

University of Wales

Charity number: **1146516**

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



**Prifysgol Cymru
University of Wales**

CONTENTS

	Pages
Members	3
Administration details and professional advisors	4
Introduction by the Chair of Council and the Vice Chancellor	5
Operating and financial review	7
Statement of corporate governance	18
Independent auditor's report to the council of University of Wales	23
Consolidated and University statements of comprehensive income	28
Consolidated and University statements of changes in reserves	29
Consolidated and University statements of financial position	30
Consolidated statement of cash flows	31
Statement of accounting policies	32
Notes to the accounts	37

ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Members**

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

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

Member Ex Officio

The Vice-Chancellor (100%)

Independent Members

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

Emlyn Dole (Chair) (100%)

Justin Albert OBE (75%)

Timothy J Llewellyn (100%)

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

Dr Elizabeth Siberry OBE (75%)

Maria Stedman (Resigned 31.12.2023) (100%)

Nigel Roberts (100%)

Deris Davies Williams MBE (75%)

Co-opted Members

Geraint Evans (75%)

Iwan Thomas (100%)

Staff Member

Dr Stuart Robb (100%)

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

ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS**Legal Status**

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

Professional Advisors

Independent Auditor

External

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

Internal

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

Banker

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

Insurance Adviser

University Mutual Association Ltd,
4th Floor, 5 St. Helen's Place, London. EC3A 6AB

Pensions Adviser

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

Investment Adviser

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

Solicitor

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

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

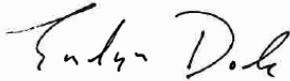
Introduction by the Chair of Council

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

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

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

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



Emlyn Dole
Chair of Council

INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

Introduction by the Vice Chancellor

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

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

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

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

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

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

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



Professor Elwen Evans, KC
Vice-Chancellor

OPERATING AND FINANCIAL REVIEW

Preparation of the consolidated financial statements

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

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

Basis of Consolidation

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

Public benefit statement

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

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

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

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

Ethical Investment and banking policies

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

Equal opportunities

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

Health and Safety

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

OPERATING AND FINANCIAL REVIEW

Welsh Language

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

Principal risks and uncertainties

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

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

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

Future prospects

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

Declaration of information to auditor

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

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

OPERATING AND FINANCIAL REVIEW

Collaborative Provision

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

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

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

University of Wales Press (UWP)

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

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

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

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

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

OPERATING AND FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

OPERATING AND FINANCIAL REVIEW

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

Dylan Thomas Centre

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

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

Gwasg Gregynog

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

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

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

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

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

Income

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

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

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

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

Income analysis

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

OPERATING AND FINANCIAL REVIEW**Expenditure**

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

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

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

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

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

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

Expenditure analysis

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

Balance Sheet

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

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

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

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

OPERATING AND FINANCIAL REVIEW

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

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

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

Cash Flow

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

Treasury Management and investments

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

Liquidity

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

Pensions

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

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

Financial Health

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

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

OPERATING AND FINANCIAL REVIEW

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

Sustainability

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

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

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

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

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

Going Concern

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

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

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

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

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

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

OPERATING AND FINANCIAL REVIEW

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

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

Environmental sustainability policy

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

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

Environmental Reporting

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

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

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

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

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

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

OPERATING AND FINANCIAL REVIEW

In addition, the University will:

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

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

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

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



Rowland Jones
Chair of Resources and
Performance Committee
University Registry,
King Edward VII Avenue
Cathays Park,
Cardiff CF10 3NS



Gavin Bessant
Director of Financial Services

University Registry,
King Edward VII Avenue
Cathays Park,
Cardiff CF10 3NS

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF CORPORATE GOVERNANCE

Governance arrangements

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

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

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

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

- **Academic Committee**

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

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

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

- **Audit and Risk Committee**

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

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

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

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

STATEMENT OF CORPORATE GOVERNANCE

- **Estates Committee**

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

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

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

- **Group Scrutiny Committee**

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

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

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

- **Nominations and Governance Committee**

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

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

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

- **Remuneration Committee**

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

The Committee met on two occasions in 2023/24.

