

**University of Wales**

Charity number: **1146516**

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



**Prifysgol Cymru  
University of Wales**

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**ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS****Members**

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

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

**Member Ex Officio**

The Vice-Chancellor (100%)

**Independent Members**

Emlyn Dole (Chair) (100%)

Justin Albert OBE (Resigned 31.07.2025) (40%)

Timothy J Llewelyn (100%)

Dr Elizabeth Siberry OBE (60%)

Nigel Roberts (100%)

Deris Davies Williams MBE (40%)

**Co-opted Members**

Geraint Evans (20%)

Iwan Thomas (60%)

**Staff Member**

Dr Stuart Robb (100%)

**Clerk and Secretary:** Sarah Clark (100%)

**ADMINISTRATIVE DETAILS AND PROFESSIONAL ADVISORS****Legal Status**

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

**Professional Advisors**

## Independent Auditor

External

KPMG, 66 Queen Square, Bristol, BS1 4BE

Internal

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

## Banker

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

## Insurance Adviser

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

## Pensions Adviser

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

## Investment Adviser

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

## Solicitor

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

## INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

### Introduction by the Chair of Council

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

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

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

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

A handwritten signature in black ink, reading "Emlyn Dole". The signature is written in a cursive style with a large initial 'E'.

Emlyn Dole  
Chair of Council

## INTRODUCTION BY THE CHAIR OF COUNCIL AND THE VICE CHANCELLOR

### Introduction by the Vice Chancellor

On 1 September 2023, I was privileged to take on the role of Vice-Chancellor and Chief Accounting Officer of the University. I remain extremely proud to lead such a distinguished and historic institution.

This review reflects the University's work during 2024–25. It highlights the progress that has been made through the commitment of the many colleagues who have helped move the University forward during a period of significant challenge for the sector.

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

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

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

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



Professor Elwen Evans, KC  
Vice-Chancellor

## OPERATING AND FINANCIAL REVIEW

### Preparation of the consolidated financial statements

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

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

### Basis of Consolidation

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

### Public benefit statement

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

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

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

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

### Ethical Investment and banking policies

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

### Equal opportunities

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

### Health and Safety

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

## **OPERATING AND FINANCIAL REVIEW**

### **Welsh Language**

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

### **Principal risks and uncertainties**

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

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

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

### **Future prospects**

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

### **Declaration of information to auditor**

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

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

## OPERATING AND FINANCIAL REVIEW

### Collaborative Provision

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

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

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

### University of Wales Press (UWP)

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

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

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

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

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

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

## OPERATING AND FINANCIAL REVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

## OPERATING AND FINANCIAL REVIEW

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

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

### Dylan Thomas Centre

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

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

### Gwasg Gregynog

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

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

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

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

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

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

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

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

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

**Income**

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

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

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

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

**Income analysis**

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

**OPERATING AND FINANCIAL REVIEW****Expenditure**

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

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

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

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

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

**Expenditure analysis**

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

**Balance Sheet**

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

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

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

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

## OPERATING AND FINANCIAL REVIEW

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

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

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

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

### Cash Flow

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

### Liquidity

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

### Pensions

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

### Financial Health

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

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

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

### Sustainability

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

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

## OPERATING AND FINANCIAL REVIEW

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

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

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

### Going Concern

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

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

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

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

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

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

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

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

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

## OPERATING AND FINANCIAL REVIEW

### Environmental sustainability policy

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

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

### Environmental Reporting

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

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

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

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

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

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

## OPERATING AND FINANCIAL REVIEW

In addition, the University will:

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

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

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

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



**Rowland Jones**

Chair of Resources and  
Performance Committee  
University Registry,  
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**Gavin Bessant**

Director of Financial Services  
  
University Registry,  
King Edward VII Avenue  
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## STATEMENT OF CORPORATE GOVERNANCE

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### 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 2024/25 were as follows:

- **Academic Committee**

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

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

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

- **Audit and Risk Committee**

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

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

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

## STATEMENT OF CORPORATE GOVERNANCE

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- **Group Scrutiny Committee**

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

- **Nominations and Governance Committee**

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

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

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

- **Remuneration Committee**

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

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

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

- **Resources and Performance Committee**

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

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

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

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

### CUC Higher Education Code of Governance

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

## STATEMENT OF CORPORATE GOVERNANCE

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

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

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

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

### **Camm Review of Governance of the Universities in Wales**

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

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

## STATEMENT OF CORPORATE GOVERNANCE

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### STATEMENT OF INTERNAL CONTROL

