18 November 2010, the Dyfed Pension Fund (LGPS), the Swansea Pension Fund (LGPS) and the University of Wales Lampeter Pension and Assurance Scheme (UWLPS) for support staff.

The total pension costs included in the consolidated accounts are:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
Staff costs				
TPS contributions				
University of Wales: Trinity Saint David	1,199	1,199	1,177	1,177
Coleg Sir Gâr	3,047	-	2,521	-
Coleg Ceredigion	625	-	499	-
USS contributions				
University of Wales: Trinity Saint David	6,183	6,183	7,250	7,250
Local Government contributions				
University of Wales Trinity Saint David	2,195	2,195	2,145	2,145
Coleg Sir Gâr	1,765	-	1,630	-
Coleg Ceredigion	241	-	229	-
In House Scheme				
University of Wales Trinity Saint David	210	210	325	325
Other pension adjustments				
University of Wales Trinity Saint David				
Movement on USS provision	-	-	(33,226)	(33,226)
Service costs				
University of Wales: Trinity Saint David	841	841	863	863
Coleg Sir Gâr	1,585	-	1,417	-
Coleg Ceredigion	217	-	204	-
Restructuring Provision				
University of Wales Trinity Saint David	-	-	-	-
Coleg Sir Gâr	16	-	55	-
Coleg Ceredigion	-	-	16	-
Total Pension costs per note 7	18,124	10,628	(14,895)	(21,466)
Interest Costs				
Local Government – University	(369)	(369)	(318)	(318)
Local Government – Coleg Sir Gâr	(480)	-	(371)	-
Local Government – Coleg Ceredigion	(150)	-	(125)	-
In House Scheme – University	(5)	(5)	(8)	(8)
USS – University	-	-	764	764
Total Pension interest cost per note 8	(1,004)	(374)	(58)	438

The pension liability/(asset) disclosed in the balance sheet is summarised as follows:

	Year ended 31 July 2025		Year ended 31 July 2024	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
In House Scheme				
University of Wales: Trinity Saint David	-	-	-	-
USS Pension Scheme				
University of Wales: Trinity Saint David	-	-	-	-
Local Government Schemes				
University of Wales: Trinity Saint David (Dyfed)	-	-	-	-
University of Wales: Trinity Saint David (Swansea)	(46)	(46)	-	-
University of Wales: Trinity Saint David (Swansea)	-	-	-	-
Coleg Sir Gâr	(481)	-	-	-
Coleg Ceredigion	(20)	-	-	-
Liability at 31 July	(547)	(46)	-	-

The LGPS and In House schemes are in a technical surplus position at 31st July 2025 and 31st July 2024. The University and group have applied IAS19 in calculating a cap to the gains which caps the overall scheme asset positions to nil. This has an impact on reducing the recognised actuarial gains in these financial statements from the FRS102 gains, as set out below in the individual scheme notes.

The liabilities at 31 July 2025 reflect the unfunded portion of the schemes

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. On 2 September 2025, the Government published draft amendments to the Pension Schemes Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law'

NOTES TO THE ACCOUNTS

LGPS – Dyfed Scheme

Certain employees are members of the Dyfed Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary.

A full actuarial valuation of the scheme was carried out as at 31 March 2022 by a qualified independent actuary. The major assumptions used by the actuary were:

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in pensionable pay	4.6	3.9
Rate of increase in pensions in payment	3.1	2.4
Discount rate		
- in service	5.1	4.1
- left service	4.55	4.1
Inflation assumptions	3.1	2.4

The valuation states that the market value of the assets held at the valuation date amounted to £3,243 million and the present value of the scheme liabilities was £2,508 million. Representing a funding level of 129% and a surplus of £735 million.

The employer contribution rate was 22% during the year.

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2022 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2025. The projected unit method was used.

	2025 Valuation	2014 Valuation
	%	%
Rate of increase in salaries	4.0	4.1
Rate of increase in pensions	2.6	2.7
Discount rate	5.9	4.9
Rate of inflation	2.5	2.6

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2025	2024
Males		
Future lifetime from age 65 (currently aged 65)	21.1	21.4
Future lifetime from age 65 (currently aged 45)	22.3	22.8
Females		
Future lifetime from age 65 (currently aged 65)	23.5	23.8
Future lifetime from age 65 (currently aged 45)	25.2	25.6

	Split at 31-Jul-25 %	Split at 31-Jul-24 %
Split of scheme assets		
Equities	69.8	73.2
Government Bonds	0	0
Other Bonds	8.9	9.3
Property	10.2	10.8
Cash/liquidity and other	11.1	6.7
	100	100

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – University of Wales Trinity Saint David

The following amounts at 31 July 2025 and 31 July 2024 were measured in accordance with the requirements of FRS102.

	31-Jul-25	31-Jul-24
	£'000	£'000
Fair value of assets	31,647	29,480
Present value of liabilities	(20,009)	(22,995)
Surplus in the scheme	11,638	6,485
Effect of asset ceiling	(11,684)	(6,485)
Recognised pension liability	(46)	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-25	31-Jul-24
	£'000	£'000
Current service cost	(376)	(376)
Past service cost	-	-
Administration expenses	(8)	(8)
Curtailment	-	-
Total operating charge	(384)	(384)

Analysis of finance income and charges

	31-Jul-25	31-Jul-24
	£'000	£'000
Expected return on assets	1,442	1,377
Interest on pension liabilities	(1,113)	(1,099)
Net finance cost	329	278

Amount recognised in other comprehensive income

	31-Jul-25	31-Jul-24
	£'000	£'000
Remeasurement of assets	856	1,167
Effects of changes in assumptions underlying the present value of scheme liabilities	3,908	(252)
Effect of asset ceiling	(4,822)	(1,264)
	(58)	(349)

Movement in scheme at beginning of the year

	31-Jul-25	31-Jul-24
	£'000	£'000
Surplus/(Deficit) in scheme at beginning of the year	6,485	5,221
Administration expenses	(8)	(8)
Current service cost	(376)	(376)
Contributions paid by the employer	444	455
Net finance cost	329	278
Actuarial gain	4,764	915
Surplus in scheme at the end of the year	11,638	6,485
Effect of asset ceiling	(11,684)	(6,485)
Recognised pension liability	(46)	-

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	(22,995)	(21,847)
Current service cost	(376)	(376)
Past service cost	-	-
Interest cost	(1,113)	(1,099)
Member contributions	(130)	(137)
Change in financial assumptions	3,817	(382)
Change in demographic assumptions	263	53
Experience gain/(loss)	(172)	77
Curtailment	-	-
Benefits paid	697	716
At 31 July	(20,009)	(22,995)

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	29,480	27,068
Expected rate of return on scheme assets	1,442	1,377
Re measurement gains on assets	856	1,167
Administration expenses	(8)	(8)
Employer contributions	444	455
Members contributions	130	137
Benefits paid	(697)	(716)
At 31 July	31,647	29,480

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – University of Wales Trinity Saint David

Reconciliation of asset ceiling

	£'000
Effect of asset ceiling – start of period	(6,485)
P&L :Net Interest	(377)
OCI: Remeasurement gain/(loss)	(4,822)
Effect of asset ceiling – end of period	(11,684)

Sensitivity Analysis

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.5% p.a discount	+0.25% p.a inflation	+0.25% p.a pay growth	1 year increase in life expectancy	+/-1% change in 2023/2024 investment returns +1%	-1%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	20,008	18,585	20,760	20,205	20,388	20,008	20,008
Assets	(31,647)	(31,647)	(31,647)	(31,647)	(31,647)	(31,963)	(31,331)
Deficit/(Surplus) exc ceiling impact	(11,639)	(13,062)	(10,887)	(11,442)	(11,259)	(11,955)	(11,323)
Projected service cost for next year	281	247	299	281	287	281	281
Projected net interest cost for next year – exc ceiling impact	(700)	(850)	(655)	(688)	(677)	(718)	(681)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Sir Gâr

The following amounts at 31 July 2025 and 31 July 2024 were measured in accordance with the requirements of FRS102.

	31-Jul-25	31-Jul-24
	£'000	£'000
Fair value of assets	68,321	63,142
Present value of scheme liabilities	(47,279)	(54,255)
Surplus in the scheme	21,042	8,887
Effect of the asset ceiling	(21,523)	(8,887)
Recognised pension liability	(481)	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-25	31-Jul-24
	£'000	£'000
Current service cost	(1,585)	(1,417)
Past service cost	-	-
Administration expenses	(36)	(33)
Curtailment	-	-
Total operating charge	(1,621)	(1,450)

Analysis of finance income and charges

	31-Jul-25	31-Jul-24
	£'000	£'000
Expected return on assets	3,101	2,933
Interest on pension liabilities	(2,621)	(2,562)
Net finance cost	480	371

Amount recognised in other comprehensive income

	31-Jul-25	31-Jul-24
	£'000	£'000
Remeasurement of assets	1,841	2,483
Effects of changes in assumptions underlying the present value of scheme liabilities	9,621	(624)
Effect of asset ceiling	(11,608)	(2,477)
	(1,987)	(618)

Movement in scheme at beginning of the year

	31-Jul-25	31-Jul-24
	£'000	£'000
Surplus/(Deficit) in scheme at beginning of the year	8,887	6,410
Operating cost	(1,621)	(1,450)
Contributions paid by the employer	1,834	1,697
Net finance cost	480	371
Actuarial gain	11,462	1,859
Surplus in scheme at the end of the year	21,042	8,887
Effect of the asset ceiling	(21,523)	(8,887)
Recognised pension liability	(481)	-

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	(54,255)	(50,842)
Current service cost	(1,585)	(1,417)
Past service cost	-	-
Interest cost	(2,621)	(2,562)
Member contributions	(554)	(511)
Change in financial assumptions	9,438	(937)
Change in demographic assumptions	617	122
Experience gain/(loss)	(434)	192
Curtailment	-	-
Benefits paid	2,115	1,700
At 31 July	(47,279)	(54,255)

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	63,142	57,252
Expected rate of return on scheme assets	3,101	2,973
Re measurement gains on assets	1,841	2,482
Administration expenses	(36)	(33)
Employer contributions	1,834	1,657
Members contributions	554	511
Benefits paid	(2,115)	(1,700)
At 31 July	68,321	63,142

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Sir Gâr

Reconciliation of asset ceiling

	£'000
Effect of asset ceiling – start of period	(8,887)
P&L :Net Interest	(1,028)
OCI: Remeasurement gain/(loss)	(11,608)
Effect of asset ceiling – end of period	(21,523)

Sensitivity Analysis

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.5% p.a discount	+0.25% p.a inflation	+0.25% p.a pay growth	1 year increase in life expectancy	+/-1% change in 2023/2024 investment returns +1%	-1%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	47,279	43,781	49,131	47,697	48,159	47,279	47,279
Assets	(68,321)	(68,321)	(68,321)	(68,321)	(68,321)	(69,006)	(67,636)
Deficit/(Surplus) exc ceiling impact	(21,042)	(24,540)	(19,190)	(20,624)	(20,162)	(21,727)	(20,357)
Projected service cost for next year	1,158	1,011	1,239	1,158	1,186	1,158	1,158
Projected net interest cost for next year – exc ceiling impact	(1,296)	(1,629)	(1,184)	(1,269)	(1,242)	(1,336)	(1,256)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Ceredigion

The following amounts at 31 July 2025 and 31 July 2024 were measured in accordance with the requirements of FRS102.

	31-Jul-25	31-Jul-24
	£'000	£'000
Fair value of assets	14,917	13,898
Present value of scheme liabilities	(9,622)	(10,952)
Surplus in the scheme	5,295	2,946
Effect of the asset ceiling	(5,315)	(2,946)
Recognised pension liability	(20)	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-25	31-Jul-24
	£'000	£'000
Current service cost	(217)	(204)
Past service cost	-	-
Administration expenses	(5)	(5)
Curtailment	-	-
Total operating charge	(222)	(209)

Analysis of finance income and charges

	31-Jul-25	31-Jul-24
	£'000	£'000
Expected return on assets	404	653
Interest on pension liabilities	(254)	(528)
Net finance cost	150	125

Amount recognised in other comprehensive income

	31-Jul-25	31-Jul-24
	£'000	£'000
Remeasurement of assets	404	653
Effects of changes in assumptions underlying the present value of scheme liabilities	1,776	(199)
Effect of asset ceiling	(2,203)	(600)
	(427)	(146)

Movement in scheme at beginning of the year

	31-Jul-25	31-Jul-24
	£'000	£'000
Surplus/(deficit) in scheme at beginning of the year	2,946	2,346
Operating cost	(217)	(209)
Administrative expenses	(5)	-
Contributions paid by the employer	241	230
Net finance cost	150	125
Actuarial gain	2,180	454
Surplus in scheme at the end of the year	5,295	2,946
Effect of the asset ceiling	(5,315)	(2,967)
Recognised pension liability	(20)	-

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	(10,952)	(10,552)
Current service cost	(217)	(204)
Past service cost	-	-
Interest cost	(530)	(528)
Member contributions	(70)	(68)
Change in financial assumptions	1,752	(174)
Change in demographic assumptions	129	27
Experience gain/(loss)	(105)	48
Curtailment	-	-
Benefits paid	371	499
At 31 July	(9,622)	(10,952)

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	13,898	12,898
Expected rate of return on scheme assets	680	653
Re measurement gains on assets	404	553
Administration expenses	(5)	(5)
Employer contributions	241	230
Members contributions	70	68
Benefits paid	(371)	(499)
At 31 July	14,917	13,898

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Ceredigion

Reconciliation of asset ceiling

	£'000
Effect of asset ceiling – start of period	(2,946)
P&L :Net Interest	(166)
OCI: Remeasurement gain/(loss)	(2,203)
Effect of asset ceiling – end of period	(5,315)

Sensitivity Analysis

Disclosure Item	Central	Sensitivity 1	Sensitivity 2	Sensitivity 3	Sensitivity 4	Sensitivity 5	
		+ 0.5% p.a discount	+0.25% p.a inflation	+0.25% p.a pay growth	1 year increase in life expectancy	+/-1% change in 2023/2024 investment returns +1%	-1%
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Liabilities	9,622	8,965	9,968	9,674	9,811	9,622	9,622
Assets	(14,917)	(14,917)	(14,917)	(14,917)	(14,917)	(15,066)	(14,768)
Deficit/(Surplus) exc ceiling impact	(5,295)	(5,952)	(4,949)	(5,243)	(5,106)	(5,444)	(5,146)
Projected service cost for next year	160	140	171	160	164	160	160
Projected net interest cost for next year – exc ceiling impact	(319)	(389)	(299)	(316)	(308)	(328)	(311)

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme

Certain employees are members of the City and County of Swansea Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary. The latest actuarial valuation was undertaken at 31 March 2022 by independent actuaries.

The actuarial valuation of the scheme is based on the projected unit method and the principal assumptions made by the actuaries were:

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in pensionable pay	3.8	3.6
Rate of increase in pensions in payment	2.3	2.1
Discount rate		
- in service	4.1	4.25
- left service	0.8	1.6
Inflation assumptions	2.3	2.1

The valuation states that the market value of the assets held at the valuation date amounted to £2.924 million and the present value of the scheme liabilities was £2.921 million. Representing a funding level of 100% and a surplus of £2.8 million.

The employer contribution rate is 40.8% plus an annual deficit contribution of £721,000 payable from April 2024 to March 2025 rising to 40.8% plus an annual deficit and £810,000 in for the period April 2025 to March 2026.

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2022 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2025. The projected unit method was used.

	2025 Valuation	2024 Valuation
	%	%
Rate of increase in salaries	4.0	4.1
Rate of increase in pensions	2.5	2.6
Discount rate	5.8	5.0
Rate of inflation	2.5	2.6

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2025 Years	2024 Years
Males		
Future lifetime from age 65 (currently aged 65)	21.6	21.5
Future lifetime from age 65 (currently aged 45)	21.9	21.8
Females		
Future lifetime from age 65 (currently aged 65)	24.2	24.1
Future lifetime from age 65 (currently aged 45)	25.0	24.9

	Split at 31-Jul-25 %	Split at 31-Jul-24 %
Split of scheme assets		
Equities	0	71.3
Government Bonds	100	5.1
Other Bonds	0	4.4
Property	0	3.0
Cash/liquidity and other	0	0.4
Other*	0	15.8
	100	100

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales Trinity Saint David

The following amounts at 31 July 2025 and 31 July 2024 were measured in accordance with the requirements of FRS102.

	31-Jul-25	31-Jul-24
	£'000	£'000
Fair value of assets	57,840	54,460
Present value of scheme liabilities	(32,940)	(36,960)
Surplus in the scheme	24,900	19,500
Effect of the asset ceiling	(24,900)	(19,500)
Recognised pension asset	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-25	31-Jul-24
	£'000	£'000
Current service cost	(430)	(460)
Past service cost	(60)	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	(490)	(460)

Analysis of finance income and charges

	31-Jul-25	31-Jul-24
	£'000	£'000
Expected return on assets	2,830	2,480
Interest on pension liabilities	(1,810)	(1,780)
Interest on unrecognised asset	(980)	(660)
Net finance cost	40	40

Amount recognised in other comprehensive income

	31-Jul-25	31-Jul-24
	£'000	£'000
Remeasurement of assets	(1,780)	4,050
Effects of changes in assumptions underlying the present value of scheme liabilities	4,890	270
Effect of asset ceiling	(4,420)	(5,590)
	(1,310)	(1,270)

Movement in scheme at beginning of the year

	31-Jul-25	31-Jul-24
	£'000	£'000
Surplus in scheme at beginning of the year	19,500	13,250
Current service cost	(430)	(460)
Past service cost	(60)	-
Contributions paid by the employer	1,760	1,690
Net finance cost	1,020	700
Actuarial gain	3,110	4,320
Surplus in scheme at the end of the year	24,900	19,500
Effect of asset ceiling	(24,900)	(19,500)
Recognised pension asset	-	-

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	(36,960)	(36,110)
Current service cost	(430)	(460)
Past service cost	(60)	-
Interest cost	(1,810)	(1,780)
Member contributions	(150)	(160)
Change in financial assumptions	5,180	300
Change in demographic assumptions	-	-
Experience gain/(loss)	(290)	(30)
Curtailment	-	-
Benefits paid	1,580	1,280
At 31 July	(32,940)	(36,960)

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

	31-Jul-25	31-Jul-24
	£'000	£'000
At 1 August	54,460	49,360
Expected rate of return on scheme assets	2,830	2,480
Re measurement gains on assets	(1,780)	4,050
Administration expenses	-	-
Employer contributions	1,760	1,690
Members contributions	150	160
Benefits paid	(1,580)	(1,280)
At 31 July	57,840	54,460

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales Trinity Saint David

Reconciliation of asset ceiling

	£'000
Effect of asset ceiling – start of period	(19,500)
P&L :Net Interest	(980)
OCI: Remeasurement gain/(loss)	(4,420)
Effect of asset ceiling – end of period	(24,900)

Sensitivity Analysis

Adjustment to discount rate	+0.1% p.a	Base figure	-0.1% p.a
Present value of total obligation (£m)	32.45	32.94	33.47
% change in present value of total obligation	(1.5%)		1.6%
Projected service cost (£m)	0.32	0.33	0.34
Approximate % change in projected service cost	(3.9%)		4.0%

Adjustment to salary increase rate	+0.1% p.a	Base figure	-0.1% p.a
Present value of total obligation (£m)	33.01	32.94	32.87
% change in present value of total obligation	0.2%		(0.2%)
Projected service cost (£m)	0.33	0.33	0.33
Approximate % change in projected service cost	0.0%		0.0%

Adjustment to pension increase rate	+0.1% p.a	Base figure	-0.1% p.a
Present value of total obligation (£m)	33.40	32.94	32.51
% change in present value of total obligation	1.4%		(1.3%)
Projected service cost (£m)	0.34	0.33	0.32
Approximate % change in projected service cost	4.0%		(3.9%)

Adjustment to mortality age rating assumption	+0.1% p.a	Base figure	-0.1% p.a
Present value of total obligation (£m)	33.70	32.94	32.18
% change in present value of total obligation	2.3%		(2.3%)
Projected service cost (£m)	0.34	0.33	0.32
Approximate % change in projected service cost	3.5%		(3.5%)

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAS)

The University sponsors the University of Wales, Lampeter Pension & Assurance Scheme which is a defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation. One-third of the trustees are nominated by the members of the scheme, at least one of the member nominated trustees must be a pensioner member.

A full actuarial valuation was carried out as at 31 July 2022, the results have been updated to 31 July 2025 by a qualified actuary, independent of the plan's sponsoring employer.

The results of the 31 July 2022 valuation showed a deficit of £1,294,000. The University has agreed with the trustees that it would continue to make contributions at a rate of 19% of employee salaries along with an annual enhanced contribution of £277,990, increasing by 3% p.a. The University will also meet expenses of the scheme and levies to the Pension Protection Fund, insurance premiums for death in service and all management and administration expenses. Member contributions are payable at the rate of 6.25% of pensionable service.

The material assumptions used by the actuary as at 31 July 2025 and for the comparative period, were as follows:

	2025	2024
	%	%
Rate of increase in salaries	4.00	4.05
Rate of increase in pensions in payment	2.55	2.55
Revaluation rate for deferred pensions	2.55	2.55
Discount rate	5.85	4.90
Rate of inflation	2.50	2.55
Allowance for commutation of pension for cash at retirement	Maximum allowed	Maximum allowed

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

	2025 Years	2024 Years
Males retiring at age 65 in 2020	20.6	20.6
Females retiring at age 65 in 2020	23.0	22.9
Males retiring at age 65 in 2040	21.8	21.8
Females retiring at age 65 in 2040	24.4	24.4

Split of scheme assets

	Split at 31-Jul-25 %	Split at 31-Jul-24 %
Equities	-	21.2
Bonds	98.2	78.1
Other*	1.8	0.7
	100	100

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. On 2 September 2025, the Government published draft amendments to the Pension Schemes Bill which would give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historical benefit changes met the necessary standards. The draft legislation will need to be agreed by both Houses of Parliament before it passes into law'.

Both the University and the scheme trustees are actively monitoring the progress of the Bill and will continue to consider the position of the scheme in relation to the Bill once finalised

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAS)

The following amounts at 31 July 2025, and at 31 July 2024 were measured in accordance with the requirements of FRS102.

	31-Jul-25 £'000	31-Jul-24 £'000
Fair value of assets	18,238	19,489
Present value of scheme liabilities	(14,017)	(16,057)
Surplus/(Deficit) in the scheme	4,221	3,432
Effect of the asset ceiling	(4,221)	(3,432)
Recognised pension asset	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-25 £'000	31-Jul-24 £'000
Current service cost	(35)	(37)
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	(35)	(37)

Analysis of finance income and charges

	31-Jul-25 £'000	31-Jul-24 £'000
Expected rate of return on scheme assets	941	952
Interest on pension liabilities	(768)	(781)
Interest expense on effect of asset ceiling	(168)	(163)
Net finance cost	5	8

Amount recognised in other comprehensive income

	31-Jul-25 £'000	31-Jul-24 £'000
Return on plan assets – gain	(1,598)	192
Experienced gains/(losses) arising on plan liabilities	(40)	52
Change in financial and demographic assumptions underlying the plan	2,079	(441)
Effect of asset ceiling	(621)	(99)
Total gain recognised in the statement of comprehensive income	(180)	(296)

Movement in scheme at beginning of the year

	31-Jul-25 £'000	31-Jul-24 £'000
Surplus in scheme at beginning of the year	3,432	3,170
Current service cost	(35)	(37)
Contributions paid by the employer	210	325
Net finance cost	173	171
Expenses	-	-
Losses due to benefit changes	-	-
Actuarial gain/(loss)	441	(197)
Effect of the asset ceiling	(4,221)	(3,432)
Recognised pension asset	-	-

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

	31-Jul-25 £'000	31-Jul-24 £'000
At 1 August	(16,057)	(15,447)
Current service cost	(35)	(37)
Past service cost	-	-
Interest cost	(768)	(781)
Member contributions	(15)	(16)
Effect of changes in assumptions	2,079	(441)
Effect of experience adjustments	(40)	52
Curtailment	-	-
Benefits paid	819	613
Expenses	-	-
Losses due to benefit changes	-	-
At 31 July	(14,017)	(16,057)

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

	31-Jul-25 £'000	31-Jul-24 £'000
At 1 August	19,489	18,617
Expected rate of return on scheme assets	941	952
Re measurement gains on assets	(1,598)	192
Administration expenses	-	-
Employer contributions	210	325
Members contributions	15	16
Benefits paid	(819)	(613)
At 31 July	18,238	19,489

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAS)

Reconciliation of asset ceiling

	£'000
Effect of asset ceiling – start of period	(3,432)
P&L :Net Interest	(168)
OCI: Remeasurement gain/(loss)	(621)
Effect of asset ceiling – end of period	(4,221)

Sensitivity Analysis

Adjustment to discount rate	-50bp	Base figure	+50bp
Present value of defined benefit obligation	14,894	14,017	13,221
% change in present value of total obligation	6.2%		(5.7%)

Adjustment to price inflation rate	-25bp	Base figure	+25bp
Present value of total obligation (£m)	13,923	14,017	14,241
% change in present value of total obligation	(0.7%)		1.6%

Adjustment to post retirement mortality assumption	+1 year	Base figure
Present value of total obligation (£m)	14,374	14,017
% change in present value of total obligation	2.5%	

NOTES TO THE ACCOUNTS

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates rose to 28.68% which have been in effect from April 2024 (previously 23.68%). The year to July 2025 contained a full year impact of this change.

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

The pension costs paid to TPS in the year amounted to £4,871k (2024: £4,197k) of which £1,199k (2024: 1,177k) was paid by the University and £3,672k (2024: £3,020k) was paid by Coleg Sir Gar and Coleg Ceredigion

Universities Superannuation Scheme (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.

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £7,250k (2023: £7,881k) including PensionChoice, but excluding the impact of the change in the deficit recovery plan.

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.

The 2023 valuation was the seventh 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 £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%.

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%. As part of the 2023 valuation, no deficit recovery plan was required because the scheme was in surplus on a technical provisions basis. The University 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 in the year to July 2024. Deficit recovery contributions due within one year for the institution are nil (2024: £nil)

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).

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

Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement 2.5% Post-retirement 0.9%
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. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.03%

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_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w202 and 2021 and a 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 Years	2024 Years
Males retiring at age 65 in 2020	23.7	23.7
Females retiring at age 65 in 2020	25.4	25.6
Males retiring at age 65 in 2040	25.6	25.4
Females retiring at age 65 in 2040	27.2	27.2

STATEMENT OF FINANCIAL POSITION & CASH FLOW

28. Consolidated reconciliation of net debt

	Year ended 31 July 2025 £'000
Net debt at 1 August 2023	(17,787)
Movement in cash and cash equivalents	2,449
Other non-cash changes	(5,826)
Net debt at 31 July 2024	(20,718)

Analysis of net debt:	Year ended 31 July 2025 £'000	Year ended 31 July 2024 £'000
Cash and cash equivalents	17,835	20,394
Borrowings: amounts falling due within one year		
Secured loans	9,464	2,573
Unsecured loans	65	-
Bank overdraft	-	5,457
Obligations under finance leases	808	996
	7,498	9,026
 Borrowings: amount falling due after more than one year		
Secured loans	26,000	28,000
Unsecured loans	1,275	
Obligations under finance leases	941	1,155
	28,216	29,155
 Net Debt	(20,718)	(17,787)

29. Events after the reporting period

There have been no other material events in the period between 31st July 2025 and the signing of the accounts on the 26 November 2025.

Accounts

University of Wales Trinity Saint David

ANNUAL REPORT & Financial Statements 2023-2024

Charity number: 1149535

Introduction	P3
Council Membership	P4
Legal Status	P5
Legal Status	P5
UWTSD Strategic Plan	P6
UWTSD Strategic Plan	P6
Vice Chancellor's Review	P7-11
Principal Risks and Uncertainties	P12
Joint Report on Financial Year	P13-23
Public Benefit Statement	P24
Statement of Corporate Governance	P25-28
Statement of Internal Control	P29
Statement of Council's Responsibilities	P30
Independent Auditor's Report	P31-34
Independent Auditor's Report	P31-34
Statement of Accounting Policies	P35-42
Statement of Comprehensive Income	P44
Statement of Changes in Revenue	P46
Statement of Financial Position	P48
Statement of Cash Flow	P48
Notes to the Accounts	P49-74

The background of the slide is a faded, light gray image. It features a close-up of a woman's face on the left side, looking slightly to the right. On the right side, there is a hand holding a pen, positioned as if writing. The overall aesthetic is professional and clean.

Introduction

Introduction



Emlyn Dole
Chair of Council

On behalf of the University Council, I would like to begin by thanking the Senior Leadership Team and all our University staff and students for their continued commitment and hard work ensuring that our University continues to deliver an excellent experience for our students, and to become more sustainable in what is an increasingly competitive and challenging Higher Education sector. 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.

I was very pleased that the University was awarded Joint 3rd in the UK by the Times Higher Education rankings based on our excellent 2024 NSS results. These results go to the heart of our values and reflect the dedication of all our staff to provide the best possible learning experiences for our students. It was pleasing to see the contribution our staff make to these results reflected in the annual NEXUS teaching and learning awards. The event celebrated outstanding contributions to the student experience from across our academic and professional services teams. I feel privileged to be part of an organisation that makes such an impact on the wellbeing of the individuals and communities it serves.

We have a clear commitment to making a difference and providing opportunities for communities traditionally under-represented in higher education. Such opportunities are provided at locations in South and West Wales as well as in London and Birmingham.

At the beginning of the academic year, I was delighted to open additional space at Quay Place in Birmingham. In addition, the London campus relocated to Westferry Circus in London which has significantly enhanced the experience for our students and staff. I was personally very pleased to meet with Ofsted during their inspection of our successful apprenticeship provision in November 2023, which allowed me to reflect on my own apprenticeship journey and the importance of the opportunities our provision provides not only to the individual student but also to their families and wider communities.

Alongside our new Vice-Chancellor, Council and the Senior Leadership Team have taken a rigorous and comprehensive look at the University to create a responsible, fact-based and data-informed, multi-dimensional Institutional plan that will drive the University's future success. Council is optimistic that this robust financial and operational planning will support the University to continue to deliver a high-quality student experience. We also appreciate meaningful change requires navigating tough discussions and making challenging decisions and are confident the University is set on the right path moving forward.

Our dual sector Group, with Coleg Sir Gâr and Coleg Ceredigion, has welcomed the Welsh Government's establishment of a commission to oversee and regulate the entirety of the tertiary education sector and we look forward to working with Medr on realising the opportunities that this development will bring.

The University sector is undoubtedly experiencing challenges. But what is clear, is the enduring value of higher education to the social and economic wellbeing of our nation. I am proud of the contribution that this University makes by providing opportunities for communities traditionally under-represented in higher education.



Prof Elwen Evans, KC
Vice-Chancellor

I had the privilege of becoming Vice Chancellor of the University of Wales Trinity Saint David and the Chief Executive of the UWTSD Group on 1 September 2023.

It has been a very great pleasure to get to know the University and the Group in the period since my appointment. We are a wonderfully diverse community in terms of our students, geography and educational offering. Our distinctiveness is a strength which offers significant opportunities as we look to the future. There are key themes that are evident across our Institution and Group: these include a powerful commitment to putting education and the learner experience at the heart of our mission; supporting learners to achieve their full potential; undertaking research and knowledge exchange that is impactful and relevant; ensuring that we contribute to the economic wellbeing of our regions, and so much more. The quality of our student experience is at the heart of our identity, illustrated by our high ranking by the Times Higher Education based on the National Student Survey 2024.

Our dual sector structure with Coleg Sir Gar and Coleg Ceredigion as constituent colleges is a great asset in shaping our integrated delivery of post-16 education. The UWTSD Group provides routes through education, facilitates opportunities to widen access and participation, and strengthens our partnerships to develop a skills curriculum that meets the future needs of our region and Wales. We welcome the opportunity of working with Medr and closely collaborating with a wide range of stakeholders in the best interests of our learners, our staff, our region, of Wales and beyond.

It is, of course, a time of challenge, transition and change throughout the university sector. External pressures combined with institutional history define the landscape within which we are operating. We recognise that all of our work must be underpinned by the overarching priority of ensuring robust financial and operational planning. We also appreciate that delivering change is never easy and often has to be grounded in difficult discussions and decisions. In addressing the overarching priority of financial resilience, we have undertaken a rigorous evaluation of our current provision. We have introduced an evidence-based business planning process, designed to ensure that our future decision-making is underpinned by robust analysis, data and stakeholder engagement. We have also embarked on the development of a new Strategic Plan. These activities have been undertaken in a collaborative and consultative way across the entire organisation, enabling us to strengthen relationships across our community and ensure a firm, collegiate basis for our future work.

I am immensely grateful to colleagues within the University community, on Council and beyond who have given of their time, support and commitment to help chart a way through this period of transition. We are proud to take this opportunity to share details of our plans and to report on the progress that is being made. Whilst the focus may not always be easy, we are looking forward to the future and we are confident that we will succeed in delivering financial resilience and transformative education.

Council Membership

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 Primary Responsibilities are set out in the University’s Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and Ordinances of the University, the majority of whom are non-executive. Members of Council are also trustees of the University.

Board Member	Category	Status	Attendance (%)
Emlyn Dole	Chair	Independent	100%
Professor Elwen Evans, KC	Vice-Chancellor	Independent	100%
Justin Albert, OBE	Independent	-	75%
Natalie Beard	Student	-	100%
Dr Tracy Cruickshank	Staff	Appointed 01.08.2024	-
Maria Dinu	Student	Appointed 01.07.2024	-
John Edge	Independent	Appointed 01.01.2024	50%
Professor Kyle Erickson	Staff	-	75%
Taya Gibbons	Student	Resigned 30.06.2024	75%
Dr Deborah Hughes	Staff	Appointed 01.08.2024	-
Uzo Iwobi	Independent	-	50%
Rowland Jones	Independent	-	100%
Timothy J Llewelyn	Independent	-	100%
Professor Conny Matera-Rogers	Staff	Resigned 31.07.2024	100%
Arwel Ellis Owen, OBE	Independent	Resigned 31.07.2024	75%
Geraint Roberts	Independent	-	75%
Nigel Roberts	Independent	-	100%
Emlyn Schiavone	Independent	-	75%
Dr Liz Siberry, OBE	Independent	-	75%
Dr Peter Spring	Staff	Resigned 31.07.2024	50%
Maria Stedman	Independent	Resigned 31.12.2023	100%
The Venerable Randolph Thomas	Independent	Resigned 31.12.2023	100%
Dr Kerry Tudor	Staff	Resigned 31.07.2024	100%
Sarah Clark	Clerk & Secretary	Appointed 01.04.2024	100%
Rebecca Doswell	Clerk & Secretary	Resigned 31.03.2024	100%

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.



Justin Albert OBE



Natalie Beard



Dr Tracy Cruickshank



Maria Dinu



Emlyn Dole



John Edge



Professor Elwen Evans KC



Professor Kyle Erickson



Uzo Iwobi CBE



Dr Deborah Hughes



Rowland Jones



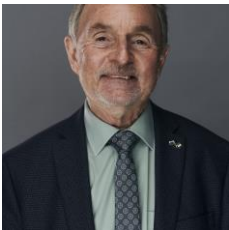
Timothy J Llewelyn



Geraint Roberts



Nigel Roberts



Emlyn Schiavone



Dr Elizabeth Siberry OBE

University of Wales: Trinity Saint David (UWTSD) is incorporated by Royal Charter. The most recent version of its constitution is the Supplemental Charter which was sealed by the Privy Council on 28 September 2012, following the constitutional merger with Swansea Metropolitan University.

Trinity University College Limited (TUC) is deemed to be controlled by UWTSD, as UWTSD is its sole member.

Trinity College incorporates the original endowment of 1848 and, as an education charity, embodies the assets of both land and buildings together with any charitable monies which have accrued to the charity. There is no direct ownership link between UWTSD and Trinity College. However, it is deemed to be controlled by UWTSD by virtue of the fact that TUC is the sole trustee.

Eclectica Drindod is a private company limited by guarantee with no share capital, established to undertake a role that more effectively delivers Third Mission activity for UWTSD. Eclectica Drindod is deemed to be controlled by UWTSD as TUC (whose sole member is UWTSD) is its sole member and has the power to appoint directors.

UWTSD Learning Centres Limited is a wholly owned subsidiary of UWTSD.

UWTSD Investments Limited is a wholly owned subsidiary of UWTSD.

Y Ganolfan Dysgu Cymraeg Genedlaethol is a private company limited by guarantee with no share capital. It undertakes the setting of the national strategic direction for the Welsh for Adults sector, providing leadership to Welsh for Adults providers. UWTSD is the sole member of the company.

Coleg Sir Gâr is a private company limited by guarantee with no share capital, which undertakes the provision of further education and higher education. UWTSD is the sole member of the company.

Coleg Ceredigion is a private company limited by guarantee with no share capital, which undertakes the provision of further education. Coleg Sir Gâr is the sole member of the company, and it is deemed to be controlled by UWTSD as the sole member of Coleg Sir Gâr.

Mentrau Creadigol Cymru Limited is a wholly owned subsidiary of UWTSD. It was established to operate a digital media centre at Canolfan S4C Yr Egin, adjacent to the University's campus in Carmarthen. Construction of the centre was completed during the year to 31st July 2019.

UW Centre for Advanced Batch Manufacture Limited, is a private company, the University has a 51% controlling interest in the company with University of Wales holding the remaining 49%.

OSTC Trinity St David LLP, is a limited liability partnership, the University has a 50% stake in the entity with the other 50% owned by OSTC limited.

UWTSD Innovation Centres Limited is a wholly owned subsidiary of UWTSD and did not trade during the year.

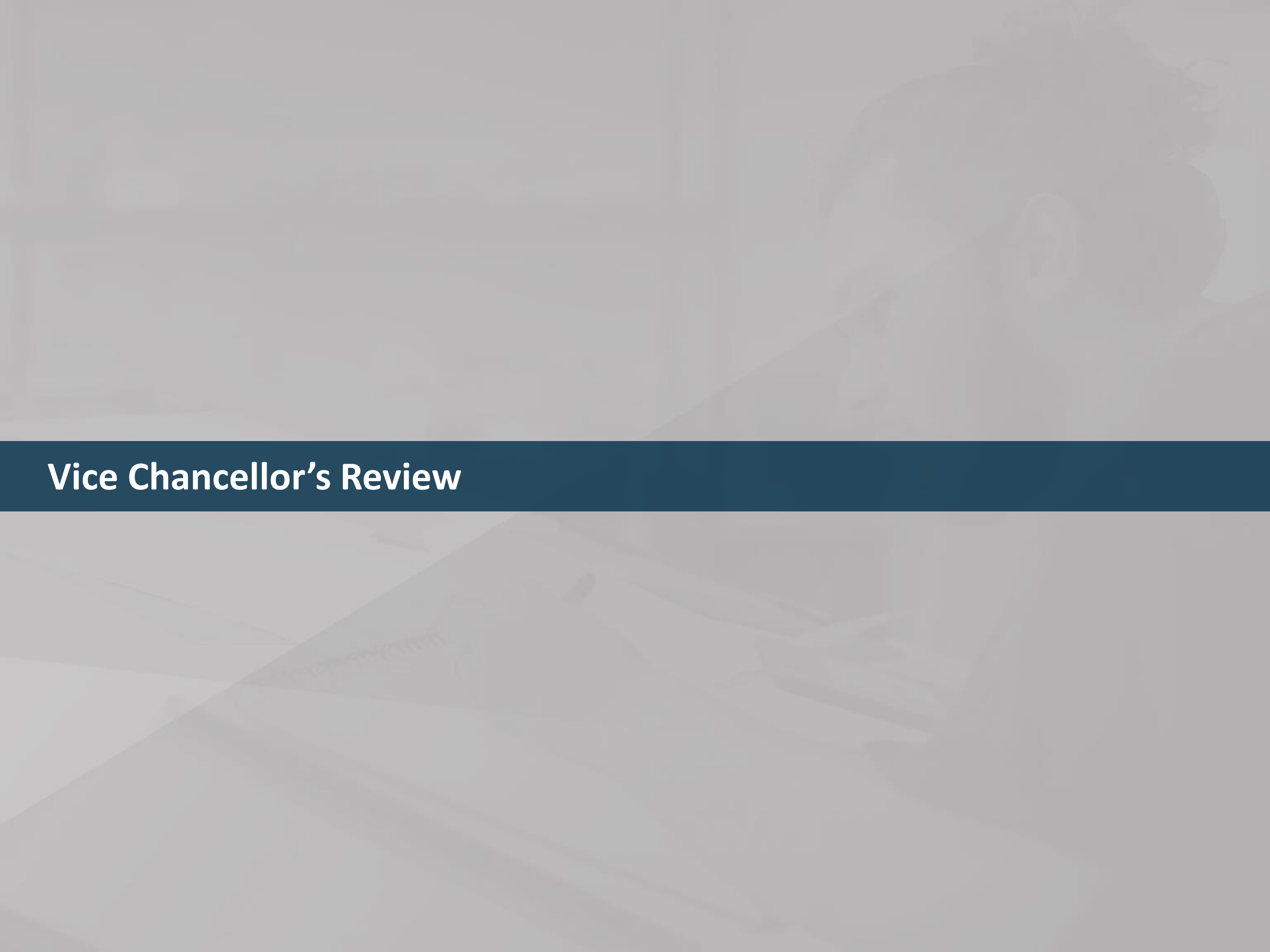
UWTSD Strategic Plan

The University of Wales Trinity Saint David’s Strategic Plan (2017-25) makes a commitment to its learners and specifically to Wales, its culture, heritage and language through its values and its distinctiveness.

Because of the change in senior leadership, Council has approved the extension of the Strategic Plan to cover the period 2025. The University is currently working on its new strategic plan. While reviewing the strategic plan, the Council has approved a business plan with 5 domains: Education & Student Experience; Recruitment: Home & International; People, Organisation & Culture; The Digital & Physical Estate; and Research & Civic Mission. The University views these as the core areas for the delivery of the University’s mission.

Vision:	Values:
Our vision is to be a University for Wales, with a commitment to the well-being and heritage of the nation at the heart of all that we do. Central to our vision is the promotion and embedding of a dual-sector educational system which educates learners of all ages and backgrounds, and stimulates economic development in our region, across Wales and beyond.	Excellent teaching informed by scholarship and professional practice, and applied research that influences knowledge and policy in Wales and beyond. Inclusivity , by removing barriers to participation and supporting people from all backgrounds and circumstances to fulfil their potential. Employability and creativity , by offering educational programmes that develop entrepreneurial and creative skills, enabling learners to have the best opportunities to gain employment and to contribute to the prosperity of their communities. Collaboration through strategic relationships , working with others to provide educational and commercial opportunities and to ensure that Wales is connected to the wider world. Sustainable development , by behaving in a way which ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs, and by systematically embedding this principle in our approach to teaching and learning. The concept of global citizenship , through the development of multi-national activities and opportunities for our learners, staff and partners. Wales and its distinctiveness , through embedding the goals of the <i>Well-Being of Future Generations (Wales) Act</i> in all of our activities, and by celebrating the vibrant culture, heritage and language of Wales.
Mission:	
Transforming Education; Transforming Lives.	
Strategic Priorities:	
- Putting learnings first - Maintaining excellence in teaching, scholarship and applied research - Creation of opportunities through partnerships - Maintaining a University of Wales	
Enablers:	
In addition, the Strategic Plan identifies seven key enablers to be achieved to support delivery of the strategic priorities. These are: - Maintaining financial security; - Supporting, encouraging and developing our people; - Providing high quality estates and infrastructure; - Maintaining good governance; - Providing effective leadership and management; - Promoting equality; and - Seeking continuous improvement.	





Vice Chancellor's Review

Vice-Chancellor's Review

The core mission of the University of Wales Trinity Saint David is the delivery of education. By Transforming Education and Transforming Lives UWTSD aims to be a recognised and established market leader in delivering integrated post-16 education in the region, in Wales, the UK and with partners across the globe.

The University has a broad and flexible portfolio providing a diverse offer that supports personalised learning. It includes degree apprenticeships, Certificates of Higher Education, as well as traditional Undergraduate, Postgraduate and Doctoral level degrees, including Professional Doctorates. It also works with a range of transnational partners in seven overseas territories. The University has seen continued growth in the number of students undertaking Certificates of Higher Education, a visible sign of our commitment to widening participation and reaching underrepresented communities. To support this growth, the University has expanded its campus in Birmingham and opened a new campus in London to enhance the student experience.

The University has a culture where staff and students work together in partnership. It aims to provide an inclusive, supportive and safe learning environment to all students. We recognise and celebrate the diversity of our students and aim to provide an excellent experience, that supports everyone in their studies and in university life.

Race Equality

During the year, the University launched its new Strategic Equality plan 2024-2028. Work also continued towards Advance HE's bronze level Race Equality Charter, required by the Welsh Government, which helps institutions to identify and address the barriers facing Minority Ethnic staff and students, while also providing a framework for action. UWTSD's Race Equality Charter Self-Assessment Team includes membership from academic and professional services staff across the University and representatives from staff and students from a Minority Ethnic background. Additionally, a new teaching and learning resource – Brethyn Cymru – was published by Peniarth, the University's educational resource centre, to support the teaching and celebration of Minority Ethnic people's contributions to Wales.

Welsh Language

The Centre for Advanced Welsh and Celtic Studies was awarded £190,000 for its role in the FOSTERLANG: Reversing the diversity crisis: inclusive strategies to foster the linguistic capital of Europe project. This is a collaborative EU Horizon Europe programme led by the University of Warsaw.

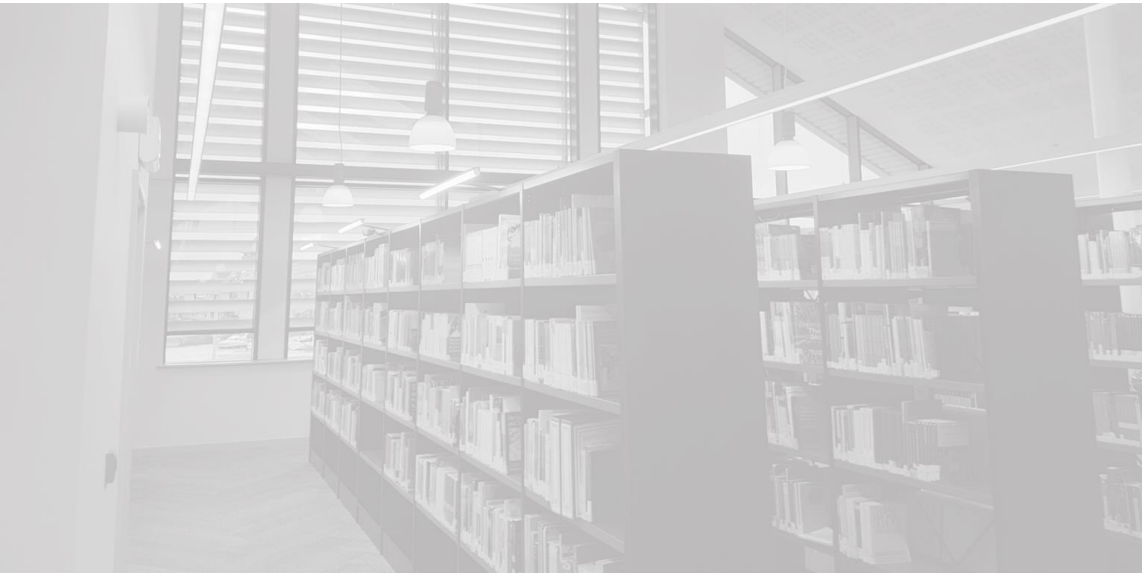
The Welsh Language Services Centre readjusted its commercial aims in 2023 with a clearer focus on academically aligned activity. Specifically, its two branded entities now have a designated aim of servicing the education sector in Wales. Rhagoriaith is a main provider of the Welsh Government's National Sabbatical Scheme for teachers and delivers bespoke training to a variety of clients. It is now recognised as a national centre of excellence for Welsh language training within the education sector in Wales. Similarly, Peniarth, the University's publishing arm is also recognised as one of Wales' main providers of education resources, in line with Cwricwlwm i Gymru. In 2023, it was commissioned by WG to produce a series of reading books for children which will be used in schools nationally.

Headcount

Postgraduate Research: 658
Postgraduate Taught: 3,390
Undergraduate First Degree: 7,830
Other Undergraduate Degree: 8,862

Full-Time Equivalent

Postgraduate Research: 225.5
Postgraduate Taught: 1,713.5
Undergraduate First Degree: 6,329.33
Other Undergraduate Degree: 4,640



Vice-Chancellor's Review

Delivering a High-Quality Student experience

Delivering high quality Learning and Teaching and an excellent Student Experience is the primary purpose for the organisation. The National Student Survey (NSS) is the national benchmark survey that measures student satisfaction and based on the 2024 survey, the Times Higher Education ranked UWTSD joint 3rd in the UK.

Applying Knowledge in our Teaching

We have focused on ensuring that our programmes are linked to industry or the public sector to provide students with a personalised and supportive educational experience. As a result, the University falls under a range of external review bodies and professional accrediting organisations. In 2023/24 the University has been successfully inspected by Estyn, Ofsted, UKVI, and in September 2024 QAA reviewed our Transnational Education Provision in China. A number of professional bodies (Institute of Mechanical Engineers (IMechE), Education Workforce Council (EWC), Chartered Institute for the Management of Sport and Physical Activity (CIMSPA)) re-accredited our provision across a number of disciplines.

The University celebrated the 25th anniversary of the BEng Motorsport Engineering programme. Recognised as the first of its kind, the course has forged excellent links with the industry with graduates working as race engineers, aerodynamicists, data analysts and in managerial positions. Alumni who now work at world-leading automotive companies such as McLaren, Gordon Murray, Arc, Bentley, Ford, and Toyota Gazoo Racing joined the celebrations to share their career journeys and successes with current students.

The Innovation Matrix on our Swansea Waterfront Campus opened its doors at the end of the academic year. The building is home to established businesses and start-ups who work alongside the University's academic team and can access specialist technical support from the University to help accelerate new product development and business growth. Working with our partners, the Innovation Matrix aims to encourage and support the development of a sustainable, innovation-led economy which is based upon knowledge and enterprise.

The then Minister for Education and Welsh Language, Jeremy Miles, MS, launched the University's Certificate in Language Policy and Planning, an innovative qualification aimed at upskilling the workforce in order to respond to the Welsh Government's linguistic agenda of reaching a million Welsh speakers by 2050.

Embedding Technology in our Teaching

The University has developed new resources to supporting the AI literacy of staff and students to respond to the major changes brought by Generative AI to Higher Education. Materials for students were created to support both AI literacy and the use of AI in assessment. Furthermore, we have been able to take advantage of the two state-of-the-art LED immersive classrooms, alongside the incorporation of extended reality (XR) technologies, exemplifying the University's innovative approach to teaching and learning. The University has continued to lead on the pan-Wales Immersive Learning Network for HE and FE.

Notable League Table Standings for UWTSD in 2024:



Social Inclusion:
Joint 18th in the UK
Mature students:
5th in the UK



Overall:
Joint 3rd in the UK



Satisfaction with Teaching:
7th in UK
Satisfaction with Feedback:
5th in UK

Notable Guardian Subject Standings for UWTSD in 2024:



Fashion and Textiles
2nd in UK
1st in Wales



Education
6th in the UK
1st in Wales



Mechanical Engineering
3rd in the UK
1st in Wales



Sports Science
6th in the UK
2nd in Wales



Film Production & Photography
7th in the UK
1st in Wales

Vice-Chancellor's Review

Student Health and Wellbeing

The University has continued to enhance its support for the health and wellbeing of its students. It works in partnership with a number of key sector organisations, such as the NHS, Papyrus, and People Unlimited, to develop training and resources for staff and students and implement sector best practice.

The Wellbeing Service has augmented the Wellbeing Triage process over the course of this academic year, with a triage team established, trained and launched. The team is made up of mental health professionals from the across the Wellbeing Advisory Service and the Counselling Service, with triage provision running 9-5 Monday to Friday, and additional triage capacity at weekends.

The Wellbeing Projects team delivered pilot Student co-production activity across 2023-24. Activity began with the collaborative project in partnership with People Unlimited, focusing particularly on introducing and exploring the benefits of co-production. This project was delivered through a series of workshops and was tasked with reaching Minority Ethnic students. This initial project culminated in participating students identifying ideas for future work which will be incorporated into the University's broader Race Equality work.

Through its bursary framework, the University continues to support students who are struggling financially to access support and services.



Vice-Chancellor's Review

Staff Development and Recognition

The University has made significant progress in offering further opportunities for staff development. We have continued to invest in relevant leadership development interventions and continued to provide access to online self-development learning resources for staff to access as the need arises. In addition, we have provided opportunities for focused staff development in health and wellbeing, and role-related learning and teaching enhancement.

The University successfully re-accredited its Fellowship programmes with AdvanceHE under the new Professional Standards Framework.

The University also continued to run its successful LEAP fellowship programme, with 11 participants who undertook a yearlong programme to develop a specific project to enhance learning and teaching and develop a community of educators.

The University's annual NEXUS learning and teaching conference focused on Immersion and Technology, Artificial Intelligence, Employability, and good practice case studies from within UWTSD and partners. The conference also hosted the second UWTSD Nexus Learning and Teaching Awards, which recognised the exemplary practice and the impact of colleagues and projects. Highlights included: "Student Collaboration Project", "Integration of AI into Teaching", "Embedding Entrepreneurialism in Art and Media".

Sustainability

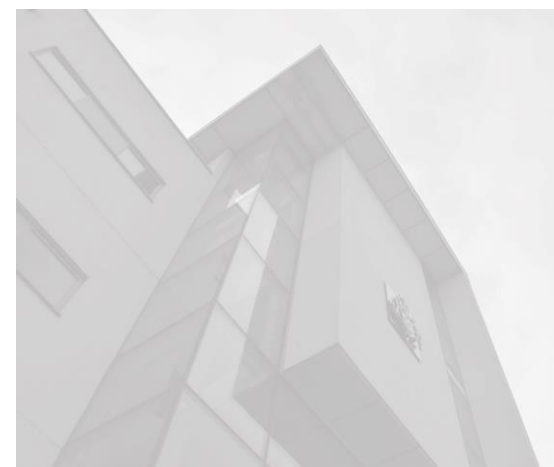
The University was pleased to be recognised with a '1st Class' award in the esteemed 2023 People & Planet University League. This accolade underscores UWTSD's commitment to environmental stewardship, ethical practices, and sustainability initiatives. Notably, UWTSD secured top positions in Wales and commendable UK standings in the 'Waste and Recycling' (9th in the UK), 'Energy Sources' (7th in the UK), and 'Water Reduction' (2nd in the UK) categories.

The Coastal TALES project, led by the UNESCO-MOST BRIDGES (UK) hub at UWTSD, secured €770,000 of funding in Belmont Forum's Climate and Cultural Heritage joint call (CCH 2023). The collaborative initiative aims to address challenges at the intersection of climate change and cultural heritage, involving teams from Ireland, the United States, and Wales. The project focuses on understanding and preserving adaptive strategies of coastal communities facing climate change impacts.

Setting the stage for the future

In 2023/24, the Vice-Chancellor reviewed the Executive team structures and arrangements to ensure a cohesive senior leadership team and accountable institutional governance approach. A new Chair of the University Councils joined the University at the beginning of the academic year, enabling a new aligned approach between executive and governance to be established and evolve to respond to challenges and opportunities, and to provide greater accountability for the delivery of our priorities. As a result of these changes Council has approved an extension to the Strategic plan until 2025.

The University has reviewed its internal planning and review processes to better enable it to face the sector challenges. The Council has approved a new business plan with 5 domains: Education & Student Experience; Recruitment: Home & International; People, Organisation & Culture; The Digital & Physical Estate; and Research & Civic Mission. The University views these as the core areas for the delivery of the University's mission. Principal risks and uncertainties have been mapped against these.



UWTSD is rated 4th in Wales for impact, with 74% of the University's research judged as delivering outstanding and very considerable impacts for society, culture, and industry



People & Planet green league table ranking: 1st Class and Joint 29th

Principal Risks and Uncertainties

The University maintains a university-level Risk Register which is formally reviewed by the Senior Leadership Team, Council’s Audit and Risk Committee, and Council. It is also updated as and when appropriate if it is clear that risks are changing more rapidly.

Institutional performance is systematically monitored. Council’s Resources and Performance Committee and Council itself receives an annual report on performance. On behalf of the Council, the Resources and Performance Committee also maintains oversight of performance against Key Performance Indicators (KPIs). Monitoring reports are provided at each meeting, with an annual assessment and narrative presented at the final meeting of each year.

		Education & Student Experience	Recruitment: Home & International	People, Organisation & Culture	The Digital & Physical Estate	Research & Civic Mission
RISK	RISK	Our academic portfolio is not appropriately structured to provide the best opportunities for student recruitment, experience and outcomes.	Home and International student recruitment and retention do not align to forecast student numbers resulting in reduced financial sustainability.	Our staffing structures, workforce profile and workplace behaviours are not aligned to the needs of the University and our students	Costs associated with running and maintaining the geographical estate result in reduced financial sustainability. A cyber security breach or incident results in harm to the University.	Reduced income from research and commercial activities results in reduced financial sustainability.
MITIGATION	MITIGATION	Through a planned cycle, we will review the academic portfolio using a range of metrics and other information, both internal and external, to ensure that our offer is attractive, well-designed, appropriately structured and geographically located to provide the best opportunities for student recruitment, experience and outcomes.	We will review and enhance our marketing to increase our share of existing and developing markets with an offer to attract more students to our Welsh campuses and grow international activity.	We will frame and implement an organisational structure and culture, based on shared values and vision, within a post-16 educational group that responds to institutional and national priorities, delivered by academic and professional services, and managed by an agile Executive that is accountable to governors and our regulatory bodies. Within the parameters of our existing workforce, we will define organisation structures of appropriate shape, size and geographical distribution to effectively deliver and run the University.	We will optimise our campus infrastructure and footprint to support a sustainable efficient estate that is fit for purpose to deliver our educational and organisational requirements and respond to changing demands on usage. We will continue to implement our Digital Strategy, focusing on digital tools that will support improved student recruitment and staff and student services whilst maintaining strong cyber security.	We will define, structure and implement an appropriate research approach for the University that is embedded into our educational offer.



Joint Report on Financial Year

Joint Report on Financial Year

Financial Review

The Director of Financial Services and the Chair of the Resources and Performance Committee present the financial review of the Group for the year to July 2024.

The Group result encompasses all activities, other than the Students’ Union which is an independent body.

The higher education sector is operating in an environment where a number of underlying factors are resulting in uncertain student enrolments, income generation and cost pressures. The year to 31 July 2024 saw an acute realisation of these pressures for all Universities.

From the total comprehensive income of £27.9 million, £30.4 million is attributed to the results of the University, a deficit of £1.2 million is attributed to the FE colleges, and a deficit of £1.3 million is attributed to the other subsidiaries in the Group.

As detailed in the following financial review, the surplus and total comprehensive income totals posted by the University and the Group are heavily impacted through the release of the USS deficit provision in the year. The 2022 Valuation of the USS pension scheme reported a surplus for the scheme, resulting in a full release of the £33 million provision that was reported at 31 July 2023. When considering the surplus recorded in year, the impact of this provision should be considered and excluded.

The University operates in a complex environment and as such there are a number of non-cash impacting items and items outside of the University’s influence that are reported in the surplus recorded in the statement of comprehensive income. The University considers this underlying operating position to be an appropriate measurement of its performance.

A summary of the reported financial performance and the underlying financial position are shown in the tables overleaf.

The University of Wales Trinity Saint David is not immune to the risks and pressures in the sector but has a student and estate profile that provides additional risks. When managed appropriately with mitigating activities, they also provide the University with opportunities to navigate the current landscape.

The year to 31 July 2023 showed a significant deficit. The actions taken by the University in the year to 31 July 2024 have resulted in a correction of this financial position.

Budgets and forecasts are set to ensure that the University is sustainable and underpinned with appropriate investment in both staff and operational expenditure. The budgets are set to a model that delivers surplus and cash generating positions.

The University took decisions in the summer of 2023 that will provide medium to long-term benefits to the University, but which impacted the ability of the University to meet the surplus and cash targets set in the budget. An early reforecast taking these into account provided a break-even position and the University is reporting a final position in line with this. This early reforecast was set against the challenging environment with a changing student demographic and needs, coupled with high levels of inflation within the UK economy.

The University is satisfied with the year’s performance but also reflects the need to continue to reshape the financial model for the University and wider group in order to return to a cash generating position from the current year.

Tuition fee income for the University continues to be the driver of its growth, particularly through the growth in in-year intakes where the delivery of teaching does not follow the traditional academic year profile. As a result, a portion of the income from the in-year intakes is deferred at 31 July and recognised in the following year. The level of deferred income remained consistent at £24 million. The relocation of the London campus is expected to result in a growth in this figure at July 2025.

The growth in tuition fee income is partially offset through a reduction in the funding body grants, with the level of specific use grants falling by £1 million in the year.

The pay costs in the year to 31 July 2024 have increased from the prior year as the full year impact of recruitment activity in the previous period was fully realised. During the past year, staff recruitment was carefully controlled to ensure that the level of staff costs is appropriate for its current and projected income levels. Although, the distribution of staff does not align to the University’s delivery requirements and the distribution is being reviewed in the current financial year. The University benefited from the early adoption of the 2023 USS valuation in January 2024 with pension contributions falling from this point.

Operating expenditure was managed closely throughout the year to ensure a breakeven position was met. The University reduced its non-pay expenditure by £3 million. This was offset by an increase in commission payments linked to student recruitment of £2 million. As a result, the University saw a net £1 million decrease in its operating expenditure. The University will continue to carefully manage its non-pay costs while minimising the impact on its ability to deliver a high-quality education for its students.

In managing the cash position, some capital disposals anticipated for the year to 31 July 2024 were delayed and are now expected to conclude in the year to 31 July 2025. These delays had a £2 million negative impact on the cash position at the year end.



Joint Report on Financial Year

Consolidated

Statement of Comprehensive Income summary (Consolidated)

	Year ended 31 July 2024	Year ended 31 July 2023	Movement
	£'000	£'000	£'000
Income	202,701	183,116	19,585
Expenditure	(205,030)	(196,258)	(8,772)
Impact of movement of USS deficit provision	32,925	2,273	30,652
Profit on Sale of Assets	1,408	41	1,367
Decrease in fair value of investment properties	(655)	(300)	(355)
Loss on investments	(758)	(155)	(603)
Taxation	(4)	5	(9)
Surplus/(Deficit) for the year	30,587	(11,278)	41,865
- Actuarial gain/(loss) in respect of pension schemes	(2,679)	11,177	(13,856)
Total comprehensive income/(loss) for the year	27,908	(101)	28,009

The Group operates in a complex environment and as such there are a number of non-cash impacting items and items outside of the Group’s influence that are reported in the surplus recorded in the statement of comprehensive income. These are highlighted below:

Adjusted Underlying Performance (Consolidated)

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Total comprehensive income/(loss) for the year	27,908	(101)
Add back actuarial movement on pension schemes	2,679	(11,177)
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	(32,925)	(2,273)
Revaluation of derivative liability	-	(254)
Restructuring costs	459	977
Decrease in fair value of investment properties	655	300
Underlying deficit	(1,224)	(12,528)

The Group considers this underlying operating position to be an appropriate measurement of its performance.

University

Statement of Comprehensive Income summary (University)

	Year ended 31 July 2024	Year ended 31 July 2023	Movement
	£'000	£'000	£'000
Income	135,552	116,572	18,980
Expenditure	(136,230)	(127,861)	(8,371)
Impact of movement of USS deficit provision	32,925	2,273	30,652
Profit on Sale of Assets	1,403	16	1,387
Decrease in fair value of investment properties	(565)	(75)	(490)
Loss on investments	(746)	(148)	(598)
Surplus/(Deficit) for the year	32,339	(9,223)	41,562
- Actuarial gain/(loss) in respect of pension schemes	(1,915)	1,164	(3,079)
Total comprehensive income/(loss) for the year	30,424	(8,059)	38,483

The University operates in a complex environment and as such there are a number of non-cash impacting items and items outside of the University’s influence that are reported in the surplus recorded in the statement of comprehensive income. These are highlighted below:

Adjusted Underlying Performance (University)

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Total comprehensive income/(loss) for the year	30,424	(8,059)
Add back actuarial movement on pension schemes	1,915	(1,164)
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	(32,925)	(2,273)
Revaluation of derivative liability	-	(254)
Restructuring costs	403	56
Decrease in fair value of investment properties	565	75
Underlying surplus/(deficit)	382	(11,619)

The University considers this underlying operating position to be an appropriate measurement of its performance.

Joint Report on Financial Year

Income Sources

The year to 31 July 2024 saw an increase in total group income of £19.6 million (11%) and increase in University income of £19.0 million (16%). Total income for the group in the year is £202.7 million and for the University is £135.6 million.

Excluding the capital grant income for the Innovation Matrix (£8.1 million), the increase in income from the previous year for the group and University was £11.5 million (6%) and £10.9

million (9%). This growth is predominantly driven through an increase in tuition fees.

The total income then includes the £8.1 million of capital grant for the construction of the Innovation Matrix building in Swansea. This had a total construction cost of £13.6 million and is held as an Investment Property (see note 13). The make-up of the income has remained broadly consistent year on year and is summarised below:

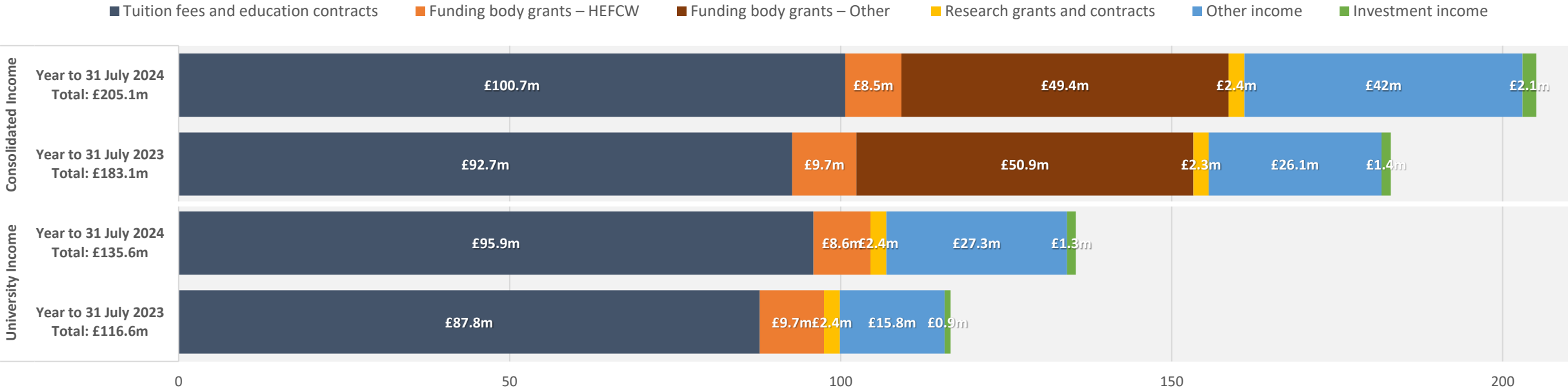
Funding Body Grants - The Higher Education sector received a number of specific, non-recurring grants during the Covid-19 pandemic with the final projects funded by these grants concluding during the year to 31 July 2023. The reduction in the funding body grant income of £1.2 million for the University and £2.7 million for the Group is largely through this reduction in non-recurrent grant funding.

The recurrent Welsh Government grant funding of £47.5 million comprises of £15.4m awarded to Y Ganolfan Dysgu Cymraeg Genedlaethol for the delivery and promotion of Welsh Language learning and £32.1 million awarded to Coleg Sir Gar and Coleg Ceredigion for the provision of further education.

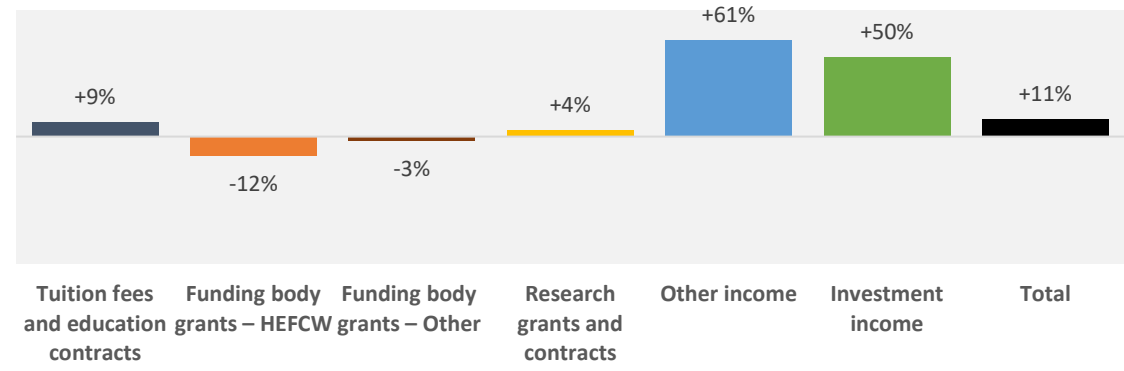
Funding body grants – Other reflect grants from the Welsh Government, received by Coleg Sir Gâr, Coleg Ceredigion and Y Ganolfan Dysgu Cymraeg Genedlaethol (YGDCG).

Other income arises from a wide range of sources including: student residences, catering and grant funding for projects and programmes.

