



Swansea
University
Prifysgol
Abertawe

ANNUAL REVIEW 2022

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CHAIR'S INTRODUCTION

I would like to begin this introduction to our Annual Report and Financial Statements, on behalf of the Council, by thanking the Vice-Chancellor, staff and students, for their dedication and hard work.

We are still dealing with the aftermath of some of the challenges posed by Covid, as well as the impact on international student recruitment and research income as a result of Brexit, and the continued competitive nature of the higher education sector. I am proud that we continue to make a difference on a local, national and global stage through research, enterprise, teaching, student experience and civic engagement.

One of the most welcome aspects of the previous year is how our staff, students, alumni and other stakeholders have finally been able to enjoy in-person events again. It has been a real pleasure to see our students celebrate their achievements by graduating in front of family and friends, including the cohorts from 2020 and 2021 who could not enjoy in-person ceremonies at the time.

Varsity is always a highlight of the student experience and one of the highlights of 2022 so far for me has been the return of this annual sporting contest with Cardiff – our students once again able to enjoy this friendly rivalry and celebration. Next year we will hope to build on the success of many of our teams and ensure we deliver even better overall results.

The quality of the student experience is always central to our strategic goals at Swansea, and to this end, listening to and engaging with the student voice is crucial and dependent on the close relationship between the University and the Students' Union, and the ongoing and fruitful engagement with the Students' Union's full-time officers. It was therefore very pleasing to see the University ranked 15th in the annual Student Crowd Awards, with the Students' Union ranked 20th in their category: these are the only awards based entirely on verified student reviews.

Our University is proud to be an inclusive and welcoming place of study and work, and one that respects and celebrates diverse cultures. At heart, we are a University of and for Wales, offering a warm Welsh welcome to our students wherever they come from. We celebrate our Welsh heritage and culture and aspire for our students and colleagues to come into contact with the language regardless of their background or area of study. In June 2022 we launched our Welsh Language Strategy which outlines our aspirations and ambitions to secure a prominent place for the language in our community. Our aim over the next five years is to move forward, building further on those foundations to ensure sustained progress and to take our place with confidence amongst those universities in Wales that embrace, celebrate and promote the Welsh language and Welshness.

I would like to take this opportunity to thank both past and present members of the University Council and its various committees for their commitment and contribution to the University. During the year, the Council has continued to ensure the University's governance arrangements allow us to embrace a culture of openness and transparency. The strength of these arrangements is evident in the way that we have been able to respond to the challenges which we and others in the sector have faced and put us in a strong position to address the challenges which undoubtedly still lie ahead. I am sure we will continue to build on our successes together thanks to the dedication and talent of our staff, students and stakeholders.

We are facing the continued challenges ahead with confidence and building on the excellent work done in teaching and student support, as well as world-class research, as we move into our second century in a stronger position than ever.



Mr Bleddyn Phillips, Chair of Council

28th November 2022





VICE-CHANCELLOR'S INTRODUCTION

Following the challenging events of the previous two years, this academic year at Swansea University has been characterised by a desire for reconnection; with our students, with our staff and with our partners, both local and global. I remain incredibly proud of the resilience of our staff community in the wake of a global pandemic, so many of whom have played a vital role in supporting safety and wellbeing, while ensuring the continuation of our University's core purpose; our learning and teaching, our research, our student experience, our civic mission and our enterprise.

With the remarkable pace of scientific endeavour over the past two years came a vaccination programme which has enabled a safe and steady return of so many of the opportunities upon which a meaningful university experience is built. Most notably, we saw the gradual return of in-person teaching and student engagement that reflects our Teaching Excellence Framework (TEF) Gold Award. I remain extremely grateful to staff across our University for their commitment to maintaining academic quality in the face of the transition between teaching formats this year, as evidenced by us retaining our place in the Guardian University Guide 2022 (24th in the UK overall) and being ranked 6th in the UK for course satisfaction.

At a time when the link between research breakthroughs and our daily lives has never been more explicit, our academics have continued to balance their commitment to our students with their vital work to tackle the challenges of our modern world. We are proud that our researchers play a significant role in driving positive global change, as demonstrated by the recent Research Excellence Framework (REF) 2021 exercise, within which 85% of our research outputs were deemed to be world-leading and internationally excellent. We were also delighted to be ranked within the top 20 universities out of 1,400 institutions internationally for our performance against three of the UN Sustainable Development Goals, within the new THE Impact Ratings 2022.

Our research is highly impactful only due to the scale and strength of our academic collaborations across disciplines, institutions and national borders. This was perfectly encapsulated by the Queen's Anniversary Prize which was conferred upon our University in early 2022. This highly prestigious prize was awarded for the work of Professor David Worsley and colleagues within Materials Science and Engineering, who are leading a revolution in renewable energy technologies, particularly solar electricity and heat storage. Their global network of collaborators has enhanced the international impact of this vital research to transform the construction industry and tackle fuel poverty across the world.

Importantly, this year has seen the welcome return of the in-person events which foster a sense of connection and make the higher education experience a positive one. Within a period of eight months, we invited four cohorts of graduands to attend full graduation ceremonies, ensuring that no student of the past two years lost out on the opportunity to cross the stage. And after a two-year hiatus,

we were delighted to host our annual Varsity event, a long-established sports tournament which is a calendar highlight for both Swansea and Cardiff Universities.

Along with a return to familiar traditions, this year we were pleased to usher in the new by hosting the inaugural Hillary Rodham Clinton Global Challenges Summit in November. The Summit, kindly supported by the Welsh Government, featured conversations convened and chaired by Secretary Clinton, alongside expert panels addressing the most pressing global challenges of our time; technology, the climate crisis, human rights and healthcare. Throughout all of the illustrious panels, there was clear consensus on the need for connection and collaboration – across disciplines, sectors and countries – to truly address the most urgent issues facing our generation and those which follow us.

In that spirit, I am proud to reflect upon our University's global outlook and our continued commitment to international collaboration. This year, we have reconnected with longstanding partners such as Université Grenoble Alpes in France and institutions within our Texas Strategic Partnership, while continuing to explore new international opportunities. The strength of our global networks has led to an improvement in our QS World University ranking (2023); indeed, Swansea University saw the largest rank improvement of any UK university within the top 500. With the world reopening for us all, these international connections mean that we can once again offer life-changing exchange opportunities to our staff and students alike.

At a time when our geopolitical reality feels increasingly fragile, we have not lost sight of our place in the world, nor of our unique role within the local community which we were founded to serve. As an institution, we have supported the Council for At-Risk Academics (Cara) who provide practical and financial assistance to the many staff and students across the world who are facing danger through conflict, persecution or displacement. Closer to home, our partnerships with local authorities, health boards and the private sector have been strengthened through our shared commitment to projects and initiatives that will enhance the lives and wellbeing of our local community. Throughout, we have remained proud to promote the distinct heritage, culture and language of Wales to our international students, staff and partners alike.

This academic year has been a year of reconnection in a myriad of ways. After a period of intense disruption, we have found comfort in meeting, teaching and working together again within the same physical space, and in reconnecting with our core mission as a university. I remain incredibly proud that, in spite of the challenges, our focus on the institutional principles and purpose upon which we were founded has endured.

Professor Paul Boyle, Vice-Chancellor

28th November 2022

FACTS AND FIGURES

STUDENT NUMBERS

6,156

POSTGRADUATES*

17,911

UNDERGRADUATES*

18.9%

OVERSEAS STUDENTS*

83%

ACHIEVED A FIRST OR 2:1 DEGREE (21-22)

*Swansea Insights Data 2021/22 EoY

STAFFING

3,479

TOTAL STAFF (FTE 21-22)

1,612

ACADEMIC STAFF (FTE 21-22)

STUDENT EXPERIENCE

GRADUATE OUTCOMES

93%

OF GRADUATES ARE IN EMPLOYMENT, STUDY AND / OR OTHER ACTIVITIES (HESA 2022)

TOP 20



BEST UK UNIVERSITIES (Student Crowd University Awards 2022)

15th IN THE UK

The Guardian

FOR COURSE SATISFACTION (Guardian University Guide 2023)

NSS National Student Survey

78%

OF STUDENTS ARE SATISFIED (NSS 2022)

WORLD RANKINGS

QS WORLD UNIVERSITY RANKINGS

GLOBALLY RANKED IN ALL SUBJECT AREAS

(QS World University Rankings 2023)

THE World University Rankings 2023

251-300

(THE World University Rankings 2023)

UK RANKINGS

39th



(The Times Good University Guide 2022)

42nd Complete University Guide

(Complete University Guide 2023)

24th The Guardian

(Guardian University Guide 2022)

RESEARCH EXCELLENCE

86% REF2021 Research Excellence Framework

WORLD LEADING AND INTERNATIONALLY EXCELLENT RESEARCH (REF2021)

£69.2M

RESEARCH INCOME

FINANCIAL PERFORMANCE

4%

OPERATING SURPLUS AS % INCOME (before pension adjustment)

12%

EBITDA AS % INCOME

15%

NET OPERATING CASHFLOW AS % INCOME

OUR STRATEGIC VISION AND PURPOSE

Our Strategic Vision and Purpose

Our Strategic Vision and Purpose sets out the high-level priorities for the University. The document was developed following extensive engagement with our staff, student and alumni community and stakeholders in the region. The commitments and priorities outlined were identified and refined through a series of workshops, and drafts of the strategy were discussed at the Leadership Engagement Forum. The document was approved by Council in November 2020.

Our Vision

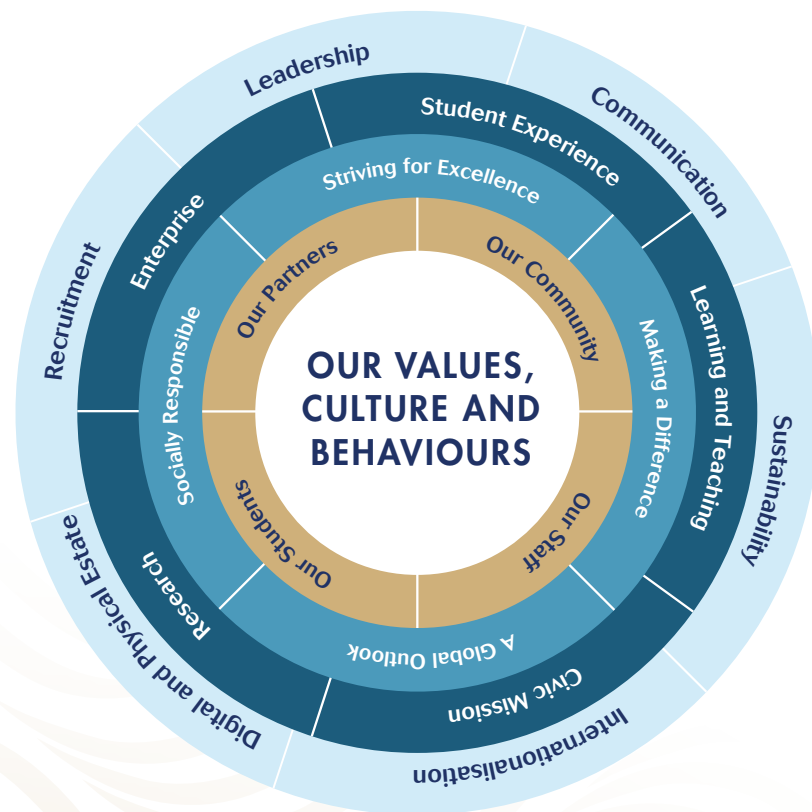
We are, and will continue to be, a principled, purposeful and resilient University that balances excellent teaching with world-leading research and innovation in an open environment which enables our students and colleagues to excel. While we are valued globally as a trusted partner, we are deeply committed to our region and are proud to be a University for Wales.

Our Strategy

Our Strategic Vision and Purpose states that we are an intrinsically principled, purposeful and resilient organisation. Our community of colleagues, students, partners and stakeholders is characterised by the distinct values, culture and behaviours that lie at our core.

The commitment of our community underpins the five key pillars of the University – our civic mission, student experience, learning and teaching, research and enterprise. Each of these is marked by our commitment to making a difference, to being socially responsible, to striving for excellence, and to maintaining a global outlook that enables us to be a community University with international reach and reputation.

Our work is enabled by strong leadership and robust governance, effective communication and a commitment to financial and environmental sustainability. It is built upon our digital and physical infrastructure, our internationalisation strategy and our approach to recruiting talented and enthusiastic colleagues.



Our Commitments

The document highlights our key commitments:

- The climate crisis remains society's biggest threat. We will align our work to the Sustainable Development Goals and will be a carbon-zero university by 2040. (We have subsequently brought forward this target to 2035.)
- We will further widen and deepen access to education, promoting lifelong, inclusive and equitable learning opportunities
- We will deliver innovative, digitally supported approaches to teaching that are developed in partnership with our students and which help to embed interdisciplinary thinking across our programmes
- We will extend our global reach and reputation, becoming a preferred partner for international research, teaching and enterprise collaborations, and moving up the international rankings year on year
- We will work with our partners to make the Swansea Bay City Region the sporting and wellbeing capital of Wales
- We will strengthen our position as one of the UK's leading, impact-driven, research-intensive institutions, excelling at interdisciplinary and collaborative research, and will establish the first Institute for Advanced Studies in Wales

- We will close the gender pay gap and will confront the structural and operational reasons for it and the low proportion of female professors
- We will develop and implement a whole institution approach to tackling racial inequality.

Key Pillars and Enablers

Our Strategic Vision and Purpose is underpinned by five pillars, each with their own strategies approved or in development. The five pillars encompass:

- Our Civic Mission
- Our Student Experience
- Our Learning and Teaching
- Our Research
- Our Enterprise

Our strategy is supported by a number of enablers, including:

- Effective leadership and governance
- Financial and environmental sustainability
- Internationalisation
- Investing in our digital and physical estate
- Open, honest and transparent communication
- Strong recruitment, welcoming fresh and diverse perspectives and experiences to our community.

Ymlaen

The University continues to deliver its transformation programme which, during its first phase, established a Faculty structure. Going into the next phase, the Ymlaen programme will focus on enabling the University to achieve its vision and ambitions over the next decade in a rapidly changing market and dynamic environment. Ymlaen, which translates as "Moving Forward", captures the spirit of the programme: looking to the future, innovation, and collaboration.

Ymlaen will deliver a step change in organisational effectiveness over the next three years. This will be achieved through a series of ambitious projects where the outcomes are focussed on our people, service improvement, and embedding a culture of continuous improvement. Ymlaen will further improve collaboration and innovation. By working together to create capabilities and capacities, we will support a growth in the scale and diversity of our activities through greater operational effectiveness.



OUR STAFF COMMUNITY

We have continued to make substantial progress on restructuring the University, aiming to ensure that we are a more effective, efficient and resilient organisation. Further to the merger last year of our seven Colleges and Schools to create three new Faculties: the Faculty of Medicine, Health and Life Science, the Faculty of Humanities and Social Sciences, and the Faculty of Science and Engineering, we have appointed key roles within the leadership teams led by the three Pro-Vice-Chancellors and Executive Deans.

Our Strategic Vision and Purpose document sets out a series of “People, Values, Culture and Behaviour” priorities:

- Championing a sector-leading approach to equality, diversity and inclusion, closing the gender pay gap and increasing the proportion of female professors
- Working with our community to find more ways to reward and recognise colleagues, and to encourage their personal and career development
- Implementing a health and wellbeing strategy to ensure that we enable our colleagues to thrive and to flourish
- Speaking up against, and confronting the causes of, discrimination, ensuring that the voices of under-represented groups are heard.

Equality, Diversity and Inclusion

We are one of just 21 UK universities, and the only Welsh university, to hold an Athena Swan Silver Institutional Award in recognition of our commitment to advancing gender equality. All of our eligible academic departments have an Athena Swan award, with four Silver and seven Bronze awards across the University. Three of our colleagues have become trained Athena Swan Panel reviewers and make up three of the six panel reviewers from Welsh Universities.

52% of our grade 9 colleagues, and 38% of grade 10 colleagues, are female, and we have more than tripled representation of females at grade 10a and director level since 2016 (contributing to 59% female representation in this group in 2021).

While there is further progress to be made, the number of female professors at the University has more than doubled since 2014, resulting in a 12.5% increase in the female representation in the professorial community, from 13% to 25.5%. There is a gender balance on the University’s Senior Leadership Team, with females representing 50% of the membership.

We have made significant progress in reducing our gender pay gap, with a reduction of 5.5% in our mean average pay gap of 15.3%, which has reduced from 20.8% in 2018/19, and a reduction of 2.6% in our median average of 11.1%, which has reduced from 13.7% in 2018/19.

56% of our Council members are female (compared with 25% in 2013) and for a second year we have continued to achieve a representation of BAME Council members comparable to the percentage of BAME colleagues within the University.

This year we have increased our ranking in the Stonewall Top 100 Employers from 47th last year to 26th.

Reward and Recognition

We continued to commit to pay the Real Living Wage in 2021/22 to ensure that the pay of all our colleagues, especially those on the lowest salaries, meets the real costs of living and not just the government’s legal minimum.

In July 2022, we made a payment of £750 to each of our colleagues in recognition of the hard work and commitment shown by them over the last two years.

We recognise the challenges facing our staff and students as a result of the current cost of living situation and are considering what options may be available to assist both communities.

We were delighted to support the promotion of 74 academic colleagues this year, representing a 54% increase in successful applications compared to seven years ago. In terms of promotions by Academic Career Pathway, there has been a 62% increase in the number of successful Research pathway applicants compared to 2015 and a 44% increase in the number of successful Teaching pathway applicants.

This year, 53% of successful applicants are female, a 63% increase compared to seven years ago. This year, 22% of successful applicants are from ethnic minorities, which is a 78% increase compared to seven years ago.

We promoted 16 new Professors in 2022, 50% of whom were female.

Health and Wellbeing

Our Health and Wellbeing Strategy was approved by Council in 2020 and is in the process of being implemented, supported by funding from HEFCW in 2021/22 of £0.3m.

We recognised and rewarded the hard work and dedication all our colleagues have shown during the Covid pandemic by awarding additional leave, introducing a quieter Friday initiative during the pandemic, and supporting agile working practices designed to help colleagues balance conflicting professional and personal priorities and support their mental health. We have also enhanced our Occupational Health and Wellbeing services, with access to staff Mental Health Advisors, Covid health assessments and counselling services.

This year, 1,532 colleagues responded to our confidential Workload Survey, which provided an opportunity for our staff community to offer suggestions on what is working well for them and what could be enhanced. We will be publishing regular quarterly updates to the Response Plan to ensure colleagues can see the actions taken.

Confronting Discrimination

We are engaged in the HEFCW-funded Race Access and Success collaborative enhancement programme to progress race equality within HE, gaining a fuller understanding of our institutional approach to race equality and diversity and developing evidence-informed action plans to progress this.

We have commissioned two external organisations to undertake a consultation process with staff and students to understand experiences in relation to race and ethnicity. The research will generate practical recommendations to address areas of concern and will equip us to take positive steps towards providing equitable and inclusive experiences.

We have also signed up to the Victim Support Hate Crime Charter and were awarded a Hate Crime Charter Trustmark by Victim Support.

This past year we celebrated a range of diversity events virtually, keeping colleagues connected as we worked remotely. Our online events drew more participants than in previous years and helped us to reach a wider audience. Amongst these events were Holocaust Memorial Day, LGBT+ History Month, International Women’s Day, Black History Month, as well as a range of interfaith events. The University also has an active Staff Carers Network and we are a member of Employers for Carers, which offers access to a range of resources that help us support our staff who juggle work and care.

Developing our Leaders

Leadership underpins everything we deliver, which is why we have committed to developing our leaders – not just to drive results, but to maintain and enhance an inclusive culture in which great outcomes are delivered in a way that prioritises the health and wellbeing of all our people whilst ensuring everybody’s contribution is recognised and rewarded fairly and appropriately.

Following consultation with leaders across the University, we are approaching leadership development in two phases. Phase 1 commenced in July 2022 with an Executive Coaching offer for our most senior leaders, followed by the introduction of a suite of optional modules available to all our leaders and managers, which focus on running the University. Stage two will be developed in 2022/23 with the University values at its core, and will focus on supporting all our leaders and managers to grow their wider leadership skills.

Technician Commitment

We are proud to have become a signatory of the Technician Commitment to ensure visibility, recognition, career development and sustainability for technicians working in higher education and research across all disciplines. The essential work that our technicians carry out across the University benefits the institution directly and supports our partnerships. Our technicians enable Swansea to deliver our excellence in research and teaching, and we are committed to ensuring their contributions to our achievements are widely recognised.



OUR LEARNING AND TEACHING

Our Learning and Teaching Strategy set out our approach to ensuring that we provide an exceptional experience for all our students. The delivery of our strategy and its commitments is focused on six Pillars of Excellence, which are underpinned by a fundamental wellbeing cross cutting theme:

- Pillar 1: Personalised and inclusive learning – ensuring that students will benefit from personalised, flexible and inclusive learning with the support of learning communities
- Pillar 2: Curriculum – embedding our Centenary Curriculum to the highest standard within all programmes
- Pillar 3: Teaching excellence – empowering our teaching community to deliver high quality teaching and assessment, and recognising and rewarding them for doing so
- Pillar 4: Student partnership – encouraging representatives of students, alumni, employers and service users to engage and contribute to the development of our learning, teaching and assessment
- Pillar 5: Learning environment – cultivating our learning environment to enable our learning communities to flourish
- Pillar 6: Data systems and processes – putting in place the systems to support staff and students in the delivery of excellence in learning, teaching and assessment.

Highlights

During the last year, we have built upon our success in providing high quality learning and teaching to students during the pandemic by being able to offer a rich student learning experience based upon enhanced opportunities for live teaching, supported and supplemented by online learning and the provision of pre-recorded material housed on our Canvas Virtual Learning Environment. During the year we adapted to meet the changing requirements of the Welsh and UK Governments, for example in respect of restrictions limiting total student capacity in teaching and other venues.