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

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

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

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

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

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

### Risk Management / Risk Register

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

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

## **INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES**

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

The Council is responsible for preparing the Consolidated Financial Statements in accordance with the requirements of the Terms and Conditions of Funding 2024/25 issued by the Medr, the Accounts Direction to Higher Education Institutions for 2024/25 issued by Medr (“the Accounts Direction”), the Financial Management Code issued under the Higher Education (Wales) Act 2015 (“FMC”) and applicable law and regulations.

It is required to prepare the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Charities Act 2011. The Terms and Conditions of Funding 2024/25 further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education and in accordance with the requirements of the Accounts Direction.

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

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

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

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied in accordance with paragraph 145 of the FMC;
- Funding Council grants have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding 2024/25;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University’s resources and expenditure.

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

## INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

##### Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the University's affairs as at 31 July 2025, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

##### Basis for opinion

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

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

##### Going concern

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

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

Our conclusions based on this work:

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

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

##### *Identifying and responding to risks of material misstatement due to fraud*

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

## INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES

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

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

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

We did not identify any additional fraud risks.

We performed procedures including:

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

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

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

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

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

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

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

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

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

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

## **INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES**

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### **Other information**

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

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

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

We have nothing to report in these respects.

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

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

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

We have nothing to report in these respects.

### **Council responsibilities**

As explained more fully in its statement set out on page 22, the Council is responsible for: the preparation of the financial statements which give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

### **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

We are required to report on the following matters prescribed in the Financial Management Code issued under the Higher Education (Wales) Act 2015 and the Accounts Direction to Higher Education Institutions for 2024/25 issued by Medr ("the Accounts Direction").

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

In our opinion, in all material respects:

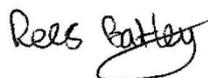
**INDEPENDENT AUDITORS REPORT TO THE COUNCIL OF UNIVERSITY OF WALES**

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- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- income, where appropriate, has been applied by the University in accordance with paragraph 145 of the HEFCW's Financial Management Code;
- Funding Council grants (including grants from Medr) have been applied in accordance with terms and conditions attached to them and used for the purposes for which they were received, including the Terms and Conditions of Funding 2024/25 issued by HEFCW ; and
- the requirements of Medr's Accounts Direction have been met.

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

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



**Rees Batley**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

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

*66 Queen Square*

*Bristol*

*BS1 4BE*

19 December 2025

**CONSOLIDATED AND UNIVERSITY STATEMENTS OF COMPREHENSIVE INCOME**

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

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

**CONSOLIDATED AND UNIVERSITY STATEMENTS OF CHANGES IN RESERVES**

<b>Consolidated</b>	<b>Income and Expenditure Account</b>		
	<b>Endowment £'000</b>	<b>Unrestricted £'000</b>	<b>Total £'000</b>
<b>Balance at 1 August 2023</b>	<b>2,782</b>	<b>3,019</b>	<b>5,801</b>
Surplus from the income and expenditure statement	72	795	867
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
<b>Total comprehensive income for the year</b>	<b>72</b>	<b>567</b>	<b>639</b>
Other movement in year	-	(9)	(9)
<b>Balance at 31 July 2024</b>	<b>2,854</b>	<b>3,577</b>	<b>6,431</b>
Surplus from the income and expenditure statement	7	85	92
Other comprehensive income	-	162	162
Transfers between revaluation reserve and I&E Account	-	-	-
<b>Total comprehensive income for the year</b>	<b>7</b>	<b>247</b>	<b>254</b>
Other in year movement	-	-	-
<b>Balance at 31 July 2025</b>	<b>2,861</b>	<b>3,824</b>	<b>6,685</b>
<b>University</b>	<b>Income and Expenditure Account</b>		
	<b>Endowment £'000</b>	<b>Unrestricted £'000</b>	<b>Total £'000</b>
<b>Balance at 1 August 2023</b>	<b>2,782</b>	<b>3,001</b>	<b>5,783</b>
Surplus from the income and expenditure statement	72	787	859
Other comprehensive income	-	(228)	(228)
Transfers between revaluation reserve and I&E Account	-	-	-
<b>Total comprehensive income for the year</b>	<b>72</b>	<b>559</b>	<b>631</b>
Other movement in year	-	(3)	(3)
<b>Balance at 1 August 2024</b>	<b>2,854</b>	<b>3,557</b>	<b>6,411</b>
Surplus from the income and expenditure statement	7	101	108
Other comprehensive income	-	162	162
Transfers between revaluation reserve and I&E Account	-	-	-
<b>Total comprehensive income for the year</b>	<b>7</b>	<b>263</b>	<b>270</b>
Other in year movement	-	-	-
<b>Balance at 31 July 2025</b>	<b>2,861</b>	<b>3,820</b>	<b>6,681</b>