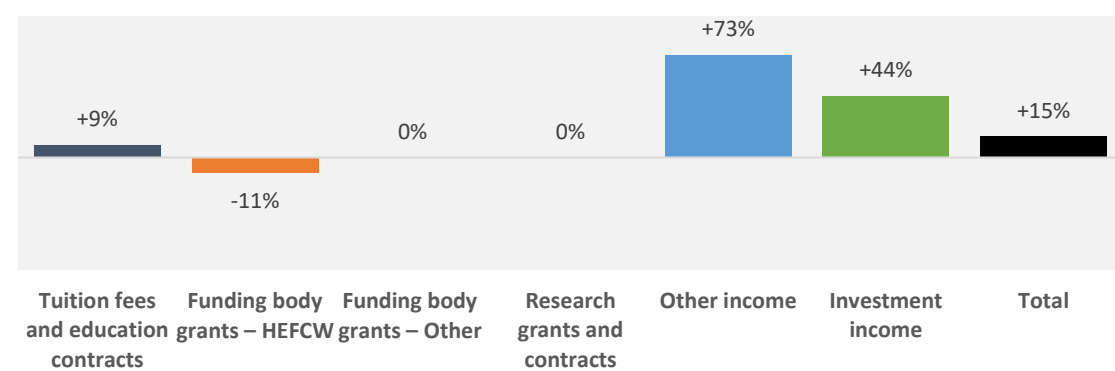
Income (£'m)



Consolidated income: Movement % 2023 -2024



University income: Movement % 2023 -2024



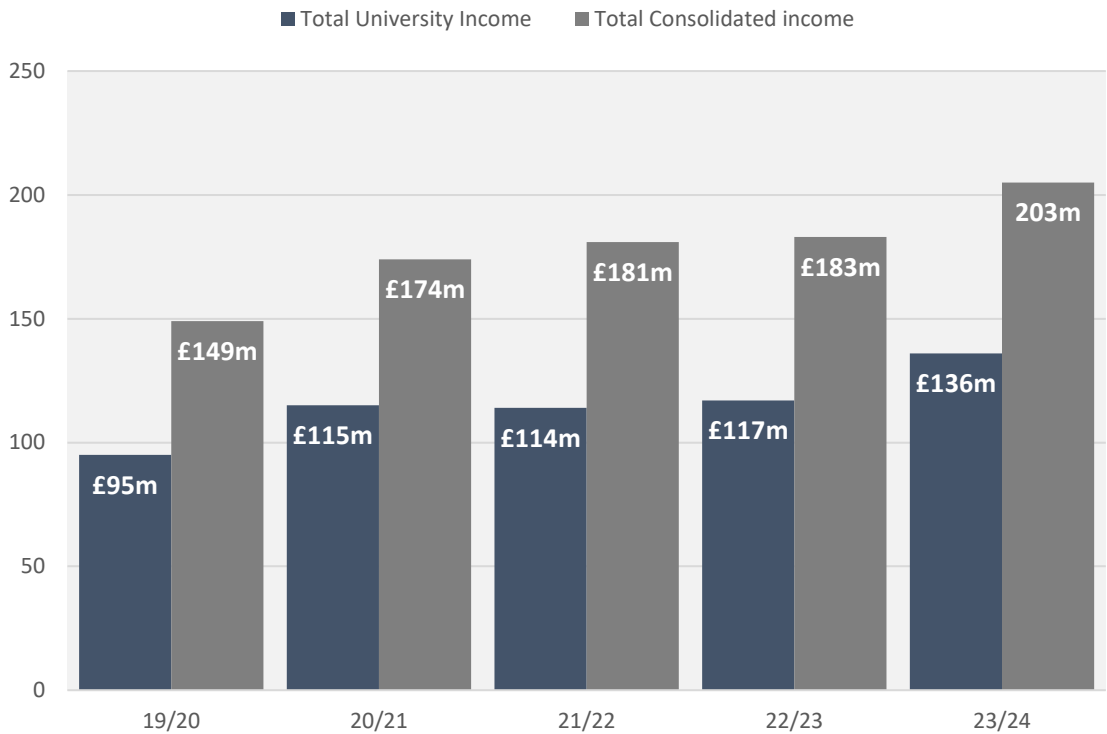
Joint Report on Financial Year

Total Income

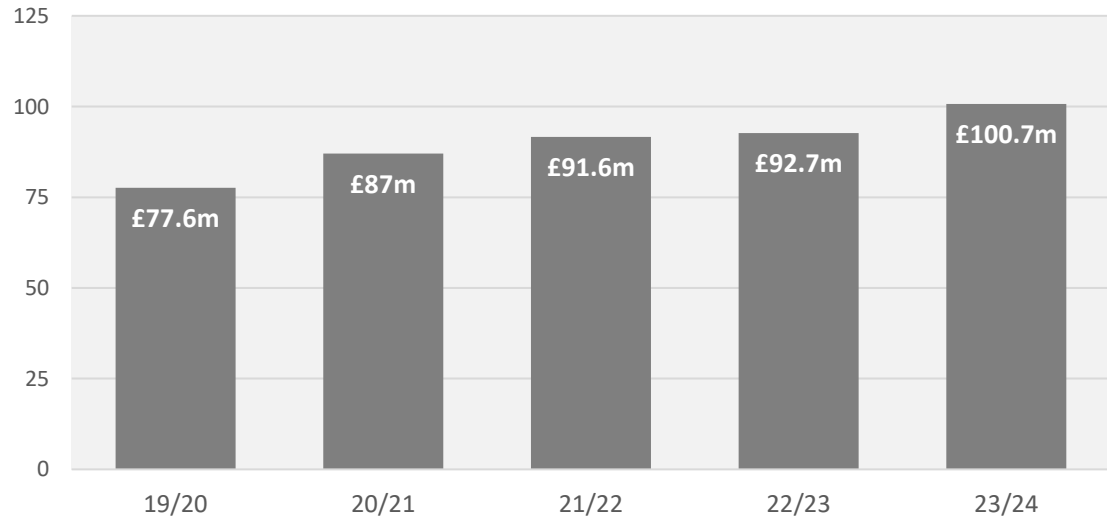
The growth in income continues a trend over the past 5 years where income has grown by 38% from an income of £149 million in 2019/2020 to £203 million in the current year. The University income in the same

period has increased by 43% from £95 million in 2019/2020 to £136 million in the current year. During this same period, the Group tuition fee income increased by 30%.

5 Year Income



Consolidated Tuition Fee Income

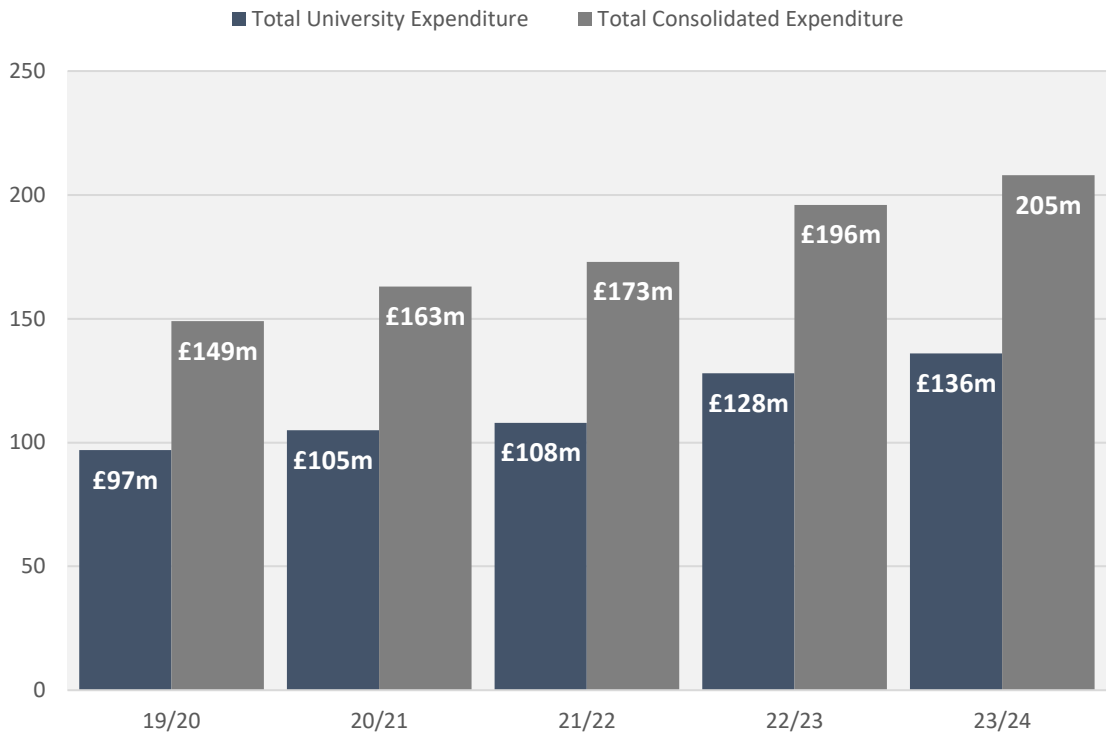


Total Expenditure

The year to 31 July 2024 saw a decrease in total group expenditure and University expenditure. This decrease is entirely the

result of the release of the USS deficit provision noted in the introduction. In fact, there is a 6% increase in the expenditure.

5 Year Expenditure

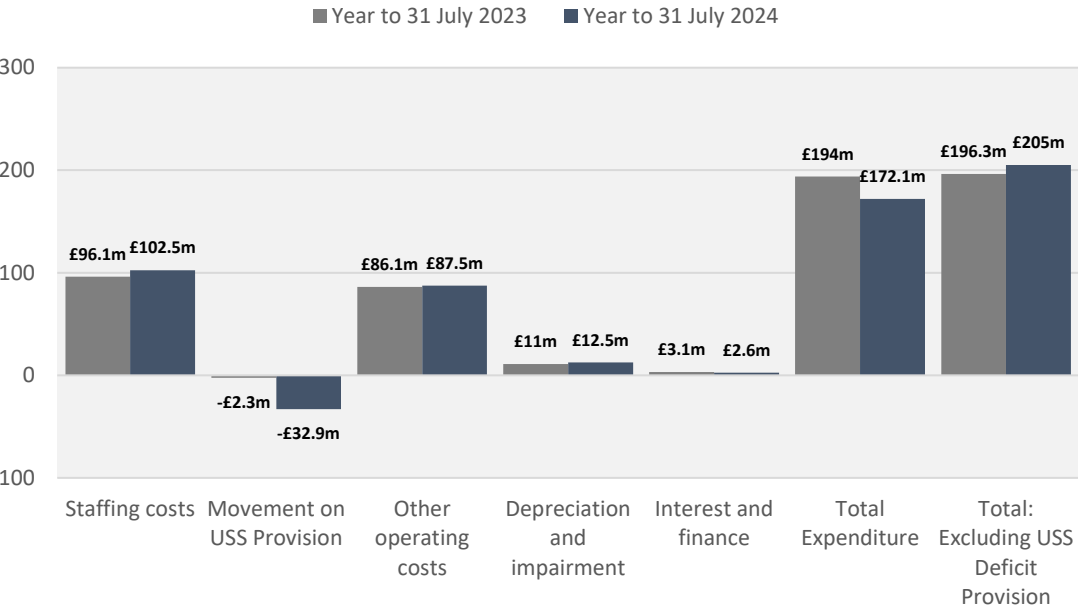


	Expenditure	% Change	USS Deficit Provision	Expenditure w/o USS Deficit Provision	% Change
Group	(174.6m)	(10%)	32.9m	(207.5m)	6%
University	(103.4m)	(18%)	32.9m	(136.2m)	6%

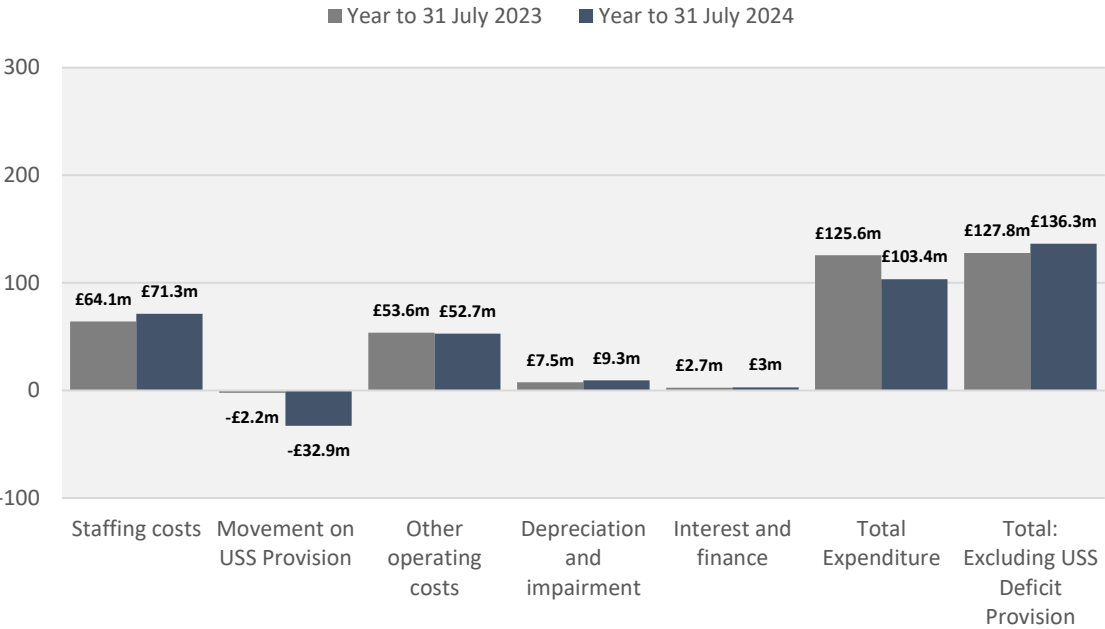
Expenditure has increased over the past 5 years to support the income growth experienced in the period (38% group income growth, 43% University). When the annual adjustments to the USS provision are excluded, the Group expenditure has grown by 39% and University expenditure growth at 40% over the past 5 years.

Joint Report on Financial Year

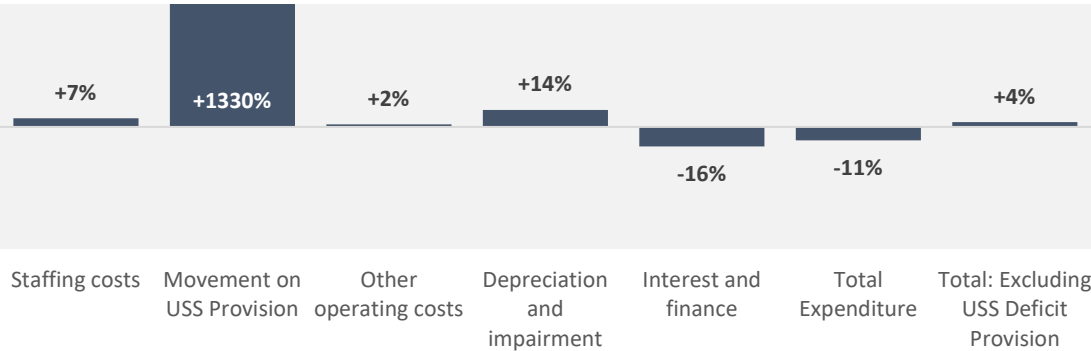
Consolidated Expenditure



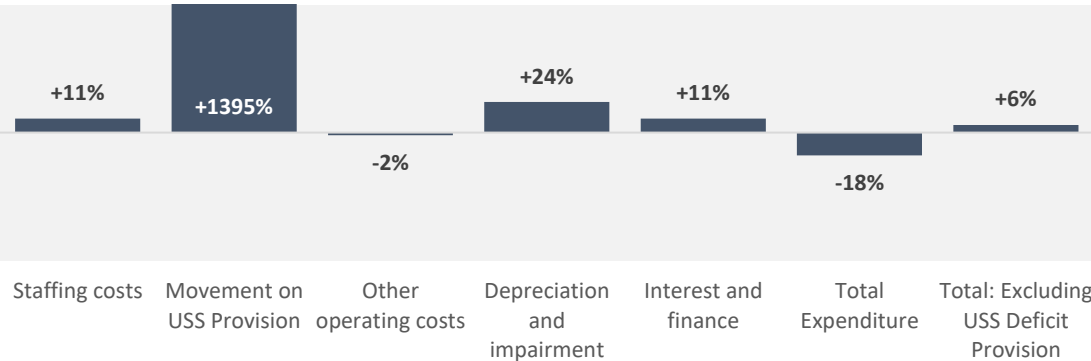
University Expenditure



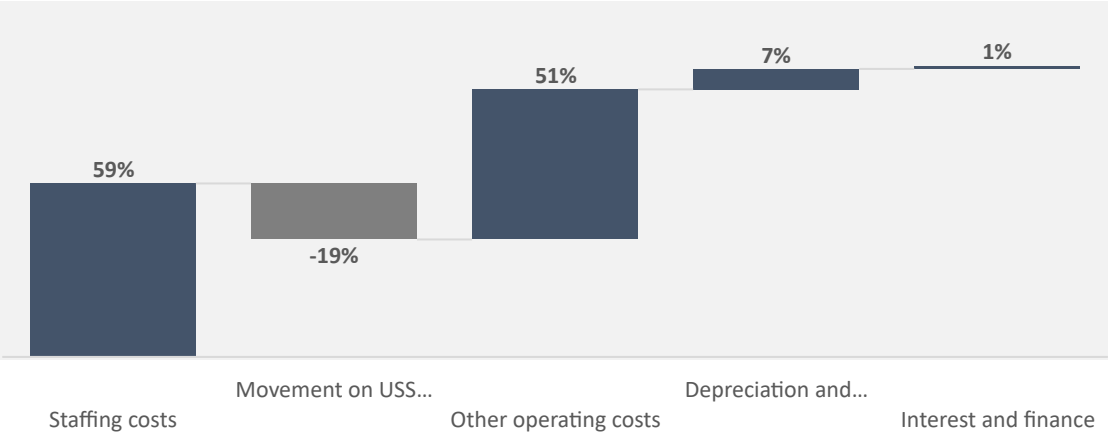
Consolidated Expenditure: Movement % 2023 - 2024



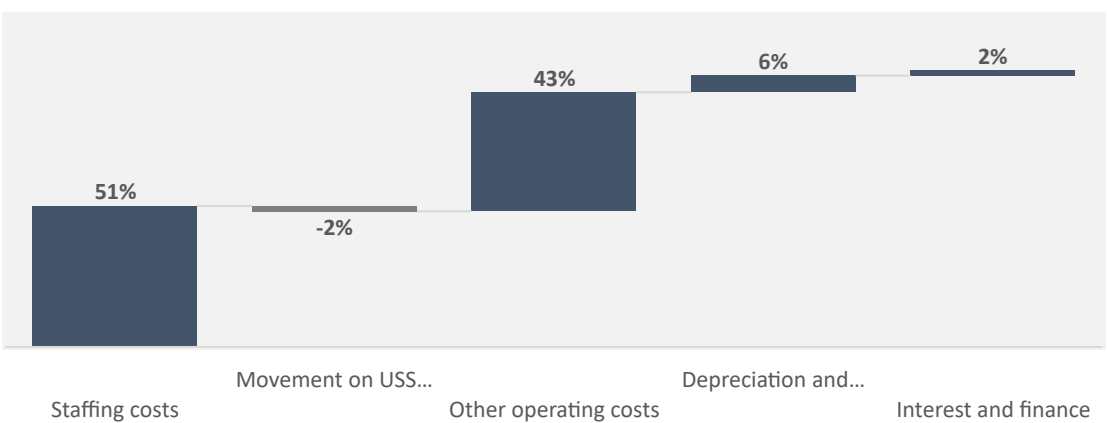
University Expenditure: Movement % 2023 - 2024



Consolidated Expenditure: % of Year to 31 July 2024



University Expenditure: % of Year to 31 July 2024



Joint Report on Financial Year

Staffing Costs

The University targets a staffing cost to income ratio of between 50% and 55%, over this 5-year period the ratios have been within this range. In the year to 31 July 2024, the University ratio is 53% and the Group Ratio 50%. When the non-recurring capital grant income is excluded, the ratios are 56% and 52% for the University and Group respectively.

Staffing costs are the largest single cost line for the University and Group representing 42% of Group expenditure (2023:49%) and 52% of University expenditure (2023:50%).

Restructuring costs totalling £403k were paid in the year to 6 employees, including 4 employees reported under Key Management Personnel in the previous year.

Other Operating Costs

53% of the University's operating expenditure (52% group) falls within Academic and related expenditure. The University expenditure of £27.9 million in this area includes £16.5 million related to student recruitment, an increase of £2 million.

(£1.5 million for the Group) as a result of the capital expenditure in the year. Having undertaken reviews on expected future use of the key University buildings, the University has concluded that the carrying value is appropriate, with no impairment charges required in the current year.

Premises expenditure for the University has reduced by £4.3 million (38%), Group expenditure has reduced by £4.3 million (30%). The fall in expenditure is in part through a £1.3 million reduction in utility costs with the costs in the year to 31 July 2024.

University Interest and finance costs include pension scheme interest charges of £0.4 million (2023: £1.3 million) and loan interest of £2.1 million (2022: £1.4 million).

The Group Interest and finance costs include a pension scheme interest credit of £0.06 million (2023: £1.5 million charge) and loan interest of £2.1 million (2022: £1.4 million).

The depreciation charge in the year has increased by £1.7 million for the university

Capital Expenditure

2024 saw the completion of a range of capital projects previously committed to. As a result, the capital expenditure in the Year to 31 July 2024 was £16.9 million for the University and £19.5 million for the Group. This completed a three-year period of significant investment in the University's

physical and digital estate [£11.6 million (2023) and £14.2 million (2022)]. The expenditure of £16.9 million in 2024 includes £12 million for the development of the University's new London campus in Canary Wharf completed in June 2024.

Capital Expenditure (cont.)

The University has invested £13.6 million into the construction of a new property known as the Innovation Matrix in Swansea, with £9.7 million of the expenditure occurring during the year and £3.9 million being incurred during the year to 31 July 2023. The building opened and welcomed

its first tenants during the year and will provide a commercial income to the University alongside providing opportunities for innovative companies to work within the University and amongst our students.

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £141.9 million at 31 July 2024 (2023: £114.1 million). The increase in net assets primarily arises from the decrease in pension liabilities of £33.2 million to £nil (2023: £33.2 million).

(2023: £22.8 million). In addition, the University utilised an overdraft facility at 31 July 2024 of £5.5 million which is reported under creditors. The amounts are due within one year (2023: £nil). The decrease in cash reserves is through the capital expenditure in the year on both tangible fixed assets and investment properties.

Cash balances are reported as £20.4 million for the Group at 31 July 2024 (2023: £44.8 million) and £2.0 million for the University

Cash Flow

The University and Group cash position peaked at July 2022 after which the cash balances have been utilised in the capital expenditure noted above in both the current and prior years and in servicing the deficit recorded in the Year to 31 July 2023. The consolidated net cash outflow from operating activities was £3.6 million for the year (2023: inflow £0.5 million) and the overall cash outflow was £29.9 million (2023: £14.7 million).

proceeds from the sale of fixed assets of £2.7 million (2023: £0.04 million) less payments made to acquire fixed assets of £24.8 million and investment properties of £2.9 million (2022: £11.7 million). The University divested from £4.3 million of investments in the year.

Cashflows from operating activities are impacted by the recognition of the negative non-cash pension costs of £35.9 million (2023: £3.4 million).

Cashflows from financing activities are comprised of new finance leases to fund the purchase of equipment of £1.5 million (2022: £0.5 million) less payments made against finance leases of £0.9 million (2022: £0.9 million) giving an increase of £0.6 million (2023: decrease £0.4 million) and interest payments of £2.1 million (2023: £1.4 million).

Cashflows from investing activities include

Joint Report on Financial Year

Borrowing

The University's loan with HSBC was renegotiated during the period to renew the original product term that was due to end in April 2024. An agreement for a further 5 years was agreed and formally put in place on 31 January 2024. The University did not take out any further borrowing as part of the renewal. The capital repayment on the loan remains at £2 million per year, paid in 4

equal instalments. The maturity of the loan is detailed in April 2029.

The University entered into an unsecured overdraft facility with Barclays during the period with the facility being utilised at 31 July 2024 at a level of £5,457k. This is reported under creditors due within one year.

Covenants

The 3 covenants in place for the year to 31 July 2024 are

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs – Capital Expenditure in the year to be net of opening balance sheet cash;
- The ratio of net debt to total income to be not more than 50%; and
- The level of consolidated net assets excluding pension liabilities to be not less than £105 million.

These covenants were tested based on the University's management accounts at 31st October 2023, 31st January 2024, and 30th April 2024. All 3 tests were passed at each testing point. A final test point based on the audited financial statements at July 2024 saw all 3 tests passed.

The budget and forecasts prepared indicate that they will be passed at all points for the forecast period through to December 2025.

Liquidity

The Group's current ratio at 31 July 2024 was 0.84 (2023: 1.22). The reduction in the ratio is attributed to the capital expenditure in the period.

Detailed monthly cashflow forecasts have been prepared for the 12 months ended 31 July 2025 and into the Year ending 31 July 2026 showing that there are sufficient cash resources and liquidity during this period to properly manage its affairs and planned operations. These forecasts indicate a positive cash flow for both periods.

Creditors due within one year amount to £64.2 million for the University (2023: £74.6 million), and £56.3 million for the Group (2023: £74.6 million). The decrease primarily arises from a reduction in deferred income (£10.2 million University, £10.3 million group), a decrease in other accruals (£3.1 million University, £2.7 million group),

and a decrease in Trade Creditors (£1.7 million University, £2.1 million group). This is offset through the recognition of an overdraft (£5.5 million).

The decrease in deferred income is driven through the release of the capital grant of £8.1 million held at 31 July 2023 relating to the Innovation Matrix building and a £2 million decrease in other deferred grant income as long-term projects reach their end point.

The trade creditors decrease is due to timing of transactions. There has been no amendment to the creditor payment policy in the year which continues to follow best practice. The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice.

Joint Report on Financial Year

Pensions

The University contributes into 6 defined benefit pension schemes, of which one (USS) remains open to new members. In addition, the two FE colleges each contribute into a defined benefit scheme. Of the 8 schemes in total, 2 Teachers Pension Schemes (TPS) are accounted for as a defined contribution scheme with no balance sheet provision, 4 Local Government Pension Schemes (LPGS) and 1 in-house scheme are accounted for as pension provisions and the USS scheme is accounted for as a deficit provision. All provisions are recorded as non-current liabilities.

The LPGS and in-house scheme were in a surplus position at 31 July 2024 and 31 July 2023. The University undertook a review on the underlying assumptions within the actuarial reports for each of the LPGS, TPS and in-house schemes and concluded that all of the inflation, discount rate and salary movement assumptions fell within the range expected, based on a peer review of 8 other institutions' schemes.

The Group has assessed the future economic benefit from the surplus position

of its pension schemes. As it is not anticipating to derive any economic benefit from the surplus position on any of the LPGS or in-house schemes, no surplus has been recognised on any scheme.

FRS102 requires the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS). This liability is included in the pension provision. Additional costs are processed through staff costs in the consolidated statement of income and expenditure.

At 31 July 2023, the institution's balance sheet included a liability of £33.2 million 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, and accordingly the provision was released in full during the year.

Financial Health

The University is pro-actively managing its activities to meet the challenges of the current difficult economic environment.

The key indicators of surplus, cashflow and banking headroom reflect the challenging environment. These have been significantly influenced over the past 2 years through significant capital expenditure levels resulting in an operating deficit in the year to 31 July 2024 and the previous year. The Group reserves provide sufficient headroom to meet the challenges faced in the immediate term and provide a platform for success and sustainable financial performance in future periods.

The University recognises the need to actively manage this position in future periods with key areas for focus including:

- reviewing the academic portfolio to ensure that our offer is attractive, well-designed, appropriately structured and geographically located to provide the best opportunities for student recruitment, experience and outcomes;
- enhancing our marketing and increase our share of existing and developing markets with an offer to attract more students to our Welsh campuses and grow international activity.
- defining organisation structures of appropriate shape, size and geographical distribution to effectively deliver and run the University.

- optimising our campus infrastructure and footprint to support a sustainable efficient estate that is fit for purpose to deliver our educational and organisational requirements and respond to changing demands on usage.
- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from Medr and Welsh Government; and
- responding to the changing political context of Higher Education in Wales;

During the year ended 31 July 2024 the University's increased teaching activity and cost controls have moved the operating performance from one of deficit to one of a small surplus. The University will continue to seek increased student recruitment through each of its entry points and continue to manage expenditure levels in a way to drive an operating surplus and begin to replenish the cash reserves that have decreased over the past 2 years.

The budget for the year to 31 July 2025 indicates a small net cash inflow for the year which follows the expectation set in the Annual Review for the year to 31 July 2023 that the cash balance would decrease in the year to 31 July 2024 before beginning to recover in future periods.

Joint Report on Financial Year

Going Concern

In preparing the financial statements for 2023/2024 and a budget for 2024/2025 the Group and University acknowledged and appreciated the challenging external environment that all tertiary education providers in Wales and the UK are operating under. The Group and University consider income generation and realisation of this income in cash as the most appropriate method of maintaining sustainability.

For the year to July 2024, the Group's income, excluding one off capital grants, grew by £11.5 million despite a reduction in Funding Body Grants of £2.6. million. This decrease in funding is due to the completion of projects attracting specific funding body grant funding. Within this increase £10.9m came from the University.. With the exception of the one off capital grant all of the income recognised in the current year is considered to be repeatable.

September 2023 saw the first intake of students in the University's new campus in Birmingham, providing the base for tuition fee growth in the year. Additionally, the new London campus in Canary Wharf saw its first intake of students in June 2024. The relocation to its new base provides an opportunity for student growth and student numbers in September 2024 have exceeding budget expectations for both domestic and international students. In 2024, there has also been growth in provision in Cardiff.

The difficult decisions taken in the summer of 2023 will provide longer term stability for the Group and University's income generation potential. The impact of these decisions, along with the operational improvements being applied during the current year, result in a budget with an

increase in recurring income, a small operating surplus and cash generation of £3 million in the University. At the date of signing the accounts, both the Group and University remain confident that their budgets will be delivered in the financial year.

Within the budget process, all members of the Group set appropriate targets for EBITDA and cash generation that will aid the management of their primary sustainability metric - being the Group and University's cash position and projections alongside meeting its banking covenants..

Over the past year, both the Group and the University have reviewed their cost base, with appropriate cost saving targets being set within the Group and University to allow investment in key areas whilst maintaining a cost base consistent with the current year and appropriate for its total income levels.

The increase in pay costs has pushed the ratio of pay costs to income slightly above 55%, when excluding the non-recurring capital grant income. The actions taken in the current year will bring this ratio back within the 55% target.

The budget setting for 2024/2025 and forecasting for 2025/2026 acknowledges the current cost base and the external pressures facing the Group and University, resulting in prudent and centrally controlled costs levels in both pay and non-pay for future years.

The forecasts are made with an underlying assumption of continued support from its bankers in the provision of its term loan facility. On 31 January 2024, the Group renewed its term loan facility with HSBC for a 5-year period to April 2029. As part of the renewal, the Group and University agreed updated covenants and is forecasting to achieve the revised covenant obligations throughout the going concern period, even when considering the stress testing and sensitivity.

The Group banking covenants to HSBC are tested on a quarterly basis on the 31st October, 31st January, 31st April and 31st July. The forecasts referred to above demonstrate that the Group and University will be compliant with its covenants during the assessment period on both base case and downside with mitigation case scenarios.

As noted above and in the Consolidated Statement of Cash flows, there was a net cash outflow of £29.9 million in the year to 31 July 2024 with a net cash outflow from operating activities of £0.8 million. The forecasts for 2024/2025 show a recovery in both the Group and University cash positions with an expected net cash inflow of £3 million. During 2024/25, the Group and University intend to utilise the overdraft facility referred to above with Barclays to manage its monthly cashflow.

The Group and University are working with its banking partners to identify a suitable longer-term financing model that is best suited for future expansion and developments. As this solution is explored

there is an overdraft facility in place for the current financial year which, alongside Group funds being available, will support any gap in establishing the longer-term funding. it is. The Group cash reserves position is available and sufficient, even under plausible downside scenarios, to allow all Group and University liabilities to be met as they fall due for a period of 12 months from the date of signing the financial statements.

The applied downside scenarios give further confidence in the ability of the Group and the University to manage any uncertainty arising in the 12 months from the date of signing these financial statements and the accounts are produced on a going concern basis to reflect the points covered above..

Joint Report on Financial Year

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;
- 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.

In addition, the University will:

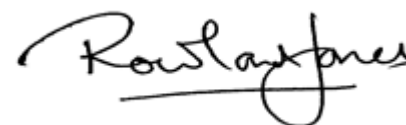
- Develop people centred model of service delivery that reduces the need to travel for staff, students and visitors that promotes low emission travel, active travel and encourages a greater use of public transport, reducing car commutes and business travel;
- Apply the principles of a circular economy 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 Leadership Team 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 Chief Operating Officer 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, Resources and
Performance Committee)



Gavin Bessant
(Director of Financial Services)

Public Benefit Statement

The University is a registered charity, and its charity number is 1149535.

Our Mission of Transforming Education; Transforming Lives derives from our Royal Charter’s Objects to ‘to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit’.

These Objects constitute the University’s charitable purposes for the public benefit.

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.

Scholarship and Research

Our research and engagement create impact in the public realm, improving equality, diversity and inclusion. Our research activity is critical to the delivery of the University’s

mission and public purpose, and the Research and Innovation Strategy seeks to ensure that all research areas should make a positive contribution to the communities we serve.

Welsh Medium

Our commitment to Welsh medium learning, including supporting second language learning and Welsh cultures is underpinned by the University’s Welsh Language Strategy. The Strategy contains firm commitment to ensuring opportunities to learn and study through the medium of Welsh in line with the

Welsh Government’s Cymraeg 2050: A million Welsh Speakers Strategy. Compliance with Welsh Language Standards also ensures that the University provides a supportive environment and ethos for individuals learning the language or studying through the medium of Welsh.

Academic Success

Education for the public good is at the heart of the University’s values. We are committed to the principles of equality and diversity and to building strong communities on all sites and within our partners’ academic communities. We are committed to create an inclusive, supportive learning and working environment in which all staff, students and learners can flourish and fulfil their personal potential. UWTSU Students are not a single group, they include – but are not limited to - mature students, disabled students, minority ethnic students, international students, LGBTQ+ students and students from further

underrepresented groups in higher education. Our students enter with a wide range of prior qualifications and experiences which enhance our University community. Understanding the barriers facing these different students, and the impact of intersections between different characteristics, will be crucial to the success of this strategy. We also recognise that the barriers faced by various groups of students are not mutually exclusive and through its mission the University aims to work to reduce these barriers to enable student success.





Statement of Corporate Governance

Governance Overview

In accordance with the University’s Supplemental 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 Primary Responsibilities are set out in the University’s Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and 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. Staff and student Council members are members of all standing committees with the exception of the Audit and Risk Committee. Senior officers of the University attend meetings as necessary.

A register of interests is maintained and presented annually for all members of Council and the standing committees along with senior officers of the University and its subsidiary companies. A Code of Practice for Council Members provides information on the procedures to be followed should a conflict of interest or loyalty arise.

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 and quality assurance; the University’s strategy for developing and promoting Welsh medium and bilingual education; and reports from Coleg Sir Gâr on learners and standards. The Committee considered Senate’s Annual Report to the University Council and the assurances it provided on the maintenance of quality and standards in advance of presentation to the full Council in November 2023.

Areas of particular focus during the year included the action plans arising from the Estyn Inspection of the University’s Initial Teacher Education provision and the Ofsted inspection of apprenticeships. The Committee also considered monitoring reports on strategies in a range of areas, including learning and teaching, student mental health and wellbeing, Welsh language and widening participation.

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

Audit and Risk Committee

The Audit and Risk Committee oversees audit and risk 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 Internal and External Auditors are present at each meeting.

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 for the University and its subsidiary companies prior to their submission to Council; the corporate risk register and assurance map; a twice-yearly transparency report on a range of matters including procurement and freedom of information; an annual report on whistleblowing; the performance of the internal and external auditors; and reports from the Coleg Sir Gâr Audit and Risk Management Committee.

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.

Group Scrutiny Committee

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University, focusing in particular on strategies pertaining to the relationship between the University and Coleg Sir Gâr.

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 and proposals to dissolve a number of dormant subsidiaries.

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%).

Estates Committee

Established in its current form in 2022/23, the Committee provides oversight of the development of an integrated UWTSD Group estates strategy and advice to Council on the resourcing and delivery of major capital projects; the operational management of the estate; and estates maintenance and compliance, including health and safety.

The Committee met on three occasions in 2023/24. Having focused extensively on Group estate matters in 2022/23, the focus in 2023/24 was primarily on the University estate (as reflected in the attendance detailed below), in particular developments in Swansea (the Innovation Matrix) and London (the acquisition of new premises in Canary Wharf). It also considered reports on other capital and maintenance projects, and health and safety matters. At the end of the year the Committee was disbanded and from 2024/25 estates matters will be included in the remit of the Resources and Performance Committee.

The Committee’s membership includes the Principal of Coleg Sir Gâr 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).

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; the recruitment strategy for new independent governors; the biennial review of adherence to the sector-wide Code of Governance published by the Committee of University Chairs; governance reports from Coleg Sir Gâr; reports on complaints; and nominations for honorary awards.

Key areas of work in 2023/24 included arrangements for the next Governance Effectiveness Review; an audit of members’ skills and experience to inform succession planning; and monitoring of the second year of implementation of the Council development and retention plan.

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. It considered a range of issues within the scope of its remit, including annual salary reviews for the staff within its remit with accompanying relevant supporting information; and the University’s annual Pay Policy statement.

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 which can be viewed through the following link [Strategies and Policies | University of Wales Trinity Saint David](#)

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 strategic developments; assessments of performance in relation to the measures of success of the Strategic Plan, the institutional Key Performance Indicators, and the targets of Fee and Access Plans; reports on student recruitment and retention; financial performance against forecasts and budgets and institutional sustainability; pensions; financial reports from the Students’ Union; human resources matters including approval of the annual pay award and reports from the Joint Consultative Committee; and reports relating to finance and resources from Coleg Sir Gâr.

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%).

Senate

In addition, the Senate, 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.

Senior Leadership Team

At executive level, the Senior Leadership Team meets on a regular basis in an advisory role to support the Vice-Chancellor in formulating proposals for the strategic direction of the University. 29 meetings were held in 2023/24. A wide range of topics are discussed at the meetings – both strategic and operational.

In 2023/24 the Senior Leadership Team membership included: the Vice-Chancellor, the Chief Operating Officer, the Pro Vice-Chancellors, the Head of Institute/Deans, the Executive Director of Human Resources, the Director of Financial Services, the University Secretary and the Provosts for our campuses in Wales. The attendance rate was 94%.

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 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:

- 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.

A key focus for the Council following the Camm Review has been the articulation, consolidation and enhancement of arrangements for governor induction and development. Formal and comprehensive induction arrangements, including a 'buddy' scheme for new independent governors, have been established, and a development and retention plan has been implemented, setting out the opportunities (both mandatory and optional) that are provided for all governors. Record-keeping has been formalised, as has the approach to appraisal.

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, and the annual Terms and Conditions of Funding issued by the Higher Education Funding Council for Wales (HEFCW).

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. UWTS

Group and corporate-wide University risk registers, which rate the likelihood and impact of identified risks, are maintained and regularly reviewed by the Senior Leadership Team. Departmental risk registers are developed and reviewed at local level, with risks escalated to the corporate risk register as appropriate. Registers are also maintained for discrete major projects and activities. The corporate risk registers are considered at each meeting of the Audit and Risk Committee and proposed changes are considered by the Council. The Group 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 University's Internal Auditors, Forvis Mazars, produce an annual report covering the specific audit areas reviewed in the year alongside an overall assessment rating for the year. The report for 2023/2024 covered 13 specific audits, concluding that overall the University's framework of governance, risk management and control is moderate in its overall adequacy and effectiveness. It noted that the rate of recommendation implementation had improved.

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. No instances of actual or suspected fraud were encountered during the audit work carried out in the internal audit cycle.

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.

A comprehensive risk register is maintained by the University with specific risks allocated to the appropriate senior managers and departmental heads. It is the responsibility of these risk owners to identify and implement mitigating actions to protect the University.

Risks are allocated an initial 'score' based on likelihood of occurrence and impact on the University with updates at each relevant committee and Council meeting detailing progress towards mitigating actions/ new actions identified and an updated risk score post mitigation.

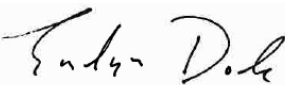
A full update to the register is presented to each meeting of the Audit and Risk Committee.

Conclusion

The Higher Education sector is one of continually evolving challenges and is not immune to the inflationary pressures that have, and continue to, impact the UK economy. The challenges facing the sector will continue throughout any reasonably forecastable period.

As a response the University continues to strengthen its core operations and deliver a divergence in products and markets.

Cost management remains a key focus for the University and the activity that has been taken in previous years has provided a sound base from which the University can react to the challenges that it will face in future periods and deliver a sustainable operating position to meet future challenges.



Emlyn Dole

Chair of University Council

Statement of Council's Responsibilities

In Respect of The Annual Report and The 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 Council 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 Auditor's Report

Declaration of information to auditor

In so far 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*

Independent Auditor's Report

Opinion

We have audited the financial statements of University of Wales Trinity Saint David (“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 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 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 Auditor’s Report

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 containing specific key words, 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, 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 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 Auditor’s Report

Other Information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work,

the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. We are required to report to you if:

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion the information given on pages 8 to 24 (which constitutes the Trustees’ Annual Report for the financial year) is inconsistent in any material respect with the financial statements. We have nothing to report in these respects.

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’s responsibilities

As explained more fully in its statement set out on page 30, 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 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

10 December 2024

The background of the slide is a faded, grayscale image of a person with long hair, wearing a dark shirt, sitting at a desk and working on a laptop. Several papers are scattered on the desk in front of them. The image is semi-transparent, allowing the text to be clearly visible.

Statement of Accounting Policies

Administrative Details

Charity Number	1149535
Company Number	RC000537
Principal Office	Carmarthen Campus, College Road, Carmarthen, SA31 3EP

Professional Advisors

External Auditor	KPMG LLP	3 Assembly Square, Britannia Quay, Cardiff, CF10 4AX
Internal Auditor	Mazars LLP	90 Victoria Square, Bristol, BS1 6DP
Bankers	Barclays Bank Plc HSBC Plc Natwest Bank Plc	

The consolidated financial statements of University of Wales: Trinity Saint David consolidate the following entities:

University of Wales: Trinity Saint David
Trinity University College Limited
Trinity College
Eclectica Drindod Limited
UWTSD Investments Limited
Y Ganolfan Dysgu Cymraeg Genedlaethol
Coleg Sir Gâr
Coleg Ceredigion
Mentrau Creadigol Cymru
UW Centre for Advance Batch Manufacture Limited
OSTC Trinity St David LLP (Joint Venture)
UWTSD Innovation Centres Limited
Swansea Business School Limited

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, 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 37.

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.

Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2024, which include Coleg Sir Gâr and Coleg Ceredigion. Intra entity transactions are eliminated fully on consolidation.

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

Associated companies and joint ventures are accounted for using the equity method.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosure required by FRS102.11 Basic Financial Instruments and FRS102.12. Other Financial Instrument issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

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 Joint Financial Statement. 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 University and Council believe to be appropriate for the following reasons.

After adjusting for non-cash adjustments on the pension provisions of £32.9 million and other non-core items (as noted on page 48), the University has recorded a surplus of £0.3 million in the year. A negative cash flow before capital expenditure of £0.6 million was also recorded. The budget for 2024/2025 targets a surplus of £0.5 million before capital disposals and positive cash inflow of £5.9 million before any capital activity. The University has no significant capital expenditure planned for the year to 31 July 2025.

As noted on page 14 in the Joint Financial review, the University took actions during the year to 31 July 2024 to address the deficit from the previous year and to support the future sustainability of the University. The review and implementation of further actions will continue through the coming years as the University implements its Business Plan:

- reviewing the academic portfolio to ensure that our offer is attractive, well-designed, appropriately structured and geographically located to provide the best opportunities for student recruitment, experience and outcomes;
- enhancing our marketing and increase our share of existing and developing markets with an offer to attract more students to our Welsh campuses and grow international activity.
- defining organisation structures of appropriate shape, size and geographical distribution to effectively deliver and run the University.
- optimising our campus infrastructure and footprint to support a sustainable efficient estate that is fit for purpose to deliver our educational and organisational requirements and respond to changing demands on usage.
- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from Medr and Welsh Government; and
- responding to the changing political context of Higher Education in Wales;

The University and its subsidiaries prepared five-year financial forecasts as part of the 2024/2025 budget process that deliver surpluses and positive cashflow in each year based on achieving specific targets for EBITDA at between 10% and 15%, cashflow generation of £10m before capital expenditure and financing activity and a wages to income ratio below 55% within the forecast period. They have also considered alternative “downside” scenarios if these plans are not realised and the alternative mitigating actions that would be required as a result. The early performance in 2024/2025 is in line with the overall budget expectations for the period. A reforecasting exercise was carried out following the autumn intake that produces a business plan to deliver a surplus for the year. The University has a number of mitigations and income opportunities that can be actioned should in year recruitment and performance deviate from this position.

The forecasts are made with an underlying assumption of continued support from its bankers in the provision of its loan facility. On 31 January 2024, the Group renewed its term loan facility with HSBC for a 5-year period to April 2029. As part of the renewal, the University has agreed updated covenants and is forecasting to achieve the revised covenant obligations throughout the going concern period, even when considering the stress testing and sensitivity.

The Group banking covenants to HSBC are tested on a quarterly basis on the 31st October, 31st January, 31st April and 31st July. The forecasts referred to above demonstrate that the University and its subsidiaries will be compliant with its covenants during the assessment period on both base case and downside with mitigation case scenarios. The overdraft facility is in place for the current financial year with Group funds being available to support any gap in establishing the longer-term funding.

The University is working with Barclays and HSBC to identify a suitable longer-term financing model that will remove the need for an overdraft and provide available funding for future expansion and developments.

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

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.

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

Income from accommodation provision is credited to the Consolidated and University Statements of Comprehensive Income over the contracted length of the accommodation. Accommodation contracts are issued on a yearly basis. Bonds held on accommodation are held on the Consolidated and University Balance Sheets and repaid to students at the end of each academic year provided the terms of the accommodation contract have been upheld. Any bond retained by the University is credited to the Consolidated and University Statements of Comprehensive Income at the end of the accommodation period as an income item.

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

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

Grant Funding

Government 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.

Income received in advance of performance-related conditions is deferred within creditors in the Statement of Financial Performance and released to the Statement of Comprehensive Income in line with such conditions being met.

Commercial research contracts are accounted for in line with the policy for income from the sale of goods or services (exchange transactions) above. Other grants and donations received from non-government sources including research grants from non-government sources are recognised within the Statement of Comprehensive Income when the University is entitled to the income and the performance-related conditions have been met.

Income received in advance of performance-related conditions is deferred within creditors in the Statement of Financial Performance and released to the Statement of Comprehensive Income in line with such conditions being 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 four main types of donations and endowments within reserves:

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

Capital Grants

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

Accounting for retirement benefits

There are five principal pension schemes for the University's staff, one of these schemes the Universities Superannuation Scheme (USS), is open to new members. The other four, Teachers' Pension; two local authority schemes (Swansea and Dyfed) and the University of Wales Lampeter Pension and Assurance Scheme are closed to new members from the University. The local authority schemes for Coleg Sir Gâr and Coleg Ceredigion remain open to new member. The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

The USS and Teachers' Pension schemes are 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.

Multi- Employer Schemes

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

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.

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.

Finance Leases

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

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

Operating Leases

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

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.

STATEMENT OF ACCOUNTING POLICIES

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 2019 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 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 as follows:

Academic buildings	50 years
Residences	30 years
Laboratories and lecture theatres	30 years
Refurbishments	20 years

A full year’s depreciation is charged in the year of acquisition.
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
Motor vehicles	4 years

A full year’s depreciation is charged in the year of acquisition
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.

Heritage Assets

Works of art and other valuable artefacts valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.
Works of Art are included at costs incurred from 1 April 1981 or subsequent revaluation. The latest valuation of heritage assets was at 31 July 2014, which was carried out for insurance purposes. This valuation indicated that the value had increased, however no gain was recognised for accounting purposes.

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

Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated and University Statements of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

The review of the fair value of the investment properties is undertaken by Savills.

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.

Stock

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

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.

- **Derivative financial instruments**

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in income or expenditure.

Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the University a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the University.

Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required, or the amount of the obligation cannot be measured reliably.

A contingent asset arises where an event has taken place that gives the University a 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.

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.

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.

Several of the University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation. Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

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.

Accounting estimates and judgements – key sources of estimation uncertainty

In preparing the financial statements management have exercised judgment in the following areas:

- **Defined benefit pension scheme assumptions**

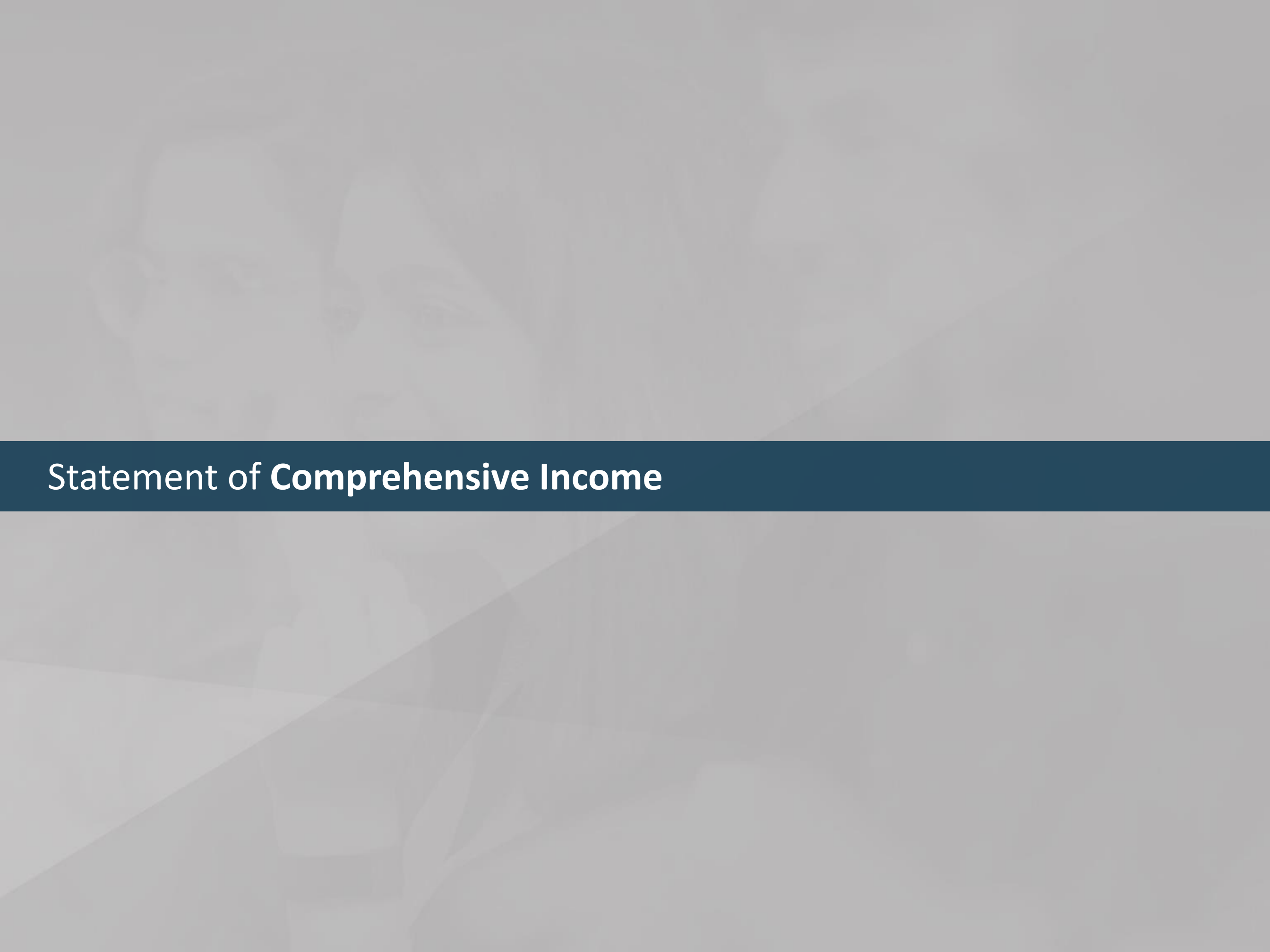
The University has a number of defined benefit pension schemes. The valuation of the liabilities on each defined benefit scheme is calculated using a financial and demographic model to present a single scenario from a wide range of possibilities. The schemes' actual experience will inevitably differ 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.

- **USS pension scheme assumptions**

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme such as Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102.

At 31 July 2023, the institution's balance sheet included a liability of £33.2 million 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 £33.2 million was released to the profit and loss account.

A faded, grayscale background image of a person's face, likely a woman, looking slightly to the side. The image is semi-transparent and serves as a backdrop for the text.

Statement of Comprehensive Income

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 July 2024		Year ended 31 July 2023	
	Notes	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	2	100,735	95,932	92,735	87,759
Funding body grants	3	57,928	8,570	60,594	9,743
Research grants and contracts	4	2,429	2,429	2,327	2,357
Other income	5	39,533	27,342	26,067	15,821
Investment income	6	2,076	1,279	1,393	892
Total Income		202,701	135,552	183,116	116,572
Expenditure					
Staff costs	7	102,477	71,353	96,085	64,048
Movement on USS Provision	7	(32,925)	(32,925)	(2,273)	(2,273)
Other operating expenses	9	87,504	52,653	86,116	53,563
Depreciation and impairments	11	12,493	9,213	11,033	7,541
Interest and other finance costs	8	2,556	3,011	3,024	2,709
Total expenditure		172,105	103,305	193,985	125,588
Surplus/(deficit) before other gains losses and share of operating surplus/ (deficit) of joint ventures and associates.		30,596	32,247	(10,869)	(9,016)
Gain on disposal of fixed assets		1,408	1,403	41	16
Decrease in fair value of Investment properties	13	(655)	(565)	(300)	(75)
Gain/(Loss) on investments		(758)	(746)	(155)	(148)
		30,591	32,339	(11,283)	(9,223)
Taxation	10	(4)	-	5	-
Surplus/(deficit) for the year		30,587	32,339	(11,278)	(9,223)
Actuarial gain/(loss) in respect of pension schemes	27	(2,679)	(1,915)	11,177	1,164
Total comprehensive income for the year		27,908	30,424	(101)	(8,059)
Represented by:					
Endowment comprehensive income for the year	22	15	19	(176)	(179)
Unrestricted comprehensive income for the year		27,893	30,405	75	(7,880)
Surplus for the year attributable to					
University		30,684	32,339	(11,147)	(9,223)
Non-controlling interest		(97)	-	(131)	-
		30,587	32,339	(11,278)	(9,223)
Total comprehensive income for the year attributable to					
University		28,005	30,424	30	(8,059)
Non-controlling interest		(97)	-	(131)	-
		27,908	30,424	(101)	(8,059)

All items of income and expenditure relate to continuing activities

The accompanying policies on pages notes 35 – 42 and notes on pages 49 to 74 form part of these financial statements.

The background of the slide features a faded, artistic image of a woman's face, likely a portrait of a historical figure, overlaid with a semi-transparent document or map. The overall tone is muted and professional.

Statement of Changes in Reserves

STATEMENT OF CHANGES IN RESERVES

Consolidated

	Endowment	Unrestricted	Revaluation Reserve	Total Excluding Non- Controlling Interest	Non- Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2022	10,296	80,600	23,967	114,863	(740)	114,123
Surplus/(deficit) from the income and expenditure statement	(176)	(10,971)	-	(11,147)	(131)	(11,278)
Other comprehensive income		11,177	-	11,177	-	11,177
Total comprehensive income for the year	(176)	206	-	30	(131)	(101)
Balance at 31 July and 1 August 2023	10,120	80,806	23,967	114,893	(871)	114,022
Surplus/(deficit) from the income and expenditure statement	15	30,669	-	30,684	(97)	30,587
Other comprehensive income		(2,679)	-	(2,679)	-	(2,679)
Total comprehensive income for the year	15	27,990	-	28,005	(97)	27,908
Balance at 31 July 2024	10,135	108,796	23,967	142,898	(968)	141,930

University

	Endowment	Unrestricted	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2023	9,843	40,495	14,454	64,792
Surplus/(deficit) from the income and expenditure statement	(179)	(9,043)	-	(9,223)
Other comprehensive income		1,164	-	1,164
Total comprehensive income for the year	(179)	(7,879)	-	(8,059)
Balance at 31 July and 1 August 2023	9,664	32,615	14,454	56,733
Surplus/(deficit) from the income and expenditure statement	19	32,320	-	32,339
Other comprehensive income	-	(1,915)	-	(1,915)
Total comprehensive income for the year	19	30,405	-	30,424
Balance at 1 August 2024	9,683	63,020	14,454	87,157

Statements of Financial Position & Cash Flow

STATEMENT OF FINANCIAL POSITION & CASH FLOW

Statement of Financial Position

		As at 31 July 2024		As at 31 July 2023	
	Notes	Consolidated	University	Consolidated	University
		£'000	£'000	£'000	£'000
Non-current assets					
Tangible Fixed assets	11	165,346	122,361	152,793	108,603
Heritage assets	12	6,241	6,205	6,241	6,205
Investment properties	13	10,197	9,512	4,025	3,250
Investments	14	754	-	724	-
		182,538	138,078	163,783	118,058
Current assets					
Assets held for sale	11	-	-	1,957	1,957
Stock	16	594	393	569	342
Trade and other receivables	17	34,039	41,099	37,207	46,511
Investments	18	1,641	1,625	6,009	5,993
Cash and cash equivalents		20,394	2,033	44,826	22,758
		56,668	45,150	90,568	77,561
Less: Creditors: amounts falling due within one year	19	(66,885)	(66,772)	(74,644)	(74,644)
Net current assets/(liabilities)		(10,217)	(21,622)	15,924	2,917
Total assets less current liabilities		172,321	116,456	179,707	120,975
Creditors: amounts falling due after more than one year	20	(29,155)	(28,834)	(30,533)	(30,331)
Provisions					
Pension provisions	27	-	-	(33,226)	(33,226)
Other provisions	21	(1,236)	(465)	(1,926)	(685)
Net assets		141,930	87,157	114,022	56,733
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	10,135	9,683	10,120	9,664
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		108,796	63,020	80,806	32,615
Revaluation reserve		23,967	14,454	23,967	14,454
		142,898	87,157	114,893	56,733
Non-controlling interest	25	(968)	-	(871)	-
Total Reserves		141,930	87,157	114,022	56,733

The accompanying policies on pages notes 35 – 42 and notes on pages 49 to 74 form part of these financial statements.

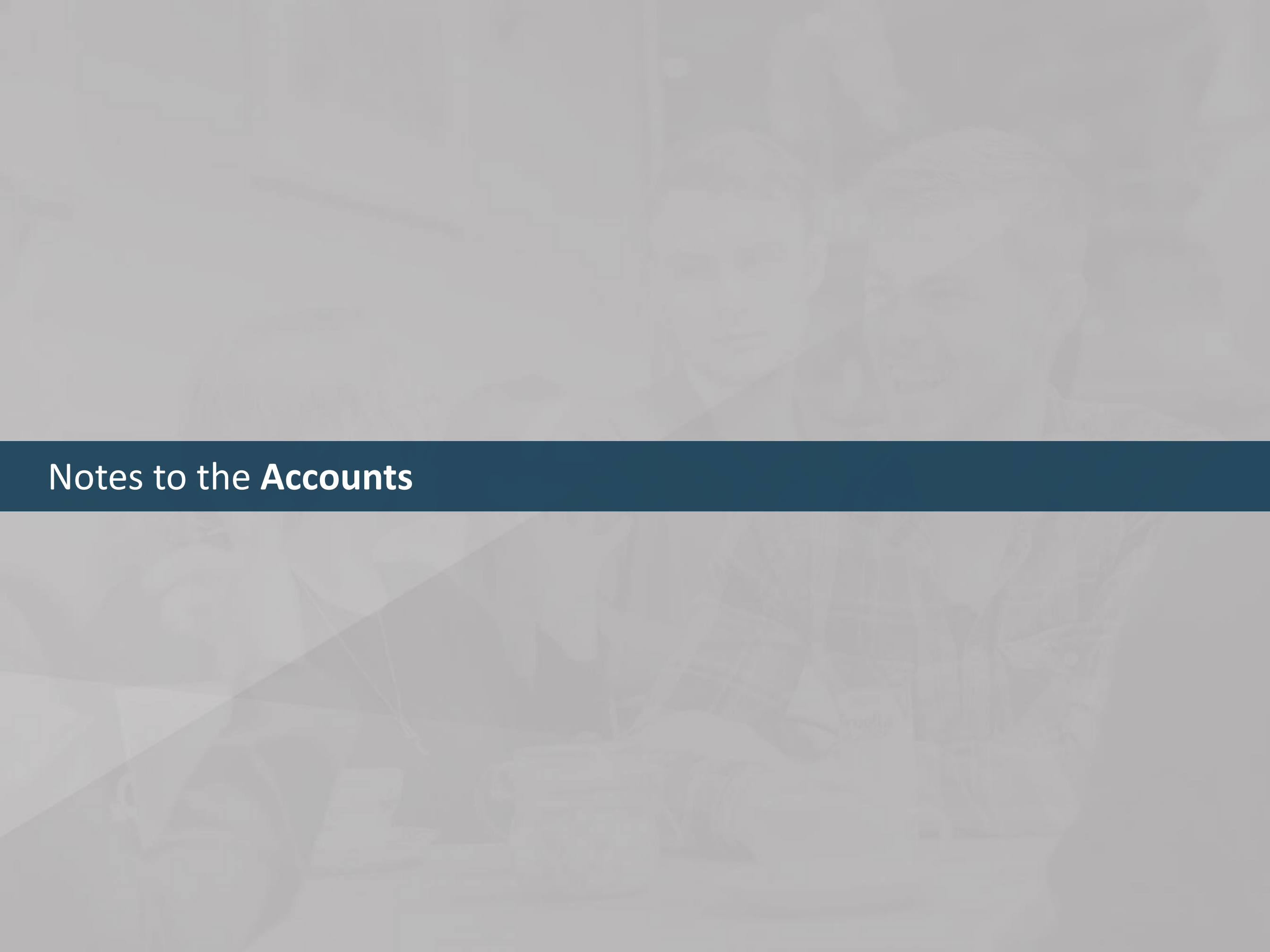
The financial statements were approved by the Governing Body on 10 December 2024 and were signed on its behalf on that date by:

Emlyn Dole
Chair

Prof Elwen Evans KC
Vice-Chancellor

Statement of Cash Flow

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flow from operating activities			
Deficit for the year		30,587	(11,278)
Adjustment for non-cash items			
Depreciation and impairments	11	12,493	11,033
(Gain)/Loss in market value of investments		(15)	155
(Gain)/Loss in investment properties	13	655	300
Loss in revaluation of livestock	11	-	-
Decrease/(increase) in stock	16	(25)	(42)
Decrease/(increase) in debtors	17	3,168	(2,554)
Increase/(decrease) in creditors	19	(4,499)	7,603
Increase/(decrease) in other provisions	21	(690)	(330)
Increase/(decrease) in pension provision	27	(35,905)	(3,410)
Adjustment for investing or financing activities			
Investment income	6	(2,076)	(1,393)
Interest payable	8	2,156	1,507
Endowment income		-	-
Profit on the sale of fixed assets		(1,408)	(41)
Capital grant income	5	(8,068)	(1,063)
Cashflows from operating activities			
Taxation		-	-
Net cash inflow/(outflow) from operating activities		(3,627)	487
Cash flows from investing activities			
Proceeds from sales of tangible assets		2,684	42
Capital Grant Receipts		-	1,063
Non-current investment disposal		4,353	-
Withdrawal of deposits		-	-
Investment income		2,076	1,393
Payments made to acquire tangible assets	11	(24,817)	(11,148)
Reversal of prior impairment	11	(2,628)	-
Payments made to acquire investment properties	13	(2,906)	-
		(21,238)	(8,650)
Cash flows from financing activities			
Interest paid		(2,124)	(1,416)
Interest element of finance lease and service concession payments		(77)	(54)
New endowments		-	-
Endowment payments		-	-
New secured loans		-	-
New unsecured loans (finance Leases)		-	-
Repayments of amounts borrowed		(2,000)	(4,181)
Capital element of finance lease and service concession payments		(823)	(889)
		(5,024)	(6,540)
Increase/(decrease) in cash and cash equivalents in the year		(29,888)	(14,701)
Cash and cash equivalents at beginning of the year		44,826	59,527
Cash and cash equivalents at end of the year		14,938	44,826

The background of the slide features a faded, light-colored photograph of a family. In the upper right, a man and a woman are smiling. In the lower right, a baby is wearing a plaid shirt. The overall image is soft and serves as a backdrop for the text.

Notes to the Accounts

NOTES TO THE ACCOUNTS

2. Tuition fees and education contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	82,160	78,606	75,039	72,102
Full-time international students	9,652	9,652	8,998	11,723
Part-time students	7,674	7,674	7,292	3,934
Education contracts	1,249	-	1,406	-
	100,735	95,932	92,735	87,759

3. Funding body grants

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant				
- HEFCW Teaching grants	3,339	3,339	2,800	2,800
- HEFCW Research grants	3,441	3,441	4,172	4,172
- Welsh Government	47,518	-	43,083	-
Specific grants				
- HEFCW Student wellbeing grants	492	492	452	452
- HEFCW Capital grants	952	952	1,063	1,063
- HEFCW Other grants	346	346	1,256	1,256
- Welsh Government grants	1,840	-	7,768	-
	57,928	8,570	60,594	9,743

4. Research grants and contracts

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research councils	11	11	357	357
Research charities	23	23	45	45
Other	2,395	2,395	1,925	1,955
	2,429	2,429	2,327	2,357

5. Other income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Residences, catering and conferences	4,945	3,607	5,047	3,989
Other revenue grants	11,536	6,038	10,910	5,800
Other capital grants	8,068	8,068	-	-
Other income generating activities	9,535	6,715	4,485	2,991
Other income	5,449	2,914	5,625	3,041
	39,533	27,342	26,067	15,821

6. Investment income

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Investment income on endowments	1,217	1,217	262	262
Other investment income	859	62	877	376
Increase in fair value of derivative	-	-	254	254
	2,076	1,279	1,393	892

NOTES TO THE ACCOUNTS

7. Staff costs

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Salaries	79,916	55,852	71,933	48,605
Social security costs	7,870	5,750	7,484	5,217
Movement on USS provision	(32,925)	(32,925)	(2,273)	(2,273)
Other pension costs	14,232	9,348	15,691	10,170
Restructuring Costs	459	403	977	56
	69,552	38,428	93,812	61,775

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

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.

	Year ended 31 July 2024	Year ended 31 July 2023
	£'000	£'000
Key management personnel remuneration	2,347	1,869
	No.	No.
Key management personnel	16	12

The year has been one of transition which has impacted the key management personnel in the year. The reported figure includes all employees who have formed part of the management team in the year. The number of key management personnel at 31st July 2024 was 11.

This does not include the cost of key management that are employed by the University of Wales, but working across both institutions. These costs totalling £55k (2020: £55k) are included in other operating expenses as they are recharged by invoice from the University of Wales.

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 2024	Year ended 31 July 2023
	No.	No.
£100,000 to £104,999	2	-
£105,000 to £109,999	1	-
£110,000 to £114,999	-	-
£115,000 to £119,999	1	-
£120,000 to £124,999	2	-
£125,000 to £129,999	1	-
£130,000 to £134,999	-	1
£135,000 to £139,999	-	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	3
£150,000 to £154,999	-	-
£155,000 to £159,999	-	3
£160,000 to £164,999	2	-
£165,000 to £169,999	-	-
£170,000 to £174,999	-	-
£175,000 to £179,999	2	1
£180,000 to £184,999	-	-
£185,000 to £189,999	-	-
£190,000 to £194,999	-	-
£195,000 to £199,999	-	-
£200,000 to £204,999	1	-
£205,000 to £209,999	-	-
	12	8

Compensation was paid to a total of 4 higher paid staff in the year (2023: nil) at a total of 373k (2022: £nil). This included compensation for loss of office and PILON. The disclosure above includes employees where this applies. At 31 July 2024 the number of employees with remuneration greater than £100,000 is 9.

The pay award negotiated by UCEA, applicable from August 2023 was for an average of 3% for staff on the national pay spine. The pay award provided an uplift of 8% for staff on the lowest spine points and 5% for staff on or above spine point 26. The pay award was partially implemented in February 2023 with £1,000 applied to staff below spine point 26 and 2% to staff above this spine point.

NOTES TO THE ACCOUNTS

In addition to this as a Real Living Wage employer, the University enacted the increase to the National Living Wage, including where applicable the London weighting. Where eligible, staff were awarded progression pay increases in the usual manner.

	Year ended 31 July 2024	Year ended 31 July 2023
Average staff numbers by:	No.	No.
- Academic departments	868	800
- Non-academic departments	1,241	1,139
	2,109	1,938

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.

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 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Paid to employees on termination of employment	459	403	977	56

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 4.

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 23 council members was £12K (2023: £9K to 23 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

NOTES TO THE ACCOUNTS

Vice-Chancellor Remuneration Statement

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 ratio of the annual salary of the former Vice-Chancellor Professor Medwin Hughes CBE, DL compared to the median average of the University was 6.48:1. The ratio of his total remuneration compared to the median average of the University was 7.32:1.

The ratio of the annual salary of the new Vice-Chancellor Professor Elwen Evans KC compared to the median average of the University is 6.25:1. The ratio of the total remuneration of the new Vice-Chancellor compared to the median average of the University is 6.39:1.

The Remuneration Committee decided to mirror the sector pay award for Senior Officers within its scope excluding the new Vice-Chancellor.

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 UWTSD, this 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.