In line with the Welsh Government infection control framework for higher education, we introduced a managed approach to learning and teaching from the start of the 2021/22 academic year. Large lectures were usually delivered online; however sessions such as practicals, seminars and lab work were prioritised for in-person teaching. We listened to student feedback regarding new digital initiatives that have been introduced since the pandemic and retained areas of good practice to enhance the learning experience of our students.

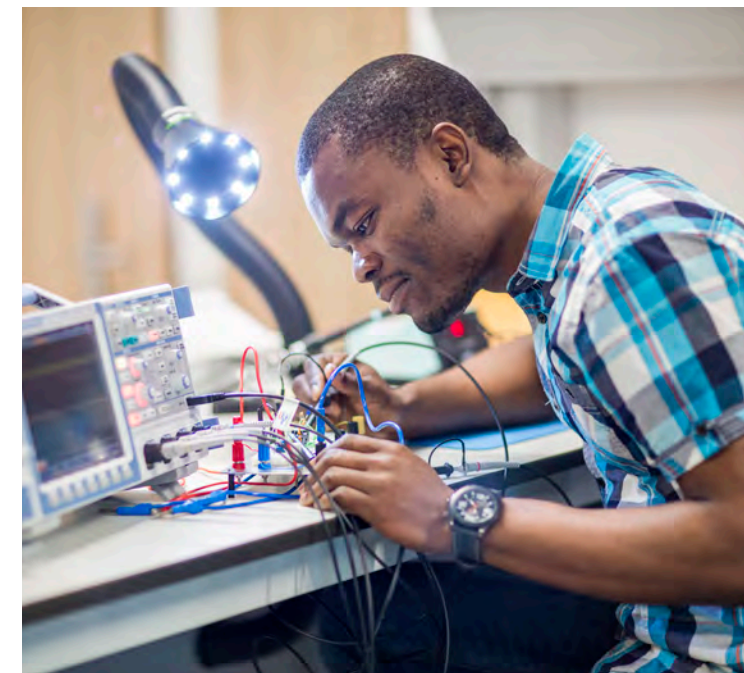
Students returned to campus in September 2021 to engage with the in-person teaching provision with a small exception made for some international students who were unable to travel to Swansea and were permitted in respect of many programmes to study online in accordance with the extension to the UKVI concession. We put together a comprehensive list of what students might expect in the new academic year together with some important advice regarding Covid health and safety measures. To help protect the personal safety of our students, staff and those living in the local community, we maintained the supplemental Covid Student Charter.

From late January we were able to deliver teaching with greater room capacity and run to a timetable that was closer to our pre-Covid model. There was greater provision of in person teaching and more opportunities to engage with other students in academic environments.

The needs of those international students who were not able to come to Swansea due to travel restrictions, along with self-isolating and clinically vulnerable students who could not attend, were met through an appropriate level of online provision and supervision. MyUniSupport remained in place as a single point of contact for Covid matters and to support students with any related concerns.

As part of an ongoing project to diversify our library collection, the Library collaborated with the Students' Union asking students to suggest titles which should be added to the Library which reflect decolonisation, diversity, wellbeing, and welfare. Twenty-seven of the suggested titles were available for purchase as e-books and paper copies of these, and other titles which were not available electronically were purchased by the Students' Union for placement in the Libraries in both Singleton and Bay campuses.

We have built upon our success in QAA Quality Enhancement Review. The review team was impressed and commended the University's "proactive use of well-developed processes and procedures for the effective strategic management and operational development and review of its academic portfolio to ensure continued relevance of its programmes." The QAA have now published a Quality Enhancement Review Case Study showcasing our approach to programme and portfolio management.





OUR STUDENT EXPERIENCE

Our students are at the heart of the University. We work in partnership with them and our Students' Union to take their needs and expectations into account in our decision-making – including through a number of our committees – and can take pride in our consistently strong reputation for the quality of our student experience, the strength of our student support services, and our commitment to student mental health and wellbeing.

Our key priorities for the student experience include:

- to ensure that the wellbeing of our students is the foundation of our student experience
- to create more opportunities for our students to experience a work-based placement and to acquire skills and experience that help them to make a difference to our society
- to provide more international mobility opportunities for students, and
- to enhance the sporting, leisure and cultural opportunities that contribute to the student experience.

Highlights

NSS 2022

Compared to the sector, Swansea University performed less strongly than expected in the 2022 NSS (National Student Survey). Despite initially responding well to the pandemic, the University did not keep pace with its competitors and slipped below the upper quartile (the University's target) for teaching quality, student experience and overall satisfaction. The new Pro-Vice-Chancellor Education, working with teams across the University, is proposing an enhanced approach to the development, management and delivery of School and Faculty Student Experience Action Plans. These will feed into the University's Quality Enhancement Plan, which will focus on delivering consistency in learning, teaching and assessment, academic integrity, and extenuating circumstances. This should provide the foundations for improved student satisfaction survey outcomes for 2023.

Student Support

Our Student Support Services team continues to offer advice and support against a backdrop of a changing student community which is driving year-on-year increases in demand. Our Wellbeing Service has seen a 318% increase in support appointments (to 9,295 sessions) delivered since 2016/17, and a 56.5% increase in applicants declaring a mental health or autism diagnosis since 2018/19.

Our Disability Office reports a 286% increase in enrolled students requiring disability support since 2016/17, and a 31% increase in support delivered to students declaring a disability or health condition since 2018/19.

Our Swansea Academy of Inclusivity (SAI) is leading on accessibility lessons for Higher Education, in response to the "Going back is not a choice" report produced by Disabled Students UK in April 2022. In 2021/22, 13.9% of all students (3,675 people) declared a disability, a 3.9% rise from 2015/6. We have developed an online course to raise awareness of disability, including the University's legal obligations under the Equality Act 2010, especially disability rights and reasonable adjustments. The course will be compulsory for all staff.

Swansea University was a participant in a HEFCW-funded enhancement programme to progress race equality within higher education. Following a student race equality consultation (led by the Students' Union), a draft race action plan was submitted to HEFCW in August 2021 and was endorsed by the University's Senior Leadership Team.

Our Money@CampusLife team has also seen a significant increase in service demand, which is unsurprising given the ongoing impact of the pandemic and the national cost of living crisis.

Skills and Mobility Opportunities

We also continue to provide a range of development opportunities for students, for instance through our Centre for Academic Success (CAS), which works to help students develop their academic study skills. CAS is working to support our partner institution in Ukraine through structured sessions, and is currently offering daily, free English language classes for refugees and asylum seekers.

The British Council inspected and accredited Swansea University in March 2022. The Accreditation Scheme assesses the standards of management, resources and premises, teaching, welfare, and safeguarding of under 18s and accredits organisations which meet the overall standard in each area inspected.

CAS is also increasing online English language testing in support of the University's international student recruitment and has expanded its Peer Assisted Study Skills programme into each Faculty.

Our Swansea Employability Academy (SEA) helps students to gain as much experience as possible in a work environment to help them develop their soft skills and to put their studies into practice. The Academy manages placements with industry, Santander-funded placements, and paid internships, where students are paid at least the Living Wage Foundation rate. In partnership with the Students' Union, the Academy also offers funding for clubs and societies to create and host events that engage students with employers and alumni.

SEA is currently consulting with all other Welsh universities and HEFCW on the new three-year GO Wales programme.

The first iteration of the Graduate Support Programme (GSP), which drew on HEFCW/Welsh Government Covid response funding, assisted graduates with barriers to recruitment into professional level employment. 'GSP 2' will run for another academic year and will then be brought in-house.

SEA has seen significant external recognition, securing a 'Highly Commended' in the National Undergraduate Employability Awards 2022 for our partnership working on the iBroadcast programme with Aspire2Be. SEA was also nominated five times in the 2022 AGCAS Awards for Excellence, winning the award for Equality, Diversity & Inclusivity for our work on the REACTION 24/7 programme.

Although study and work abroad opportunities have been impacted by the pandemic, our Go Global team continues to support students to experience international mobility. We are also engaging with the Welsh Government-funded Taiith programme to provide international learning exchange opportunities for students from 2022/23.

Student Wellbeing and Safety

We are working in partnership with our Students' Union and Swansea Council to have more lighting installed in Singleton Park close to our campus in order to address student concerns over safety. We also hosted the launch of the Swansea Bay Healthy Travel Charter, which has been signed by the region's major employers to promote more sustainable and healthy travel.

We have also invested in our sports facilities, upgrading provision on both our Bay and Singleton Campuses, and are progressing plans for the wider regeneration of the Sketty Lane Sports Park. A potential masterplan for the site has been commissioned by the University and Swansea Council with the aim of enhancing student, staff and community sport provision.



OUR RESEARCH

Published in 2022, our Research and Innovation Strategy sets out our vision to build on our rich heritage of discovery and knowledge-led research and the pioneering spirit that has defined the University since it was founded by industry, for industry, in 1920. The Strategy is built on four objectives:

- Bringing people together, recognising that success is achieved when diverse people join together towards a common cause, each contributing unique strengths and perspectives
- Reimagining research and strengthening capacity and culture, with the aim of further developing our research capacity and supporting a positive culture that fosters the highest quality research

- Embedding and delivering research impact to build and sustain a range pathways to impact, including strong partnerships, engagement and a robust pipeline of commercialisation

- Extending our global research community in order to strengthen Swansea University's reputation as an international destination of choice.

Two enabling themes that support the Strategy's delivery are:

- Promoting a productive research environment that empowers our research community and provides the tools and support required to achieve our ambitions, and
- Responsible research and innovation, demonstrating our commitment to sustaining a research community and culture that produces research with the highest standards of integrity.

Highlights

REF2021

The results of the 2021 Research Excellence Framework (REF) show that Swansea University maintained its research power rank (41 in REF2021 compared with 42 in REF2014). Overall, 91% of the University's research environment is rated world-leading or internationally excellent. The REF2021 results confirm the University's research is delivering significant, sustained and valuable economic and societal impact in Wales, the UK, and internationally.

Research Income

Our research and innovation portfolio is valued at £365.7m, with 1,197 live projects funded by 365 unique funders. The number and value of award proposals have maintained similar levels over a 3-year period against the backdrop of an increasingly uncertain funding landscape. We have seen a significant increase in the total number of live research and innovation projects, and also an increase in cash contribution from awards secured.

Horizon Europe Success

EU grants have been received across two funding programmes: Horizon 2020 (from 2014-2020) and Horizon Europe (from 2021-2027). In January, the UK government signalled its intention to associate to Horizon Europe so UK applicants were able to apply for funding immediately.

The University was delighted to secure nearly £5m in the first year of the programme. (The total Horizon 2020 funding for 2014-2020 was £16.4m, averaging £2.3m per year.)

UKRI has confirmed guaranteed funding for the duration of these awarded projects:

- Led by Professor Yvonne McDermott Rees (Faculty of Humanities and Social Sciences), €1.5m was secured to deliver on the project: Trust in User-generated Evidence: Analysing the Impact of Deepfakes on Accountability Processes for Human Rights Violations

- Led by Professor Neil Loader (Faculty of Science and Engineering), €3m was secured to deliver on the QUERCUS project: supporting researchers in reconstructing the climate of north-west Europe including the UK over the last 4,500 years, and to date wooden buildings and objects more accurately, by analysing the chemistry of ancient oak trees.

Grant highlights

Other major successes in securing UK research funding during 2021-22 include:

- £13.5m secured from the Economic and Social Research Council for the Administrative Data Research Centre Wales
- £1m for an EPSRC Fellowship 'Novel Manufacturing for Resource Efficient Electrochemical Storage (NoREST)'. This research will have far reaching benefits by reducing the cost and environmental impact of electro-chemical storage
- Capital funding of £2.5m secured from the UK Research Partnership Investment Fund (UKRPIF) for the project: Semiconductor Innovation for Net Zero
- An additional £2m in Quality Research (QR) funding from HEFCW as a supplement to the 2021/22 allocation, to be used to support research which will contribute towards the delivery of the Welsh Government priorities, including life sciences, improving health care, engineering, and the transition to net zero
- £2.1m to support our Impact Acceleration Account portfolio, including £450k from the Arts and Humanities Research Council (AHRC), £450k from the Medical Research Council (MRC) and £1.2m from the Engineering and Physical Sciences Research Council (EPSRC).

Working with international partners

Following two years of virtual meetings we were pleased to strengthen our European links with a visit to our longstanding strategic partner, Université Grenoble Alpes (UGA). The visit enabled us to reconnect with one of France's leading institutions and to focus on the collaborative activities that will enhance both institutions' ability to realise their strategic aims. The visit reaffirmed our mutual ambition to increase collaborative research across the breadth of our institutions, support PhD students and foster stronger connections across Europe and beyond. In 2022/23, we will co-supervise five new collaborative PhDs, and progress plans for a joint centre on artificial intelligence. Following the visit a research conference was held at Swansea, providing an opportunity for the twenty postgraduate research students on the joint PhD programme to explore new collaborations.

During the period June -December 2021, Swansea University has continued to actively participate in UK Jiangsu Research consortium (UKJS) activities. This includes:

- Signing a declaration of intent with Xuzhou Medical University to facilitate the exploration of collaborative activities
- Two research proposals submitted to Royal Society's International Exchange scheme in collaboration with Hohai University and Nanjing University of Information Science and Technology
- A proposal submitted to the British Council in collaboration Nanjing University of Information Science and Technology
- 26 publications were co-authored with 12 out of 32 UKJS partner institutions in 2021/22.

The University responded to the UUK report on managing risks in international research and innovation with a series of consultative workshops, which resulted in a *Due Diligence of International Collaborations* guidance document. A Policy Framework provides a structured and consistent approach to identification and assessment of risks through robust and proportionate due diligence checks and balances, leading to a better informed and managed intervention which helps the University align a collaboration with its strategic objectives and minimise the risks to be commensurate with the benefits of a collaboration.



OUR ENTERPRISE

Collaborative research with the public, private and third sectors is integral to our Research and Innovation Strategy, and is a key pillar in our Vision and Purpose document. We embrace a culture of co-creation with our partners. Our colleagues and students work with local, national and international partners on industry-led initiatives that benefit our research and drive innovation, and which have economic and societal impact. Our enterprise priorities include:

- Promoting Wales as a location that stimulates and rewards collaborative research and innovation, attracting international inward investment to the region
- Establishing a series of enterprise partnerships overseas, involving our staff and students
- Growing the number of grants that include industry funding, and the number of publications that we co-produce with industry partners
- Making it easier for our colleagues to spend time working in industry, commerce or the public sector

Highlights

Business and Community Interaction

The University is first in Wales in the Higher Education Business and Community Interaction (HEBCI) survey, which demonstrates performance in collaborative research, innovation, knowledge exchange, and community engagement. The survey also records innovation funding and other key metrics. We achieved a £10.4m increase in Collaborative Research Project income. Overall, our total HEBCI collaborative research income stands at £80m (including match funding).

Wales Innovation Network

Following the Reid review, the Wales Innovation Network (WIN) has now been established via Universities Wales and is co-funded by Research Wales Innovation Fund (RWIF) and Welsh universities. The group will undertake strategic collaborative bid development across Wales and has received a pump priming fund of £2m from HEFCW to support initial project collaborations. From this initial round Swansea leads six projects, valued at £328k. Swansea is also a partner on 25 other WIN-approved projects.

Research Wales Innovation Fund

We have significantly strengthened its overall approach to the development of our innovation and engagement agenda through the targeted allocation of the investment available through HEFCW Innovation Capacity Development Fund (ICDF) and RWIF provision. RWIF funding has enabled us to expand support for research development in our Faculties as well as in the central team, and grow capacity to deliver on our new activities, performance, and outcomes set out in our strategy. 59 projects have been funded in the first two years at a value of £1.5m.

KTP and Smart Partnerships

Having invested in capacity to develop strategic partnerships we are pleased to have a growing portfolio of Knowledge Exchange projects that includes two Knowledge Exchange Partnerships (KTPs), two Management KTPs and five SMART Partnerships. We are also growing a substantial pipeline of potential projects.

Student Enterprise

RWIF funding also helps us to support postgraduate students and the creation of new ventures and enterprises. The fund has enabled us to strengthen our Enterprise Team and to deliver workshops, accelerator programmes, mentorship and to commercialise and start-up businesses.

Supported by the Welsh Government Youth Entrepreneurship Grant (2019-2022) we engaged with 22,462 students and supported 162 business start-ups. As one of 85 Santander Universities, we also receive £24k to support education, internships, employability and enterprise and start-ups.

The University was chosen to host the prestigious International Enterprise Educators Conference 2022, and we were pleased to see our support for student entrepreneurship recognised in the THE Awards, being shortlisted in the Outstanding Entrepreneurial University category.





OUR INTERNATIONALISATION

The University's International Strategy 2020-2025 commits us to growing our international student numbers, strengthening our international strategic partnerships, growing our global research networks and achieving a stronger global profile. This Strategy dovetails with the University's Strategic Vision and Purpose, specifically with the core commitment to extend our global reach and reputation, becoming a preferred partner for international research, teaching and enterprise collaborations, and moving higher up international rankings year-on-year.

We have identified three pillars to represent our international ambitions:

- **Global graduates:** to increase our international student enrolments by 800 by 2025, and giving every Swansea University student the opportunity to undertake a global experience
- **Global partnerships:** to create a dynamic global footprint by strengthening our partnerships with higher education institutions around the world
- **Global reputation:** to improve the University's global rankings to within the QS world top 350.

International Higher Education has always had its challenges. Alongside the continuing impacts of the Covid pandemic on international mobility, we have seen increasing competition for staff, students and funding (at a time when public funding for Higher Education in most countries continues to decrease), and we have higher student expectations, changing employer expectations and involvement in higher education, more rigorous immigration controls and changing patterns of demand and delivery.

Despite the challenging environment, the University continues to evidence success across all aspects of its International Strategy.

Highlights

Global Graduates

The two key stimuli for growth this year were the January enrolment window and the impact of the Graduate Route (enabling postgraduate students to remain in the UK for two years to work), with particularly high enrolments in Health Science and Computer Science master's courses.

International applications grew by 40% (13,172) from 2020/21 to 2021/22, enabled by processing improvements introduced by our Admissions team. Our international student recruitment has seen significant growth of 48% (1,287 students enrolled) since 2019/20.

Markets shifted dramatically during the two-year period, with China ousted from pole position in 2019/20 by India and Nigeria in 2021/22. Hong Kong and Saudi Arabia retained steady enrolments with growth overall from Gulf States and North America. EU numbers fell by approximately 90% as the effects of Brexit continued to be felt.

Following the pandemic, we welcomed a resumption of student mobility activity this year. The International Development Office secured £419k of funding support through the Erasmus, Turing and Santander schemes to support students with mobility opportunities. Participant numbers were lower than in previous years with a total of 170 outbound students (as the impact of the pandemic continued to affect planned travel). Despite the Turing Scheme only supporting outbound students, 232 inbound exchange and visiting students studied at Swansea this year.

We have secured £741k from the new Welsh Government programme Taith to support inbound and outbound education mobility, and a further £403k from Taith to support research mobility.

Global Partnerships

In Spring 2022, the University advanced its Trans National Education (TNE) strategy with an agreement with the largest female University in the world, Princess Nourah bint Abdulrahman University (PNU) in the Kingdom of Saudi Arabia, for the collaborative delivery of an MSc in Energy Innovation.

The University is also participating in the British Council and Universities Wales-led Going Global Partnership – Inclusive Leadership and Governance Exchange: Developing a Network of Best Practice between Wales and Vietnam, which focuses on training based around key higher education leadership and governance challenges. Hue University has been identified as a partner for this initiative, which may extend to joint training programmes, research, and staff and student mobility.

We have entered a twinning arrangement with Ukrainian university Petro Mohyla Black Sea National University (PMBSNU), under the initiative supported by Universities UK International. A Memorandum of Understanding is to be signed, establishing the relationship for a minimum of five years together with a Memorandum of Agreement under which Swansea will receive visiting students and staff for up to six months. PMBSNU academics have taken part in the annual SALT conference and a Ukraine project group has been set up to lead University-wide engagement.

The strategic partnership established with the University of Canberra in 2020 has seen significant growth. Focus has been on fostering research and teaching collaborations in Sport and Exercise Science and a bi-monthly joint virtual seminar series has been established. An institution-wide reciprocal student exchange agreement has been signed, which will allow student exchange to begin in 2023/2024. Discussions are ongoing to extend the partnership into new subject areas.

Our strategic partnership with Université Grenoble Alpes (UGA) has been strengthened by the continued implementation of a five-year strategic plan underpinned by working groups focused on joint research and teaching and a joint Human Centred AI Institute. The partnership is an excellent example of the power of cross-institutional collaboration, having delivered joint doctoral degrees, research, teaching and student and staff exchanges.

Activity within the Texas International Strategic Partnership started to recover momentum following the pandemic. This year saw the publication of 46 co-authored publications with collaborators at Texas partner institutions. Student exchange activity also resumed: 19 Swansea students participated in outbound exchanges to Texas partner universities, supported by US\$20,000 in scholarships awarded by the British American Foundation of Texas. The inaugural Texas A&M University faculty-led programme saw a group of 35 students resident at the Bay Campus for five weeks.

Global Reputation

A research marketing campaign themed "great things happen when ideas collide" was implemented to support our ambition to achieve QS ranking world top 350 position by 2025. This year, we climbed 49 places (to 425) in the rankings, which is one of the largest rank improvements of any UK University within the top 500. The main driver of this success is our academic and employer reputation, where we saw the biggest improvement in the UK.

In November 2021, in partnership with Hillary Rodham Clinton, we convened an international, free-to-attend Summit to explore how the experience of the Covid response might be applied to other global challenges, including the climate crisis, digital inclusion and health inequalities. The three-day, virtual conference featured current and former world leaders, inspirational figures and global authorities. 3,000 attendees joined the event, which achieved a social media reach of more than 14.8m.



OUR DIGITAL AND PHYSICAL ESTATE

Digital

While Covid continued to dominate, the move to hybrid ways of teaching and working has gathered pace, enabled by our digital capabilities. We have provided an additional 25 hybrid teaching spaces, enabling our students to attend in-person or online as they need. At the same time, we have updated and modernised twelve lecture theatres and teaching rooms to improve the experience of students and academics.