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

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

STATEMENT OF CORPORATE GOVERNANCE

- **Resources and Performance Committee**

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

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

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

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

CUC Higher Education Code of Governance

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

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

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

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

Camm Review of Governance of the Universities in Wales

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

STATEMENT OF CORPORATE GOVERNANCE

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

STATEMENT OF CORPORATE GOVERNANCE

STATEMENT OF INTERNAL CONTROL

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

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

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

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

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

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

Risk Management / Risk Register

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

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

STATEMENT OF CORPORATE GOVERNANCE

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

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

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

It is required to prepare the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Charities Act 2011. The Terms and Conditions of Funding 2023/24 further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education and in accordance with the requirements of the Accounts Direction.

The Council is required to prepare financial statements which give a true and fair view of the state of affairs of the Group and parent University and of their income and expenditure, gains and losses and changes in reserves, and of the Group’s cash flows, for that period. In preparing each of the Group and parent University financial statements, the Council is required to:

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

The Council is responsible for keeping adequate accounting records that are sufficient to show and explain the parent University’s transactions and disclose with reasonable accuracy at any time the financial position of the parent University. It is responsible for such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and has general responsibility for taking such steps as are reasonably open to it to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied in accordance with paragraph 145 of the FMC;
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding 2023/24;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University’s resources and expenditure.

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF UNIVERSITY OF WALES**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2024, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

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

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

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

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

We did not identify any additional fraud risks.

We performed procedures including:

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

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

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

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

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

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

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

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

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

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

Other information

The Council (the members of which are the Trustees of the University for the purposes of charity law) is responsible for the other information, which comprises the Operating & Financial Review and the Statement of Corporate Governance. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- based solely on that work, we have identified material misstatements in the other information; or
- in our opinion the information given in Operating & Financial Review, and the Statement of Corporate Governance (which together constitutes the Trustees' Annual Report for the financial year) is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Council responsibilities

As explained more fully in its statement set out on page 23, the Council is responsible for: the preparation of the financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

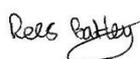
The regulation of the Welsh Higher Education sector was transferred from HEFCW to Medr, the Commission for Tertiary Education and Research, on 1 August 2024. The Accounts Direction, Financial Management Code and Terms and Conditions of Funding 2023/24 issued by HEFCW remain in place at the date of our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

In our opinion, in all material respects:

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

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

This report is made solely to the Council in accordance with Section 4 of the Charters and Statutes of the University and in accordance with the with the section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Council those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Council for our audit work, for this report, or for the opinions we have formed.



Rees Batley

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

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

66 Queen Square

Bristol

BS1 4BE

18 December 2024

CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME

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

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

CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES

Consolidated	Income and Expenditure Account		Total
	Endowment	Unrestricted Restated	
	£'000	£'000	£'000
Balance at 1 August 2022	5,317	931	6,248
Surplus/(deficit) from the income and expenditure statement	64	(2,476)	(2,412)
Other comprehensive income	-	1,965	1,965
Transfers between revaluation reserve and I&E Account	(2,599)	2,599	-
Total comprehensive income/(expense) for the year	(2,535)	2,088	(447)
Other movement in year	-	-	-
Balance at 31 July 2023	2,782	3,019	5,801
Surplus/(deficit) from the income and expenditure statement	72	795	867
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income/(expense) for the year	72	567	639
Other in year movement	-	(9)	(9)
Balance at 31 July 2024	2,854	3,577	6,431
University	Income and Expenditure Account		Total
	Endowment	Unrestricted Restated	£'000
	£'000	£'000	£'000
Balance at 1 August 2022	5,317	911	6,228
Surplus/(deficit) from the income and expenditure statement	64	(2,473)	(2,409)
Other comprehensive income	-	1,965	1,965
Transfers between revaluation reserve and I&E Account	(2,599)	2,599	-
Total comprehensive income/(expense) for the year	(2,535)	2,091	(444)
Other movement in year	-	(1)	(1)
Balance at 1 August 2023	2,782	3,001	5,783
Surplus/(deficit) from the income and expenditure statement	72	787	859
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
Total comprehensive income/(expense) for the year	72	559	631
Other in year movement	-	(3)	(3)
Balance at 31 July 2024	2,854	3,557	6,411

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

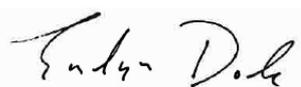
The notes on page 32 to 50 form part of these financial statements.