NOTES TO THE ACCOUNTS

8. Interest and other finance costs

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Finance leases	77	36	54	25
Loan interest	2,124	2,124	1,416	1,416
Net charge on pension schemes	(58)	438	1,549	1,265
Other	413	413	5	3
	2,556	3,011	3,024	2,709

9. Analysis of other operating expenses by activity

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and related expenditure	45,893	27,896	34,133	26,361
Administration and central services	22,296	14,284	19,811	11,726
Premises	10,031	6,953	14,365	11,283
Residences, catering and conferences	1,922	866	1,876	983
Other expenses	9,815	2,654	15,931	3,210
	89,957	52,653	86,116	53,563

Other operating expenses include:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
External auditor's remuneration in respect of audit services:				
- These financial statements	122	122	114	114
- Other group financial statements	116	-	109	-
External auditor's remuneration in respect of non-audit services:				
- Audit related assurance services	29	23	31	31
- Tax compliance services	-	-	-	-
- Tax advisory services	12	-	9	-

10. Taxation

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense	(9)	-	(14)	-
Prior year adjustment	5	-	9	-
Current tax expense	(4)	-	(5)	-
Deferred tax				
Origination and reversal of timing differences		-	-	-
Reduction in tax rate		-	-	-
Recognition of previously unrecognised tax losses		-	-	-
Deferred tax expense		-	-	-
Total tax expense	(4)	-	(5)	-

Factors affecting the total tax charge for the current period

The tax assessed for the period relates to Eclectica Drindod Limited, Mentrau Creadigol Cymru , UWTSD Investments and Y Ganolfan Dysgu Cymraeg Genedlaethol and is lower than the standard rate of corporation tax in the UK of 25% (2023: 19%). The differences are explained as follows:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
(Deficit)/Surplus before tax	30,591	33,411	(11,278)	(9,223)
Amounts not subject to tax	(32,130)	(33,411)	10,352	9,223
Taxable Profits	(1,539)	-	(926)	-
Tax at 25% (2022: 19%)	(385)	-	(176)	-
Effects of:				
- Disallowable expenditure	376	-	162	-
- Prior year adjustment	5	-	9	-
Total tax charged in the year	(4)	-	(5)	-

The standard rate of tax applied to reported profit is 25% (2023: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

NOTES TO THE ACCOUNTS

11. Tangible Fixed assets (Consolidated)

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Consolidated Cost or valuation							
At 1 August 2023	186,686	5,235	18,532	35,962	211	381	247,007
Additions in the year	19,995	97	-	5,359	769	119	26,339
Transfers	3,650	(3,942)	-	291	-	-	-
Transfer to Investment Properties	-	(3,921)	-	-	-	-	(3,921)
Disposals	(1,957)	-	-	(29)	-	-	(1,986)
Reversal of prior impairment	-	2,628	-	-	-	-	2,628
At 31 July 2024	208,374	97	18,532	41,583	980	500	270,066
Accumulated depreciation							
At 1 August 2023	60,033	-	5,120	26,932	172	-	92,257
Charge for the year	4,886	-	365	7,050	192	-	12,493
Disposals	-	-	-	(29)	-	-	(29)
At 31 July 2024	64,919	-	5,485	33,953	364	-	104,721
Net book value							
At 31 July 2024	143,455	97	13,047	7,630	616	500	165,345
At 31 July 2023	126,653	5,235	13,412	9,030	39	381	154,750

Land and buildings owned by Coleg Sir Gâr were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2024 is as follows:

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Valuation in 1998	19,716	-	-	-	-	381	20,097
Cost	188,658	97	18,532	41,583	980	119	249,969
	208,374	97	18,532	41,583	980	500	270,066

The University reported land worth £1,957k within assets held for sale at 31 July 2023. The disposal of this land was completed during the year.

NOTES TO THE ACCOUNTS

11. Tangible Fixed assets (University)

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Motor vehicles £'000	Livestock £'000	Totals £'000
University Cost or valuation							
At 1 August 2023	117,512	4,561	18,532	18,274	212	-	159,091
Additions in the year	18,764	97	-	4,130	769	-	23,760
Transfers	3,650	(3,771)	-	121	-	-	-
Transfer to Investment Properties	-	(3,921)	-	-	-	-	(3,921)
Disposals	(1,957)	-	-	(5)	-	-	(1,962)
Reversal of prior impairment	-	3,132	-	-	-	-	3,132
At 31 July 2024	137,969	97	18,532	22,520	981	-	180,100
Accumulated depreciation							
At 1 August 2023	30,894	-	5,121	12,345	171	-	48,531
Charge for the year	3,401	-	365	5,255	192	-	9,213
Disposals	-	-	-	(5)	-	-	(5)
At 31 July 2024	34,295	-	5,486	17,595	363	-	57,739
Net book value							
At 31 July 2024	103,674	97	13,046	4,925	618	-	122,361
At 31 July 2023	86,617	4,561	13,411	5,929	41	-	110,560

The University reported land worth £1,957k within assets held for sale at 31 July 2023. The disposal of this land was completed during the year.

12. Heritage assets: Consolidated and University

The heritage assets include a collection of rare manuscripts, tracts, incunabula and printed books. The assets were formally revalued at 31st July 2014 by Bernard Quaritch Ltd, resulting in an increase in value of £250k.

The University of Wales Lampeter Pension & Assurance Scheme trustees have a £2m floating charge over the University's heritage assets.

The University's heritage assets are hosted in a specialist purpose-built annexe to the library on the Lampeter Campus and are managed by 2 specialist, qualified members of staff. Where the assets require any preservation or conservation work, this is carried out by the National Library of Wales

There have been no acquisitions or disposals of heritage assets within the last five years.

Details of the University's collection is available on the University's website
<https://uwtsd.ac.uk/rbla/a-z-list-of-collections/>

NOTES TO THE ACCOUNTS

13. Investment Properties

	Freehold Property	
	Consolidated	University
	£'000	£'000
Balance at 1 August 2023	4,025	3,250
Additions	2,906	2,906
Transfer from fixed assets	3,921	3,921
Revaluation	(655)	(565)
Balance at 31 July 2024	10,197	9,512

The Investment properties are valued by an independent RICS registered valuer on an annual basis with the latest valuation being dated 31st July 2024. The valuation basis for the investment properties is at fair value as defined under FRS102 with an assumption that the properties selling value is subject to any existing leases. The revaluation amount recognised in 2024 relates to revaluing the investment properties to fair value in line with a valuation prepared by Savilles.

The University has no restriction of use on the income generated from the investment properties and at 31 July 2024 has no contractual obligations for future development or maintenance of the properties.

14. Non-current investments

Non-Current Investments: Consolidated

	Interest in Joint Venture (Note 15) £'000	Other fixed asset investments £'000	Total £'000
At 1 August 2023	661	248	909
Additions	-	-	-
Disposals	-	-	-
Impairment	-	(12)	(12)
At 31 July 2024	661	236	897
Share of post-acquisition reserves			
At 1 August 2023	(185)	-	(185)
Retained profit less losses	42	-	42
At 31 July 2024	(143)	-	(143)
Balance at 31 July 2024	518	236	754
Balance at 31 July 2023	476	248	724

Non-Current Investments: University

	Investment in Subsidiary £'000	Total £'000
At 1 August 2023	-	-
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2024	-	-

NOTES TO THE ACCOUNTS

15. Investment in Joint Venture

One of the University’s subsidiaries, UWTSD Investments Limited, holds a 50% share of OSTC TSD LLP, a limited liability partnership. This is a joint venture owned equally by UWTSD Investments Limited and OSTC, a Commercial Company. The investment in OSTC TSD LLP is partly in share capital (£300,000 (2023: £300,000)) and partly as an unsecured loan, repayable on demand, with an interest rate of 4% over base rate (£471,290 (2023: £429,656)). The increase is way of accrued interest earned in the period of £41,634 (2022: £32,458).

The arrangement is treated as a joint venture and is accounted for using the equity method, such that the investment is initially recorded at cost and is subsequently adjusted to reflect the University’s 50% share of the net profit or loss of the joint venture. The Group’s share of the operating loss of the joint venture within the joint venture’s most recent financial statements (dated 31 December 2023) is £nil (2022: £nil). The Group’s interest in the joint venture is £476,458 (2022: £476,458), consisting of the loan as disclosed above, plus capital investment in its consolidated balance sheet.

16. Stock

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Finished goods	583	393	558	342
Livestock for resale	11	-	11	-
	594	393	569	342

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

17. Trade and other receivables

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
- Trade debtors	26,474	26,187	30,363	29,835
- Prepayments and accrued income	7,565	3,949	5,925	4,074
- Amounts due from subsidiary companies	-	10,963	-	11,683
- Derivatives	-	-	919	919
	34,039	41,099	37,207	46,511

The amounts due from subsidiaries are an aggregate of trading balances that are interest free and repayable on demand. The University has provided letters of support to its subsidiary companies in which it confirms that the debtor balances will not be called in during a period of 12 months from the Statement of Financial Position date. Accordingly, these balances are considered to fall due in more than one year. Applying this gives the following split of trade and other receivables

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade and other receivables				
- Due within one year	34,039	30,136	37,207	34,828
- Due after one year	-	10,963	-	11,683
Total	34,039	41,099	37,207	46,511

The derivatives in the prior year relate to an interest rate swap contract which was used to fix the rate of the University’s loan at 1.435% plus bank lending margin. This was held at fair value and had been valued using mark to market.

NOTES TO THE ACCOUNTS

18. Investments

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term investment in shares	1,626	1,625	5,994	5,993
Short term deposits	15	-	15	-
	1,641	1,625	6,009	5,993

The University follows a conservative investment policy with an emphasis on obtaining an increase in the real capital value of each fund within the portfolio each year, a target of 5% real growth is expected, with 3.5% being income growth and 1.5% being capital growth.

The investments are held within the University and consolidated endowment funds. The movement in fair value on these investments is detailed in Note 21.

19 Creditors: amounts falling due within one year

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Bank Overdraft	5,457	5,457	-	-
Secured loans (note 20)	2,573	2,573	2,615	2,615
Obligations under finance leases (note 20)	996	835	669	459
Trade creditors	12,008	10,051	14,108	11,814
Social security and other taxation payable	1,056	512	2,054	1,382
Accruals and deferred income	44,795	37,685	55,198	48,372
Amounts due to subsidiary companies	-	9,659	-	10,002
	66,885	66,772	74,644	74,644

The amounts due to subsidiaries are an aggregate of trading balances that are interest free and repayable on demand.

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Funding Body Grants	-	-	234	234
Other Grant Income	3,349	2,481	4,834	3,850
Capital Grant Income	-	-	8,068	8,068
Student Income	26,626	26,626	24,410	24,410
Other Income	2,677	2,657	2,839	2,817
	32,652	31,764	40,385	39,379

The secured loan consists of a capital amount of £2 million and accrued interest of £573k. A capital payment of £500k was due on the 1st August 2024 with subsequent £500k repayments being due 1st November 2024 on 1st February 2025 and 1st April 2025.

The overdraft facility is unsecured, has a limit of £6 million at 31 July 2024. As noted in note 28 the facility was amended post year end with a limit of £15 million that will be in place until June 2025.

NOTES TO THE ACCOUNTS

20. Creditors: Amounts falling due after more than one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Obligations under finance leases	1,155	834	533	331
Secured loans	28,000	28,000	30,000	30,000
	29,155	28,834	30,533	30,331
Analysis of obligations under finance leases				
Due within one year (note 19)	996	835	669	459
Due between two and five years	1,155	834	533	331
Total obligations under finance leases	2,151	1,669	1,202	790
Analysis of secured loans:				
Due within one year or on demand (note 19)	2,573	2,573	2,615	2,615
Due between one and two years	2,000	2,000	30,000	30,000
Due between two and five years	26,000	26,000	-	-
Due in five years or more	-	-	-	-
Total secured loans	30,573	30,573	32,615	32,615

The borrowing at 31 July 2024 and 31 July 2023 consisted of:

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To February 2029	2.35% over the prevailing SONIA rate	University
Barclays	Overdraft	5,457	To May 2025	1.95% Over the prevailing base rate	University

21. Provision for liabilities

Consolidated	Other	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000	£'000
At 1 August 2023	448	1,440	38	1,926
Utilised in year	-	(690)	-	(690)
Additions in year	-	-	-	-
At 31 July 2024	448	750	38	1,236

The other provision of £448K relates to a potential repayment of European Funds (ESF) in relation to one of the subsidiaries' overhead recovery methodology.

The pension enhancements provision relates to staff in both the University and its subsidiaries who have already left employment and commitments for reorganisation costs at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular.

The Pension rectification provision is a potential liability on the University's in-house pension scheme.

University

	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000
At 1 August 2022	647	38	685
Utilised in year	(219)	-	(219)
Additions in year	-	-	-
At 31 July 2023	428	38	466

The pension enhancements and the pension rectification provisions are as previously stated.

NOTES TO THE ACCOUNTS

22. Endowment funds

Consolidated

Restricted net assets relating to endowments are as follows:

	Unrestricted permanent endowment	Restricted permanent endowment	Restricted expendable endowment	2024 Total	2023 Total
	£'000	£'000	£'000	£'000	£'000
Balance at 1 August					
Capital	2,501	4,927	25	7,453	7,791
Accumulated income	60	2,608	-	2,668	2,505
	2,561	7,535	25	10,121	10,296
New endowments	-	-	-	-	(10)
Investment income	50	294	-	344	395
Expenditure	(5)	(149)	(2)	(156)	(232)
Increase/(decrease) in market value of investments	-	(176)	2	(174)	(329)
Total endowment comprehensive income for the year	45	(31)	-	14	(176)
Balance at 31 July	2,606	7,504	25	10,135	10,120
Represented by:					
Capital	2,500	4,751	25	7,276	7,452
Accumulated income	106	2,753	-	2,859	2,668
	2,606	7,504	25	10,135	10,120
Analysis by type of purpose:					
Lectureships	-	3,941	-	3,941	4,069
Fellowships, scholarships and prize funds	23	1,716	25	1,764	1,764
General	2,583	1,847	-	4,430	4,287
	2,606	7,504	25	10,135	10,120
Analysis by asset					
Investments	23	1,287	25	1,335	5,808
Cash	-	1,958	-	1,958	2,582
Debtors	2,583	4,354	-	6,937	1,825
Creditors	-	(95)	-	(95)	(95)
	2,606	7,504	25	10,135	10,120

University

Restricted net assets relating to endowments are as follows:

	Unrestricted permanent endowment	Restricted permanent endowment	2024 Total	2023 Total
	£'000	£'000	£'000	£'000
Balance at 1 August				
Capital	2,370	4,762	7,132	7,471
Accumulated income	10	2,522	2,532	2,372
	2,380	7,284	9,664	9,843
New endowments	-	-	-	(10)
Investment income	50	294	344	392
Expenditure	-	(149)	(149)	(232)
Increase/(decrease) in market value of investments	-	(176)	(176)	(329)
Total endowment comprehensive income for the year	50	(31)	19	(179)
Balance at 31 July	2,430	7,253	9,683	9,664
Represented by:				
Capital	2,370	4,586	6,956	7,132
Accumulated income	60	2,667	2,727	2,532
	2,430	7,253	9,683	9,664
Analysis by type of purpose:				
Lectureships	-	3,941	3,941	3,916
Fellowships, scholarships and prize funds	-	1,679	1,679	1,693
General	2,430	1,633	4,063	4,055
	2,430	7,253	9,683	9,664
Analysis by asset				
Investments	23	1,286	1,309	5,777
Cash	-	1,708	1,708	2,158
Debtors	2,407	4,354	6,761	1,824
Creditors	-	(95)	(95)	(95)
	2,430	7,253	9,683	9,664

NOTES TO THE ACCOUNTS

23. Capital and other commitments

Provision has not been made for the following capital commitments at 31 July 2023

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Commitments contracted for	-	-	17,277	17,277
Commitments authorised	-	-	-	-
	-	-	17,277	17,277

24. Lease obligations

	At 31 July 2024			At 31 July 2023
	Land and buildings	Other leases	Total	Total
	£'000	£'000	£'000	£'000
Consolidated				
Total rentals payable under operating leases:				
Payable during the year	2,447	429	2,876	2,757
Future minimum lease payments due:				
Not later than 1 year	1,312	252	1,564	2,774
Later than 1 year and not later 5 years	7,518	655	8,173	7,081
Greater than 5 years	12,683	-	12,683	16,384
Total lease payments due	21,513	907	22,420	26,239
University				
Total rentals payable under operating leases:				
Payable during the year	2,383	199	2,582	2,588
Future minimum lease payments due:				
Not later than 1 year	1,263	185	1,448	2,703
Later than 1 year and not later 5 years	7,502	541	8,043	6,943
Greater than 5 years	12,682	-	12,682	16,384
Total lease payments due	21,447	726	22,173	26,030

25. Subsidiary undertakings

Company	Principal Activity	Status
Eclectica Drindod Limited	Deliver third mission activity	TUC sole member
Trinity College	Hold endowment assets	TUC sole trustee
Trinity University College (TUC)	Dormant	UWTSD sole member
UWTSD Investments Limited	Commercial activities	100% owned
Y Ganolfan Dysgu Cymraeg Genedlaethol	Delivery of Welsh for Adults programme	UWTSD sole member
Mentrau Creadigol Cymru	Operation of Yr Egin activities	100% owned
Tidal Lagoon Academy Ltd	Dormant	100% owned
Welsh American Academy Enterprises Limited	Dormant	100% owned
Inspire (UWTSD) Limited	Dormant	100% owned
Swansea Business School Limited	Dormant	100% owned
Coleg Sir Gâr	Further education	100% owned
Coleg Ceredigion	Further education	100% owned
UW Centre for Advance Batch Manufacture Limited	Commercial and research activities	51% owned

The minority interest in UW Centre for Advance Batch Manufacture Limited is held in University of Wales. 51% of the surplus or deficit for each accounting period is recognised in these financial statements with 49% being recognised in the financial statements of University of Wales.

During the year the following companies were formally struck off the Companies Register:

St Davids Trust	Dormant	100% owned
Tidal Lagoon Academy Ltd	Dormant	100% owned

26. Related Parties

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 is deemed a related party in that it has key management personnel in common with the University

Balances: Receivables £4,421 (2023: £4,706), Payables £1,527,924 (2023: £416,850)
Total income £58,304 (2023: £1,533,261), Total expenditure £1,664,222 (2023: £1,664,492)

OSTC Trinity St David LLP is deemed a related party in that the UWTSD Investments Limited (a wholly owned subsidiary of the University) is a partner in it and has significant influence over it. The balance below represents an unsecured loan, for which more details are provided in note 14
Balances: Receivables £471,290 (2023: £429,656), Payables £nil (2023: £nil)
Total income £41,634 (2023: £32,458), Total expenditure £nil (2023: £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 7.

NOTES TO THE ACCOUNTS

27. Pension Schemes

There are five pension schemes in operation via the Group for its staff: the Teachers’ Pension Scheme (TPS) for academic staff and Universities Superannuation Scheme (USS) for academic and support staff and all staff appointed after 18 November 2010, the Dyfed Pension Fund (LGPS), the Swansea Pension Fund (LGPS) and the University of Wales Lampeter Pension and Assurance Scheme (UWLPS) for support staff.

The total pension costs included in the consolidated accounts are:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
Staff costs				
TPS contributions				
University of Wales: Trinity Saint David	1,177	1,177	1,108	1,108
Coleg Sir Gâr	2,521	-	2,333	-
Coleg Ceredigion	499	-	476	-
USS contributions				
University of Wales: Trinity Saint David	7,250	7,250	7,881	7,881
Local Government contributions				
University of Wales Trinity Saint David	2,145	2,145	2,097	2,097
Coleg Sir Gâr	1,630	-	1,596	-
Coleg Ceredigion	229	-	227	-
In House Scheme				
University of Wales Trinity Saint David	325	325	306	306
Other pension adjustments				
University of Wales Trinity Saint David				
Movement on USS provision	(33,226)	(33,226)	(2,273)	(2,273)
Service costs				
University of Wales: Trinity Saint David	863	863	1,374	1,374
Coleg Sir Gâr	(247)	-	592	-
Coleg Ceredigion	(146)	-	124	-
Restructuring Provision				
University of Wales Trinity Saint David	-	-	-	-
Coleg Sir Gâr	55	-	12	-
Coleg Ceredigion	16	-	(40)	-
Total Pension costs per note 7	(16,909)	(21,466)	15,813	10,493
Interest Costs				
Local Government – University	(318)	(318)	99	99
Local Government – Coleg Sir Gâr	(371)	-	259	-
Local Government – Coleg Ceredigion	(125)	-	25	-
In House Scheme – University	(8)	(8)	(44)	(44)
USS – University	764	764	1,210	1,210
Total Pension interest cost per note 8	(58)	438	1,549	1,265

The pension liability/(asset) disclosed in the balance sheet is summarised as follows:

	Year ended 31 July 2024		Year ended 31 July 2023	
	Consolidated	University	Consolidated	University
	£’000	£’000	£’000	£’000
In House Scheme				
University of Wales: Trinity Saint David	-	-	-	-
USS Pension Scheme				
University of Wales: Trinity Saint David	-	-	33,226	33,226
Local Government Schemes				
University of Wales: Trinity Saint David (Dyfed)	-	-	-	-
University of Wales: Trinity Saint David (Swansea)	-	-	-	-
University of Wales: Trinity Saint David (Swansea)	-	-	-	-
Coleg Sir Gâr	-	-	-	-
Coleg Ceredigion	-	-	-	-
Liability at 31 July	-	-	33,226	33,226

The LGPS and In House schemes are in a technical surplus position at 31st July 2023. The University and group have applied IAS19 in calculating a cap to the gains which caps the overall scheme asset positions to nil. This has an impact on reducing the recognised actuarial gains in these financial statements from the FRS102 gains, as set out below in the individual scheme notes.

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court’s ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court’s ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may or may not apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage

NOTES TO THE ACCOUNTS

LGPS – Dyfed Scheme

Certain employees are members of the Dyfed Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary.

A full actuarial valuation of the scheme was carried out as at 31 March 2022 by a qualified independent actuary. The major assumptions used by the actuary were:

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in pensionable pay	4.6	3.9
Rate of increase in pensions in payment	3.1	2.4
Discount rate		
- in service	5.1	4.1
- left service	4.55	4.1
Inflation assumptions	3.1	2.4

The valuation states that the market value of the assets held at the valuation date amounted to £3,243 million and the present value of the scheme liabilities was £2,508 million. Representing a funding level of 129% and a surplus of £735 million.

The employer contribution rate was 22% during the year.

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2022 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2024. The projected unit method was used.

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in salaries	4.1	4.2
Rate of increase in pensions	2.7	2.8
Discount rate	4.9	5.1
Rate of inflation	2.6	2.7

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2024	2023
Males		
Future lifetime from age 65 (currently aged 65)	21.4	21.4
Future lifetime from age 65 (currently aged 45)	22.8	22.8
Females		
Future lifetime from age 65 (currently aged 65)	23.8	23.7
Future lifetime from age 65 (currently aged 45)	25.6	25.5
Split of scheme assets		
	Split at 31-Jul-24 %	Split at 31-Jul-23 %
Equities	73.2	73.1
Government Bonds	0	0.2
Other Bonds	9.3	8.5
Property	10.8	13.2
Cash/liquidity and other	6.7	5
	100	100

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – University of Wales Trinity Saint David

The following amounts at 31 July 2024 and 31 July 2023 were measured in accordance with the requirements of FRS102.

	31-Jul-24	31-Jul-23
	£'000	£'000
Fair value of assets	29,480	27,068
Present value of scheme liabilities	(22,995)	(21,847)
Surplus in the scheme	6,485	5,221
Effect of asset ceiling	(6,485)	(5,221)
Recognised pension asset	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-24	31-Jul-23
	£'000	£'000
Current service cost	(376)	(573)
Past service cost	-	-
Administration expenses	(8)	(8)
Curtailment	-	-
Total operating charge	(384)	(581)

Analysis of finance income and charges

	31-Jul-24	31-Jul-23
	£'000	£'000
Expected return on assets	1,377	955
Interest on pension liabilities	(1,099)	(1,024)
Net finance cost	278	(69)

Amount recognised in other comprehensive income

	31-Jul-24	31-Jul-23
	£'000	£'000
Remeasurement of assets	1,167	(1,073)
Effects of changes in assumptions underlying the present value of scheme liabilities	(252)	8,723
Effect of asset ceiling	(1,264)	(5,221)
	(349)	2,429

Movement in scheme at beginning of the year

	31-Jul-24	31-Jul-23
	£'000	£'000
Surplus/(Deficit) in scheme at beginning of the year	5,221	(2,224)
Administration expenses	(8)	(8)
Current service cost	(376)	(573)
Contributions paid by the employer	455	445
Net finance cost	278	(69)
Actuarial gain	915	7,650
Surplus in scheme at the end of the year	6,485	5,221
Effect of asset ceiling	(6,485)	(5,221)
Recognised pension asset	-	-

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

	31-Jul-24	31-Jul-23
	£'000	£'000
At 1 August	(21,847)	(29,595)
Current service cost	(376)	(573)
Past service cost	-	-
Interest cost	(1,099)	(1,024)
Member contributions	(137)	(140)
Change in financial assumptions	(382)	7,216
Change in demographic assumptions	53	944
Experience gain/(loss)	77	563
Curtailment	-	-
Benefits paid	716	762
At 31 July	(22,995)	(21,847)

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

	31-Jul-24	31-Jul-23
	£'000	£'000
At 1 August	27,068	27,371
Expected rate of return on scheme assets	1,377	955
Re measurement gains on assets	1,167	(1,073)
Administration expenses	(8)	(8)
Employer contributions	455	445
Members contributions	137	140
Benefits paid	(716)	(762)
At 31 July	29,480	27,068
Effect of the asset ceiling	(6,485)	(5,221)
Recognised value of the scheme assets at 31 July	22,995	21,847

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Sir Gâr

The following amounts at 31 July 2024 and 31 July 2023 were measured in accordance with the requirements of FRS102.

	31-Jul-24 £'000	31-Jul-23 £'000
Fair value of assets	63,142	57,252
Present value of scheme liabilities	(54,255)	(50,842)
Surplus in the scheme	8,887	6,410
Effect of the asset ceiling	(8,887)	(6,410)
Recognised pension asset	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-24 £'000	31-Jul-23 £'000
Current service cost	(1,417)	(2,192)
Past service cost	-	-
Administration expenses	(33)	(32)
Curtailement	-	(25)
Total operating charge	(1,450)	(2,249)

Analysis of finance income and charges

	31-Jul-24 £'000	31-Jul-23 £'000
Expected return on assets	2,933	1,936
Interest on pension liabilities	(2,562)	(2,195)
Net finance cost	371	(259)

Amount recognised in other comprehensive income

	31-Jul-24 £'000	31-Jul-23 £'000
Remeasurement of assets	2,483	(435)
Effects of changes in assumptions underlying the present value of scheme liabilities	(624)	15,910
Effect of asset ceiling	(2,477)	(6,410)
	(618)	9,065

Movement in scheme at beginning of the year

	31-Jul-24 £'000	31-Jul-23 £'000
Surplus/(Deficit) in scheme at beginning of the year	6,410	(8,214)
Operating cost	(1,450)	(2,249)
Contributions paid by the employer	371	1,657
Net finance cost	1,859	(259)
Actuarial gain	1,697	15,475
Surplus in scheme at the end of the year	8,887	6,410
Effect of the asset ceiling	(8,887)	(6,410)
Recognised pension asset	-	-

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

	31-Jul-24 £'000	31-Jul-23 £'000
At 1 August	(50,842)	(63,051)
Current service cost	(1,417)	(2,192)
Past service cost	-	-
Interest cost	(2,562)	(2,195)
Member contributions	(511)	(497)
Change in financial assumptions	(937)	17,618
Change in demographic assumptions	122	2,189
Experience gain/(loss)	192	(3,897)
Curtailement	-	(25)
Benefits paid	1,700	1,208
At 31 July	(54,255)	(50,842)

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

	31-Jul-24 £'000	31-Jul-23 £'000
At 1 August	57,252	54,837
Expected rate of return on scheme assets	2,973	1,936
Re measurement gains on assets	2,482	(435)
Administration expenses	(33)	(32)
Employer contributions	1,657	1,657
Members contributions	511	497
Benefits paid	(1,700)	(1,208)
At 31 July	63,142	57,252
Effect of the asset ceiling	(8,887)	(6,410)
Recognised value of the scheme assets at 31 July	54,255	50,842

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Ceredigion

The following amounts at 31 July 2024 and 31 July 2023 were measured in accordance with the requirements of FRS102.

	31-Jul-24 £'000	31-Jul-23 £'000
Fair value of assets	13,898	12,898
Present value of scheme liabilities	(10,952)	(10,552)
Surplus in the scheme	2,946	2,346
Effect of the asset ceiling	(2,946)	(2,346)
Recognised pension asset/(liability)	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-24 £'000	31-Jul-23 £'000
Current service cost	(204)	(324)
Past service cost	-	-
Administration expenses	(5)	(5)
Curtailement	-	-
Total operating charge	(209)	(329)

Analysis of finance income and charges

	31-Jul-24 £'000	31-Jul-23 £'000
Expected return on assets	653	429
Interest on pension liabilities	(528)	(454)
Net finance cost	125	(25)

Amount recognised in other comprehensive income

	31-Jul-24 £'000	31-Jul-23 £'000
Remeasurement of assets	653	429
Effects of changes in assumptions underlying the present value of scheme liabilities	(199)	2,865
Effect of asset ceiling	(600)	(2,346)
	(146)	948

Movement in scheme at beginning of the year

	31-Jul-24 £'000	31-Jul-23 £'000
Surplus/(deficit) in scheme at beginning of the year	2,346	(824)
Operating cost	(209)	(329)
Contributions paid by the employer	230	230
Net finance cost	125	(25)
Actuarial gain	454	3,294
Surplus in scheme at the end of the year	2,946	2,346
Effect of the asset ceiling	(2,946)	(2,346)
Recognised pension asset	-	-

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

	31-Jul-24 £'000	31-Jul-23 £'000
At 1 August	(10,552)	(13,106)
Current service cost	(204)	(324)
Past service cost	-	-
Interest cost	(528)	(454)
Member contributions	(68)	(69)
Change in financial assumptions	(174)	3,317
Change in demographic assumptions	27	461
Experience gain/(loss)	48	(751)
Curtailement	-	-
Benefits paid	499	374
At 31 July	(10,952)	(10,552)

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

	31-Jul-24 £'000	31-Jul-23 £'000
At 1 August	12,898	12,282
Expected rate of return on scheme assets	653	429
Re measurement gains on assets	553	267
Administration expenses	(5)	(5)
Employer contributions	230	230
Members contributions	68	69
Benefits paid	(499)	(374)
At 31 July	13,898	12,898
Effect of the asset ceiling	(2,946)	(2,346)
Recognised value of the scheme assets at 31 July	10,952	10,552

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme

Certain employees are members of the City and County of Swansea Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary. The latest actuarial valuation was undertaken at 31 March 2022 by independent actuaries.

The actuarial valuation of the scheme is based on the projected unit method and the principal assumptions made by the actuaries were:

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in pensionable pay	3.8	3.6
Rate of increase in pensions in payment	2.3	2.1
Discount rate		
- in service	4.1	4.25
- left service	0.8	1.6
Inflation assumptions	2.3	2.1

The valuation states that the market value of the assets held at the valuation date amounted to £2.924 million and the present value of the scheme liabilities was £2.921 million. Representing a funding level of 100% and a surplus of £2.8 million.

The employer contribution rate is 40.8% plus an annual deficit contribution of £631,000 payable from April 2023 to March 2024 rising to 40.8% plus an annual deficit and £721,000 in for the period April 2024 to March 2025.

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2022 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2024. The projected unit method was used.

	2024 Valuation	2023 Valuation
	%	%
Rate of increase in salaries	4.1	4.1
Rate of increase in pensions	2.6	2.6
Discount rate	5.0	5.0
Rate of inflation	2.6	2.6

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2024 Years	2023 Years
Males		
Future lifetime from age 65 (currently aged 65)	21.5	21.7
Future lifetime from age 65 (currently aged 45)	21.8	22.3
Females		
Future lifetime from age 65 (currently aged 65)	24.1	24.2
Future lifetime from age 65 (currently aged 45)	24.9	25.3

	Split at 31-Jul-24 %	Split at 31-Jul-23 %
Split of scheme assets		
Equities	71.3	73.6
Government Bonds	5.1	4.5
Other Bonds	4.4	7.0
Property	3.0	4.6
Cash/liquidity and other	0.4	0.6
Other*	15.8	9.7
	100	100

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales Trinity Saint David

The following amounts at 31 July 2024 and 31 July 2023 were measured in accordance with the requirements of FRS102.

	31-Jul-24	31-Jul-23
	£'000	£'000
Fair value of assets	56,460	49,360
Present value of scheme liabilities	(36,960)	(36,110)
Surplus in the scheme	19,500	13,250
Effect of the asset ceiling	(19,500)	(13,250)
Recognised pension asset	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-24	31-Jul-23
	£'000	£'000
Current service cost	(460)	(750)
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	(460)	(750)

Analysis of finance income and charges

	31-Jul-24	31-Jul-23
	£'000	£'000
Expected return on assets	2,480	1,670
Interest on pension liabilities	(1,780)	(1,500)
Interest on unrecognised asset	(660)	-
Net finance cost	40	180

Amount recognised in other comprehensive income

	31-Jul-24	31-Jul-23
	£'000	£'000
Remeasurement of assets	4,050	(190)
Effects of changes in assumptions underlying the present value of scheme liabilities	270	8,490
Effect of asset ceiling	(5,590)	(9,240)
	(1,270)	(940)

Movement in scheme at beginning of the year

	31-Jul-24	31-Jul-23
	£'000	£'000
Surplus in scheme at beginning of the year	13,250	3,870
Current service cost	(460)	(750)
Contributions paid by the employer	1,690	1,660
Net finance cost	700	170
Actuarial gain	4,320	8,300
Surplus in scheme at the end of the year	19,500	13,250
Effect of asset ceiling	(19,500)	(13,250)
Recognised pension asset	-	-

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

	31-Jul-24	31-Jul-23
	£'000	£'000
At 1 August	(36,110)	(43,480)
Current service cost	(460)	(750)
Past service cost	-	-
Interest cost	(1,780)	(1,500)
Member contributions	(160)	(170)
Change in financial assumptions	-	10,890
Change in demographic assumptions	300	60
Experience gain/(loss)	(30)	(2,460)
Curtailment	-	-
Benefits paid	1,280	1,300
At 31 July	(36,960)	(36,110)

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

	31-Jul-24	31-Jul-23
	£'000	£'000
At 1 August	49,360	47,350
Expected rate of return on scheme assets	2,480	1,670
Re measurement gains on assets	4,050	(190)
Administration expenses	-	-
Employer contributions	1,690	1,660
Members contributions	160	170
Benefits paid	(1,280)	(1,300)
At 31 July	56,460	49,360
Effect of the asset ceiling	(19,500)	(13,250)
Recognised value of the scheme assets at 31 July	36,960	36,110

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAS)

The University sponsors the University of Wales, Lampeter Pension & Assurance Scheme which is a defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation. One-third of the trustees are nominated by the members of the scheme, at least one of the member nominated trustees must be a pensioner member.

A full actuarial valuation was carried out as at 31 July 2022, the results have been updated to 31 July 2024 by a qualified actuary, independent of the plan's sponsoring employer.

The results of the 31 July 2022 valuation showed a deficit of £1,294,000. The University has agreed with the trustees that it would continue to make contributions at a rate of 19% of employee salaries along with an annual enhanced contribution of £277,990, increasing by 3% p.a. The University will also meet expenses of the scheme and levies to the Pension Protection Fund, insurance premiums for death in service and all management and administration expenses. Member contributions are payable at the rate of 6.25% of pensionable service.

The material assumptions used by the actuary as at 31 July 2024 and for the comparative period, were as follows:

	2024	2023
	%	%
Rate of increase in salaries	4.05	4.0
Rate of increase in pensions in payment	2.55	2.5
Revaluation rate for deferred pensions	2.55	2.5
Discount rate	4.90	5.15
Rate of inflation	2.55	2.5
Allowance for commutation of pension for cash at retirement	Maximum allowed	Maximum allowed

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

	2024 Years	2023 Years
Males retiring at age 65 in 2020	20.6	21.0
Females retiring at age 65 in 2020	22.9	22.9
Males retiring at age 65 in 2040	21.8	22.3
Females retiring at age 65 in 2040	24.4	24.5

Split of scheme assets

	Split at 31-Jul-24 %	Split at 31-Jul-23 %
Equities	21.2	40.9
Bonds	78.1	48.4
Other*	0.7	10.7
	100	100

On 25 July 2024, the Court of Appeal dismissed the appeal in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others. The appeal was brought by Virgin Media Ltd against aspects of the High Court's ruling handed down in June 2023 relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. The Court of Appeal upheld the High Court's ruling. The ruling may have implications for other UK defined benefit plans. It is understood this may or may not apply to the LGPS and HM Treasury is currently assessing the implications for all public service pension schemes. No further information is available at this stage

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPPAS)

The following amounts at 31 July 2024, and at 31 July 2023 were measured in accordance with the requirements of FRS102.

	31-Jul-24	31-Jul-23
	£'000	£'000
Fair value of assets	19,489	18,617
Present value of scheme liabilities	(16,057)	(15,447)
Surplus/(Deficit) in the scheme	3,432	3,170
Effect of the asset ceiling	(3,432)	(3,170)
Recognised pension asset	-	-

Analysis of amount charged in Statement of Comprehensive Income

	31-Jul-24	31-Jul-23
	£'000	£'000
Current service cost	(37)	(51)
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	(37)	(51)

Analysis of finance income and charges

	31-Jul-24	31-Jul-23
	£'000	£'000
Expected rate of return on scheme assets	952	745
Interest on pension liabilities	(781)	(675)
Interest expense on effect of asset ceiling	(163)	(26)
Net finance cost	8	44

Amount recognised in other comprehensive income

	31-Jul-24	31-Jul-23
	£'000	£'000
Return on plan assets – gain	192	(3,225)
Experienced gains/(losses) arising on plan liabilities	52	(40)
Change in financial and demographic assumptions underlying the plan	(441)	4,232
Effect of asset ceiling	(99)	(1,292)
Total gain recognised in the statement of comprehensive income	(296)	(325)

Movement in scheme at beginning of the year

	31-Jul-24	31-Jul-23
	£'000	£'000
Surplus in scheme at beginning of the year	3,170	1,878
Current service cost	(37)	(51)
Contributions paid by the employer	325	306
Net finance cost	171	70
Expenses	-	-
Losses due to benefit changes	-	-
Actuarial gain/(loss)	(197)	967
Effect of the asset ceiling	(3,432)	(3,170)
Recognised pension asset	-	-

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

	31-Jul-24	31-Jul-23
	£'000	£'000
At 1 August	(15,447)	(19,610)
Current service cost	(37)	(51)
Past service cost	-	-
Interest cost	(781)	(675)
Member contributions	(16)	(14)
Change in financial assumptions	(389)	4,232
Change in demographic assumptions	-	(40)
Experience gain/(loss)	-	-
Curtailment	-	-
Benefits paid	613	711
Expenses	-	-
Losses due to benefit changes	-	-
At 31 July	(16,057)	(15,447)

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

	31-Jul-24	31-Jul-23
	£'000	£'000
At 1 August	18,617	19,610
Expected rate of return on scheme assets	952	745
Re measurement gains on assets	192	(3,225)
Administration expenses	-	-
Employer contributions	325	306
Members contributions	16	14
Benefits paid	(613)	(711)
Effect of asset ceiling	(3,432)	(1,292)
At 31 July	16,057	15,447

NOTES TO THE ACCOUNTS

Teachers' Pension Scheme

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

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

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

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

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

The latest actuarial review of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education (the Department) in October 2023. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service at the effective date of £262 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222 billion giving a notional past service deficit of £40 billion (compared to £22 billion in the 2016 valuation).

As a result of the valuation, new employer contribution rates will rise to 28.68% from April 2024 (compared to 23.68% during 2018/9).

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

The pension costs paid to TPS in the year amounted to £4,197k (2023: £3,917k) of which £1,177k (2023: 1,108k) was paid by the University and £3,020k (2023: £2,809k) was paid by Coleg Sir Gar and Coleg Ceredigion

NOTES TO THE ACCOUNTS

Universities Superannuation Scheme (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.

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £7,250k (2023: £7,881k) including PensionChoice, but excluding the impact of the change in the deficit recovery plan.

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.

The 2023 valuation was the seventh 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 £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%.

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%. As part of the 2023 valuation, no deficit recovery plan was required because the scheme was in surplus on a technical provisions basis. The University 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. Deficit recovery contributions due within one year for the institution are nil (2023: £2,763k)

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).

Discount Rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement 2.5% Post-retirement 0.9%
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. to a long-term difference of 0.1% p.a. from 2040
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.03%

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_2021 with a smoothing parameter of 7.5, an initial addition of 0.4% p.a., 10% w202 and 2021 and a 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 Years	2023 Years
Males retiring at age 65 in 2020	23.7	24.0
Females retiring at age 65 in 2020	25.6	25.6
Males retiring at age 65 in 2040	25.4	26.0
Females retiring at age 65 in 2040	27.2	27.4

At 31 July 2023, the institution's balance sheet included a liability of £33,226k 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 £33,226k was released to the profit and loss account. Further disclosures relating to the deficit recovery liability can be found in note 7.

STATEMENT OF FINANCIAL POSITION & CASH FLOW

28. Consolidated reconciliation of net debt

	Year ended 31 July 2024 £'000	
Net debt at 1 August 2023	11,009	
Movement in cash and cash equivalents	(29,888)	
Other non-cash changes	1,092	
Net debt at 31 July 2024	(17,787)	
Analysis of net debt:	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash and cash equivalents	20,394	44,826
Borrowings: amounts falling due within one year		
Secured loans	2,573	2,615
Unsecured loans	-	-
Bank overdraft	5,457	-
Obligations under finance leases	996	669
	9,026	3,284
Borrowings: amount falling due after more than one year		
Secured loans	28,000	30,000
Obligations under finance leases	1,155	533
	29,155	30,533
Net Debt	(17,787)	11,009

29. Events after the reporting period

As noted in Note 20 the overdraft facility was restructured in November 2024 until June 2025 with a limit of £15 million. The University and its bankers are working towards converting the overdraft to a longer-term financing solution which will be in place prior to July 2025.

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

Accounts

**University of Wales:
Trinity Saint David**

Charity number: **1149535**

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

CONTENTS

	Pages
Members	1
Administration details and professional advisors	2 – 3
Introduction by the Vice-Chancellor	4
Introduction by the Chair of Council	5 - 6
Operating and financial review	7 – 32
Statement of corporate governance	33 – 40
Independent auditor’s report to the council of University of Wales: Trinity Saint David	41 – 44
Consolidated and University statements of comprehensive income	45
Consolidated and University statements of changes in reserves	46
Consolidated and University statements of financial position	47
Consolidated statement of cash flows	48
Statement of accounting policies	49 – 56
Notes to the accounts	57- 90

MEMBERS AND EXTERNAL ADVISORS

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.

The Venerable Randolph Thomas (Chair) – independent (100%) (to 31.08.2023) (2022: 100%)

Emlyn Dole (Chair) – independent (from 01.09.2023) (n/a) (2022: n/a)

Prof Medwin Hughes (Vice-Chancellor) – executive (100%) (to 31.08.2023) (100%) (2022: 100%)

Prof Elwen Evans KC (Vice-Chancellor) (from 01.09.2023) (2022: n/a)

Justin Albert OBE – independent (86%) (2022: 50%)

Natalie Beard – student (Appointed 01.07.2023) (100%)

Professor Kyle Erickson – staff (Appointed 07.03.2023) (66%)

Siwan Davies – independent (Resigned 31.05.2023) (100%) (2022: 50%)

Taya Gibbons – student (86%) (2022: 0%)

Rowland Jones – independent (100%) (2022: 80%)

Vanessa Liverpool – student (On authorised absence from 15.03.2023; resigned 30.06.2023) (25%) (2022: 60%)

Prof Conny Matera-Rogers – staff (100%) (2022: 80%)

Arwel Ellis Owen OBE – independent (86%) (2022: 80%)

Matthew Peake – staff (Resigned 07.12.2022) (100%) (2022: 40%)

Timothy J Llewelyn – independent (Appointed 01.01.2023) (100%) (2022: n/a)

Victoria Provis – independent (Resigned 31.07.2023) (86%) (2022: 60%)

Geraint Roberts – independent (86%) (2022: 80%)

Emlyn Schiavone – independent (100%) (2022: 75%)

Dr Liz Siberry OBE – independent (86%) (2022: 80%)

Nigel Roberts – independent (Appointed 31.03.2023) (100%) (2022: n/a)

Maria Stedman – independent (86%) (2022: 80%)

Dr Kerry Tudor – staff (57%) (2022: 80%)

Uzo Iwobi – independent (57%) (2022: 50%)

Dr Peter Spring – staff (100%) (2022: 0%)

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

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

MEMBERS AND EXTERNAL ADVISORS

Administrative Details

Charity Number	1149535
Company Number	RC000537
Principal Office	Carmarthen Campus, College Road, Carmarthen, SA31 3EP

Professional Advisors

External Auditor	KPMG LLP	3 Assembly Square, Britannia Quay, Cardiff, CF10 4AX
Internal Auditor	Mazars LLP	90 Victoria Square, Bristol, BS1 6DP
Bankers	Barclays Bank Plc	
	HSBC Plc	
	Natwest Bank Plc	

Scope of the Financial Statements

The consolidated financial statements of University of Wales: Trinity Saint David consolidate the following entities:

- University of Wales: Trinity Saint David
- Trinity University College Limited
- Trinity College
- Eclectica Drindod Limited
- UWTSD Learning Centres Limited (Company dissolved 12th October 2021)
- UWTSD Investments Limited
- Y Ganolfan Dysgu Cymraeg Genedlaethol
- Coleg Sir Gâr
- Coleg Ceredigion
- Mentrau Creadigol Cymru
- UW Centre for Advance Batch Manufacture Limited
- OSTC Trinity St David LLP (Joint Venture)
- UWTSD Innovation Centres Limited
- Swansea Business School Limited

MEMBERS AND EXTERNAL ADVISORS

Legal Status

University of Wales: Trinity Saint David (UWTSD) is incorporated by Royal Charter. The most recent version of its constitution is the Supplemental Charter which was sealed by the Privy Council on 28 September 2012, following the constitutional merger with Swansea Metropolitan University.

Trinity University College Limited (TUC) is deemed to be controlled by UWTSD, as UWTSD is its sole member.

Trinity College incorporates the original endowment of 1848 and, as an education charity, embodies the assets of both land and buildings together with any charitable monies which have accrued to the charity. There is no direct ownership link between UWTSD and Trinity College. However, it is deemed to be controlled by UWTSD by virtue of the fact that TUC is the sole trustee.

Eclectica Drindod is a private company limited by guarantee with no share capital, established to undertake a role that more effectively delivers Third Mission activity for UWTSD. Eclectica Drindod is deemed to be controlled by UWTSD as TUC (whose sole member is UWTSD) is its sole member and has the power to appoint directors.

UWTSD Learning Centres Limited is a wholly owned subsidiary of UWTSD.

UWTSD Investments Limited is a wholly owned subsidiary of UWTSD.

Y Ganolfan Dysgu Cymraeg Genedlaethol is a private company limited by guarantee with no share capital. It undertakes the setting of the national strategic direction for the Welsh for Adults sector, providing leadership to Welsh for Adults providers. UWTSD is the sole member of the company.

Coleg Sir Gâr is a private company limited by guarantee with no share capital, which undertakes the provision of further education and higher education. UWTSD is the sole member of the company.

Coleg Ceredigion is a private company limited by guarantee with no share capital, which undertakes the provision of further education. Coleg Sir Gâr is the sole member of the company and it is deemed to be controlled by UWTSD as the sole member of Coleg Sir Gâr.

Mentrau Creadigol Cymru Limited is a wholly owned subsidiary of UWTSD. It was established to operate a digital media centre at Canolfan S4C Yr Egin, adjacent to the University's campus in Carmarthen. Construction of the centre was completed during the year to 31st July 2019.

UW Centre for Advanced Batch Manufacture Limited, is a private company, the University has a 51% controlling interest in the company with University of Wales holding the remaining 49%.

OSTC Trinity St David LLP, is a limited liability partnership, the University has a 50% stake in the entity with the other 50% owned by OSTC limited.

UWTSD Innovation Centres Limited is a wholly owned subsidiary of UWTSD and did not trade during the year.

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 28.

INTRODUCTION BY THE VICE-CHANCELLOR

On the 1st of September 2023 I was privileged to take over as Vice-Chancellor of the University of Wales Trinity Saint David. It is humbling and exciting to be entrusted with leading an Institution which has such a significant and historic legacy. I am grateful to everyone who has helped me over my first few months and greatly look forwards to working with colleagues both inside and outside of the University. Globally the sector faces many challenges but I am confident that, working together, we will be able to forge a future strategy that celebrates our values and meets the needs of the many communities and people that we serve.

As this introduction forms part of the University's Consolidated Financial Statements for the year ending the 31st of July 2023 it inevitably reflects the work of others. It is a great pleasure to be able to express my gratitude to Professor Medwin Hughes CBE, DL and the Venerable Randolph Thomas on their retirement. As Vice-Chancellor and Chair of Council they have shown exceptional leadership and steadfast commitment to the University over the course of many years. They have made transformational contributions to education in the University, in Wales and beyond. Some small indication of their work and passion is evidenced in the "Operating and Financial Review" that follows in the body of this document.

During the last few months I have had the enormous pleasure of meeting colleagues from across our wonderfully broad and diverse University as we look to meet sector challenges and build on past successes in identifying our future strategic plans and ambitions. Next steps will be informed by listening to colleagues' views, understanding complex institutional identities, drawing on a wide range of valuable and valued experiences and enhancing an environment that is welcoming, inclusive and supportive.

There are some powerful themes that have emerged across all of our campuses and communities: making a tangible difference to the wellbeing of those we serve, putting students and their experience at the heart of our mission, transforming lives through education, supporting students to achieve their full potential, undertaking research and knowledge exchange that is impactful and relevant, ensuring that we contribute to the economic wellbeing of our regions and putting civic engagement at the heart of our identity. We are proud that our group includes Coleg Sir Gâr and Coleg Ceredigion and we will build on the benefits of our dual sector structure.

In order to embrace the future our priority must be to ensure and enhance institutional sustainability and resilience with a clear focus on people, place and purpose. We will work collaboratively to design and deliver a strategy for success as an Institution that meets the needs of the second quarter of the 21st Century.

I am very grateful to our new Chair of Council, Emlyn Dole, to the members of the University Council, its Committees, our constituent Colleges and beyond for unstinting assistance, guidance and advice. My unqualified thanks also go to our staff and students - and to all of those without whom the University could not flourish. Thank-you.



Prof Elwen Evans KC (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.

Planning for the transition of the leadership of the Council and University was a significant undertaking. Both the Vice-Chancellor, Professor Elwen Evans, KC, and I assumed our roles at the beginning of September. The Council also welcomed new members who bring their expertise from a wide spectrum of professional disciplines, and I look forward to working with them.

The University was not immune to the challenges faced by the sector and the country. The rising costs of living, managing the aftermath of the COVID-19 pandemic, as well as global geopolitical factors impacted the University's operating environment. However, such challenges were met by the dedication and commitment of our community, particularly in ensuring that the quality of the student experience was the priority. The University's performance in national league tables was heartening and reflected the institution's commitment to teaching and learning and for its services to students. UWTSD was ranked 2nd in Wales and was in the top 10 in the UK for overall Student Satisfaction (students taught by the provider), 1st in Wales for Learning Opportunities and 1st in Wales for Communication of Mental Wellbeing Support in the National Student Survey (2023). The University was also ranked in the top 10 in the UK for lecturers and teaching quality in the Whatuni Student Choice Awards 2023.

It was pleasing to see staff acknowledged for their achievements in the annual NEXUS teaching and learning awards held at the end of the academic year. The University commitment to academic excellence is evidenced through the provision of high-quality bilingual teaching which is informed by staff scholarship, research, and professional practice. The delivery of our teaching is through methods that engage and challenge learners. In addition, the University's reputation for applied research was enhanced by the Assistive Technologies Innovation Centre which won the Benefitting Society Award at the Green Gown Awards UK and Ireland. The University continued to play a significant role in the life of the region. The campuses act as strategic economic, cultural, and social anchors, which create a distinctive sense of place and provide opportunities to widening access and increase participation in higher education. The University is renowned for its focus on widening access to higher education and for working within communities to provide opportunities for individuals to gain university qualifications. Such opportunities are provided at locations in South Wales as well as in London and Birmingham. The impact of this work makes an invaluable contribution to the wellbeing of such communities.

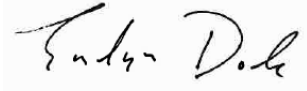
During the year, the University continued to work with a range of internal and external stakeholders to define each campus' offer to promote their unique character and distinctiveness as well as to ensure that the University's provision addresses skills needs within the region. Canolfan S4C Yr Egin and the Tir Glas initiative are both examples of such engagement. Yr Egin, which is part funded by the Swansea Bay City Deal, has established itself as a centre for the creative and digital industries as well as for the members of the community to participate in a range of activities and events.

Building work commenced on the Innovation Matrix which will provide a new centre for the University's applied research and knowledge exchange to connect with business, entrepreneurs, and investors. Funded through a strategic partnership between the University and the Swansea Bay City Deal, it will encourage and support the development of a sustainable, innovation-led economy which is based upon knowledge, innovation, and entrepreneurship.

The University's journey of transformation over the past 14 years has included the establishment of a dual sector system of education to provide a continuum of further and higher education. The UWTSD Group, which includes Coleg Sir Gâr and Coleg Ceredigion as constituent colleges, was established to ensure maximum benefits to learners, employers as well as the wider community. We are well placed to respond to the Tertiary Education and Research Act (2022) and for the establishment of the Commission for Tertiary Education and Research. In order to develop this work, in June 2022, Mr Jeremy Miles, MS, Minister for Education and Welsh Language, launched the University of Wales Technical Institutes, a new framework between UWTSD Group, University of Wales as well as three other FE partners.

INTRODUCTION BY THE CHAIR OF COUNCIL

I am grateful to my fellow council members for their commitment and contribution to the University, and would like to take this opportunity to thank the Vice-Chancellor, staff and students for their dedication and hard work.

A handwritten signature in black ink, reading "Emlyn Dole". The signature is written in a cursive style with a large initial 'E' and a stylized 'D'.

Emlyn Dole
Chair of Council

OPERATING AND FINANCIAL REVIEW

Public benefit statement

The University is a registered charity and its charity number is 1149535.

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 objects of the University are set out in its Charter:

'to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit, which includes but is not limited to: (a) The power to award and revoke degrees of any rank of the University and other distinctions... in its own name and/or dually or jointly with other education institutions; and (b) The provision and maintenance of a significant physical University presence in Swansea, Carmarthen, and Lampeter (or such other places as may be determined), which facilitates the objects of the University; and (c) The objects of the University shall have regard to the vocational, bilingual, and Anglican heritages of historical entities.'

Through our activities we promote:

Excellent teaching informed by scholarship and professional practice, and applied research that influences knowledge and policy in Wales and beyond.

Inclusivity, by removing barriers to participation and supporting people from all backgrounds and circumstances to fulfil their potential.

Employability and creativity, by offering educational programmes that develop entrepreneurial and creative skills, enabling learners to have the best opportunities to gain employment and to contribute to the prosperity of their communities.

Collaboration through strategic relationships, working with others to provide educational and commercial opportunities and to ensure that Wales is connected to the wider world.

Sustainable development, by behaving in a way which ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs, and by systematically embedding this principle in our approach to teaching and learning.

The concept of global citizenship, through the development of multi-national activities and opportunities for our learners, staff and partners.

Wales and its distinctiveness, through embedding the goals of the *Well-Being of Future Generations (Wales) Act* in all of our activities, and by celebrating the vibrant culture, heritage and language of Wales.

At the heart of the University's Strategic Plan is a commitment to all of its learners and specifically to Wales – to its culture, its heritage and its language, and to the prosperity and long-term health of its citizens. It recognises its local, national, international and civic role as a provider of higher education, and the responsibilities that it bears. As a reflection of this commitment, the seven goals and the five ways of working of the *Well-Being of Future Generations (Wales) Act 2015* have been placed at the core of planning, and its aspirations are closely aligned with those expressed by the Welsh Government in *Taking Wales Forward 2016-21*.

Key to the University's values are promoting social inclusion, increasing participation and making a positive impact on the economy, society and culture of Wales and beyond. The University's teaching and learning strategy and development of new learning centres demonstrates its approach to supporting learners to fulfil their potential, and contributing to social and economic requirements and the wider skills agenda. It addresses the Welsh Government's agenda outlined in *For our Future* and the priorities of the Higher

OPERATING AND FINANCIAL REVIEW

Education Funding Council for Wales. The University has developed strong links with local communities to assist with the development of new learning centres.

Objectives and Activities

Within the context of Wales, the University has a distinctive role to play within higher education. Its mission, educational character and academic portfolio attest to its strategic importance in furthering bilingualism and supporting the enhancement of the Welsh language and culture.

Mission

Transforming Education; Transforming Lives.

Vision

Our vision is to be a University for Wales, with a commitment to the well-being and heritage of the nation at the heart of all that we do. Central to our vision is the promotion and embedding of a dual-sector educational system which educates learners of all ages and backgrounds, and stimulates economic development in our region, across Wales and beyond.

Key Deliverables

In September 2017 the University launched a Strategic Plan for period 2017 to 2022. Subsequently, in July 2022, the Council approved an extension to the Plan to cover the period 2017-2024. There are four strategic priorities for the planning period:

1. Putting learners first;
2. Maintaining excellence in teaching, scholarship and applied research;
3. Creation of opportunities through partnerships; and
4. Maintaining a University for Wales;

In addition, the Strategic Plan identifies seven key enablers to be achieved to support delivery of the strategic priorities. These are:

1. Maintaining financial security;
2. Supporting, encouraging and developing our people;
3. Improving our estates and infrastructure;
4. Maintaining good governance;
5. Providing effective leadership and management;
6. Promoting equality; and
7. Seeking continuous improvement.

Each of the strategic priorities and enablers has specific plans, measures of success and key performance indicators attached to it.

Institutional performance is systematically monitored against the 'measures of success' for the four strategic priorities set out in the University's Strategic Plan. Council's Resources and Performance Committee and Council itself receives an annual report on performance. Within the annual report each measure of success is split to show the target and 'actual' levels of performance, colour-coded to indicate whether they have been achieved or otherwise. Narrative information provides context and explanations where targets have not been achieved. The report for 2022/23, presented to Council at the last Council meeting of 2022/23, showed good performance in the majority of areas.

OPERATING AND FINANCIAL REVIEW

On behalf of the Council, the Resources and Performance Committee also maintains oversight of performance against ten Key Performance Indicators (KPIs). Monitoring reports are provided at each meeting, with an annual assessment and narrative presented at the final meeting of each year. The 2022/23 assessment showed good or satisfactory performance in nine KPIs, with a weaker performance in one area.

Wherever possible performance is measured quantitatively using HESA or other externally-benchmarked and verified data

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

The University's commitment to equality and diversity is set out in its *Strategic Equality Plan 2016-20* and is consistent with its mission to Transform Education and Transform Lives. Inclusivity is one of its key planning themes; it is embedded within the curriculum and is aligned to the Welsh Government's Wellbeing of Future Generations Goal of a more equal Wales. 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.

INSPIRE (Institute for Sustainable Practice, Innovation and Resource Efficiency) has continued 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.

Tuition fees

In August 2022 the University published its Fee and Access Plan for 2023 - 2025 with a full-time undergraduate tuition fee of £9,000. This level is consistent with the fees charged in previous years within Welsh Government parameters.

OPERATING AND FINANCIAL REVIEW

UWTSD A YEAR IN FOCUS

The University community continued to celebrate the bicentenary which commemorated the laying of the foundation stone for St David's College Lampeter on the 12 August 1822; an event which marked the beginning of higher education in Wales. The bicentenary celebrations spanned two academic years and provided an opportunity to celebrate the successes and achievements of the transformed University. It also offered a strategic opportunity to reaffirm the University's place in the higher education sector and its continued role in contributing to the wellbeing and prosperity of Wales within the wider UK context.

In October, we were delighted to welcome The Honourable Dr Ralph Gonsalves, Prime Minister of St Vincent and the Grenadines to the Lampeter campus to share in the bicentenary celebrations. During his visit, Dr Gonsalves was conferred an Honorary Doctor of Law and met students from the Caribbean islands who have received scholarships to study at the University.



The University's celebrations culminated in the bicentenary concert which featured the premiere of Symphony No 1: *Gorau Awen Gwirionedd*/The Best Inspiration is Truth, composed by staff member Eilir Owen Griffiths, with the libretto by Professor Grahame Davies. The Symphony was commissioned by the University to commemorate the bicentenary and featured performances by alumni Rhys Meirion, Luke McCall and Glain Rhys along with baritone Steffan Lloyd Owen, current students, Côr CF1, Côr Caerdydd and the British Sinfonietta. This was a joyous and well attended occasion and was a fitting climax to the University's celebrations.



We continued to work closely with our students and the Students' Union to ensure that they were supported as valued members of our community. During the year, the University launched the new Student Wellbeing Unit and implemented an updated approach to Safeguarding which is underpinned by a continued commitment to staff training, including Mental Health First Aid, ASIST suicide prevention and First Responder training. In 2022-23, colleagues supported over 1,800 students to access wellbeing services.

The University distributed £1.3m directly to students as part of the Student Bursary Framework which included £308,000 to students experiencing financial hardship. The impact of the rise in the cost of living on students across the country has been widely reported. The University worked with our Students' Union to provide a range of mitigating measures to alleviate hardship including providing practical support, information and guidance as well as installing Food Stations across the campuses with free food. In addition, our catering

OPERATING AND FINANCIAL REVIEW

outlets adapted their menus to provide discounted and nutritious hot and cold meals. As part of the international Period Poverty campaign, supported by the National Union of Students (NUS), the University ensured that free sanitary products were available across our campuses.

In 2022-23, a new work experience project was launched, supported by HEFCW funding, to widen access to work experience support for students.

Colleagues shared expertise and ideas regarding the student welcome experience. A key part of the work was to enhance the information available to students prior to their arrival at the University. New Hwbcasts were also launched to provide weekly updates to students on a range of topics affecting student life.

The University's longstanding reputation for Initial Teacher Education and Training provides many opportunities to lead transformational change and support the Welsh Government's policies relating to teacher education, curriculum reform and school improvement. The University's involvement in Camau i'r Dyfodol / Steps to the Future with the University of Glasgow and Welsh Government is aimed at supporting schools through the process of curriculum transformation, focusing on progression and assessment. In February, the Phase 1 report was published which focussed on how practitioners and leaders are working towards learning progression and curriculum realisation, providing a better understanding of the relationships between curriculum, assessment, pedagogy and progression, the role of co-construction in supporting curriculum design and in supporting educational change generally.

The University, the University of Wales and the National Library of Wales entered a new Strategic Alliance to implement an innovative model of collaboration. This work programme focusses on four major areas of strategic action: Developing and Sharing the Skills of the Workforce; Digital Innovation and Digital Infrastructure; Curriculum and Educational Resources; Developing Research and the Collections.



The Lampeter campus hosted a range of conferences linked to its activity portfolio and in collaboration with partners. An agreement with Aspen UK, an independent charity which supports and inspires leaders to transform themselves and their society, enabled the University to host its world-renowned leadership seminars. Aspen UK Seminars bring together leaders from across geographical and generational spectrums, and from across the corporate, political, creative, academic, and third sectors, to discuss, reflect, and debate. The seminars encourage leaders to address their own ideas and values, and to explore effective solutions to pressing social issues.

OPERATING AND FINANCIAL REVIEW

The University community welcomed students from Ukraine to the Lampeter campus. Anastasiia Patiuk and Valeriia Piven both received a scholarship for students from Ukraine to study the postgraduate award in Global Citizenship and Sustainable Leadership. They travelled from Kyiv to Lampeter in October and were overwhelmed by the warmth of the welcome they received within the University and the town.



The University and Digital Health and Care Wales worked together to promote and deliver a culture of embracing change via a new qualification that will upskill and empower staff. Funded by the Wales Institute for Digital Information (WIDI), The Change Ambassador Certificate has been designed for individuals aspiring to become a Change Ambassador within their organisation.

UWTSD signed a Memorandum of Understanding (MOU) with Lakehead University, located in Ontario, Canada. During the special visit Dr Moira McPherson, President & Vice-Chancellor and James Aldridge, Vice-Provost International, visited UWTSD's campuses in Lampeter, Carmarthen and Swansea. The partnership will benefit both universities through joint curricular programmes and student exchange opportunities.



OPERATING AND FINANCIAL REVIEW

In addition, the University and Ajeenkya D Y Patil University (ADYPU) signed a Memorandum of Understanding to exchange expertise in healthcare technology and systems. The partnership between the universities will see the delivery of postgraduate health technology programmes at the ADYPU with the aim of producing health technology professionals to contribute towards the cost-effective delivery of healthcare in India.



The expertise of the Wales Institute of Digital Innovation (WIDI), developed by UWTSD and Digital Healthcare Wales, is central to the partnership. Areas currently being explored include research and innovation, student and staff exchange as well as professional development.

In June, the University's Carmarthen campus was pleased to host the XIX International Conference on Minority Languages (ICML). It was the first time in 30 years for the conference to be held in Wales and over two hundred delegates from around the world attended including the Welsh Government's Education and Welsh Language Minister, Mr Jeremy Miles, MS. One of the aims in hosting the conference was to offer delegates a real sociolinguistic experience of Welsh in its contemporary environment and provide an opportunity to network and build connections between researchers and practitioners.



A major development during the year was the launch of the immersive rooms. Working with AV partner, IDNS, and part funded by the Higher Education Council Funding Wales (HEFCW), the first new learning spaces of their

OPERATING AND FINANCIAL REVIEW

kind in Wales were opened at the Swansea campuses. The Immersive Rooms utilise the latest Samsung LED screens across three walls creating a fully immersive virtual and augmented reality user experience. The learning spaces allow students to experience immersive virtual reality, 360° videos and images and applications through partner, Igloo Vision's immersive software.

The University pledged its support to the Swansea Bay Healthy Travel Charter which aims to encourage and support staff to travel around the campuses in a sustainable way. An official signing of the document took place in January which saw the University join 13 leading organisations in making the pledge.



The University was delighted to host the Young Chef Young Waiter of the Year, in association with UK Hospitality and the Restaurant Association. Now in its 45th year, it continues to highlight the remarkable skills of the finest young professionals in the industry. Relaunches as *World Young Chef Young Waiter* in 2022 to extend the competition around the globe, this year was the first time Wales could enter as an individual nation.



Paul Ranson and Hazel Israel of UWTSI International Institute for Creative Entrepreneurial Development (IICED) attended the Being Entrepreneurial 2022 Conference in Brussels to receive recognition of UWTSI's transformational practice both at individual and team level. Paul Ranson was awarded a Champion Badge for transforming policy and practice in his work to develop online Enterprise Education by Derek Vaughan, Minister for Wales in Europe. The EntreComp Awards celebrated excellence in entrepreneurial learning at all levels,

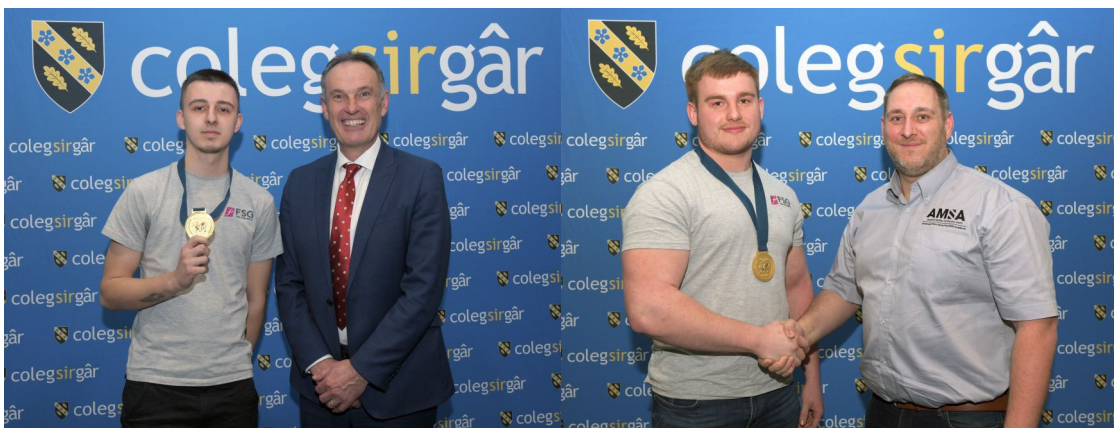
OPERATING AND FINANCIAL REVIEW

across Europe and beyond and are supported by an initiative of the European Union, aiming to engage, connect, grow, and sustain entrepreneurial learning community. Hazel Israel received the Champion Organisation badge on behalf of the IICED Team, in recognition of its pioneering work to champion the value and benefits of enterprise education beyond their organisation.

The Wales Institute of Science and Art continued to produce award-winning work with both staff and students collecting accolades for their work. Swansea College of Art student, Agi Olah, created a brand identity for Swansea Project Zero designed to support businesses, groups, residents, and organisations as they help the city achieve net zero carbon emissions by 2050.



A number of students and apprentices reached the finals of the Worldskills UK competition. Computing lecturer Nitheesh Kaliyamurthy was appointed Training Manager for the Worldskills UK international squad, ahead of the next international competition Lyon in 2024. UWTSD became the Competition Organising Partner (COP) for CNC milling and turning with Lee Pratt, Manager of the Advanced Manufacturing and Skills Academy overseeing development and delivery of the UK competition. In addition, Andrew John and Niteesh Kaliyamurthy supported the development and training of the Worldskills International teams in their respective fields in preparation for the Euroskills competition in Gdansk.



OPERATING AND FINANCIAL REVIEW

UWTSD's Assistive Technologies Innovation Centre (ATiC) and eHealth Digital Media won the Benefitting Society award in the 2022 Green Gown Awards UK and Ireland for a the project, *Seeing dementia through their eyes (Living with Dementia)*. As a regional winner, the project was entered for the 2023 International Green Gown Awards.



The Wales Institute of Science and Arts continued to engage with employers and schools to promote the study of STEM subjects and to highlight the range of career opportunities, often inviting alumni back to the University to talk about their own successful career journeys.

Automotive Engineering alumni and current students came together for a conference at the University's IQ Building in Swansea to discuss careers in the field of Motorsport and Motorcycle Engineering. The alumni who now work at world-leading automotive companies such as McLaren, Gordon Murray, Arc, Bentley, Ford and Toyota Gazoo Racing returned to UWTSD to share their career journeys and successes with the current student cohort.



OPERATING AND FINANCIAL REVIEW

The University's campuses at Carmarthen and Lampeter both secured Green Flag status for 2023. Following a special ceremony in July, flags were raised at UWTSD's Carmarthen and Lampeter campuses in recognition of their environmental efforts, excellent visitor facilities, and community involvement. UWTSD become only the third university in Wales to achieve Green Flag status and received the award following an assessment which included a detailed review of the documented management of the estate grounds processes and approaches to the land management. Particular attention was given to sustainable practice and the biodiversity and eco-systems action plan.



As part of its annual Nexus Learning and Teaching Conference, the University acknowledged staff achievements across its campuses. The Awards Ceremony, recognised excellence in innovation, student engagement, and collaboration and featured 11 categories. The event was held in person on each of our campuses as well as online.