- The number of students accessing recorded lectures has increased by 37%, allowing our students to study at times that suit them, and in ways that suit them
- Student engagement with Canvas, our Digital Learning Platform, has risen 19% year-on-year, and is now used in 186 countries, up 5% on 2021

- The adoption of Zoom for webinars has seen a remarkable increase of 440%, signifying the embedding of remote teaching and learning practices across the institution, and has had a dramatic impact on our student's ability to engage with their academic studies, wherever they may be

- Zoom has been used for over 1.9m hours by 2.4m participants throughout the year.

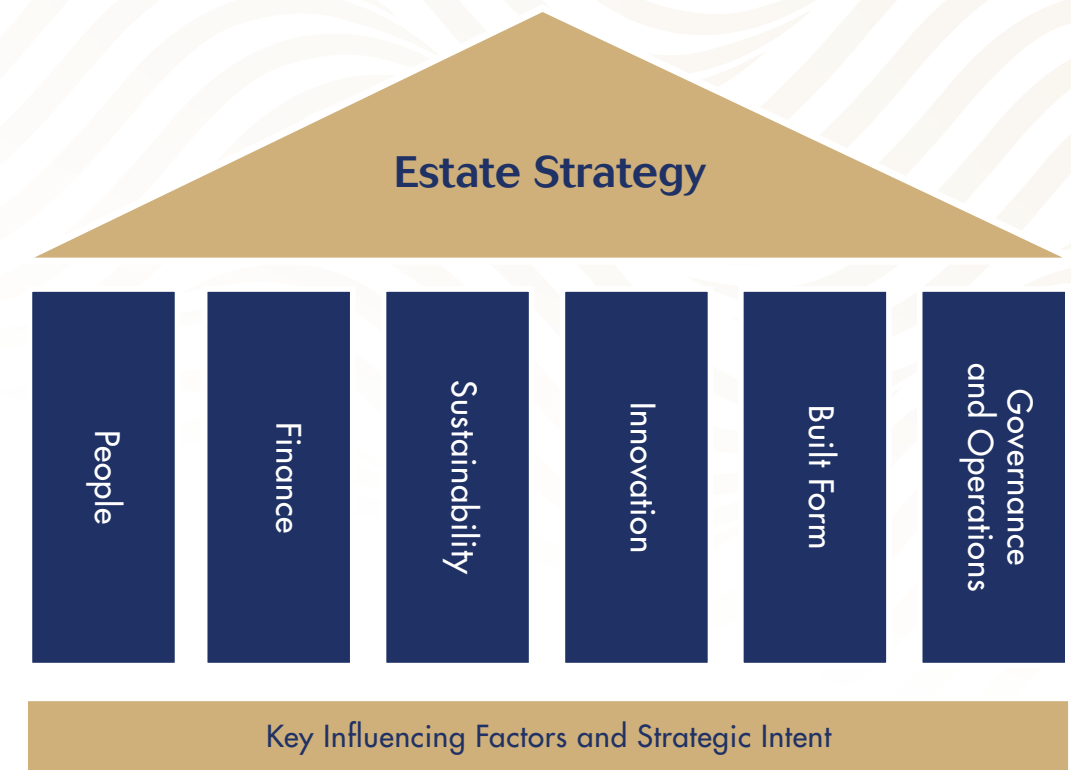
The University Council approved the digital blueprint for an end-to-end network refresh, as well as the introduction of robust cyber-security capabilities and controls. Over the next four years, we will invest £15m in building a secure, high-speed, network that meets the needs of our students and researchers in the pursuit of their goals. Our Cyber programme will improve the protection of the University's information assets, whilst simultaneously reducing the risk to our users from malware and phishing attacks.

In a further step to protect the University against the impact of a cyber-attack, we have changed our backup and restore capability to keep our data secure, pro-actively monitor risk, and recover more quickly in the event of an incident.

Through HEFCW funding of £2.8m, we have doubled the number of loanable laptops for students and provided 1,350 replacement laptops for academic staff. We have also accelerated our work on standardising the desktop workstation configuration to enable 'hot desking' to support the hybrid working culture.

We are working to improve the integration of our systems in a way that will allow more flexibility and resilience in the future, whilst also replacing custom-built applications with industry standard solutions. These measures will build a solid foundation for low risk, controlled, change.

PILLARS OF THE ESTATE STRATEGY



Estate

The University's physical estate is formulated upon six strategic pillars that seek to address constraints and threats relevant to the University estate. Programmes and interventions are identified within the respective pillars thereby defining time bound and measurable actions per pillar.

Our focus over the last twelve months has been to seek greater efficiencies through appropriate resourcing and operational interventions, particular focus being on the procurement and implementation of new operating models for catering along with the provision of hard facilities management services.

During 2021/22 the University continued its expansion of The Bay Campus with new grant funded buildings including £18.7m

on the Centre for Integrative Semiconductor Materials (CISM), which is due for completion in the autumn of 2022/23. Ahead of more significant investment on the Singleton campus, the University has been addressing backlog maintenance and improving facilities in, for example, the Digital Technium building, and to support the delivery of our new pharmacy programme.

The University has commenced the implementation of the first phase of a student accommodation strategy wherein three-year nomination agreements will be entered into with Purpose Built Student Accommodation in the Swansea central area.

An infrastructure needs assessment has been completed for the Swansea Bay Sports Park derived from stakeholder need and

demand analysis. This needs assessment will serve as the basis to inform future option appraisals that will lay the foundation for a major collaborative investment programme over the next decade in partnership with the Swansea City Council.

In 2022/23 the University will be working with consultants to develop a masterplan to reflect the delivery of the University's Estate Strategy and to support and enhance the student experience.

FINANCIAL REVIEW

Highlights

	2022	2021		2022	2021
Operating surplus / (deficit)	(£78m)	£28m	Operating surplus / (deficit) as % income	(22%)	8%
Operating surplus / (deficit) excluding pension adjustments	£14m	£24m	Operating surplus / (deficit) excluding pension adjustments as % of income	4%	7%
Total comprehensive income	(£56m)	£41m			
EBITDA	£44m	£53m	EBITDA as % of income	12%	15%
Net cash flow from operating activities	£56m	£55m	Net cash flow from operating activities as % of income	15%	13%
Cash at the end of the year	£165m	£141m	Liquidity days	143	168

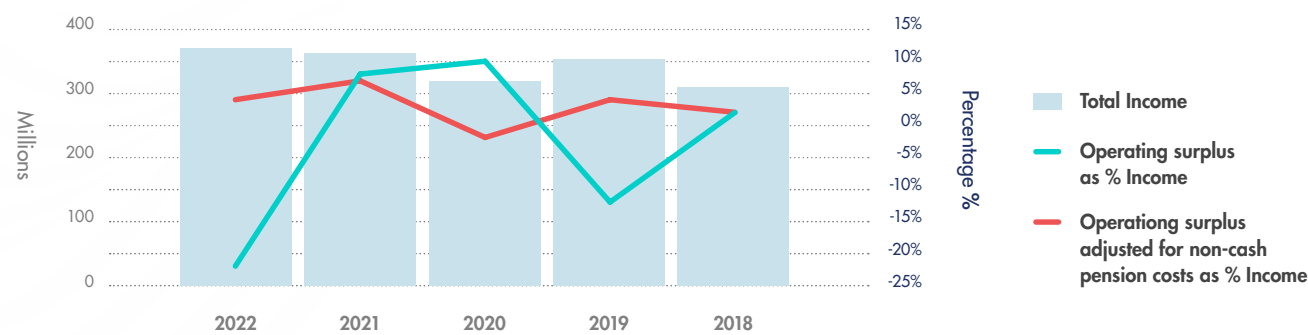
Scope of Financial Statements

These Financial Statements cover Swansea University, its subsidiary undertakings and associated companies and have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) as interpreted by the 2019 edition of the *Statement of Recommended Practice: Accounting for further and higher education*.

Overview

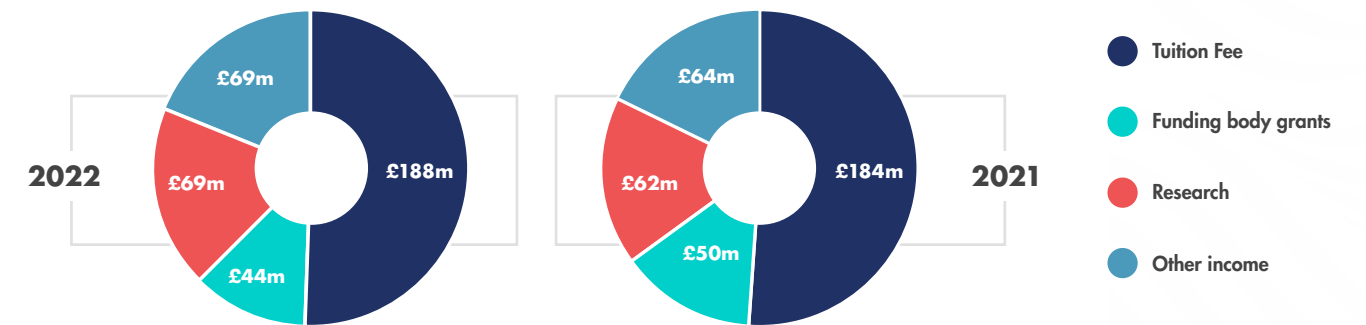
Swansea University and its subsidiary undertakings saw an operating deficit of £77.5m in the year to 31st July 2022 compared to surplus of £27.8m for 2021. The deficit includes a non-cash pension cost of £93.5m (2021: credit of £4.3m), with the underlying operating surplus adjusted for the pension movement of £14.0m (2021: £23.7m).

INCOME AND OPERATING SURPLUS AS A % OF INCOME



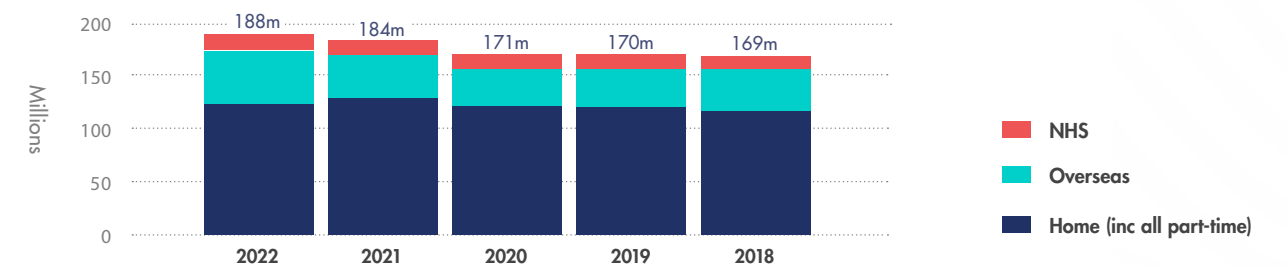
Income

INCOME BY CATEGORY



Tuition fee income increased in total by 2% to £188.4m. The number of overseas students enrolled in 2022 increased by 33% from the prior year, increasing tuition fee income from overseas students by £10.9m. This was largely due to the continued success of our January entry programmes with a 75% increase in overseas postgraduate enrolments compared to 2021. Home student numbers were affected by the A level grade inflation in the summer of 2021 and fell by 3% compared to the previous year, resulting in a decrease in home tuition fee income of £7.3m.

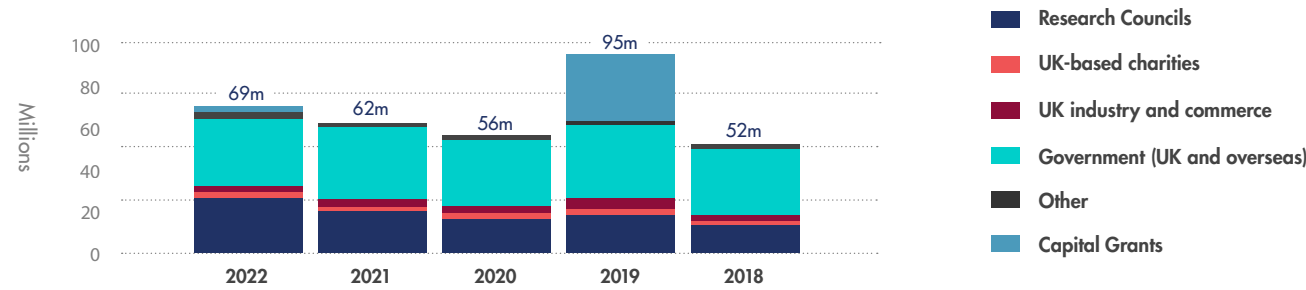
TUTION FEE INCOME



Funding body grants decreased by 13% to £43.9m in the year to 31st July 2022. Recurrent grants for teaching and research increased by £5.4m to £28.7m, whilst capital grants fell by £7.9m to £2.7m; this being a decrease in grants for capital equipment. During the pandemic in 2021, the University received grants relating to Covid which were not received during 2022. In 2021, hardship grants of £8.8m were received to support students through Covid, with further grants to support cleaning, outdoor spaces and students who had to self-isolate or quarantine. During the year to 31st July 2022, £6.3m of non-capital grants were received to support the digital and estates infrastructure.

Research income, excluding capital grants, increased by £3.8m to £65.9m in the year to 31st July 2022, reflecting the continued success in expanding the research grant capture in recent years. Income from Research Councils increased by 26.5% to £25.6m, with research grants from other funders remaining comparable to the prior year.

RESEARCH GRANTS



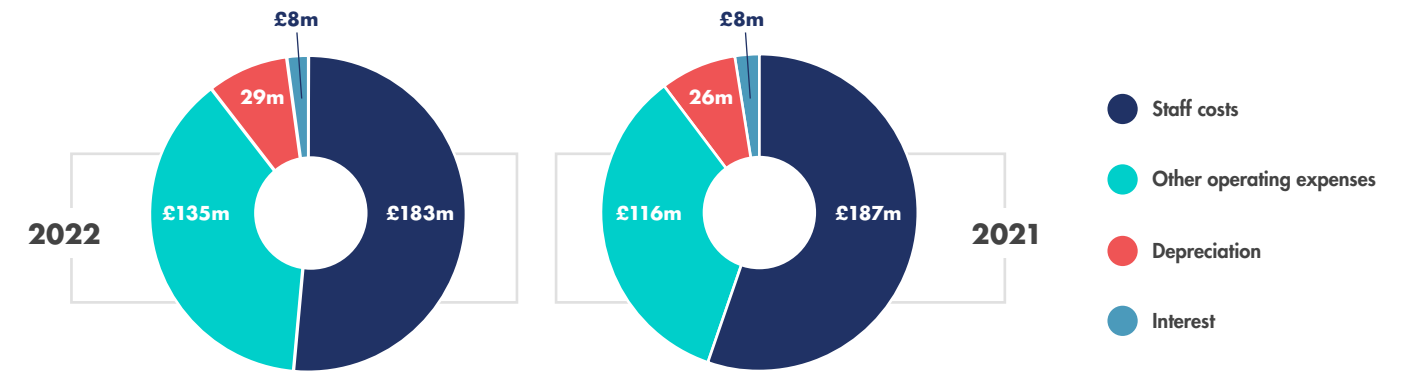
Other income increased by £4.7m to £68.7m in the year to 31st July 2022.

Income from residences increased to £26.5m during 2022 from £22.2m in the previous year following an increase in room occupation and a rental charge increase. During the pandemic in 2021, a number of rooms were unoccupied for the year, and rent rebates of £2.7m were given to students who were unable to temporarily occupy their accommodation. Other income from academic departments increased from £4.4m in 2021 to £10.1m in 2022. NHS income received in respect of the Faculty of Medicine, Health and Life Sciences during 2022 decreased by £5.7m from the prior year to £6.2m.

Expenditure

Expenditure in the year (excluding USS valuation adjustments) increased by £16.9m to £354.1m. Staff costs decreased by 2.2%. Other operating expenditure increased by £18.9m to £134.9m as costs increased and spend returned to more normal levels following the Covid pandemic.

EXPENDITURE EXCLUDING USS PENSION ADJUSTMENTS

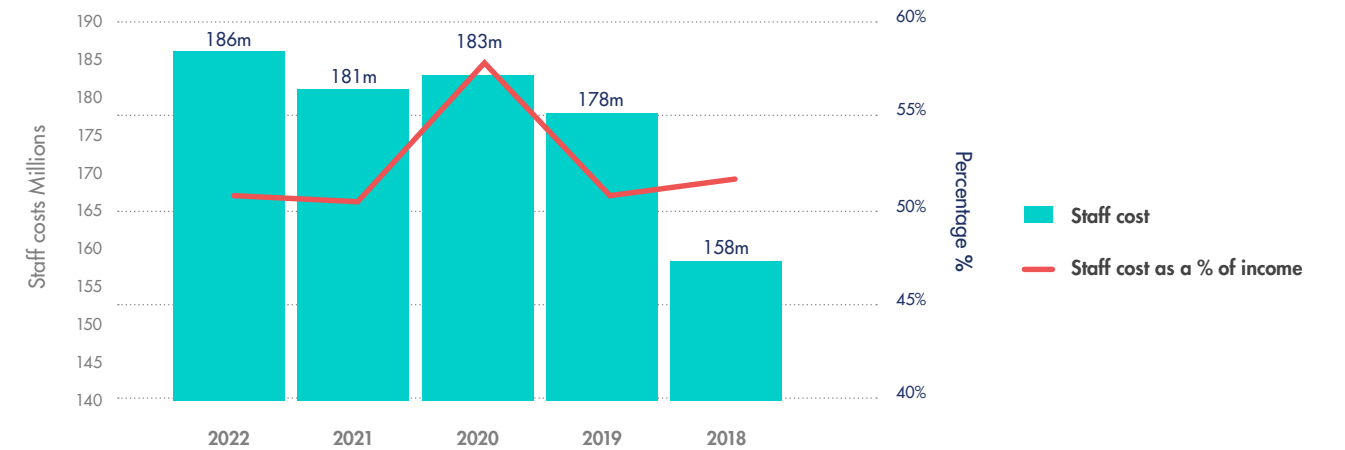


Staff costs (excluding USS adjustment) decreased by 2.2% to £186.1m in the year to 31st July 2022.

Staff full time equivalent (FTE) numbers reduced further during 2022, decreasing by 81 FTE.

Staff costs (excluding restructuring costs) as a percentage of income remained constant at 49% as both staff costs and income increased during the year.

STAFF COST AS A % INCOME



The **USS pension** charge or credit is calculated annually to reflect the estimated change in expected future contributions and is based on the valuation and discount rates on 31st July. This is an accounting adjustment and not a cash transaction.

The latest actuarial valuation of the USS scheme was 31st March 2020. At the valuation date, the value of the assets of the scheme was £66.5bn and the value of the scheme’s technical provisions was £80.6bn indicating a shortfall of £14.1bn in the total scheme. This revaluation, with the increase in the scheme deficit, resulted in an expense of £93.5m in the year to 31st July 2022. This follows a USS credit in 2020 of £4.3m and highlights the volatility created by the pension accounting adjustments required by FRS 102.

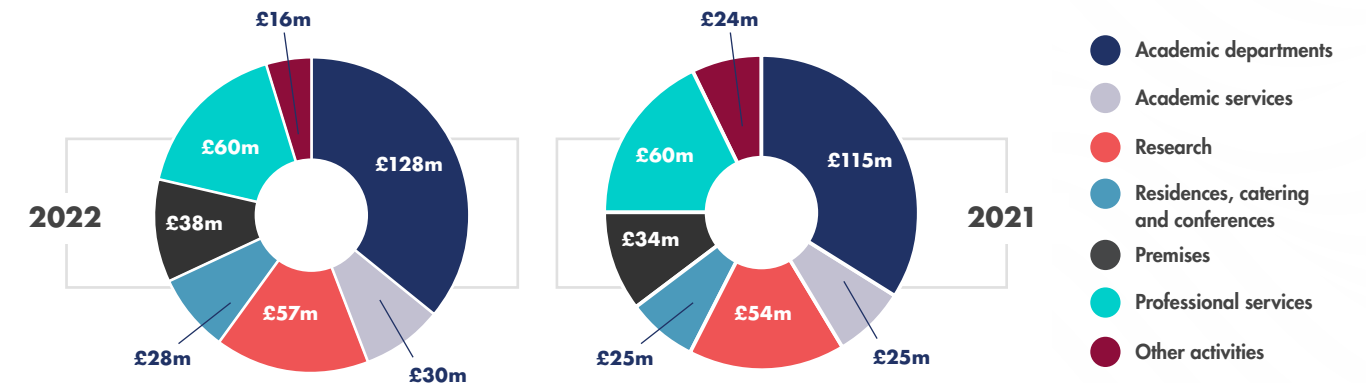
Non-Pay expenditure increased by 16.3% to £134.9m during 2022, following a 12.3% increase during 2021. These increases reflect the significant investment that has been identified as being needed to deliver the University strategy.

The largest non-pay costs for the University are premises costs at £24.2m followed by consultancy and professional services at £23.1m, both increasing during 2022 at 7% and 29% respectively. Within consultancy and professional fees, there was an increase of £3.5m as the new soft FM contract was awarded. Spend on non-capitalised equipment also increased during the year by 42% to £16.2m with additional spend on operational equipment and on IT equipment. Costs such as travel and catering increased by over 250% as the Covid pandemic ended.

OTHER OPERATING EXPENSES 2022



Expenditure by Activity



Costs across all activities in the University increased during the year to July 2022 with the exception of 'Other'.

Academic Department spend increased by 11% to £128.3m with Academic Services increasing spend by 23% to £30.5m.

Spend on premises increased by 12% to £37.9m following an increase in repairs, maintenance, and general estates costs of £3.4m and grant funded spend of £0.9m. The increase in 2022 was in addition to the prior year increase of £3.7m which marked the start of significant spend on backlog maintenance, and necessary investment in the estate and related infrastructure.