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

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

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

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



Emlyn Dole (Chair)



Prof Elwen Evans KC (Vice-Chancellor)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

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

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

STATEMENT OF ACCOUNTING POLICIES

a. **Basis of preparation**

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

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention, except in relation to investment properties, current asset investments and derivative financial instruments carried at fair value.

b. **Basis of consolidation**

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

c. **Going Concern**

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

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

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

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

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

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

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

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

STATEMENT OF ACCOUNTING POLICIES

d. **Income recognition**

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

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

Grant Funding

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

Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

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

Capital Grants

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

e. **Accounting for retirement benefits**

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

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

Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

Defined Benefit Plan

STATEMENT OF ACCOUNTING POLICIES

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

f. **Employment benefits**

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

g. **Foreign Currency**

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

h. **Fixed Assets**

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

Land and Buildings

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

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

Equipment

Equipment, including computers and software, costing less than de-minimus of £5,000 per individual item or group of items is written off in the year of acquisition. All other equipment is capitalised. Capitalised equipment is stated at cost and depreciated over its expected useful life as follows:

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

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

Borrowing costs

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

STATEMENT OF ACCOUNTING POLICIES

i. **Investments**

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

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

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

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

j. **Stock**

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

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

k. **Financial Instruments**

Trade and other debtors/creditors

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

Interest bearing borrowings

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

Cash and cash equivalents

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

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

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

Provisions are recognised in the financial statements when:

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

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

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

STATEMENT OF ACCOUNTING POLICIES

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

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

m. Accounting for joint ventures and associates

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

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

n. Taxation

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

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

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

o. Reserves

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

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

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

Defined benefit pension scheme assumptions

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

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

USS pension scheme assumptions

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

NOTES TO THE ACCOUNTS

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

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

NOTES TO THE ACCOUNTS

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

Emoluments of the Vice-Chancellor

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

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

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

There were no other higher paid staff in the year.

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

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

There are no key management personnel that require separate disclosure.

Trustees

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

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

NOTES TO THE ACCOUNTS

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

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

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

Vice-Chancellor Remuneration Statement

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

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

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

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

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

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

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

The Remuneration Committee is responsible for reviewing and determining on an annual basis the salaries, terms and conditions and, where appropriate the severance conditions of the above senior post-holders. The terms of reference are published on the University website ensuring these are available to staff, students and all stakeholders in an open and transparent manner: <https://www.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 2024		Year ended 31 July 2023	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
4 Interest and other finance costs				
Net charge on USS pension scheme	8	8	11	11
Net credit on UWSS pension scheme	(106)	(106)	(9)	(9)
	(98)	(98)	2	2

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

Other operating expenses include:

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

5a Endowment transfer

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

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

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

NOTES TO THE ACCOUNTS

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

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

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

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

University – UW Centre for Advanced Batch Manufacture Ltd

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

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

NOTES TO THE ACCOUNTS

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

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

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

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

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

NOTES TO THE ACCOUNTS

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

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

13 Related Party Transactions

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

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

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

NOTES TO THE ACCOUNTS

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

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

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

14 Contingent Liabilities

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

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

15 Non adjusting Post Balance Sheet Events

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

NOTES TO THE ACCOUNTS

16 Pension schemes

University of Wales Superannuation Scheme (UWSS)

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

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

Amounts recognised in the statement of financial position are:

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

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

Defined benefit costs recognised in comprehensive income statement are:

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

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

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

NOTES TO THE ACCOUNTS

Significant actuarial assumptions were:

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

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

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

Sensitivity analysis:

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

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

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

NOTES TO THE ACCOUNTS

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

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

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

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

Universities Superannuation Scheme (USS)

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

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

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

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

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

NOTES TO THE ACCOUNTS

The 2023 valuation was the seventh valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to have sufficient and appropriate assets to cover their technical provisions (the statutory funding objective). At the valuation date, the value of the assets of the scheme was £73.1 billion and the value of the scheme's technical provisions was £65.7 billion indicating a surplus of £7.4 billion and a funding ratio of 111%.

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

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

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

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

The current life expectancies on retirement at age 65 are:

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

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

NOTES TO THE ACCOUNTS

17 Restatement

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

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

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

STATEMENTS OF CHANGES IN RESERVES IMPACT

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

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