The category winners were:

- **Bilingual and Welsh-medium teaching and learning Award:** Gwenllian Beynon, Swansea School of Art
- **Equality, Diversity and Inclusion (EDI) Champion Award:** Rachel Bendall, Centre for Teacher Education
- **Exemplary Support Project Award:** Paul Davies, Patrick Atkinson, Elizabeth Cullen, and Kimberley Jenkins, IT Systems and Infrastructure, and Student Services.
- **Employability Champion Award:** Stacey-Jo Atkinson, Design and Performing Industries
- **Special Collaborative Award:** Graduation Ceremonies 2022 team: Tanya McIver, Kieran Bennett, Darren Green, Elin Bishop, Sioned Russell, Eirwen Nicholls, Kelly Williams, Domina Baker and Lucy Gilbert.
- **Innovative Learning and Teaching Project Award:** Barry John, Engineering in the Wales Institute for Science and Art.
- **Equality, Diversity and Inclusion Project Award:** Cindy Hunt and Helen Griffiths, Centre for Childhood, Youth & Education
- **Exemplary Research Supervision Award:** Dr Argyro Kantara, Humanities and Social Sciences
- **Collaborative Team Award:** Rebecca Ellis, Chris Buxton, Kylie Boon, Rob Jones and Lynne Seymour from Design and Performing Industries.
- **Inspirational Colleague Award:** Dr Jayne Griffith Parry, Hospitality and Tourism Management

In addition, Honourable Mention was made for the Springboard project led by the University's Birmingham campus and the staff involved, namely, Dr John Deane, Mark Gallagher-Read, Besty Jose, Yohan Mendis, Ellie Ristic and Stephanie Ng, Institute of Inner City Learning.

Professor Elwen Evans KC
Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Principal risks and uncertainties

The underlying principal risks and uncertainties faced by the University which remain consistent with previous years are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of tuition fee payments upon cash balances held within the Group at any one point in time, notwithstanding that cash balances remain substantial at the year-end (£26.1million);
- In line with the above managing the cash-flows and net asset balance to meet the banking covenants set as part of the secured borrowing with HSBC bank;
- Home/EU student recruitment and retention given uncertain political and economic environments and demographic trends;
- Managing performance across all of the Group's complex and diverse entities and locations and harmonising activity where appropriate to deliver strategic gains; and
- Development of the Group Estates Strategy to support on-going integration and future development of the University.

2022/2023 saw the University's continued adaption back to on campus and hybrid delivery of teaching delivery models to meet the needs and expectations of students.

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.

The University purchases its energy through the purchasing consortium TEC and have secured fixed price contracts through 2022/2023, providing a degree of certainty to the budget for the year and providing a risk for future years as these contracts lapse. The University considers that its investment in energy efficiency and changes to working practices to reduce usage will help to mitigate part of this risk.

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.

As the University enters the new academic and financial year the 3 primary financial risks are considered to be:

- Student recruitment and retention;
- Ensuring that the University Campus facilities continue to be fit for purpose and are maintained in a manner to respond to changing learning and student experience needs
- Ensuring that inflationary pressures are managed in the correct manner

Recruitment in term one of 2022/2023 has been in line with budget however the University acknowledges the risk of retention both for students joining in the current year and also for those who have completed years 1 and 2 by July 2023. The University is proactively working with its student population and employees to provide a fulfilling and meaningful learning experience. Student pulse surveys are being utilised to gauge the effectiveness of the University's approach.

The immediate outlook for international student recruitment is less certain and ongoing restrictions provide a barrier for students to enter the UK. The University's income from international students is relatively low but is still an important income stream and one that will drive future growth for the University. The University believes that the demand for education in the UK remains strong with income from International students increasing in the current year, and any shortfalls in income in 2021/2022 and 2022/2023 will be a temporary event. Mitigating actions have been made through the introduction of new courses and entrance to new International markets to counter the forecast fall in the University's traditional international income.

OPERATING AND FINANCIAL REVIEW

In managing the University campus facilities, the estates team continue to prioritise efforts in ensuring that the various sites are adapted to make full benefit of a hybrid delivery model with increased use of technology.

All departments within the University are working towards managing the risks facing the Higher Education Sector 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.

Future prospects

The current environment within the sector is challenging but the University has invested significantly in its estate and improving the quality of its student experience, as reflected in its performance in the National Student Survey. In addition it is developing new provision and delivery modes, aimed at the development of new learning centres, and these are achieving growth to compensate for some of the reduction experienced in other fee income. This is transforming the University portfolio and will, in the medium to long term, ensure its sustainability and success. In the short term generation of cash surpluses is a key objective and the University has taken focused action to reduce costs to ensure they are in line with income levels to achieve this.

Declaration of information to auditor

In so far 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

Financial Review

The Director of Financial Services and the Chair of the Resources and Performance Committee present a review of the financial performance of the group for the year to July 2023.

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	183,116	180,870	2,246
Expenditure	(193,985)	(197,185)	3,200
Profit on Sale of Assets	41	232	(191)
Decrease in fair value of investment properties	(300)	(27)	(273)
Loss on investments	(155)	(254)	99
Share of operating loss in associate	-	-	-
Taxation	5	(9)	14
Surplus for the year	(11,278)	(16,373)	5,095
Actuarial gain/(loss) in respect of pension schemes	11,177	53,538	(42,361)
Gain on revaluation of heritage assets	-	-	-
Total comprehensive income/(loss) for the year	(101)	37,165	(37,266)

From the total comprehensive a deficit of £8.1 million is attributed to the results of the University, a surplus of £8.8 million is attributed to the FE colleges and a deficit of £0.8 million is attributed to the other subsidiaries in the group.

The consolidated results recorded a deficit for the year of £11.3 million (2022: £16.4 million), and a total comprehensive loss of £0.1 million (2022: Total comprehensive income £37.2 million). This result encompasses all activities, other than the Students' Union which is an independent body.

As noted under the pensions section of the financial review the recorded deficit is after recognising an decrease in the USS pension provision of £2.3 million (2022: increase of £23.96 million) and the total comprehensive gain is after recognising an actuarial gain on the LGPS and inhouse pension liabilities of £11.2 million (2022: £53.5 million).

The University operates in a complex environment and as such there are a number of non-core activities and non-cash items that influence the surplus recorded in the statement of comprehensive income. As is presented in the table below the nature of these items are consistent with the prior year, however the value of the items fluctuate across the years.

The University considers the underlying operating position to be an appropriate measurement of its performance and the impact of these is summarised in the table below:

OPERATING AND FINANCIAL REVIEW**Adjusted Underlying Performance**

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Total comprehensive income/(loss) for the year	(101)	37,165
Add back actuarial movement on pension schemes	(11,177)	(53,538)
<u>Deduct non-core income</u>		
Capital grants received	-	(1,050)
Gain on disposal of fixed assets	(41)	(232)
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	(3,410)	26,875
Revaluation of derivative liability	(254)	(1,564)
Restructuring costs	977	246
Property impairment charges	-	-
Decrease in fair value of investment properties	300	27
loss on investments	155	254
Underlying (deficit)/surplus	(13,551)	8,183

The University had set a budget for the year to July 2023 that would deliver an operating surplus of £5m along with cash generation of £5m before any capital activity. This budget was set to reflect a challenging environment with a changing student demographic and needs coupled with high levels of inflation within the UK economy.

Operationally 2022/2023 continued the trend towards increased campus service delivery and true hybrid delivery as the University balanced the student needs and expectations within what is now a post Covid-19 environment with new challenges and opportunities..

The budget also reflected the changing nature of funding body support, with a move back to pre-pandemic levels of funding along with a change in nature of the funding away from direct support and into areas such as net zero progression and environmental sustainability.

In setting the budget management considered the need to for an appropriate cost base to support expected tuition fee growth and a hybrid operations model. The budgets and forecasts are set to ensure that the income growth for the University in recent years is sustainable and underpinned with investment in both staff costs and operational expenditure.

University management has reviewed the performance for the year to understand the reasons for the performance vs the budget, noting that whilst income levels grew in the year, this was not to the level expected in the budget with however mitigating actions on non-pay expenditure implemented too late in the year to have an impact on the expenditure levels for the year which are reported near to the budget values.

The main driver of increased expenditure is in pay costs, management consider that the pay costs carried by the University are appropriate to the anticipated income levels in 2023/2024 and that the growth to 53% of income in the current level brings the pay cost to income ratio in line with the sector.

Following the review the University considers that non pay costs are not fundamentally fixed in the short term and actions have been taken to readdress the balance of expenditure to income in the budget set for 2023/2024. A forecast produced after the September 2023 intake indicates a surplus for the year to July 2024

The University had planned for cash levels to fall in 2022/2023 (and will fall again in 2023/2024). Some planned capital disposals have been delayed into 2023/2024 and at the date of signing the accounts these planned events are considered to have been delayed from 2022/2023 and have not been cancelled.

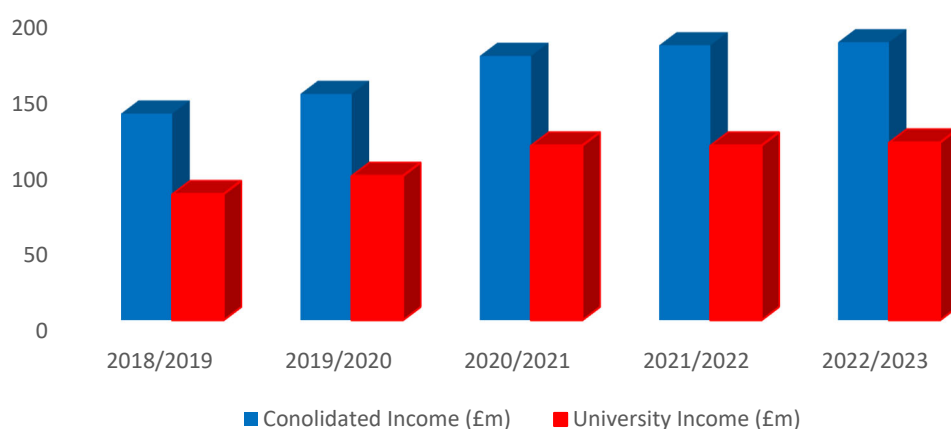
OPERATING AND FINANCIAL REVIEW

Tuition fee income for the University continues to be the driver to its growth, particularly through the growth in in year intakes where the delivery of teaching does not follow the traditional academic year profile. As a result a portion of the income from the in year intakes is deferred at 31 July and recognised in the following year. As the number of students on these courses grow the deferred income also grows. At 31 July 2023 the deferred student income grew by £4.4 million to £24.4 million (2022: £19.9 million).

Income

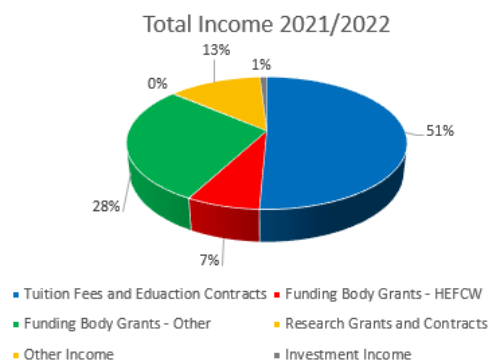
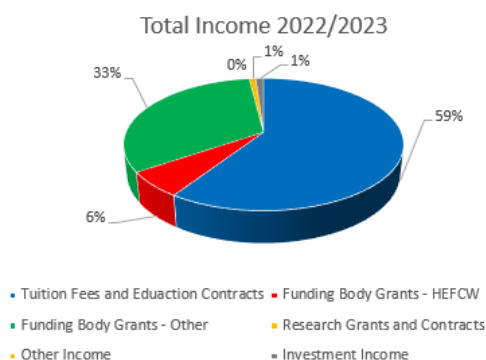
The consolidated total income for the year amounted to £183.1 million (2022: £180.9 million). The growth in income continues a trend over the past 5 years where income has grown by 35% from an income of £130 million in 2018/2019. The University income in the same period has increased by 41% from £78 million to £117 million in the current year

5 Year Income Growth



The make-up of the income has remained broadly consistent year on year and is summarised below

	Year ended 31 July 2023		Year ended 31 July 2022	
	£ million	%	£ million	%
Consolidated Income				
Tuition fees and education contracts	92.7	51%	91.6	51%
Funding body grants – HEFCW	9.7	5%	12.9	7%
Funding body grants – Other	50.9	28%	51.4	28%
Research grants and contracts	2.3	1%	0.4	0%
Other income	26.1	14%	22.9	13%
Investment income	1.4	1%	1.7	1%
	183.1	100%	180.9	100%



OPERATING AND FINANCIAL REVIEW

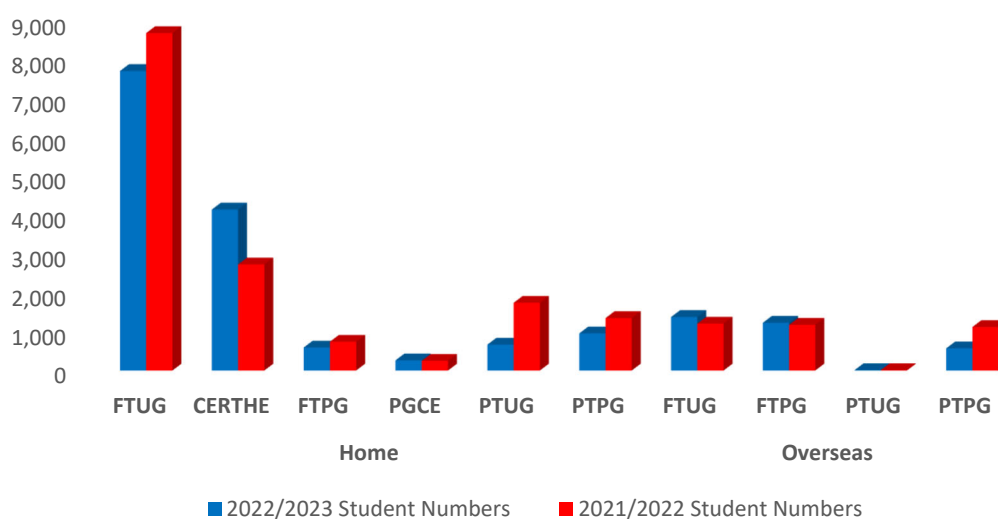
Funding body grants – Other reflect grants from the Welsh Government, received by Coleg Sir Gâr, Coleg Ceredigion and Y Ganolfan Dysgu Cymraeg Genedlaethol (YGDCG).

Other income arises from a wide range of sources including: student residences, catering and grant funding for projects and programmes.

Student Income

The group saw students studying on undergraduate courses decrease by 3%, and post graduate courses by 12%. Further education student number remained broadly flat on the prior year.

The table below show the make up of the University's student population.



In addition the further education colleges have approximately 10,000 students studying full and part time across higher and further education courses.

The University is committed to having a student body that is balanced and diverse in terms of background and experience, with all the educational and cultural benefits that this brings. It encourages applications from all those with the motivation and academic ability to thrive at its locations within the South West Wales region, at its London campus, Birmingham Learning Centre and other outreach centres, whatever their background.

The make-up of tuition fee income, generated from the student profile noted above is below

	2022/2023 £ million	2021/2022 £ million	Movement £ million	Movement %
7 Consolidated Income				
Full Time Home and EU	75.0	78.1	(3.1)	(4%)
Full Time International	9.0	7.8	1.2	15%
Part Time	7.3	3.2	4.1	128%
Education Contracts (FE Colleges)	1.4	2.5	(1.1)	(44%)
	92.7	91.6	1.1	1%

OPERATING AND FINANCIAL REVIEW

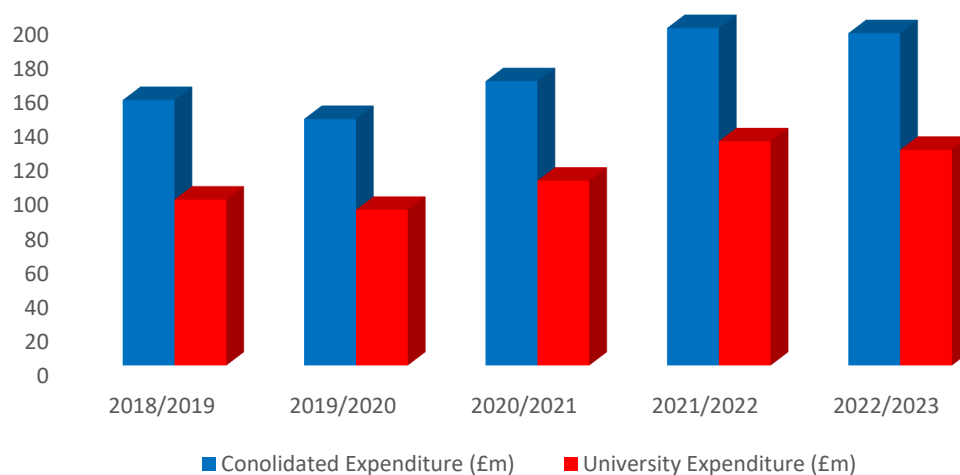
Expenditure

The consolidated total expenditure for the year was £194.0 million (2022: £197.1 million).

Expenditure has increased over the past 5 years to support income growth with prudent cost management measures being in operation during this period to ensure that additional expenditure is incurred to serve the operational needs of the University. Over the 5 year period from 2018/2019 consolidated expenditure has increased by 25%, University expenditure has increased by 30%.

There have also been expenditure lines incurred specifically in utilisation of the additional funding from HEFCW over the same period which overall have led to a relatively flat pattern of expenditure whilst income levels have been increasing. The expenditure for 2023 is after a credit of £2.3 million relating to the reduction in the USS provision (2022: charge of £24.0 million)

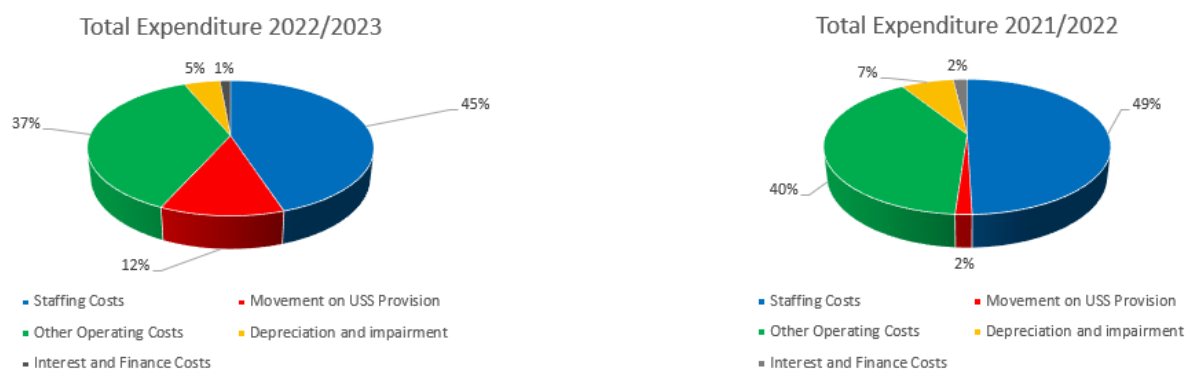
5 Year Expenditure Growth



The make up of the expenditure is summarised below

	Year ended 31 July 2023		Year ended 31 July 2022	
	£ million	%	£ million	%
Consolidated Expenditure				
Staffing costs	96.1	50%	87.8	45%
Movement on USS Provision	(2.3)	(1%)	24.0	12%
Other operating costs	86.1	44%	72.9	37%
Depreciation and impairment	11.0	5%	9.6	5%
Interest and finance	3.1	2%	2.8	1%
	194.0	100%	197.1	100%

OPERATING AND FINANCIAL REVIEW



Staffing costs represent 52% of total income for the year (2022: 49%) The decrease in staffing costs of £18.0 million reflects a decrease in the movement on the USS provision of 26.3 million and an increase in payroll costs of £8.3 million. Excluding the non-cash USS movement gives a staffing cost total of £96.1 million (2022: £87.8 million) which represents 52.5% of income (2022 48.6%). Staffing costs include £1.0 million of restructuring costs (2022: £0.1 million)

The increase in other operating costs is largely through an increase in commission costs incurred through the increased student recruitment on non UCAS driven courses and expenditure on the estate to enhance the student experience as the University returns to an on campus delivery model

Depreciation and impairment costs consist of depreciation (£11.0 million) and impairment charges (£nil) (2022: £9.6 million and £nil million). Management have undertaken reviews on expected future use of the key University buildings and have concluded that the carrying value is appropriate with no impairment charges required in the current year

Interest and finance costs include pension scheme interest charges of £1.5 million (2022: £1.1 million) and loan interest of £1.4 million (2022: £1.5 million).

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £122.4 million as at 31 July 2023 (2022: £114.1 million). The increase in net assets primarily arises from the decrease in pension liabilities of £23.3 million to £26.7 million (2022: £50.0 million). When Pension liabilities are excluded the net asset position is £149.2 million at 31 July 2023 (2022: £164.2 million).

Cash and cash equivalent balances were £44.8 million at 31 July 2023 (2022: £59.5 million) with the decrease reflecting the capital investment made by the University in the year to support future revenue streams.

Capital expenditure at £11.6 million is lower than 2022 (£14.2 million) which reflects ongoing investment in the estate, particularly around initiatives around green technology and a transition towards a future net zero position

Total creditors (due within one year) were £74.3 million at the year-end (2022: £68.9 million). The increase is primarily due to an increase in deferred income held on the balance sheet of £11 million to £40.4 million (2022: £29.4 million). The trade creditors balance reduced by £1.4 million to £14.1 million (2022: £15.5 million). A loan amount of £2.2 million held at July 2022 due to Welsh Government was repaid during the year.

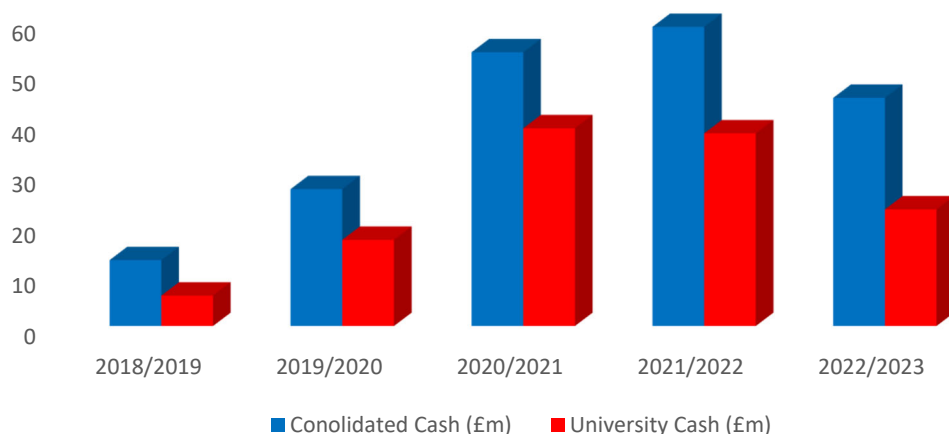
Total Creditors (due after one year) were £30.5 million at the year-end (2022: £32.5 million). The reduction is through the scheduled £2 million repayment of the secured loan with HSBC.

OPERATING AND FINANCIAL REVIEW

Cash Flow

The consolidated net cash inflow from operating activities was £0.5 million for the year (2022: £17.1 million) and the overall cash outflow was £14.7m (2022: inflow of £4.7 million).

5 Year Cash Growth



Cashflows from operating activities are impacted by the recognition of the negative non-cash pension costs of £3.4 million (2022: positive adjustment of £26.9 million).

Cashflows from investing activities include proceeds from the sale of fixed assets of £0.04 million (2022: £3.5 million) less payments made to acquire fixed assets of £11.6 million (2022: £14.2 million).

Cashflows from financing activities comprises of new finance leases to fund the purchase of equipment of £0.5million (2022: £0.6 million) less payments made against finance leases of £0.9 million (2022: £0.4 million) giving a net movement of £0.4 million (reduction in year) (2022: increase £0.1 million) and interest payments of £1.4 million (2022: £1.7 million)

Bank covenant compliance

The 3 covenants in place for the year to 31 July 2023 and 31 July 2022 are

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs;
- The ratio of net debt to total income to be not more than 50%; and
- The level of consolidated net assets excluding pension liabilities to be not less than £105 million.

As part of the University's refinancing of its loan with HSBC the first covenant has been amended to

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs – Capex in the year to be net of opening balance sheet cash

These covenants were tested, and passed at 31st October 2022, 31st January 2023, and 30th April 2023.

The budget and forecasts prepared indicate that they will be passed at all points for the forecast period through to December 2024.

OPERATING AND FINANCIAL REVIEW

Treasury Management

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. At 31 July 2023 consolidated short-term investments, deposits and cash totalled £50.8 million (2022 £65.4 million). Of this amount, £10.1 million (2022: £10.3 million) were endowment funds. Interest and dividend income from all investments and deposits (endowment and non-endowment) was £0.3 million (2022: £0.1 million) while losses on investments were £0.2 million (2022: loss £0.2 million).

The University's loan with HSBC was renegotiated during the period to renew the original product term that was due to end in April 2024. An agreement for a further 5 years was agreed and formally put in place on 31 January 2024. The University did not take out any further borrowing as part of the renewal.

Liquidity

The Group's current ratio at 31 July 2023 was 1.22 (2022: 1.49).

The University has prepared detailed monthly cashflow forecasts for the 12 months ended 31 July 2024 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 negative cash flow in the year after capital activity.

Creditors due within one year amount to £74.3 million (2022: £68.9 million), the increase primarily arising from an increase in deferred income (£11 million), offset by a decrease in other accruals (£2.3 million), a decrease in Trade Creditors (£1.4 million) and the repayment of a loan to Welsh Government (£2m).

The increase in deferred income is driven through the increase in students on in-year intakes as noted above (£4 million) and a £8m deferred capital grant relating to the construction of a new property taking place during 2023/2024 offset through the reduction in deferred grant income from Hefcw (£2 million) as these funds were recognised in the statement of comprehensive income during the year

The trade creditors decrease is due to timing of transactions, there has been no amendment to the creditor payment policy in the year which continues to follow best practice. The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the later.

Pensions

The impact on the pension scheme movements on the statement of financial performance is reflected as a £2.3 million credit within payroll costs (2022: £24.0 million charge) and an actuarial gain of £11.2 million (2022: £53.5 million).

In addition, £1.1 million (2022: £1.1 million) has been recognised through interest expense.

The movement on the provisions for the defined benefit pension schemes available (including closed schemes) is detailed in note 27.

FRS102 requires the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS), this liability is included in the pension provision with additional costs are processed through staff costs in the consolidated statement of income and expenditure. The total provision for pension liabilities reduced by £14.6 million in the year to £33.2 million (2022: 47.8 million).

As noted in Note 27, the USS provision is calculated based on the output of the 2020 valuation. This output includes a provision for deficit contributions of 6.3% to be made in future periods. During 2023/2024 the 2023 valuation will come into force. From this valuation the University is expecting to recognise a credit of £33.2m in the year to July 2024 as the provision reduces to nil reflecting the reported surplus position of the scheme.

OPERATING AND FINANCIAL REVIEW

Management undertook a review on the underlying assumptions within the actuarial reports for each of the LGPS, TPS and In House schemes with all of the inflation, discount rate and salary movement assumptions falling within the range expected based on a peer review of 8 other institution schemes. Management note that the primary driver on the reduced liability positions in the year is through the increase in discount rates used in the valuation models.

The Group has assessed the future economic benefit from the surplus position of its pension schemes, and as it is not anticipating to derive any economic benefit from the surplus position on any of the LGPS or in-house schemes no surplus has been recognised on any scheme.

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing.

The key indicators of surplus, cashflow and headroom in the banking covenants all give a positive view on the current status on the University's financial health.

The University recognises the need to actively manage this position in future periods with key areas for management focus including:

- 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 traditional three year undergraduate programmes and increased development of new and innovative delivery programmes;
- maintaining a sufficient level of cash reserves to support operations while using surplus cash for investment in the transformed University's estate strategy;
- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from HEFCW and Welsh Government;
- responding to the changing political context of Higher Education in Wales;
- further diversification of income streams; and
- robustly managing increases in pension costs.

During the year ended 31 July 2023 the University's increased teaching activity has translated into positive operating cash flows whilst continued diversification into new teaching areas and anticipated increased commercial activity during 2023/2024 will further add to the building of the Groups' operating cash flow.

The financial position at 31st July 2022 allowed for significant capital expenditure to be undertaken in 2022/2023 to position the University for further growth in future years. This activity was carried out with further commitments in place for 2023/2024. The University is operating in an increasingly tough external environment, however recognises the need to invest to secure future income streams. The budget for 2023/2024 allows for tight operating expenditure controls to enable the University to undertake this investment.

It is therefore anticipated that cash reserves will drop further in 2023/2024 before recovering in 2024/2025.

Going Concern

In preparing the financial statements for 2022/2023 and a budget for 2023/2024 the management and governors of the University have acknowledged and appreciated the challenging external environment that all HEIs in Wales and the UK are operating under.

For the year to July 2023 the University's income grew by £2.3 million despite a reduction in Funding Body Grants of £3.2 million. This decrease in funding is due to the previous years funding for Covid-19 recovery

OPERATING AND FINANCIAL REVIEW

activity which was not repeated in the current year. All of the income recognised in the current year is considered to be repeatable. In addition September 2023 saw the first intake of students in the University's new campus in Birmingham, providing additional income generating potential for future periods.

The budget for 2023/2024 shows an increase in income from the current year that will enable a surplus to be generated for the year and an EBITDA feeding into a cashflow sufficient to fund the operating expenditure of the University and the committed capital expenditure in the year.

As noted above and in the Consolidated Statement of Cash flows there was a net cash utilisation of £14.7 million in the year to 31 July 2023 with a net cash inflow from operating activities of £1.9m. The forecasts for 2023/2024 show a further utilisation of £2m due to capital expenditure in the year.

The University's cost base has increased over the past 2 years which reflects the need to adequately fund the increased income levels and to ensure that the income is sustainable with further potential to grow without compromising on the quality of services delivered. This approach has seen significant increases in pay costs with non-pay costs being controlled in order to produce surpluses and operational cash generation at the target levels set by management and governors.

Despite the absolute value of pay costs increasing, the ratio of pay costs to income remains below 55%, a figure that management believes provides sufficient flexibility in discretionary non pay costs to manage any variations in income.

The budget setting for 2023/2024 and forecasting for 2024/2025 acknowledges both the growth in costs realised in the current year and the external pressures facing the University, resulting in prudent and centrally controlled costs levels in both pay and non-pay for future years.

It is expected that the challenges facing the Higher Education Sector will continue over the coming years and the University continues to monitor any impact that this may have from both an operating and financial perspective.

To support cashflow, the Group renewed a term loan facility with HSBC for a 5 year period to April 2029 on 31 January 2024. As part of the renewal, the University has agreed updated covenants and is forecasting to achieve the revised covenant obligations throughout the going concern period, even when considering the stress testing and sensitivity.

The scenarios applied give further confidence in the University's ability to manage any uncertainty arising in the 12 months from the date of signing these financial statements and the accounts are produced on a going concern basis to reflect the points covered above.

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.

Underpinning this financial security is a diverse income stream within the University, combining traditional undergraduate and postgraduate courses with a range of alternative courses providing innovative opportunities for teaching delivery and increasing the learning opportunities for students.

The profile of student intakes in the University is also evolving with increasing numbers of students joining the University as in-year intakes rather than in the traditional September enrolment. This is providing a flatter profile of cash generation from tuition fees allowing for greater flexibility in managing cash outflows.

OPERATING AND FINANCIAL REVIEW

The diversification is not to the detriment of the traditional income routes with the University continuously seeking growth in its core offering. In this there is also a recognition that the continued success of the University is dependent upon the quality of its teaching and its infrastructure.

In setting the budget for 2023/2024 management have reflected on the increased cost pressures from delivering a true hybrid teaching model along with the external economic pressures arising from the high utility costs, pressures on employee costs and the impact of increasing borrowing costs.

In doing so a budget delivering a positive operating cash flow and surplus has been approved with utility costs fixed into the final quarter of the year and sufficient provision made for funding the operations of the University.

Within the budget process the University has set targets for EBITDA and cash generation that will aid the management of its primary sustainability metric - being the University's cash position and projections. Along with a requirement to have sufficient cash reserves to meet its obligations, the University has 3 covenants with its bankers, HSBC, linked to borrowing. 2 of these covenants are directly related to cash generation.

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. The University does have a term loan with HSBC and utilises tools such as finance leases to balance its cashflow against capital expenditure needs. 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 term loan was due for refinancing in April 2024, with the refinancing activity completed on the 31st January 2024. The swap instrument that is in place with the original loan provides a fixed interest rate for the period to April 2024.

The budget for 2023/2024 contains significant capital expenditure that was committed to during 2022/2023 that will be funded through existing University reserves and operating cash flow in the year.

Expenditure in both the current year and that projected for 2023/2024 is largely focussed on increasing student capacity with the expected payback on the cash investment is within 18 months. It is therefore expected for the cash balance at July 2024 to be lower than the current year, but this position will begin to recover during 2024/2025.

The University has sufficient cash and robust operational plans to be able to look into the medium term with confidence that it will be able to weather the turbulent economic environment whilst continuing to invest in its future.

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

OPERATING AND FINANCIAL REVIEW

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 Carbon Trust are supporting the University with a final strategy toward Net Zero.

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
- 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 is emerging in 2024.

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
- Maintain land in order that biodiversity, and thus carbon sequestration is maximised.

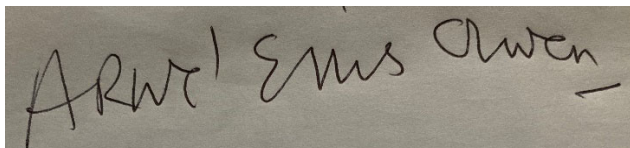
Central to this is the creation of a clear accountability route that ensures that sustainability becomes embedded into policy and establishes collective responsibility to make a positive impact upon our people, our communities and our planet.

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

OPERATING AND FINANCIAL REVIEW

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.



Arwel Ellis Owen (Chair, Resources and Planning Committee)



Gavin Bessant (Director of Financial Services)

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

In accordance with the University's Supplemental Royal Charter as revised in 2012, 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 Primary Responsibilities are set out in the University's Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and 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. Since 2019/20 staff and student Council members have been members of all standing committees with the exception of the Audit and Risk Committee. Senior officers of the University attend meetings as necessary.

A register of interests is maintained and presented annually for all members of Council and the standing committees along with senior officers of the University and its subsidiary companies. 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 and quality assurance; the University's strategy for developing and promoting Welsh medium and bilingual education; and reports from Coleg Sir Gâr on learners and standards. The Committee considered Senate's Annual Report to the University Council and the assurances it provided on the maintenance of quality and standards in advance of presentation to the full Council in November 2022.

Areas of particular focus during the year included the action plan arising from the QAA Quality Enhancement Review in March 2022; the Self-Assessment Report and Quality Improvement Plan prepared for the expected OFSTED inspection of apprenticeship provision and the subsequent outcomes of the inspection; the development of new partnerships with FE Colleges; and new strategies relating to Employability, Welsh Language and Widening Access.

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%).

STATEMENT OF CORPORATE GOVERNANCE

- **Audit and Risk Committee**

The Audit and Risk Committee oversees audit and risk 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 Internal and External Auditors are present at each meeting.

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 for the University and its subsidiary companies prior to their submission to Council; the corporate risk register and assurance map; a twice-yearly transparency report on a range of matters including procurement and freedom of information; an annual report on whistleblowing; the performance of the internal and external auditors; and reports from the Coleg Sir Gâr Audit and Risk Management Committee. Monitoring of the action plan in response to HEFCW's 2023 risk assessment of the University was considered at the October 2023 meeting.

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%).

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 oversight of the development of an integrated UWTSD Group estates strategy and advice to Council on the resourcing and delivery of major capital projects; 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, with a particular focus on estates developments in Carmarthen in partnership with Coleg Sir Gâr (Pibwrlwyd and Jobswell); Swansea (the Innovation Matrix) and London (the acquisition of new premises in Canary Wharf). It also considered campus development plans, reports on other capital and maintenance projects; and health and safety matters.

The Committee's membership includes the Principal of Coleg Sir Gâr 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, focusing in particular on strategies pertaining to the relationship between the University and Coleg Sir Gâr.

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, focusing on confirmation of compliance and strategic relevance to the Group, and a review of the Operating Protocol between the University and Coleg Sir Gâr. 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

STATEMENT OF CORPORATE GOVERNANCE

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*; succession planning and the recruitment strategy for new independent governors; the biennial review of the internal Code of Practice for Council members; governance reports from Coleg Sir Gâr; reports on complaints; and nominations for honorary awards.

Key areas of work in 2022/23 included consideration and endorsement of a new Council development and retention plan; and the recruitment of a new Chair of Council. In accordance with Ordinance, the advertisement, interview and selection process between December 2022 and in February 2023 was led by the Committee, resulting in Council's appointment of a Chair-Designate in March 2023.

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. It considered a range of issues within the scope of its remit, including the remuneration package for the new Vice-Chancellor; annual salary reviews for other staff within its remit with accompanying relevant supporting information; and the University's annual Pay Policy statement.

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%); Professor Conny Matera-Rogers (100%); Randolph Thomas (100%).

The University publishes its annual Pay Policy Statement on its website. The 2023 Statement can be viewed through the following link: <https://www.uwtsd.ac.uk/publication-scheme/section-5--our-policies-and-procedures/>

- **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; assessments of performance in relation to the measures of success of the Strategic Plan, the institutional Key Performance Indicators, and the

STATEMENT OF CORPORATE GOVERNANCE

targets of Fee and Access Plans; reports on student recruitment and retention; financial performance against forecasts and budgets and institutional sustainability; pensions; reports on the City Deal;

financial reports from the Students' Union; human resources matters including approval of the annual pay award and reports from the Joint Consultative Committee; and reports relating to finance and resources from Coleg Sir Gâr. Specific elements of its work during the year included consideration of the outcomes of a Staff Pulse Survey undertaken in March 2023.

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%); Professor Conny Matera-Rogers (75%); Maria Stedman (50%); Randolph Thomas (100%).

In addition, the **Senate**, 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.

At executive level, the **Senior Directorate** meets on a regular basis in an advisory role to support the Vice-Chancellor and Deputy Vice-Chancellors in the formulating proposals for the strategic direction of the University. 13 meetings were held in 2022/23. A wide range of topics are discussed at the meetings – both strategic and operational.

In 2022/23 the Senior Directorate membership was as follows: Professor Medwin Hughes (Chair), Stephen Baldwin, Gavin Bessant, Sarah Clark, Iestyn Davies, Shone Hughes, Professor Dylan Jones, Barry Liles, Jane O'Rourke, Professor Mirjam Plantinga, and in January 2023, Wendy Dearing, Gwilym Dyfri Jones and Professor Ian Walsh were invited to join. The attendance rate was 94%.

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.

STATEMENT OF CORPORATE GOVERNANCE

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.

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.

A key focus for the Council following the Camm Review has been the articulation, consolidation and enhancement of arrangements for governor induction and development. Formal and comprehensive induction arrangements, including a 'buddy' scheme for new independent governors, have been established, and a development and retention plan has been approved and implemented, setting out the opportunities (both mandatory and optional) that are provided for all governors. Record-keeping has been formalised, as has the approach to appraisal.

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, and the annual Terms and Conditions of Funding issued by the Higher Education Funding Council for Wales (HEFCW).

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. UWTSD Group and corporate-wide University risk registers, which rate the likelihood and impact of identified risks, are maintained and regularly reviewed by the Senior Directorate. Departmental risk registers are developed and reviewed at local level, with risks escalated to the corporate risk register as appropriate. Registers are also maintained for discrete major projects and activities. The corporate risk registers are considered at each meeting of the Audit and Risk Committee and proposed changes are considered by the Council. The Group Risk Management Policy and the construction of the risk register were comprehensively reviewed in 2021/22, 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 University's Internal Auditors, Mazars, produce an annual report covering the specific audit areas reviewed in the year alongside an overall assessment rating for the year. The report for 2022/2023 covered 12 specific audits, concluding that overall the University has a moderate framework for identifying, evaluating and managing the significant risks that it faces. The report also concludes that the University has an adequate, effective and reliable framework of internal control and effective risk management and governance processes which provides reasonable assurance regarding the effective and efficient achievement of its objectives.

STATEMENT OF CORPORATE GOVERNANCE

No instances of actual or suspected fraud were encountered during the audit work carried out in the internal audit cycle

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.

A comprehensive risk register is maintained by the University with specific risks allocated to the appropriate senior managers and departmental heads. It is the responsibility of these risk owners to identify and implement mitigating actions to protect the University.

Risks are allocated an initial 'score' based on likelihood of occurrence and impact on the University with updates at each relevant committee and Council meeting detailing progress towards mitigating actions/ new actions identified and an updated risk score post mitigation.

A full update to the register is presented to each meeting of the Audit and Risk Committee.

Conclusion

The Higher Education sector is one of continually evolving challenges and is not immune to the inflationary pressures that have, and continue to impact the UK economy. The challenges facing the sector will continue throughout any reasonably forecastable period.

As a response the University continues to strengthen its core operations and deliver a divergence in products and markets.

Cost management remains a key focus for the University and the activity that has been taken in previous years has provided a sound base from which the University can react to the challenges that it will face in future periods and deliver *a sustainable operating position to meet future challenges*.



Emlyn Dole
Chair of University Council

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF COUNCIL'S RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE 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 issued by the Higher Education Funding Council for Wales (HEFCW), the Accounts Direction to Higher Education Institutions for 2022/23 issued by HEFCW, the Financial Management Code issued under the Higher Education (Wales) Act 2015 and applicable law and regulations.

It is required to prepare the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the requirements of the Charities Act 2011. The Terms and Conditions of Funding 2022/23 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 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 and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or have no realistic alternative but to do so.

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

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied in accordance with paragraph 145 of the HEFCW's Financial Management Code;
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales Trinity Saint David ("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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

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.

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 specific key words, journals posted by specific personnel, 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

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 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 40, 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

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

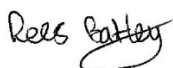
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ("HEFCW") Audit Code of Practice (effective 1 August 2017) issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) 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:

- 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

9 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					
Tuition fees and education contracts	2	92,735	87,759	91,568	85,392
Funding body grants	3	60,594	9,743	64,278	12,941
Research grants and contracts	4	2,327	2,357	378	378
Other income	5	26,067	15,821	22,929	13,938
Investment income	6	1,393	892	1,717	1,663
Total Income		183,116	116,572	180,870	114,312
Expenditure					
Staff costs	7	96,085	64,048	87,832	57,606
Movement on USS Provision	7	(2,273)	(2,273)	23,995	23,996
Other operating expenses	9	86,116	53,563	72,942	41,860
Depreciation and impairments	11	11,033	7,541	9,635	6,114
Interest and other finance costs	8	3,024	2,709	2,781	2,249
Total expenditure		193,985	125,588	197,185	131,824
Surplus/(deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates.		(10,869)	(9,016)	(16,315)	(17,512)
Gain on disposal of fixed assets		41	16	232	231
Decrease in fair value of Investment properties	13	(300)	(75)	(27)	123
Gain/(Loss) on investments		(155)	(148)	(254)	(205)
		(11,283)	(9,223)	(16,364)	(17,363)
Taxation	10	5	-	(9)	-
Surplus/(deficit) for the year		(11,278)	(9,223)	(16,373)	(17,363)
Actuarial gain/(loss) in respect of pension schemes	27	11,177	1,164	53,538	27,818
Total comprehensive income for the year		(101)	(8,059)	37,165	10,455
Represented by:					
Endowment comprehensive income for the year	22	(176)	(179)	1,257	1,253
Unrestricted comprehensive income for the year		75	(7,880)	35,908	9,202
Surplus for the year attributable to					
University		(11,147)	(9,223)	(16,348)	(17,363)
Non-controlling interest		(131)	-	(25)	-
		(11,278)	(9,223)	(16,373)	(17,363)
Total comprehensive income for the year attributable to					
University		30	(8,059)	37,190	10,455
Non-controlling interest		(131)	-	(25)	-
		(101)	(8,059)	37,165	10,455

All items of income and expenditure relate to continuing activities

The accompanying notes and policies on pages 49 to 90 form part of these financial statements.

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES**Consolidated**

	Endowment	Unrestricted	Revaluation Reserve	Total Excluding Non-Controlling Interest	Non-Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2021	9,039	44,667	23,967	77,673	(715)	76,958
Surplus/(deficit) from the income and expenditure statement	1,257	(17,605)	-	(16,348)	(25)	(16,373)
Other comprehensive income	-	53,538	-	53,538	-	53,538
Total comprehensive income for the year	1,257	35,933	-	37,190	(25)	37,165
Balance at 1 August 2022	10,296	80,600	23,967	114,863	(740)	114,123
Surplus/(deficit) from the income and expenditure statement	(176)	(10,971)	-	(11,147)	(131)	(11,278)
Other comprehensive income	-	11,177	-	11,177	-	11,177
Total comprehensive income for the year	(176)	206	-	30	(131)	(101)
Balance at 1 August 2023	10,120	80,806	23,967	114,893	(871)	114,022

University

	Endowment	Unrestricted	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2021	8,590	31,291	14,454	54,335
Surplus/(deficit) from the income and expenditure statement	1,253	(18,615)	-	(17,362)
Other comprehensive income	-	27,819	-	27,819
Total comprehensive income for the year	1,253	9,204	-	10,457
Balance at 1 August 2022	9,843	40,495	14,454	64,792
Surplus/(deficit) from the income and expenditure statement	(179)	(9,043)	-	(9,222)
Other comprehensive income	-	1,164	-	1,164
Total comprehensive income for the year	(179)	(7,879)	-	(8,058)
Balance at 1 August 2023	9,664	32,615	14,454	56,733

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	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	11	152,793	108,603	152,464	106,814
Heritage assets	12	6,241	6,205	6,205	6,205
Investment properties	13	4,025	3,250	3,519	2,519
Investments	14	724	-	807	-
		163,783	118,058	162,995	115,538
Current assets					
Assets held for sale	11	1,957	1,957	1,957	1,957
Stock	16	569	342	527	281
Trade and other receivables	17	37,207	46,511	34,651	41,272
Investments	18	6,009	5,993	5,917	5,901
Cash and cash equivalents		44,826	22,758	59,527	37,758
		90,568	77,561	102,579	87,169
Less: Creditors: amounts falling due within one year	19	(74,644)	(74,644)	(68,854)	(65,875)
Net current assets/(liabilities)		15,924	2,917	33,725	21,294
Total assets less current liabilities		179,707	120,975	196,720	136,832
Creditors: amounts falling due after more than one year	20	(30,533)	(30,331)	(32,529)	(32,366)
Provisions					
Pension provisions	27	(33,226)	(33,226)	(47,813)	(38,775)
Other provisions	21	(1,926)	(685)	(2,255)	(899)
Net assets		114,022	56,733	114,123	64,792
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	10,120	9,664	10,296	9,843
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		80,806	32,615	80,600	40,495
Revaluation reserve		23,967	14,454	23,967	14,454
		114,893	56,733	114,863	64,792
Non-controlling interest	25	(871)	-	(740)	-
Total Reserves		114,022	56,733	114,123	64,792

The accompanying notes and policies on pages 49 to 90 form part of these financial statements.

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)

CONSOLIDATED STATEMENT OF CASHFLOWS

	Notes	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities			
Deficit for the year		(11,278)	(16,373)
Adjustment for non-cash items			
Depreciation and impairments	11	11,033	9,635
(Gain)/Loss in market value of investments		155	254
(Gain)/Loss in investment properties	13	300	27
Loss in revaluation of livestock	11	-	-
Decrease/(increase) in stock	16	(42)	(40)
Decrease/(increase) in debtors	17	(2,554)	(8,239)
Increase/(decrease) in creditors	19	7,603	5,306
Increase/(decrease) in other provisions	21	(330)	(355)
Pension costs less contributions payable	27	(3,410)	26,875
Tax paid in year		-	-
Share of operating (surplus)/deficit in associate & JV	14	-	-
Adjustment for investing or financing activities			
Investment income	6	(1,393)	(1,717)
Interest payable	8	1,507	1,639
Capital grant income		(1,063)	(1,050)
Profit on the sale of fixed assets		(41)	(232)
Endowment received in the year		-	1,343
Net cash inflow/(outflow) from operating activities		487	17,073
Cash flows from investing activities			
Proceeds from sales of fixed assets		42	3,521
Capital grant receipts		1,063	1,050
Investment income		1,393	820
New non-current asset investments			
Payments made to acquire fixed assets		(11,648)	(14,185)
		(9,150)	(8,793)
Cash flows from financing activities			
Interest element of finance lease rental payment		(54)	(54)
Interest paid		(1,416)	(1,714)
New finance leases		500	586
Loan repayments		(4,181)	(2,000)
Net capital element of finance lease rental payments		(889)	(426)
		(6,040)	(3,608)
Increase/(decrease) in cash and cash equivalents in the year		(14,701)	4,671
Cash and cash equivalents at beginning of the year		59,527	27,048
Cash and cash equivalents at end of the year		44,826	59,527

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

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 include the University and all its subsidiaries for the financial year to 31 July 2023, which include Coleg Sir Gâr and Coleg Ceredigion. Intra entity transactions are eliminated fully on consolidation.

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

Associated companies and joint ventures are accounted for using the equity method.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosure required by FRS102.11 Basic Financial Instruments and FRS102.12 Other Financial Instrument issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

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.

After adjusting for non-cash adjustments on the pension provisions of £3.4 million and other non-core items (as noted on page 20), the University has recorded a deficit in the year of £9.2 million. A negative cash flow before capital expenditure of £4.7 million was also recorded. The budget for 2023/2024 targets a surplus of £5.0 million before land sales and positive operating cash inflow of £12.9million which after capital activity results in a negative cash flow of £2.9m. Following the autumn student enrolment cycle a reforecast position for the year has been produced that reduces the net cash outflow to £1m for the year. From this senior management and Council are content that the University is in a satisfactory position to complete its current capital program during 2023/2024 with the University being in a position to return to a surplus and cash generating position from 2024/2025 as the benefits of the capital expenditure are realised.

As noted on page 20 in the financial review the reported deficit of £11.3 million for the year is based on an underlying deficit of £13.6 million which represents a deterioration from the operating position of the University and Group in the prior year where an underlying surplus of £8.6 million was reported. University's management have identified the reasons for the deficit in the year and have implemented action plans to bring expenditure into line with income levels for future periods. In determining this management note that whilst income grew in the year from 2021/2022 the expected income growth from the budget was not met. Pay costs rose to 53% of income in the year, being the significant driver in expenditure increases, this level is in line with the sector and is felt to be appropriate for the expected income levels in 2023/2024. Actions to reduce non pay expenditure were implemented late in the year and did not have a material impact during 2022/2023, the benefit of cost management exercises will be realised during 2023/2024, helping to reverse the deficit position from the year to July 2023.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

The current underlying income level and cost base are felt to be sustainable, with the budget for 2023/2024 showing further growth in income and in its EBITDA performance.

As part of the budget process the University has moved to a position of setting targets for EBITDA at between 10% and 15%, cashflow generation of £10m before capital expenditure and financing activity and a wages to income ratio below 55%. These targets feed into a clear strategic financial plan that builds on the successful new initiatives that have been implemented in the past few years, increasing the surplus on core activities and delivers cash surpluses from operations. The strategic financial plan has 3 key components. These are:

1. Recognising the impact of demographic factors and changing demands on the market and restructuring the delivery cost base as a result. This has already been achieved substantially with a reorganisation and restructuring across the South Wales campuses implemented in the current financial year;
2. Acknowledging the needs and demand for more flexible learning models and of those adults not currently in Higher and Further education noted in the Augar review and developing delivery models to address these. The University has established non-traditional Learning Centres in South Wales, London and Birmingham with new delivery models and is growing student numbers considerably in these centres; and
3. Recognising the growing demand of international educational institutions for a presence in the UK higher education market and developing strategic alliances and partnerships to grow student numbers and income in this area.

The University and its subsidiaries prepared five year financial forecasts as part of the 2023/2024 budget process that deliver surpluses and positive cashflow in each year based on the above plans. They have also considered alternative “downside” scenarios if these plans are not realised and the alternative mitigating actions that would be required as a result. The early performance in 2023/2024 is in line with the overall budget expectations for the period, a reforecast exercise was carried out following the autumn intake that produces a business plan to deliver a surplus for the year. The University has a number of mitigations and income opportunities that can be actioned should in year recruitment and performance deviate from this position.

The forecasts are made with an underlying assumption of continued support from its bankers in the provision of its loan facility. The Group renewed its term loan facility with HSBC for a 5 year period to April 2029 on 31 January 2024. As part of the renewal, the University has agreed updated covenants and is forecasting to achieve the revised covenant obligations throughout the going concern period, even when considering the stress testing and sensitivity.

The Group banking covenants to HSBC are tested on a quarterly basis on the 31st October, 31st January, 31st April and 31st July. The forecasts referred to above demonstrate that the University and its subsidiaries will be compliant with its covenants during the assessment period on both base case and downside with mitigation case scenarios.

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 the financial statements and therefore have prepared the financial statements on a going concern basis.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

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.

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

Income from accommodation provision is credited to the Consolidated and University Statements of Comprehensive Income over the contracted length of the accommodation. Accommodation contracts are issued on a yearly basis. Bonds held on accommodation are held on the Consolidated and University Balance Sheets and repaid to students at the end of each academic year provided the terms of the accommodation contract have been upheld. Any bond retained by the University is credited to the Consolidated and University Statements of Comprehensive Income at the end of the accommodation period as an income item.

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

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

Grant Funding

Government 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 four main types of donations and endowments within reserves:

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

Capital Grants

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

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

e. Accounting for retirement benefits

There are five principal pension schemes for the University's staff, one of these schemes the Universities Superannuation Scheme (USS), is open to new members. The other four, Teachers' Pension; two local authority schemes (Swansea and Dyfed) and the University of Wales Lampeter Pension and Assurance Scheme are closed to new members from the University. The local authority schemes for Coleg Sir Gâr and Coleg Ceredigion remain open to new member. The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

The USS and Teachers' Pension schemes are 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.

Multi- Employer Schemes

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

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. Finance Leases

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

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

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

h. Operating Leases

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

i. 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.

j. 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 2019 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 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 as follows:

Academic buildings	50 years
Residences	30 years
Laboratories and lecture theatres	30 years
Refurbishments	20 years

A full years depreciation is charged in the year of acquisition

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
Motor Vehicles	4 years

A full years depreciation is charged in the year of acquisition

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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

k. Heritage Assets

Works of art and other valuable artefacts valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Works of Art are included at costs incurred from 1 April 1981 or subsequent revaluation. The latest valuation of heritage assets was at 31 July 2014, which was carried out for insurance purposes. This valuation indicated that the value had increased, however no gain was recognised for accounting purposes.

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

l. Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated and University Statements of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

The review of the fair value of the investment properties is undertaken by Savills

m. 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

n. Stock

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

o. Financial InstrumentsTrade 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

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in income or expenditure.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

p. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

q. 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.

r. 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.

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

s. 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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2023

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

In preparing the financial statements management have exercised judgment in the following areas

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 27 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 27

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
2 Tuition fees and education contracts				
Full-time home and EU students	75,039	72,102	78,103	74,265
Full-time international students	8,998	11,723	7,835	7,835
Part-time students	7,292	3,934	3,178	3,292
Education contracts	1,406	-	2,452	-
	92,735	87,759	91,568	85,392

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
3 Funding body grants				
Recurrent grant				
HEFCW Teaching grants	2,800	2,800	2,997	2,997
HEFCW Research grants	4,172	4,172	2,791	2,791
Welsh Government	43,083	-	43,439	-
Specific grants				
HEFCW Student wellbeing grants	452	452	462	462
HEFCW Capital grants	1,063	1,063	911	911
HEFCW Other grants	1,256	1,256	5,780	5,780
Welsh Government grants	7,768	-	7,898	-
	60,594	9,743	64,278	12,941

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Research grants and contracts				
Research councils	357	357	108	108
Research charities	45	45	37	37
Other	1,925	1,955	233	233
	2,327	2,357	378	378

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
5 Other income				
Residences, catering and conferences	5,047	3,989	3,591	2,887
Other revenue grants	10,910	5,800	9,896	4,955
Other capital grants	-	-	1,050	1,050
Other income generating activities	4,485	2,991	3,402	2,184
Other income	5,625	3,041	4,990	2,862
	26,067	15,821	22,929	13,938

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
6 Investment income				
Investment income on endowments	262	262	84	84
Other investment income	877	376	69	15
Increase in fair value of derivative	254	254	1,564	1,564
	1,393	892	1,717	1,663

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Staff costs				
Salaries	71,933	48,605	65,271	44,260
Social security costs	7,484	5,217	6,449	4,367
Movement on USS provision	(2,273)	(2,273)	23,995	23,995
Other pension costs	15,691	10,170	15,866	8,733
Restructuring Costs	977	56	246	246
	93,812	61,775	111,827	81,601

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Emoluments of the Vice-Chancellor		
Salary	285	240
Monetary value of benefits: Health Insurance	3	3
	288	243
Pension contributions to USS	57	54
	345	297

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 2023 No.	Year ended 31 July 2022 No.
£100,000 to £104,999	-	1
£105,000 to £109,999	-	-
£110,000 to £114,999	-	1
£115,000 to £119,999	-	-
£120,000 to £124,999	-	-
£125,000 to £129,999	-	-
£130,000 to £134,999	1	-
£135,000 to £139,999	-	3
£140,000 to £144,999	-	-
£145,000 to £149,999	3	-
£150,000 to £154,999	-	1
£155,000 to £159,999	3	-
£160,000 to £164,999	-	1
£165,000 to £169,999	-	-
£170,000 to £174,999	-	-
£175,000 to £179,999	1	-
	8	7

There was no compensation payable to higher paid staff in the year (2022: £nil)

NOTES TO THE ACCOUNTS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes pension contributions and compensation paid to key management personnel. Remuneration consists of salary and benefits including any employer's pension contributions.

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Key management personnel remuneration	1,869	1,164
	No.	No.
Key management personnel	12	9

The pay award offered by UCEA, applicable from August 2022 was 3.5% for all staff on the national pay spine. In addition to this as a Real Living Wage employer, the University enacted the increase to the National Living Wage, including where applicable the London weighting. Where eligible, staff were awarded progression pay increases in the usual manner. In January 2023 the pay award for August 2023 was partially implemented with a 2% uplift applied to salaries. The remaining 3% of the 2023 pay award was applied from 1st August 2023

7 Staff costs (continued)

	Year ended 31 July 2023	Year ended 31 July 2022
	No.	No.
Average staff numbers by:		
Academic departments	800	736
Non-academic departments	1,139	1,026
	1,938	1,762

The above staff costs for key management personnel do not include the cost of key management that are employed by the University of Wales, but working across both institutions. These costs totalling £55k (2020: £55k) are included in other operating expenses as they are recharged by invoice from the University of Wales.

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.

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 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Paid to employees on termination of employment	977	56	246	246

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 1.

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 (2022: £nil).

NOTES TO THE ACCOUNTS

The total expenses paid to or on behalf of 23 council members was £12K (2022: £9K to 23 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

7 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 6.66:1 and the ratio of the total remuneration of the Vice-Chancellor compared to the median average of the University is 7.61:1

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. 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 2022/2023. 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.

On the 1st August 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. As this appointment was after the 31st July 2023 there is no reference to be made to the ratio of the salary of the new Vice-Chancellor to the median employee salary.

Professor Medwin Hughes was in role as Vice-Chancellor for the entirety of the financial year and the ratio noted above therefore covers 12 months' salary.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
8 Interest and other finance costs				
Finance leases	54	25	54	23
Loan interest	1,416	1,416	1,503	1,503
Net charge on pension schemes	1,549	1,265	1,088	588
Other	5	3	136	135
	3,024	2,709	2,781	2,249

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
9 Analysis of other operating expenses by activity				
Academic and related expenditure	34,133	26,361	35,868	19,948
Administration and central services	19,811	11,726	19,336	9,826
Premises	14,365	11,283	10,450	7,925
Residences, catering and conferences	1,876	983	1,382	716
Other expenses	15,931	3,210	5,906	3,445
	86,116	53,563	72,942	41,860

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Other operating expenses include:				
External auditor's remuneration in respect of audit services:				
These financial statements	114	114	74	74
Other group financial statements	109	-	84	-
External auditor's remuneration in respect of non-audit services				
Audit related assurance services	31	31	33	33
Tax compliance services	-	-	-	-
Tax advisory services	9	-	20	-

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
10 Taxation				
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense	(14)	-	12	-
Prior year adjustment	9	-	(3)	-
Current tax expense	(5)	-	9	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Reduction in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	(5)	-	9	-

NOTES TO THE ACCOUNTS**10 Taxation (continued)****Factors affecting the total tax charge for the current period**

The tax assessed for the period relates to Eclectica Drindod Limited, Mentrau Creadigol Cymru, UWTS Investments and Y Ganolfan Dysgu Cymraeg Genedlaethol and is lower than the standard rate of corporation tax in the UK of 19% (2022: 19%). The differences are explained as follows:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
(Deficit)/Surplus before tax	(11,3278)	(9,223)	(16,499)	(17,489)
Amounts not subject to tax	10,352	9,223	16,363	17,489
Taxable Profits	(926)	-	(136)	-
Tax at 19% (2022: 19%)	(176)	-	(25)	-
Effects of:				
Disallowable expenditure	162	-	37	-
Prior year adjustment	9	-	(3)	-
Total tax charged in the year	(5)	-	9	-

The standard rate of tax applied to reported profit is 19% (2022: 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021.

NOTES TO THE ACCOUNTS

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Motor vehicles £'000	Livestock £'000	Totals £'000
11 Tangible fixed assets							
Consolidated							
Cost or valuation							
At 1 August 2022	182,753	5,940	18,532	28,171	202	386	235,984
Additions in the year	2,083	3,337	-	6,577	19	-	12,016
Transfers	2,656	(4,042)	-	1,386	-	-	-
Transfer to Investment Properties	(806)	-	-	-	-	-	(806)
Disposals	-	-	-	(172)	(10)	(5)	(187)
At 31 July 2023	186,686	5,235	18,532	35,962	211	381	247,007
Accumulated depreciation							
At 1 August 2022	56,226	-	4,755	20,416	166	-	81,563
Charge for the year	4,068	-	365	6,584	16	-	11,033
Transfer to Investment Properties	(261)	-	-	-	-	-	(261)
Disposals	-	-	-	(68)	(10)	-	(78)
At 31 July 2023	60,033	-	5,120	26,932	172	-	92,257
Net book value							
At 31 July 2023	126,653	5,235	13,412	9,030	39	381	154,750
At 31 July 2022	126,527	5,940	13,777	7,755	36	386	154,421

Land and buildings owned by Coleg Sir Gâr were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2022 is as follows:

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Motor vehicles £'000	Livestock £'000	Totals £'000
Cost or valuation							
Valuation in 1998	19,716	-	-	-	-	381	20,097
Cost	166,970	5,235	18,532	35,962	211	-	226,910
	186,686	5,235	18,532	35,962	211	381	247,007

The University is actively pursuing the sale of land held within tangible fixed assets with a sale expected to complete within 12 months from the balance sheet date. Accordingly this land has been classified within assets held for sale on the Statement of Financial Position. The analysis of cost and net book value of the tangible fixed assets at 31 July 2023 is as follows

	Freehold land and buildings £'000	Assets under construction £'000	Leasehold land and buildings £'000	Equipment, fixtures and fittings £'000	Motor vehicles £'000	Livestock £'000	Totals £'000
Cost or valuation							
Tangible fixed assets	184,729	5,235	18,532	35,959	211	381	244,682
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	186,686	5,235	18,532	35,962	211	381	246,639
Net book value							
Tangible fixed assets	124,696	5,235	13,412	9,030	39	381	152,793
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	126,653	5,235	13,412	9,030	39	381	154,750

NOTES TO THE ACCOUNTS

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11 Tangible fixed assets (continued)							
University							
Cost or valuation							
At 1 August 2021	113,714	5,436	18,532	12,147	203	-	150,032
Additions in the year	1,948	3,167	-	4,741	19	-	9,875
Transfers	2,656	(4,042)	-	1,386	-	-	-
Transfer to Investment Properties	(806)	-	-	-	-	-	(806)
Disposals	-	-	-	-	(10)	-	(10)
At 31 July 2022	117,512	4,561	18,532	18,274	212	-	159,091
Accumulated Depreciation							
At 1 August 2021	28,577	-	4,755	7,763	166	-	41,261
Charge for the year	2,317	-	365	4,582	16	-	7,280
Disposals	-	-	-	-	(10)	-	(10)
At 31 July 2022	30,895	-	5,121	12,345	172	-	48,531
Net book value							
At 31 July 2022	86,617	4,561	13,411	5,929	41	-	110,560
At 31 July 2021	85,137	5,436	13,777	4,384	37	-	108,771

The University is actively pursuing the sale of land held within tangible fixed assets with a sale expected to complete within 12 months from the balance sheet date, and has accordingly been classified within assets held for sale on the Statement of Financial Position.

The analysis of cost and net book value of the tangible fixed assets at 31 July 2023 is as follows

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Tangible fixed assets	115,555	4,561	18,532	18,274	212	-	157,094
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	117,512	4,561	18,532	18,274	212	-	159,091
Net book value							
Tangible fixed assets	84,660	4,561	13,411	5,929	41	-	108,603
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	86,617	4,561	13,411	5,929	41	-	110,560

NOTES TO THE ACCOUNTS

12 Heritage assets**Consolidated and University**

The heritage assets include a collection of rare manuscripts, tracts, incunabula and printed books. The assets were formally revalued at 31st July 2014 by Bernard Quaritch Ltd, resulting in an increase in value of £250k.

The University of Wales Lampeter Pension & Assurance Scheme trustees have a £2m floating charge over the University's heritage assets.

The University's heritage assets are hosted in a specialist purpose built annexe to the library on the Lampeter Campus and are managed by 2 specialist, qualified members of staff. Where the assets require any preservation or conservation work, this is carried out by the National Library of Wales

There have been no acquisitions or disposals of heritage assets within the last five years.

Details of the University's collection is available on the University's website <https://uwtsd.ac.uk/rbla/a-z-list-of-collections/>

13 Investment properties

Balance at 1 August 2022

Disposals

Transfer from fixed assets

Revaluation

Balance at 31 July 2023

	Freehold Property	
	Consolidated	University
	£'000	£'000

3,519 2,519

806 806

(300) (75)

4,025 3,250

The Investment properties are valued by an independent RICS registered valuer on an annual basis with the latest valuation being dated 31st July 2023. The valuation basis for the investment properties is at fair value as defined under IFRS with an assumption that the properties selling value is subject to any existing leases. The revaluation amount recognised in 2023 relates to revaluing the investment properties to fair value in line with a valuation prepared by Savilles.

The University has no restriction of use on the income generated from the investment properties and at 31 July 2023 has no contractual obligations for future development or maintenance of the properties.

14 Non-current investments**Consolidated**

At 1 August 2022

Additions

Disposals

Impairment

At 31 July 2023

Share of post-acquisition reserves

At 1 August 2022

Retained profit less losses

At 31 July 2023

Balance at 31 July 2023

Balance at 31 July 2022

	Interest in Joint Venture (Note 15) £'000	Other fixed asset investments £'000	Total £'000
At 1 August 2022	721	303	1,024
Additions	-	-	-
Disposals	(60)	-	(60)
Impairment	-	(55)	(55)
At 31 July 2023	661	248	909
Share of post-acquisition reserves			
At 1 August 2022	(217)	-	(217)
Retained profit less losses	32	-	32
At 31 July 2023	(185)	-	(185)
Balance at 31 July 2023	476	248	724
Balance at 31 July 2022	504	303	807

NOTES TO THE ACCOUNTS

	Investment in Subsidiary	Total
	£'000	£'000
14 Non-current investments (continued)		
University		
At 1 August 2022	-	-
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2023	-	-

15 Investment in joint venture

One of the University's subsidiaries, UWTSD Investments Limited, holds a 50% share of OSTC TSD LLP, a limited liability partnership. This is a joint venture owned equally by UWTSD Investments Limited and OSTC, a Commercial Company. The investment in OSTC TSD LLP is partly in share capital (£300,000 (2022: £300,000)) and partly as an unsecured loan, repayable on demand, with an interest rate of 4% over base rate (£429,656 (2022: £457,198)). The debt is way of accrued interest earned in the period of £32,458 (2022: £18,952) less a partial loan repayment of £60,000 which was allocated against accrued interest.

The arrangement is treated as a joint venture and is accounted for using the equity method, such that the investment is initially recorded at cost and is subsequently adjusted to reflect the University's 50% share of the net profit or loss of the joint venture. The Group's share of the operating loss of the joint venture within the joint venture's most recent financial statements (dated 31 December 2022) is £nil (2021: £nil). The Group's interest in the joint venture is £476,458 (2021: £504,000), consisting of the loan as disclosed above, plus capital investment in its consolidated balance sheet.

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
16 Stock				
Finished goods	558	342	516	281
Livestock for resale	11	-	11	-
	569	342	527	281

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

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
17 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	30,363	29,835	26,495	25,958
Prepayments and accrued income	5,925	4,074	7,490	3,583
Amounts due from subsidiary companies	-	11,683	-	11,065
Derivatives	919	919	666	666
	37,207	46,511	34,651	41,272

The amounts due from subsidiaries are an aggregate of trading balances that are interest free and repayable on demand. The University has provided letters of support to its subsidiary companies in which it confirms that the debtor balances will not be called in during a period of 12 months from the Statement of Financial Position date. Accordingly these balances are considered to fall due in more than one year. Applying this gives the following split of trade and other receivables

NOTES TO THE ACCOUNTS

17 Trade and other receivables (continued)	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Trade and other receivables				
Due within one year	37,207	34,828	34,651	30,207
Due after one year	-	11,683	-	11,065
Total	37,207	46,511	34,651	41,272

The derivatives relate to an interest rate swap contract which is used to fix the rate of the University's loan at 1.435% plus bank lending margin. This is held at fair value and has been valued using mark to market.

18 Investments	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Short term investment in shares	5,994	5,993	5,902	5,901
Short term deposits	15	-	15	-
	6,009	5,993	5,917	5,901

The University follows a conservative investment policy with an emphasis on obtaining an increase in the real capital value of each fund within the portfolio each year, a target of 5% real growth is expected, with 3.5% being income growth and 1.5% being capital growth.

The investments are held within the University and consolidated endowment funds. The movement in fair value on these investments is detailed in Note 21.