Professional service costs remained consistent year-on-year at £59.7m. Professional services include student related spend on health and sports facilities, bursaries, scholarships, and student funding as well as central functions such as Human Resources and Finance. During 2022 there was an increase in bursaries of £2.6m with spend on general education increasing by £4.6m in total. Costs for administrative services rose by £8.5m to £32.8m. There was a decrease in spend on student facilities of £10.2m following the one off HEFCW grant funding received in 2021 including the £8.8m spend on supporting students during the Covid pandemic.

Balance Sheet

The University has a strong balance sheet despite net assets decreasing by £55.9m in the year to 31st July 2022. Non-current assets increased by £11.4m whilst current assets increased by £37.0m following an increase in cash (of £23.7m) and a change to the accounting for research debtors and creditors (of £14.7m), whilst other debtor and receivables decreased by £1.4m. An increase in capital grants received in advance of £18.0m along with an increase in general accruals of £14.7m, and the change to the accounting for research debtor and creditors, contributed to the increase in creditors due within one year of £46.3m, whilst the pension provision increased by £66.7m. Creditors falling due in more than one year decreased by £8.8m following loan repayments of £5.7m and the liability on the service concession reducing by £3.1m.

Covenants

In order to satisfy the loan conditions, set out by the European Investment bank, the University must ensure compliance with the following covenants:

1. The ratio of Net Financial Indebtedness to Adjusted EBITDA shall not exceed 6.5:1
2. The ratio of Net Operating Cashflow or Debt Servicing Costs shall be at least 1.1:1
3. The ratio of Adjusted Financial Indebtedness to Revenues shall not exceed 85%
4. The University shall comply with any other condition which is set in respect of HEFCW.

At 31st July 2022, all the covenant conditions were met.

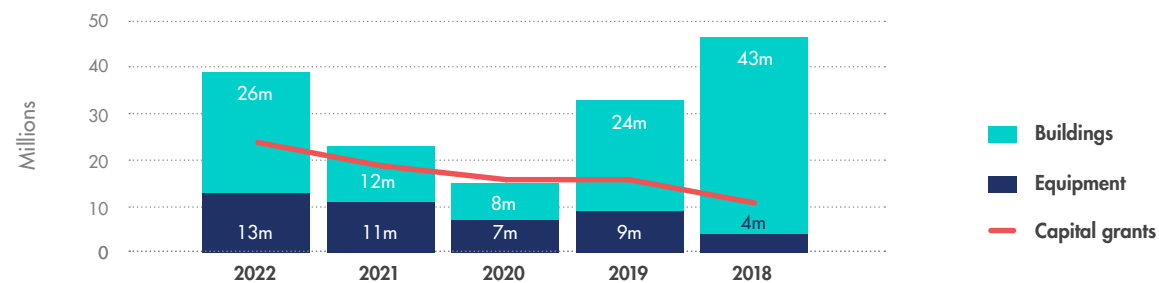
Capital Expenditure and Capital Grant Receipts

Capital expenditure peaked in the years up to 2018 with the creation and expansion of the Bay Campus and is now increasing again with £39.1m spent in 2021/22.

The Bay Campus continues to be expanded strategically with new grant funded research buildings, including £18.7m being spent on the Centre for Integrative Semiconductor Materials (CISM), which is due for completion in the autumn of 2022/23. There is also a focus on

improving the quality of the facilities on the Singleton campus; to date, these have generally been smaller projects, with work, for example, on the Digital Technium building (£1.2m) and a continuation of the capital works associated with the delivery of our new Pharmacy programme (£0.8m).

A similar profile of increasing spend can also be seen on capital equipment which increased to £13.0m from £11.3m in 2021.



Cash and Debt

Cash increased to £164.7m on 31st July 2022, from £141.0m at 31st July 2021.

The University's financial strategy is to generate sufficient cash to provide resilience, create the necessary levels of working capital and to enable investment in the estate and infrastructure projects.

Net cash inflow from operating activities decreased by £1.5m to £56.2m in the year to 31st July 2022, from £54.8m in 2020/21.

As a percentage of income this change in net cash inflow from operating activities is an increase from 13.4% in 2020/21 to 15.2% in 2021/22.

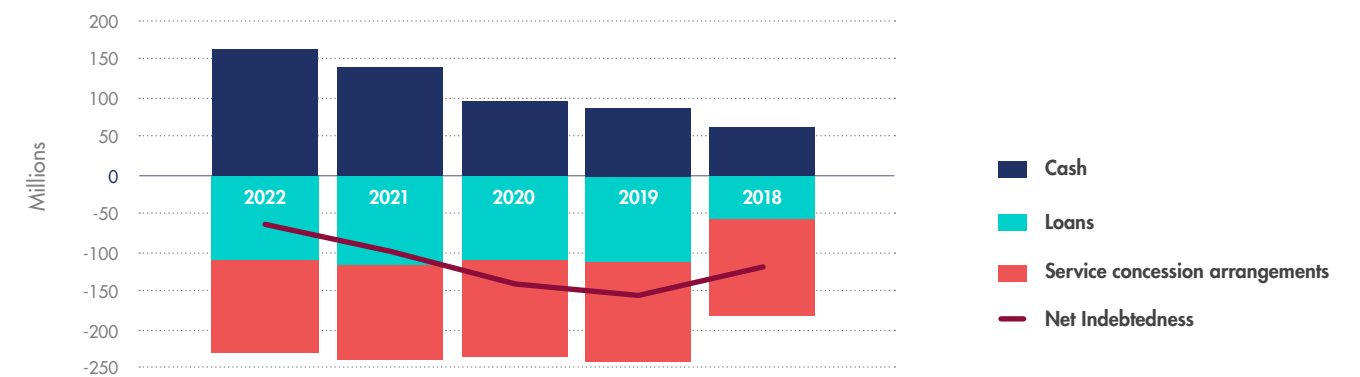
The surplus in the year after adjusting for significant non-cash items was £32.7m. Creditors increased by £28.5m, and debtors increased by £13.9m during 2022, all both contributing to the increase in cash.

The University funded £14.8m of the capital expenditure from its' cash reserves and also used £8.8m of cash to service its' borrowing and other financing arrangements.

Net indebtedness reached a five-year low at £62.3m due to the increase in cash at 31st July 2022 and a decrease in the loans and service concessions as repayments were made and annual liabilities released.

The service concession arrangement debt on the residences reduced to £119.0m at 31st July 2022 following the unwinding of the lease liability (£3.0m).

The University has committed to receiving a loan of £2.4m from Salix Finance Ltd for decarbonisation projects. This loan is at 0% interest and is repayable over 8 years. By At July 2022 only £0.1m of the loan had been received, with the remainder due in instalments by February 2023.



Pension Provisions

The University is a member of the Universities Superannuation Scheme (USS) which provides pensions for academic and professional staff. At the last triennial valuation in March 2020 the scheme had a deficit of £14.1bn. During the year, the deficit allocated to the University increased from £43.0m to £134.3m. £2.6m was paid in deficit contributions and interest in the year was relatively low at £0.4m. £93.5m was charged, increasing the provision, which reflects the revaluation and the deficit recovery agreement.

The University also operates a CARE scheme, Swansea University Pension Scheme (SUPS) for non-academic employees, which is closed to new entrants. During the year the SUPS deficit decreased from £61.2m to £36.6m as a £23.7m actuarial gain in comprehensive income was recognised.

Future outlook and going concern

The primary objective of the University's Financial Strategy remains the generation of sufficient cash resources to deliver its' strategic objectives and ensure long term financial sustainability. This is proving to be a critical factor in the University's ability to sustain itself in an environment of ongoing uncertainty.

The consequences from Brexit and Covid continue to impact the University's activities and the current cost of living crisis creating new strategic risks for the University.

Despite the challenging external context, the University is in a strong financial position at the end of 2021/22, generating an operating surplus (before USS pension adjustments) of £14m and net cashflow from operating activities of £56.2m, resulting in £164.7m of cash at the year end.

This has been achieved by focussing on the following areas:

- Continuing to review our approach to the availability and delivery of academic programmes for home and overseas students, taking advantage of strategic partnerships and the use of technology
- Continuing to review our organisational structures, processes and develop systems in order to improve efficiency and cost effectiveness
- Funding strategic investment, optimising the use of our own cash reserves, partnerships and grant funding
- Keeping liquidity and borrowing under close review to ensure we are managing our working capital efficiently
- Monitoring our commitment to pensions for our employees, taking note of both current and future cash requirements as well as the scale of provisions for pension fund deficits

As the primary driver of income for the University, student recruitment from both home and overseas remains a key risk for us.

The University saw a shortfall in home undergraduate numbers in 2021/22 due primarily to the A level grade inflation which occurred as a result of the pandemic, resulting in fewer students coming through Clearing. However, in contrast, the University's overseas recruitment far exceeded expectations for this year resulting in a 2% increase in overall tuition fee income. This was largely due to the popularity and success of our January entry programmes.

Our enrolments for 2022/23 reflect a recovery in home undergraduate recruitment to the levels we saw pre-pandemic in 2019/20, and continued growth in postgraduate overseas recruitment.

Early indications are that recruitment to both home postgraduate and overseas undergraduate programmes is not going to be at forecast levels for 2022/23. However, we expect overall tuition fee income to be achieved due to the increased demand for January entry overseas postgraduate programmes.

The University is actively exploring new Trans National Educaton opportunities for in-country delivery which will contribute to the medium-term sustainability of overseas recruitment.

The unprecedented inflationary environment is a cause for concern, with the cost of living crisis affecting not only the University but also our staff and students.

Whilst the national negotiations for the 2022/23 pay award have ended and an overall increase of 3.19% (higher for lower grades) has been implemented with effect from August 2022, the national trade unions remain dissatisfied and have balloted for strike action. With staff costs representing 50% of income, any significant increases in pay will inevitably create additional financial pressures.

The finalisation of the USS Triennial Valuation 2020 has created a degree of certainty and the improving funding position of the Scheme indicates that the next triennial valuation in March 2023 may provide the employers and employees with some options.

Brexit was already impacting non pay costs due to the higher costs of importing goods and consumables, but the war in Ukraine is having much larger and far-reaching consequences. Whilst, the University had pre-bought its energy to April 2023, through its' contract with TEC, the most recent price negotiation by TEC to September 2024 will result in significant increases in the cost of utilities. The University has already taken steps to reduce the cost of, and demand for, energy through a range of decarbonisation and related projects, but further action is likely to be necessary to manage the most recent price increase.

The Ymlaen programme, aimed at aligning existing processes, structures, and systems to support a growth in scale and diversity of activities through greater operational effectiveness should also play an important role in ensuring its financial sustainability.

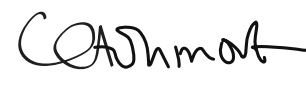
The University recognises that significant investment in the estate and IT infrastructure is needed to remain an attractive place to work and study, and to meet our ambition to achieve Net Zero by 2035. The University has also benefited from the additional funding provided by the UK and Welsh governments. This has enabled us to invest in digitisation and decarbonisation projects which has helped to kickstart the significant investment in IT infrastructure and the campus that is essential to deliver the University strategy. We have earmarked £110m from our cash reserves to fund capital investment to 2026 and we are developing a funding strategy to finance the longer-term requirements.

A Student Accommodation Strategy has been developed to address the need for high quality beds on Singleton Campus, and for purpose built accommodation in the city centre from 2023, which will address any short-term shortfall and increased demand. The high level of inflation will impact the cost of providing student accommodation. The University is in discussions with its' accommodation providers and the Students' Union, and considering what options are available to manage these pressures whilst also supporting its student population.

Whilst the whole of the higher education sector is being affected by the extraordinary national and international political and economic events, the University is confident that it will be able to meet all of its future obligations and commitments and remain within its banking covenants for the next twelve months and will continue to do so for the foreseeable future.



Sarah Jones,
Chief Financial Officer

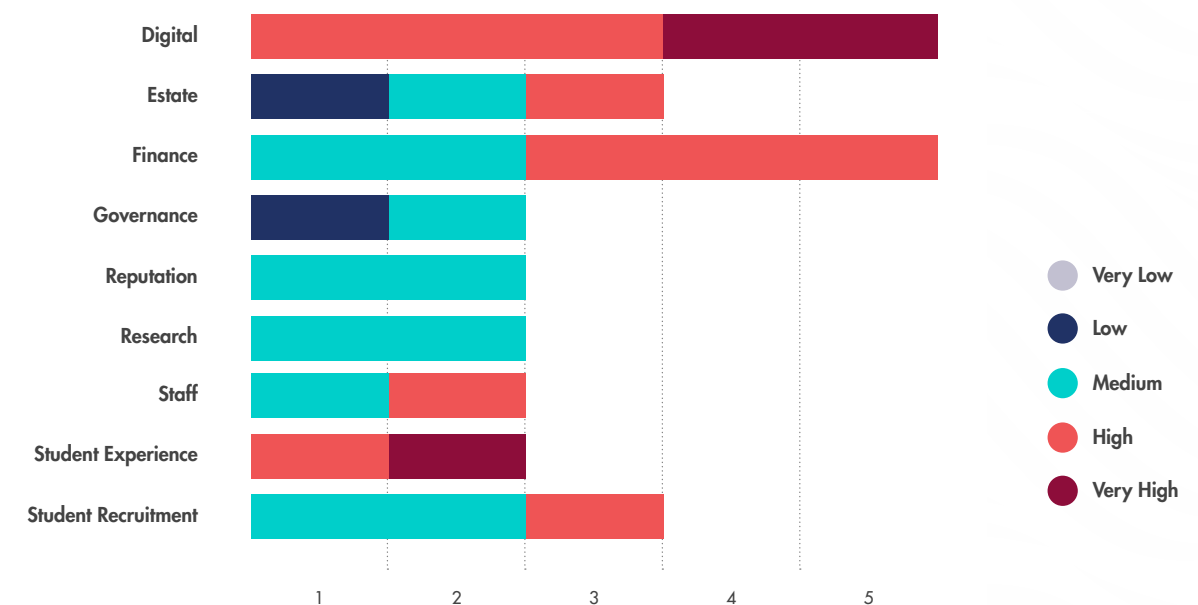


Goi Ashmore,
Treasurer

PRINCIPAL RISKS AND UNCERTAINTIES

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

All risks are assigned to a category to allow analysis and comparison. The number of risks currently on the University risk register in each principal category is summarised below. The distribution of risks continues to reflect the uncertainties that exist in the external environment, including the geo-political issues and the ongoing consequences of the Covid pandemic on staff and students.



The table below identifies the highest ranking risks from the University register, according to the residual risk score.

Risk area	Risk description	Risk management
Student experience	Wellbeing Services – the University is unable to meet the demand resulting in impacts on student support services and student experience	<ul style="list-style-type: none"> • An independent review of student wellbeing and mental health support services has been undertaken and recommendations and an action plan are now being implemented. • Additional funding has been provided for increased resources in this area
Digital	Cyber Security – inability to protect University systems leads to a successful cyber attack	<ul style="list-style-type: none"> • Significant multi-year investment has been agreed • All cyber processes and policies are under review • A Cyber Awareness programme is to be implemented
Digital	Core Business Systems – lack of end to end and integrated systems leads to difficulties in delivering necessary services to staff and students	<ul style="list-style-type: none"> • Analysis of core business systems, development of business cases and approval of funding for investment
Student experience	Learning and teaching – poor teaching quality, student:staff ratios, learning environment and support services lead to poor student experience	<ul style="list-style-type: none"> • Development and implementation of Learning and Teaching strategy • Balance portfolio of investments between teaching and research • Review student facilities on both campuses and work with the Estates team to develop and improve
Finance	Sustainable budget – inability to deliver forecast income and expenditure resulting in failure to create surpluses required for investment and to deliver the University Strategy	<ul style="list-style-type: none"> • Monthly budget reporting and monitoring and quarterly reforecasting • Detailed financial assessment and stress testing of inherent risks • Review and prioritise investment plan to manage cash and surplus positions • Deferral of non-essential spend if necessary

Risk area	Risk description	Risk management
Student recruitment	Student recruitment – inability to meet forecast student numbers resulting in reduced financial sustainability	<ul style="list-style-type: none"> • Move to focus on recruitment in year to reduce reliance on clearing • Introduction of January entry programmes to provide second opportunity to recruit • Identify sources of diversity for future revenue, including Trans National Education opportunities and different modes of delivery • Identify markets for the development of an enhanced overseas presence
Finance	USS pension scheme – the changes that have been made as a result of the 2020 valuation lead to staff unrest, industrial action and disrupt service delivery	<ul style="list-style-type: none"> • Continue to actively engage regularly with Trade Unions and the Students' Union • Develop business continuity plans to minimise disruption • Develop a communications strategy • Industrial Action Working Group to be reinstated if required
Staff	Staff morale – sustained increased workloads lead to reduced staff morale, resulting in increased stress, absence and turnover, reduced wellbeing, engagement and productivity	<ul style="list-style-type: none"> • Regular communication with staff • Health and wellbeing services monitored • New Working Environment plans to incorporate flexibility for employees • Ymlaen 2025 programme to drive improvements in work systems, processes and workload • People and Culture Working group established to address some of the concerns of the Workload Survey • Recognition of staff efforts
Estate	Student Accommodation – insufficient funds or borrowing capacity leads to inability to invest in student residences, resulting in failure to deliver accommodation of the quality that is expected by students and for commercial use	<ul style="list-style-type: none"> • Student accommodation strategy including purpose-built student accommodation in the city centre • Estates Strategy which includes Singleton Campus residences • Review other funding options to improve flexibility

PUBLIC BENEFIT STATEMENT

Swansea University has been a registered charity (no. 1138342) since October 2010. Our constitutional framework is defined in our Charter and Statutes and Article three of the Supplemental Charter highlights the University's objectives "to advance learning and knowledge by teaching and research, and to engage in activities to promote and contribute to cultural, social and economic development within Wales and beyond".

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

Civic Mission

We are proud to belong to the City of Swansea, the wider Swansea Bay City Region and to Wales, and we celebrate that heritage. With campuses in three local authority areas, we recognise that we are the region's university, and that we have a responsibility to work with and for our community and Wales. We seek to deliver local solutions to the global challenges that affect us all.

While our civic mission is rooted in our immediate region it extends to the impact we seek to make in communities worldwide. We attract colleagues and students to Swansea from all over the world and we are committed to ensuring that the education and experiences we provide and the research we pursue are relevant both locally and internationally. Above all, we seek to work in genuine, open and equitable partnership, and to learn as much from others as we can.

We continue to nurture effective relationships with our key stakeholders, including local authorities, health boards and Further Education Colleges across the Swansea Bay City Region, as well as the region's major employers (including the DVLA and Tata Steel). We have close working relationships with museums, theatres and other cultural institutions in the region, and with sports clubs and sporting bodies locally and nationally.

Student Experience

Our students make a significant contribution to local society through volunteering and outreach programmes, and they are part of our international community. Our aim is to produce global citizens who will go out into the world and make a difference. For example, our Discovery Student Volunteering charity supported c.600 student volunteers, delivering around 8,000 volunteer hours across 25 community-based projects.

Learning and Teaching

The sharing of knowledge to nurture independent, critical thinking is fundamental to our purpose. It enables our students to be resilient in the face of global challenges and to adapt to the changing world of work. We celebrate our Welsh heritage and are proud to be part of a bilingual nation. We respect students' right to study through the medium of Welsh and will expand our range of opportunities for them to do so. We will also work to maintain our status as a community that balances research and teaching excellence.

Our graduates work in an increasingly connected world that demands appreciation and understanding of other cultures and countries. We provide imaginative opportunities for our students to study and work abroad during their degree programmes, and to relate their learning to the challenges faced by communities around the world.

Research

Our research has impact because it is directed to meet the needs of our partners in industry, commerce, academia and the public sector. It changes lives, drives innovation and regional growth, and is aligned to the UN Sustainable Development Goals. It impacts on our culture and society as well as on our health and wellbeing, our economy and our planet. We drive policy change nationally and internationally.

We are at the leading edge in many areas including: advanced manufacturing and innovation in clean energy and the digital economy; nanohealth and the analysis of large scale health data; labour market evaluation; terrorist use of the internet, and preserving our industrial heritage. We are exploring new ways to assess and mitigate the risks of the climate crisis and are working to protect the most vulnerable in our society and to enrich all our lives through our understanding of history and the arts.

Enterprise

We are an exceptionally collaborative and entrepreneurial university. We were founded by industry, for industry, and we remain true to the ambitions of our founders in that we work with industrial, commercial and public sector partners for the benefit of our region and nation. We value our partnerships with anchor companies and SMEs in Wales – more than 40 companies are co-located with us on our campuses – and with the many organisations we collaborate with internationally.

We work in tandem with our partners to exchange knowledge and develop skills on an ethical and equitable basis. While we will lead collaborations, we will listen to our partners and will learn from them. Our role is to meet their needs, stimulate their growth and support their sustainable development as much as it is to push boundaries and innovate.

Supporting access to education

A key commitment set out in Our Strategic Vision and Purpose is to further widen and deepen access to education, promoting lifelong, inclusive and equitable learning opportunities. We play an active role in widening access and supporting education. Swansea University is the lead partner in the HEFCW-funded South West Wales Reaching Wider Partnership and also funds and delivers the Step Up to Swansea University programme as part of the Reaching Wider Institutional Plan. Both programmes aim to increase participation in higher education by people from underrepresented groups and communities in South West Wales, with a specific focus on the Welsh Index of Multiple Deprivation, looked-after children and care leavers.

Care experienced young people have the opportunity of visiting the University to take part in activities aimed at raising educational aspirations and their awareness of university life.

We work with universities, colleges, schools and community partners across South West Wales to provide inspirational learning and development opportunities for adults and families, which can act as stepping stones to further and higher education.

We also deliver STAR (Study Tips to Achieve Results) Days to equip students with techniques to prepare successfully for GCSE exams. Pupils work in small groups with a current university student and there is an opportunity to discuss pathways options after their GCSEs.