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

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

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

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



Emlyn Dole (Chair)



Prof Elwen Evans KC (Vice-Chancellor)

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

**CONSOLIDATED STATEMENT OF CASH FLOWS**

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

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

## STATEMENT OF ACCOUNTING POLICIES

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### a. **Basis of preparation**

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

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

### b. **Basis of consolidation**

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

### c. **Going Concern**

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

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

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

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

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

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

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

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

## STATEMENT OF ACCOUNTING POLICIES

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

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

### d. **Income recognition**

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

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

#### Grant Funding

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

#### Donations and Endowments

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

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

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

There are two types of donations and endowments within reserves:

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

#### Capital Grants

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

### e. **Accounting for retirement benefits**

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

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

## STATEMENT OF ACCOUNTING POLICIES

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### Defined Contribution Plan

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

### Defined Benefit Plan

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

#### f. **Employment benefits**

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

#### g. **Foreign Currency**

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

#### h. **Fixed Assets**

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

### Land and Buildings

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

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

### Equipment

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

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

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

## STATEMENT OF ACCOUNTING POLICIES

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

### Borrowing costs

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

### i. **Investments**

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

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

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

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

### j. **Stock**

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

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

### k. **Financial Instruments**

#### Trade and other debtors/creditors

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

#### Interest bearing borrowings

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

#### Cash and cash equivalents

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

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

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

Provisions are recognised in the financial statements when:

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

## STATEMENT OF ACCOUNTING POLICIES

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

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

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

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

**m. Accounting for joint ventures and associates**

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

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

**n. Taxation**

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

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

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

**o. Reserves**

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

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

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

Defined benefit pension scheme assumptions

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

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

## NOTES TO THE ACCOUNTS

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

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

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

## Emoluments of the Vice-Chancellor

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

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

## NOTES TO THE ACCOUNTS

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

There were no other higher paid staff in the year.

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

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

There are no key management personnel that require separate disclosure.

### Trustees

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

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

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

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

### Vice-Chancellor Remuneration Statement

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

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

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

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

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

## NOTES TO THE ACCOUNTS

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

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

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

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

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

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

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

Other operating expenses include:

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



## NOTES TO THE ACCOUNTS

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

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

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

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

**University – UW Centre for Advanced Batch Manufacture Ltd**

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

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

## NOTES TO THE ACCOUNTS

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

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

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

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

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

## NOTES TO THE ACCOUNTS

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

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

**13 Related Party Transactions**

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

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

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

## NOTES TO THE ACCOUNTS

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

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

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

### 14 Contingent Liabilities

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

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

### 15 Non adjusting Post Balance Sheet Events

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

### 16 Pension schemes

#### University of Wales Superannuation Scheme (UWSS)

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

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

Amounts recognised in the statement of financial position are:

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

**NOTES TO THE ACCOUNTS**

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

Defined benefit costs recognised in comprehensive income statement are:

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

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

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

Significant actuarial assumptions were:

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

Post-retirement mortality assumption

90% (males) and 103% (females) of the standard tables S4PxA_H, Year of Birth, no age rating projected using CMI_2024 converging to 1.25% pa	91% (males) and 98% (females) of the standard tables S3PxA_H, Year of Birth, no age rating projected using CMI_2023 converging to 1.25% pa
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Assumed life expectancy on retirement at age 64

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

Sensitivity analysis:

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

**NOTES TO THE ACCOUNTS**

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

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

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

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

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

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

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

## NOTES TO THE ACCOUNTS

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

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

### Universities Superannuation Scheme (USS)

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

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

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

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

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

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

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

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

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

## NOTES TO THE ACCOUNTS

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

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

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

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