19 Creditors: amounts falling due within one year	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Amounts due on land purchase	-	-	2,181	2,181
Secured loans (note 20)	2,615	2,615	2,347	2,347
Obligations under finance leases (note 20)	669	459	823	613
Trade creditors	14,108	11,814	15,467	13,766
Social security and other taxation payable	2,054	1,382	1,955	1,497
Accruals and deferred income	55,198	48,372	46,081	35,728
Amounts due to subsidiary companies	-	10,002	-	9,743
	74,644	74,644	68,854	65,875

The amounts due to subsidiaries are an aggregate of trading balances that are interest free and repayable on demand.

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Funding Body Grants	234	234	1,866	1,866
Other Grant Income	4,834	3,850	4,563	4,563
Capital Grant Income	8,068	8,068	-	-
Student Income	24,410	24,410	20,096	20,096
Other Income	2,839	2,817	2,860	2,803
	40,385	39,379	29,385	29,328

NOTES TO THE ACCOUNTS

19 Creditors due within one year (continued)

The amount due on the land purchase is an amount due to Welsh Government that is payable on the completion of sale of the land to a third party. This creditor arose as a deferred payment on the initial purchase of the land. Both the completion of the land sale and subsequent payment to Welsh Government have been delayed due to Covid-19 related issues and are due to be completed in 2022/23.

The University held an unsecured loan from Carmarthenshire County Council at 31st July 2020 representing an advance on cash receipts in relation to the final award of outstanding City Deal grant funding (£3million). During the year the grant income was confirmed. The loan was repaid to Carmarthenshire County Council in March 2021 with the grant income awarded being recognised in its place

The secured loan consists of a capital amount of £2 million and accrued interest of £347k. A capital payment of £500k was due on the 1st August 2022 with subsequent £500k repayments being due 1st November 2022 on 1st February 2023 and 1st April 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
20 Creditors: amounts falling due after more than one year				
Obligations under finance leases	533	331	529	366
Secured loans	30,000	30,000	32,000	32,000
	30,533	30,331	32,529	32,366

The unsecured loan is held in UW Centre for Advanced Batch Manufacture and is due to University of Wales

Analysis of obligations under finance leases

Due within one year (note 19)	669	459	823	613
Due between two and five years	533	331	529	366
Total obligations under finance leases	1,202	790	1,352	979

Analysis of secured loans:

Due within one year or on demand (note 19)	2,615	2,615	2,347	2,347
Due between one and two years	30,000	30,000	2,000	2,000
Due between two and five years	-	-	30,000	30,000
Due in five years or more	-	-	-	-
Total secured loans	32,615	32,615	34,347	34,347

The borrowing at 31 July 2023 and 31 July 2022 consisted of

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To 2024	3.785%	University

The facility was renewed on 31 January 2024 and at the date of signing consisted of

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To 2029	2.35% over the prevailing SONIA rate	University

NOTES TO THE ACCOUNTS

	Other	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000	£'000
21 Provision for liabilities				
Consolidated				
At 1 August 2022	448	1,769	38	2,255
Utilised in year	-	(341)	-	(341)
Additions in year	-	12	-	12
At 31 July 2023	448	1,440	38	1,926

The other provision of £448K relates to a potential repayment of European Funds (ESF) in relation to one of the subsidiaries' overhead recovery methodology.

The pension enhancements provision relates to staff in both the University and its subsidiaries who have already left employment and commitments for reorganisation costs at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular.

The Pension rectification provision is a potential liability on the University's in-house pension scheme.

	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000
Provision for liabilities			
University			
At 1 August 2022	861	38	899
Utilised in year	(214)	-	(214)
Additions in year	-	-	-
At 31 July 2023	647	38	685

The pension enhancements and the pension rectification provisions are as previously stated

NOTES TO THE ACCOUNTS

	Unrestricted permanent endowment £'000	Restricted permanent endowment £'000	Restricted expendable endowment £'000	2023 Total £'000	2022 Total £'000
22 Endowment funds					
Consolidated					
Restricted net assets relating to endowments are as follows:					
Balance at 1 August					
Capital	2,500	5,266	25	7,791	6,569
Accumulated income	50	2,455	-	2,505	2,470
	2,550	7,721	25	10,296	9,039
New endowments	-	(10)	-	(10)	1,343
Investment income	10	385	-	395	300
Expenditure	-	(232)	-	(232)	(269)
Increase/(decrease) in market value of investments	-	(329)	-	(329)	(117)
Total endowment comprehensive income for the year	10	(186)	-	(176)	1,257
Balance at 31 July	2,560	7,535	25	10,120	10,296
Represented by:					
Capital	2,500	4,927	25	7,452	7,791
Accumulated income	60	2,608	-	2,668	2,505
	2,560	7,535	25	10,120	10,296
Analysis by type of purpose:					
Lectureships	-	4,069	-	4,069	4,146
Fellowships, scholarships and prize funds	23	1,716	25	1,764	1,878
General	2,537	1,750	-	4,287	4,272
	2,560	7,535	25	10,120	10,296
Analysis by asset					
Investments	47	5,736	25	5,808	5,765
Cash	688	1,894	-	2,582	4,626
Debtors	1,825	-	-	1,825	-
Creditors	-	(95)	-	(95)	(95)
	2,560	7,535	25	10,120	10,296

NOTES TO THE ACCOUNTS

	Unrestricted permanent endowment £'000	Restricted permanent endowment £'000	2023 Total £'000	2022 Total £'000
22 Endowment funds (continued)				
University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August				
Capital	2,370	5,101	7,471	6,248
Accumulated income	3	2,369	2,372	2,342
	2,373	7,470	9,843	8,590
New endowments	-	(10)	(10)	1,343
Investment income	7	385	392	300
Expenditure	-	(232)	(232)	(269)
Increase/(decrease) in market value of investments	-	(329)	(329)	(121)
Total endowment comprehensive income for the year	7	(186)	(179)	1,253
Balance at 31 July	2,380	7,284	9,664	9,843
Represented by:				
Capital	2,370	4,762	7,132	7,471
Accumulated income	10	2,522	2,532	2,372
	2,380	7,284	9,664	9,843
Analysis by type of purpose:				
Lectureships	-	3,916	3,916	3,995
Fellowships, scholarships and prize funds	-	1,693	1,693	1,807
General	2,380	1,675	4,055	4,041
	2,380	7,284	9,664	9,843
Analysis by asset				
Investments	47	5,730	5,777	5,736
Cash	511	1,647	2,158	4,202
Debtors	1,824	-	1,824	-
Creditors	-	(95)	(95)	(95)
	2,382	7,282	9,664	9,843
23 Capital and other commitments				
Provision has not been made for the following capital commitments at 31 July 2022				
Commitments contracted for	17,277	17,277	-	-
Commitments authorised	-	-	23,067	23,067
	17,277	17,277	23,067	23,067
	Year ended 31 July 2023	Year ended 31 July 2022		
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000

NOTES TO THE ACCOUNTS

	Land and buildings £'000	At 31 July 2023 Other leases £'000	Total £'000	At 31 July 2022 Total £'000
24 Lease obligations				
Consolidated				
Total rentals payable under operating leases:				
Payable during the year	2,590	167	2,757	2,293
Future minimum lease payments due:				
Not later than 1 year	2,722	52	2,774	2,671
Later than 1 year and not later 5 years	6,938	143	7,081	3,622
Greater than 5 years	16,384	-	16,384	3,236
Total lease payments due	26,044	195	26,239	9,529
University				
Total rentals payable under operating leases:				
Payable during the year	2,555	33	2,588	2,104
Future minimum lease payments due:				
Not later than 1 year	2,680	23	2,703	2,584
Later than 1 year and not later 5 years	6,922	21	6,943	3,494
Greater than 5 years	16,384	-	16,384	3,236
Total lease payments due	25,986	44	26,030	9,314

25 Subsidiary undertakings

Company	Principal Activity	Status
Eclectica Drindod Limited	Deliver third mission activity	TUC sole member
Trinity College	Hold endowment assets	TUC sole trustee
Trinity University College (TUC)	Dormant	UWTSD sole member
UWTSD Investments Limited	Commercial activities	100% owned
Y Ganolfan Dysgu Cymraeg	Delivery of Welsh for Adults	UWTSD sole member
Genedlaethol	programme	
UWTSD Learning Centres Limited	Dormant	100% owned
Mentrau Creadigol Cymru	Operation of Yr Egin activities	100% owned
Tidal Lagoon Academy Ltd	Dormant	100% owned
Welsh American Academy Enterprises Limited	Dormant	100% owned
Inspire (UWTSD) Limited	Dormant	100% owned
Swansea Business School Limited	Dormant	100% owned
Coleg Sir Gâr	Further education	100% owned
Coleg Ceredigion	Further education	100% owned
UW Centre for Advance Batch Manufacture Limited	Commercial and research activities	51% owned

The minority interest in UW Centre for Advance Batch Manufacture Limited is held in University of Wales. 51% of the surplus or deficit for each accounting period is recognised in these financial statements with 49% being recognised in the financial statements of University of Wales

NOTES TO THE ACCOUNTS

26 Related Parties

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 is deemed a related party in that it has key management personnel in common with the University

Balances: Receivables £4,706 (2022: £3,829), Payables £416,850 (2022: £1,229,253)

Total income £53,234 (2022: £43,402), Total expenditure £1,664,130 (2022: £846,601)

University of Wales Press is a wholly owned subsidiary of the University of Wales

Balances: Receivables £nil (2022: £nil), Payables £nil (2022: £37,529)

Total income £nil (2022: £nil), Total expenditure £362 (2022: £37,529)

OSTC Trinity St David LLP is deemed a related party in that the UWTSD Investments Limited (a wholly owned subsidiary of the University) is a partner in it and has significant influence over it. The balance below represents an unsecured loan, for which more details are provided in note 14

Balances: Receivables £429,656 (2022: £485,268), Payables £nil (2022: £nil)

Total income £32,458 (2022: £18,952), Total expenditure £nil (2022: £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 7

NOTES TO THE ACCOUNTS**27 Pension schemes**

There are five pension schemes in operation via the Group for its staff: the Teachers' Pension Scheme (TPS) for academic staff and Universities Superannuation Scheme (USS) for academic and support staff and all staff appointed after 18 November 2010, the Dyfed Pension Fund (LGPS), the Swansea Pension Fund (LGPS) and the University of Wales Lampeter Pension and Assurance Scheme (UWLPS) for support staff.

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.

The total pension costs included in the consolidated accounts are:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Staff costs				
TPS contributions				
University of Wales: Trinity Saint David	1,108	1,108	1,148	1,148
Coleg Sir Gâr	2,333	-	2,216	-
Coleg Ceredigion		-		-
USS contributions				
University of Wales: Trinity Saint David	7,881	7,881	6,223	6,223
Local Government contributions				
University of Wales Trinity Saint David	2,097	2,097	1,962	1,962
Coleg Sir Gâr	1,596	-	1,454	-
Coleg Ceredigion	227	-	229	-
In House Scheme				
University of Wales Trinity Saint David	306	306	319	319
Other pension adjustments				
University of Wales Trinity Saint David				
Movement on USS provision	(2,273)	(2,273)	23,271	23,271
Service costs				
Coleg Sir Gâr	592	-	2,353	-
Coleg Ceredigion	124	-	371	-
Restructuring Provision				
University of Wales Trinity Saint David	-	-	-	-
Coleg Sir Gâr	12	-	(78)	-
Coleg Ceredigion	(40)	-	(23)	-
Total Pension costs per note 7	13,963	9,119	39,445	32,923
Interest Costs				
Local Government – University	99	99	422	422
Local Government – Coleg Sir Gâr	259	-	433	-
Local Government – Coleg Ceredigion	25	-	67	-
In House Scheme – University	(44)	(44)	51	51
USS – University	1,210	1,210	115	115
Total Pension interest cost per note 8	1,549	1,265	1,088	588

NOTES TO THE ACCOUNTS**27 Pension schemes (continued)**

The pension liability/(asset) disclosed in the balance sheet is summarised as follows:

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
In House Scheme				
University of Wales: Trinity Saint David	-	-	-	-
USS Pension Scheme				
University of Wales: Trinity Saint David	33,226	33,226	36,551	36,551
Local Government Schemes				
University of Wales: Trinity Saint David (Dyfed)	-	-	-	-
University of Wales: Trinity Saint David (Swansea)	-	-	2,224	2,224
Coleg Sir Gâr	-	-	8,214	-
Coleg Ceredigion	-	-	824	-
Liability at 31 July	33,226	33,226	47,813	38,775

The LGPS and In House schemes are in a technical surplus position at 31st July 2023. The University and group have applied IAS19 in calculating a cap to the gains which caps the overall scheme asset positions to nil. This has an impact on reducing the recognised actuarial gains in these financial statements from the FRS102 gains, as set out below in the individual scheme notes.

LGPS**Dyfed Scheme**

Certain employees are members of the Dyfed Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary.

A full actuarial valuation of the scheme was carried out as at 31 March 2022 by a qualified independent actuary. The major assumptions used by the actuary were:

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in pensionable pay	4.6	3.9
Rate of increase in pensions in payment	3.1	2.4
Discount rate		
- in service	5.1	4.1
- left service	4.55	4.1
Inflation assumptions	3.1	2.4

The valuation states that the market value of the assets held at the valuation date amounted to £3,243 million and the present value of the scheme liabilities was £2,508 million. Representing a funding level of 129% and a surplus of £735 million.

The employer contribution rate was 22% during the year

NOTES TO THE ACCOUNTS**LGPS (continued)****Dyfed Scheme (continued)****FRS102 disclosure**

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2022 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2023. The projected unit method was used.

	2023	2022
	%	%
Rate of increase in salaries	4.2	4.2
Rate of increase in pensions	2.8	2.8
Discount rate	5.1	3.5
Rate of inflation	2.7	2.7

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

	2023	2022
Males		
Future lifetime from age 65 (currently aged 65)	21.4	23.0
Future lifetime from age 65 (currently aged 45)	22.8	24.4
Females		
Future lifetime from age 65 (currently aged 65)	23.7	24.9
Future lifetime from age 65 (currently aged 45)	25.5	27.1

	Split at 31 July 2023	Split at 31 July 2022
	%	%
Split of scheme assets		
Equities	73.1	70.4
Government Bonds	0.2	1.4
Other Bonds	8.5	7.3
Property	13.2	15.8
Cash/liquidity and other	5.0	5.1
	100	100

LGPS Dyfed Scheme – University of Wales: Trinity Saint David

The following amounts at 31 July 2023 and 31 July 2022 were measured in accordance with the requirements of FRS102.

	31 July 2023	31 July 2022
	£'000	£'000
Fair value of assets	27,068	27,371
Present value of scheme liabilities	(21,847)	(29,595)
Surplus/(deficit) in the scheme	5,221	(2,224)
Effect of asset ceiling	(5,221)	-
Recognised pension asset/(liability)	-	(2,224)

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(573)	(883)
Past service cost	-	-
Administration expenses	(8)	(8)
Curtailment	-	-
Total operating charge	(581)	(891)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – University of Wales: Trinity Saint David (continued)

	31 July 2023 £'000	31 July 2022 £'000
Analysis of finance income and charges		
Expected return on assets	955	442
Interest on pension liabilities	(1,024)	(624)
Net finance cost	(69)	(182)

	31 July 2023 £'000	31 July 2022 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	(1,073)	(691)
Effects of changes in assumptions underlying the present value of scheme liabilities	8,723	10,605
Effect of asset ceiling	(5,221)	-
	2,429	9,914

	31 July 2023 £'000	31 July 2022 £'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(2,224)	(11,497)
Administration expenses	(8)	(8)
Current service cost	(573)	(883)
Contributions paid by the employer	445	432
Net finance cost	(69)	(182)
Actuarial gain/(loss)	7,650	9,914
Surplus/(deficit) in scheme at the end of the year	5,221	(2,224)
Effect of asset ceiling	(5,221)	-
Recognised pension asset/(liability)	-	(2,224)

	31 July 2023 £'000	31 July 2022 £'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(29,595)	(39,182)
Current service cost	(573)	(883)
Past service cost	-	-
Interest cost	(1,024)	(624)
Member contributions	(140)	(131)
Change in financial assumptions	7,216	12,132
Change in demographic assumptions	944	257
Experience gain/(loss)	563	(1,784)
Curtailment	-	-
Benefits paid	762	620
At 31 July	(21,847)	(29,595)

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

	31 July 2023 £'000	31 July 2022 £'000
At 1 August	27,371	27,685
Expected rate of return on scheme assets	955	442
Re measurement gains on assets	(1,073)	(691)
Administration expenses	(8)	(8)
Employer contributions	445	432
Members contributions	140	131
Benefits paid	(762)	(620)
At 31 July	27,068	27,371

NOTES TO THE ACCOUNTS

Effect of the asset ceiling	(5,221)	-
Recognised value of the scheme assets at 31 July	21,847	27,371

LGPS Dyfed Scheme – Coleg Sir Gâr

The following amounts at 31 July 2023 and 31 July 2022 were measured in accordance with the requirements of FRS102

	31 July 2023	31 July 2022
	£'000	£'000
Fair value of assets	57,252	54,837
Present value of scheme liabilities	(50,842)	(63,051)
Surplus/(Deficit) in the scheme	6,410	(8,214)
Effect of the asset ceiling	(6,410)	-
Recognised pension asset/(liability)	-	(8,214)

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(2,192)	(3,403)
Past service cost	-	-
Administration expenses	(32)	(29)
Curtailment	(25)	-
Total operating charge	(2,249)	(3,432)

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of finance income and charges		
Expected return on assets	1,936	881
Interest on pension liabilities	(2,195)	(1,314)
Net finance cost	(259)	(433)

	31 July 2023	31 July 2022
	£'000	£'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	(435)	(1,376)
Effects of changes in assumptions underlying the present value of scheme liabilities	15,910	23,196
Effect of asset ceiling	(6,410)	-
	9,065	21,820

	31 July 2023	31 July 2022
	£'000	£'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(8,214)	(27,681)
Operating cost	(2,249)	(3,432)
Contributions paid by the employer	1,657	1,512
Net finance cost	(259)	(433)
Actuarial gain/(loss)	15,475	21,820
Surplus/(deficit) in scheme at the end of the year	6,410	(8,214)
Effect of the asset ceiling	(6,410)	-
Recognised pension asset/(liability)	-	(8,214)

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Sir Gâr (continued)**

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(63,051)	(82,502)
Current service cost	(2,192)	(3,403)
Past service cost	-	-
Interest cost	(2,195)	(1,314)
Member contributions	(497)	(454)
Change in financial assumptions	17,618	27,035
Change in demographic assumptions	2,189	556
Experience gain/(loss)	(3,897)	(4,395)
Curtailment	(25)	-
Benefits paid	1,208	1,426
At 31 July	(50,842)	(63,051)
Analysis of the movement in the present value of the scheme assets		
At 1 August	54,837	54,821
Expected rate of return on scheme assets	1,936	881
Re measurement gains on assets	(435)	(1,376)
Administration expenses	(32)	(29)
Employer contributions	1,657	1,512
Members contributions	497	454
Benefits paid	(1,208)	(1,426)
At 31 July	57,252	54,837
Effect of the asset ceiling	(6,410)	-
Recognised value of the scheme assets at 31 July	50,842	54,837

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Ceredigion**

The following amounts at 31 July 2023 and 31 July 2022 were measured in accordance with the requirements of FRS102

	31 July 2023 £'000	31 July 2022 £'000
Fair value of assets	12,898	12,282
Present value of scheme liabilities	(10,552)	(13,106)
Surplus/(deficit) in the scheme	2,346	(824)
Effect of asset ceiling	(2,346)	-
Recognised pension asset/(liability)	-	(824)

	31 July 2023 £'000	31 July 2022 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(324)	(530)
Past service cost	-	-
Administration expenses	(5)	(5)
Curtailment	-	-
Total operating charge	(329)	(535)

	31 July 2023 £'000	31 July 2022 £'000
Analysis of finance income and charges		
Expected return on assets	429	199
Interest on pension liabilities	(454)	(266)
Net finance cost	(25)	(67)

	31 July 2023 £'000	31 July 2022 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	429	199
Effects of changes in assumptions underlying the present value of scheme liabilities	2,865	3,701
Effect of asset ceiling	(2,346)	-
	948	3,900

	31 July 2023 £'000	31 July 2022 £'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(824)	(4,353)
Operating cost	(329)	(535)
Contributions paid by the employer	230	231
Net finance cost	(25)	(67)
Actuarial gain/(loss)	3,294	3,900
Surplus/(deficit) in scheme at the end of the year	2,346	(824)
Effect of asset ceiling	(2,346)	-
Recognised pension asset/(liability)	-	(824)

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Ceredigion (continued)**

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(13,106)	(16,857)
Current service cost	(324)	(530)
Past service cost	-	-
Interest cost	(454)	(266)
Member contributions	(69)	(69)
Change in financial assumptions	3,317	4,993
Change in demographic assumptions	461	111
Experience gain/(loss)	(751)	(893)
Curtailment	-	-
Benefits paid	374	405
At 31 July	(10,552)	(13,106)
Analysis of the movement in the present value of the scheme assets		
At 1 August	12,282	12,504
Expected rate of return on scheme assets	429	199
Re measurement gains on assets	267	(311)
Administration expenses	(5)	(5)
Employer contributions	230	231
Members contributions	69	69
Benefits paid	(374)	(405)
At 31 July	12,898	12,282
Effect of the asset ceiling	(2,346)	(405)
Recognised value of the scheme assets at 31 July	10,552	12,282

NOTES TO THE ACCOUNTS

LGPS

Swansea Scheme

Certain employees are members of the City and County of Swansea Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary. The latest actuarial valuation was undertaken at 31 March 2022 by independent actuaries.

The actuarial valuation of the scheme is based on the projected unit method and the principal assumptions made by the actuaries were:

	2022 Valuation	2019 Valuation
	%	%
Rate of increase in pensionable pay	3.8	3.6
Rate of increase in pensions in payment	2.3	2.1
Discount rate:		
- in service	4.1	4.25
- left service	0.8	1.6
Inflation assumptions	2.3	2.1

The valuation states that the market value of the assets held at the valuation date amounted to £2.924 million and the present value of the scheme liabilities was £2.921 million. Representing a funding level of 100% and a surplus of £2.8 million.

The employer contribution rate is 40.8% plus an annual deficit contribution of £631,000 payable from April 2023 to March 2024 rising to 40.8% plus an annual deficit and £721,000 in for the period April 2024 to March 2025.

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2022 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2023. The projected unit method was used.

	2023	2022
	%	%
Rate of increase in salaries	4.1	4.1
Rate of increase in pensions	2.6	2.6
Discount rate	5.0	3.5
Rate of inflation	2.6	2.6

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2023	2022
Males		
Future lifetime from age 65 (currently aged 65)	21.7	22.1
Future lifetime from age 65 (currently aged 45)	22.3	23.2
Females		
Future lifetime from age 65 (currently aged 65)	24.2	24.2
Future lifetime from age 65 (currently aged 45)	25.3	25.7

NOTES TO THE ACCOUNTS**LGPS Swansea Scheme – University of Wales: Trinity Saint David (continued)**

	Split at 31 July 2023 %	Split at 31 July 2022 %
Split of scheme assets		
Equities	73.6	78.0
Government Bonds	4.5	3.4
Other Bonds	7.0	0.6
Property	4.6	3.7
Cash/liquidity	0.6	1.1
Other*	9.7	13.2
	100	100

*Other holdings include hedge funds, currency holdings, asset allocation futures and other. The actuary has assumed this year that these will get a return in line with equities.

The following amounts at 31 July 2023 and 31 July 2022 were measured in accordance with the requirements of FRS102

	31 July 2023 £'000	31 July 2022 £'000
Fair value of assets	49,360	47,350
Present value of scheme liabilities	(36,110)	(43,480)
Surplus in the scheme	13,250	3,870
Effect of asset ceiling	(13,250)	(3,870)
Recognised pension asset/(liability)	-	-

	31 July 2023 £'000	31 July 2022 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	750	1,480
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	750	1,480

	31 July 2023 £'000	31 July 2022 £'000
Analysis of finance income and charges		
Expected return on assets	1,670	770
Interest on pension liabilities	(1,500)	(1,010)
Net finance cost	170	(240)

	31 July 2023 £'000	31 July 2022 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	(190)	870
Effects of changes in assumptions underlying the present value of scheme liabilities	8,490	17,690
Effect of asset ceiling	(9,240)	(3,870)
	(940)	14,690

NOTES TO THE ACCOUNTS**LGPS Swansea Scheme – University of Wales: Trinity Saint David (continued)**

	31 July 2023	31 July 2022
	£'000	£'000
Movement in scheme at beginning of the year		
Surplus/(deficit) in scheme at beginning of the year	3,870	(14,510)
Current service cost	(750)	(1,480)
Contributions paid by the employer	1,660	1,540
Net finance cost	170	(240)
Actuarial gain/(loss)	8,300	18,560
Surplus/(deficit) in scheme at the end of the year	13,250	3,870
Effect of asset ceiling	(13,250)	(3,870)
Recognised pension asset/(liability)	-	-

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(43,480)	(59,710)
Current service cost	(750)	(1,480)
Past service cost	-	-
Interest cost	(1,500)	(1,010)
Member contributions	(170)	(170)
Change in financial assumptions	10,890	21,051
Change in demographic assumptions	60	354
Experience gain/(loss)	(2,460)	(3,715)
Curtailment	-	-
Benefits paid	1,300	1,200
At 31 July	(36,110)	(43,480)

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

At 1 August	47,350	45,200
Expected rate of return on scheme assets	1,670	770
Re measurement gains on assets	(190)	870
Administration expenses	-	-
Employer contributions	1,660	1,540
Members contributions	170	170
Benefits paid	(1,300)	(1,200)
At 31 July	49,360	47,350
Effect of asset ceiling	(13,250)	(3,870)
Recognised value of the scheme assets at 31 July	36,110	43,480

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAAS)

The University sponsors the University of Wales, Lampeter Pension & Assurance Scheme which is a defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation. One-third of the trustees are nominated by the members of the scheme, at least one of the member nominated trustees must be a pensioner member.

A full actuarial valuation was carried out as at 31 July 2022, the results have been updated to 31 July 2023 by a qualified actuary, independent of the plan's sponsoring employer.

The results of the 31 July 2017 valuation showed a deficit of £1,294,000. The University has agreed with the trustees that it would continue to make contributions at a rate of 19% of employee salaries along with an annual enhanced contribution of £277,990, increasing by 3% p.a. The University will also meet expenses of the scheme and levies to the Pension Protection Fund, insurance premiums for death in service and all management and administration expenses. Member contributions are payable at the rate of 6.25% of pensionable service.

The material assumptions used by the actuary as at 31 July 2023 and for the comparative period, were as follows:

	2023	2022
	%	%
Rate of increase in salaries	4.0	4.1
Rate of increase in pensions in payment	2.5	2.6
Revaluation rate for deferred pensions	2.5	2.5
Discount rate	5.15	3.5
Rate of inflation	2.3	2.2
Allowance for commutation of pension for cash at retirement	Maximum allowed	Maximum allowed

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

	2023	2022
Males retiring at age 65 in 2020	21.0 years	21.0 years
Females retiring at age 65 in 2020	22.9 years	22.9 years
Males retiring at age 65 in 2040	22.3 years	22.3 years
Females retiring at age 65 in 2040	24.5 years	24.5 years

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPS) (continued)

	Split at 31 July 2023 %	Split at 31 July 2022 %
Split of scheme assets		
Equities	40.9	40.9
Bonds	48.4	48.6
Other	10.7	10.5
	100	100

The following amounts at 31 July 2023, and at 31 July 2022 were measured in accordance with the requirements of FRS102

	31 July 2023 £'000	31 July 2022 £'000
Fair value of assets	18,617	21,488
Present value of scheme liabilities	(15,447)	(19,610)
Surplus/(deficit in the scheme)	3,170	1,878
Effect of asset ceiling	(3,170)	(1,878)
Surplus in the scheme	-	-

	31 July 2023 £'000	31 July 2022 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(51)	(152)
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	(51)	(152)

	31 July 2023 £'000	31 July 2022 £'000
Analysis of finance income and charges		
Expected rate of return on scheme assets	745	379
Interest on pension liabilities	(675)	(430)
Interest expense on effect of asset ceiling	(26)	-
Net finance cost	44	(51)

	31 July 2023 £'000	31 July 2022 £'000
Amount recognised in other comprehensive income		
Return on plan assets – gain	(3,225)	(2,481)
Experienced gains/(losses) arising on plan liabilities	(40)	(717)
Change in financial and demographic assumptions underlying the plan	4,232	8,290
Effect of asset ceiling	(1,292)	(1,878)
Total gain recognised in the statement of comprehensive income	(325)	3,214

NOTES TO THE ACCOUNTS**University of Wales Lampeter Pension and Assurance Scheme (UWLPS) (continued)**

	31 July 2023	31 July 2022
	£'000	£'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	-	(3,329)
Current service cost	(51)	(152)
Contributions paid by the employer	306	318
Net finance cost	70	(51)
Expenses	-	-
Losses due to benefit changes	-	-
Actuarial gain/(loss)	967	5,092
Effect of the asset ceiling	(1,292)	(1,878)
Surplus in scheme at the end of the year	-	-

	31 July 2023	31 July 2022
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(19,610)	(27,138)
Current service cost	(51)	(152)
Past service cost	-	-
Interest cost	(675)	(430)
Member contributions	(14)	(22)
Change in financial assumptions	4,232	8,290
Change in demographic assumptions	(40)	(717)
Experience gain/(loss)	-	-
Curtailment	-	-
Benefits paid	711	559
Expenses	-	-
Losses due to benefit changes	-	-
At 31 July	(15,447)	(19,610)

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

	31 July 2023	31 July 2022
	£'000	£'000
At 1 August	19,610	23,809
Expected rate of return on scheme assets	745	379
Re measurement gains on assets	(3,225)	(2,481)
Administration expenses	-	-
Employer contributions	306	318
Members contributions	14	22
Benefits paid	(711)	(559)
Effect of asset ceiling	(1,292)	(1,878)
At 31 July	15,447	19,610

NOTES TO THE ACCOUNTS

Teachers' Pension Scheme

This report sets out the results of the actuarial valuation of the combination of the Teachers' Pension Scheme ('pre 2015 Scheme') 6 and the 2015 Teachers' Pension Scheme ('2015 Scheme') 7 (Teachers' Pension Scheme or 'the Scheme'). The Scheme provides pensions and other benefits to teachers who have worked in schools or other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates based on pay and as specified in the regulations

The latest actuarial valuation of the scheme was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014. The Government Actuary (GA) reported on the valuation of the Teachers' Pension Scheme on 9 June 2014. The GA concluded that:

- at the date of the valuation, the liabilities in the scheme were £196.1 bn and the value of the assets was £218.1 bn giving a notional past service deficit of £22 bn;
- the total recommended rate of contribution payable by employers from 1 September 2019 is 23.6 % (previously 16.4%) of salary; and

The financial assumptions adopted for the current valuation and, for comparison, those adopted for the 2012 valuation, are shown below:

Last actuarial valuation	31 March 2016	31 March 2012
Actuarial method	Prospective benefits	Prospective benefits
Discount rate		
- Real	2.40%	3.00%
- Nominal	4.45%	5.06%
Pensions increases	2.00%	2.00%
Long term salary growth	4.20%	4.75%
- In excess of assumed	2.20%	2.75%

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme.

The TPS is unable to provide for the University an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption of FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University has set out above the information on the scheme and the implication for the University in terms of the anticipated contribution rates.

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.

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £7,881k (2022: £6,223k) including PensionChoice, but excluding the impact of the change in the deficit recovery plan.

Deficit recovery contributions due within one year for the institution are £2,763k (2022: £2,291k)

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.

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 to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion 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-fundingprinciples).

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

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, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females 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	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

NOTES TO THE ACCOUNTS**USS (continued)**

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:

	2023	2022
Discount rate	5.52%	3.31%
Pension growth (CPI)	2.6%	2.6%

The employers contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.10%
1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

The deficit provision recognised by the University is highly sensitive to movements in the input assumptions. The impact of movements in the key assumptions are as below – 've values denote an increase to the provision

Change to current position at 31 July 2022	£'000
0.5% pa decrease in discount rate	(1,181)
0.5% increase in discount rate	1,122
0.5% pa increase in salary inflation over duration	(1,207)
0.5% increase in salary inflation in year 1 only	(158)
0.5% pa increase in staff changes over duration	(1,147)
0.5% decrease to contribution rate over duration	(146)

28 Events after the reporting period

As noted in Note 20 the loan facility held with HSBC was renewed prior to the signing date of the accounts. The renewal period is for a further 5 years to 2029.

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 2023 and the signing of the accounts on the 7th February 2024.

Accounts

**University of Wales:
Trinity Saint David**

Charity number: **1149535**

**Annual Report and Consolidated
Financial Statements
For the year ended 31 July 2022**

CONTENTS

	Pages
Members	1
Administration details and professional advisors	2 – 3
Introduction by the Vice-Chancellor and the Chair of Council	4 – 6
Operating and financial review	7 – 30
Statement of corporate governance	31 – 38
Independent auditor's report to the council of University of Wales: Trinity Saint David	39 – 42
Consolidated and University statements of comprehensive income	43
Consolidated and University statements of changes in reserves	44
Consolidated and University statements of financial position	45
Consolidated statement of cash flows	46
Statement of accounting policies	47 – 54
Notes to the accounts	55- 88

MEMBERS AND EXTERNAL ADVISORS

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.

The Venerable Randolph Thomas (Chair) – independent (100%)

Prof Medwin Hughes (Vice-Chancellor) – executive (100%)

Justin Albert – independent (50%)

Tony Ball – independent (Resigned 30.8.2022) (60%)

Pam Berry – independent (Resigned 30.8.2022) (60%)

Andrew Curl – independent (Resigned 30.8.2022) (60%)

Siwan Davies – independent (50%)

Tania Davies – staff (Resigned 31.7.2022) (80%)

Margaret Evans – independent (Resigned 30.8.2022) (60%)

Taya Gibbons – student (Appointed 1.7.2022)

Eifion Griffiths – independent (Resigned 30.8.2022) (100%)

Rowland Jones – independent (80%)

Vanessa Liverpool – student (60%)

Dr Conny Matera-Rogers – staff (80%)

Arwel Ellis Owen – independent (80%)

Matthew Peake – staff (40%)

Liam Powell – student (Resigned 25.03.2022) (66%)

Victoria Provis – independent (60%)

Geraint Roberts – independent (80%)

Emlyn Schiavone – independent (75%)

Dr Liz Siberry – independent (80%)

Dr Peter Spring – staff (Appointed 1.8.2022)

Maria Stedman – independent (80%)

Dr Kerry Tudor – staff (80%)

Uzo Iwobi – independent (50%)

MEMBERS AND EXTERNAL ADVISORS

Administrative Details

Charity Number	1149535
Company Number	RC000537
Principal Office	Carmarthen Campus, College Road, Carmarthen, SA31 3EP

Professional Advisors

External Auditor	KPMG LLP	3 Assembly Square, Britannia Quay, Cardiff, CF10 4AX
Internal Auditor	Mazars LLP	90 Victoria Square, Bristol, BS1 6DP
Bankers	Barclays Bank Plc	
	HSBC Plc	
	Natwest Bank Plc	

Scope of the Financial Statements

The consolidated financial statements of University of Wales: Trinity Saint David consolidate the following entities:

- University of Wales: Trinity Saint David
- Trinity University College Limited
- Trinity College
- Eclectica Drindod Limited
- UWTSD Learning Centres Limited (Company dissolved 12th October 2021)
- UWTSD Investments Limited
- Y Ganolfan Dysgu Cymraeg Genedlaethol
- Coleg Sir Gar
- Coleg Ceredigion
- Mentrau Creadigol Cymru
- UW Centre for Advance Batch Manufacture Limited
- OSTC Trinity St David LLP (Joint Venture)
- UWTSD Innovation Centres Limited
- Swansea Business School Limited

MEMBERS AND EXTERNAL ADVISORS

Legal Status

University of Wales: Trinity Saint David (UWTSD) is incorporated by Royal Charter. The most recent version of its constitution is the Supplemental Charter which was sealed by the Privy Council on 28 September 2012, following the constitutional merger with Swansea Metropolitan University.

Trinity University College Limited (TUC) is deemed to be controlled by UWTSD, as UWTSD is its sole member.

Trinity College incorporates the original endowment of 1848 and, as an education charity, embodies the assets of both land and buildings together with any charitable monies which have accrued to the charity. There is no direct ownership link between UWTSD and Trinity College. However, it is deemed to be controlled by UWTSD by virtue of the fact that TUC is the sole trustee.

Eclectica Drindod is a private company limited by guarantee with no share capital, established to undertake a role that more effectively delivers Third Mission activity for UWTSD. Eclectica Drindod is deemed to be controlled by UWTSD as TUC (whose sole member is UWTSD) is its sole member and has the power to appoint directors.

UWTSD Learning Centres Limited is a wholly owned subsidiary of UWTSD.

UWTSD Investments Limited is a wholly owned subsidiary of UWTSD.

Y Ganolfan Dysgu Cymraeg Genedlaethol is a private company limited by guarantee with no share capital. It undertakes the setting of the national strategic direction for the Welsh for Adults sector, providing leadership to Welsh for Adults providers. UWTSD is the sole member of the company.

Coleg Sir Gar is a private company limited by guarantee with no share capital, which undertakes the provision of further education and higher education. UWTSD is the sole member of the company.

Coleg Ceredigion is a private company limited by guarantee with no share capital, which undertakes the provision of further education. Coleg Sir Gar is the sole member of the company and it is deemed to be controlled by UWTSD as the sole member of Coleg Sir Gar.

Mentrau Creadigol Cymru Limited is a wholly owned subsidiary of UWTSD. It was established to operate a digital media centre at Canolfan S4C Yr Egin, adjacent to the University's campus in Carmarthen. Construction of the centre was completed during the year to 31st July 2019.

UW Centre for Advanced Batch Manufacture Limited, is a private company, the University has a 51% controlling interest in the company with University of Wales holding the remaining 49%.

OSTC Trinity St David LLP, is a limited liability partnership, the University has a 50% stake in the entity with the other 50% owned by OSTC limited.

UWTSD Innovation Centres Limited is a wholly owned subsidiary of UWTSD and did not trade during the year.

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 39.

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 2021-22 and to provide an overview of the University's achievements during a year in which we marked our Bicentenary.

The Bicentenary commemorates the laying of the foundation stone for St David's College Lampeter on the 12 August 1822. In marking this milestone in our history, we are celebrating the foundation of higher education in Wales and the role of the original Saint David's College Lampeter in that story. However, the bicentenary celebrations have provided an opportunity to celebrate the successes and achievements of the transformed University. It has offered a strategic opportunity to reaffirm the University's brand and its continued role in the wellbeing and prosperity of Wales within the wider UK context, particularly in relation to the development of the London and Birmingham campuses.

During the year, we welcomed the University's stakeholders to the range of events to celebrate the Bicentenary including a service in St David's Cathedral, in partnership with the Lampeter Society, as well as services and processions in Carmarthen, Swansea and Lampeter.



We were delighted to welcome His Majesty King Charles to confer honorary doctorates on four individuals for their outstanding achievements as part of our celebrations. Emma Jane Bolam was recognised for her significant contribution to medical innovation and the production of the AstraZeneca vaccine, Lord Griffiths of Burry Port was recognised for his lifetime achievement of public service and of being an advocate for social inclusion and reform; Ned Thomas was recognised for his outstanding service to the promotion of the Welsh language and culture and enhancing the status and development of minority languages in Europe; and Patrick Holden, CBE, was recognised for his pioneering leadership in sustainable food production and organic farming.



Ned Thomas, Emma Jane Bolam, Prof Medwin Hughes, Lord Griffiths of Burry Port and Patrick Holden, CBE

During the year, we also have held conferences, lectures and exhibitions highlighting the special collections held within our Library and Archives, as well as professorial inaugural lectures for our newly appointed professors.

INTRODUCTION BY THE VICE-CHANCELLOR AND THE CHAIR OF COUNCIL



Cllr Selwyn Walters, HM Lord Lieutenant Ms Sara Edwards, Prof Medwin Hughes and the Venerable Randolph Thomas.

The 200 trees for 200 years project saw the planting of native trees on the Lampeter campus which coincided with the Queen's Platinum Jubilee Green Canopy initiative. The aim is to enhance biodiversity and strengthen the connection with nature whilst celebrating the special campus environment. We also launched Treasures; The Special Collections of the University of Wales Trinity Saint David, edited by Professor John Morgan Guy, designed by Dr Martin Crampin of the Centre for Advanced Welsh and Celtic Studies, and printed by the University of Wales Press as part of our celebrations. A second volume, An Unfolding Vision: The University of Wales Trinity Saint David 1822-2022, later in the year

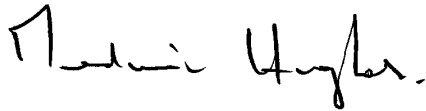


Prof Elin Haf Gruffudd Jones, Natalie Williams, Prof Medwin Hughes, Dr Martin Crampin

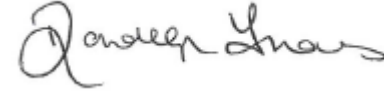
INTRODUCTION BY THE VICE-CHANCELLOR AND THE CHAIR OF COUNCIL

The Bicentenary was a major theme for the year of course, but the normal rhythm of university life resumed following the pandemic as we continued to deliver our mission of transforming education and transforming the lives of those we serve. Although COVID-19 continued to cast its shadow, we ensured that the health and safety of our community was always the priority as we returned to campus and reconnected in person with our students and colleagues.

We are grateful to the staff, students and members of the University council for their continued and valued support.



Prof Medwin Hughes (Vice-Chancellor)



The Venerable Randolph Thomas (Chair)

OPERATING AND FINANCIAL REVIEW

Public benefit statement

The University is a registered charity and its charity number is 1149535.

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 objects of the University are set out in its Charter:

'to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit, which includes but is not limited to: (a) The power to award and revoke degrees of any rank of the University and other distinctions... in its own name and/or dually or jointly with other education institutions; and (b) The provision and maintenance of a significant physical University presence in Swansea, Carmarthen, and Lampeter (or such other places as may be determined), which facilitates the objects of the University; and (c) The objects of the University shall have regard to the vocational, bilingual, and Anglican heritages of historical entities.'

Through our activities we promote:

Excellent teaching informed by scholarship and professional practice, and applied research that influences knowledge and policy in Wales and beyond.

Inclusivity, by removing barriers to participation and supporting people from all backgrounds and circumstances to fulfil their potential.

Employability and creativity, by offering educational programmes that develop entrepreneurial and creative skills, enabling learners to have the best opportunities to gain employment and to contribute to the prosperity of their communities.

Collaboration through strategic relationships, working with others to provide educational and commercial opportunities and to ensure that Wales is connected to the wider world.

Sustainable development, by behaving in a way which ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs, and by systematically embedding this principle in our approach to teaching and learning.

The concept of global citizenship, through the development of multi-national activities and opportunities for our learners, staff and partners.

Wales and its distinctiveness, through embedding the goals of the *Well-Being of Future Generations (Wales) Act* in all of our activities, and by celebrating the vibrant culture, heritage and language of Wales. At the heart of the University's Strategic Plan is a commitment to all of its learners and specifically to Wales – to its culture, its heritage and its language, and to the prosperity and long-term health of its citizens. It recognises its local, national, international and civic role as a provider of higher education, and the responsibilities that it bears. As a reflection of this commitment, the seven goals and the five ways of working of the *Well-Being of Future Generations (Wales) Act 2015* have been placed at the core of planning, and its aspirations are closely aligned with those expressed by the Welsh Government in *Taking Wales Forward 2016-21*.

Key to the University's values are promoting social inclusion, increasing participation and making a positive impact on the economy, society and culture of Wales and beyond. The University's teaching and learning strategy and development of new learning centres demonstrates its approach to supporting learners to fulfil their potential, and contributing to social and economic requirements and the wider skills agenda. It addresses the Welsh Government's agenda outlined in *For our Future* and the priorities of the Higher

OPERATING AND FINANCIAL REVIEW

Education Funding Council for Wales. The University has developed strong links with local communities to assist with the development of new learning centres.

Objectives and Activities

Within the context of Wales, the University has a distinctive role to play within higher education. Its mission, educational character and academic portfolio attest to its strategic importance in furthering bilingualism and supporting the enhancement of the Welsh language and culture.

Mission

Transforming Education; Transforming Lives.

Vision

Our vision is to be a University for Wales, with a commitment to the well-being and heritage of the nation at the heart of all that we do. Central to our vision is the promotion and embedding of a dual-sector educational system which educates learners of all ages and backgrounds, and stimulates economic development in our region, across Wales and beyond.

Key Deliverables

In September 2017 the University launched a Strategic Plan for period 2017 to 2022. Subsequently, in July 2022, the Council approved an extension to the Plan to cover the period 2017-2024. There are four strategic priorities for the planning period:

1. Putting learners first;
2. Maintaining excellence in teaching, scholarship and applied research;
3. Creation of opportunities through partnerships; and
4. Maintaining a University for Wales;

In addition, the Strategic Plan identifies seven key enablers to be achieved to support delivery of the strategic priorities. These are:

1. Maintaining financial security;
2. Supporting, encouraging and developing our people;
3. Improving our estates and infrastructure;
4. Maintaining good governance;
5. Providing effective leadership and management;
6. Promoting equality; and
7. Seeking continuous improvement.

Each of the strategic priorities and enablers has specific plans, measures of success and key performance indicators attached to it.

Institutional performance is systematically monitored against the 'measures of success' for the four strategic priorities set out in the University's Strategic Plan. Council's Resources and Performance Committee and Council itself receives an annual report on performance. Within the annual report each measure of success is split to show the target and 'actual' levels of performance, colour-coded to indicate whether they have been achieved or otherwise. Narrative information provides context and explanations where targets have not been achieved. The report for 2020/21, presented in 2021/22, showed good performance in the majority of areas.

OPERATING AND FINANCIAL REVIEW

On behalf of the Council, the Resources and Performance Committee also maintains oversight of performance against ten Key Performance Indicators (KPIs). Monitoring reports are provided at each meeting, with an annual assessment and narrative presented at the final meeting of each year. The 2021/22 assessment showed good or satisfactory performance in nine KPIs, with a weaker performance in one area.

Wherever possible performance is measured quantitatively using HESA or other externally-benchmarked and verified data

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

The University's commitment to equality and diversity is set out in its *Strategic Equality Plan 2016-20* and is consistent with its mission to Transform Education and Transform Lives. Inclusivity is one of its key planning themes; it is embedded within the curriculum and is aligned to the Welsh Government's Wellbeing of Future Generations Goal of a more equal Wales. 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.

INSPIRE (Institute for Sustainable Practice, Innovation and Resource Efficiency) has continued 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.

Tuition fees

In August 2022 the University published its Fee and Access Plan for 2023 - 2025 with a full-time undergraduate tuition fee of £9,000. This level is consistent with the fees charged in previous years within Welsh Government parameters.

OPERATING AND FINANCIAL REVIEW

Overview of the Year 2021-2022

I am pleased to provide an overview of the University's key achievements in 2021-2022. The celebration of the Bicentenary was a major theme as we continued to make significant progress in delivering the strategic plan. The University's Strategic Plan has four priorities: Putting Learners First, Excellence in Teaching, Scholarship and Applied Research, Creation of Opportunities through Partnership, and A University for Wales. Transformation is at the heart of that plan, building on the core values of our historic institutions and redefining those to reflect Wales's current and future needs.

A major achievement during the year was the result of the Quality Assurance Agency's (QAA) institutional review in June. The review noted that the University has 'robust arrangements in place for securing academic standards, managing academic quality, and for enhancing the student experience'. It also commended the University's achievements in several areas such as data-informed decision making and teaching and learning enhancement.

The University's results in the recent Research Excellence Framework (REF2021) were extremely encouraging as UWTSD was recognised for producing world-leading and internationally excellent research. Of note was that the University was rated 4th in Wales for impact, with 74% of the University's research judged as delivering outstanding and very considerable impacts for society, culture, and industry. 49% of research was graded 4* (world-leading) or 3* (internationally excellent), from the areas of Theology and Religious Studies, Art and Design, Education, Celtic Languages and Literature, and Psychology. 100% of research submitted for Celtic Languages and Literature was graded 4* (outstanding) or 3* (very considerable) for its impact.

The University's longstanding reputation for Initial Teacher Education and Training provides many opportunities to lead transformational change and support the Welsh Government's policies relating to teacher education, curriculum reform and school improvement. In June, the Welsh Government launched a new 3-year project with the University and the University of Glasgow aimed at supporting schools through the process of curriculum transformation, focusing on progression and assessment. Camau i'r Dyfodol/Steps to the Future is designed to help develop new knowledge and support the realisation of Curriculum for Wales by bringing together teachers, educational partners, and researchers to co-develop new capacity, ways of thinking and resources to build upon existing practice. Central to this process will be the integration of learning progression, curriculum, assessment, and pedagogy.



Prof Medwin Hughes, Jeremy Miles, MS, Prof Dylan Jones

The wellbeing of students and staff continued to be a central theme in our planning throughout the year and we were pleased to launch a Student Wellbeing Unit as part of our Student Health and Wellbeing Strategy. The Unit provides mental health and wellbeing support for students following an approach adopted by NHS and endorsed by the Stepchange Framework produced by Universities UK and Student Minds. The framework

OPERATING AND FINANCIAL REVIEW

encourages students to be active participants in their support journey and mirrors best practice across NHS, and the HE sector. The model adopted ensures that we have a range of services available to students according to need, including Counselling, Wellbeing Advice, Preventative, Supported Self-help and Open Access Services. Significant investment has been made into developing resource and capacity within our Student Services Unit to enable a whole University approach to wellbeing and safeguarding. A new evidence-informed approach to the Safeguarding Forum has also been taken with a network of safeguarding officers established.



Gwilym Dyfri Jones, Prof Medwin Hughes, the Venerable Randolph Thomas, James Barrow with students of St Vincent and the Grenadines

In September, the University welcomed students from St Vincent and the Grenadines (SVG) to study a range of programmes identified by their government as being beneficial to the future development of their country. The programmes include History, International Development and Global Politics as well as Early Childhood Education, Quantity Surveying and Civil Engineering. We were delighted to develop a scholarship scheme with Dr Ralph Gonsalves, Prime Minister of SVG following discussions with His Majesty, King Charles as HRH The Prince of Wales in the aftermath of the Volcano eruption on St Vincent in April 2021. The students, who are based at the Lampeter campus, also featured as part in a special edition of the BBC's Songs of Praise broadcast on in February to celebrate the bicentenary. In addition, the University has developed research links with Dr Adrian Fraser, an eminent historian in SVG into Thomas Phillips, one of the benefactors of St David's College, who owned the Camden Park plantation on the islands. Dr Fraser's research is examining modern-day legacies of the plantation, using local records, as part of his own research into slavery. The work is being produced as a film by Vincentian film-maker, Akley Olton.

We were also pleased to announce postgraduate scholarships to enable students from Ukraine who have been displaced by the war in their country to continue their studies at the University's Lampeter campus. As an international academic community, the University welcomes students and staff from all over the world and has active links with countries across the globe, including our collaborative partnership with Alfred Nobel University in Dnipro, Ukraine, whose students and staff remain at the forefront of our thoughts and prayers

The University made progress on many initiatives which reinforced its reputation for its vocationally relevant and employment-focussed offer. We aim to enhance graduate employability and the number of graduate start-ups by creating more opportunities for students to work with academics and businesses to explore ideas and create new sustainable businesses, products, and services. I am delighted that the University was named the European Entrepreneurial University of the Year at the 2022 European Triple E Awards Ceremony in Florence, Italy and that Professor David Kirby also received a Lifetime Achievement award in recognition of his leadership in the field and his on-going work to support students at the University.

OPERATING AND FINANCIAL REVIEW



Prof David Kirby, Associate Prof Kath Penaluna, Nicola Powell and Dr Shehla Kahn

During the year, the University reputation for engagement with employers was further enhanced through such initiatives as the Construction Wales Innovation Centre, the Advanced Manufacturing Skills Academy and the EU funded Manufacture Advanced Design Engineering (MADE) programme. These programmes are leading the way in addressing skills deficits and training needs by bringing companies into the university to capitalise on the expertise of our staff and our state-of-the art facilities. In addition, such programmes as degree apprenticeships are key in promoting in industry-academic interaction. The University has seen a significant increase in the number of students engaged in degree apprenticeships through innovative programmes as the digital degree apprenticeships which aim address digital skills shortage within the workforce. Such schemes, which also include innovative collaborative programmes with the police forces in Wales, provide skills and training linked to real career opportunities.

OPERATING AND FINANCIAL REVIEW

During the year, Institute for Sustainable Practice, Innovation Research and Enterprise (INSPIRE) was relaunched to provide a focus for business engagement within the University. The aim is to connect the University's staff, students and specialist centres with business and communities to create impact. INSPIRE's remit includes business engagement, research development, enterprise, and civic engagement.



Steve Moore and Prof Medwin Hughes with the University and Hywel Dda UHB colleagues

The University has developed a portfolio of health and wellbeing programmes and services across our disciplines in liaison with key partners. In September, a memorandum of understanding was signed with Hywel Dda University Health Board to provide research and innovation opportunities for mid and west Wales. The University is continuing to engage with partners including Carmarthenshire County Council, Hywel Dda University Health Board on the Pentre Awel initiative. The development, which is part of the Swansea Bay City Deal, will provide public, academic, business and health facilities on one site in Llanelli to boost employment, education, leisure provision, health research and delivery, and skills and training. It will include a skills centre focusing on health and care training, as well as research facilities and a clinical delivery centre to deliver multi-disciplinary care.

The University was pleased to be part of an initiative which received funding via the UK Government's Levelling Up Fund. The Carmarthen Hwb aims to bring health, wellbeing, learning and cultural services under one roof. Carmarthenshire County Council, working with the University, Pembrokeshire County Council, Hywel Dda University Health Board and other service providers, secured £19.9million to create town centre hubs to benefit local people and businesses, and to create a more diverse and sustainable mix of uses for town centres. Still in the early stages of development, it is anticipated that the exciting venture will feature state of the art leisure, culture and exhibition space alongside health and tourist information, customer services as well as access to further and higher education delivered by the UWTSD Group, which includes Coleg Sir Gâr as a constituent college.

The location of our campuses enables the University to play a significant role in the life of the region. Our campuses act as strategic economic, cultural, and social anchors, reinforcing a sense of place and creating the conditions where people and communities can thrive. During the year, the provosts and colleagues continued to work with a range of internal and external stakeholders to define each campus' offer to promote their unique character and distinctiveness as well as to ensure that the University's provision addresses skills needs within their immediate environs.

OPERATING AND FINANCIAL REVIEW



The launch of Canolfan Tir Glas

During the year we launched Canolfan Tir Glas, an initiative aimed at providing an exciting new vision for the future of the Lampeter campus which builds on its world-renowned reputation as a centre for the study of the Humanities and multi-cultural and interfaith dialogue. We were pleased to receive support from Ceredigion County Council and the European Union's Rural Development Programme for the initiative. The University and partners will develop centres of excellence to deliver a range of programmes linked to rural skills, sustainability, and resilience including rural enterprise and community food hubs, the Wales Centre for Resilience and Harmony in partnership with the Lampeter Resilience Hub, as well as the Welsh timber centre in partnership with Wood Knowledge Wales to promote modern and sustainable methods of construction with the aim of decarbonising the construction industry in Wales.



Dr Jeremy Smith, Prof Medwin Hughes, The Venerable Randolph Thomas, Mr Sharif Horthy Prof Scherto Gill

In November 2021 we were pleased to launch the Global Humanity for Peace Institute in partnership with the Guerrand-Hermès Foundation for Peace (GHFP) under the Directorship of Professor Scherto Gill, who was recently awarded the Schengen Peace Foundation and Luxembourg Peace Prize.

I was deeply saddened to hear of the death of the Venerable Master Chin Kung, the founder of the Chin Kung Multi-cultural Educational Foundation. The University's partnership with the Foundation has led to the development of the Academy of Sinology and many international initiatives related to harmony and interfaith dialogue, investment into the Lampeter campus infrastructure, as well as partnerships with such organisations as UNESCO.

OPERATING AND FINANCIAL REVIEW

The Carmarthen campus' distinctive offer centres around the themes of education, children and young people, health, care and wellbeing, creativity, and rurality. Developing our students' entrepreneurial and enterprise skills and engagement with business and industry is key to that offer through such initiatives as Canolfan S4C yr Egin. Yr Egin, which is home to S4C as well as a range of companies within the creative and digital industries, has already established itself in the life of the region. The University worked closely with a range of companies within Yr Egin to develop our provision and to embrace the challenges of the fourth industrial revolution with its high dependency on collaboration and rapid advancements in technology.



Olympian, rugby international and alumna Jaz Joyce, launches the Academy of Sport

During the year, we were pleased to launch the Academy of Sport a joint initiative between the University and the Students' Union to support students involved in high performance sport to maintain and develop their performance. The Academy will enable students from across UWTSD's campuses and programmes to access the University's specialist facilities and to compete in the British Universities and Colleges Sports (BUCS) leagues.

The University's Swansea Campus has a reputation for innovation and enterprise. In particular, the portfolio enables the University to offer a diverse range of services - from translational research and innovation, to applied technical skills and enterprise supporting employers, facilitating job creation, and attracting investment into the region.

A key development for Swansea is the Innovation Matrix, the next phase in the University's Innovation Quarter. The aim is to create a vibrant neighbourhood where the University can collocate and collaborate with innovative businesses and research centres. The development is central to the University's ambition and will provide a new platform for research and knowledge exchange to connect with, and support, cross-sector MNEs, SMEs, micro-enterprises, entrepreneurs, and investors to stimulate commercial growth for Wales's expanding digitally empowered economy. Funded through a strategic partnership between the University and the Swansea Bay City Deal, the Innovation Matrix will encourage and support the development of a sustainable, innovation led, economy which will significantly increase Wales's capacity to meet the Welsh Government's objective of building an economy based upon knowledge, innovation, and entrepreneurship. I was pleased that the University continued to provide practical support to employers, despite the challenges of the pandemic. In July, MADE Cymru organised an Industry Summit, to explore how Welsh manufacturing businesses can turn post Covid challenges into opportunities through collaboration with academia. The Summit was opened by Julie James, MS, Minister for Climate Change, who delivered the keynote speech entitled, 'What is the role of Welsh industry in tackling climate change? And how can being sustainable be good for business?'

OPERATING AND FINANCIAL REVIEW



The winning UWTSD team with Mark Drakeford, MS, First Minister

The Wales Institute of Science and Art continued to produce award-winning work. I'm delighted that the team who developed a 3D-printed jet respiratory support system to help the NHS in the fight against Covid 19 received the 2022 Innovation, Science and Technology Award at the prestigious St Davids Awards in Cardiff. The University's campuses in London and Birmingham continued to thrive by supporting a wide range of people to access higher education in their communities. During the year, the University opened a second campus in Birmingham.

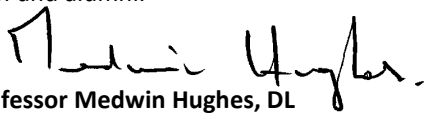
This year's graduations ceremonies celebrated the success of our students of 2020, 2021 and 2022. These were very special occasions and were true celebration of our students' determination to achieve their awards in the challenging circumstances caused by the pandemic. After an absence of two years, I was delighted to be able to confer awards on the thousands of students who have graduated from this institution over the three years. It was also very pleasing to be able to organise graduation ceremonies in London and Birmingham for the first time which enabled more of our students' families and friends to join the celebrations at these locations.



Prof Catrin Thomas receives the Connop Thirlwall Fellowship

It was with great pleasure that I had the opportunity to also award the Connop Thirlwall Fellowship upon Professor Catrin Thomas for her outstanding and distinguished leadership of the University. Professor Thomas was the Deputy Vice-Chancellor who retired at the end of the academic year having served the University and its predecessor institution, Trinity College Carmarthen, for over 30 years.

This overview provides a snapshot of the achievements of staff and students during the year. I am grateful to them, and the University's Governing Body, for their continued and valued support and, as we now move forward to the next phase in our journey, we look confidently to the future and to the success of our students, staff and alumni.


 Professor Medwin Hughes, DL

Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Principal risks and uncertainties

The underlying principal risks and uncertainties faced by the University which remain consistent with previous years are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of tuition fee payments upon cash balances held within the Group at any one point in time, notwithstanding that cash balances remain substantial at the year-end (£26.1million);
- In line with the above managing the cash-flows and net asset balance to meet the banking covenants set as part of the secured borrowing with HSBC bank;
- Home/EU student recruitment and retention given uncertain political and economic environments and demographic trends;
- Managing performance across all of the Group's complex and diverse entities and locations and harmonising activity where appropriate to deliver strategic gains; and
- Development of the Group Estates Strategy to support on-going integration and future development of the University.

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 and a move back to on campus and hybrid teaching delivery models.

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.

The University purchases its energy through the purchasing consortium TEC and have secured fixed price contracts through 2022/2023, providing a degree of certainty to the budget for the year and providing a risk for future years as these contracts lapse. The University considers that its investment in energy efficiency and changes to working practices to reduce usage will help to mitigate part of this risk.

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.

As the University enters the new academic and financial year the 3 primary financial risks are considered to be:

- Student recruitment and retention;
- Ensuring that the University Campus facilities are maintained in a Covid-19 safe state as on campus activity increases
- Ensuring that inflationary pressures are managed in the correct manner

Recruitment in term one of 2022/2023 has been in line with budget however the University acknowledges the risk of retention both for students joining in the current year and also for those who have completed years 1 and 2 by July 2022. The University is proactively working with its student population and employees to provide a fulfilling and meaningful learning experience. Student pulse surveys are being utilised to gauge the effectiveness of the University's model.

The immediate outlook for international student recruitment is less certain and ongoing restrictions provide a barrier for students to enter the UK. The University's income from international students is relatively low but is still an important income stream and one that will drive future growth for the University. The University believes that the demand for education in the UK remains strong and any shortfalls in income in 2020/2021 and 2021/2022 will be a temporary event. Mitigating actions have been made through the introduction of new

OPERATING AND FINANCIAL REVIEW

courses and entrance to new International market to counter the forecast fall in the University's traditional international income.

In managing the University campus facilities, the estates team continue to prioritise efforts in ensuring that the various sites meet the required Covid safe levels and are adapted to make full benefit of a hybrid delivery model with increased use of technology.

All departments within the University are working towards managing the risks posed by Covid-19 and the post Covid-19 environment 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.

Future prospects

The current environment within the sector is challenging but the University has invested significantly in its estate and improving the quality of its student experience, as reflected in its performance in the National Student Survey. In addition it is developing new provision and delivery modes, aimed at the development of new learning centres, and these are achieving growth to compensate for some of the reduction experienced in other fee income. This is transforming the University portfolio and will, in the medium to long term, ensure its sustainability and success. In the short term generation of cash surpluses is a key objective and the University has taken focused action to reduce costs to ensure they are in line with income levels to achieve this.

Declaration of information to auditor

In so far 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 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

Financial Review

The Director of Financial Services and the Chair of the Resources and Planning Committee present a review of the financial performance of the group for the year to July 2022.

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	180,870	173,871	6,998
Expenditure	(197,185)	(165,667)	(31,518)
Profit on Sale of Assets	232	36	197
Decrease in fair value of investment properties	(27)	(1,872)	1,845
Loss on investments	(254)	811	(1,066)
Share of operating loss in associate	-	-	-
Taxation	(9)	(46)	37
Surplus for the year	(16,373)	7,134	(23,507)
Actuarial gain/(loss) in respect of pension schemes	53,538	20,880	32,658
Gain on revaluation of heritage assets	-	-	-
Total comprehensive income/(loss) for the year	37,165	28,014	9,151

From the total comprehensive income £10.4 million is attributed to the results of the University, £27.2 million is attributed to the FE colleges and (£0.5 million) is attributed to the other subsidiaries in the group.

The consolidated results recorded a deficit for the year of £16.4 million (2021: surplus £7.1 million), and a total comprehensive income of £37.2 million (2021: £28.0 million). This result encompasses all activities, other than the Students' Union which is an independent body.

As noted under the pensions section of the financial review the recorded deficit is after recognising an increase in the USS pension provision of £23.9m (2021 £2.6m) and the total comprehensive gain is after recognising an actuarial gain on the LGPS and inhouse pension liabilities of £53.5m (2021: £20.1m).

The University operates in a complex environment and as such there are a number of non-core activities and non-cash items that influence the surplus recorded in the statement of comprehensive income. As is presented in the table below the nature of these items are consistent with the prior year, however the value of the items fluctuate across the years.

The university considers the underlying operating position to be an appropriate measurement of its performance and the impact of these is summarised in the table below:

OPERATING AND FINANCIAL REVIEW**Adjusted Underlying Performance**

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Total Comprehensive Income for the year	37,165	28,014
Add back actuarial movement on pension schemes	(53,538)	(20,880)
<u>Deduct non-core income</u>		
Capital grants received	(1,050)	(5,165)
Gain on disposal of fixed assets	(232)	(36)
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	26,875	4,980
Revaluation of derivative liability	(1,564)	(855)
Restructuring costs	246	155
Property impairment charges	-	3,206
Decrease in fair value of investment properties	27	1,872
loss on investments	254	(811)
Underlying (deficit)/surplus	8,633	10,480

The University set a budget and operating plan for the year that reflected the return to more on campus service delivery and true hybrid model of operation as the UK moved into a post Covid-19 environment. The budget for the year reflected the need to establish an appropriate cost base to support this hybrid operations model and to ensure that the income growth for the University in recent years is sustainable and underpinned with investment in both staff costs and operational expenditure.

The University has prioritised expenditure in academic delivery and maintaining its estate (including ensuring Covid-19 safety was maintained as on campus activity increases).

The budget also reflected the changing nature of funding body support and an anticipated reduction in funding received in the year, along with a change in nature of the funding away from direct support and into areas such as net zero progression and environmental sustainability.

The budget set delivered a surplus of £5m along with cash generation of £5m in the year.

The University is pleased with the financial performance measured against the budget, and whilst some planned capital disposals have been delayed into 2022/2023 the underlying surplus reflects the budget performance, and the cash position is in line with expectations.

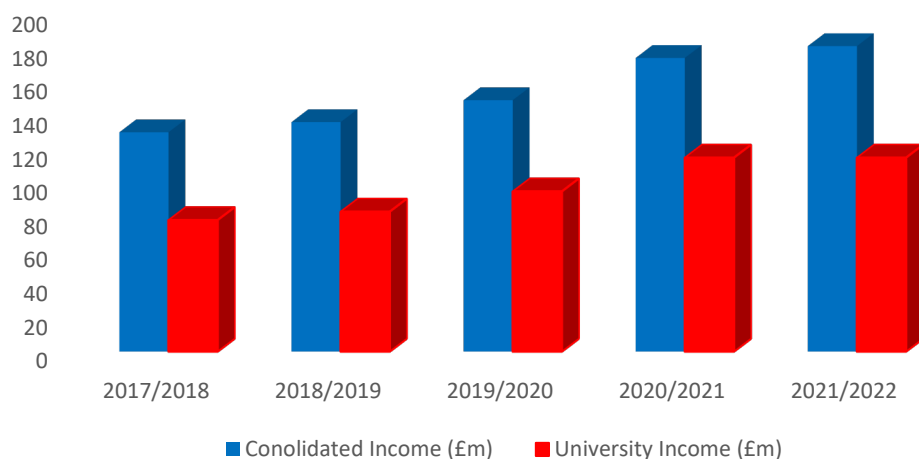
Tuition fee income for the university continues to be the driver to its growth, particularly in the CERTHE courses that are offered. The delivery of these courses does not follow the traditional academic year profile, with multiple intakes throughout the year. As a result a portion of the income from the in year intakes is deferred at 31 July and recognised in the following year. As the number of students on these courses grow the deferred income also grows. At 31 July 2022 the deferred student income was £19.9 million (2021: £16.2 million).

OPERATING AND FINANCIAL REVIEW

Income

The consolidated total income for the year amounted to £180.9 million (2021: 173.9 million). The growth in income continues a trend over the past 5 years where income has grown by 39% from an income of £130 million in 2017/2018. The University income in the same period has increased by 47% from £78 million to £115 million in the current year

5 Year Income Growth

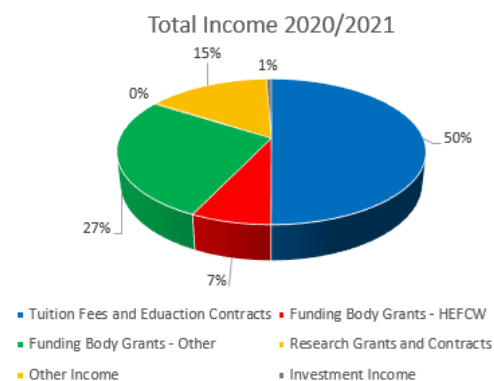
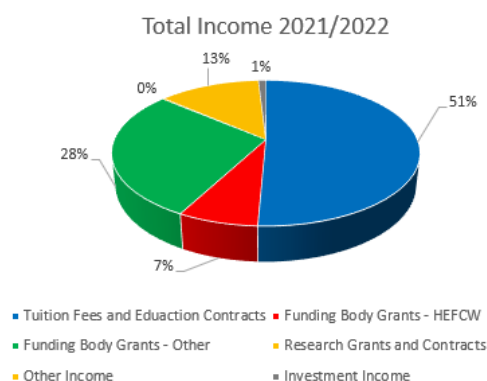


The make-up of the income has remained broadly consistent year on year and is summarised below

Consolidated Income

Tuition fees and education contracts
Funding body grants – HEFCW
Funding body grants – Other
Research grants and contracts
Other income
Investment income

Year ended 31 July 2022		Year ended 31 July 2021	
£ million	%	£ million	%
91.6	51%	87.0	50%
12.9	7%	12.3	7%
51.4	28%	46.7	27%
0.4	0%	0.6	0%
22.9	13%	26.2	15%
1.7	1%	1.1	1%
180.9	100%	173.9	100%



Funding body grants – Other reflect grants from the Welsh Government, received by Coleg Sir Gar, Coleg Ceredigion and Y Ganolfan Dysgu Cymraeg Genedlaethol (YGDCG).