Our Swansea Academy of Inclusivity and Learner Success (SAILS) also works to provide inclusive academic and pastoral support for our diverse student population. SAILS delivers a range of projects to enable individuals from all backgrounds to enter and transition into higher education; to stay at university and complete their studies; to progress from level to level, and to achieve the best degree outcomes they can.

We deliver subject-specific outreach projects to support pupils, including the Technocamps initiative, which delivers hands-on workshops for secondary schools to encourage pupils to take up computing and STEM subjects at GCSE, A level and beyond, and the Further Maths Support Programme Wales, which provides a range of inspiring activities and events for students in years 9-13. We also provide progression pathways through foundation years in Engineering, Science, Arts and Humanities and the School of Management for individuals unable to gain direct entry to the first year of a full-time undergraduate degree.

The Swansea University Science for School Scheme (S4) is a widening access, STEM outreach programme established in 2012. It delivers research-led activities, including hands-on workshops, summer schools and science showcases, as well as online education to young people in South Wales in areas experiencing poverty and disadvantage. A recently published analysis of S4's work showed that the scheme is having a positive impact on young people from poorer areas by improving their career aspirations, and opinions on studying science at university.

Supporting Sustainability

Our Strategic Vision and Purpose recognises that the climate crisis remains society's biggest threat. We align our work to the Sustainable Development Goals (SDGs) and have made a commitment to be a carbon-zero university by 2035. The University's strategy also recognises that our work is enabled by a commitment to financial and environmental sustainability.

In 2020 the University set a target to achieve zero scope 1 & 2 carbon emissions from building and fleet by 2035, and a 50% reduction in scope 3 emissions from use of services and our supply chain by the same date. A Path to Zero plan has been developed with the Carbon Trust and Welsh Government Energy Service detailing the necessary actions and projects to support progress towards achieving this target. A 13-year investment plan is now being developed in support of the 2035 target.

Through HEFCW funded SALIX finance we have a programme of Path to Zero building, utility, and infrastructure decarbonisation planned. In 2021/22 this programme of work included £776k for two new solar photovoltaic systems at Bay Campus and five new systems at Singleton Campus, £165k Building Management System (BMS) control upgrades and £1.5m for internal and external LED lighting at Singleton and Bay Campus respectively. Looking forward the

2022/23, a £3m investment is planned to build upon the programme of works above and include decarbonising upgrades to heating ventilation and air conditioning (HVAC), building fabric improvements such as insulation and further renewable energy generation.

In November, we were proud to be awarded a Queen's Anniversary Prize in recognition of our Materials Science and Engineering research that is leading a revolution in renewable energy technologies, particularly solar electricity and heat generation and storage. The Prize acknowledges the work of our SPECIFIC academic and industrial consortium, which was established in 2011 to research the development of efficient low-cost photovoltaic technologies that convert solar energy into electricity.

Later in 2022, two Swansea bioscience students won the Queen's Platinum Jubilee Challenge, successfully securing funds to implement carbon sequestration and biodiversity improvement projects such as campus based green roof installations, wildflower planting and Sphagnum moss growing for planting on in wider Welsh peatland restoration projects.

We are delighted to have been ranked within the top 200 in the Times Higher Education Impact Rankings 2022, which aim to capture universities' impact on society based on their success in delivering

the United Nations' Sustainable Development Goals (SDGs). This is the first year Swansea has participated in these rankings. While we ranked in the top 200 overall, we placed within the top 20 for three SDGs:

- 14th for Responsible Consumption and Production (SDG 12)
- 14th for Peace, Justice and Strong Institutions (SDG 16)
- 18th for Sustainable Cities and Communities (SDG 11)

We are ranked in the top ten of the People and Planet University League, which ranks UK universities by their environmental and ethical performance. We have climbed more than 110 places since 2011 as a result of our ambitious sustainability strategies, Biodiversity Action Plan, Carbon Management Plan and Environmental Management System. Our Sustainability and Climate Emergency Strategy (2021-2025) is aligned to our overarching Strategic Vision and Purpose and commits us to actions across four key themes: the Climate Emergency, our natural environment, our working environment and our travel. The Strategy ensures that we will also contribute to other development goals, including: Wellbeing and Human Health, the Wellbeing of Future Generations, and the United Nations' Sustainable Development Goals, and we continue to work collaboratively across our research community to achieve a better and more sustainable future for all.

We continue to attract funding to support our research into a broad range of climate-related and sustainability issues. Our Energy Safety Research Institute (ESRI) is delivering pioneering low-carbon energy research and innovation, where researchers have developed technology which has the potential to capture half a billion tonnes of carbon each year. A collaboration between ESRI researchers and insulation producer ROCKWOOL Limited has seen the installation of a new carbon dioxide demonstration unit at the company's manufacturing plant in Bridgend, South Wales.

Our Glaciology Research Group experts work with teams at an international science station on the Greenland ice shelf, drilling deep into the ice to understand climate history, and we are exploring how climate change influences animal movement and their habitats. Our chemical engineers are finding new ways to capture and reuse carbon by turning it into useful products to help tackle the climate crisis, and our commitment to promoting a circular economy has led to international recognition from the Ellen MacArthur Foundation, which has named Swansea as an exemplar university for the range of activities it carries out, not only through research and teaching but also in the way it runs its campuses.

We have also achieved the Carbon Trust Standard for Waste certification for our work to reduce waste around our campuses, and enjoyed success in the Laboratory Efficiency Assessment

Framework (LEAF), which encourages participating universities to make their research and teaching more resource efficient and sustainable. In the past year, The Carbon Trust have also produced a detailed decarbonisation action plan for the University that looks at the practical steps required to achieve net zero targets.

In order to minimise waste, Warpit, has been introduced to distribute, reuse and recycle redundant resources such as furniture from across the organisation. Since the launch at the beginning of 2022, 11,561kg of CO2 has been saved and 3,730 kg of waste has been avoided, equating to a saving of £19k. Sustainability has been included in the procurement of key contracts and services contracts such as the new catering contract, to ensure it is integrated into the contract. We are working towards our Fairtrade University accreditation in partnership with the Students' Union as part of the UK 2021-23 cohort of university's working towards Fairtrade status.

Through our SWell app, we have continued to engage more than 50% of staff and have nudged behaviours towards lowering our individual and collective carbon footprints. This year also saw the expansion of the scheme to include students for the first time. The SWell platform recently won the Health and Wellbeing category at the national JUMP awards for logging the highest number of positive actions from across 50 other UK university and businesses with similar sustainability engagement apps.

We increased knowledge of wildlife on campus and in the Crymlyn Burrows, Site of Special Scientific Interest, adjacent to the Bay Campus. We delivered a year-round programme of walks, talks and other events, including a community day on the Bay that saw almost 100 local community members joining us on campus to discover their local environment. In addition, staff and students worked with Buglife to plant over 2,500 wildflower plants at the Bay, helping to create pollinator corridors. In partnership with the Conservation Society, the University has also achieved silver in the ever popular Hedgehog Friendly Campus accreditation.

The cycle to work scheme continues to facilitate sustainable active travel and recently saw an increase in uptake when the limit was increased to encourage greater participation. The University has once again been awarded the Gold Standard Cycle Friendly employer award and has recently signed a joint city-wide travel charter to progress sustainable, active travel and seen month on month record breaking growth in the number of people using the University run, city wide, Santander bike hire scheme, with over 100,000 users since its launch in 2018.

CORPORATE GOVERNANCE AND STATEMENT OF INTERNAL CONTROL

The University conducts its activities in accordance with both the Committee of University Chairs (CUC) Higher Education Code of Governance and Higher Education Senior Staff Remuneration Code, and in accordance with the Nolan principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership).

The University is committed to the highest standards of openness, probity and accountability, conducts its affairs in a responsible manner and has in place a Whistleblowing (Public Interest Disclosure) Policy to enable staff, students and other members of the University to raise concerns that are in the public interest.

Constitution and Powers

The University is an independent corporation, whose legal status derives from a Royal Charter originally granted in 1920. Its objects, powers and framework of governance are set out in its current Charter ('the Supplemental Charter'), approved by the Privy Council in 2007, and its supporting Statutes, the latest amendments to which were

approved by the Privy Council in 2021. The University registered as a charity in October 2010 (1138342).

The Charter and Statutes require the University to have three separate bodies (Council, Senate, and Court), each with clearly defined functions and responsibilities, to oversee and manage its activities:

Council

The Council, which is established by the University's Charter, is the governing body and thus the supreme authority of the University, which means that it is ultimately accountable for the conduct and activity of the University and its representatives. The Council's membership, powers and duties are set out in Statute 5, which is available on the University's website. The Council is responsible for determining the strategic direction of the University, and for the finance, estates, investments and general business of the University.

The Council meets at least four times a year and exercises its responsibilities through the executive management and standing committees set out below. During 2021/22, the Council held seven meetings, including three special meetings, that focused on governance, financial and regulatory matters. Five of the meetings were held in person, one was held as a hybrid meeting, and one of the special meetings was held remotely. The Council received reports on the University's response to the Covid pandemic.

The Council comprises independent (described as lay), staff and student members appointed in accordance with the Statutes and Ordinances of the University. The membership of the Council shall not exceed 19 and the majority of Council members are non-executive lay members who are not members of staff or registered students of the University. The Council is committed to promoting equality and diversity and vacancies for lay members are advertised externally, with expressions of interest particularly welcome from under-represented groups. Applications are considered by the Governance and Nominations Committee and matched against the current skills

and experience matrix. None of the lay members receives any payment, apart from the reimbursement of expenses, for the work they do for the University. Lay members of Council serve for a period of four years but may be re-appointed for one further period of four years.

The University's governing documents currently define lay members as not members of staff or registered students of the University. The University is reviewing its institutional practices in light of the Guide on Independence for Lay Members developed and agreed by the Welsh Secretaries and Clerks in June 2020. This Guide was in response to the independent review of governance in Wales, led by Gillian Camm (the Camm Review), published in February 2020.

Council members are required to make a declaration of interest on their appointment to Council, to review their declaration at least annually, and to update their declaration whenever there is a change. Declarations are reviewed by both the Chair and the Secretary of Council, in accordance with the University's Declaration of Interest Policy and procedure, to ensure there are no potential or perceived conflicts, or, if there are, to ensure they are dealt with appropriately. The Secretary to Council also maintains a register of interests for all members of Council, which is reviewed annually by the Governance and Nominations Committee. At the start of Council and Council Committee meetings, all members are asked to identify any specific items on which a declared interests may have a bearing and, if required, members do not take part in the relevant discussion or decision, and/or may leave the meeting at the appropriate point.



Any declarations identified and member's participation in specific items is recorded in the minutes of the meeting. The Council has adopted the role description for the Secretary to Council, developed in response to the Camm Review, which contains a clear statement of the Secretary's accountability for highlighting issues of independence or conflict to the Chair.

Members of the University's Council who served during the year ending 31st July 2022 and up to the Council meeting at which the financial statements were signed are listed below. Attendance at Council meetings (expressed as the number of Council meetings attended out of a total of meetings the member was due to attend) is provided below.

As the University is a registered charity Council also acts as the Board of Trustees and members of Council are also Charity Trustees.

Council Member	Category	Risk management
Mr Bleddyn Phillips, Pro-Chancellor and Chair of Council (until 12th December 2023)	Lay	7/7
Sir Roderick Evans, Pro-Chancellor (until 31st March 2025)	Lay	4/7
Mr Goi Ashmore, Treasurer (until 31st July 2024)	Lay	7/7
Professor Paul Boyle, Vice-Chancellor (until 25th July 2024)	Staff	7/7
Dr Kerry Beynon, Co-opted member (until 3rd February 2024)	Lay	7/7
Professor Edward David, Co-opted member (until 3rd February 2024)	Lay	6/7
Professor Kathryn Monk, Co-opted member (until 26th January 2026)	Lay	6/7
Dr Angus Muirhead, Co-opted member (until 20th March 2024)	Lay	6/7
Ms Elin Rhys, Co-opted member (until 3rd February 2024)	Lay	4/7
Ms Anne Tutt, Co-opted member (until 5th July 2024)	Lay	7/7
Mrs Marcia Sinfield, Co-opted member (until 30th November 2024)	Lay	7/7
Professor Keshav Singhal, Co-opted member (until 30th November 2024)	Lay	2/7
Professor Nuria Lorenzo-Dus, Appointed by Senate (until 4th December 2022)	Staff	5/7
Dr Sian Rees, Appointed by Senate (until 4th April 2022)	Staff	3/4
Professor Sue Jordan, Appointed by Staff (until 26th September 2023)	Staff	7/7
Mr Heath Davies, Appointed by Staff (from 10th February 2022)	Staff	2/4
Ms Katie Phillips, President of Students' Union (until 30th June 2022)	Student	6/6
Ms Liza Leibowitz, Students' Union (until 30th June 2022)	Student	5/6
Ms Esyllt Rosser, President of Students' Union (from 1st July 2022)	Student	1/1
Mr Jonathan Davies, Students' Union (from 1st July 2022)	Student	0/1

CUC Higher Education Code of Governance

The University is committed to high standards of corporate governance and to continuously improving its governance in line with best practice within the higher education sector. The University's governance structure has been developed to align with the principles and practices set out in CUC Higher Education Code of Governance. The Council commissioned an External Effectiveness Review in 2019, which was undertaken by James O'Kane, former Registrar and Chief Operating Officer of Queen's University Belfast. This External Review concluded that the Council was discharging its duties appropriately and

effectively as the governing body of the University. A number of recommendations were identified and have been implemented to ensure the Council continues to, and enhances its alignment with the Code, and to ensure a fit-for-purpose Council. The next independent review of governance effectiveness is scheduled to be conducted during the 2022/23 academic year. In respect of the year ended 31st July 2022, the Council can report that there was no primary element of the Code of Governance with which the University's procedures was not consistent.

Review of Governance of the Universities in Wales

The Council formally adopted the Governance Charter for Universities in Wales and Commitment to Action published in September 2020 in response to the Camm Review and is committed to implementing the recommendations many of which align with recommendations arising from the Council's own External Effectiveness Review. Building on the progress made in the previous year, key developments in 2021/22 included:

- in relation to understanding culture, significant steps have been taken to enhance a positive organisation culture including through updating recruitment processes, developing a Strategic Vision and Purpose Plan which places people, values, culture and behaviour at its heart, enhancing staff engagement, and embedding Leadership roles which set a leadership culture that is inclusive and demonstrably aligns to the University's culture, behaviours and values. The Senior Leadership Team has established a new People and Culture Committee and has undertaken a staff workload survey and developed a response plan, which has introduced immediate actions and which identifies key tasks to be undertaken, and has committed to providing quarterly updates on progress;
- in relation to stakeholder engagement, the University has continued to engage with its key stakeholders through weekly engagement meetings between the Trade Unions and the Executive, regular external meetings with the Local Authorities and Health Boards, and monthly informal meetings between the Chair of Council and the Trade Unions and also the Students' Union's Full-Time Officers. A review of the terms of reference of the Staff Consultative Committee in consultation with the Trade Unions has also been undertaken and proposals for a new Committee and a forum for Council Engagement with the Trade Unions are being considered. In coming months, the Council will be reviewing its practices in light of the good practice guide on stakeholder engagement published over the summer of 2022 in response to the Camm Review;

- in relation to ensuring effective strategic oversight, following Council's approval of the University's Strategic Vision and Purpose document, the University has continued to review and update its strategies and has developed institution-wide KPIs to enable Council to more effectively scrutinise and monitor performance against the different strategies. The Council and the Senior Leadership Team have completed reviews of the operation, composition and terms of reference of their Committees, with reference to regulatory requirements and best practice, to enable effective oversight of strategic development. A Senate Effectiveness Review including a review of Senate committees has also been undertaken and a report was considered by Senate in June 2022;
- in relation to succession planning, the Governance and Nominations Committee which has oversight for succession planning will be reviewing the University's approach to Council member succession planning and putting succession planning arrangements in place;
- in relation to diversity and inclusivity, the Council is committed to promoting equality and diversity and vacancies for lay members are advertised externally, with expressions of interest particularly welcome from under-represented groups. As part of the Welsh secretaries and clerks governance equality, diversity and inclusion project in response to Camm, Council members have held discussions to inform the creation of a bespoke governance and diversity action plan, and will be reviewing its practices in the light of the publication of the project report and the Advance HE Higher Education Board Diversity and Inclusion Toolkit which has been shared with members of the Governance and Nominations Committee;
- in relation to risk management, the University continues to develop its risk management policy introduced in 2020 and the risk register is regularly reviewed by the Audit, Assurance and Risk Committee which has oversight of Internal Audit and risk management. The Finance and Strategy Committee receives the risk register and updates on relevant risks regularly, and the risk register and appropriate reports and recommendations are presented to the Council;

- in relation to whistleblowing, the University is committed to the highest standards of openness, probity and accountability, and seeks to conduct its affairs in a responsible manner. The Council has approved a new Whistleblowing (Public Interest Disclosure) policy, which is available to all staff on the University's website, which ensures that concerns made in good faith are dealt with robustly and fairly, and that members raising such concerns are not subject to any form of victimisation. A number of Harassment and Whistleblowing Advisors have been identified as points of contact for anyone wishing to raise concerns under the policy and e-learning is available to all Line Managers to support the updated policy;

- in relation to governor development, the Council, through its Governance and Nominations Committee, has in place a structured induction process to support all new Council members, as well as ongoing internal and external training and support for serving members, to ensure that all members are able to make a valuable contribution. The Committee continuously reviews this support and will also review its institutional practices in light of the work being undertaken by the sector in Wales around recruitment and induction and with reference to the governor development resources and information "hub" being developed by HEFCW.

Senate

The Senate, which is established by the University's Charter, is the academic authority of the University and draws its membership entirely from the academic staff and students of the institution. The Senate's membership, powers and duties are set out in Ordinance 4, which is available on the University's website. It is chaired by the Vice-Chancellor and its membership also includes the Provost, the Pro-Vice-Chancellors, Pro-Vice-Chancellors/Executive Deans, all professorial staff, Chairs and Deputy Chairs of the Boards of the Learning and Teaching Quality Committee and the Faculty Associate Deans, fourteen elected non-professorial staff representatives and eight students appointed by the Students' Union. The Senate normally meets four times each year. During the 2021/22 academic session, the Senate held four meetings of which three were held remotely and one as a hybrid. The business focused on the University's continued response to Covid, the University's quality assurance processes and

framework and the Annual Quality Assurance Statement to Council, the Fee and Access Plan, the Senate Effectiveness Review, the University's performance in league tables and rankings including NSS and REF, and internal Student Experience Surveys, enhancements in learning and teaching facilities, the new Student Experience and Welsh Language and Culture Strategies, new research policies and research grants and awards, recruitment and admissions, and updates on policy and sector landscape issues. Senate has established five committees to assist it in discharging its responsibilities: Learning and Teaching Quality, Recruitment and Admissions, Research, Innovation and Impact, Research Integrity, Ethics and Governance, and Welsh Language Strategy. During the year, Senate undertook a Senate Effectiveness Review and will be considering how to take forward the issues identified by the review during the next academic session.

Court

The Court, which is established by the University's Charter, is a large, mainly formal body which serves as a forum for the engagement of the wider community with the University. The Court's membership, powers and duties are set out in Ordinance 6, which is available on the University's website. The Court is chaired by the University's Chancellor and most of its members are from outside the University, representing the local community and other designated bodies with

an interest in the work of the University. The membership also includes members of the Council, representatives of the staff of the University (both academic and non-academic) and the student body. The Court ordinarily meets once a year to receive the University's annual report and audited financial statements of the University. The Court last met on 4th October 2022.

Accountable Officer

The Vice-Chancellor is the chief executive and principal academic and administrative officer of the University and has a general responsibility to the Council for maintaining and promoting the efficiency and good order of the University. Under the terms of the formal financial memorandum between the University and HEFCW,

the Vice-Chancellor is the accountable officer of the University and in that capacity may be required to appear before the Public Accounts and Public Administration Committee of the Senedd Cymru alongside the Chief Executive of HEFCW.

Executive Team

As Chief Executive of the University, the Vice-Chancellor has responsibility for the development of institutional strategy, the identification and planning of new developments, and the shaping of the institutional ethos. Members of the Senior Leadership Team and the Directors of Professional Services all contribute in various ways to these aspects of the work, but ultimate authority rests with the Council. The membership of the Senior Leadership Team, which is chaired by the Vice-Chancellor, includes the Provost, Registrar and Chief

Operating Officer, the Pro-Vice-Chancellors, Pro-Vice-Chancellors / Executive Deans, and the Chief Financial Officer. The Senior Leadership Team meets weekly and considers strategic and operational matters. During the year, the Senior Leadership Team has reviewed its committees and has established a number of new Strategy Groups to sit alongside existing groups to assist it in discharging its responsibilities.

Committees

The Council has established four governance committees, at which much of its detailed work is initially handled: Audit, Assurance and Risk Committee; Finance and Strategy Committee; Governance and Nominations Committee; and Remuneration Committee. All of these committees are chaired by lay members of Council and have a majority of lay members. Senior officers of the University attend meetings as necessary. All Committees report their decisions to

Council, and are formally constituted, with their own terms of reference and membership approved by the Council on the recommendation of the Governance and Nominations Committee. The role of the Secretary to Council is defined in the University's Ordinances and the Secretary to Council also acts as the Secretary to most of the Committees of Council.

Audit, Assurance and Risk Committee

The Audit, Risk and Assurance Committee is responsible for advising and assisting Council in respect of the entire assurance and control environment of the University. Its key responsibilities are to ensure that the University complies with statutory, University and external regulatory requirements in relation to both its financial and non-financial activities and in respect of the issues within its terms of reference, and the Committee has the authority to make recommendations to the University, its organisational units and its members.

The Committee is chaired by a lay member of Council. All members of the Committee and its Chair are appointed by Council on the

recommendation of the Governance and Nominations Committee. All members are independent of the University's management, although senior executives attend meetings as necessary, and, in line with HEFCW's Financial Management Code, there is no cross representation between the Audit, Assurance and Risk Committee and the Finance and Strategy Committee. Members of the Committee who served during the year ending 31st July 2022 and up to the Council meeting at which the financial statements were signed are listed below. Attendance at Committee meetings (expressed as the number of Committee meetings attended out of a total of meetings the member was due to attend) is provided below.