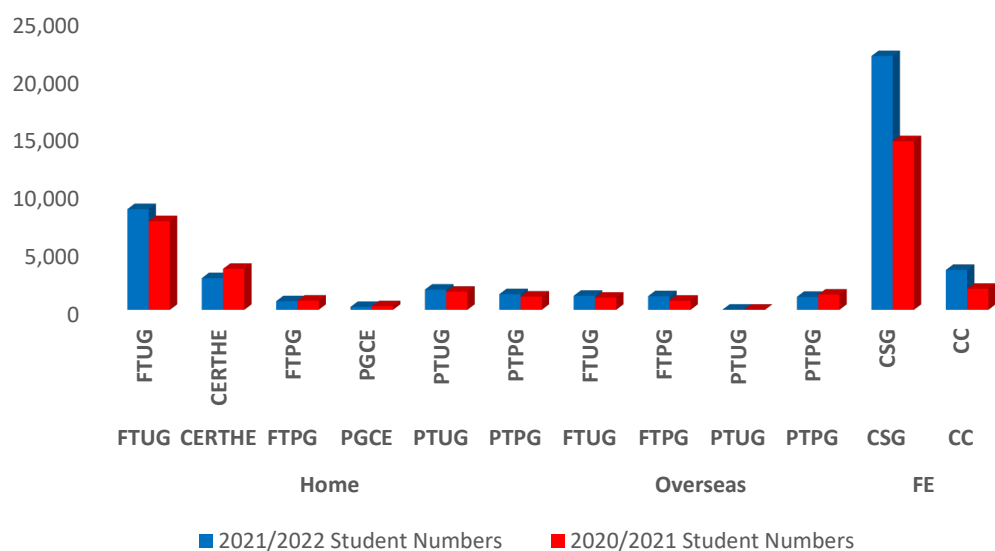
Other income arises from a wide range of sources including: student residences, catering and grant funding for projects and programmes.

OPERATING AND FINANCIAL REVIEW

Student Income

The group saw students studying on undergraduate courses increase by 4%, post graduate courses by 7% and on further education courses by 50% in the year.

The table below show the make up of the University's student population.



The University is committed to having a student body that is balanced and diverse in terms of background and experience, with all the educational and cultural benefits that this brings. It encourages applications from all those with the motivation and academic ability to thrive at its locations within the South West Wales region, at its London campus, Birmingham Learning Centre and other outreach centres, whatever their background.

The make-up of tuition fee income, generated from the student profile noted above is below

	2021/2022 £ million	2020/2021 £ million	Movement £ million	Movement %
7 Consolidated Income				
Full Time Home and EU	78.1	76.6	1.5	2%
Full Time International	7.8	5.0	2.8	56%
Part Time	3.2	3.8	(0.6)	(16%)
Education Contracts (FE Colleges)	2.5	1.6	0.9	56%
	91.6	87.0	4.6	5%

OPERATING AND FINANCIAL REVIEW

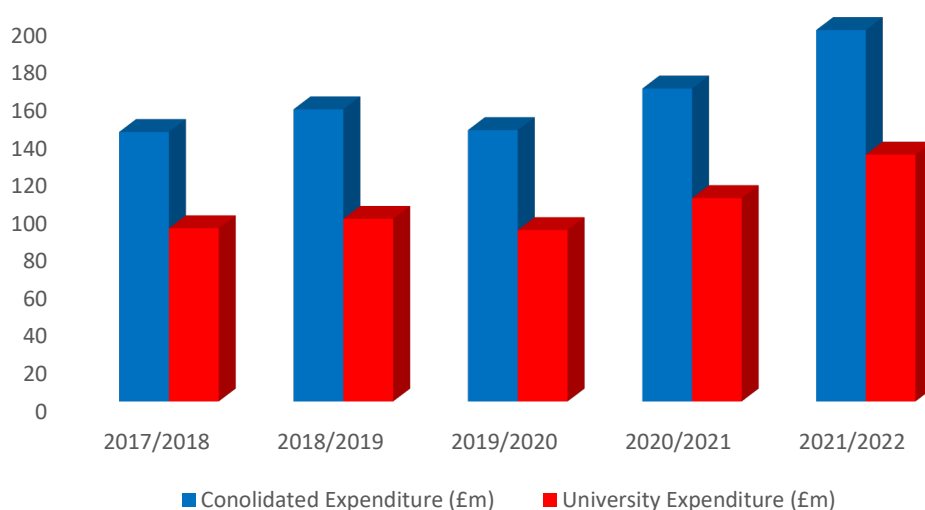
Expenditure

The consolidated total expenditure for the year was £197.1 million (2021: £165.7 million).

Expenditure has increased over the past 5 years to support income growth with prudent cost management measures being in operation during 2019/2020, 2020/2021 and 2021/2022 to combat the impacts of the Covid-19 pandemic and associated restrictions in place.

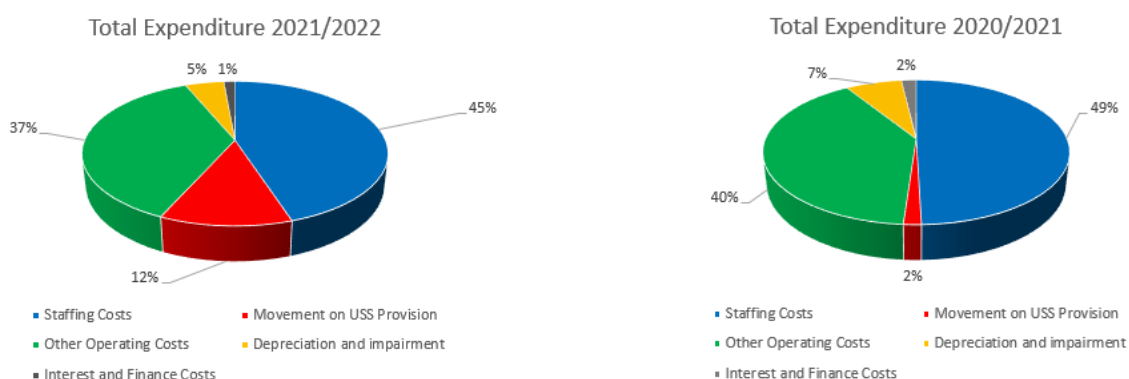
There have also been expenditure lines incurred specifically in utilisation of the additional funding from HEFCW over the same period which overall have led to a relatively flat pattern of expenditure whilst income levels have been increasing. The increase in 2021/2022 is largely through the significant USS charge of £24.0 million

5 Year Expenditure Growth



The make up of the expenditure is summarised below

	Year ended 31 July 2022		Year ended 31 July 2021	
	£ million	%	£ million	%
Consolidated Expenditure				
Staffing costs	87.8	45%	82.1	50%
Movement on USS Provision	24.0	12%	2.6	1%
Other operating costs	72.9	37%	66.2	40%
Depreciation and impairment	9.6	5%	11.7	7%
Interest and finance	2.8	1%	3.1	2%
	197.1	100%	165.7	100%

OPERATING AND FINANCIAL REVIEW

Staffing costs represent 62% of total income for the year (2021: 49%) The increase in staffing costs of £27.1 million includes an increase of £21.4 million in the year-on-year movement on the USS provision. Excluding this non-cash item gives a staffing cost total of £87.8 million (2021: £82.1 million) which represents 48.9% of income (2021: 51.5%). Staffing costs include £0.1 million of fundamental restructuring costs (2021: £0.1 million)

The increase in other operating costs is largely through an increase in agent commission costs incurred through the increased student recruitment on non UCAS driven courses and expenditure on the estate to enhance the student experience as the University returns to an on campus delivery model

Depreciation and impairment costs consist of depreciation (£9.6 million and impairment charges £nil (2021: £8.5 million and £3.2 million). Management have undertaken reviews on expected future use of the key University buildings and have concluded that the carrying value is appropriate with no impairment charges required in the current year

Interest and finance costs include pension scheme interest charges of £1.1 million (2021: £1.2 million) and loan interest of £1.5m (2021: £1.6 million).

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £114.1 million as at 31 July 2022 (2021: £77.0 million). The increase in net assets primarily arises from the decrease in pension liabilities of £27.1 million to £50.0 million (2021: £77.1 million). When Pension liabilities are excluded the net asset position is £164.2 million at 31 July 2022 (2021: £151.5 million).

Cash and cash equivalent balances were £59.5 million at 31 July 2022 (2021: £54.9 million) with the increase reflecting the increase in income generating activity in the year and a proactive debt management process..

Capital expenditure at £14.2 million is higher than 2021 (£9.3 million) which reflects ongoing investment in the estate, particularly around initiatives around green technology and a transition towards a future net zero position

Total creditors (due within one year) were £68.9 million at the year-end (2021: £63.6 million). The increase is primarily due to an increase in the trade creditors balance reflecting a high volume of purchasing activity in the final quarter of the year.

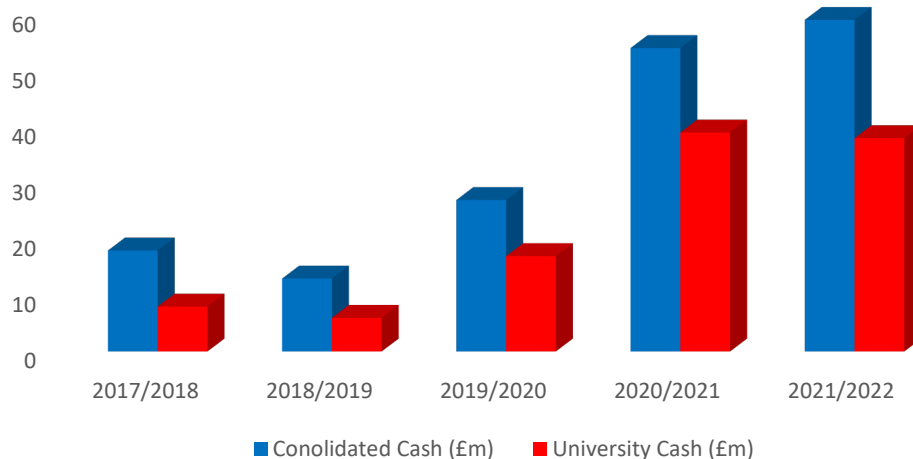
Total Creditors (due after one year) were £32.5 million at the year-end (2021: £34.7 million). The reduction is through the scheduled £2 million repayment of the secured loan with HSBC.

OPERATING AND FINANCIAL REVIEW

Cash Flow

The consolidated net cash inflow from operating activities was £17.1 million for the year (2021: £32.0 million) and the overall cash inflow was £4.7m (2021: £27.8 million).

5 Year Cash Growth



Cashflows from operating activities are impacted by the recognition of the positive non-cash pension costs of £26.9 million (2021: £5.0 million).

Cashflows from investing activities include proceeds from the sale of fixed assets of £3.5 million (2021: £0.2 million) and capital grant receipts of £1.1 million (2021: £8.1 million) less payments made to acquire fixed assets of £14.2 million (2021: £9.3 million).

Cashflows from financing activities comprises of new finance leases to fund the purchase of equipment of £0.6 million (2021: £0.5 million) less payments made against finance leases of £0.5 million (2021: £0.3 million) giving a net movement of £0.1 million (2021: (£0.2 million)) and interest payments of £1.7 million (2021: £1.7 million)

Bank covenant compliance

The 3 covenants in place for the year to 31 July 2022 and 31 Jul 2021 are

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs;
- The ratio of net debt to total income to be not more than 50%; and
- The level of consolidated net assets excluding pension liabilities to be not less than £105 million.

These covenants were tested, and passed at 31st October 2021, 31st January 2022, 30th April 2022, 31st July 2022. The budget and forecasts prepared indicate that they will be passed at all points for the remaining term of the loan product and the stress tested forecasts prepared for going concern assessment also indicate sufficient headroom in passing the tests up to October 2023.

Treasury Management

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. At 31 July 2022 consolidated short-term investments, deposits and cash totalled £65.4 million (2021 £60.7 million). Of this amount, £10.3 million (2021: £9.0 million) were endowment funds. Interest and dividend income from all investments and deposits (endowment and non-endowment) was £0.1 million (2021: £0.3 million) while losses on investments were £0.2 million (2021: gain £0.8 million).

OPERATING AND FINANCIAL REVIEW

Liquidity

The Group's current ratio at 31 July 2022 was 1.49 (2021: 1.37).

The University has prepared detailed monthly cashflow forecasts for the 12 months ended 31 July 2023 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.

Creditors due within one year amount to £68.6 million (2021: £63.5 million), the increase primarily arising from an increase in deferred income (£3 million), a decrease in other accruals (£3 million) and an increase in Trade Creditors (£6 million).

The increase in deferred income is driven through the increase in students on in-year intakes as noted above (£4 million) offset through the reduction in deferred grant income from Hefcw (£1 million) as these funds were recognised in the statement of comprehensive income during the year

The trade creditors increase is due to timing of transactions, there has been no amendment to the creditor payment policy in the year which continues to follow best practice. The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the later.

Pensions

The movement on the provisions for the defined benefit pension schemes available (including closed schemes) is detailed in note 28. FRS102 requires the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS), this liability is included in the pension provision with additional costs are processed through staff costs in the consolidated statement of income and expenditure. The total provision for pension liabilities reduced by £26.7 million in the year to £47.8 million (2021: 74.5 million).

The impact on the pension scheme movements on the statement of financial performance is reflected as a £24.0 million charge within payroll costs (2021: £2.6 million charge) and an actuarial gain of £53.5 million (2021: £20.9 million gain)

In addition, £1.1 million (2021: £1.2 million) has been recognised through interest expense

As noted in Note 27, the 2020 valuation for the USS scheme completed in October 2020. The significant increases highlighted in early provisional outputs have been used as the basis of calculating the deficit provision at 31st July 2022, however following the final conclusion of the valuation in 2022 the projected contribution increases have not materialised with employer contributions increasing by 0.2% in April 2022. The University is not anticipating further contribution increases during the life of the 2020 valuation.

Management undertook a review on the underlying assumptions within the actuarial reports for each of the LGPS, TPS and In House schemes with all of the inflation, discount rate and salary movement assumptions falling within the range expected based on a peer review of 8 other institution schemes. Management note that the primary driver on the reduced liability positions in the year is through the increase in discount rates used in the valuation models.

The University is not anticipating to derive any economic benefit from the surplus position on the LGPS (Swansea) scheme or in-house scheme and have accordingly not recognised the surplus on the balance sheet. The impact of this is noted in note 27 on page 73.

OPERATING AND FINANCIAL REVIEW

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing.

The key indicators of surplus, cashflow and headroom in the banking covenants all give a positive view on the current status on the University's financial health.

The university recognises the need to actively manage this position in future periods with key areas for management focus including:

- 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 traditional three year undergraduate programmes and increased development of new and innovative delivery programmes;
- maintaining a sufficient level of cash reserves to support operations while using surplus cash for investment in the transformed University's estate strategy;
- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from HEFCW and Welsh Government;
- responding to the changing political context of Higher Education in Wales;
- further diversification of income streams; and
- robustly managing increases in pension costs.

During the year ended 31 July 2022 the University's increased teaching activity has translated into positive operating cash flows whilst continued diversification into new teaching areas and anticipated increased commercial activity during 2022/2023 will further add to the building of the Groups' operating cash flow.

The financial position at 31st July 2022 allows for significant capital expenditure to be undertaken in 2022/2023 as the University positions itself for further growth in future years. It is therefore anticipated that cash reserves will drop in 2022/2023 before recovering quickly in 2023/2024.

Going Concern

As noted above and in the Consolidated Statement of Cash flows there was a cash generation of £4.6 million in the year to 31 July 2022 with a net cash inflow from operating activities of £17.1m. This cash generation supports the analysis of underlying performance at the beginning of this financial review.

The University's budget setting for both 2022/2023 and 2023/2024 reflect the need to adequately fund the increased income levels and to ensure that the income is sustainable with further potential to grow without compromising on the quality of services delivered. This approach has seen significant increases in pay costs with non-pay costs being controlled in order to produce surpluses and operational cash generation at the target levels set by management and governors.

Despite the absolute value of pay costs increasing, the ratio of pay costs to income remains below 55%, a figure that management believes provides sufficient flexibility in discretionary non pay costs to manage any variations in income

It is expected that the Higher Education Sector will continue to experience many challenges and uncertainties over the coming years and the University continues to monitor any impact that this may have from both an operating and financial perspective.

The University has produced cash flow projections for the 12 months from the date of the financial statements being signed showing that even under a number of downside scenarios from the anticipated performance sufficient cash will be generated in the period to service the expenditure and liabilities falling due in the same period and to meet the 3 loan covenants.

OPERATING AND FINANCIAL REVIEW

The scenarios applied give further confidence in the University's ability to manage any uncertainty arising in the 12 months from the date of signing these financial statements and the accounts are produced on a going concern basis to reflect the points covered above.

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.

Underpinning this financial security is a diversification in the University's income streams through launching innovative new learning routes to support the traditional 3-year undergraduate courses and post graduate opportunities. The CERTHE qualifications are a key component of the University's tuition fee income and an area of focus and projected growth.

The profile of student intakes in the University is also evolving with increasing numbers of students joining the University as in-year intakes rather than in the traditional September enrolment. This is providing a flatter profile of cash generation from tuition fees allowing for greater flexibility in managing cash outflows.

The diversification is not to the detriment of the traditional income routes with the University continuously seeking growth in its core offering. In this there is also a recognition that the continued success of the University is dependent upon the quality of its teaching and its infrastructure.

In setting the budget for 2022/2023 management have reflected on the increased cost pressures from delivering a true hybrid teaching model along with the external economic pressures arising from the high utility costs, pressures on employee costs and the impact of increasing borrowing costs. In doing so a budget delivering a positive operating cash flow and surplus has been approved with utility costs fixed into the final quarter of the year and sufficient provision made for funding the operations of the University.

Within the budget process the University has set targets for EBITDA and cash generation that will aid the management of its primary sustainability metric - being the University's cash position and projections. Along with a requirement to have sufficient cash reserves to meet its obligations, the University has 3 covenants with its bankers, HSBC, linked to borrowing. 2 of these covenants are directly related to cash generation.

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. The university does have a term loan with HSBC and utilises tools such as finance leases to balance its cashflow against capital expenditure needs. 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 term loan is due for refinancing in 2024, the swap instrument that is in place with this loan provides a fixed interest rate for this period.

The budget for 2022/2023 contains significant capital expenditure across 3 sites that will be funded through a mixture of external grant funding and existing University reserves. Where expenditure is focussed on increasing student capacity the expected payback on the cash investment is within 18 months. It is therefore expected for the cash balance at July 2023 to be lower than the current year, but this position will recover during 2023/2024.

OPERATING AND FINANCIAL REVIEW

The University has sufficient cash and robust operational plans to be able to look into the medium term with confidence that it will be able to weather the turbulent economic environment whilst continuing to invest in its future.

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: signed Swansea Healthy Travel Charter 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 action areas identified for carbon reduction fall within the following three main pillars.

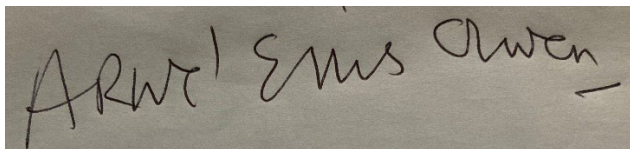
1. Implementing a Monitoring Programme to ensure accurate monitoring of energy use, and water use through the provision and use of an Energy Management System enabled by an appropriate software package.
2. Transition to ensure that all new capital projects are built to Net Zero Carbon BREEAM 'Excellent' 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

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

OPERATING AND FINANCIAL REVIEW

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, Resources and Planning Committee)



Gavin Bessant (Director of Financial Services)

OPERATING AND FINANCIAL REVIEW

Governance arrangements

In accordance with the University's Supplemental Royal Charter as revised in 2012, 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 Primary Responsibilities are set out in the University's Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and 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. Since 2019/20 staff and student Council members have been members of all standing committees with the exception of the Audit and Risk Committee. Senior officers of the University attend meetings as necessary.

A register of interests is maintained and presented annually for all members of Council and the standing committees along with senior officers of the University and its subsidiary companies. 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 2021/22. It considered a range of issues within the scope of its remit, including reports on the student experience, the learning environment, international activities and quality assurance; the University's strategy for developing and promoting Welsh medium and bilingual education; and reports from Coleg Sir Gar on learners and standards.

A key focus for the year was the University's preparations for, and the outcomes of, the QAA Quality Enhancement Review in March 2022. The Committee received a range of other information on the maintenance of academic quality and standards, including the University's Degree Outcomes Statement, and considered several new plans and strategies including those relating to Race Equality, Academic Success and the Doctoral College.

The membership was as 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 and risk 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 Internal and External Auditors are present at each meeting.

OPERATING AND FINANCIAL REVIEW

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; reports on expenditure controls established for the additional HEFCW funding received in response to the pandemic; the corporate risk register; a twice-yearly transparency report on a range of matters including procurement and freedom of information; an annual report on whistleblowing; financial reports relating to the Students' Union; and reports from the Coleg Sir Gar Audit and Risk Management Committee.

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 accordingly.

The membership was follows (with attendance (%) provided in brackets): Arwel Ellis Owen (Chair) (100%); Tony Ball (100%); Eileen Curry; Nigel Roberts (100%); Dr Liz Siberry (75%); Alun Walters; Deris Williams (authorised period of absence; 25%); Jayne Woods (co-opted; 100%).

Audit and Risk Committee was chaired by Arwel Ellis Owen during the year, the committee will be chaired by Nigel Roberts for 2022/2023.

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

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University, focusing in particular on strategies pertaining to the relationship between the University and Coleg Sir Gar.

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, focusing on confirmation of compliance and strategic relevance to the Group; and consideration of the annual joint statement of strategic intent with Coleg Sir Gar.

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 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 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*; succession planning and the recruitment strategy for new independent governors; governance reports from Coleg Sir Gar; proposals for amendments to the standing committee structure; reports on complaints; and nominations for honorary awards.

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%).

OPERATING AND FINANCIAL REVIEW

- **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. It considered a range of issues within the scope of its remit, including a mapping of the University's policy and practice against the updated CUC Higher Education Senior Staff Remuneration Code; the appointment and remuneration of new members of the senior team and other confidential matters affecting staff within its remit; the University's annual pay policy statement; and annual salary reviews for staff within its remit with accompanying relevant supporting information. 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 [uwtsd-annual-pay-policy-statement-july-2022.pdf](https://www.uwtsd.ac.uk/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; assessments of performance in relation to the measures of success of the Strategic Plan, the institutional Key Performance Indicators, and the targets of Fee and Access Plans; reports on student recruitment and retention; financial performance against forecasts and budgets and institutional sustainability; pensions; reports from the Estates Strategy Group established by the Council to oversee the strategic development of the estate; financial reports from the Students' Union; human resources matters including approval of the annual pay award and reports from the Joint Consultative Committee; and reports relating to finance and resources from Coleg Sir Gar. Specific elements of its work during the year included consideration of a new Research and Innovation Strategy and monitoring of spend in respect of the Higher Education Investment and Recovery Fund. As part of its work the Committee recommended to Council enhancements to and extension of the University's Strategic Plan to cover 2023/24.

The membership was as follows (with attendance (%) provided in brackets): Andrew Curl (chair) (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 (75%); Maria Stedman (100%); Dr Geoffrey Thomas (co-opted; 100%); Randolph Thomas (chaired on two occasions in the absence of the Chair; 100%).

Resources and Performance Committee was chaired by Andrew Curl during the year, the committee will be chaired by Arwel Ellis Owen for 2022/2023

OPERATING AND FINANCIAL REVIEW

In addition, the **Senate**, 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.

At executive level, the **Senior Directorate Group** meets on a regular basis in an advisory role to support the Vice-Chancellor and Deputy Vice-Chancellors in the formulating proposals for the strategic direction of the University. 15 meetings were held in 2021/22. A wide range of topics are discussed at the meetings – both strategic and operational.

In 2021/22 the Senior Directorate membership was as follows: Professor Medwin Hughes (Chair), Stephen Baldwin, Gavin Bessant, Sarah Clark, Shone Hughes, Professor Dylan Jones, Barry Liles, Jane O'Rourke, Professor Mirjam Plantinga, Professor Catrin Thomas, Iestyn Davies, (joined Started 9 May 2022). The attendance rate was 96%

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.

OPERATING AND FINANCIAL REVIEW

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;
- 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;
- 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.

A key element of focus for the Council following the Camm Review has been the articulation, consolidation and enhancement of arrangements for governor induction and development. Formal and comprehensive induction arrangements, including a 'buddy' scheme for new independent governors, have been established, and a development and retention plan for all governors has been drafted, setting out the opportunities (both mandatory and optional) that are available. Record-keeping has been formalised, as has the approach to appraisal.

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, and the annual Terms and Conditions of Funding issued by the Higher Education Funding Council for Wales (HEFCW).

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. UWTSD Group and corporate-wide University risk registers, which rate the likelihood and impact of identified risks, are maintained and regularly reviewed by the Senior Directorate. Departmental risk registers are developed and reviewed at local level, with risks escalated to the corporate risk register as appropriate. Registers are also maintained for discrete major projects and activities. The Group and corporate risk registers are considered at each meeting of the Audit and Risk Committee and changes are reported to the Council. The Group 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.

OPERATING AND FINANCIAL REVIEW

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.

A Comprehensive risk register is maintained by the University with specific risks allocated to the appropriate senior managers and departmental heads. It is the responsibility of these risk owners to identify and implement mitigating actions to protect the University.

Risks are allocated an initial 'score' based on likelihood of occurrence and impact on the University with updates at each relevant committee and council meeting detailing progress towards mitigating actions/ new actions identified and an updated risk score post mitigation.

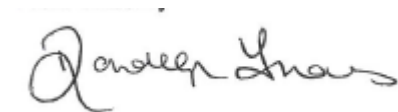
A full update to the register is presented to each meeting of the Audit and Risk Committee.

Conclusion

The Higher Education sector is adapting to a post Covid-19 environment where the traditional delivery of teaching will evolve into a true hybrid delivery model and the needs and expectations of students are likely to differ from that pre Covid-19. The challenges facing the sector will continue throughout 2022/2023.

The University continues to strengthen its core operations and deliver a divergence in products and markets.

Cost management remains a key focus for the University and the activity that has been taken in previous years has provided a sound base from which the University can mitigate any challenges presented in the year and deliver *a healthy operating position to meet future challenges*.



The Venerable Randolph Thomas

Chair of University Council

STATEMENT OF CORPORATE GVERNANCE

STATEMENT OF COUNCIL'S RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND THE 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 issued by the Higher Education Funding Council for Wales (HEFCW), the Accounts Direction to Higher Education Institutions for 2021/22 issued by HEFCW, the Financial Management Code issued under the Higher Education (Wales) Act 2015 and applicable law and regulations.

It is required to prepare the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* and the requirements of the Charities Act 2011. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction to Higher Education Institutions for 2021/22 issued by HEFCW.

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

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

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

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied in accordance with paragraph 145 of the HEFCW's Financial Management Code (FMC);
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales Trinity Saint David ("the University") for the year ended 31 July 2022 which comprise 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 2022 and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 *Statement of Recommended Practice – Accounting for Further and Higher Education*; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

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.

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 specific key words, revenue journals posted to unrelated accounts, 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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

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 Operational Review 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 38, the Council is responsible for: the preparation of the financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

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

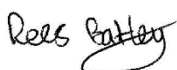
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts 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; 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 Ordinances 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 of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the 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

Chartered Accountants

3 Assembly Square

Britannia Quay

Cardiff

CF10 4AX

25 November 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					
Tuition fees and education contracts	2	91,568	85,392	87,021	81,493
Funding body grants	3	64,278	12,941	58,903	12,286
Research grants and contracts	4	378	378	617	617
Other income	5	22,929	13,938	26,202	19,615
Investment income	6	1,717	1,663	1,128	1,106
Total Income		180,870	114,312	173,871	115,117
Expenditure					
Staff costs	7	87,832	57,606	82,082	52,827
Movement on USS Provision	7	23,995	23,996	2,618	2,618
Other operating expenses	9	72,942	41,860	66,155	41,642
Depreciation and impairments	11	9,635	6,114	11,686	8,432
Interest and other finance costs	8	2,781	2,249	3,125	2,520
Total expenditure		197,185	131,824	165,666	108,039
Surplus/(deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates.		(16,315)	(17,512)	8,205	7,078
Gain on disposal of fixed assets		232	231	36	32
Decrease in fair value of Investment properties	13	(27)	123	(1,872)	(1,672)
Gain/(Loss) on investments		(254)	(205)	811	770
Share of operating deficit in associate	14	-	-	-	-
		(16,364)	(17,363)	7,180	6,208
Taxation	10	(9)	-	(46)	-
Surplus/(deficit) for the year		(16,373)	(17,363)	7,134	6,208
Actuarial gain/(loss) in respect of pension schemes	27	53,538	27,818	20,880	15,003
Total comprehensive income for the year		37,165	10,455	28,014	21,211
Represented by:					
Endowment comprehensive income for the year	22	1,257	1,253	1,366	1,357
Unrestricted comprehensive income for the year		35,908	9,202	26,648	19,854
Surplus for the year attributable to					
University		(16,348)	(17,363)	7,323	6,208
Non-controlling interest		(25)	-	(189)	-
		(16,373)	(17,363)	7,134	6,208
Total comprehensive income for the year attributable to					
University		37,190	10,455	28,203	21,211
Non-controlling interest		(25)	-	(189)	-
		37,165	10,455	28,014	21,211

All items of income and expenditure relate to continuing activities

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES**Consolidated**

	Endowment	Unrestricted	Revaluation Reserve	Total Excluding Non-Controlling Interest	Non-Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2020	7,673	17,830	23,967	49,470	(526)	48,945
Surplus/(deficit) from the income and expenditure statement	1,366	5,957	-	7,323	(189)	7,134
Other comprehensive income	-	20,880	-	20,880	-	20,880
Total comprehensive income for the year	1,366	26,837	-	28,203	(189)	28,014
Balance at 1 August 2021	9,039	44,667	23,967	77,673	(715)	76,958
Surplus/(deficit) from the income and expenditure statement	1,257	(17,605)	-	(16,348)	(25)	(16,373)
Other comprehensive income	-	53,538	-	53,538	-	53,538
Total comprehensive income for the year	1,257	35,933	-	37,190	(25)	37,165
Balance at 1 August 2022	10,296	80,600	23,967	114,863	(740)	114,123

University

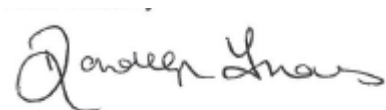
	Endowment	Unrestricted	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2020	7,233	11,474	14,454	42,706
Surplus/(deficit) from the income and expenditure statement	1,357	4,851	-	6,208
Other comprehensive income	-	15,003	-	15,003
Total comprehensive income for the year	1,357	19,854	-	21,211
Balance at 1 August 2021	8,590	31,291	14,454	54,335
Surplus/(deficit) from the income and expenditure statement	1,253	(18,615)	-	(17,362)
Other comprehensive income	-	27,819	-	27,819
Total comprehensive income for the year	1,253	9,204	-	10,457
Balance at 1 August 2022	9,843	40,495	14,454	64,792

CONSOLIDATED STATEMENT OF CASH FLOWS

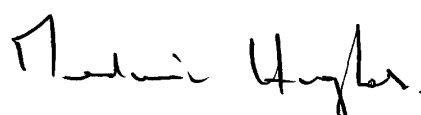
	Notes	As at 31 July 2022		As at 31 July 2021	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible Fixed assets	11	152,464	106,814	153,248	106,889
Heritage assets	12	6,205	6,205	6,241	6,205
Investment properties	13	3,519	2,519	4,414	3,264
Investments	14	807	-	788	-
		162,995	115,538	164,691	116,358
Current assets					
Assets held for sale	11	1,957	1,957	-	-
Stock	16	527	281	487	317
Trade and other receivables	17	34,651	41,272	26,417	33,690
Investments	18	5,917	5,901	5,875	5,857
Cash and cash equivalents		59,527	37,758	54,856	38,510
		102,579	87,169	87,635	78,374
Less: Creditors: amounts falling due within one year	19	(68,854)	(65,875)	(63,545)	(62,478)
Net current assets/(liabilities)		33,725	21,294	24,090	15,896
Total assets less current liabilities		196,720	136,832	188,781	132,254
Creditors: amounts falling due after more than one year	20	(32,529)	(32,366)	(34,677)	(34,306)
Provisions					
Pension provisions	27	(47,813)	(38,775)	(74,536)	(42,502)
Other provisions	21	(2,255)	(899)	(2,610)	(1,111)
Net assets		114,123	64,792	76,958	54,335
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	10,296	9,843	9,039	8,590
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		80,600	40,495	44,667	31,291
Revaluation reserve		23,967	14,454	23,967	14,454
		114,863	64,792	77,673	54,335
Non-controlling interest	25	(740)	-	(715)	-
Total Reserves		114,123	64,792	76,958	54,335

The accompanying notes and policies on pages 47 to 88 form part of these financial statements.

The financial statements were approved by the Governing Body on 24th November 2022 and were signed on its behalf on that date by:



The Venerable Randolph Thomas (Chair)



Prof Medwin Hughes (Vice-Chancellor)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Cash flow from operating activities			
Surplus for the year		(16,373)	7,134
Adjustment for non-cash items			
Depreciation and impairments	11	9,635	11,686
(Gain)/Loss in market value of investments		254	(811)
(Gain)/Loss in investment properties	13	27	1,872
Loss in revaluation of livestock	11	-	-
Decrease/(increase) in stock	16	(40)	60
Decrease/(increase) in debtors	17	(8,239)	1,446
Increase/(decrease) in creditors	19	5,306	13,234
Increase/(decrease) in other provisions	21	(355)	(70)
Pension costs less contributions payable	27	26,875	4,980
Tax paid in year		-	(16)
Adjustment for investing or financing activities			
Investment income	6	(1,717)	(1,128)
Interest payable	8	1,639	1,798
Capital grant income		(1,050)	(8,120)
Profit on the sale of fixed assets		(232)	(36)
Endowment received in the year		1,343	-
Net cash inflow/(outflow) from operating activities		17,073	32,036
Cash flows from investing activities			
Proceeds from sales of fixed assets		3,521	167
Capital grant receipts		1,050	8,120
Investment income		820	300
New non-current asset investments		-	-
Payments made to acquire fixed assets		(14,185)	(9,318)
		(8,793)	(732)
Cash flows from financing activities			
Interest element of finance lease rental payment		(54)	(73)
Interest paid		(1,714)	(1,634)
New finance leases		586	466
Loan repayments		(2,000)	(2,000)
Net capital element of finance lease rental payments		(426)	(249)
		(3,608)	(3,496)
Increase/(decrease) in cash and cash equivalents in the year		4,671	27,808
Cash and cash equivalents at beginning of the year		54,856	27,048
Cash and cash equivalents at end of the year		59,527	54,856

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

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 include the University and all its subsidiaries for the financial year to 31 July 2021, which include Coleg Sir Gar and Coleg Ceredigion. Intra entity transactions are eliminated fully on consolidation.

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

Associated companies and joint ventures are accounted for using the equity method.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosure required by FRS102.11 Basic Financial Instruments and FRS102.12 Other Financial Instrument issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

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.

After adjusting for non-cash adjustments on the USS provision of £23.2 million and other non-core items (as noted on page 20), the university has recorded a surplus in the year of £8.4 million and a positive cash flow of £4.7 million, these gains build on an underlying surplus of £10.5 million and positive cash inflow of £27.8 million in the prior year. The budget for 2022/2023 targets a surplus of £5.0 million before land sales and positive operating cash inflow of £14.5million which after capital additions produces a net cash outflow of £8.2m. From this senior management and Council are content that the University is in a position of profitability and cash generation, with the projected closing back balance at July 2023 being £51.3m and the investments made in 2022/2023 quickly delivering positive cash flows in 2023/2024.

As noted on page 19 in the financial review the reported deficit of £16.4 million for the year is based on an underlying surplus of £8.3 million which represents a comparable operating position of the University when non-cash and non-core activity is stripped out of the reported surplus or deficit for the year. The £8.3 million underlying position is a decrease of £2.2 million from the underlying surplus of £10.5 million in the prior year. The movement in the underlying position is primarily due to the University investing in its cost base to support the increasing income levels and is in line with the planned position in the budget for the year.

The current underlying income level and cost base are felt to be sustainable, with the budget for 2022/2023 showing further growth in income and in its EBITDA performance.

As part of the budget process the University has moved to a position of setting targets for EBITDA at between 10% and 15%, cashflow generation of £10m before capital expenditure and financing activity and a wages to income ratio below 55%. These targets feed into a clear strategic financial plan that builds on the successful new initiatives that have been

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

implemented in the past few years, increasing the surplus on core activities and delivers cash surpluses from operations. The strategic financial plan has 3 key components. These are:

1. Recognising the impact of demographic factors and changing demands on the market and restructuring the delivery cost base as a result. This has already been achieved substantially with a reorganisation and restructuring across the South Wales campuses implemented in the current financial year;
2. Acknowledging the needs and demand for more flexible learning models and of those adults not currently in Higher and Further education noted in the Augar review and developing delivery models to address these. The University has established non-traditional Learning Centres in South Wales, London and Birmingham with new delivery models and is growing student numbers considerably in these centres; and
3. Recognising the growing demand of international educational institutions for a presence in the UK higher education market and developing strategic alliances and partnerships to grow student numbers and income in this area.

The University and its subsidiaries prepared five year financial forecasts as part of the 2022/2023 budget process that deliver surpluses and positive cashflow in each year based on the above plans. They have also considered alternative “downside” scenarios if these plans are not realised and the alternative mitigating actions that would be required as a result. The early performance in 2022/2023 is in line with the overall budget expectations for the period and the University has a number of mitigations and income opportunities that can be actioned should in year recruitment and performance deviate from the budget position.

As part of the going concern assessment the University and subsidiaries have prepared detailed financial forecasts for the period to 31 December 2023. These have been prepared on both “base case” and “downside case with mitigation” scenarios. The downside case reflects the principal financial performance risks to which the University and its subsidiaries are exposed and is believed to be a fair to cautious assessment of these. In both scenarios the University and its subsidiaries have adequate financial resources to sustain operations over the forecast period which covers 12 months from the date of these accounts and beyond, and to meet obligations as they fall due. In addition the banking covenant tests are met at each testing point in the forecast period.

After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, including the volatile economic environment that the UK is currently in, the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Group banking covenants to HSBC are tested at 31 July 2022 and 31 October 2022, will next be tested at 31 January 2023 and then at all subsequent quarters. All covenant tests were passed at the 4 testing points in 2021/2022 and at October 2022 with no issues arising from the testing

The forecasts referred to above demonstrate that the University and its subsidiaries will be compliant with all covenants on both base case and downside with mitigation case scenarios.

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 the 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.

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

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

Income from accommodation provision is credited to the Consolidated and University Statements of Comprehensive Income over the contracted length of the accommodation. Accommodation contracts are issued on a yearly basis. Bonds held on accommodation are held on the Consolidated and University Balance Sheets and repaid to students at the end of each academic year provided the terms of the accommodation contract have been upheld. Any bond retained by the University is credited to the Consolidated and University Statements of Comprehensive Income at the end of the accommodation period as an income item.

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

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

Grant Funding

Government 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 four main types of donations and endowments within reserves:

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

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

There are five principal pension schemes for the University's staff, one of these schemes the Universities Superannuation Scheme (USS), is open to new members. The other four, Teachers' Pension; two local authority schemes (Swansea and Dyfed) and the University of Wales Lampeter Pension and Assurance Scheme are closed to new members from the University. The local authority schemes for Coleg Sir Gar and Coleg Ceredigion remain open to new member. The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

The USS and Teachers' Pension schemes are 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.

Multi- Employer Schemes

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

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. Finance Leases

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

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

h. Operating Leases

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

i. 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

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

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.

j. 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 2019 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 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 as follows:

Academic buildings	50 years
Residences	30 years
Laboratories and lecture theatres	30 years
Refurbishments	20 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
Motor Vehicles	4 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.

k. Heritage Assets

Works of art and other valuable artefacts valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Works of Art are included at costs incurred from 1 April 1981 or subsequent revaluation. The latest revaluation of heritage assets was at 31 July 2014, where certain sections of heritage assets were deemed to have increased in value. A full revaluation review of the Works of Art is planned to take place the year ending 31 July 2022.

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

l. Investment Properties

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

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated and University Statements of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

The review of the fair value of the investment properties is undertaken by Savills

m. 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

n. Stock

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

o. Financial InstrumentsTrade 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

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in income or expenditure.

p. 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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

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.

q. 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.

r. 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.

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

s. 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.

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

In preparing the financial statements management have exercised judgment in the following areas

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 27 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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2022

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 27

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
2 Tuition fees and education contracts				
Full-time home and EU students	78,103	74,265	76,554	72,593
Full-time international students	7,835	7,835	5,079	5,079
Part-time students	3,178	3,292	3,771	3,821
Education contracts	2,452	-	1,617	-
	91,568	85,392	87,021	81,493

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
3 Funding body grants				
Recurrent grant				
Higher Education Funding Council	12,941	12,941	12,671	12,286
Welsh Government	43,439	-	39,799	-
Specific grants				
Welsh Government	7,898	-	6,433	-
	64,278	12,941	58,903	12,286

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
4 Research grants and contracts				
Research councils	108	108	291	291
Research charities	37	37	29	29
Other	233	233	297	297
	378	378	617	617

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
5 Other income				
Residences, catering and conferences	3,591	2,887	2,415	2,129
Other revenue grants	9,896	4,955	8,668	3,926
Other capital grants	1,050	1,050	8,120	8,120
Other income generating activities	3,402	2,184	2,093	2,253
Other income	4,990	2,862	4,906	3,187
	22,929	13,938	26,202	19,615

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
6 Investment income				
Investment income on endowments	84	84	224	224
Other investment income	69	15	49	27
Increase in fair value of derivative	1,564	1,564	855	855
	1,717	1,663	1,128	1,106

NOTES TO THE ACCOUNTS

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Staff costs				
Salaries	65,271	44,260	61,276	40,141
Social security costs	6,449	4,367	5,820	3,873
Movement on USS provision	23,995	23,995	2,618	2,618
Other pension costs	15,866	8,733	14,831	8,705
Restructuring Costs	246	246	155	109
	111,827	81,601	84,700	55,445

	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Emoluments of the Vice-Chancellor		
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

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 2022 No.	Year ended 31 July 2021 No.
£100,000 to £104,999	1	-
£105,000 to £109,999	-	2
£110,000 to £114,999	1	-
£115,000 to £119,999	-	-
£120,000 to £124,999	-	-
£125,000 to £129,999	-	-
£130,000 to £134,999	-	-
£135,000 to £139,999	3	-
£140,000 to £144,999	-	-
£145,000 to £149,999	-	1
£150,000 to £154,999	1	-
£155,000 to £159,999	-	-
£160,000 to £164,999	1	1
£165,000 to £169,999	-	-
£170,000 to £174,999	-	1
	7	5

One member of staff received payments in the year to July 2021 in addition to their annual salary as compensation for additional hours worked in prior years. This resulted in a total salary between £170,000 and £174,999 being paid. Without these payments they would be reported in the £145,000 to £149,999 banding
There was no compensation payable to higher paid staff in the year (2021: £nil)

NOTES TO THE ACCOUNTS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes pension contributions and compensation paid to key management personnel. Remuneration consists of salary and benefits including any employer's pension contributions.

	Year ended 31 July 2022	Year ended 31 July 2021
	£'000	£'000
Key management personnel remuneration	1,164	1,049
	No.	No.
Key management personnel	9	8

The pay award offered by UCEA, applicable from August 2021 was 1.5% for all staff on the national pay spine. In addition to this as a Real Living Wage employer, the University enacted the increase to the National Living Wage, including where applicable the London weighting. Where eligible, staff were awarded progression pay increases in the usual manner.

7 Staff costs (continued)

	Year ended 31 July 2022	Year ended 31 July 2021
		No.
Average staff numbers by:		
Academic departments	736	698
Non-academic departments	1,026	960
	1,762	1,658

The above staff costs for key management personnel do not include the cost of key management that are employed by the University of Wales, but working across both institutions. These costs totalling £55k (2020: £55k) are included in other operating expenses as they are recharged by invoice from the University of Wales.

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.

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	246	246	155	109

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 1.

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 23 council members was £9K (2021: £9K to 23 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

NOTES TO THE ACCOUNTS

7 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 6.79:1 and the ratio of the total remuneration of the Vice Chancellor compared to the median average of the University is 6.88:1

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. 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 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
8 Interest and other finance costs				
Finance leases	54	23	79	36
Loan interest	1,503	1,503	1,607	1,607
Net charge on pension schemes	1,088	588	1,249	698
Decrease in fair value of derivative	-	-	-	-
Other	136	135	190	179
	2,781	2,249	3,125	2,520

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
9 Analysis of other operating expenses by activity				
Academic and related expenditure	35,868	19,948	32,205	19,667
Administration and central services	15,410	5,900	17,964	11,416
Premises	14,376	11,851	10,660	7,675
Residences, catering and conferences	1,382	716	1,184	838
Other expenses	5,906	3,445	4,142	2,046
	72,942	41,860	66,155	41,642

Other operating expenses include:

External auditor's remuneration in respect of audit services:

These financial statements	74	74	82	82
Other group financial statements	84	-	89	-

External auditor's remuneration in respect of non-audit services

Audit related assurance services	33	33	67	67
Tax compliance services	-	-	-	-
Tax advisory services	20	-	22	22
Operating lease rentals	2,293	2,104	2,190	2,008

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
10 Taxation				
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense	12	-	12	-
Prior year adjustment	(3)	-	34	-
Current tax expense	9	-	46	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Reduction in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	9	-	46	-

NOTES TO THE ACCOUNTS**10 Taxation (continued)****Factors affecting the total tax charge for the current period**

The tax assessed for the period relates to Eclectica Drindod Limited, , UWTSD Investments and Y Ganolfan Dysgu Cymraeg Genedlaethol and is higher than the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained as follows:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
(Deficit)/Surplus before tax	(16,499)	(17,489)	7,134	6,208
Amounts not subject to tax	16,363	17,489	(7,069)	(6,208)
Taxable Profits	(136)	-	65	-
Tax at 19% (2020: 19%)	(25)	-	12	-
Effects of:				
Disallowable expenditure	37			
Prior year adjustment	(3)	-	34	-
Total tax charged in the year	9	-	46	-

The standard rate of tax applied to reported profit is 19% (2021: 19%).

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020.

On 23 September 2022 the Chancellor of the Exchequer announced that the corporation tax rate will remain at 19% from 1 April 2023, reversing a previously enacted measure to increase the rate to 25%. This reversal in the tax rate from 1 April 2023 has not been enacted or substantively enacted and accordingly has no impact on the tax balances at 31 July 2022.

NOTES TO THE ACCOUNTS

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11 Tangible fixed assets							
Consolidated							
Cost or valuation							
At 1 August 2021	197,358	3,736	18,532	20,780	168	372	240,946
Additions in the year	1,913	5,353	-	6,871	34	14	14,185
Transfers	23	(2,183)	-	2,160	-	-	-
Transfer from Investment Properties	713	-	-	-	-	-	713
Disposals	(17,254)	(966)	-	(1,640)	-	-	(19,860)
At 31 July 2022	182,753	5,940	18,532	28,171	202	386	235,984
Accumulated depreciation							
At 1 August 2021	67,211	-	4,390	15,949	148	-	87,698
Charge for the year	3,959	-	365	5,293	18	-	9,635
Disposals	(14,944)	-	-	(826)	-	-	(15,769)
At 31 July 2022	56,226	-	4,755	20,416	166	-	81,563
Net book value							
At 31 July 2022	126,527	5,940	13,777	7,755	36	386	154,421
At 31 July 2021	130,147	3,736	14,142	4,831	20	372	153,248

Land and buildings owned by Coleg Sir Gar were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2022 is as follows:

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Valuation in 1998	19,716	-	-	-	-	386	20,102
Cost	163,037	5,940	18,532	28,170	202	-	215,882
	182,753	5,940	18,532	28,170	202	386	235,984

The University is actively pursuing the sale of land held within tangible fixed assets with a sale expected to complete within 12 months from the balance sheet date. Accordingly this land has been classified within assets held for sale on the Statement of Financial Position.

The analysis of cost and net book value of the tangible fixed assets at 31 July 2022 is as follows

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Tangible fixed assets	180,796	5,940	18,532	28,171	202	386	234,027
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	182,753	5,940	18,532	28,171	202	386	235,984
Net book value							
Tangible fixed assets	124,570	5,940	13,777	7,755	36	386	152,464
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	126,527	5,940	13,777	7,755	36	386	154,421

NOTES TO THE ACCOUNTS

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11 Tangible fixed assets (continued)							
University							
Cost or valuation							
At 1 August 2021	128,777	3,232	18,532	6,621	169	-	157,331
Additions in the year	1,399	5,353	-	4,586	34	-	11,372
Transfers	23	(2,183)	-	2,160	-	-	-
Transfer from Investment Properties	713	-	-	-	-	-	713
Disposals	(17,198)	(966)	-	(1,220)	-	-	(19,384)
At 31 July 2022	113,714	5,436	18,532	12,147	203	-	150,032
Accumulated Depreciation							
At 1 August 2021	40,994	-	4,390	4,909	148	-	50,441
Charge for the year	2,471	-	365	3,261	18	-	6,115
Disposals	(14,888)	-	-	(407)	-	-	(15,295)
At 31 July 2022	28,577	-	4,755	7,763	166	-	41,261
Net book value							
At 31 July 2022	85,137	5,436	13,777	4,384	37	-	108,771
At 31 July 2021	87,783	3,232	14,142	1,712	21	-	106,889

The University is actively pursuing the sale of land held within tangible fixed assets with a sale expected to complete within 12 months from the balance sheet date, and has accordingly been classified within assets held for sale on the Statement of Financial Position.

The analysis of cost and net book value of the tangible fixed assets at 31 July 2022 is as follows

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Tangible fixed assets	111,757	5,436	18,532	12,147	203	-	148,075
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	113,714	5,436	18,532	12,147	203	-	150,032
Net book value							
Tangible fixed assets	83,180	5,436	13,777	4,384	37	-	106,814
Assets held for sale	1,957	-	-	-	-	-	1,957
As per schedule	85,137	5,437	13,777	4,384	37	-	108,771

NOTES TO THE ACCOUNTS

12 Heritage assets**Consolidated and University**

The heritage assets include a collection of rare manuscripts, tracts, incunabula and printed books. The assets were formally revalued at 31st July 2014 by Bernard Quaritch Ltd, resulting in an increase in value of £250k.

The University of Wales Lampeter Pension & Assurance Scheme trustees have a £2m floating charge over the University's heritage assets.

The University's heritage assets are hosted in a specialist purpose built annexe to the library on the Lampeter Campus and are managed by 2 specialist, qualified members of staff. Where the assets require any preservation or conservation work, this is carried out by the National Library of Wales

There have been no acquisitions or disposals of heritage assets within the last five years.

Details of the University's collection is available on the University's website <https://uwtsd.ac.uk/rbla/a-z-list-of-collections/>

13 Investment properties

Balance at 1 August 2021

Disposals

Transfer to fixed assets

Revaluation

Balance at 31 July 2022

	Freehold Property	
	Consolidated	University
	£'000	£'000

4,414

3,264

(155)

(155)

(713)

(713)

(27)

123

3,519

2,519

The Investment properties are valued by an independent RICS registered valuer on an annual basis with the latest valuation being dated 31st July 2022. The valuation basis for the investment properties is at fair value as defined under IFRS with an assumption that the properties selling value is subject to any existing leases. The revaluation amount recognised in 2022 relates to revaluing the investment properties to fair value in line with a valuation prepared by Savilles.

The University has no restriction of use on the income generated from the investment properties and at 31 July 2022 has no contractual obligations for future development or maintenance of the properties.

14 Non-current investments**Consolidated**

At 1 August 2021

Additions

Disposals

At 31 July 2022

Share of post-acquisition reserves

At 1 August 2021

Retained profit less losses

At 31 July 2022

Balance at 31 July 2022

Balance at 31 July 2021

Interest in Joint Venture (Note 15) £'000	Other fixed asset investments £'000	Total £'000
721	303	1,024
-	-	-
-	-	-
721	303	1,024
(236)	-	(236)
19	-	19
(217)	-	(217)
504	303	807
485	303	788

NOTES TO THE ACCOUNTS

	Investment in Subsidiary	Total
	£'000	£'000
14 Non-current investments (continued)		
University		
At 1 August 2021	-	-
Additions	-	-
Disposals	-	-
Impairment	-	-
At 31 July 2022	-	-

15 Investment in joint venture

One of the University's subsidiaries, UWTSD Investments Limited, holds a 50% share of OSTC TSD LLP, a limited liability partnership. This is a joint venture owned equally by UWTSD Investments Limited and OSTC, a Commercial Company. The investment in OSTC TSD LLP is partly in share capital (£300,000 (2021: £300,000)) and partly as an unsecured loan, repayable on demand, with an interest rate of 4% over base rate (£420,978 (2021: £420,978)). The increase is way of accrued interest earned in the period of £ (2021: £17,268)).

The arrangement is treated as a joint venture and is accounted for using the equity method, such that the investment is initially recorded at cost and is subsequently adjusted to reflect the University's 50% share of the net profit or loss of the joint venture. The Group's share of the operating loss of the joint venture within the joint venture's most recent financial statements (dated 31 December 2020) is £nil (2020: £nil). The Group's interest in the joint venture is £485,268 (2020: £468,000), consisting of the loan as disclosed above, plus capital investment in its consolidated balance sheet.

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
16 Stock				
Finished goods	516	281	476	317
Livestock for resale	11	-	11	-
	527	281	487	317

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

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
17 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	26,495	25,958	20,326	19,985
Prepayments and accrued income	7,490	3,583	6,091	3,199
Amounts due from subsidiary companies	-	11,065	-	10,506
Derivatives	666	666	-	-
	34,651	41,272	26,417	33,690

The amounts due from subsidiaries are an aggregate of trading balances that are interest free and repayable on demand. The University has provided letters of support to its subsidiary companies in which it confirms that the debtor balances will not be called in during a period of 12 months from the Statement of Financial Position date. Accordingly these balances are considered to fall due in more than one year. Applying this gives the following split of trade and other receivables

NOTES TO THE ACCOUNTS

17 Trade and other receivables (continued)	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade and other receivables				
Due within one year	34,651	30,207	26,417	23,184
Due after one year	-	11,065	-	10,506
Total	34,651	41,272	26,417	33,690

The derivatives relate to an interest rate swap contract which is used to fix the rate of the University's loan at 1.435% plus bank lending margin. This is held at fair value and has been valued using mark to market. At July 2021 the derivative was recorded as a liability and disclosed under note 19.

18 Investments	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term investment in shares	5,902	5,901	5,860	5,857
Short term deposits	15	-	15	-
	5,917	5,901	5,875	5,857

The University follows a conservative investment policy with an emphasis on obtaining an increase in the real capital value of each fund within the portfolio each year, a target of 5% real growth is expected, with 3.5% being income growth and 1.5% being capital growth.

The investments are held within the University and consolidated endowment funds. The movement in fair value on these investments is detailed in Note 21.

19 Creditors: amounts falling due within one year	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts due on land purchase	2,181	2,181	2,880	2,880
Secured loans (note 20)	2,347	2,347	2,274	2,274
Obligations under finance leases (note 20)	823	613	590	311
Trade creditors	15,467	13,766	8,960	7,285
Social security and other taxation payable	1,955	1,497	1,672	1,249
Accruals and deferred income	46,081	35,728	46,271	37,576
Amounts due to subsidiary companies	-	9,743	-	10,005
Derivatives	-	-	898	898
	68,854	65,875	63,545	62,478

The amounts due to subsidiaries are an aggregate of trading balances that are interest free and repayable on demand.

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Funding Body Grants	1,866	1,866	2,847	2,847
Other Grant Income	4,563	4,563	4,064	2,881
Student Income	20,096	20,096	16,214	16,214
Other Income	2,860	2,803	2,891	2,834
	29,385	29,328	26,016	24,776

NOTES TO THE ACCOUNTS

The amount due on the land purchase is an amount due to Welsh Government that is payable on the completion of sale of the land to a third party. This creditor arose as a deferred payment on the initial purchase of the land. Both the completion of the land sale and subsequent payment to Welsh Government have been delayed due to Covid-19 related issues and are due to be completed in 2022/23.

The derivatives relate to an interest rate swap contract which is used to fix the rate of the University's loan at 1.435% plus bank lending margin. This is held at fair value and has been valued using mark to market. At 31 July 2022 the derivative was recorded as an asset and disclosed under note 17

19 Creditors due within one year (continued)

The university held an unsecured loan from Carmarthenshire County Council at 31st July 2020 representing an advance on cash receipts in relation to the final award of outstanding City Deal grant funding (£3million). During the year the grant income was confirmed. The loan was repaid to Carmarthenshire County Council in March 2021 with the grant income awarded being recognised in its place

The secured loan consists of a capital amount of £2 million and accrued interest of £347k. A capital payment of £500k was due on the 1st August 2022 with subsequent £500k repayments being due 1st November 2022 on 1st February 2023 and 1st April 2023

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
20 Creditors: amounts falling due after more than one year				
Obligations under finance leases	529	366	677	306
Secured loans	32,000	32,000	34,000	34,000
	32,529	32,366	34,677	34,306

The unsecured loan is held in UW Centre for Advanced Batch Manufacture and is due to University of Wales

Analysis of obligations under finance leases

Due within one year (note 18)	823	613	590	311
Due between two and five years	529	366	677	306
Total obligations under finance leases	1,352	979	1,267	617

Analysis of secured loans:

Due within one year or on demand (note 18)	2,347	2,347	2,274	2,274
Due between one and two years	2,000	2,000	2,000	2,000
Due between two and five years	30,000	30,000	32,000	32,000
Due in five years or more				
Total secured loans	34,347	34,347	36,274	36,274

The borrowing at 31 July 2022 and 31 July 2021 consisted of

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To 2024	3.785%	University

NOTES TO THE ACCOUNTS

	Other	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000	£'000
21 Provision for liabilities				
Consolidated				
At 1 August 2021	448	2,124	38	2,610
Utilised in year	-	(297)	-	(297)
Additions in year	-	(58)	-	(58)
At 31 July 2022	448	1,769	38	2,255

The other provision of £448K relates to a potential repayment of European Funds (ESF) in relation to one of the subsidiaries' overhead recovery methodology.

The pension enhancements provision relates to staff in both the University and its subsidiaries who have already left employment and commitments for reorganisation costs at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular.

The Pension rectification provision is a potential liability on the University's in-house pension scheme.

	Pension enhancements on termination	Pension scheme rectification	Total provisions
	£'000	£'000	£'000
Provision for liabilities			
University			
At 1 August 2021	1,073	38	1,111
Utilised in year	(212)	-	(212)
Additions in year	-	-	-
At 31 July 2022	861	38	899

The pension enhancements and the pension rectification provisions are as previously stated

NOTES TO THE ACCOUNTS

	Unrestricted permanent endowment £'000	Restricted permanent endowment £'000	Restricted expendable endowment £'000	2022 Total £'000	2021 Total £'000
22 Endowment funds					
Consolidated					
Restricted net assets relating to endowments are as follows:					
Balance at 1 August					
Capital	1,157	5,387	25	6,569	5,409
Accumulated income	45	2,425	-	2,470	2,264
	1,202	7,812	25	9,039	7,673
New endowments	1,343	-	-	1,343	-
Investment income	1	299	-	300	224
Expenditure	-	(269)	-	(269)	(22)
Increase/(decrease) in market value of investments	4	(121)	-	(117)	1,164
Total endowment comprehensive income for the year	1,348	(91)	-	1,257	1,366
Balance at 31 July	2,550	7,721	25	10,296	9,039
Represented by:					
Capital	2,500	5,266	25	7,791	6,569
Accumulated income	50	2,455	-	2,505	2,470
	2,550	7,721	25	10,296	9,039
Analysis by type of purpose:					
Lectureships	-	4,146	-	4,146	4,146
Fellowships, scholarships and prize funds	23	1,830	25	1,878	1,878
General	2,527	1,745	-	4,272	3,015
	2,550	7,721	25	10,296	9,039
Analysis by asset					
Investments	25	5,715	25	5,765	5,882
Cash	2,525	2,101	-	4,626	3,249
Creditors	-	(95)	-	(95)	(92)
	2,550	7,721	25	10,296	9,039

NOTES TO THE ACCOUNTS

	Unrestricted permanent endowment £'000	Restricted permanent endowment £'000	2022 Total £'000	2021 Total £'000
22 Endowment funds (continued)				
University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August				
Capital	1,027	5,221	6,248	5,013
Accumulated income	2	2,340	2,342	2,220
	1,029	7,561	8,590	7,233
New endowments	1,343	-	1,343	-
Investment income	1	299	300	224
Expenditure	-	(269)	(269)	(22)
Increase/(decrease) in market value of investments	-	(121)	(121)	1,155
Total endowment comprehensive income for the year	1,344	(91)	1,253	1,357
Balance at 31 July	2,373	7,470	9,843	8,590
Represented by:				
Capital	2,370	5,101	7,471	6,168
Accumulated income	3	2,369	2,372	2,422
	2,373	7,470	9,843	8,590
Analysis by type of purpose:				
Lectureships	-	3,995	3,995	4,146
Fellowships, scholarships and prize funds	-	1,807	1,807	1,794
General	2,373	1,668	4,041	2,650
	2,373	7,470	9,843	8,590
Analysis by asset				
Investments	25	5,711	5,736	5,856
Cash	2,348	1,854	4,202	2,826
Creditors	-	(95)	(95)	(92)
	2,373	7,470	9,843	8,590
	Year ended 31 July 2022	Year ended 31 July 2021		
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
23 Capital and other commitments				
Provision has not been made for the following capital commitments at 31 July 2022				
Commitments contracted for	-	-	-	-
Commitments authorised	23,067	23,067	-	-
	23,067	23,067	-	-

NOTES TO THE ACCOUNTS

	Land and buildings £'000	At 31 July 2022 Other leases £'000	Total £'000	At 31 July 2021 Total £'000
24 Lease obligations				
Consolidated				
Total rentals payable under operating leases:				
Payable during the year	2,106	187	2,293	2,190
Future minimum lease payments due:				
Not later than 1 year	2,581	90	2,671	2,086
Later than 1 year and not later 5 years	3,483	139	3,622	3,929
Greater than 5 years	3,236	-	3,236	1,858
Total lease payments due	9,300	229	9,529	7,873
University				
Total rentals payable under operating leases:				
Payable during the year	2,071	33	2,104	2,008
Future minimum lease payments due:				
Not later than 1 year	2,551	33	2,584	1,997
Later than 1 year and not later 5 years	3,467	27	3,494	3,810
Greater than 5 years	3,236	-	3,236	1,858
Total lease payments due	9,254	60	9,314	7,665
25 Subsidiary undertakings				
Company	Principal Activity	Status		
Eclectica Drindod Limited	Deliver third mission activity	TUC sole member		
Trinity College	Hold endowment assets	TUC sole trustee		
Trinity University College (TUC)	Dormant	UWTSD sole member		
UWTSD Investments Limited	Commercial activities	100% owned		
Y Ganolfan Dysgu Cymraeg	Delivery of Welsh for Adults	UWTSD sole member		
Genedlaethol	programme			
UWTSD Learning Centres Limited	Dormant	100% owned		
Mentrau Creadigol Cymru	Operation of Yr Egin activities	100% owned		
Tidal Lagoon Academy Ltd	Dormant	100% owned		
Welsh American Academy Enterprises Limited	Dormant	100% owned		
Inspire (UWTSD) Limited	Dormant	100% owned		
Swansea Business School Limited	Dormant	100% owned		
Coleg Sir Gar	Further education	100% owned		
Coleg Ceredigion	Further education	100% owned		
UW Centre for Advance Batch Manufacture Limited	Commercial and research activities	51% owned		

The minority interest in UW Centre for Advance Batch Manufacture Limited is held in University of Wales. 51% of the surplus or deficit for each accounting period is recognised in these financial statements with 49% being recognised in the financial statements of University of Wales

NOTES TO THE ACCOUNTS

26 Related Parties

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 is deemed a related party in that it has key management personnel in common with the University

Balances: Receivables £3,829 (2021: £2,433), Payables £1,229,253 (2021: £nil)

Total income £43,402 (2021: £17), Total expenditure £846,601 (2021: £115,087)

University of Wales Press is a wholly owned subsidiary of the University of Wales

Balances: Receivables £nil (2021: £nil), Payables £37,529 (2021: £nil)

Total income £nil (2021: £nil), Total expenditure £37,529 (2021: £1,580)

OSTC Trinity St David LLP is deemed a related party in that the UWTSD Investments Limited (a wholly owned subsidiary of the University) is a partner in it and has significant influence over it. The balance below represents an unsecured loan, for which more details are provided in note 14

Balances: Receivables £485,268 (2021: £438,246), Payables £nil (2021: £nil)

Total income £18,952 (2021: £17,268), Total expenditure £nil (2021: £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 7

NOTES TO THE ACCOUNTS

27 Pension schemes

There are five pension schemes in operation via the Group for its staff: the Teachers' Pension Scheme (TPS) for academic staff and Universities Superannuation Scheme (USS) for academic and support staff and all staff appointed after 18 November 2010, the Dyfed Pension Fund (LGSS), the Swansea Pension Fund (LGPS) and the University of Wales Lampeter Pension and Assurance Scheme (UWLPS) for support staff.

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.

The total pension costs included in the consolidated accounts are:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Staff costs				
TPS contributions				
University of Wales: Trinity Saint David	1,148	1,148	1,276	1,276
Coleg Sir Gar	2,216	-	2,097	-
Coleg Ceredigion		-	429	-
USS contributions				
University of Wales: Trinity Saint David	6,223	6,223	5,125	5,125
Local Government contributions				
University of Wales Trinity Saint David	1,962	1,962	1,970	1,970
Coleg Sir Gar	1,454	-	1,310	-
Coleg Ceredigion	229	-	215	-
In House Scheme				
University of Wales Trinity Saint David	319	319	334	334
Other pension adjustments				
University of Wales Trinity Saint David				
Movement on USS provision	23,271	23,271	2,618	2,618
Service costs				
Coleg Sir Gar	2,353	-	2,220	-
Coleg Ceredigion	371	-	405	-
Restructuring Provision				
University of Wales Trinity Saint David	-	-	-	-
Coleg Sir Gar	(78)	-	45	-
Coleg Ceredigion	(23)	-	24	-
Total Pension costs per note 7	39,445	32,923	18,068	11,323
Interest Costs				
Local Government – University	422	422	526	526
Local Government – Coleg Sir Gar	433	-	470	-
Local Government – Coleg Ceredigion	67	-	81	-
In House Scheme – University	51	51	96	96
USS – University	115	115	76	76
Total Pension interest cost per note 7	1,088	588	1,249	698

NOTES TO THE ACCOUNTS

27 Pension schemes (continued)

The pension liability disclosed in the balance sheet is summarised as follows:

	Year ended 31 July 2022		Year ended 31 July 2021	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
In House Scheme				
University of Wales: Trinity Saint David	-	-	3,329	3,329
USS Pension Scheme				
University of Wales: Trinity Saint David	36,551	36,551	13,166	13,166
Local Government Schemes				
University of Wales: Trinity Saint David	-	-	14,510	14,510
University of Wales: Trinity Saint David	2,224	2,224	11,497	11,497
Coleg Sir Gar	8,214	-	27,681	-
Coleg Ceredigion	824	-	4,353	-
Liability at 31 July	47,813	38,775	74,536	42,502

The In House scheme and Local Government Scheme (Swansea) are in a technical surplus position at 31st July 2022. The University does not recognise pension assets and the balances are stated at nil.

This has reduced the actuarial gain recognised in the Statement of Comprehensive Income as shown below

	FRS102	Recognised	FRS 102	Recognised
	Actuarial	Actuarial Gain	(Liability)/Asset	(Liability)/Asset
	Gain			
	£'000	£'000	£'000	£'000
In House Scheme	4,345	3,214	1,131	-
Local Government Scheme (Swansea)	18,560	14,690	3,870	-
Local Government Scheme (Dyfed)	9,914	9,914	(2,224)	(2,224)
Total (University)	32,819	27,818	2,777	(2,224)

The Local Government schemes recognised in Coleg Sir Gar and Coleg Ceredigion remain in a deficit position at 31 July 2022 with no restriction in the actuarial gain posted for these liabilities.

LGPS**Dyfed Scheme**

Certain employees are members of the Dyfed Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary.

A full actuarial valuation of the scheme was carried out as at 31 March 2019 by a qualified independent actuary. The major assumptions used by the actuary were:

	2019 Valuation	2016 Valuation
	%	%
Rate of increase in pensionable pay	3.9	3.7
Rate of increase in pensions in payment	2.4	2.2
Discount rate		
- in service	4.1	4.4
- left service	4.1	4.4
Inflation assumptions	2.4	2.2

The valuation states that the market value of the assets held at the valuation date amounted to £2,576 million and the present value of the scheme liabilities was £2,444 million. Representing a funding level of 105% and a surplus of £1,322 million.

The employer contribution rate was 22% during the year

NOTES TO THE ACCOUNTS

LGPS (continued)**Dyfed Scheme (continued)****FRS102 disclosure**

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2019 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2022. The projected unit method was used.

	2022	2021
	%	%
Rate of increase in salaries	4.2	4.1
Rate of increase in pensions	2.8	2.7
Discount rate	3.5	1.6
Rate of inflation	2.7	2.6

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below.

	2022	2021
Males		
Future lifetime from age 65 (currently aged 65)	23.0	23.1
Future lifetime from age 65 (currently aged 45)	24.4	24.7
Females		
Future lifetime from age 65 (currently aged 65)	24.9	25.0
Future lifetime from age 65 (currently aged 45)	27.1	27.2

	Split at 31 July 2022	Split at 31 July 2021
	%	%
Split of scheme assets		
Equities	70.4	75.0
Government Bonds	1.4	1.8
Other Bonds	7.3	8.2
Property	15.8	10.4
Cash/liquidity	5.1	4.6
	100	100

LGPS Dyfed Scheme – University of Wales: Trinity Saint David

The following amounts at 31 July 2022 and 31 July 2021 were measured in accordance with the requirements of FRS102.

	31 July 2022	31 July 2021
	£'000	£'000
Fair value of assets	27,371	27,685
Present value of scheme liabilities	(29,595)	(39,182)
Deficit in the scheme	(2,224)	(11,497)

	31 July 2022	31 July 2021
	£'000	£'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(883)	(895)
Past service cost	-	-
Administration expenses	(8)	(8)
Curtailment	-	-
Total operating charge	(891)	(903)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – University of Wales: Trinity Saint David (continued)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of finance income and charges		
Expected return on assets	442	364
Interest on pension liabilities	(624)	(580)
Net finance cost	(182)	(216)

	31 July 2022 £'000	31 July 2021 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	(691)	4,563
Effects of changes in assumptions underlying the present value of scheme liabilities	10,605	(1,669)
	9,914	2,894

	31 July 2022 £'000	31 July 2021 £'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(11,497)	(13,734)
Current service cost	(891)	(903)
Contributions paid by the employer	432	462
Net finance cost	(182)	(216)
Actuarial gain/(loss)	9,914	2,894
Deficit in scheme at the end of the year	(2,224)	(11,497)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(39,182)	(36,494)
Current service cost	(883)	(895)
Past service cost	-	-
Interest cost	(624)	(580)
Member contributions	(131)	(140)
Actuarial gain/(losses)	10,605	(1,669)
Curtailment	-	-
Benefits paid	620	596
At 31 July	(29,595)	(39,182)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of the movement in the present value of the scheme assets		
At 1 August	27,685	22,760
Expected rate of return on scheme assets	442	364
Re measurement gains on assets	(691)	4,563
Administration expenses	(8)	(8)
Employer contributions	432	462
Members contributions	131	140
Benefits paid	(620)	(596)
At 31 July	27,371	27,685

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Sir Gar**

The following amounts at 31 July 2022 and 31 July 2021 were measured in accordance with the requirements of FRS102

	31 July 2022 £'000	31 July 2021 £'000
Fair value of assets	54,837	54,821
Present value of scheme liabilities	(63,051)	(82,502)
Deficit in the scheme	(8,214)	(27,681)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(3,403)	(3,090)
Past service cost	-	-
Administration expenses	(29)	(28)
Curtailment	-	-
Total operating charge	(3,432)	(3,118)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of finance income and charges		
Expected return on assets	881	729
Interest on pension liabilities	(1,314)	(1,199)
Net finance cost	(433)	(470)

	31 July 2022 £'000	31 July 2021 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	(1,376)	8,175
Effects of changes in assumptions underlying the present value of scheme liabilities	23,196	(3,549)
	21,820	4,626

	31 July 2022 £'000	31 July 2021 £'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(27,681)	(30,087)
Operating cost	(3,432)	(3,118)
Contributions paid by the employer	1,512	1,368
Net finance cost	(433)	(470)
Actuarial gain/(loss)	21,820	4,626
Deficit in scheme at the end of the year	(8,214)	(27,681)

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Sir Gar (continued)**

	31 July 2022	31 July 2021
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(82,502)	(75,281)
Current service cost	(3,403)	(3,090)
Past service cost	-	-
Interest cost	(1,314)	(1,199)
Member contributions	(454)	(446)
Actuarial gain/(losses)	23,196	(3,549)
Curtailment	-	-
Benefits paid	1,426	1,063
At 31 July	(63,051)	(82,502)
Analysis of the movement in the present value of the scheme assets		
At 1 August	54,821	45,194
Expected rate of return on scheme assets	881	729
Re measurement gains on assets	(1,376)	8,175
Administration expenses	(29)	(28)
Employer contributions	1,512	1,368
Members contributions	454	446
Benefits paid	(1,426)	(1,063)
At 31 July	54,837	54,821

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Ceredigion**

The following amounts at 31 July 2022 and 31 July 2021 were measured in accordance with the requirements of FRS102

	31 July 2022 £'000	31 July 2021 £'000
Fair value of assets	12,282	12,504
Present value of scheme liabilities	(13,106)	(16,857)
Deficit in the scheme	(824)	(4,353)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(530)	(536)
Past service cost	-	-
Administration expenses	(5)	(5)
Curtailment	-	-
Total operating charge	(535)	(541)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of finance income and charges		
Expected return on assets	199	167
Interest on pension liabilities	(266)	(248)
Net finance cost	(67)	(81)

	31 July 2022 £'000	31 July 2021 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	199	167
Effects of changes in assumptions underlying the present value of scheme liabilities	3,701	1,084
	3,900	1,251

	31 July 2022 £'000	31 July 2021 £'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(4,353)	(5,199)
Operating cost	(535)	(541)
Contributions paid by the employer	231	217
Net finance cost	(67)	(81)
Actuarial gain/(loss)	3,900	1,251
Deficit in scheme at the end of the year	(824)	(4,353)

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Ceredigion (continued)**

	31 July 2022	31 July 2021
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(16,857)	(15,663)
Current service cost	(530)	(536)
Past service cost	-	-
Interest cost	(266)	(248)
Member contributions	(69)	(75)
Actuarial gain/(losses)	4,211	(627)
Curtailment	-	-
Benefits paid	405	292
At 31 July	(13,106)	(16,857)
Analysis of the movement in the present value of the scheme assets		
At 1 August	12,504	10,464
Expected rate of return on scheme assets	199	167
Re measurement gains on assets	(311)	1,878
Administration expenses	231	(5)
Employer contributions	(5)	217
Members contributions	69	75
Benefits paid	(405)	(292)
At 31 July	12,282	12,504

NOTES TO THE ACCOUNTS

LGPS

Swansea Scheme

Certain employees are members of the City and County of Swansea Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary. The latest actuarial valuation was undertaken at 31 March 2019 by independent actuaries.

The actuarial valuation of the scheme is based on the projected unit method and the principal assumptions made by the actuaries were:

	2019 Valuation	2016 Valuation
	%	%
Rate of increase in pensionable pay	3.6	3.5
Rate of increase in pensions in payment	2.1	2.0
Discount rate:		
- in service	4.25	4.6
- left service	1.6	4.6
Inflation assumptions	2.1	2.0

The valuation states that the market value of the assets held at the valuation date amounted to £2,044 million and the present value of the scheme liabilities was £2,103 million. Representing a funding level of 98% and a deficit of £59 million.

The employer contribution rate is 37.1% plus an annual deficit contribution of £544,600 payable from April 2021 to March 2022 rising to 37.1% and £640,800 in for the period April 2022 to March 2023

The independent actuary bases the expected salary increases in the model on the CPI figure from the previous September. During the period of September 2021 to July 2022 the UK inflation rate has risen rapidly leading to a c.9% increase in the CPI index between these dates.

The actuary has recognised an experience item in their valuation at 31st July 2022 in respect of expected increases to pensions which are due to be granted at 1 April 2023, based on the 2023 Pension Increase Order.

The recognition of the increased inflation rate has decreased the surplus reported under FRS102 by £2.2 million. As the University has not recognised the surplus there is no impact to the reported actuarial gain in the statement of comprehensive income

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2019 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2022. The projected unit method was used.

	2022	2021
	%	%
Rate of increase in salaries	4.1	4.1
Rate of increase in pensions	2.6	2.6
Discount rate	3.5	1.7
Rate of inflation	2.6	2.6

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2022	2021
Males		
Future lifetime from age 65 (currently aged 65)	22.1	22.3
Future lifetime from age 65 (currently aged 45)	23.2	23.3
Females		
Future lifetime from age 65 (currently aged 65)	24.2	24.3
Future lifetime from age 65 (currently aged 45)	25.7	25.8

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales: Trinity Saint David (continued)

	Split at 31 July 2022 %	Split at 31 July 2021 %
Split of scheme assets		
Equities	78.0	78.4
Government Bonds	3.4	3.9
Other Bonds	0.6	7.1
Property	3.7	3.7
Cash/liquidity	1.1	1.7
Other*	13.2	5.2
	100	100

*Other holdings include hedge funds, currency holdings, asset allocation futures and other. The actuary has assumed this year that these will get a return in line with equities.

The following amounts at 31 July 2022 and 31 July 2021 were measured in accordance with the requirements of FRS102

	31 July 2022 £'000	31 July 2021 £'000
Fair value of assets	47,350	45,200
Present value of scheme liabilities	(43,480)	(59,710)
Deficit in the scheme	3,870	(14,510)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	1,480	1,510
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	1,480	1,510

	31 July 2022 £'000	31 July 2021 £'000
Analysis of finance income and charges		
Expected return on assets	770	510
Interest on pension liabilities	(1,010)	(200)
Net finance cost	(240)	310

	31 July 2022 £'000	31 July 2021 £'000
Amount recognised in other comprehensive income		
Difference between actual and expected return on scheme assets	870	8,220
Effects of changes in assumptions underlying the present value of scheme liabilities	17,690	800
	18,560	9,020

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales: Trinity Saint David (continued)

	31 July 2022	31 July 2021
	£'000	£'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(14,510)	(23,230)
Current service cost	(1,480)	(1,510)
Contributions paid by the employer	1,540	1,520
Net finance cost	(240)	(310)
Actuarial gain/(loss)	18,560	9,020
Deficit in scheme at the end of the year	3,870	(14,510)

	31 July 2022	31 July 2021
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(59,710)	(59,020)
Current service cost	(1,480)	(1,510)
Past service cost	-	-
Interest cost	(1,010)	(820)
Member contributions	(170)	(170)
Actuarial gain/(losses)	17,690	800
Curtailment	-	-
Benefits paid	1,200	1,010
At 31 July	(43,480)	(59,710)

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

	31 July 2022	31 July 2021
	£'000	£'000
At 1 August	45,200	35,790
Expected rate of return on scheme assets	770	510
Re measurement gains on assets	870	8,220
Administration expenses	-	-
Employer contributions	1,540	1,520
Members contributions	170	170
Benefits paid	(1,200)	(1,010)
At 31 July	47,350	45,200

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAAS)

The University sponsors the University of Wales, Lampeter Pension & Assurance Scheme which is a defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation. One-third of the trustees are nominated by the members of the scheme, at least one of the member nominated trustees must be a pensioner member.

A full actuarial valuation was carried out as at 31 July 2017, the results have been updated to 31 July 2020 by a qualified actuary, independent of the plan's sponsoring employer.

The results of the 31 July 2017 valuation showed a deficit of £1,981,000. The University has agreed with the trustees that it would aim to eliminate the deficit over a period of 10 years from 1 August 2017 by the payment of monthly contributions of £10,017 from 1st August 2018 to 31st July 2019 and then £20,583 from 1st August 2019, increasing at 3% per annum in respect of the deficit. In addition and in accordance with the actuarial valuation, the University has agreed with the trustees that it will pay 25.3% of pensionable earnings in respect of the cost of accruing benefits. The University will also meet expenses of the scheme and levies to the Pension Protection Fund, insurance premiums for death in service and all management and administration expenses. Member contributions are payable at the rate of 6.25% of pensionable service.

The material assumptions used by the actuary as at 31 July 2022 and for the comparative period, were as follows:

	2022	2021
	%	%
Rate of increase in salaries	4.1	4.3
Rate of increase in pensions in payment	2.6	2.8
Revaluation rate for deferred pensions	2.5	2.5
Discount rate	3.5	1.6
Rate of inflation	2.2	2.4
Allowance for commutation of pension for cash at retirement	Maximum allowed	Maximum allowed

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

	2022	2021
Males retiring at age 65 in 2020	21.0 years	20.9 years
Females retiring at age 65 in 2020	22.9 years	22.9 years
Males retiring at age 65 in 2040	22.3 years	22.3 years
Females retiring at age 65 in 2040	24.5 years	24.4 years

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPS) (continued)

	Split at 31 July 2022 %	Split at 31 July 2021 %
Split of scheme assets		
Equities	40.9	39.6
Bonds	48.6	50.3
Other	10.5	10.1
	100	100

The following amounts at 31 July 2020, 31 July 2019 and at 31 July 2018 were measured in accordance with the requirements of FRS102

	31 July 2022 £'000	31 July 2021 £'000
Fair value of assets	21,488	23,809
Present value of scheme liabilities	(19,610)	(27,138)
Deficit in the scheme	1,878	(3,329)
Effect of asset ceiling	(747)	-
Surplus/(Deficit) in the scheme	1,131	(3,329)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of amount charged in Statement of Comprehensive Income		
Current service cost	(152)	(151)
Past service cost	-	-
Administration expenses	-	-
Curtailment	-	-
Total operating charge	(152)	(151)

	31 July 2022 £'000	31 July 2021 £'000
Analysis of finance income and charges		
Expected rate of return on scheme assets	379	326
Interest on pension liabilities	(430)	(422)
Net finance cost	(51)	(96)

	31 July 2022 £'000	31 July 2021 £'000
Amount recognised in other comprehensive income		
Return on plan assets – gain	(2,481)	1,890
Experienced gains/(losses) arising on plan liabilities	(717)	1,042
Change in financial and demographic assumptions underlying the plan	8,290	157
Effect of asset ceiling	(747)	-
Total loss recognised in the statement of comprehensive income	4,345	3,089

NOTES TO THE ACCOUNTS**University of Wales Lampeter Pension and Assurance Scheme (UWLPS) (continued)**

	31 July 2022	31 July 2021
	£'000	£'000
Movement in scheme at beginning of the year		
Deficit in scheme at beginning of the year	(3,329)	(6,511)
Current service cost	(152)	(151)
Contributions paid by the employer	318	340
Net finance cost	(51)	(96)
Expenses	-	-
Losses due to benefit changes	-	-
Actuarial gain/(loss)	4,345	3,089
Deficit in scheme at the end of the year	1,131	(3,329)

	31 July 2022	31 July 2021
	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities		
At 1 August	(27,138)	(28,457)
Current service cost	(152)	(151)
Past service cost	-	-
Interest cost	(430)	(422)
Member contributions	(22)	(19)
Actuarial gain/(losses)	7,573	1,199
Curtailment	-	-
Benefits paid	559	712
Expenses	-	-
Losses due to benefit changes	-	-
At 31 July	(19,610)	(27,138)

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

	23,809	21,946
At 1 August	379	326
Expected rate of return on scheme assets	(2,481)	1,890
Re measurement gains on assets	-	-
Administration expenses	318	340
Employer contributions	22	19
Members contributions	(559)	(712)
Benefits paid	21,488	23,809
At 31 July		

NOTES TO THE ACCOUNTS

Teachers' Pension Scheme

This report sets out the results of the actuarial valuation of the combination of the Teachers' Pension Scheme ('pre 2015 Scheme') 6 and the 2015 Teachers' Pension Scheme ('2015 Scheme') 7 (Teachers' Pension Scheme or 'the Scheme'). The Scheme provides pensions and other benefits to teachers who have worked in schools or other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates based on pay and as specified in the regulations

The latest actuarial valuation of the scheme was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014. The Government Actuary (GA) reported on the valuation of the Teachers' Pension Scheme on 9 June 2014. The GA concluded that:

- at the date of the valuation, the liabilities in the scheme were £196.1 bn and the value of the assets was £218.1 bn giving a notional past service deficit of £22 bn;
- the total recommended rate of contribution payable by employers from 1 September 2019 is 23.6 % (previously 16.4%) of salary; and

The financial assumptions adopted for the current valuation and, for comparison, those adopted for the 2012 valuation, are shown below:

Last actuarial valuation	31 March 2016	31 March 2012
Actuarial method	Prospective benefits	Prospective benefits
Discount rate		
- Real	2.40%	3.00%
- Nominal	4.45%	5.06%
Pensions increases	2.00%	2.00%
Long term salary growth	4.20%	4.75%
- In excess of assumed	2.20%	2.75%

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme.

The TPS is unable to provide for the University an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption of FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University has set out above the information on the scheme and the implication for the University in terms of the anticipated contribution rates.

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.

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £6,223k (2021: £5,125k) including PensionChoice, but excluding the impact of the change in the deficit recovery plan.

Deficit recovery contributions due within one year for the institution are £2,291k (2021: £1,694k)

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.

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 to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £66.5 billion and the value of the scheme's technical provisions was £80.6 billion indicating a shortfall of £14.1 billion 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-fundingprinciples).

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

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, an initial addition of 0.5% p.a. and a long-term improvement rate of 1.8% p.a. for males and 1.6% p.a. for females 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:

	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

NOTES TO THE ACCOUNTS

USS (continued)

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:

	2022	2021	2020
Discount rate	3.31%	0.87%	0.73%
Pension growth (CPI)	2.6%	2.08%	2.08%

The employers contribution rates are as follows:

Effective date	Rate
1 October 2019 to 30 September 2021	21.10%
1 October 2021 to 31 March 2022	21.40%
1 April 2022 to 31 March 2024	21.60%
1 April 2024 to 30 April 2038	21.40%

The deficit provision recognised by the University is highly 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	(1,439)
0.5% increase in discount rate	1,523
0.5% pa increase in salary inflation over duration	1,507
0.5% increase in salary inflation in year 1 only	174
0.5% pa increase in staff changes over duration	1,548
0.5% decrease to contribution rate over duration	(2,606)

28 Events after the reporting period

There have been no material events in the period between 31st July 2022 and the signing of the accounts on the 24th November 2022.

Accounts

**University of Wales:
Trinity Saint David**

Charity number: **1149535**

**Consolidated Financial Statements
For the year ended 31 July 2021**

CONTENTS

	Pages
Members	1
Administration details and professional advisors	2
Introduction by the Vice-Chancellor and the Chair of Council	4
Operating and financial review	6
Statement of corporate governance	25
Independent auditor's report to the council of University of Wales: Trinity Saint David	32 - 35
Consolidated and University statements of comprehensive income	36
Consolidated and University statements of changes in reserves	37
Consolidated and University statements of financial position	38
Consolidated statement of cash flows	39
Statement of accounting policies	40 - 46
Notes to the accounts	47 - 79

MEMBERS AND EXTERNAL ADVISORS

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.

The Venerable Randolph Thomas (Chair) – independent (100%)

Prof Medwin Hughes (Vice-Chancellor) – executive (100%)

Maria Stedman – independent (100%)

Eifion Griffiths – independent (100%)

Andrew Curl – independent (100%)

Pam Berry – independent (100%)

Tony Ball – independent (100%)

Margaret Evans – independent (100%)

Arwel Ellis Owen – independent (83%)

Dr Liz Siberry – independent (100%)

Siân Eirian – independent (Resigned 1.3.2021) (25%)

Eirlys Pritchard Jones – independent (Resigned 1.9.2020)

Rowland Jones – independent (83%)

Geraint Roberts – independent (100%)

Victoria Provis – independent (100%)

Justin Albert - independent (Appointed 1.10.2021)

Siwan Davies - independent (Appointed 1.10.2021)

Uzo Iwobi - independent (Appointed 1.10.2021)

Emlyn Schiavone - independent (Appointed 1.10.2021)

Tania Davies – staff (100%)

Andrew Gibson - staff (Resigned 31.12.2020) (100%)

Emma Hughes staff (Resigned 31.12.2020) (100%)

Dr Gareth Hughes staff (Resigned 31.12.2020) (100%)

Dr Conny Matera-Rogers – staff (Appointed 1.1.2021) (66%)

Matthew Peake – staff (Appointed 1.1.2021) (100%)

Dr Kerry Tudor – staff (Appointed 1.1.2021) (100%)

James Mills – student (Resigned 30.6.2021) (20%)

Georgia Thomas – student (Resigned 30.6.2021) (100%)

Vanessa Liverpool – student (Appointed 1.7.2021) (100%)

Liam Powell – student (Appointed 1.7.2021) (100%)

MEMBERS AND EXTERNAL ADVISORS

Administrative Details

Charity Number	1149535
Company Number	RC000537
Principal Office	Carmarthen Campus, College Road, Carmarthen, SA31 3EP

Professional Advisors

External Auditor	KPMG LLP	3 Assembly Square, Britannia Quay, Cardiff, CF10 4AX
Internal Auditor	Mazars LLP	90 Victoria Square, Bristol, BS1 6DP
Bankers	Barclays Bank Plc	
	HSBC Plc	
	Natwest Bank Plc	

Scope of the Financial Statements

The consolidated financial statements of University of Wales: Trinity Saint David consolidate the following entities:

- University of Wales: Trinity Saint David
- Trinity University College Limited
- Trinity College
- Eclectica Drindod Limited
- UWTSD Learning Centres Limited
- UWTSD Investments Limited
- Y Ganolfan Dysgu Cymraeg Genedlaethol
- Coleg Sir Gar
- Coleg Ceredigion
- Mentrau Creadigol Cymru
- UW Centre for Advance Batch Manufacture Limited
- OSTC Trinity St David LLP (Joint Venture)
- UWTSD Innovation Centres Limited
- Swansea Business School Limited
- Isustain (UWTSD) Limited

MEMBERS AND EXTERNAL ADVISORS

Legal Status

University of Wales: Trinity Saint David (UWTSD) is incorporated by Royal Charter. The most recent version of its constitution is the Supplemental Charter which was sealed by the Privy Council on 28 September 2012, following the constitutional merger with Swansea Metropolitan University.

Trinity University College Limited (TUC) is deemed to be controlled by UWTSD, as UWTSD is its sole member.

Trinity College incorporates the original endowment of 1848 and, as an education charity, embodies the assets of both land and buildings together with any charitable monies which have accrued to the charity. There is no direct ownership link between UWTSD and Trinity College. However, it is deemed to be controlled by UWTSD by virtue of the fact that TUC is the sole trustee.

Eclectica Drindod is a private company limited by guarantee with no share capital, established to undertake a role that more effectively delivers Third Mission activity for UWTSD. Eclectica Drindod is deemed to be controlled by UWTSD as TUC (whose sole member is UWTSD) is its sole member and has the power to appoint directors.

UWTSD Learning Centres Limited is a wholly owned subsidiary of UWTSD.

UWTSD Investments Limited is a wholly owned subsidiary of UWTSD.

Y Ganolfan Dysgu Cymraeg Genedlaethol is a private company limited by guarantee with no share capital. It undertakes the setting of the national strategic direction for the Welsh for Adults sector, providing leadership to Welsh for Adults providers. UWTSD is the sole member of the company.

Coleg Sir Gar is a private company limited by guarantee with no share capital, which undertakes the provision of further education and higher education. UWTSD is the sole member of the company.

Coleg Ceredigion is a private company limited by guarantee with no share capital, which undertakes the provision of further education. Coleg Sir Gar is the sole member of the company and it is deemed to be controlled by UWTSD as the sole member of Coleg Sir Gar.

Mentrau Creadigol Cymru Limited is a wholly owned subsidiary of UWTSD. It was established to operate a digital media centre at Canolfan S4C Yr Egin, adjacent to the University's campus in Carmarthen. Construction of the centre was completed during the year to 31st July 2019.

UW Centre for Advanced Batch Manufacture Limited, is a private company, the University has a 51% controlling interest in the company with University of Wales holding the remaining 49%.

OSTC Trinity St David LLP, is a limited liability partnership, the University has a 50% stake in the entity with the other 50% owned by OSTC limited.

UWTSD Innovation Centres Limited is a wholly owned subsidiary of UWTSD and did not trade during the year.

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 39.

INTRODUCTION BY THE VICE-CHANCELLOR AND THE CHAIR OF COUNCIL

We are pleased to introduce the Financial Operating Statement for 2020-2021 and to highlight the significant work that has been undertaken by the University of Wales Trinity Saint David in meeting the objectives of its Strategic Plan as we continued to manage the Coronavirus context across our campuses and locations.

The impact of the pandemic has been far reaching, exacerbating the numerous inequalities in our communities, and changing the way in which we live, work and study. The rapid advancement of technologies, automation, and digitisation, in part because of the pandemic, has transformed how our workplaces operate and the types of jobs that will be available in future. In rebuilding our society, our universities, working with government and key stakeholders, are playing a vital role in supporting economic recovery by upskilling and reskilling the workforce and enabling individuals to gain employment in new and emerging sector priority areas. The collective strength of our higher and further education sector aims to enable individuals to have access to the right skills, in the right locations and creates an infrastructure to promote life-long learning opportunities so that people are supported in securing and retaining employment in the future.

The University was pleased to receive part of a £27million Higher Education Investment and Recovery (HEIR) fund established by the Welsh Government and managed by the Higher Education Funding Council for Wales (HEFCW). Its aim is to support universities across Wales to maintain vital capacity, support civic mission and aid economic recovery in the context of COVID-19. Specifically, HEIR assists universities to maintain jobs in teaching, research and student services as well as invest in projects to support the wider economic recovery. UWTSD received financial support to work with the University of South Wales (USW) on several initiatives. These included reskilling and upskilling businesses and enterprises to facilitate the adoption of new technologies and aid product and service innovation. It also enabled both universities to collaborate on the development of a joint Employer Task Force, the provision of higher technical skills, graduate enterprise and a community skills action plan. The funding supported the work of the Wales Institute of Digital Information (WIDI), a joint initiative between UWTSD and USW and Digital Health Care Wales to apply innovative technology to enhance digital workforce development and sector relevant research in health and care, as well as blue light and third sector organisations. In addition, HEIR supported the establishment of a pan-Wales Learning and Teaching network involving universities in Wales, Students' Unions, Coleg Cymraeg Cenedlaethol, NUS Wales and the Quality Assurance Agency in supporting the digital transformation of the curriculum and student experience.

The health and wellbeing of our community – staff, students and members of the public living and working near to our campuses – have been our priority in planning our response to the pandemic from the beginning. Like all universities, UWTSD, in liaison with the Welsh Government, the NHS and the higher education sector, put in place a range of measures to mitigate against spreading the Coronavirus.

Staff and students continued to lend their expertise, innovation, and resources to assist the healthcare sector and their communities during this crisis. Our researchers and engineers worked on the design and development of ventilators, and even provided the blueprints for a highly efficient 3D printed jet Venturi based respiratory support system to assist a hospital in Nepal.

The University continue to respond to this crisis by bringing academic and professional teams to work closely together to safeguard and maintain the student and staff experience.

The wellbeing of students and staff was a central theme in our planning throughout the year. The University offered a wide range of support packages for our students, from online study support, mental health and counselling services to student bursary and hardship schemes, including a digital connectivity bursary. We received funding from HEFCW to bolster our mental health services and student financial hardship funds which provided additional support for students more likely to be affected by the pandemic, disabled students, and

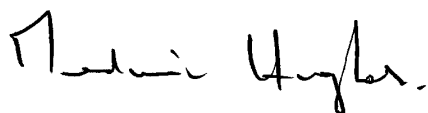
INTRODUCTION BY THE VICE-CHANCELLOR AND THE CHAIR OF COUNCIL

those with caring responsibilities, including helping to address digital poverty. The funding also assisted in the provision of support services for students required to self-isolate either in our own hostels or in private accommodation.

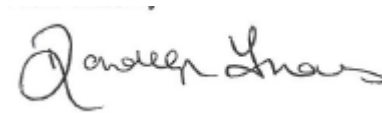
During the year, the University established the Equalities and Wellbeing Board to oversee the Student Health and Wellbeing Strategy and the Strategic Equality Plan. We are pleased to report substantial developments across the University in supporting inclusivity and wellbeing. Such developments included initiatives related to the 'inclusive campus', wellbeing sessions as part of the annual Learning and Teaching Conference, new mental health resources for staff and managers, student mental health awareness bulletins, and the development of a staff wellbeing framework. In addition, UWTSB subscribed to Student Minds' Student Space and TogetherAll, an online mental health support hub, as well as the Connect project which encourages students to network with other students and staff who have been trained to provide low level wellbeing support.

Despite the many challenges in our operating environment during the year, the University community continued to move forward in delivering upon the key milestones of our strategic plan. Transformation is at the heart of that plan, building on the core values of our historic institutions and redefining those to reflect Wales' future needs. We look forward to celebrating our Bicentenary in 2022 which marks the birthplace of higher education in Wales.

We are grateful to the staff, students, and the members of the University's Governing Body for their continued and valued support.



Prof Medwin Hughes (Vice-Chancellor)



The Venerable Randolph Thomas (Chair)

OPERATING AND FINANCIAL REVIEW

Public benefit statement

The University is a registered charity and its charity number is 1149535.

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 objects of the University are set out in its Charter:

'to advance education and disseminate knowledge by teaching, scholarship and research for the public benefit, which includes but is not limited to: (a) The power to award and revoke degrees of any rank of the University and other distinctions... in its own name and/or dually or jointly with other education institutions; and (b) The provision and maintenance of a significant physical University presence in Swansea, Carmarthen, and Lampeter (or such other places as may be determined), which facilitates the objects of the University; and (c) The objects of the University shall have regard to the vocational, bilingual, and Anglican heritages of historical entities.'

Through our activities we promote:

Excellent teaching informed by scholarship and professional practice, and applied research that influences knowledge and policy in Wales and beyond.

Inclusivity, by removing barriers to participation and supporting people from all backgrounds and circumstances to fulfil their potential.

Employability and creativity, by offering educational programmes that develop entrepreneurial and creative skills, enabling learners to have the best opportunities to gain employment and to contribute to the prosperity of their communities.

Collaboration through strategic relationships, working with others to provide educational and commercial opportunities and to ensure that Wales is connected to the wider world.

Sustainable development, by behaving in a way which ensures that the needs of the present are met without compromising the ability of future generations to meet their own needs, and by systematically embedding this principle in our approach to teaching and learning.

The concept of global citizenship, through the development of multi-national activities and opportunities for our learners, staff and partners.

Wales and its distinctiveness, through embedding the goals of the *Well-Being of Future Generations (Wales) Act* in all of our activities, and by celebrating the vibrant culture, heritage and language of Wales. At the heart of the University's Strategic Plan is a commitment to all of its learners and specifically to Wales – to its culture, its heritage and its language, and to the prosperity and long-term health of its citizens. It recognises its local, national, international and civic role as a provider of higher education, and the responsibilities that it bears. As a reflection of this commitment, the seven goals and the five ways of working of the *Well-Being of Future Generations (Wales) Act 2015* have been placed at the core of planning, and its aspirations are closely aligned with those expressed by the Welsh Government in *Taking Wales Forward 2016-21*.

Key to the University's values are promoting social inclusion, increasing participation and making a positive impact on the economy, society and culture of Wales and beyond. The University's teaching and learning strategy and development of new learning centres demonstrates its approach to supporting learners to fulfil their potential, and contributing to social and economic requirements and the wider skills agenda. It addresses the Welsh Government's agenda outlined in *For our Future* and the priorities of the Higher

OPERATING AND FINANCIAL REVIEW

Education Funding Council for Wales. The University has developed strong links with local communities to assist with the development of new learning centres.

Objectives and Activities

Within the context of Wales, the University has a distinctive role to play within higher education. Its mission, educational character and academic portfolio attest to its strategic importance in furthering bilingualism and supporting the enhancement of the Welsh language and culture.

Mission

Transforming Education; Transforming Lives.

Vision

Our vision is to be a University for Wales, with a commitment to the well-being and heritage of the nation at the heart of all that we do. Central to our vision is the promotion and embedding of a dual-sector educational system which educates learners of all ages and backgrounds, and stimulates economic development in our region, across Wales and beyond.

Key Deliverables

In September 2017 the University launched a Strategic Plan for period 2017 to 2022. There are four strategic priorities for the planning period:

1. Putting learners first;
2. Maintaining excellence in teaching, scholarship and applied research;
3. Creation of opportunities through partnerships; and
4. Maintaining a University for Wales;

In addition, the Strategic Plan identifies seven key enablers to be achieved to support delivery of the strategic priorities. These are:

1. Maintaining financial security;
2. Supporting, encouraging and developing our people;
3. Improving our estates and infrastructure;
4. Maintaining good governance;
5. Providing effective leadership and management;
6. Promoting equality; and
7. Seeking continuous improvement.

Each of the strategic priorities and enablers has specific plans, measures of success and key performance indicators attached to it.

Institutional performance is systematically monitored against the 'measures of success' for the four strategic priorities set out in the University's Strategic Plan. Council's Resources and Performance Committee and Council itself receives an annual report on performance. Within the annual report each measure of success is split to show the target and 'actual' levels of performance, colour-coded to indicate whether they have been achieved or otherwise. Narrative information provides context and explanations where targets have not been achieved. The report for 2019/20, presented in 2020/21, showed good performance in the majority of areas.

On behalf of the Council, the Resources and Performance Committee also maintains oversight of performance against ten Key Performance Indicators (KPIs). Monitoring reports are provided at each meeting, with an annual assessment and narrative presented at the final meeting of each year. The 2020/21 assessment showed good or satisfactory performance in nine KPIs, with a weaker performance in one area.

OPERATING AND FINANCIAL REVIEW

Wherever possible performance is measured quantitatively using HESA or other externally-benchmarked and verified data

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

The University's commitment to equality and diversity is set out in its *Strategic Equality Plan 2016-20* and is consistent with its mission to Transform Education and Transform Lives. Inclusivity is one of its key planning themes; it is embedded within the curriculum and is aligned to the Welsh Government's Wellbeing of Future Generations Goal of a more equal Wales. 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.

INSPIRE (Institute for Sustainable Practice, Innovation and Resource Efficiency) has continued 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.

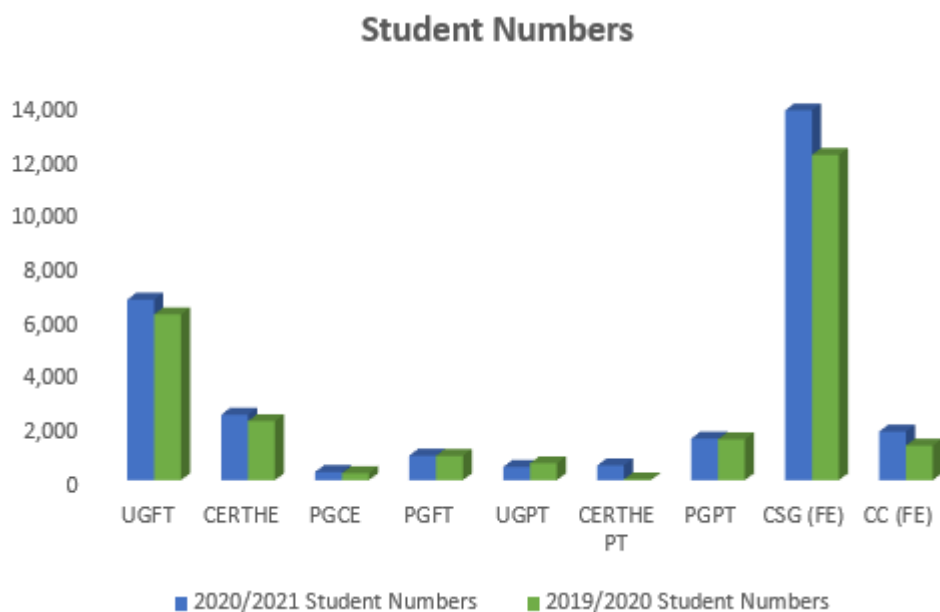
Tuition fees

In October 2021 the University published its Fee and Access Plan for 2021/22 with a full-time undergraduate tuition fee of £9,000. This level is consistent with the fee in 2021/222 and 2020/21

OPERATING AND FINANCIAL REVIEW

2020/21 Student Numbers

The table below show the make up of the University's student population.



The group saw students studying on undergraduate courses increase by 13%, post graduate courses by 3% and on further education courses by 16% in the year.

The University is committed to having a student body that is balanced and diverse in terms of background and experience, with all the educational and cultural benefits that this brings. It encourages applications from all those with the motivation and academic ability to thrive at its locations within the South West Wales region, at its London campus, Birmingham Learning Centre and other outreach centres, whatever their background.

Principal risks and uncertainties

The underlying principal risks and uncertainties faced by the University which remain consistent with previous years are as follows:

- Managing in year cash-flows, particularly in light of the impact of the timing of tuition fee payments upon cash balances held within the Group at any one point in time, notwithstanding that cash balances remain substantial at the year-end (£26.1million);
- In line with the above managing the cash-flows and net asset balance to meet the banking covenants set as part of the secured borrowing with HSBC bank;
- Home/EU student recruitment and retention given uncertain political and economic environments and demographic trends;
- Managing performance across all of the Group's complex and diverse entities and locations and harmonising activity where appropriate to deliver strategic gains; and
- Development of the Group Estates Strategy to support on-going integration and future development of the University.

Covid-19

The University, as is common across the Higher Education sector, continues to be 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 2020/2021 and 2019/2020 and will continue to have an impact into 2021/2022.

OPERATING AND FINANCIAL REVIEW

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 key risk facing the University in August 2020 was in how recruitment levels would compare to prior years, with an added variable of teacher assessed grades giving more unpredictability to the options open to students. The recruitment both in September 2020 and for the 2 in-year intakes proved to be higher than forecast, and than in previous years.

The University moved to a fully online teaching model at the end of March 2020, moving back to a hybrid model heavily biased towards online teaching in August 2020 and then back to a fully online model in January 2021. There was no notable increase in students withdrawing from their studies due to this and did not experience any significant numbers of student withdrawals in term 3 from this move. The new intakes in the London and Birmingham learning centres in both June and September were in line with the original budget despite being delivered online in full.

Other income streams continue to be impacted by Covid-19 with conferencing income and catering income being at virtually nil for the majority of the year. The university also provided refunds for students for accommodation that could not be used in early 2021

As the University enters the new academic and financial year the 2 primary risks continue to be:

- Student recruitment and retention; and
- Ensuring that the University Campus facilities are maintained in a Covid-19 safe state.

The University is offering a blended learning medium for 2021/2022 with significant amounts of teaching being online and onsite facilities being open and available for practical work, smaller lectures and tutorials. In order to support students in this approach, the University continues to provide support through a digital bursary that will provide laptops to those students who need this assistance. The recruitment in term one has been strong, the risk of retention remains and the University is proactively working with its student population and employees to provide a fulfilling and meaningful learning experience. Student pulse surveys are being utilised to gauge the effectiveness of the University's model.

The immediate outlook for international student recruitment is less certain and ongoing restrictions provide a barrier for students to enter the UK. The University's income from international students is relatively low but is still an important income stream and one that will drive future growth for the University. The University believes that the demand for education in the UK remains strong and any shortfalls in income in 2020/21 and 2021/2022 will be a temporary event. Mitigating actions have been made through the introduction of new courses to counter the forecast fall in international income.

In managing the University campus facilities, the estates team continue to prioritise efforts in ensuring that the various sites meet the required Covid safe levels. Specific budget for this activity was made in 2020/2021 and for 2021/2022

As noted in the introduction to these financial statements all departments in the University are 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.

Future prospects

The current environment within the sector is challenging but the University has invested significantly in its estate and improving the quality of its student experience, as reflected in its performance in the National Student Survey. In addition it is developing new provision and delivery modes, aimed at the development of new learning centres, and these are achieving growth to compensate for some of the reduction experienced in other fee income. This is transforming the University portfolio and will, in the medium to long term, ensure

OPERATING AND FINANCIAL REVIEW

its sustainability and success. In the short term generation of cash surpluses is a key objective and the University has taken focused action to reduce costs to ensure they are in line with income levels to achieve this.

Declaration of information to auditor

In so far 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.

Overview of the Year 2020-2021

I am pleased to present an overview of the University's key achievements in 2020-21

During the year the University made progress on a number of initiatives which reinforced its reputation for its vocationally relevant and employment-focussed offer. In September, we launched the Graduate Attributes Framework as part of our undergraduate programmes. The Framework, which is delivered online, focuses on the attributes of Employability, Digital Skills and Learning for Life, and aims to prepare our students for a digitally enabled workplace that will also see an increased demand for creativity, innovation and resilience.

Creativity and enterprise are also central to the University. We aim to enhance graduate employability and the number of graduate start-ups by creating more opportunities for students to work with academics and businesses to explore ideas and create new sustainable businesses, products, and services. Our graduate entrepreneurs are invited back to the University to help inspire others by sharing their inspirational journeys, insights, and expertise. With Wales leading the UK with the highest number of graduate start-ups per capita, I was delighted that UWTSD was named 1st in UK for start-ups still active after 3-years, 2nd in the UK for total number of active firms and 9th in UK for total number employed in graduate start-ups.

A key priority during the year was to work with employers across the region to address their skills needs and, in particular, to enable them to exploit the digital transformation which has been hastened by the pandemic. Such initiatives as the newly launched Advanced Manufacturing Skills Academy and the EU funded Manufacture Advanced Design Engineering (MADE) programme are leading the way in addressing such skills deficits and training needs by bringing companies into the university to capitalise on the expertise of our staff and our state-of-the-art facilities.

The expansion of the University's degree apprenticeships offer demonstrates the growing appetite for work-based programmes from government, employers, and students alike. We were delighted to receive a positive outcome from the Quality Assurance Agency's Developmental Review of our provision. Apprenticeships provide a unique opportunity to co-create a programme of study with employers that completely integrates academic study and its practical application. Providing skills and training linked to real career opportunities whilst also enabling students to study an undergraduate award demonstrates the skills-pipeline at the heart of the University's provision and assists in increasing participation in higher education.

The range of collaborative partnerships with organisations across the UK and internationally are also key in promoting participation in higher education.

The University has a longstanding reputation and strong track record for Initial Teacher Education and Training, which is delivered through Yr Athrofa. In creating Yr Athrofa our intention was to lead transformational change and support a self-improving education system, in accordance with the Welsh Government's policies relating to teacher education, curriculum reform and school improvement. In what has been a particularly challenging year

OPERATING AND FINANCIAL REVIEW

for our schools, I'm delighted that Yr Athrofa continued to support both our student-teachers as well as our professional learning partnership with primary and secondary schools in South Wales.

Significant work was undertaken during the year to prepare the University's submission to the Research Excellence Framework (REF) which assesses the quality of research in UK higher education institutions with results to be announced in April 2022. Focused submissions were made to five Units of Assessment covering nearly a fifth of all eligible staff in the University (18%). Areas included:

- **Theology and Religious Studies** (covering most of the humanities disciplines in Lampeter)
- **Celtic Studies** (Centre for Advanced Welsh and Celtic Studies - CAWCS)
- **Art and Design** (including CBM, ATIC, CIC, and Swansea College of Art)
- **Education** It includes the work of 18 staff in Yr Athrofa and IMH (including WAPPAR, WAHPL and IICED)
- **Psychology** (this includes five members of staff which demonstrates our investment in growing focused areas of research with interdisciplinary potential).

The submissions included some very strong impact case studies. For example, in European educational policy development, health and physical literacy programmes in Welsh schools, regional regeneration at Strata Florida, the introduction of new legislation (based on animal ethics) in the Senedd, and the commercial adoption of assistive devices for brain injured children. All submissions demonstrate the depth and breadth of our knowledge exchange and research environment through collaborative research, programmes of public engagement that promoted active citizenship, continuing professional development, commercialisation and IP development, regeneration and support for new business growth and entrepreneurship.

The development of a distinctive health and wellbeing portfolio linked to the Welsh Government's Wellbeing of Future Generations Act 2015 enables the University to provide an inter-disciplinary approach to curriculum development in liaison with key partners. UWTSD Group's location across the region provides opportunities to work with health professionals and communities across South West Wales on developing programmes to meet their specific needs. The University worked closely with Carmarthenshire County Council, Hywel Dda University Health Board and other universities and colleges on the Pentre Awel initiative. The development, which is part of the Swansea Bay City Deal, will provide public, academic, business and health facilities on one site in Llanelli to boost employment, education, leisure provision, health research and delivery, and skills and training. It will include a skills centre focusing on health and care training, as well as research facilities and a clinical delivery centre to deliver multi-disciplinary care.

The location of our campuses enables the University to play a significant role in the life of the region. Our campuses act as strategic economic, cultural and social anchors, reinforcing a sense of place and creating the conditions where people and communities can thrive. During the year, our campus Provosts continued to work with a range of internal and external stakeholders to define each campus' offer to promote their unique character and distinctiveness as well as to ensure that the University's provision addresses skills needs within their immediate environs.

A significant investment was made in the Lampeter campus on the refurbishment of the iconic St David's Building in partnership with the Chin Kung Multi-Cultural Educational Foundation. This partnership has already seen the development of new provision delivered at Lampeter via the Academy of Sinology, including professional doctorate programmes and conferences as well as significant investment into the campus infrastructure.

OPERATING AND FINANCIAL REVIEW

During the year, we launched the iHumanities College building upon Lampeter's reputation for the study of the Humanities and its international multi-cultural and multi-faith ethos, as well as its expertise in delivering distance learning provision. In addition, due to the pandemic, our research seminars were held online and were made accessible to a much wider range of participants. The seminars facilitated new levels of interaction and an increased sense of community with our partners.

A major development for the Lampeter Campus is the Canolfan Tir Glas initiative. We were pleased to receive support from Ceredigion County Council and the European Union's Rural Development Programme to develop Canolfan Tir Glas, which aims to promote the local food industry, local sustainability, resilience, and enterprise within a rural context. Working closely with the local authority and a range of local organisations, the initiative aims to strengthen the economic infrastructure of Lampeter and its hinterland. A core part of the scheme is the collaboration with supermarket Aldi to develop a food village on part of the University's Pontfaen fields, as well as a food and hospitality training centre within the town. The development also includes the creation of a Rural Enterprise Hub and a University of Gastronomy on the campus itself. The initiative is underpinned by economic regeneration, with the aim of creating new jobs, attracting many more visitors to the town and increasing the number of further and higher education students studying in Lampeter.

The Carmarthen campus' distinctive offer centres around the themes of education, children and young people, health, care and wellbeing, creativity, and rurality. Developing our students' entrepreneurial and enterprise skills and engagement with business and industry is key to that offer through such initiatives as Canolfan S4C yr Egin. Yr Egin, which is home to S4C as well as a range of companies within the creative and digital industries, has already established itself in the life of the region. *The University worked closely with a range of companies within Yr Egin to develop our provision and to embrace the challenges of the fourth industrial revolution with its high dependency on collaboration and rapid advancements in technology.* During the year, we were pleased to be selected as one of the three hosts in Wales to deliver one of S4C's new networks as part of the S4C Lleol project. Shwmae Sir Gâr gives ownership to the county's residents to voice their opinion on a range of topics, share their stories, as well as promote the rich and diverse culture of Carmarthenshire. The project is led by Canolfan S4C Yr Egin and Cwmni Cynhyrchu Carlam Cyf, the latter established by UWTSD graduate Euros Llŷr Morgan.

The University's Swansea Campus has a reputation for innovation and enterprise. In particular, the portfolio enables the University to offer a diverse range of services - from translational research and innovation, to applied technical skills and enterprise supporting employers, facilitating job creation, and attracting investment into the region.

Significant investment has been made in the Swansea campus to develop the concept of an Urban Learning Village based in and around the city centre. The University's Innovation Matrix is part of the Swansea Bay City Deal's Swansea City and Waterfront Digital District and will deliver incubation and start-up spaces for graduates and new businesses.

During the year, a collaboration was established between world-leading innovator in nitrogen plasma technology Energist Ltd, the University's Assistive Technologies Innovation Centre (ATiC), and Swansea University's Healthcare Technology Centre (HTC) to explore the development of new equipment and practices for use in the treatment of chronic acne. ATiC's role in the programme, which is part of the Accelerate Wales programme, is to undertake research into treatment areas, user experience and ergonomic evaluation.

I was pleased that the University continued to provide practical support to employers, despite the challenges of the pandemic. In June, MADE Cymru organised an online Industry Summit, to engage and inspire businesses during this critical period of post-Covid recovery. Expert speakers included representatives from Industry Wales, Development Bank of Wales, Welsh Government and KTN.

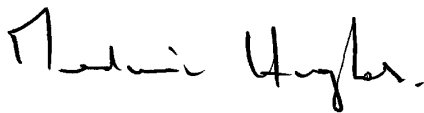
OPERATING AND FINANCIAL REVIEW

The Wales Institute of Science and Art continued to produce award-winning work, working with students to access specialist facilities, laboratories, and workshops despite the challenges of the Coronavirus context. The creativity and ingenuity of students and staff were evident in the way they presented their work in exhibitions and performances. In particular, as Welsh Government restrictions eased at the end of the academic year, we were delighted to be able to attend COVID-safe open-air performances of Godspell by students of Canolfan Berfformio Cymru in the inspiring setting of Cardiff castle.

The end of the academic year is normally a time for acknowledging achievement and celebrating success and is also when we welcome our alumni, Honorary Fellows and friends back to our campuses and to thank them for their support. The formal graduation ceremonies for this year's graduates will take place at a later date but I'm pleased to note that we were able to bring the academic year to a close with a series of celebratory events to mark our students' achievements and success.

In 2022, the University looks forward to celebrating 200 years of higher education in Wales and its role in shaping a nation. The bicentenary commemorates the establishment of St David's College, Lampeter on 12 August 1822 through the laying of the foundation stone which marked the birthplace of higher education in Wales. Lampeter, of course, was established by Bishop Thomas Burgess to provide a liberal education for those who were destined to take holy orders; its *raison d'être* to provide a vocational education for the people of Wales in Wales. This is the ethos which continues to drive the values and culture of UWTSD as we seek to transform education and in doing so transform the lives of those we serve.

This review provides a snapshot of the achievements of staff and students during the year. I am grateful to them, and the University's Governing Body, for their continued and valued support and, as we now move forward to the next phase in our journey, we look confidently to the future and to the success of our students, staff and alumni.



Professor Medwin Hughes, DL
Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Financial Review

The Director of Financial Services and the Chair of the Resources and Planning Committee present a review of the financial performance of the group for the year to July 2021.

The consolidated results recorded a surplus for the year of £7.1 million (2020: £4.0 million), and a total comprehensive income of £28.0 million (2020: total comprehensive loss £25.1 million). This result encompasses all activities, other than the Students' Union which is an independent body.

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

Statement of Comprehensive Income summary

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000	Movement £'000
Income	173,871	149,296	24,575
Expenditure	(165,667)	(144,159)	(21,508)
Profit on Sale of Assets	36	69	(33)
Decrease in fair value of investment properties	(1,872)	(433)	(1,439)
Loss on investments	811	(393)	1,204
Share of operating loss in associate	-	(320)	320
Taxation	(46)	(8)	(38)
Surplus for the year	7,134	4,051	3,083
Actuarial gain/(loss) in respect of pension schemes	20,880	(29,121)	51,180
Gain on revaluation of heritage assets	-	-	-
Total comprehensive income/(loss) for the year	28,014	(25,076)	54,269

The University set a budget and operating plan for the year based on a conservative view on tuition fee income due to the high level of uncertainties in the sector and general environment in the summer of 2020 arising from the Covid-19 pandemic and associated restrictions in place across both the UK and World. This budget delivered a surplus and cash generation of £1m, sufficient to ensure compliance with the banking covenants

As the year unfolded a number of the downside scenarios built into the budget did not materialise and income levels before any funding grants exceeded both the downgraded and baseline budget levels. The cost control measures implemented at the beginning of the year have been maintained and this strong financial management has resulted in the increased surplus in the year.

A number of grants relating to Covid-19 support have been received in the year, the majority of these have resulted in an equal level of expenditure so whilst they have the impact of increasing income, they have had a negligible impact on the surplus recorded.

Tuition fee income for the university continues to be the driver to its growth, particularly in the CERTHE courses that are offered. The delivery of these courses does not follow the traditional academic year profile, with multiple intakes throughout the year. As a result a portion of the income from the in year intakes is deferred at 31 July and recognised in the following year. As the number of students on these courses grow the deferred income also grows. At 31 July 2021 the deferred student income was £16.2 million (2020: £12.3 million).

The University has prioritised expenditure in academic delivery and maintaining its estate (including ensuring Covid-19 safety was maintained).

OPERATING AND FINANCIAL REVIEW

The University operates in a complex environment and as such there are a number of non-core activities and non-cash items that influence the surplus recorded in the statement of comprehensive income. As is presented in the table below the nature of these items are consistent with the prior year, however the value of the items fluctuate across the years and the growth in the underlying surplus of the University is greater than in the reported surplus.

The impact of these is summarised in the table below:

Statement of Comprehensive Income summary

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Total Comprehensive Income for the year	28,014	(25,076)
Add back actuarial movement on pension schemes	(20,880)	29,121
<u>Deduct non-core income</u>		
Capital grants received	(5,165)	(2,659)
Gain on disposal of fixed assets	(36)	(69)
<u>Add back non-core expenditure</u>		
Net non-cash pension costs & adjustments	4,980	(1,727)
Revaluation of derivative liability	(855)	480
Restructuring costs	155	298
Property impairment charges	3,206	-
Decrease in fair value of investment properties	1,872	433
loss on investments	(811)	393
Share of operating deficit in joint venture and associate	-	320
Underlying (deficit)/surplus	10,480	1,514

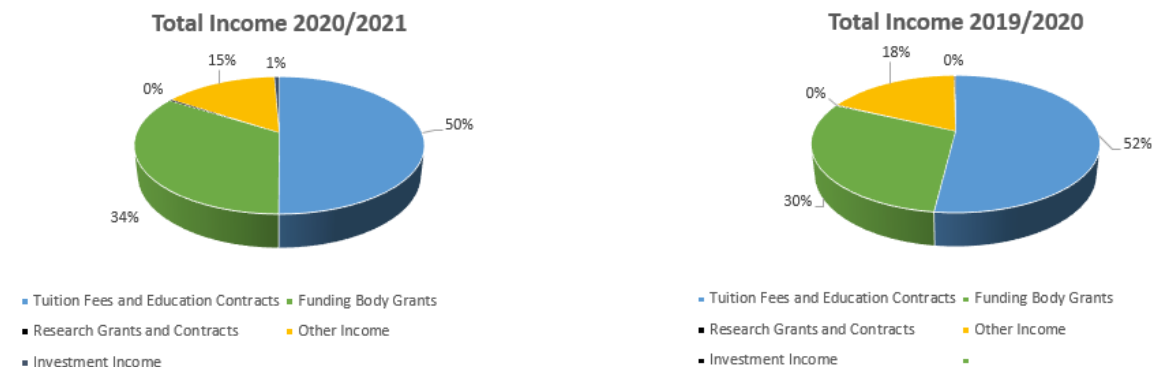
It is management's opinion that the underlying performance is a true measure of the operating activity within the University and the Group and is the result of the measures taken in previous years and not just the actions taken to mitigate the Covid-19 pandemic.

Management is also pleased with the net cash inflow of £27.0 million. This is ahead of the budget inflow of (1.0m) and provides a good level of headroom to the banking covenants. This cash inflow does include the impact of SLC funding profiles being accelerated in 2020/2021 to be 50% received in term 1 and 50% in term 3 (25% term 1, 25% term 2, 50% term 3 being the expected receipt profile). The impact of this is reflected in the cashflow in the term 3 intake on the CERTHE products

OPERATING AND FINANCIAL REVIEW

Income

The consolidated total income for the year amounted to £173.9 million (2020: 149.3 million). The make up of the income is summarised below



Consolidated Income

Tuition fees and education contracts
Funding body grants – HEFCW
Funding body grants – Other
Research grants and contracts
Other income
Investment income

Year ended 31 July 2021		Year ended 31 July 2020	
£ million	%	£ million	%
87.0	50%	77.6	52%
12.3	7%	4.7	3%
46.7	27%	39.9	27%
0.6	0%	0.3	0%
26.2	15%	26.4	18%
1.1	1%	0.3	0%
173.9	100%	149.3	100%

Funding body grants – Other reflect grants from the Welsh Government, received by Coleg Sir Gar, Coleg Ceredigion and Y Ganolfan Dysgu Cymraeg Genedlaethol (YGDCG).

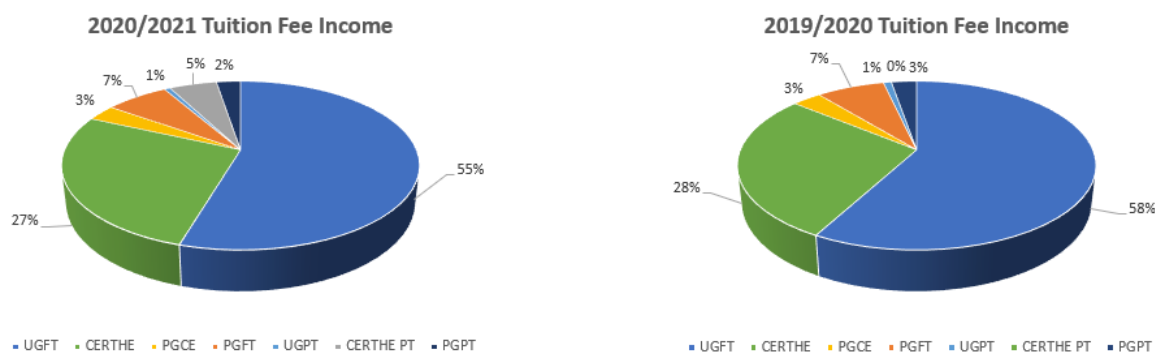
Other income arises from a wide range of sources including: student residences, catering and grant funding for projects and programmes.

The make-up of tuition fee income, generated from the student profile noted above is below

7 Consolidated Income

Full Time Home and EU
Full Time International
Part Time
Education Contracts (FE Colleges)

2020/2021 £ million	2019/2020 £ million	Movement £ million	Movement %
76.6	67.7	8.9	12%
5.0	4.5	0.5	10%
3.8	3.6	0.2	5%
1.6	1.8	(0.2)	(13%)
87.0	77.6	9.4	14%



OPERATING AND FINANCIAL REVIEW

Covid-19 Support Funding

The University received significant grant funding from Welsh Government (via Hefcw) specifically to do with hardship and recovery from Covid-19.

Within this funding is £4.5 million received to support students suffering hardship, from £2.6 million was distributed as cash payments to students, £0.3 million used to support digital hardship, £0.2 million used to support accommodation hardship, £0.1 million used for direct support such as food parcels, £0.6 million spent on providing online study support and materials and £0.8million absorbed by the university for providing support and advice to students.

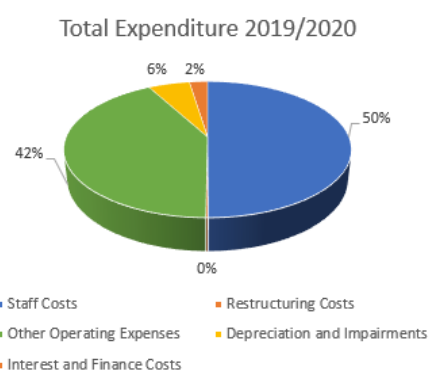
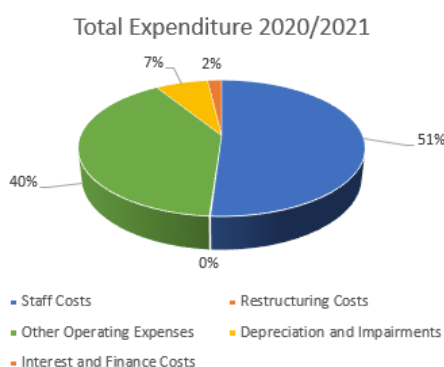
The university was awarded £1.5m from its sole institution bid to the Higher Education Investment and Recovery Fund (HEIR funding) and a further £1.8m as part of 4 collaborative bids with other institutions. A number of the initiatives and outcomes from this funding will complete in 2021/2022 with £0.4 million of the sole bid and £1.4 million of the collaborative bid funding deferred at 31 July 2021.

A capital grant for £4m was received to offset capital expenditure in areas that support the governments growth agenda. The fund claim was made covering expenditure that had already been made. University immediately utilised £1.5 million of the cash received on sustainability/retrofitting capital projects with the balance being carried into 2021/2022 for similar projects.

The University thanks Welsh Government for its support in the year and is pleased that a high % of this has been earmarked (and therefore spent) for distribution directly to students as either cash support or other direct support such as food parcels. Our students indicate that they are satisfied with the way that the funds were made available and the speed in which the funds were distributed.

Expenditure

The consolidated total expenditure for the year was £165.7 million (2020: £144.2 million). The make up of the expenditure is summarised below



Consolidated Expenditure

Staffing costs
Other operating costs
Depreciation and impairment
Interest and finance

Year ended 31 July 2021		Year ended 31 July 2020	
£ million	%	£ million	%
84.6	51%	72.0	50%
66.2	40%	60.4	42%
11.7	7%	8.0	6%
3.1	2%	3.5	2%
165.7	100%	144.2	100%

OPERATING AND FINANCIAL REVIEW

Staffing costs represent 49% of total income for the year (2019: 48%) The increase in staffing costs of £12.6 million includes an increase of £7.5 million in the year-on-year movement on the USS provision. Excluding this non-cash item gives a staffing cost total of £81.9 million (2020: £76.8 million) which represents 47.1% of income (2020: 51.5%). Staffing costs include £0.1 million of fundamental restructuring costs (2020: £0.3 million#)

The increase in other operating costs is largely through 2 sources, firstly an increase in expenditure specifically linked to increased grant funding and secondly an increase in the agent commission costs paid on the increased recruitment in the CERTHE courses. General operating expenditure has been maintained the budget level which us a decrease on the prior year

Depreciation and impairment costs include impairment charges of £3.2 million (2020: £nil) and depreciation on fixed assets of £8.5 million (2020: £8.0 million).

Interest and finance costs include pension scheme interest charges of £1.2 million (2020: £1.2 million) and loan interest of £1.6m (2019: £1.6 million).

Balance Sheet

The consolidated Balance Sheet discloses a net assets position of £78.1 million as at 31 July 2021 (2020: £48.9 million). The increase in net assets primarily arises from the decrease in pension liabilities of £15.8 million to £73.4 million (2019: £89.2 million). When Pension liabilities are excluded the net asset position is £151.5m at 31 July 2021 (2020: £138.2m).

Cash and cash equivalent balances were £54.9 million at 31 July 2021 (2019: £27.0 million) with the increase reflecting the increase in income generating activity in the year and a proactive debt management process. The budget for 2021/2022 shows further cash generation.

Capital expenditure at £9.3 million is higher than 2020 (£5.9million) partly due to unbudgeted capital expenditure of £1.5 million on green and sustainability projects facilitated through (but not directly funded by) the receipt of the capital grant from Welsh Government.

The £31.9 million disposals include £28.8 million of assets that have been removed form the fixed asset register at nil NB following a management review on the use and expected future benefit flows from the assets showing that they have no future linked income generation.

The impairment charge of £3.2 million relate to work on buildings on the Lampeter campus where future benefits will flow to a third party. An impairment review has been undertaken on the academic property owned by the University with no indicators of impairment being identified.

Total creditors (due within one year) were £63.6 million at the year-end (2019: £51.8 million). The increase is largely a result of a £6.7 million increase in deferred income balances and an increase in trade creditors of £5.0 million due to timing of expenditure and invoice receipt.

Total Creditors (due after one year) were £34.7m at the year-end (2019: £36.5m). The reduction is through the scheduled £2 million repayment of the secured loan with HSBC.

OPERATING AND FINANCIAL REVIEW

Cash Flow

The consolidated net cash inflow from operating activities was £33.3 million for the year (2020: £14.4 million) and the overall cash inflow was £27.8m (2020: £13.8 million).

Cashflows from operating activities are impacted by the recognition of the positive non-cash pension costs of £6.2 million (2020: negative £1.7 million).

Cashflows from investing activities include proceeds from the sale of fixed assets of £0.2 million (2020: £4.4 million) and capital grant receipts of £5.2 million (2020: £2.7 million) less payments made to acquire fixed assets of £9.3 million (2019: £6.1 million).

Cashflows from financing activities comprises of new finance leases to fund the purchase of equipment of £0.5m (2020: £0.5m) less payments made against finance leases of £0.3 million (2020: £0.7 million) giving a net movement of (£0.2m) (2020: (£0.2m)) and interest payments of £1.6 million (2020: £1.6 million)

Bank covenant compliance

During 2019/2020 the University renegotiated one of its banking covenants to remove the volatile impact of the pension scheme revaluations experienced in recent years. The 3 covenants in place for the year are

- The ratio of cash-flow available to meet debt servicing costs for the prior 12 months to be not less than 1.1 times debt servicing costs;
- The ratio of net debt to total income to be not more than 50%; and
- The level of consolidated net assets excluding pension liabilities to be not less than £105 million.

These covenants were tested, and passes at 31st October 2020, 31st January 2021, 30th April 2021, 31st July 2021. The budget and forecasts prepared indicate that they will be passed at all points for the remaining term of the loan product and the stress tested forecasts prepared for going concern assessment also indicate sufficient headroom in passing the tests up to October 2022.

Treasury Management

In accordance with the University's Treasury Management Policy, the investment objective is to achieve the best possible returns while minimising risk. At 31 July 2021 consolidated short-term investments, deposits and cash totalled £60.7 million (2020: £31.8 million). Of this amount, £9.0 million (2020: £7.6 million) were endowment funds. Interest and dividend income from all investments and deposits (endowment and non-endowment) was £0.3 million (2020: £0.4 million) while gains on investments were £1.2 million (2019: loss £0.4 million).

Liquidity

The Group's current ratio at 31 July 2020 was 1.37 (2020: 1.16).

The University has prepared detailed monthly cashflow forecasts for the 12 months ended 31 July 2022 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.

Creditors due within one year amount to £63.5 million (2020: £51.8 million), the increase primarily arising from an increase in deferred income (£7 million), an increase in other accruals (£5 million) and an increase in Trade Creditors (£5 million).

The increase in deferred income is driven through the increase in students on in-year intakes as noted above and through funds from Hefcw being deferred into 2021/2022

The trade creditors increase is due to timing of transactions, there has been no amendment to the creditor payment policy in the year which continues to follow best practice. The University's payment policy requires the University to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is the later.

OPERATING AND FINANCIAL REVIEW

Pensions

The movement on the provisions for the defined benefit pension schemes available (including closed schemes) is detailed in note 28. FRS102 requires the University to recognise its obligations to contribute to the deficit of the University Superannuation Scheme (USS), this liability is included in the pension provision with additional costs are processed through staff costs in the consolidated statement of income and expenditure. The total provision for pension liabilities reduced by £14.8 million in the year to £74.5 million (2020: 89.2 million).

The impact on the pension scheme movements on the statement of financial performance is reflected as a £2.9 million charge within payroll costs (2020: £4.8 million credit) and an actuarial gain of £20.1 million (2020: £29.1 million loss)

In addition, £1.2 million (2020: £1.2 million) has been recognised through interest expense

As noted in Note 27, the 2020 valuation for the USS scheme completed in October 2020. The significant increases highlighted in early provisional outputs have not materialised and the modest contribution increase from October 2021 (from the 2018 valuation) is the only increase expected following the conclusion of the valuation

Management undertook a review on the underlying assumptions within the actuarial reports for each of the LGPS, TPS and In House schemes with all of the inflation, discount rate and salary movement assumptions falling within the range expected based on a peer review of 8 other institution schemes. There have been no material movements in these assumptions and the actuarial gains recognised in the year are a result of strong investment performance leading to asset growth.

OPERATING AND FINANCIAL REVIEW

Financial Health

The University is operating in a challenging economic environment which it is pro-actively managing.

The key indicators of surplus, cashflow and headroom in the banking covenants all give a positive view on the current status on the University's financial health.

The university recognises the need to actively manage this position in future periods with key areas for management focus including:

- 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 traditional three year undergraduate programmes and increased development of new and innovative delivery programmes;
- maintaining a sufficient level of cash reserves to support operations while using surplus cash for investment in the transformed University's estate strategy;
- managing cash flows, including the timely collection of receipts from the student loans company, to ensure compliance with bank covenants;
- being pro-active in responding to the reductions in core funding from HEFCW and Welsh Government;
- responding to the changing political context of Higher Education in Wales;
- further diversification of income streams; and
- robustly managing increases in pension costs.

During the year ended 31 July 2021 the University's increased teaching activity has translated into positive cash flows and further diversification into new teaching areas and anticipated increased commercial activity during 2021/2022 will further add to the building of the Groups' cash reserves and ability to service future investments in infrastructure and student experience.

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.

Underpinning this financial security is a diversification in the University's income streams through launching innovative new learning routes to support the traditional 3-year undergraduate courses and post graduate opportunities. The CERTHE qualifications are a key component of the University's tuition fee income and an area of focus and projected growth.

The profile of student intakes in the University is also evolving with increasing numbers of students joining the University as in-year intakes rather than in the traditional September enrolment. This is providing a flatter profile of cash generation from tuition fees allowing for greater flexibility in managing cash outflows.

The diversification is not to the detriment of the traditional income routes with the University continuously seeking growth in its core offering. In this there is also a recognition that the continued success of the University is dependent upon the quality of its teaching and its infrastructure.

In setting the budget for 2021/2022 the cost base of the University was reset in order to ensure that the resources were available to support the University model as it moves into a post pandemic environment. The cost model provides the base to provide the all-round support that the University's students need and desire throughout the duration of the relationship, from initial application stage through to post graduation support.

OPERATING AND FINANCIAL REVIEW

Within the budget process the University has set targets for EBITDA and cash generation that will aid the management of its primary sustainability metric - being the University's cash position and projections. Along with a requirement to have sufficient cash reserves to meet its obligations, the University has 3 covenants with its bankers, HSBC, linked to borrowing. 2 of these covenants are directly related to cash generation.

Cashflow management involves close management of the monthly cashflow, with regular updates provided to the University Council on performance, including visible risks or opportunities. The university does have a term loan with HSBC and utilises tools such as finance leases to balance its cashflow against capital expenditure needs. 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 budget for 2021/2022 contains a modest capital expenditure value to maintain the estate and IT infrastructure. The IT expenditure is expected to be via finance lease, this lease will replace an existing lease that expires in the year. Estates expenditure will be funded through cash flow and the timing of any expenditure will follow cash receipts in the year. The estates strategy leans heavily on sustainable and green technologies.

The University expects to build upon the cash generation in 2020/21, despite the anticipated continued impact of Covid-19 through 2021/2022. It is also felt that the University has sufficient cash reserves at 31 July 2021 and a sensible budget for 2021/22 that allows it to look at the medium term with confidence that any additional financial impact from Covid-19 that is not within the budget assumptions can be managed

Going Concern

The University has produced cash flow projections for the 12 months from the date of the financial statements being signed showing that even under a number of downside scenarios from the anticipated performance sufficient cash will be generated in the period to service the expenditure and liabilities falling due in the same period and to meet the 3 loan covenants.

As noted above and in the Consolidated Statement of Cash flows there was a cash generation of £27.8 million in the year to 31 July 2021 with a net cash inflow from operating activities of £33.3m. This cash generation supports the analysis of underlying performance at the beginning of this financial review.

The University set out a budget for 2020/2021 with a conservative income expectation as a measure to protect the university from the uncertainty surrounding the general environment as a result of Covid-19, the budget cost lines were reduced accordingly in order to deliver a surplus and positive cash. As the year unfolded the tuition fee income exceeded both the conservative budget and the underlying expected income with the impact of Covid-19 removed. The controls over expenditure was maintained through the year and this has resulted in a surplus being reported for the year. As referenced in the income review the majority of the Covid-19 related funding received has been on the basis of an equal expense/cash outflow or has been deferred into 2021/2022. The budget prepared for 2021/2022 and subsequent 5 years forecast build on the performance in 2020/2021 and the delivery of a surplus and positive cash generation is a repeatable event

As noted in the Operating review risks section Covid-19 (and the move to a post pandemic environment) will continue to create uncertainty across the High Education Sector in 2021/2022 and the University continues to monitor any impact that this may have from both an operating and financial perspective.