Committee Member	Category	Risk management
Dr Kerry Beynon, Co-opted member and Chair of the Committee	Lay	4/4
Mrs Navjot Kalra, Co-opted lay member (until December 2021)	Lay	2/2
Professor Kathryn Monk, Co-opted member of Council	Lay	4/4
Mrs Marcia Sinfield, Co-opted member of Council (from November 2021)	Lay	3/3
Ms Anne Tutt, Co-opted member of Council	Lay	4/4
Mrs Alison Vickers, Co-opted lay member	Lay	4/4

During 2021/22, the Committee held four meetings. The Committee's business focused on discussing with the External Auditors the nature and scope of the audit and agreeing an annual Audit Plan; advising Council on the appointment of new External Auditors; reviewing the Internal Auditors' audit strategy and the introduction of a new Internal Audit Governance Framework to ensure the optimal effectiveness of the Internal Audit Service; approving the internal audit plan, receiving reports on its implementation, and monitoring the implementation of agreed audit-based recommendations; reviewing the effectiveness of the risk management arrangements and the risk register, and receiving regular reports on key risks; reviewing the External Auditors' management letter, the Internal Auditors' annual report, and the

management responses; overseeing the University's policies related to ethical and other behaviours, including reviewing the University's Whistleblowing (Public Interest Disclosure) Policy and overseeing the implementation of the updated Policy, and reviewing proposals for a review of the University's counter-fraud policies and processes; meeting regularly with the External Auditors, the Head of Internal Audit, the Registrar and Chief Operating Officer and the Chief Financial Officer to provide an opportunity for them to discuss any matters; and approving an Annual Report to Council.

Finance and Strategy Committee

The Finance and Strategy Committee has oversight of and monitors the financial health of the University on behalf of the Council. Its key responsibilities are (i) to ensure the medium and long-term financial sustainability of the University through regular reviews of the University's financial position, (ii) to ensure the University operates a robust system of internal financial control, (iii) to monitor financial performance and compliance, (iv) to have financial oversight of all relevant strategies and (v) to play a critical role in applying test and challenge to all financial decisions. The Committee advises and makes recommendations to Council in respect of all financial matters.

The Committee is chaired by the University Treasurer. All lay members of the Committee and its Chair are appointed by Council on the recommendation of the Governance and Nominations Committee. In line with HEFCW's Financial Management Code, there is no cross representation between the Audit, Assurance and Risk Committee and the Finance and Strategy Committee. Members of the Committee who served during the year ending 31st July 2022 and up to the Council meeting at which the financial statements were signed are listed below. Attendance at Committee meetings (expressed as the number of Committee meetings attended out of a total of meetings the member was due to attend) is provided below.

Committee Member	Category	Attendance
Mr Goi Ashmore, Treasurer and Chair of the Committee	Lay	5/5
Ms Amerjit Barrett, Co-opted lay member (until May 2022)	Lay	3/4
Professor Paul Boyle, Vice-Chancellor	Staff	5/5
Professor Edward David, Co-opted member of Council	Lay	5/5
Dr Angus Muirhead, Co-opted member of Council	Lay	5/5
Mr Bleddyn Phillips, Pro-Chancellor and Chair of Council	Lay	4/5
Mr Steve Smith, Co-opted lay member	Lay	4/5
Professor Steve Wilks, Provost (until November 2021)	Staff	2/2

The Committee normally meets six times a year. During 2021/22, the Committee held five meetings. The Committee's business focused on reviewing and recommending to Council the University's financial forecasts, business cases for regional and global partnerships and the digital foundations project, a Schedule of Financial Limits, and changes to its terms of reference; and reviewing reports on University's

financial sustainability the management of key financial risks business planning processes, strategic investment priorities and opportunities, pensions, the operational plans and financial forecasts of the University's subsidiaries, the Student Accommodation Strategy and residential rents, the Students' Union's accounts, and TRAC.

Governance and Nominations Committee

The Governance and Nominations Committee reviews and advises Council on the University's governance arrangements, ensuring that the University pursues good practice and complies with external governance requirements. Its key responsibilities are (i) to ensure compliance with external governance requirements, (ii) to review the membership of Council and its Committees ensuring it has the necessary balance of skills and experience to enable it to fulfil its responsibilities, (iii) to review and make recommendations on changes

to the University's governing documents, (iv) to review, advise and make recommendations on the recruitment and appointment of lay members of Council and its Committees, (v) to review, advise and make recommendations on succession planning, (vi) to oversee the induction, development and appraisal of Council members, (vii) to review Council's Register of Interests and ensure a robust process is in place to identify any potential conflicts of interest and (viii) to review the diversity of Council and its Committees.

Committee Member	Category	Attendance
Mr Bleddyn Phillips, Pro-Chancellor, Chair of Council and Chair of the Committee	Lay	3/3
Professor Paul Boyle, Vice-Chancellor	Staff	3/3
Sir Roderick Evans, Pro-Chancellor	Lay	2/3
Professor Elwen Evans KC, Appointed by Senate	Staff	2/3
Professor Ryan Murphy, Appointed by Senate	Staff	2/3
Ms Katie Phillips, President of Students' Union	Student	2/3
Ms Elin Rhys, Co-opted member of Council	Lay	2/3
Professor Keshav Singhal, Co-opted member of Council	Lay	2/3
Ms Anne Tutt, Co-opted member of Council	Lay	3/3

The Committee normally meets four times a year. During 2021/22, the Committee held three meetings, including one special meeting. The Committee's business focussed on reviewing and recommending to Council changes to the membership of Council and Council Committees with reference to the skills and experience matrix, the terms of reference of Council Committees, and the key responsibilities of members of Council and the Statement of Primary Responsibilities of Council; recommending to Council the re-appointment of the Chancellor, and a new Chair of the Students' Union's Audit Committee; recommending to Council proposals for the next Independent

Governance Effectiveness Review; reviewing its annual cycle of business, the arrangements for reviewing the effectiveness of Council Committees, and the appraisals process for the Chair of Council, the Chairs of Council Committee, and the Vice-Chancellor; receiving reports on the Advance HE Higher Education Board Diversity and Inclusion Toolkit and the implementation of the recommendations from the External Effectiveness of Council and the Camm Review.

Remuneration Committee

The Remuneration Committee is aligned with the CUC Higher Education Senior Staff Remuneration Code and publishes an annual report which is available on the University website. The Committee is responsible for determining the reward strategy of the University and the remuneration of the most senior staff of the University including the Vice-Chancellor. Its key responsibilities are (i) to develop an overall reward strategy and policy for senior employees of the University, (ii) to review and determine the remuneration, benefits and conditions of employment of the Senior Leadership Team taking account of affordability, comparative information on remuneration, benefits and conditions of employment in the university sector and elsewhere as appropriate, (iii) to agree an annual framework of work and (iv) to

review and report to Council on progress through its annual report which is transparent and meets the requirements of good governance.

The Committee is chaired by a lay member of Council. All members of the Committee and its Chair are appointed by Council on the recommendation of the Governance and Nominations Committee. All members are independent of the University, although senior executives attend meetings as necessary. Members of the Committee who served during the year ending 31st July 2022 and up to the Council meeting at which the financial statements were signed are listed below. Attendance at Committee meetings (expressed as the number of Committee meetings attended out of a total of meetings the member was due to attend) is provided below.

Committee Member	Category	Attendance
Dr Angus Muirhead, Co-opted member and Chair of the Committee	Lay	7/7
Professor Edward David, Co-opted member of Council	Lay	7/7
Sir Roderick Evans, Pro-Chancellor	Lay	7/7
Professor Kathryn Monk, Co-opted member of Council	Lay	5/7
Mr Bleddyn Phillips, Pro-Chancellor and Chair of Council	Lay	7/7
Ms Elin Rhys, Co-opted member of Council	Lay	5/7

During 2021/22, the Committee held seven meetings, including three special meetings. The Committee's business focussed on reviewing and determining proposed remuneration offers; reviewing and determining the remuneration, benefits and conditions of employment of new members of the Senior Leadership Team and Director positions; the Remuneration process 2022/23; approving the cost of living award of a 1.5% salary increase for the Vice-Chancellor and noting for all other colleagues in accordance with the salary increase which was applied to colleagues on the 51 point scale, following 2021/22 pay negotiations conducted by UCEA on behalf of HEIs; reviewing and

reporting on progress by providing an annual report for Council which is transparent, aligned with the recommendations of the Higher Education Senior Staff Remuneration Code and meets the requirements of good governance; noting promotions via the Retention of Exceptional Talent procedure; and being actively involved in, and responsible for, the decision process for any severance arrangements for grade 11 employees.

Statement of Internal Control

The Council is responsible for ensuring there is a sound system of internal control to support the achievement of the University's aims, strategic objectives and policies, while safeguarding the public and other funds and assets for which it is responsible. The system of internal control is risk based and designed to manage, rather than eliminate the risk of failure to achieve strategic objectives and as such, the system provides reasonable, but not absolute, assurance against material misstatement or loss. Council acts in accordance with the responsibilities assigned to it in the University's Charter and Statutes, and the regulatory framework in which the University operates.

The key elements of the University's system of risk identification and effective risk management include the following:

- linking the identification and management of risk to the achievement of institutional objectives through an on-going annual planning process;
- all risks, including governance, management, quality, reputational and financial are included within the University's Risk Register, which is managed and maintained by the University's Senior Leadership Team through a clearly articulated policy and approach. The Risk Register produces a balanced portfolio of risk exposure which focuses on the most important key risks;
- evaluating the likelihood and impact of risks becoming a reality as part of that same process and establishing mitigating controls;
- having review procedures that cover business, operational, compliance and financial risk;
- embedding risk assessment and internal control processes in the ongoing operations of all units;
- reporting regularly to the Audit, Assurance and Risk Committee, and then to Council, on internal control and risk;

- the Audit, Assurance and Risk Committee receives regular reports from internal audit and the internal audit and strategy plan is approved by the Audit, Assurance and Risk Committee;
- reporting annually to Council the principal results of risk identification, evaluation and management review;
- regular monitoring and review of the effectiveness of the internal control system processes and procedures is informed by the University's professional Internal Auditors giving rise to monitored action where necessary and appropriate.

The University's Senior Leadership Team has formal processes in place for evaluating and managing significant risks faced by the institution on an on-going basis. This involves identification of the types of risks through a top down and bottom up at both corporate and departmental level, which are prioritised in terms of potential impact and likelihood of occurrence in accordance with an established and risk management policy.

Risks are monitored along with the associated controls and risk mitigation actions on an on-going basis by the Senior Leadership Team. The Audit, Assurance and Risk Committee receives the risk register and an update on risk at each of its meetings, the Finance and Strategy Committee receives the risk register and updates on relevant risks regularly, and appropriate reports and recommendations and the risk register are presented to the Council.

The University has a process for dealing with significant control issues, which involves immediate notification to the Chair of Council, Chairs of the Audit, Assurance and Risk Committee and the Finance and Strategy Committee and necessary senior staff, along with notification to HEFCW and the Charity Commission and any other relevant authority as appropriate depending on the nature of the issue.

REPORT FROM THE CHAIR OF THE REMUNERATION COMMITTEE

Introduction

The Remuneration Committee is responsible for determining the Reward Strategy of the University and for setting the remuneration and the terms and conditions for the Vice-Chancellor and other senior members of staff.

The Remuneration Committee comprises independent lay members of Council who possess relevant knowledge and expertise. The Vice-Chancellor is not in attendance for, and does not play a part in, the discussions and decisions of his own remuneration.

The Remuneration Committee takes account of affordability and comparative information on the remuneration, benefits and conditions of employment in the University sector, and wider where appropriate.

In determining the remuneration awarded, the Remuneration Committee considers the University's approach taken to recognising performance for all roles in scope and refers to sector benchmarking information provided from the UCEA Senior Salary Survey.

The Remuneration Committee ensures that it complies with its terms of reference and the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code.

In-line with its terms of reference and the CUC Higher Education Senior Staff Remuneration Code, to ensure a fair and transparent process, remuneration for Grade 10a, Grade 11, Professors, the Vice-Chancellor, members of the Senior Leadership Team and their direct reports, are reviewed annually, using a fair process that reflects the performance of each individual in the context of the University's performance.

The CUC Higher Education Senior Staff Remuneration Code is key to the success and development of the UK's HE sector, operating as it does in an intensively competitive global environment. This requires three key elements:

A fair, appropriate and justifiable level of remuneration

Remuneration starts with a clear understanding of the responsibilities, context and expected contribution of a role and the attributes required to undertake that role effectively. Fair and appropriate remuneration then recognises an individual's contribution to their institution's success in that role, and is sufficient to recruit, retain and motivate staff of appropriate calibre in the context of the market for that role, balanced with the need to demonstrate the achievement of value for money in the use of resources.

Procedural fairness

Procedural fairness requires remuneration to be set through a process that is based on competent people applying a consistent framework with independent decision making using appropriate evidence and assessing the value of roles, the context and individuals' performance in them.

Transparency and accountability

The process for setting remuneration must be transparent. For senior post holders there must be an institutional level justification for remuneration that relates to the competitive environment, the value of the roles and institutional performance. The remuneration of the Head of Institution must be separately justified, published and related to the remuneration of all staff within the organisation.

The key principles of the University's approach to remuneration are as follows:

- The University must be able to recruit and retain high quality academic and Professional Services leaders
 - Appropriate performance targets and incentives are set, and outcomes monitored for these leaders to develop the continued success of the University
- The Remuneration Committee makes decisions on salary awards which are merit and performance related:
- The level of awards is decided by the Remuneration Committee, in the context of the overall performance of the University, and takes into account all relevant market data
 - All academics in scope are expected to make an annual submission for consideration to supplement performance data available within the PDR process. Professional Services senior leadership in scope are considered by the Registrar and Chief Operating Officer and discussed at moderation prior to recommendations being made to the Remuneration Committee
 - The salary and other benefits paid to the Vice-Chancellor, together with anonymised data on salaries above £100k is published in the Financial Review
 - The Chair of the Remuneration Committee has the authority to determine awards outside of the normal cycle in exceptional circumstances
 - Decisions are subject to equality impact assessment

Remuneration Committee

The Remuneration Committee membership consists of:

- A lay member of Council (Chair)
- Pro-Chancellors, including the Chair of Council
- Three additional lay members of Council

Additional members with expertise may be co-opted via recommendation to Council via the Governance and Nominations Committee. Lay Committee Members should not have significant financial interests in the University.

In addition:

- Secretarial support to the Committee is provided by the University Secretary
- The Director of Human Resources (or a representative) attends the meetings and Human Resources provide additional secretarial support, if needed, for the Committee
- The Committee invites the Vice-Chancellor and the Registrar and Chief Operating Officer to attend parts of the meetings, in an advisory capacity, as required, to answer any questions from the Committee

No member of staff is present for the discussion of their own remuneration or when the Committee makes decisions on the reward of members of the Vice-Chancellor's Senior Leadership Team.

The members of the Remuneration Committee are:

- Chair of Remuneration Committee: Dr Angus Muirhead
- Pro-Chancellor and Chair of Council: Mr Bleddyn Phillips
- Pro-Chancellor: Sir Roderick Evans
- Member: Ms Elin Rhys (Lay member of Council)
- Member: Professor Kathryn Monk (Lay member of Council)
- Member: Professor Edward David (Lay member of Council)

Remuneration 2022

The University's Senior Leadership Team made the recommendation not to award a performance pay increase for the academic years 1st August 2019 to 31st July 2020 and 1st August 2020 to 31st July 2021 to members of the Senior Leadership Team, Directors and Professors. This decision was approved by the Remuneration Committee and noted by Council. For 1st August 2021 to 31st July 2022 the Senior Leadership Team made the recommendation to re-instate a performance-pay increase which will be paid in 2022-23. This was approved by the Remuneration Committee and noted by Council.

In previous years, the factors used in considering performance reward proposals included, but were not limited to:

a) performance in support of the institution's strategic objectives in areas such as:

- Research
- Teaching
- Innovation and engagement
- Leadership and management
- Partnerships and external relations internationally, nationally and locally
- Major initiatives and projects

b) the size and complexity of the institution

c) the nature of the HE markets and issues of recruitment and retention

d) the institution's objectives in relation to the diversity of the workforce and

e) that some staff are on NHS salaries not determined by the University

Data that supports these indicators would have been drawn from:

a) the Universities and Colleges Employer Association's Senior Staff Remuneration Survey

b) analysis of salary distributions.

All Swansea University colleagues, including the Vice-Chancellor, received a 1.5% cost of living salary increase, following 2021/22 pay negotiations conducted by UCEA on behalf of HEIs.

In meeting the University's vision as a principled, purposeful and resilient University that balances excellent teaching with world-leading research and innovation in an environment which enables our students and colleagues to excel, alongside being valued globally as a trusted partner who is deeply committed to our region and proud to be a University for Wales, it is essential that the University offers a competitive remuneration package for the Vice-Chancellor role. This also recognises the diverse and complex nature of the organisation, with over 24,000 students, over 4,500 paid staff and an income of £370m.

The Remuneration Committee decides the remuneration package of the Vice-Chancellor, taking account of the breadth of leadership and financial responsibilities and delivery against the University's strategic objectives.

In considering the Vice-Chancellor's remuneration package, the Remuneration Committee considers this organisational context, alongside the Vice-Chancellor's performance, general pay movement for all University staff, retention, and any relevant market considerations, and is informed by salary benchmarking information with comparator universities.

The Vice-Chancellor's performance is assessed by the Chair of Council after taking soundings and feedback from all members of Council – both lay and non-lay. It is based on leadership, the achievement of key strategic objectives, measurement against agreed targets, the overall performance of the University and the external context in which the University operates.

	2022 £000	2021 £000
The Vice-Chancellor's Reward package is detailed on the right.	312	303
Emoluments of the Vice-Chancellor for years ended 31st July 2022 and 31st July 2021 (also see Note 7 of the financial statements section of the Financial Review 2021/22):	17	6
	329	309
Other taxable benefits:		
Subsidised accommodation and associated costs	–	20
Other benefits	–	5
	–	25

The Vice-Chancellor's basic salary is 8.6 times the median pay of staff (2021: 8.6 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The Vice-Chancellor's total remuneration is 8.6 times the median total remuneration of staff (2021: 9.3 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.

The median calculations include salaries part funded by the NHS.

Included within the Vice-Chancellor's salary for 2022 is a £15k accommodation allowance (2021: £10k). The salary for the Vice-Chancellor before the accommodation allowance is £297k for the year to 31st July 2022 (2021: £293k).

The Vice-Chancellor, with the support of Council, took up the role of Chair of JISC (formally known as the Joint Information Systems Committee) on 21st May 2021 and receives an annual remuneration of £15k.

The Vice-Chancellor is enrolled in the enhanced opt out arrangement within the Universities' Superannuation Scheme (the USS).

In 2022 there were 52 members of staff with a basic salary over £100k per annum (2021: 59).



INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF SWANSEA UNIVERSITY REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Swansea University ("the University") for the year ended 31st July 2022 which comprise the Group and University Statements of Comprehensive Income, Statements of Change in Reserves, Statement of Financial Position and Group Statement of Cash Flow and related notes, including the Statement of Principal 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 31st July 2022, and of the Group's and of the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

Basis for opinion

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

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

Going concern

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

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

Our conclusions based on this work:

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

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

Fraud and breaches of laws and regulations – ability to detect

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

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

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from research income is not recognised in accordance with the relevant grant

terms and conditions and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

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

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included high risk users, unusual postings to specific accounts, including cash, revenue and fixed assets, and journals posted following the period end.
- Verifying research income recognised is appropriate based on the underlying grant agreement and corresponding research expenditure.

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

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, and through discussion with the Board of Governors and other management (as required by auditing standards) and discussed with the Board of Governors 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, taxation legislation, pensions legislation, charities legislation and specific disclosures required by higher education legislation and regulation, including the Accounts Direction issued by the HEFCW, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

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

Other information

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

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

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

We have nothing to report in these respects.

Matters on which we are required to report by exception

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

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

We have nothing to report in these respects.

Council responsibilities

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

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

In our opinion, in all material respects:

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

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

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



Rees Bailey

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

29th November 2022

STATEMENT OF COUNCIL'S RESPONSIBILITIES IN RESPECT OF THE FINANCIAL REVIEW AND THE FINANCIAL STATEMENTS

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

It is required to prepare the Group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Charities Act 2011. The Terms and Conditions of Funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction to Higher Education Institutions for 2021/22 issued by HEFCW.

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

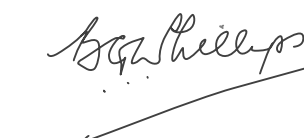
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards and the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained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

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

The Council is also responsible for ensuring that:

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

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



Mr Bleddyn Phillips, Chair of Council

28th November 2022

STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

General Information

Swansea University is registered with the Higher Education Funding Council in Wales (HEFCW). The address of the registered office is:

Swansea University
Singleton Park
Swansea
SA2 8PP

Statement of compliance

The Consolidated and University financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education (2019 edition).

They have also been prepared in accordance with the 'carried forward' powers and duties of previous legislation (Further and Higher Education Act 1992 and the Higher Education Act 2004) and the new powers of the Higher Education and Research Act 2017 during the transition period to 31st July 2019, the Royal Charter, the Accounts Direction issued by the Higher Education Funding Council for Wales (HEFCW), and the terms and conditions of funding for higher education institutions issued by HEFCW.

The University is registered as a charity. The Financial Statements have been prepared in compliance with the Charities Act 2011.

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of the applicable UK laws and accounting standards.

Basis of preparation

The Consolidated and University financial statements are prepared in accordance with the historic-cost convention (modified by the revaluation of fixed assets and the measurement of certain financial instruments at fair value).

The University's activities, together with the factors likely to affect its future development, performance and position, are set out in the operational and financial review, which forms part of the Members of Council's report. This review also describes the financial position of the University, its cash flows, liquidity position and borrowing facilities. The Members of Council have a reasonable expectation that the University has adequate resources to continue in operational existence for the foreseeable future.