The scenarios produced show that the University is in a position to manage this risk and the accounts are produced on a going concern basis to reflect the points covered above.



Andrew Curl (Chair, Resources and Planning Committee)



Gavin Bessant (Director of Financial Services)

OPERATING AND FINANCIAL REVIEW

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.

A Comprehensive risk register is maintained by the University with specific risks allocated to the appropriate senior managers and departmental heads. It is the responsibility of these risk owners to identify and implement mitigating actions to protect the University.

Risks are allocated an initial 'score' based on likelihood of occurrence and impact on the University with updates at each relevant committee and council meeting detailing progress towards mitigating actions/ new actions identified and an updated risk score post mitigation.

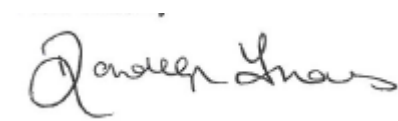
A full update to the register is presented to each meeting of the Audit and Risk Committee.

Conclusion

The ongoing Covid-19 pandemic is providing financial challenges to the whole Higher Education sector and these challenges will continue throughout 2020/21.

The University continues to deliver a divergence in products and markets alongside strengthening its core operations.

Cost management remains a key focus for the University and the activity that has been taken in previous years has provided a sound base from which the University can mitigate any challenges presented in the year and deliver *a healthy operating position to meet future challenges*.



The Venerable Randolph Thomas
Chair of University Council

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

In accordance with the University's Supplemental Royal Charter as revised in 2012, 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 Primary Responsibilities are set out in the University's Ordinances.

The Council comprises independent, staff and student governors appointed under the Statutes and 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. Since 2019/20 staff and student Council members have been members of all standing committees with the exception of the Audit and Risk Committee. Senior officers of the University attend meetings as necessary.

A register of interests is maintained and presented annually for all members of Council and the standing committees along with senior officers of the University and its subsidiary companies

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, international activities and quality assurance; the University's strategy for developing and promoting Welsh medium and bilingual education; and reports from Coleg Sir Gar on learners and standards.

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 and risk 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 Internal and External Auditors are present at each meeting.

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; reports on expenditure controls established for the additional HEFCW funding received in response to the pandemic; the corporate risk register; a twice-yearly transparency report on a range of matters including procurement and freedom of information; an annual report on whistleblowing; financial reports relating to the Students' Union; and reports from the Coleg Sir Gar

STATEMENT OF CORPORATE GOVERNANCE

Audit and Risk Management Committee. 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.

- **Group Scrutiny Committee**

The Group Scrutiny Committee maintains oversight of the subsidiary companies of the University, focusing in particular on strategies pertaining to the relationship between the University and Coleg Sir Gar.

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, focusing on confirmation of compliance and strategic relevance to the Group; and an update on developments between the University and Coleg Sir Gar.

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*; succession planning and the recruitment strategy for new independent governors; governance reports from Coleg Sir Gar; and reports on complaints.

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%.

STATEMENT OF CORPORATE GOVERNANCE

- **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. It considered a range of issues within the scope of its remit, including the engagement of appropriate expert support; the creation of a University Secretary role; confidential matters affecting staff within its remit; the University's annual pay policy statement; and annual salary reviews for staff within its remit with accompanying relevant supporting information.

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%.

The University publishes its annual pay policy on its website 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-201920-final-june-2021.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 five occasions in 2020/21. It considered a range of issues within the scope of its remit, including strategic developments; assessments of performance in relation to the measures of success of the Strategic Plan, the institutional Key Performance Indicators, and the targets of Fee and Access Plans; reports on student recruitment and retention; financial performance against forecasts and budgets and institutional sustainability; pensions; reports from the Estates Strategy Group established by the Council to oversee the strategic development of the estate; the allocation of resources to the Students' Union; human resources matters including approval of the annual pay award; and reports relating to finance and resources from Coleg Sir Gar.

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.

Two members attended four of the five meetings and one member attended two of the five. The attendance rate was otherwise 100%.

STATEMENT OF CORPORATE GOVERNANCE

In addition, the **Senate**, 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.

At executive level, the **Senior Directorate Group** meets on a regular basis in an advisory role to support the Vice-Chancellor and Deputy Vice-Chancellors in the formulating proposals for the strategic direction of the University. 19 meetings were held in 2020/21. A wide range of topics are discussed at the meetings – both strategic and operational - with Covid-19 related issues at the forefront of discussions since the pandemic began.

In 2020/21 the Senior Directorate membership was as follows: Professor Medwin Hughes (Chair), Stephen Baldwin, Gavin Bessant, Sarah Clark, Shone Hughes, Professor Dylan Jones, Barry Liles, Jane O'Rourke, Professor Mirjam Plantinga, Ray Selby (resigned March 2021), Professor Catrin Thomas. The attendance rate was 93%.

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. An internal audit confirmed compliance with the 'must' statements of the Code in 2017. Analysis of the 'should' statements of the Code was undertaken the following year with a small number of areas identified for enhancement. 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.

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 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;
- 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;
- 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, and the annual Terms and Conditions of Funding issued by the Higher Education Funding Council for Wales (HEFCW).

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. UWTSD Group and corporate-wide University risk registers, which rate the likelihood and impact of identified risks, are maintained and regularly reviewed by the Senior Directorate. Departmental risk registers are developed and reviewed at local level, with risks escalated to the corporate risk register as appropriate. Registers are also maintained for discrete major projects and activities. The Group and corporate risk registers are considered at each meeting of the Audit and Risk Committee and changes are reported to the Council. The Group 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

COUNCIL RESPONSIBILITIES IN RESPECT OF 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: TRINITY SAINT DAVID

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of University of Wales Trinity Saint David ("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: TRINITY SAINT DAVID

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: journal entries containing the key words “error” and “suspense”; entries made by individuals who do not typically post journals; revenue journals posted to unrelated accounts; unusual journal entries in relation to cash and borrowings; and material journals posted after the ledger closing date.
- Inspecting cash receipts in the period prior to and following 31 July 2021 to verify tuition fee and other revenue grants 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: TRINITY SAINT DAVID

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. 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 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.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES: TRINITY SAINT DAVID

Council responsibilities

As explained more fully in their statement set out on page 31, 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

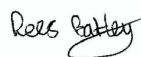
We are required to report on the following matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and in the Financial Management Code issued under the Higher Education (Wales) Act 2015.

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 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

27th November 2021

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					
Tuition fees and education contracts	2	87,021	81,493	77,600	71,261
Funding body grants	3	58,903	12,286	44,616	4,605
Research grants and contracts	4	617	617	311	311
Other income	5	26,202	19,615	26,488	18,629
Investment income	6	1,128	1,106	281	252
Total Income		173,871	115,117	149,296	95,059
Expenditure					
Staff costs	7	84,700	55,445	72,302	48,365
Other operating expenses	9	66,155	41,642	60,358	35,288
Depreciation and impairments	11/12	11,686	8,432	7,981	5,187
Interest and other finance costs	8	3,125	2,520	3,524	3,056
Total expenditure		165,666	108,039	144,165	91,896
Surplus/(deficit) before other gains losses and share of operating surplus/(deficit) of joint ventures and associates.		8,205	7,078	5,131	3,163
Gain on disposal of fixed assets		36	32	69	58
Decrease in fair value of Investment properties	13	(1,872)	(1,672)	(433)	(258)
Gain/(Loss) on investments		811	770	(393)	(407)
Share of operating deficit in associate	14	-	-	(320)	(320)
		7,180	6,208	4,053	2,235
Taxation	10	(46)	-	(8)	-
Surplus/(deficit) for the year		7,134	6,208	4,045	2,235
Actuarial gain/(loss) in respect of pension schemes	28	20,880	15,003	(29,121)	(11,817)
Gain on revaluation of heritage assets		-	-	-	-
Total comprehensive income for the year		28,014	21,211	(25,076)	(9,582)
Represented by:					
Endowment comprehensive income for the year	22	1,366	1,357	(26)	(145)
Unrestricted comprehensive income for the year		26,648	19,854	(25,050)	(9,437)
Surplus for the year attributable to					
University		7,323	6,208	4,036	2,235
Non-controlling interest		(189)	-	9	-
		7,134	6,208	4,045	2,235
Total comprehensive income for the year attributable to					
University		28,203	21,211	(25,085)	(9,582)
Non-controlling interest		(189)	-	9	-
		28,014	21,211	(25,076)	(9,582)

All items of income and expenditure relate to continuing activities

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES**Consolidated**

	Endowment	Unrestricted	Revaluation Reserve	Total Excluding Non-Controlling Interest	Non-Controlling Interest	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 August 2019	7,699	42,890	24,502	75,091	-	75,091
Recognised on consolidation of Associate (Note 14)	-	-	(535)	(535)	(535)	(1,070)
Surplus/(deficit) from the income and expenditure statement	(26)	4,062	-	4,036	9	4,045
Other comprehensive income	-	(29,121)	-	(29,121)	-	(29,121)
Total comprehensive income for the year	(26)	(25,060)	(535)	(25,621)	(526)	(26,147)
Balance at 1 August 2020	7,673	17,830	23,967	49,470	(526)	48,945
Surplus/(deficit) from the income and expenditure statement	1,366	5,957	-	7,323	(189)	7,134
Other comprehensive income	-	20,880	-	20,880	-	20,880
Total comprehensive income for the year	1,366	26,837	-	28,203	(189)	28,014
Balance at 1 August 2021	9,039	44,667	23,967	77,673	(715)	76,958

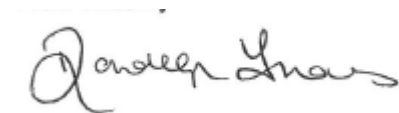
University

	Endowment	Unrestricted	Revaluation Reserve	Total
	£'000	£'000	£'000	£'000
Balance at 1 August 2019	7,379	20,873	14,454	42,706
Surplus/(deficit) from the income and expenditure statement	(145)	2380	-	2,235
Other comprehensive income	-	(11,817)	-	(11,817)
Total comprehensive income for the year	(145)	(9,437)	-	(9,582)
Balance at 1 August 2020	7,233	11,437	14,454	33,124
Surplus/(deficit) from the income and expenditure statement	1,357	4,851	-	6,208
Other comprehensive income	-	15,003	-	15,003
Total comprehensive income for the year	1,357	19,854	-	21,211
Balance at 1 August 2021	8,590	31,291	14,454	54,335

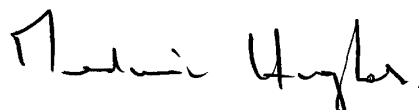
CONSOLIDATED AND UNIVERSITY STATEMENTS OF FINANCIAL POSITION

	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	11	153,248	106,889	155,749	109,253
Heritage assets	12	6,241	6,205	6,241	6,205
Investment properties	13	4,414	3,264	6,286	4,936
Investments	14	788	-	733	-
		164,691	116,358	169,009	120,394
Current assets					
Stock	16	487	317	547	317
Trade and other receivables	17	26,417	33,690	27,863	31,776
Investments	18	5,875	5,857	4,725	4,710
Cash and cash equivalents		54,856	38,510	27,048	17,250
		87,635	78,374	60,184	54,053
Less: Creditors: amounts falling due within one year	19	(63,545)	(62,478)	(51,795)	(49,919)
Net current assets/(liabilities)		24,090	15,896	8,389	4,134
Total assets less current liabilities		188,781	132,254	177,398	124,528
Creditors: amounts falling due after more than one year	20	(34,677)	(34,306)	(36,540)	(36,115)
Provisions					
Pension provisions	28	(74,536)	(42,502)	(89,232)	(53,946)
Other provisions	21	(2,610)	(1,111)	(2,681)	(1,343)
Net assets		76,958	54,335	48,945	33,124
Restricted Reserves					
Income and expenditure reserve - endowment reserve	22	9,039	8,590	7,673	7,233
Unrestricted Reserves					
Income and expenditure reserve - unrestricted		44,667	31,291	17,830	11,437
Revaluation reserve		23,967	14,454	23,967	14,454
		77,673	54,335	49,470	33,124
Non-controlling interest	27	(715)	-	(526)	-
Total Reserves		76,958	54,335	48,945	33,124

The financial statements were approved by the Governing Body on 25th November 2021 and were signed on its behalf on that date by:



The Venerable Randolph Thomas (Chair)



Prof Medwin Hughes (Vice-Chancellor)

CONSOLIDATED STATEMENT OF CASH FLOWS

	Notes	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Cash flow from operating activities			
Surplus for the year		7,134	4,045
Adjustment for non-cash items			
Depreciation and impairments	11, 12	11,686	7,980
(Gain)/Loss in market value of investments		(811)	393
(Gain)/Loss in investment properties	13	1,872	433
Loss in revaluation of livestock	11	-	29
Decrease/(increase) in stock	16	60	(25)
Decrease/(increase) in debtors	17	1,446	(3,198)
Increase/(decrease) in creditors	19	13,241	7,533
Increase/(decrease) in other provisions	21	(70)	(228)
Pension costs less contributions payable	28	4,980	(1,727)
Tax paid in year		(16)	-
Share of operating (surplus)/deficit in associate & JV	14	-	320
Adjustment for investing or financing activities			
Investment income	6	(1,128)	(281)
Interest payable	8	1,798	1,769
Capital grant income		(8,120)	(2,718)
Profit on the sale of fixed assets		(36)	(69)
Endowment received in the year		-	139
Net cash inflow/(outflow) from operating activities		32,036	14,395
Cash flows from investing activities			
Proceeds from sales of fixed assets		167	4,435
Capital grant receipts		8,120	2,659
Investment income		300	281
New non-current asset investments		-	-
Payments made to acquire fixed assets		(9,318)	(6,145)
		(732)	1,230
Cash flows from financing activities			
Interest element of finance lease rental payment		(79)	(73)
Interest paid		(1,634)	(1,530)
New finance leases		466	-
Loan repayments		(2,000)	-
Net capital element of finance lease rental payments		(249)	(223)
		(3,496)	(1,826)
Increase/(decrease) in cash and cash equivalents in the year		27,808	13,800
Cash and cash equivalents at beginning of the year		27,048	13,248
Cash and cash equivalents at end of the year		54,856	27,048

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

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 include the University and all its subsidiaries for the financial year to 31 July 2021, which include Coleg Sir Gar and Coleg Ceredigion. Intra entity transactions are eliminated fully on consolidation.

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

Associated companies and joint ventures are accounted for using the equity method.

The parent company is included in the consolidated financial statements and is considered to be a qualifying entity under FRS102 paragraphs 1.8 to 1.12. The following exemptions available under FRS102 in respect of certain disclosures for the parent company financial statements have been applied:

- No separate parent company Cash Flow Statement with related notes is included;
- Key Management Personnel compensation has not been included a second time; and
- The disclosure required by FRS102.11 Basic Financial Instruments and FRS102.12 Other Financial Instrument issues in respect of financial instruments not falling within the fair value accounting rules of paragraph 36(4) of Schedule 1.

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.

The university has recorded a surplus in the year of £7.1 million and a positive cash flow of £27.0 million, these gains build on a surplus of £4.0 million and positive cash inflow of £13.2 million in the prior year. The budget for 2021/2022 targets a surplus of £4.8 million and positive cash inflow of £3.5 million. From this senior management and Council are content that the University is in a position of profitability and cash generation, despite the impacts of Covid-19.

As noted in the financial review the surplus for the year is based on an underlying surplus of £11.7 million, an increase on £10.2 million in the prior year. The improvement in the underlying position is primarily as a result of growth in tuition fee income (12.1%) and disciplined cost control in the year.

The current underlying income level and cost base are felt to be sustainable, with the budget for 2021/2022 showing further growth in income and in its EBITDA performance.

As part of the budget process the University has moved to a position of setting targets for EBITDA at between 10% and 15%, cashflow generation of £10m before capital expenditure and financing activity and a wages to income ratio below 60%. These targets feed into a clear strategic financial plan that builds on the successful new initiatives that have been implemented in the past few years, increasing the surplus on core activities and delivers cash surpluses from operations. The strategic financial plan has 3 key components. These are:

1. Recognising the impact of demographic factors and changing demands on the market and restructuring the delivery cost base as a result. This has already been achieved substantially with a reorganisation and restructuring across the South Wales campuses implemented in the current financial year;

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

2. Acknowledging the needs and demand for more flexible learning models and of those adults not currently in Higher and Further education noted in the Augar review and developing delivery models to address these. The University has established non-traditional Learning Centres in South Wales, London and Birmingham with new delivery models and is growing student numbers considerably in these centres; and

3. Recognising the growing demand of international educational institutions for a presence in the UK higher education market and developing strategic alliances and partnerships to grow student numbers and income in this area.

The University and its subsidiaries prepared five year financial forecasts as part of the 2021/2022 budget process that deliver surpluses and positive cashflow in each year based on the above plans. They have also considered alternative “downside” scenarios if these plans are not realised and the alternative mitigating actions that would be required as a result. The early performance in 2021/2022 is in line with the budget expectations for the period and the University has a number of mitigations and income opportunities that can be actioned should in year recruitment and performance deviate from the budget position.

As part of the going concern assessment the University and subsidiaries have prepared detailed financial forecasts for the period to 31 December 2022. These have been prepared on both “base case” and “downside case with mitigation” scenarios. The downside case reflects the principal financial performance risks to which the University and its subsidiaries are exposed and is believed to be a fair to cautious assessment of these. In both scenarios the University and its subsidiaries have adequate financial resources to sustain operations over the forecast period which covers 12 months from the date of these accounts and beyond, and to meet obligations as they fall due. In addition the banking covenant tests are met at each testing point in the forecast period.

After reviewing these forecasts the Council is of the opinion that, taking account of severe but plausible downsides, including the continued impact of COVID-19 (and the move to a post pandemic environment) the Group and parent University will have sufficient funds to meet their liabilities as they fall due over the period of 12 months from the date of approval of the financial statements (the going concern assessment period).

The Group banking covenants to HSBC are tested at 31 July 2021 and 31 October 2021, will next be tested at 31 January 2022 and then at all subsequent quarters. All covenant tests were passed at the 4 testing points in 2020/2021 and at October 2021 with no issues arising from the testing

The forecasts referred to above demonstrate that the University and its subsidiaries will be compliant with all covenants on both base case and downside with mitigation case scenarios.

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 the 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.

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

Income from accommodation provision is credited to the Consolidated and University Statements of Comprehensive Income over the contracted length of the accommodation. Accommodation contracts are issued on a yearly basis. Bonds held on accommodation are held on the Consolidated and University Balance Sheets and repaid to students at the end of each academic year provided the terms of the accommodation contract have been upheld. Any bond retained by the University is credited to the Consolidated and University Statements of Comprehensive Income at the end of the accommodation period as an income item.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

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

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

Grant Funding

Government 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 four main types of donations and endowments within reserves:

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

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

There are five principal pension schemes for the University's staff, one of these schemes the Universities Superannuation Scheme (USS), is open to new members. The other four, Teachers' Pension; two local authority schemes (Swansea and Dyfed) and the University of Wales Lampeter Pension and Assurance Scheme are closed to new members from the University. The local authority schemes for Coleg Sir Gar and Coleg Ceredigion remain open to new member. The schemes are defined benefit schemes which are externally funded. Each fund is valued every three years by professionally qualified independent actuaries.

The USS and Teachers' Pension schemes are 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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

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.

Multi- Employer Schemes

Where the Institution is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme.

Where the Institution has entered into an agreement with such a multi-employer scheme that determines how the Institution will contribute to a deficit recovery plan, the Institution recognizes a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

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. Finance Leases

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

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

h. Operating Leases

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

i. 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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

j. 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 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 as follows:

Academic buildings	50 years
Residences	30 years
Laboratories and lecture theatres	30 years
Refurbishments	20 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
Motor Vehicles	4 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.

k. Heritage Assets

Works of art and other valuable artefacts valued at over £25,000 have been capitalised and recognised at the cost or value of the acquisition, where such a cost or valuation is reasonably obtainable.

Works of Art are included at costs incurred from 1 April 1981 or subsequent revaluation. The latest revaluation of heritage assets was at 31 July 2014, where certain sections of heritage assets were deemed to have increased in value. A full revaluation review of the Works of Art is planned to coincide with the University's bi-centennial in the year ending 31 July 2022.

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

l. Investment Properties

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

Investment properties are measured initially at cost and subsequently at fair value with movements recognised in the Consolidated and University Statements of Comprehensive Income. Properties are not depreciated but are revalued or reviewed annually according to market conditions as at 31 July each year.

The review of the fair value of the investment properties is undertaken by Savills

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

m. 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

n. Stock

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

o. Financial InstrumentsTrade 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

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in income or expenditure.

p. Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

A contingent asset arises where an event has taken place that gives the University a 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.

Note 1: STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 31 JULY 2021

q. 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.

r. 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.

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

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax assets and liabilities are not discounted.

s. 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.

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

In preparing the financial statements management have exercised judgment in the following areas

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 26 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	University	Consolidated	University
	£'000	£'000	£'000	£'000
2 Tuition fees and education contracts				
Full-time home and EU students	76,554	72,593	67,650	63,209
Full-time international students	5,079	5,079	4,590	4,575
Part-time students	3,771	3,821	3,600	3,477
Education contracts	1,617	-	1,760	-
	87,021	81,493	77,600	71,261

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
3 Funding body grants				
Recurrent grant				
Higher Education Funding Council	12,671	12,286	4,684	4,605
Welsh Government	39,799	-	34,612	-
Specific grants				
Higher Education Funding Council	-	-	-	-
Welsh Government	6,433	-	5,320	-
	58,903	12,286	44,616	4,605

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
4 Research grants and contracts				
Research councils	291	291	140	140
Research charities	29	29	28	28
Other	297	297	143	143
	617	617	311	311

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
5 Other income				
Residences, catering and conferences	2,415	2,129	4,178	3,266
Other revenue grants	8,668	3,926	11,544	7,601
Other capital grants	8,120	8,120	750	750
Other income generating activities	2,093	2,253	3,973	3,909
Other income	4,906	3,187	6,043	3,103
	26,202	19,615	26,488	18,629

	Year ended 31 July 2021		Year ended 31 July 2019/20	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
6 Investment income				
Investment income on endowments	224	224	161	161
Other investment income	49	27	120	91
Increase in fair value of derivative	855	855	-	-
	1,128	1,106	281	252

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
7 Staff costs				
Salaries	61,276	40,141	57,252	36,595
Social security costs	5,820	3,873	5,563	3,687
Movement on USS provision	2,618	2,618	(4,844)	(4,844)
Other pension costs	14,831	8,705	14,033	8,161
Restructuring Costs	155	109	298	298
	84,700	55,445	72,302	43,898

	Year ended 31 July 2021 £'000	Year ended 31 July 2020 £'000
Emoluments of the Vice-Chancellor		
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.
£100,000 to £104,999	-	-
£105,000 to £109,999	2	-
£110,000 to £114,999	-	-
£115,000 to £119,999	-	-
£120,000 to £124,999	-	-
£125,000 to £129,999	-	1
£130,000 to £134,999	-	-
£135,000 to £139,999	-	-
£140,000 to £144,999	-	1
£145,000 to £149,999	1	1
£150,000 to £154,999	-	-
£155,000 to £159,999	-	-
£160,000 to £164,999	1	-
£165,000 to £169,999	-	-
£170,000 to £174,999	1	-
	5	3

One member of staff received payments in the year in addition to their annual salary as compensation for additional hours worked in prior years. This resulted in a total salary between £170,000 and £174,999 being paid. Without these payments they would be reported in the £145,000 to £149,999 banding

There was no compensation payable to higher paid staff in the year (2020: £nil)

NOTES TO THE ACCOUNTS

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs includes pension contributions and compensation paid to key management personnel. Remuneration consists of salary and benefits including any employer's pension contributions.

	Year ended 31 July 2021	Year ended 31 July 2020
	£'000	£'000
Key management personnel remuneration	1,049	1,313
	No.	No.
Key management personnel	8	9

UCEA was not able to offer an uplift in pay for staff in 2020-21 given the uncertainty facing the sector at that time, apart from addressing issues in relation to the National Living Wage. Where eligible, staff were awarded progression pay increases in the usual manner. In recognition of the uncertainty and wider context, no changes were made to the salaries of the University's senior team, including the Vice-Chancellor, in 2020/21

7 Staff costs (continued)

	Year ended 31 July 2020	Year ended 31 July 2019
	No.	No.
Average staff numbers by:		
Academic departments	698	694
Non-academic departments	960	933
	1,658	1,627

The above staff costs for key management personnel do not include the cost of key management that are employed by the University of Wales, but working across both institutions. These costs totalling £55k (2020: £55k) are included in other operating expenses as they are recharged by invoice from the University of Wales.

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.

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 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Paid to employees on termination of employment	155	109	298	298

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 1.

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 23 council members was £9K (2020: £9K to 23 council members). This represents travel and subsistence expenses incurred in attending Council, Committee meetings and events in their official capacity

NOTES TO THE ACCOUNTS

7 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 6.48:1 and the ratio of the total remuneration of the Vice Chancellor compared to the median average of the University is 6.87:1

The Remuneration Committee noted the Vice Chancellor's current salary was among 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 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/media/uwtsd-website/content-assets/documents/governance/Committee-Terms-of-Reference-202021-FINAL>. 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 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
8 Interest and other finance costs				
Finance leases	79	36	73	28
Loan interest	1,607	1,607	1,636	1,636
Net charge on pension schemes	1,249	698	1,203	780
Decrease in fair value of derivative	-	-	480	480
Other	190	179	132	132
	3,125	2,520	3,524	3,056

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
9 Analysis of other operating expenses by activity				
Academic and related expenditure	32,205	19,667	26,353	12,584
Administration and central services	17,964	11,416	20,008	15,089
Premises	10,660	7,675	6,931	5,038
Residences, catering and conferences	1,184	838	1,679	1,098
Other expenses	4,142	2,046	5,387	1,479
	66,155	41,642	60,358	35,288

Other operating expenses include:

External auditor's remuneration in respect of audit services:

These financial statements	82	82	67	67
Other group financial statements	89	-	72	-

External auditor's remuneration in respect of non-audit services

Audit related assurance services	67	62	22	17
Tax compliance services	-	-	-	-
Tax advisory services	22	22	9	9
Operating lease rentals	2,190	2,008	1,924	1,889

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
10 Taxation				
Recognised in the statement of comprehensive income				
Current tax				
Current tax expense	12	-	-	-
Prior year adjustment	34	-	8	-
Current tax expense	46	-	8	-
Deferred tax				
Origination and reversal of timing differences	-	-	-	-
Reduction in tax rate	-	-	-	-
Recognition of previously unrecognised tax losses	-	-	-	-
Deferred tax expense	-	-	-	-
Total tax expense	46	-	8	-

NOTES TO THE ACCOUNTS

10 Taxation (continued)**Factors affecting the total tax charge for the current period**

The tax assessed for the period relates to Eclectica Drindod Limited, , UWTSD Investments and Y Ganolfan Dysgu Cymraeg Genedlaethol and is higher than the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained as follows:

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
(Deficit)/Surplus before tax	7,134	6,208	(422)	2,235
Amounts not subject to tax	(7,069)	(6,208)	359	(2,235)
Taxable Profits	65	-	(63)	-
Tax at 19% (2020: 19%)	12	-	-	-
Effects of:				
Prior year adjustment	34	-	8	-
Total tax charged in the year	46	-	8	-

The UK Corporation tax rate reduced from 20% to 19% on 1st April 2017. A further reduction to 17% (effective 1st April 2020) was substantially enacted on 6th September 2016. This will reduce any current tax charges in future periods accordingly.

NOTES TO THE ACCOUNTS

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11 Tangible fixed assets							
Consolidated							
Cost or valuation							
At 1 August 2020	193,449	3,112	18,532	47,844	285	295	263,517
Additions in the year	863	3,718	-	4,646	14	77	9,318
Transfers	3,094	(3,094)	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposals	(48)	-	-	(31,710)	(131)	-	(31,889)
At 31 July 2021	197,358	3,736	18,532	20,780	168	372	240,946
Accumulated depreciation							
At 1 August 2020	59,888	-	4,025	43,589	268	-	107,770
Charge for the year	4,245	-	365	3,859	11	-	8,480
Impairment	3,094	-	-	112	-	-	3,206
Disposals	(16)	-	-	(31,611)	(131)	-	(31,758)
At 31 July 2021	67,211	-	4,390	15,949	148	-	87,698
Net book value							
At 31 July 2021	130,147	3,736	14,142	4,831	20	372	153,248
At 31 July 2020	133,561	3,112	14,507	4,257	17	295	155,749

Land and buildings owned by Coleg Sir Gar were revalued in 1998 at depreciated replacement cost by Cooke & Arkwright, a firm of independent chartered surveyors. On adoption of FRS 102, revalued properties have been treated as deemed cost. The analysis of cost or valuation of the tangible fixed assets as at 31 July 2021 is as follows:

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
Valuation in 1998	19,716	-	-	-	-	295	20,011
Cost	177,641	3,736	18,532	20,781	168	77	220,935
	197,357	3,736	18,532	20,781	168	372	240,946

NOTES TO THE ACCOUNTS

	Freehold land and buildings	Assets under construction	Leasehold land and buildings	Equipment, fixtures and fittings	Motor vehicles	Livestock	Totals
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
11 Tangible fixed assets (continued)							
University							
Cost or valuation							
At 1 August 2020	125,412	2,607	18,532	33,317	286	-	180,154
Additions in the year	319	3,718	-	2,148	14	-	6,199
- Transfers	3,094	(3,094)	-	-	-	-	-
Disposals	(48)	-	-	(28,844)	(131)	-	(29,023)
At 31 July 2021	128,777	3,232	18,532	6,621	169	-	157,330
Net book value							
At 1 August 2020	35,140	-	4,025	31,468	268	-	70,901
Charge for the year	2,776	-	365	2,074	11	-	5,226
Impairment	3,094	-	-	112	-	-	3,206
Disposals	(16)	-	-	(28,745)	(131)	-	(28,892)
At 31 July 2021	40,994	-	4,390	4,909	148	-	50,441
At 31 July 2021	87,783	3,232	14,142	1,712	21	-	106,889
At 31 July 2020	90,272	2,608	14,507	1,849	18	-	109,253

12 Heritage assets**Consolidated and University**

The heritage assets include a collection of rare manuscripts, tracts, incunabula and printed books. The assets were formally revalued at 31st July 2014 by Bernard Quaritch Ltd, resulting in an increase in value of £250k.

The University of Wales Lampeter Pension & Assurance Scheme trustees have a £2m floating charge over the University's heritage assets.

The University's heritage assets are hosted in a specialist purpose built annexe to the library on the Lampeter Campus and are managed by 2 specialist, qualified members of staff. Where the assets require any preservation or conservation work, this is carried out by the National Library of Wales

There have been no acquisitions or disposals of heritage assets within the last five years.

Details of the University's collection is available on the University's website <https://uwtsd.ac.uk/rbla/a-z-list-of-collections/>

	Freehold Property	
	Consolidated £'000	University £'000
13 Investment properties		
Balance at 1 August 2020	6,286	4,936
Additions	-	-
Revaluation	(1,872)	(1,672)
Balance at 31 July 2021	4,414	3,264

The Investment properties are valued by an independent RICS registered valuer on an annual basis with the latest valuation being dated 31st July 2021. The valuation basis for the investment properties is at fair value as defined under IFRS with an assumption that the properties selling value is subject to any existing leases. The revaluation amount recognised in 2021 relates to revaluing the investment properties to fair value in line with a valuation prepared by Savilles.

The University has no restriction of use on the income generated from the investment properties and at 31 July 2021 has no contractual obligations for future development or maintenance of the properties.

NOTES TO THE ACCOUNTS

	Interest in Joint Venture (Note 15) £'000	Other fixed asset investments £'000	Total £'000
14 Non-current investments			
Consolidated			
At 1 August 2020	721	265	986
Additions	-	38	38
Disposals	-	-	-
At 31 July 2021	721	303	1,024
Share of post-acquisition reserves			
At 1 August 2020	(253)	-	(253)
Retained profit less losses	17	-	17
At 31 July 2021	(236)	-	(236)
Balance at 31 July 2021	485	303	788
Balance at 31 July 2020	468	265	733

	Investment in Subsidiary £'000	Total £'000
University		
At 1 August 2020	-	-
Additions	385	385
Disposals	-	-
Impairment	(385)	(385)
At 31 July 2021	-	-

15 Investment in joint venture

One of the University's subsidiaries, UWTSD Investments Limited, holds a 50% share of OSTC TSD LLP, a limited liability partnership. This is a joint venture owned equally by UWTSD Investments Limited and OSTC, a Commercial Company. The investment in OSTC TSD LLP is partly in share capital (£300,000 (2020: £300,000)) and partly as an unsecured loan, repayable on demand, with an interest rate of 4% over base rate (£420,978 (20: £420,978)). The increase is way of accrued interest earned in the period of £17,268).

The arrangement is treated as a joint venture and is accounted for using the equity method, such that the investment is initially recorded at cost and is subsequently adjusted to reflect the University's 50% share of the net profit or loss of the joint venture. The Group's share of the operating loss of the joint venture within the joint venture's most recent financial statements (dated 31 December 2020) is £nil (2020: £nil). The Group's interest in the joint venture is £485,268 (2020: £468,000), consisting of the loan as disclosed above, plus capital investment in its consolidated balance sheet.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
16 Stock				
Finished goods	476	317	518	302
Livestock for resale	11	-	29	15
	487	317	547	317

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

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
17 Trade and other receivables				
Amounts falling due within one year:				
Trade debtors	20,326	19,985	18,600	17,989
Prepayments and accrued income	6,091	3,199	9,263	4,081
Amounts due from subsidiary companies	-	10,506	-	9,706
	26,417	33,690	27,863	31,776

The amounts due from subsidiaries are an aggregate of trading balances that are interest free and repayable on demand. The University has provided letters of support to its subsidiary companies in which it confirms that the debtor balances will not be called in during a period of 12 months from the Statement of Financial Position date.

	Year ended 31 July 2020		Year ended 31 July 2019	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
18 Investments				
Short term investment in shares	5,860	5,857	4,710	4,710
Short term deposits	15	-	15	-
	5,875	5,857	4,725	4,710

The University follows a conservative investment policy with an emphasis on obtaining an increase in the real capital value of each fund within the portfolio each year, a target of 5% real growth is expected, with 3.5% being income growth and 1.5% being capital growth.

The investments are held within the University and consolidated endowment funds. The movement in fair value on these investments is detailed in Note 21.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
19 Creditors: amounts falling due within one year				
Amounts due on land purchase	2,880	2,880	2,907	2,907
Secured loans (note 20)	2,274	2,274	2,110	2,110
Unsecured loans (note 20)	-	-	2,955	2,956
Obligations under finance leases (note 20)	590	311	846	578
Trade creditors	8,960	7,285	3,938	2,556
Social security and other taxation payable	1,672	1,249	1,648	1,182
Accruals and deferred income	46,271	37,576	35,664	26,342
Amounts due to subsidiary companies	-	10,005	-	9,561
Derivatives	898	898	1,727	1,727
	63,545	62,478	51,795	49,919

The amounts due to subsidiaries are an aggregate of trading balances that are interest free and repayable on demand.

Included with accruals and deferred income are the following items of income which have been deferred until specific performance related conditions have been met

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Funding Body Grants	2,847	2,847	682	682
Other Grant Income	4,064	2,881	3,337	2,431
Student Income	16,214	16,214	12,360	12,360
Other Income	2,891	2,834	2,976	2,902
	26,016	24,776	19,355	18,375

The amount due on the land purchase is an amount due to Welsh Government that is payable on the completion of sale of the land to a third party. This creditor arose as a deferred payment on the initial purchase of the land. Both the completion of the land sale and subsequent payment to Welsh Government have been delayed due to Covid-19 related issues and are due to be completed in 2021/22.

The derivatives relate to an interest rate swap contract which is used to fix the rate of the University's loan at 1.435% plus bank lending margin. This is held at fair value and has been valued using mark to market.

The university held an unsecured loan from Carmarthenshire County Council at 31st July 2020 representing an advance on cash receipts in relation to the final award of outstanding City Deal grant funding (£3million). During the year the grant income was confirmed. The loan was repaid to Carmarthenshire County Council in March 2021 with the grant income awarded being recognised in its place

The secured loan consists of a capital amount of £2 million and accrued interest of £274k. A capital payment of £500k was due on the 1st August 2021 with subsequent £500k repayments being due 1st November 2021 on 1st February 2022 and 1st April 2022.

NOTES TO THE ACCOUNTS

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
20 Creditors: amounts falling due after more than one year				
Obligations under finance leases	677	306	402	115
Secured loans	34,000	34,000	36,000	36,000
Unsecured loans	-	-	138	-
	34,677	34,306	36,540	36,115

The unsecured loan is held in UW Centre for Advanced Batch Manufacture and is due to University of Wales

Analysis of obligations under finance leases

Due within one year (note 18)	590	311	846	578
Due between two and five years	677	306	402	115
Total obligations under finance leases	1,267	617	1,248	693

Analysis of unsecured loans:

Due within one year or on demand (note 18)	-	-	2,955	2,955
Due between one and two years	-	-	-	-
Due between two and five years	-	-	-	-
Due in five years or more	-	-	138	-
Total unsecured loans	-	-	3,093	2,955

Analysis of secured loans:

Due within one year or on demand (note 18)	2,274	2,274	2,110	2,110
Due between one and two years	2,000	2,000	2,000	2,000
Due between two and five years	32,000	32,000	34,000	34,000
Due in five years or more	-	-	-	-
Total secured loans	36,274	36,274	38,110	38,110

The borrowing at 31 July 2021 and 31 July 2020 consisted of

Lender	Instrument	Amount £'000	Term	Interest Rate %	Borrower
HSBC	Term loan	38,000	To 2024	3.785%	University
	Other	Pension enhancements on termination	Pension scheme rectification	Total provisions	
	£'000	£'000	£'000	£'000	
21 Provision for liabilities					
Consolidated					
At 1 August 2020	219	2,424	38	2,681	
Utilised in year	-	(323)	-	(323)	
Additions in year	229	23	-	252	
At 31 July 2021	448	2,124	38	2,610	

The other provision of £229K relates to a potential repayment of European Funds (ESF) in relation to one of the subsidiaries' overhead recovery methodology.

The pension enhancements provision relates to staff in both the University and its subsidiaries who have already left employment and commitments for reorganisation costs at the balance sheet date. The provision has been recalculated in accordance with the latest LSC circular.

The Pension rectification provision is a potential liability on the University's in-house pension scheme.

NOTES TO THE ACCOUNTS

	Pension enhancements on termination £'000	Pension scheme rectification £'000	Total provisions £'000
Provision for liabilities			
University			
At 1 August 2019	1,305	38	1,343
Utilised in year	(232)	-	(232)
Additions in year	-	-	-
At 31 July 2020	1,073	38	1,111

The pension enhancements and the pension rectification provisions are as previously stated

	Unrestricted permanent endowment £'000	Restricted permanent endowment £'000	Restricted expendable endowment £'000	2021 Total £'000	2020 Total £'000
22 Endowment funds					
Consolidated					
Restricted net assets relating to endowments are as follows:					
Balance at 1 August					
Capital	1,157	4,232	20	5,409	5,676
Accumulated income	41	2,223	-	2,264	2,023
	1,198	6,455	20	7,673	7,699
New endowments	-	-	-	-	139
Investment income	-	224	-	224	261
Expenditure	-	(22)	-	(22)	(19)
Increase/(decrease) in market value of investments	4	1,155	5	1,164	(407)
Total endowment comprehensive income for the year	4	1,357	5	1,366	(26)
Balance at 31 July	1,202	7,812	25	9,039	7,673
Represented by:					
Capital	1,157	5,387	25	6,569	5,409
Accumulated income	45	2,425	-	2,470	2,264
	1,202	7,812	25	9,039	7,673
Analysis by type of purpose:					
Lectureships	-	4,146	-	4,146	3,331
Fellowships, scholarships and prize funds	23	1,830	25	1,878	1,575
General	1,179	1,836	-	3,015	2,767
	1,202	7,812	25	9,039	7,673
Analysis by asset					
Investments	25	5,832	25	5,882	4,730
Cash	1,177	2,072	-	3,249	3,035
Creditors	-	(92)	-	(92)	(92)
	1,202	7,812	25	9,039	7,673

NOTES TO THE ACCOUNTS

	Unrestricted permanent endowment £'000	Restricted permanent endowment £'000	2021 Total £'000	2020 Total £'000
22 Endowment funds (continued)				
University				
Restricted net assets relating to endowments are as follows:				
Balance at 1 August				
Capital	1,027	3,986	5,013	5,400
Accumulated income	2	2,218	2,220	1,979
	1,029	6,204	7,233	7,379
New endowments	-	-	-	20
Investment income	-	224	2244	261
Expenditure	-	(22)	(21)	(20)
Increase/(decrease) in market value of investments	-	1,155	1,155	(407)
Total endowment comprehensive income for the year	-	1,357	1,277	(145)
Balance at 31 July	1,029	7,561	8,590	7,233
Represented by:				
Capital	1,027	5,141	6,168	5,013
Accumulated income	2	2,420	2,422	2,220
	1,029	7,561	8,590	7,233
Analysis by type of purpose:				
Lectureships	-	4,146	4,146	3,331
Fellowships, scholarships and prize funds	-	1,794	1,794	1,495
General	1,029	1,621	2,650	2,407
	1,029	7,561	8,590	7,233
Analysis by asset				
Investments	25	5,831	5,856	4,709
Cash	1,004	1,822	2,826	2,616
Creditors	-	(92)	(92)	(92)
	1,029	7,561	8,590	7,233
23 Capital and other commitments				
Provision has not been made for the following capital commitments at 31 July 2021				
Commitments contracted for	-	-	3,629	3,629
Commitments authorised	-	-	-	-
	-	-	3,629	3,629

Year ended 31 July 2021		Year ended 31 July 2020	
Consolidated £'000	University £'000	Consolidated £'000	University £'000

NOTES TO THE ACCOUNTS

	Land and buildings £'000	At 31 July 2021 Other leases £'000	Total £'000	At 31 July 2020 Total £'000
24 Lease obligations				
Consolidated				
Total rentals payable under operating leases:				
Payable during the year	2,009	181	2,190	2,086
Future minimum lease payments due:				
Not later than 1 year	1,994	92	2,086	1,961
Later than 1 year and not later 5 years	3,779	150	3,929	3,870
Greater than 5 years	1,858	-	1,858	2,984
Total lease payments due	9,640	423	10,063	8,815
University				
Total rentals payable under operating leases:				
Payable during the year	1,974	34	2,008	1,899
Future minimum lease payments due:				
Not later than 1 year	1,964	33	1,997	1,866
Later than 1 year and not later 5 years	3,763	47	3,810	3,764
Greater than 5 years	1,858	-	1,858	2,984
Total lease payments due	9,559	114	9,673	8,614
25 Subsidiary undertakings				
Company	Principal Activity	Status		
Eclectica Drindod Limited	Deliver third mission activity	TUC sole member		
Trinity College	Hold endowment assets	TUC sole trustee		
Trinity University College (TUC)	Dormant	UWTSD sole member		
UWTSD Investments Limited	Commercial activities	100% owned		
Y Ganolfan Dysgu Cymraeg	Delivery of Welsh for Adults	UWTSD sole member		
Genedlaethol	programme			
UWTSD Learning Centres Limited	Dormant	100% owned		
Mentrau Creadigol Cymru	Operation of Yr Egin activities	100% owned		
Tidal Lagoon Academy Ltd	Dormant	100% owned		
Welsh American Academy Enterprises Limited	Dormant	100% owned		
Inspire (UWTSD) Limited	Dormant	100% owned		
Swansea Business School Limited	Dormant	100% owned		
Isustain (UWTSD) Limited	Dormant	100% owned		
Coleg Sir Gar	Further education	100% owned		
Coleg Ceredigion	Further education	100% owned		
UW Centre for Advance Batch	Commercial and research activities	51% owned		
Manufacture Limited				

NOTES TO THE ACCOUNTS

26 Related Parties

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 is deemed a related party in that it has key management personnel in common with the University

Balances: Receivables £2,433 (2020: £39,433), Payables £419,562 (2020: £nil)

Total income £17 (2020: £750), Total expenditure £115,087 (2020: £129,225)

University of Wales Press is a wholly owned subsidiary of the University of Wales

Balances: Receivables £nil (2020: £nil), Payables £nil (2020: £3,000)

Total income £nil (2020: £nil), Total expenditure £1,580 (2020: £3,000)

OSTC Trinity St David LLP is deemed a related party in that the UWTSD Investments Limited (a wholly owned subsidiary of the University) is a partner in it and has significant influence over it. The balance below represents an unsecured loan, for which more details are provided in note 14

Balances: Receivables £438,246 (2020: £420,978), Payables £nil (2020: £nil)

Total income £17,268 (2020: £nil), Total expenditure £nil (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 7

NOTES TO THE ACCOUNTS

27 Pension schemes

There are five pension schemes in operation via the Group for its staff: the Teachers' Pension Scheme (TPS) for academic staff and Universities Superannuation Scheme (USS) for academic and support staff and all staff appointed after 18 November 2010, the Dyfed Pension Fund (LGSS), the Swansea Pension Fund (LGPS) and the University of Wales Lampeter Pension and Assurance Scheme (UWLPS) for support staff.

The total pension costs included in the consolidated accounts are:

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Staff costs				
TPS contributions				
University of Wales: Trinity Saint David	1,276	1,276	1,327	1,327
Coleg Sir Gar	2,097	-	2,049	-
Coleg Ceredigion	429	-	371	-
USS contributions				
University of Wales: Trinity Saint David	5,125	5,125	4,613	4,613
Local Government contributions				
University of Wales Trinity Saint David	1,970	1,970	1,868	1,868
Coleg Sir Gar	1,310	-	1,221	-
Coleg Ceredigion	215	-	207	-
In House Scheme				
University of Wales Trinity Saint David	334	334	353	353
FRS102 adjustment				
University of Wales Trinity Saint David				
Movement on USS provision	2,618	2,618	(4,844)	(4,844)
Coleg Sir Gar	2,220	-	1,555	-
Coleg Ceredigion	405	-	339	-
Restructuring Provision				
University of Wales Trinity Saint David	-	-	-	-
Coleg Sir Gar	45	-	118	-
Coleg Ceredigion	24	-	12	-
Total Pension costs per note 7	18,068	11,323	9,189	3,317
Interest Costs				
Local Government – University	526	526	453	453
Local Government – Coleg Sir Gar	470	-	368	-
Local Government – Coleg Ceredigion	81	-	55	-
In House Scheme – University	96	96	86	86
USS – University	76	76	241	241
Total Pension interest cost per note 7	1,249	698	1,203	780

NOTES TO THE ACCOUNTS

27 Pension schemes (continued)

The pension liability disclosed in the balance sheet is summarised as follows:

	Year ended 31 July 2021		Year ended 31 July 2020	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
In House Scheme				
University of Wales: Trinity Saint David	3,329	3,329	6,511	6,511
USS Pension Scheme				
University of Wales: Trinity Saint David	13,166	13,166	10,471	10,471
Local Government Schemes				
University of Wales: Trinity Saint David	14,510	14,510	23,230	23,230
University of Wales: Trinity Saint David	11,497	11,497	13,734	13,734
Coleg Sir Gar	27,681	-	30,087	-
Coleg Ceredigion	4,353	-	5,199	-
Liability at 31 July	74,536	42,502	89,232	53,946

LGPS**Dyfed Scheme**

Certain employees are members of the Dyfed Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary.

A full actuarial valuation of the scheme was carried out as at 31 March 2019 by a qualified independent actuary. The major assumptions used by the actuary were:

	2019 Valuation	2016 Valuation
	%	%
Rate of increase in pensionable pay	3.9	3.7
Rate of increase in pensions in payment	2.4	2.2
Discount rate		
- in service	4.1	4.4
- left service	4.1	4.4
Inflation assumptions	2.4	2.2

The valuation states that the market value of the assets held at the valuation date amounted to £2,576 million and the present value of the scheme liabilities was £2,444 million. Representing a funding level of 105% and a surplus of £1,322 million.

The employer contribution rate was 19.4% to March 2021 and 22% from April 2021

NOTES TO THE ACCOUNTS

LGPS (continued)**Dyfed Scheme (continued)****FRS102 disclosure**

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2019 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2021. The projected unit method was used

	2021	2020	2019
	%	%	%
Rate of increase in salaries	4.1	3.8	3.7
Rate of increase in pensions	2.7	2.4	2.3
Discount rate	1.6	1.6	2.2
Rate of inflation	2.6	2.3	2.2

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below

	2021	2020	2019
Males			
Future lifetime from age 65 (currently aged 65)	23.1	23.0	23.0
Future lifetime from age 65 (currently aged 45)	24.7	24.5	25.7
Females			
Future lifetime from age 65 (currently aged 65)	25.0	24.9	25.2
Future lifetime from age 65 (currently aged 45)	27.2	27.1	28.1

	Split at 31 July 2021	Split at 31 July 2020	Split at 31 July 2019
	%	%	%
Split of scheme assets			
Equities	75.0	71.7	71.4
Government Bonds	1.8	4.4	4.8
Other Bonds	8.2	9.6	10.2
Property	10.4	11.9	12.3
Cash/liquidity	4.6	2.4	1.3
	100	100	100

LGPS Dyfed Scheme – University of Wales: Trinity Saint David

The following amounts at 31 July 2021, 31 July 2020 and at 31 July 2019 were measured in accordance with the requirements of FRS102

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Fair value of assets	27,685	22,760	23,808
Present value of scheme liabilities	(39,182)	(36,494)	(31,468)
Deficit in the scheme	(11,497)	(13,734)	(7,660)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of amount charged in Statement of Comprehensive Income			
Current service cost	(895)	(836)	(666)
Past service cost	-	(36)	(382)
Administration expenses	(8)	(9)	(14)
Curtailment	-	-	(67)
Total operating charge	(903)	(881)	(1,129)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – University of Wales: Trinity Saint David (continued)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of finance income and charges			
Expected return on assets	364	524	-
Interest on pension liabilities	(580)	(687)	(84)
Net finance cost	(216)	(163)	(84)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Amount recognised in other comprehensive income			
Difference between actual and expected return on scheme assets	4,563	(1,599)	713
Effects of changes in assumptions underlying the present value of scheme liabilities	(1,669)	(3,912)	(4,508)
	2,894	(5,511)	(3,795)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Movement in scheme at beginning of the year			
Deficit in scheme at beginning of the year	(13,734)	(7,660)	(3,164)
Current service cost	(903)	(881)	(1,129)
Contributions paid by the employer	462	481	512
Net finance cost	(216)	(163)	(84)
Actuarial gain/(loss)	2,894	(5,511)	(3,795)
Deficit in scheme at the end of the year	(11,497)	(13,734)	(7,660)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of the movement in the present value of the scheme liabilities			
At 1 August	(36,494)	(31,468)	(25,536)
Current service cost	(895)	(836)	(666)
Past service cost	-	(36)	(382)
Interest cost	(580)	(687)	(734)
Member contributions	(140)	(147)	(157)
Actuarial gain/(losses)	(1,669)	(3,912)	(4,508)
Curtailment	-	-	(67)
Benefits paid	596	592	582
At 31 July	(39,182)	(36,494)	(31,468)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of the movement in the present value of the scheme assets			
At 1 August	22,760	23,808	22,372
Expected rate of return on scheme assets	364	524	650
Re measurement gains on assets	4,563	(1,599)	713
Administration expenses	(8)	(9)	(14)
Employer contributions	462	481	512
Members contributions	140	147	157
Benefits paid	(596)	(592)	(582)
At 31 July	27,685	22,760	23,808

At 31 March 2020, in order to reflect the impact of proposals by the UK Chancellor and the UK Statistics Authority (UKSA) to align RPI with CPIH (a variant of the Consumer Prices Index that includes an estimate of housing costs), the CPI assumption methodology was reassessed. In particular, the assumed long term gap between RPI inflation and CPI inflation was reduced from 1.1% at the prior year end to 0.6% at this year end. The impact of this change is expected to have resulted in a £3.4m increase in the Fund's liabilities since the prior year end

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Sir Gar**

The following amounts at 31 July 2021, 31 July 2020 and at 31 July 2019 were measured in accordance with the requirements of FRS102

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Fair value of assets	54,821	45,194	45,193
Present value of scheme liabilities	(82,502)	(75,281)	(62,626)
Deficit in the scheme	(27,681)	(30,087)	(17,433)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of amount charged in Statement of Comprehensive Income			
Current service cost	(3,090)	(2,648)	(1,979)
Past service cost	-	-	-
Administration expenses	(28)	(27)	(40)
Curtailment	-	(160)	(543)
Total operating charge	(3,118)	(2,835)	(2,562)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of finance income and charges			
Expected return on assets	729	1,003	1,227
Interest on pension liabilities	(1,199)	(1,371)	(1,439)
Net finance cost	(470)	(368)	(212)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Amount recognised in other comprehensive income			
Difference between actual and expected return on scheme assets	8,175	(1,753)	1,346
Effects of changes in assumptions underlying the present value of scheme liabilities	(3,549)	(8,978)	(9,345)
	4,626	(10,731)	(7,999)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Movement in scheme at beginning of the year			
Deficit in scheme at beginning of the year	(30,087)	(17,433)	(7,918)
Operating cost	(3,118)	(2,835)	(2,562)
Contributions paid by the employer	1,368	1,280	1,258
Net finance cost	(470)	(368)	(212)
Actuarial gain/(loss)	4,626	(10,731)	(7,999)
Deficit in scheme at the end of the year	(27,681)	(30,087)	(17,433)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Sir Gar (continued)

	31 July 2021	31 July 2020	31 July 2019
	£'000	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities			
At 1 August	(75,281)	(62,626)	(49,900)
Current service cost	(3,090)	(2,648)	(1,979)
Past service cost	-	-	-
Interest cost	(1,199)	(1,371)	(1,439)
Member contributions	(446)	(429)	(416)
Actuarial gain/(losses)	(3,549)	(8,978)	(9,345)
Curtailment	-	(160)	(543)
Benefits paid	1,063	931	996
At 31 July	(82,502)	(75,281)	(62,626)
Analysis of the movement in the present value of the scheme assets			
At 1 August	45,194	45,193	41,981
Expected rate of return on scheme assets	729	1,003	1,227
Re measurement gains on assets	8,175	(1,753)	1,346
Administration expenses	(28)	(27)	(40)
Employer contributions	1,368	1,280	1,258
Members contributions	446	429	416
Benefits paid	(1,063)	(931)	(995)
At 31 July	54,821	45,194	45,193

NOTES TO THE ACCOUNTS**LGPS Dyfed Scheme – Coleg Ceredigion**

The following amounts at 31 July 2021, 31 July 2020 and at 31 July 2019 were measured in accordance with the requirements of FRS102

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Fair value of assets	12,504	10,464	11,105
Present value of scheme liabilities	(16,857)	(15,663)	(13,805)
Deficit in the scheme	(4,353)	(5,199)	(2,700)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of amount charged in Statement of Comprehensive Income			
Current service cost	(536)	(477)	(406)
Past service cost	-	-	-
Administration expenses	(5)	(63)	(106)
Curtailment	-	-	(171)
Total operating charge	(541)	(540)	(683)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of finance income and charges			
Expected return on assets	167	230	304
Interest on pension liabilities	(248)	(285)	(323)
Net finance cost	(81)	(55)	(19)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Amount recognised in other comprehensive income			
Difference between actual and expected return on scheme assets	167	230	334
Effects of changes in assumptions underlying the present value of scheme liabilities	1,084	(2,335)	(1,819)
	1,251	(2,105)	(1,485)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Movement in scheme at beginning of the year			
Deficit in scheme at beginning of the year	(5,199)	(2,700)	(730)
Operating cost	(541)	(540)	(683)
Contributions paid by the employer	217	201	217
Net finance cost	(81)	(55)	(19)
Actuarial gain/(loss)	1,251	(2,105)	(1,485)
Deficit in scheme at the end of the year	(4,353)	(5,199)	(2,700)

NOTES TO THE ACCOUNTS

LGPS Dyfed Scheme – Coleg Ceredigion (continued)

	31 July 2021	31 July 2020	31 July 2019
	£'000	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities			
At 1 August	(15,663)	(13,805)	(11,222)
Current service cost	(536)	(477)	(406)
Past service cost	-	(58)	(269)
Interest cost	(248)	(285)	(323)
Member contributions	(75)	(73)	(80)
Actuarial gain/(losses)	(627)	(1,590)	(1,819)
Curtailment	-	-	-
Benefits paid	292	625	314
At 31 July	(16,857)	(15,663)	(13,805)
Analysis of the movement in the present value of the scheme assets			
At 1 August	10,464	11,105	10,492
Expected rate of return on scheme assets	167	230	304
Re measurement gains on assets	1,878	(515)	334
Administration expenses	(5)	(5)	(8)
Employer contributions	217	201	217
Members contributions	75	73	80
Benefits paid	(292)	(625)	(314)
At 31 July	12,504	10,464	11,105

NOTES TO THE ACCOUNTS

LGPS**Swansea Scheme**

Certain employees are members of the City and County of Swansea Local Government Pension Scheme (LGPS). The University and employees contribute to the LGPS, which is a defined benefit scheme, and based on members final pensionable salary. The latest actuarial valuation was undertaken at 31 March 2019 by independent actuaries.

The actuarial valuation of the scheme is based on the projected unit method and the principal assumptions made by the actuaries were:

	2019 Valuation	2016 Valuation
	%	%
Rate of increase in pensionable pay	3.6	3.5
Rate of increase in pensions in payment	2.1	2.0
Discount rate:		
- in service	4.25	4.6
- left service	1.6	4.6
Inflation assumptions	2.1	2.0

The valuation states that the market value of the assets held at the valuation date amounted to £2,044 million and the present value of the scheme liabilities was £2,103 million. Representing a funding level of 98% and a deficit of £59 million.

The employer contribution rate is 37.1% plus £533,400, rising to 37.1% and £640,800 in 2022

FRS102 disclosure

In accordance with the requirements of Financial Reporting Standard 102, independent qualified actuaries have updated the results of the March 2019 valuation in order to ascertain the assets and liabilities of the fund which relate to the University at 31 July 2021. The projected unit method was used.

	2021	2020	2019
	%	%	%
Rate of increase in salaries	4.1	3.8	3.7
Rate of increase in pensions	2.6	2.3	2.2
Discount rate	1.7	1.4	2.1
Rate of inflation	2.6	2.3	2.2

The mortality assumptions are based on the recent actual mortality experience of members in the Fund and allow for future expected mortality improvements. Sample life expectancies resulting from these mortality assumptions are shown below:

	2021	2020	2019
Males			
Future lifetime from age 65 (currently aged 65)	22.3	22.2	23.0
Future lifetime from age 65 (currently aged 45)	23.3	23.2	24.7
Females			
Future lifetime from age 65 (currently aged 65)	24.3	24.2	24.6
Future lifetime from age 65 (currently aged 45)	25.8	25.7	26.4

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales: Trinity Saint David (continued)

	Split at 31 July 2021 %	Split at 31 July 2020 %	Split at 31 July 2019 %
Split of scheme assets			
Equities	78.4	74.8	77.4
Government Bonds	3.9	5.3	10.6
Other Bonds	7.1	1.0	0.8
Property	3.7	5.0	4.4
Cash/liquidity	1.7	2.2	3.2
Other*	5.2	11.7	3.6
	100	100	100

*Other holdings include hedge funds, currency holdings, asset allocation futures and other. The actuary has assumed this year that these will get a return in line with equities.

The following amounts at 31 July 2021, 31 July 2020 and at 31 July 2019 were measured in accordance with the requirements of FRS102

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Fair value of assets	45,200	35,790	36,150
Present value of scheme liabilities	(59,710)	(59,020)	(50,920)
Deficit in the scheme	(14,510)	(23,230)	(14,770)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of amount charged in Statement of Comprehensive Income			
Current service cost	1,510	(1,270)	(1,060)
Past service cost	-	(170)	(500)
Administration expenses	-	-	-
Curtailment	-	-	-
Total operating charge	1,510	(1,440)	(1,560)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of finance income and charges			
Expected return on assets	510	770	-
Interest on pension liabilities	(200)	(1,060)	(220)
Net finance cost	310	(290)	(220)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Amount recognised in other comprehensive income			
Difference between actual and expected return on scheme assets	8,220	(1,780)	1,290
Effects of changes in assumptions underlying the present value of scheme liabilities	800	(6,520)	(7,120)
	9,020	(8,300)	(5,830)

NOTES TO THE ACCOUNTS

LGPS Swansea Scheme – University of Wales: Trinity Saint David (continued)

	31 July 2021	31 July 2020	31 July 2019
	£'000	£'000	£'000
Movement in scheme at beginning of the year			
Deficit in scheme at beginning of the year	(23,230)	(14,770)	(8,620)
Current service cost	(1,510)	(1,440)	(1,560)
Contributions paid by the employer	1,520	1,570	1,460
Net finance cost	(310)	(290)	(220)
Actuarial gain/(loss)	9,020	(8,300)	(5,830)
Deficit in scheme at the end of the year	(14,510)	(23,230)	(14,770)

	31 July 2021	31 July 2020	31 July 2019
	£'000	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities			
At 1 August	(59,020)	(50,920)	(41,810)
Current service cost	(1,510)	(1,270)	(1,060)
Past service cost	-	(170)	(500)
Interest cost	(820)	(1,060)	(1,160)
Member contributions	(170)	(180)	(200)
Actuarial gain/(losses)	800	(6,520)	(7,120)
Curtailment	-	-	-
Benefits paid	1,010	1,100	930
At 31 July	(59,710)	(59,020)	(50,920)

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

	35,790	36,150	33,190
At 1 August	510	770	940
Expected rate of return on scheme assets	8,220	(1,780)	1,290
Re measurement gains on assets	-	-	-
Administration expenses	1,520	1,570	1,460
Employer contributions	170	180	200
Members contributions	(1,010)	(1,100)	(930)
Benefits paid	45,200	35,790	36,150
At 31 July			

At 31 March 2020, in order to reflect the impact of proposals by the UK Chancellor and the UK Statistics Authority (UKSA) to align RPI with CPIH (a variant of the Consumer Prices Index that includes an estimate of housing costs), the CPI assumption methodology was reassessed. In particular, the assumed long term gap between RPI inflation and CPI inflation was reduced from 1.1% at the prior year end to 0.6% at this year end. The impact of this change is expected to have resulted in a £5.0m increase in the Fund's liabilities since the prior year end

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPAAS)

The University sponsors the University of Wales, Lampeter Pension & Assurance Scheme which is a defined benefit arrangement. This is a separate trustee administered fund holding the pension scheme assets to meet long term pension liabilities.

The trustees of the scheme are required to act in the best interest of the scheme's beneficiaries. The appointment of the trustees is determined by the scheme's trust documentation. One-third of the trustees are nominated by the members of the scheme, at least one of the member nominated trustees must be a pensioner member.

A full actuarial valuation was carried out as at 31 July 2017, the results have been updated to 31 July 2020 by a qualified actuary, independent of the plan's sponsoring employer.

The results of the 31 July 2017 valuation showed a deficit of £1,981,000. The University has agreed with the trustees that it would aim to eliminate the deficit over a period of 10 years from 1 August 2017 by the payment of monthly contributions of £10,017 from 1st August 2018 to 31st July 2019 and then £20,583 from 1st August 2019, increasing at 3% per annum in respect of the deficit. In addition and in accordance with the actuarial valuation, the University has agreed with the trustees that it will pay 25.3% of pensionable earnings in respect of the cost of accruing benefits. The University will also meet expenses of the scheme and levies to the Pension Protection Fund, insurance premiums for death in service and all management and administration expenses. Member contributions are payable at the rate of 6.25% of pensionable service.

The material assumptions used by the actuary as at 31 July 2021, and for the comparative period, were as follows:

	2021	2020	2019
	%	%	%
Rate of increase in salaries	4.3	4.1	4.4
Rate of increase in pensions in payment	2.8	2.6	2.3
Revaluation rate for deferred pensions	2.5	2.5	2.5
Discount rate	1.6	1.5	2.1
Rate of inflation	2.4	2.2	2.5
Allowance for commutation of pension for cash at retirement	Maximum allowed	Maximum allowed	Maximum allowed

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

	2021	2020
Males retiring at age 65 in 2020	20.9 years	20.9 years
Females retiring at age 65 in 2020	22.9 years	22.8 years
Males retiring at age 65 in 2040	22.3 years	22.3 years
Females retiring at age 65 in 2040	24.4 years	24.3 years

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPS) (continued)

	Split at 31 July 2021 %	Split at 31 July 2020 %	Split at 31 July 2019 %
Split of scheme assets			
Equities	39.6	35.1	38.8
Bonds	50.3	55.7	50.3
Other	10.1	9.2	10.9
	100	100	100

The following amounts at 31 July 2020, 31 July 2019 and at 31 July 2018 were measured in accordance with the requirements of FRS102

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Fair value of assets	23,809	21,946	21,918
Present value of scheme liabilities	(27,138)	(28,457)	(26,120)
Deficit in the scheme	(3,329)	(6,511)	(4,202)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of amount charged in Statement of Comprehensive Income			
Current service cost	(151)	(100)	(123)
Past service cost	-	-	-
Administration expenses	-	-	-
Curtailment	-	-	-
Total operating charge	(151)	(100)	(123)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Analysis of finance income and charges			
Expected rate of return on scheme assets	326	455	539
Interest on pension liabilities	(422)	(541)	(618)
Net finance cost	(96)	(86)	(79)

	31 July 2021 £'000	31 July 2020 £'000	31 July 2019 £'000
Amount recognised in other comprehensive income			
Return on plan assets – gain	1,890	81	1,192
Experienced gains/(losses) arising on plan liabilities	1,042	57	4
Change in financial and demographic assumptions underlying the plan	157	(2,612)	(2,708)
Total loss recognised in the other comprehensive income statement	3,089	(2,474)	(1,512)

NOTES TO THE ACCOUNTS

University of Wales Lampeter Pension and Assurance Scheme (UWLPS) (continued)

	31 July 2021	31 July 2020	31 July 2019
	£'000	£'000	£'000
Movement in scheme at beginning of the year			
Deficit in scheme at beginning of the year	(6,511)	(4,202)	(3,234)
Current service cost	(151)	(100)	(123)
Contributions paid by the employer	340	351	912
Net finance cost	(96)	(86)	(79)
Expenses	-	-	-
Losses due to benefit changes	-	-	(166)
Actuarial gain/(loss)	3,089	(2,474)	(1,512)
Deficit in scheme at the end of the year	(3,329)	(6,511)	(4,202)

	31 July 2021	31 July 2020	31 July 2019
	£'000	£'000	£'000
Analysis of the movement in the present value of the scheme liabilities			
At 1 August	(28,457)	(26,120)	(22,988)
Current service cost	(151)	(100)	(123)
Past service cost	-	-	-
Interest cost	(422)	(541)	(618)
Member contributions	(19)	(20)	(27)
Actuarial gain/(losses)	1,199	(2,555)	(2,704)
Curtailment	-	-	-
Benefits paid	712	879	506
Expenses	-	-	-
Losses due to benefit changes	-	-	(166)
At 31 July	(27,138)	(28,457)	(26,120)

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

	21,946	21,918	19,754
At 1 August	21,946	21,918	19,754
Expected rate of return on scheme assets	326	455	539
Re measurement gains on assets	1,890	81	1,192
Administration expenses	-	-	-
Employer contributions	340	351	912
Members contributions	19	20	27
Benefits paid	(712)	(879)	(506)
At 31 July	23,809	21,946	21,918

NOTES TO THE ACCOUNTS

Teachers' Pension Scheme

This report sets out the results of the actuarial valuation of the combination of the Teachers' Pension Scheme ('pre 2015 Scheme') 6 and the 2015 Teachers' Pension Scheme ('2015 Scheme') 7 (Teachers' Pension Scheme or 'the Scheme'). The Scheme provides pensions and other benefits to teachers who have worked in schools or other educational establishments in England and Wales. The Scheme is an unfunded statutory public service pension scheme with the benefits underwritten by the Government. The Scheme is financed by payments from the employer and from those current employees who are members of the Scheme, who pay contributions at different rates based on pay and as specified in the regulations

The latest actuarial valuation of the scheme was carried out as at 31 March 2016 and in accordance with The Public Service Pensions (Valuations and Employers Cost Cap) Directions 2014. The Government Actuary (GA) reported on the valuation of the Teachers' Pension Scheme on 9 June 2014. The GA concluded that:

- at the date of the valuation, the liabilities in the scheme were £196.1 bn and the value of the assets was £218.1 bn giving a notional past service deficit of £22 bn;
- the total recommended rate of contribution payable by employers from 1 September 2019 is 23.6 % (previously 16.4%) of salary; and

The financial assumptions adopted for the current valuation and, for comparison, those adopted for the 2012 valuation, are shown below:

Last actuarial valuation	31 March 2016	31 March 2012
Actuarial method	Prospective benefits	Prospective benefits
Discount rate		
- Real	2.40%	3.00%
- Nominal	4.45%	5.06%
Pensions increases	2.00%	2.00%
Long term salary growth	4.20%	4.75%
- In excess of assumed	2.20%	2.75%

Under the definitions set out in FRS102, the TPS is a multi-employer pension scheme.

The TPS is unable to provide for the University an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the University has taken advantage of the exemption of FRS102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The University has set out above the information on the scheme and the implication for the University in terms of the anticipated contribution rates.

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.

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £5,125k (2020: £4,613k) including PensionChoice, but excluding the impact of the change in the deficit recovery plan.

Deficit recovery contributions due within one year for the institution are £1,694k (2020: £484k)

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.

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 2017 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
	<u>Post-retirement</u>
	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and 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:

	2018 Valuation	2017 Valuation
Males currently aged 65 years	24.4	24.6
Females currently aged 65 years	25.9	26.1
Males currently aged 45 years	26.3	26.6
Females currently aged 45 years	27.7	27.9

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:

	2021	2020	2019
Discount rate	0.87%	0.73%	2.44%
Pension growth (CPI)	2.08%	2.08%	2.11%

NOTES TO THE ACCOUNTS

USS (continued)

In the year ended 31 July 2021, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

A further full valuation as at 31 March 2020 is currently underway. There is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation has not met its statutory deadline of 30 June 2021. It is anticipated that there will be an increase in the deficit provision and impact on cashflow as a consequence of the new schedule of contributions.

28 Events after the reporting period

As set out in Note 27 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 further material events in the period between 31st July 2021 and the signing of the accounts on the 25th November 2021.