The financial statements have been prepared under the going concern basis of accounting. The Members of Council feel that this is appropriate as the University has considerable financial resources together with a significant value of contracted income over the medium term. The Members of Council have reviewed forecasts and forecast

covenant compliance throughout the year. Therefore, the Members of Council believe that they are well placed to manage its business risks despite the on-going changes in sector funding.

Judgements made by management in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in accounting policy note 23.

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31st July 2022. Intra-group transactions are eliminated on consolidation.

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

Associates are accounted for using the equity method.

The financial statements are prepared in sterling which is the functional currency of the group and rounded to the nearest £'000.

Exemptions under FRS 102

The University has taken the exemption under section 3.3 of the SORP (1.12(b) of FRS 102) to not produce a cash flow statement for the University in its separate financial statements.

Basis of consolidation

The consolidated financial statements include the financial statements of the University and all its subsidiaries together with the share of the results of joint ventures and associates for the financial year to 31st July 2022.

The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

Gains or losses on any intra-group transactions are eliminated in full. Amounts in relation to debts and claims between undertakings included in the consolidation are also eliminated. Balances between the University and its associates and joint ventures are not eliminated. Normal trading transactions that are not settled by the balance sheet date are included as current assets or liabilities. Any gains or losses are included in the carrying amount of assets of either entity; the part relating to the University's share is eliminated.

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

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

Income recognition

Income from the sale of goods or services (exchange transactions) is credited to the Statement of Comprehensive Income when the amount of revenue can be reliably measured, the stage of completion at the end of the reporting period can be reliably measured, it is probable that the economic benefits associated with the transaction will flow to the University and when costs of services delivered or due to be delivered can be measured reliably.

Tuition Fee income is stated gross of any expenditure which is not a discount and credited to the Statement of Comprehensive Income over the period in which students are studying. Where the amount of the tuition fee is reduced, by a discount for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income. Education contracts are recognised when the University is entitled to the income, which is the period in which the students are studying, or where relevant, when performance conditions have been met.

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

Investment income is credited to the statement of income and expenditure on a receivable basis.

Grant funding

Government grants including Funding Council block grant and research grants from Government sources and other grants from non-government sources including research grants from non-government sources are recognised within the Statement of Comprehensive Income when the University is entitled to the income and performance-related conditions have been met. Income received in advance of performance-related conditions is deferred within creditors in the Statement of Financial Performance and released to the Statement of Comprehensive Income in line with such conditions being met.

Commercial research contracts are accounted for in line with the policy for income from the sale of goods or services (exchange transactions) above.

Other grants and donations received from non-government sources including research grants from non-government sources are recognised within the Statement of Comprehensive Income when the University is entitled to the income and the performance-related conditions have been met. Income received in advance of performance related conditions is deferred within creditors in the Statement of Financial Performance and released to the Statement of Comprehensive Income in line with such conditions being met.

Capital Grants

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

Donations and Endowments

Non-exchange transactions without performance-related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised within the Statement of

Comprehensive Income when the University is entitled to the income. 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.

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 of the restriction applied to the individual endowment fund.

Donations with no restrictions are recorded within the Statement of Comprehensive Income when the University is entitled to the income.

Donations and endowments with restrictions are classified as restricted reserves with additional disclosure provided within the notes to the accounts.

There are four main types of donations and endowments with restrictions:

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

Donations of tangible assets are included within income. The income recognised is valued using a reasonable estimate of their gross value or the amount actually realised. Donated tangible assets are valued and accounted for as tangible assets under the appropriate asset category.

Accounting for retirement benefits

The three principal schemes for the University's staff are the Universities Superannuation Scheme (USS), the Swansea University Pension Scheme (SUPS), and the National Employment Savings Trust (NEST). SUPS was closed to new members from 1st January 2012 when new staff were invited to join NEST. The University also contributes to the NHS Pension Scheme.

USS and SUPS are defined-benefit schemes, which are externally funded and contracted out of the State Second Pension. Each fund is valued every three years by professionally qualified independent actuaries. NEST is a defined contribution scheme.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities of each university, due to the mutual nature of the scheme. Therefore, the scheme is accounted for as a defined contribution retirement benefit scheme.

A liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

Defined Contribution Plan

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

Multi-employer schemes

Where the University is unable to identify its share of the underlying assets and liabilities in a multi-employer scheme on a reasonable and consistent basis, it accounts as if the scheme were a defined contribution scheme. Where the University has entered into an agreement with such a multi-employer scheme that determines how the University will contribute to a deficit recovery plan, the University recognises a liability for the contributions payable that arise from the agreement, to the extent that they relate to the deficit, and the resulting expense is recognised in expenditure.

Defined Benefit Plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. 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 net liability is recognised in the balance sheet in respect of each scheme and is the present value of the defined benefit obligation at the reporting date less the fair value of the plan assets at the reporting date.

Annually the University engages independent actuaries to calculate the obligation for each scheme. The present value is determined by discounting the estimated future payments at a discount rate based on market yields on high quality corporate bonds denominated in sterling with terms approximating to the estimated period of the future payments.

The fair value of a scheme's assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the University's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as actuarial gains and losses.

The cost of the defined benefit plan, recognised in expenditure as staff costs, except where included in the cost of an asset, comprises the increase in pension benefit liability arising from employee service during the period and the cost of plan introductions, benefit changes, curtailments, and settlements. The net interest cost is calculated by applying the discount rate to the net liability. This cost is recognised in expenditure as a finance cost.

Further detail is provided on the specific pension schemes in note 30 to the accounts.

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 the service to the University. Any unused benefits are accrued and measured as the additional amount the University expects to pay as a result of unused entitlement. Unused annual leave entitlement at 31st July is recognised as a creditor for administrative staff. There is no creditor for unused annual leave for academics as no obligation exists.

Finance Leases

Leases in which the University assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Leased assets acquired by way of finance lease are stated at the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

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

Service Concession Arrangements

Fixed assets held under service concession arrangements are recognised on the Balance sheet at the present value of the minimum lease payments when the assets are brought into use with the corresponding financial liability.

Payments under the service concession arrangement are allocated between service costs, finance charges and financial liability repayments to reduce the financial liability to nil over the life of the arrangement.

The Bay Campus residences and Singleton residences are classified as Service Concession Arrangements.

Operating Leases

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

Foreign Currency

Transactions in foreign currencies are translated to Pound Sterling at the foreign exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are re-translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. 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.

Property Plant and Equipment

Property, plant and equipment are stated at deemed cost less accumulated depreciation and accumulated impairment losses.

Land and buildings

Land and buildings are capitalised at cost on initial recognition.

After initial recognition, land and buildings are subsequently measured at costs less accumulated depreciation and accumulated impairment losses.

Land and Buildings in existence upon transition to FRS 102 and the new HE SORP 2015, were revalued to fair value on the date of transition. These are measured on the basis of deemed cost, being the revalued amount at the date of the revaluation. The difference between the revalued amount and historical cost is credited to a revaluation reserve. An amount equal to the depreciation in excess of that on the historical cost basis is transferred from the revaluation reserve to retained earnings on an annual basis.

Costs incurred to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the University.

Where parts of the assets have different useful lives, they are accounted for as separate items of fixed assets.

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 to the University of between 12 and 75 years.

No depreciation is charged on assets in the course of construction and depreciation is accelerated when there is a known demolition date.

Leasehold land and buildings are depreciated over the life of the lease up to a maximum of 50 years.

Equipment

Equipment costing more than £25,000 per individual item is capitalised in the year of acquisition. Equipment purchased as part of a package or replacement programme, with the total package costing more than £25,000 is also capitalised in the year of acquisition. All other equipment is written off in the year of acquisition, unless there is a specific reason to capitalise.

Capitalised equipment is stated at cost and depreciated over its useful expected life. The useful expected life is 3-5 years except in exceptional circumstances where the useful life is deemed longer or shorter.

Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Statement of Financial Position.

Vessels

Vessels are stated at cost and depreciated over their useful expected lives.

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

Borrowing costs

Borrowing costs are recognised as an expense in the Statement of Comprehensive Income in the period in which they are incurred.

Impairment

A review for impairment of property, plant and equipment is carried out if events or changes in circumstances indicate that the carrying amount of the property, plant and equipment may not be recoverable.

Heritage Assets

Works of art and other valuable artefacts are capitalised and recognised at the cost or value of the acquisition, where a cost or value is reasonably obtainable.

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

Where heritage assets have not been capitalised, details of the nature and age of these assets are disclosed.

Investment Properties

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

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

Investments

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

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

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

Stock

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

Cash and cash equivalents

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

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

Provisions, contingent liabilities, and contingent assets

Provisions are recognised in the financial statements when:

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

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

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

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

Accounting for Associates, Joint Operations, Jointly Controlled Assets and Jointly Controlled Operations

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 in the Statement of Comprehensive Income.

Taxation

The University is a charity within the meaning of Para 1 of schedule 6 of 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.

Reserves

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

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

Critical accounting estimates and judgements

Significant estimates and judgements used in the preparation of this financial information were as follows:

Tangible Fixed Assets

Land and buildings were revalued on adoption of FRS 102. The revaluation was performed by qualified quantity surveyors based upon their independent review of the estate and supporting information from the University.

During the revaluation of land and buildings the estimated useful lives of buildings were reviewed and updated by the independent surveyors based upon an assessment of the age and condition of the estate.

Recoverability of debtors

The policy for provision for bad and doubtful debts is specific for each class of debt and based on circumstances and post-year-end recovery of actual debts. Any non-provided debts are deemed recoverable.

Retirement benefit obligations

The University operates its own scheme, Swansea University Pension Scheme (SUPS), which is a defined-benefit scheme (now closed to new members). Actuarial valuations of the scheme are carried out as determined by the Trustees at intervals of not more than three years.

Pension costs under the HE SORP and FRS 102 are assessed in accordance with the advice of independent actuaries based upon latest actuarial valuations and assumptions determined by the actuaries. The assumptions are based upon information supplied to the actuaries by the University, supplemented by decisions between the actuary and management. The assumptions are documented in note 31.

FRS 102 makes the distinction between a group plan and a multi-employer scheme. A group plan consists of a collection of entities under common control typically with a sponsoring employer. A multi-employer scheme is a scheme for entities not under common control and represents (typically) an industry-wide scheme including the Universities Superannuation Scheme. The accounting for a multi-employer scheme where the employer has entered into an agreement with the scheme that determines how the employer will fund a deficit, results in the recognition of a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) with the resulting expense charged through the profit or loss account in accordance with section 28 of FRS 102. The directors are satisfied that Universities Superannuation Scheme meets the definition of a multi-employer scheme and has therefore recognised the discounted fair value of the contractual contributions under the recovery plan in existence at the date of approving these financial statements.

As the University is contractually bound to make deficit recovery payments to USS, this is recognised as a liability on the balance sheet. The provision is currently based on the USS deficit recovery plan agreed after the 2020 actuarial valuation, which defines the deficit payment required as a percentage of future salaries. These contributions will be reassessed within each triennial valuation of the scheme. The provision is based on management's estimate of expected future salary inflations, changes in staff numbers and the prevailing rate of discount. Further details are set out in note 30.



CONSOLIDATED AND INSTITUTION STATEMENT OF COMPREHENSIVE INCOME

Year ended 31st July 2022

		CONSOLIDATED YEAR ENDED 31ST JULY 2022	UNIVERSITY YEAR ENDED 31ST JULY 2022	CONSOLIDATED YEAR ENDED 31ST JULY 2021	UNIVERSITY YEAR ENDED 31ST JULY 2021
	NOTE	£000	£000	£000	£000
INCOME					
Tuition fees and education contracts	1	188,370	188,370	184,265	184,265
Funding body grants	2	43,857	43,857	50,416	50,416
Research grants and contracts	3	69,212	69,212	62,074	62,074
Other income	4	67,373	67,198	63,572	62,787
Investment income	5	812	812	87	87
Donations and Endowments	6	462	462	339	339
TOTAL INCOME		370,086	369,911	360,753	359,968
EXPENDITURE					
Staff costs	7	182,959	182,629	187,146	186,839
Change in the USS deficit funding accrual	7	93,537	93,537	(4,250)	(4,250)
Other operating expenses	9	134,938	133,999	116,010	115,267
Depreciation	10	28,638	28,546	26,401	26,270
Interest and other finance costs	8	7,557	7,551	7,613	7,610
TOTAL EXPENDITURE	9	447,629	446,262	332,920	331,736
Surplus before other gains, losses and share of operating (deficit) of joint ventures and associates		(77,543)	(76,351)	27,833	28,232
Gain on disposal of fixed assets		-	-	68	68
(Loss) / Gain on investments	13/21	(291)	(1,013)	250	(111)
Share of operating (deficit) in joint venture	13	(1,732)	(1,732)	(236)	(236)
(DEFICIT) / SURPLUS BEFORE TAXATION		(79,566)	(79,096)	27,915	27,953
Taxation		(15)	-	(14)	-
(DEFICIT) / SURPLUS FOR THE YEAR		(79,581)	(79,096)	27,901	27,953
Actuarial gain in respect of pension schemes	30	23,700	23,700	12,600	12,600
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR		(55,881)	(55,396)	40,501	40,553
REPRESENTED BY:					
Endowment comprehensive income for the year	21	(198)	(198)	524	524
Restricted comprehensive income for the year	22	52	52	-	-
Unrestricted comprehensive income for the year		(54,703)	(54,218)	41,009	41,061
Revaluation reserve comprehensive income for the year		(1,032)	(1,032)	(1,032)	(1,032)
		(55,881)	(55,396)	40,501	40,553

All items of income and expenditure relate to continuing activities. The accompanying notes and policies on pages 66 to 92 from part of these financial statements.

CONSOLIDATED AND INSTITUTION STATEMENT OF CHANGE IN RESERVES

Year ended 31st July 2022

		INCOME AND EXPENDITURE RESERVE			REVALUATION RESERVE	TOTAL
	NOTE	ENDOWMENT £000	RESTRICTED £000	UNRESTRICTED £000	£000	£000
CONSOLIDATED						
AT 1ST AUGUST 2020		6,981	-	127,630	44,686	179,297
Surplus from the income and expenditure statement		569	-	27,332	-	27,901
Other comprehensive income	30	-	-	12,600	-	12,600
Transfers between revaluation and income and expenditure reserve		-	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	21	(45)	-	45	-	-
AT 31ST JULY 2021		7,505	-	168,639	43,654	219,798
AT 1ST AUGUST 2021		7,505	-	168,639	43,654	219,798
Deficit from the income and expenditure statement		(167)	52	(79,466)	-	(79,581)
Other comprehensive income	30	-	-	23,700	-	23,700
Transfers between revaluation and income and expenditure reserve		-	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	21	(31)	-	31	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(198)	52	(54,703)	(1,032)	(55,881)
AT 31ST JULY 2022		7,307	52	113,936	42,622	163,917
UNIVERSITY						
AT 1ST AUGUST 2020		6,981	-	128,222	44,686	179,889
Surplus from the income and expenditure statement		569	-	27,384	-	27,953
Other comprehensive income	30	-	-	12,600	-	12,600
Transfers between revaluation and income and expenditure reserve		-	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	21	(45)	-	45	-	-
AT 31ST JULY 2021		7,505	-	169,283	43,654	220,442
AT 1ST AUGUST 2021		7,505	-	169,283	43,654	220,442
Deficit from the income and expenditure statement		(167)	52	(78,981)	-	(79,096)
Other comprehensive income	30	-	-	23,700	-	23,700
Transfers between revaluation and income and expenditure reserve		-	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	21	(31)	-	31	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(198)	52	(54,218)	(1,032)	(55,396)
AT 31ST JULY 2022		7,307	52	115,065	42,622	165,046

CONSOLIDATED AND INSTITUTION STATEMENT OF FINANCIAL POSITION

Year ended 31st July 2022

		CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		31ST JULY 2022	31ST JULY 2022	RESTATED 31ST JULY 2021	RESTATED 31ST JULY 2021
	NOTE	£000	£000	£000	£000
NON-CURRENT ASSETS					
Tangible assets	10	464,629	464,550	451,533	450,590
Heritage assets	10	1,005	1,005	945	945
Investments	13	238	–	288	–
Investments in subsidiaries	13	–	1,929	–	1,929
Investments in associates	13	48	48	1,780	1,780
		465,920	467,532	454,546	455,244
CURRENT ASSETS					
Stocks	14	105	38	124	28
Trade and other receivables	16	76,270	76,550	62,769	62,398
Investments	15	5,029	5,029	5,269	5,269
Cash and cash equivalents		164,695	164,046	140,960	140,638
		246,099	245,663	209,122	208,333
Less creditors falling due within one year	17	(160,837)	(160,884)	(114,489)	(113,754)
NET CURRENT ASSETS		85,262	84,779	94,633	94,579
TOTAL ASSETS LESS CURRENT LIABILITIES		551,182	552,311	549,179	549,823
Creditors: amounts falling due after more than one year	18	(216,401)	(216,401)	(225,212)	(225,212)
PROVISIONS					
Pension provision	20	(170,864)	(170,864)	(104,169)	(104,169)
TOTAL NET ASSETS		163,917	165,046	219,798	220,442
RESTRICTED RESERVES					
Income and expenditure reserve – endowment reserve	21	7,307	7,307	7,505	7,505
Income and expenditure reserve – restricted reserve	22	52	52	–	–
UNRESTRICTED RESERVES					
Income and expenditure reserve – unrestricted		113,936	115,065	168,639	169,283
Revaluation reserve	10	42,622	42,622	43,654	43,654
TOTAL RESERVES		163,917	165,046	219,798	220,442

See note 33 for the detail of the restatement. The accompanying notes and policies form part of these financial statements.

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



Professor P Boyle (Vice-Chancellor)



B. Phillips (Chair of Council)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31st July 2022

		31ST JULY 2022	31ST JULY 2021
	NOTE	£000	RESTATED £000
CASH FLOW FROM OPERATING ACTIVITIES			
(Deficit) / Surplus for the year before taxation		(79,566)	27,915
ADJUSTMENT FOR NON-CASH ITEMS			
Depreciation	10	28,638	26,401
Impairment	13	772	–
Gain / (loss) on Investments		291	(250)
Decrease in stock		19	34
(Increase) in debtors		(13,932)	(23,654)
Increase in creditors		28,547	32,566
Increase / (decrease) in pension provisions		90,395	(3,905)
Share of operating loss in associate	13	1,732	236
ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES			
Investment income		(812)	(87)
Capital grant income		(5,969)	(10,552)
Interest payable		6,175	6,251
Endowment Income		(30)	(88)
(Gain) on the sale of tangible assets		–	(68)
CASH FLOWS FROM OPERATING ACTIVITIES		56,260	54,799
Taxation		(15)	(14)
NET CASH INFLOW FROM OPERATING ACTIVITIES		56,245	54,785
CASH FLOWS FROM INVESTING ACTIVITIES			
Capital grant receipts		24,362	19,262
Proceeds from sales of tangible assets		–	350
Payments made to acquire tangible assets		(39,142)	(22,890)
Investment income		812	87
		(13,968)	(3,191)
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest paid		(3,117)	(3,110)
Interest element of finance lease and service concession arrangements		(3,058)	(3,141)
Capital element of finance lease and service concession arrangements		(6,407)	(6,325)
New endowments		30	88
New unsecured loans		120	7,297
Repayment of amounts borrowed		(5,713)	(2,976)
		(18,145)	(8,167)
INCREASE IN CASH AND CASH EQUIVALENTS IN THE YEAR		24,132	43,427
Cash and cash equivalents at beginning of the year		140,563	97,136
Cash and cash equivalents at end of the year		164,695	140,563

See note 33 for the detail of the restatement.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st July 2022

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
1. TUITION FEES AND EDUCATION CONTRACTS				
Full-time home and EU students	119,004	119,004	126,333	126,333
Full-time international students	51,063	51,063	40,115	40,115
Part-time students	3,686	3,686	2,919	2,919
Educational contracts with the NHS and HEIW	14,537	14,537	14,664	14,664
Non-accredited course fees	80	80	234	234
	188,370	188,370	184,265	184,265

To generate the full-time home and EU tuition fee the University has spent £3.8m (2021: £4.1m) in relation to bursaries in accordance with the fee plan.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
2. FUNDING BODY GRANTS				
RECURRENT GRANTS				
HEFCW Teaching grants	8,884	8,884	7,190	7,190
HEFCW Research grants	19,845	19,845	16,189	16,189
HERC Capital grant	851	851	2,497	2,497
	29,580	29,580	25,876	25,876
SPECIFIC GRANTS RECEIVED IN YEAR				
Student Hardship	-	-	8,805	8,805
Digital	2,932	2,932	1,494	1,494
Estates	3,416	3,416	-	-
Research and Innovation	2,706	2,706	4,051	4,051
Other	3,418	3,418	2,135	2,135
Capital	1,805	1,805	8,055	8,055
	14,277	14,277	24,540	24,540
	43,857	43,857	50,416	50,416

Income from capital grants relates to £2,156k in respect of buildings (2021: £2,473k) and £500k in respect of equipment (2021: £8,079k). There was no release of deferred capital grants brought forward (2021: £0).

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
3. RESEARCH GRANTS AND CONTRACTS				
Research Councils	25,616	25,616	20,248	20,248
UK-based charities	2,520	2,520	2,359	2,359
UK industry and commerce	3,326	3,326	3,500	3,500
Government (UK and overseas)	35,001	35,001	33,981	33,981
Other	2,749	2,749	1,986	1,986
	69,212	69,212	62,074	62,074

Included within Government (UK and overseas) above is £3.3m, being the receipt of a capital grant in the year (2021: £0), included within this is £0.3m deferred capital brought forward from 2021.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31st July 2022

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
4. OTHER INCOME				
Residences, catering and conferences	28,273	28,273	22,383	22,383
Other services rendered	2,872	2,872	3,493	3,493
Income from service concession agreements	9,466	9,466	9,466	9,466
Other income	18,857	18,682	15,564	14,779
NHS income in respect of the College of Medicine	6,176	6,176	11,837	11,837
Research Council full-time Doctoral/Collaborative Training Award	1,729	1,729	829	829
	67,373	67,198	63,572	62,787

Included within other income is income from collaborations of £7.0m (2021: £2.7m), estates income of £3.4m (2021: £6.0m) which includes £2.0m insurance claims (2021: £4.8m) and £0.8m sports centre income (2021: £0.3m).

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
5. INVESTMENT INCOME				
Investment income on endowments	67	67	92	92
Other Investment Income	745	745	(5)	(5)
	812	812	87	87

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
6. DONATIONS AND ENDOWMENTS				
New endowments	30	30	88	88
Donations with restrictions	53	53	-	-
Unrestricted donations	379	379	251	251
	462	462	339	339

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
7. STAFF COSTS				
The staff costs for the financial year were:				
Salaries	143,162	142,832	130,679	130,372
Social security costs	14,823	14,823	14,225	14,225
Other pension costs	24,883	24,883	36,290	36,290
Restructuring costs	91	91	5,952	5,952
TOTAL STAFF COSTS	182,959	182,629	187,146	186,839

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
CHANGE IN THE USS DEFICIT FUNDING ACCRUAL	93,537	93,537	(4,250)	(4,250)

A Voluntary Exit Scheme (VES), where enhanced compensation payments were made to employees wishing to leave the University voluntarily, was initiated in 2019/20. The aim of this is to re-balance the overall cost base of the University to more appropriately match forecast income levels and ensure financial sustainability. The cost of £91k (2021: £5,952k) includes all requests that had been approved by the Registrar and Chief Operating Officer, Chief Financial Officer, Director of HR and Head of Legal Services and accepted by the individual member of staff at 31st July 2022. A further breakdown of pension costs has been included in note 30, Pension Schemes.

	2022 £000	2021 £000
TOTAL REMUNERATION OF THE VICE-CHANCELLOR		
Salary	312	303
Employer pension contributions	17	6
	329	309
Other taxable benefits:		
Subsidised accommodation and associated costs	-	20
Other benefits	-	5
	-	25

Included within the Vice-Chancellor's salary for 2022 is a £15k accommodation allowance (2021: £10k). The salary for the Vice-Chancellor before the accommodation allowance is £297k for the year to 31st July 2022 (2021: £293k).

The Remuneration Committee is responsible for determining the Reward Strategy of the University and for setting the remuneration and the terms and conditions for the Vice-Chancellor and other senior members of staff. The Committee is chaired by an independent lay member of Council and comprises lay members of Council who possess relevant knowledge and expertise. The Committee ensures that it complies with the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code and refers to sector benchmarking information provided from the UCEA Senior Salary Survey. The Committee takes account of affordability and comparative information on the remuneration, benefits and conditions of employment in the university sector.

The Vice-Chancellor is enrolled in the enhanced opt out arrangement within the Universities' Superannuation Scheme (the USS).

The head of the provider's basic salary is 8.6 times the median pay of staff (2021: 8.6 times), where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University to its staff.

The head of the provider's total remuneration is 8.6 times the median total remuneration of staff (2021: 9.3 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.

The median calculations include salaries part funded by the NHS.

HIGHER PAID STAFF

The number of staff with a basic salary over £100k per annum has been included below.

Remuneration of higher paid staff (excluding the Vice-Chancellor), excludes employer's pension contributions but including payments made on behalf of the NHS in respect of its contractual obligations to University staff under separate NHS contracts of employment and which are reimbursed to the University by the NHS, was:

In 2022 there were 52 higher paid members of staff (2021: 59).

	UNIVERSITY 2022 NUMBER	UNIVERSITY 2021 NUMBER
£100,000 – £104,999	8	10
£105,000 – £109,999	8	7
£110,000 – £114,999	5	12
£115,000 – £119,999	6	4
£120,000 – £124,999	4	7
£125,000 – £129,999	4	1
£130,000 – £134,999	2	3
£135,000 – £139,999	2	-
£140,000 – £144,999	-	1
£145,000 – £149,999	1	1
£150,000 – £154,999	1	2
£155,000 – £159,999	2	2
£160,000 – £164,999	-	1
£165,000 – £169,999	3	1
£170,000 – £174,999	-	-
£175,000 – £179,999	1	1
£180,000 – £184,999	-	2
£185,000 – £189,999	2	-
£190,000 – £194,999	1	1
£195,000 – £199,999	1	1
£200,000 – £204,999	-	1
£205,000 – £209,999	-	1
£210,000 – £214,999	1	-

	2022	2021
COMPENSATION FOR LOSS OF OFFICE PAYABLE TO HIGHER PAID STAFF:		
Compensation and severance paid to University higher paid staff (£000)	45	1,005
Number of University higher paid staff who received compensation or severance	1	10

AVERAGE NUMBER OF STAFF

	2022 Number (FTE)	2021 Number (FTE)
The average number of staff employed during the year expressed as FTE (full-time equivalents):		
Academic	1,085	1,128
Research	506	490
Management and specialist	987	956
Technical	153	156
Other	815	897
	3,546	3,627

KEY MANAGEMENT PERSONNEL

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the institution. Key management consists of the senior executive officers including the Vice-Chancellor, Registrar and Chief Operating Officer, Provost, three Pro-Vice-Chancellors, three Executive Deans and the Chief Financial Officer.

	2022 £000	2021 £000
Key Management Personnel	1,910	1,895

The Pro-Vice Chancellor for International was appointed in August 2021. The Pro-Vice-Chancellor / Executive Dean for Faculty of Science and Engineering stood down from the post in July 2022, with an interim Pro-Vice-Chancellor / Executive Dean appointed in August 2022. During the year the number of Key Management Personnel increased from 9 to 10.

	NOTE	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
8. INTEREST AND OTHER FINANCE COSTS					
Loan interest		3,117	3,111	3,110	3,107
Finance leases including service concession arrangements		3,058	3,058	3,141	3,141
Unwinding of USS discount factor		382	382	362	362
Net pension interest cost	30	1,000	1,000	1,000	1,000
		7,557	7,551	7,613	7,610

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
9. ANALYSIS OF EXPENDITURE BY ACTIVITY				
Academic departments	128,326	128,326	115,133	115,133
Academic services	30,465	30,465	24,821	24,821
Research grants and contracts	56,536	56,536	54,458	54,458
Residences, catering and conferences	27,714	27,714	25,363	25,363
Premises	37,878	37,878	33,752	33,752
Professional services	59,729	59,729	59,663	59,663
USS change in contributions	91,296	91,296	(3,888)	(3,888)
Other	15,685	14,318	23,618	22,434
TOTAL EXPENDITURE	447,629	446,262	332,920	331,736

	2022 £000	2021 £000
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OTHER EXPENDITURE ABOVE INCLUDES:

Service concession arrangements	10,121	10,204
Restructuring costs	91	5,952

The voluntary exit scheme closed to new applicants during 2020-21. Minimal costs for loss of office of £91k (2021: £5,952k) were incurred in the year as the scheme was finalised (see note 7).

	CONSOLIDATED 2022 £000	CONSOLIDATED 2021 £000
OTHER OPERATING EXPENSES AS PER THE STATEMENT OF COMPREHENSIVE INCOME		
Non-capitalised equipment	16,223	11,444
Consumables	6,004	5,061
Rent, rates and leases	24,165	22,672
Repairs, refurbishment, maintenance and building costs	10,994	10,881
Heat, light, power and water	7,706	6,210
Scholarships, bursaries, prizes and fee contributions	16,878	23,223
Books, publications, periodicals and library services	4,019	3,424
Student recruitment and advertising	8,115	6,117
Consultancy, professional services and agency	23,130	17,892
Travel and conference costs	4,180	1,174
Employee related expenditure	3,897	1,476
Subscriptions and contributions	2,678	3,132
Office expenses	1,484	920
Catering	1,262	347
Other expenses	4,203	2,037
	134,938	116,010

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
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EXTERNAL AUDITORS REMUNERATION

Audit of the University and its subsidiaries	132	105	96	73
Audit related assurance services	31	31	16	16
Taxation compliance services	14	-	7	-
Taxation advisory services	5	5	7	7
TOTAL NON-AUDIT SERVICES	50	36	30	23

10. NON-CURRENT ASSETS – FIXED ASSETS – CONSOLIDATED

	Freehold land and buildings £000	Service concession arrangements £000	Fixtures, fittings and equipment £000	Vessels £000	Assets in the course of construction £000	Heritage assets £000	Total £000
COST							
At 1st August 2021	371,468	157,626	53,948	1,566	14,818	945	600,371
Additions	–	3,424	10,921	–	28,161	60	42,566
Transfers	6,934	–	1,751	–	(8,685)	–	–
Impairment	–	–	(772)	–	–	–	(772)
At 31st July 2022	378,402	161,050	65,848	1,566	34,294	1,005	642,165
CONSISTING OF VALUATION AS AT:							
31st July 2022	42,622	–	–	–	–	–	42,622
Cost	335,780	161,050	65,848	1,566	34,294	1,005	599,543
	378,402	161,050	65,848	1,566	34,294	1,005	642,165
ACCUMULATED DEPRECIATION							
At 1st August 2021	64,214	45,785	37,758	136	–	–	147,893
Charge for year	11,376	7,063	10,136	63	–	–	28,638
At 31st July 2022	75,590	52,848	47,894	199	–	–	176,531
CARRYING AMOUNT							
At 31st July 2022	302,812	108,202	17,954	1,367	34,294	1,005	465,634
At 1st August 2021	307,254	111,841	16,190	1,430	14,818	945	452,478

NON-CURRENT ASSETS – FIXED ASSETS – UNIVERSITY

	Freehold land and buildings £000	Service concession arrangements £000	Fixtures, fittings and equipment £000	Vessels £000	Assets in the course of construction £000	Heritage assets £000	Total £000
COST							
At 1st August 2021	371,468	157,626	51,946	1,566	14,818	945	598,369
Additions	–	3,424	10,921	–	28,161	60	42,566
Transfers	6,934	–	1,751	–	(8,685)	–	–
At 31st July 2022	378,402	161,050	64,618	1,566	34,294	1,005	640,935
CONSISTING OF VALUATION AS AT:							
31st July 2022	42,622	–	–	–	–	–	42,622
Cost	335,780	161,050	64,618	1,566	34,294	1,005	598,313
	378,402	161,050	64,618	1,566	34,294	1,005	640,935
ACCUMULATED DEPRECIATION							
At 1st August 2021	64,214	45,785	36,699	136	–	–	146,834
Charge for year	11,376	7,063	10,044	63	–	–	28,546
At 31st July 2022	75,590	52,848	46,743	199	–	–	175,380
CARRYING AMOUNT							
At 31st July 2022	302,812	108,202	17,875	1,367	34,294	1,005	465,555
At 1st August 2021	307,254	111,841	15,247	1,430	14,818	945	451,535

A full valuation of the University's land and property was carried out on 31st July 2014 by qualified chartered surveyors in accordance with the RICS valuation – Professional Standards 2014 (the Red Book). Under FRS 102 paragraph 35.10, the University has elected to measure land and property at fair value at the transition date of 31st July 2014 and use the fair value as the deemed cost on that date. The properties are being depreciated from the valuation date. As the assets are depreciated or sold, an appropriate transfer is made from the revaluation reserve to the Income and expenditure reserve. Analysis of the land and buildings valued at the date of transition to FRS 102 using the deemed cost exemption.

At 31st July 2022, freehold land and buildings included £16.5m (2021: £16.5m) in respect of freehold land which is not depreciated.

Following review of tangible assets, no impairment of tangible assets in the University was considered necessary in 2022 (2021: £0).

11. NON-CURRENT ASSETS – HERITAGE ASSETS

Heritage assets included on the Statement of Financial Position refer largely to the University's Art Collection. There are also other heritage assets which due to their nature we are unable to value and therefore have not been included.

The Egypt Centre holds the Wellcome Collection which includes Egyptian antiques and artefacts. These assets are unique and not replaceable. The Egypt Centre is a recognised museum, accredited by the Arts Council and a recognised ACCES partner. It aims to collect, interpret and care for Egyptian archaeological material and documents and preservation is critical to their work. All policies in place are reviewed by the Arts Council. The Wellcome Collection is available to view by all University staff and students, local schools as well as the wider general public.

The picture and art collection is recognised on the Statement of Financial Position under Heritage Assets was valued in 2008 by an independent valuer and has been taken as deemed cost on transition. The majority of this art collection can be viewed around the University.

The University also holds a silver collection which includes but is not limited to competition cups, bowls and vases dating between the 1950s and 1980s. No price can be attributed to this collection, hence they are not held on the Statement of Financial Position. The collection is stored securely but can be available for inspection upon request.

The University also holds Dylan Thomas manuscripts which were purchased out of University funds.

12. SERVICE CONCESSION ARRANGEMENTS

The University has six Service Concession Arrangements in the Statement of Financial Position.

MOVEMENT IN SERVICE CONCESSION ARRANGEMENT ASSETS

The asset value of the service concession included in the Statement of Financial Position as at 31st July 2022 is £108,202k (1st August 2021 £111,841k).

The reduction of £3,638k is as a result of £7,062k of depreciation less the addition of £3,424k which occurred following the additional guarantee given on the three Bay Campus residences, increasing the occupancy guarantee from 50% to 100% for one academic year only.

MOVEMENT IN SERVICE CONCESSION ARRANGEMENT LIABILITIES

The total liabilities relating to service concession arrangements included in the Statement of Financial Position as at 31st July 2022 were £119,032k (1st August 2021 £122,015k). Liabilities were reduced by £6,407k during the year following repayment and accounting adjustments. Additional occupancy guarantees were given in the year in relation to the three Bay Campus residences increasing the liability by £3,424k, reducing the overall reduction in the liability to £2,983k.

FUTURE COMMITMENTS

The following table analyses the University's future commitments in relation to the service concession arrangements.

£'000	PAYABLE IN 1 YEAR	PAYABLE IN 2-5 YEARS	PAYABLE IN >5 YEARS	TOTAL
Liability repayments	6,494	13,224	99,314	119,032
Finance charge	2,972	10,944	37,583	51,499
	9,466	24,168	136,897	170,531

Prior to conversion of the Financial Statements to reflect FRS 102, the University had entered into the following leases which were previously held off the Statement of Financial Position. These leases have now been brought onto the Statement of Financial Position as Service Concession Arrangements. The notes below give more information on these arrangements:

GWALIA RESIDENCES

Gwalia Phase 1 – A 30-year lease was entered into in 2004 to build three new blocks of accommodation with 272 units. The occupancy guarantee is 100%.

Gwalia Phase 2 – A 30-year lease was entered into in 2010 comprising of 351 units with the lower floors shelled for University activities. The occupancy guarantee is 100%.

BAY RESIDENCES – PHASE 1A

In September 2015, the University commenced a 45-year contract with a third-party provider for the provision and maintenance of phase 1a of the student accommodation on the Bay Campus, providing 899 rooms for 923 students. In February 2018, the third-party, with the University's consent, entered into a transaction to transfer the contract to another third-party. Under the terms of the new agreement, the lease was extended to 2062.

The assets and liabilities relating to this scheme are recognised on the University's Statement of Financial Position.

The University has a 50% annual occupancy guarantee amounting to committed annual payments of £1,485k recorded within Other Comprehensive Income.

The University has the exclusive right over all accommodation units to nominate occupation by students until the 30th March preceding the September term. The University, furthermore, has the right to nominate occupation units of accommodation over the summer period (subject to prior discussions with the third-party). At the end of the contract, the University has the option to acquire the residences for a nominal £1.00 option fee.

BAY RESIDENCES – PHASE 1B

In January 2016, the University commenced a 45-year contract with a third-party provider for the provision and maintenance of phase 1b of the student accommodation on the Bay Campus, providing 545 single rooms. In February 2018, the contract was transferred to another third-party and the lease was extended to 2062.

The assets and liabilities relating to this scheme are recognised on the University's Statement of Financial Position.

The University has a 50% annual occupancy guarantee amounting to committed annual payments of £823k recorded within Other Comprehensive Income.

The University has the exclusive right over all accommodation units to nominate occupation by students until the 30th March preceding the September term. The University, furthermore, has the right to nominate occupation units of accommodation over the summer period (subject to prior discussions with the third-party). At the end of the contract, the University has the option to acquire the residences for a nominal £1.00 option fee.

BAY RESIDENCES – PHASE 1C

On 15th December 2015, the University entered into a 45-year contract with a third-party provider for the provision and maintenance of phase 1c of the student accommodation on the Bay Campus, providing 538 single rooms.

The assets and liabilities relating to this scheme are recognised on the University's Statement of Financial Position.

The University has a 50% annual occupancy guarantee amounting to committed annual payments of £1,056k recorded within Other Comprehensive Income.

The University has the exclusive right over all accommodation units to nominate occupation by students until the 30th March preceding the September term. The University further has the right to nominate occupation units of accommodation over the summer period (subject to prior discussions with the third-party). At the end of 45-year contract, the University has the option to acquire the residences for a nominal £1.00 option fee.

THE COLLEGE ACADEMIC BUILDING

On 8th September 2017, the University entered into a 20 year contract with a third-party provider for the provision and maintenance of an Academic Building.

The University has guaranteed 35% of the building amounting to committed gross annual payments of £357k.

The University has exclusive rights over the allocated 35% of the building and controls the use within this area.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
13. NON-CURRENT INVESTMENTS				
Investment in associates	48	48	1,780	1,780
Investment in subsidiaries	-	1,929	-	1,929
Other investments	238	-	288	-
	286	1,977	2,068	3,709

INVESTMENT IN ASSOCIATE

The Institution holds the following 50% investments in both Swan Global Education LLP (2021: 50%) and Wales National Pool Swansea (2021: 50%). The investments are accounted for at cost less impairment in the Institution financial statements and using the equity method in the consolidated financial statements.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
At 1st August 2021	1,780	1,780	2,016	2,016
Share of (loss) retained by associate	(1,732)	(1,732)	(236)	(236)
AT 31ST JULY 2022	48	48	1,780	1,780

INVESTMENT IN SUBSIDIARY

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
At 1st August 2021	-	1,929	-	2,389
Additions	-	772	-	65
Impairment	-	(772)	-	(525)
AT 31ST JULY 2022	-	1,929	-	1,929

The £772k impairment relates to the investment in the 100% owned subsidiary entity Swansea Materials Research and Testing Ltd, as does the £772k additional investment.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
OTHER INVESTMENTS				
At 1st August 2021	288	-	452	-
Additions	-	-	117	-
Disposals	-	-	(50)	-
Impairment/Reversals	8	-	-	-
Revaluations	(58)	-	(231)	-
AT 31ST JULY 2022	238	-	288	-

OTHER INVESTMENTS CONSIST OF:

At fair value:				
Market securities	123	-	181	-
At cost less impairment:				
Group investments in spin outs	115	-	107	-
	238	-	288	-

Details of investments in which the consolidated group and University hold 20% or more of the nominal value of any class of shares are as follows:

COMPANY	REGISTERED OFFICE	PRINCIPAL ACTIVITY	HOLDING	STATUS
Gower Innovations Ltd	Swansea University, SA1 8EN	Other manufacturing not elsewhere classified	Ordinary shares	20%
Grove Nanomaterials Ltd	Azets, SA7 9FS	Dormant	Ordinary shares	20%
Refiex Ltd	Azets, SA7 9FS	Dormant	Ordinary shares	20%
Trameto Ltd	Azets, SA7 9FS	Manufacture of electronic components	Ordinary shares	23%
Haemomoetrics Ltd	Swansea University, SA2 8PP	Other research and experimental development on natural sciences and engineering	Ordinary shares	20%
ProGnomics Ltd	Azets, SA7 9FS	Other research and experimental development on natural sciences and engineering	Ordinary shares	20%
Semitechnologies Ltd	Azets, SA7 9FS	Other research and experimental development on natural sciences and engineering	Ordinary shares	20%
Bay Campus Developments LLP	Swansea University, SA2 8PP	Dormant	Partner	50%
WNPS	Wales National Pool SA2 8QG	Operation of sports facilities	Guarantee	50%
Swan Global Education	Littlemore Park, OX4 4FY	Educational	Partner	50%
Swansea Materials Research and Testing	Swansea University, SA2 8PP	Other research and experimental development on natural sciences and engineering	Ordinary shares	100%
Swansea Innovations	Swansea University, SA2 8PP	Management consultancy activities other than financial management	Ordinary shares	100%
SU Developments	Swansea University, SA2 8PP	Dormant	Ordinary shares	100%
SU Pathway College Ltd	Swansea University, SA2 8PP	Combined facilities support activities	Ordinary shares	100%

Investments in subsidiary companies are measured at transaction price (including transaction costs) and considered annually for impairment.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
14. STOCK				
General consumables	58	38	28	28
Work in progress	47	–	96	–
	105	38	124	28
	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
15. CURRENT INVESTMENTS				
Short-term investments in shares	1,889	1,889	2,236	2,236
Short-term bonds	2,429	2,429	2,382	2,382
Other short-term investments	511	511	325	325
Short-term deposits	200	200	326	326
	5,029	5,029	5,269	5,269

The decrease in fair value of short-term deposits in the year was £240k (2021: increase of £414k).

Deposits are held with banks and building societies operating in the London market and licences by the Financial Services Authority with more than three months maturity at the Balance Sheet date. The interest rates for those deposits are fixed for the duration of the deposit at the time of placement.

At 31st July 2022, the weighted average interest rate of these fixed deposits was 1.6% (2021: 0.95%). The fair value of these deposits was not materially different from their book value. The yield increase is due to rising interest rates across the world which has pushed up bond yields. There have also been dividend increases in part of the Barclays portfolio and as the portfolio value has fallen in the run up to 31st July the % yield is also enhanced.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
16. TRADE AND OTHER RECEIVABLES				
Amounts falling due within one year:				
Net trade debtors	12,196	12,126	9,690	9,522
Research grant claims receivable	5,798	5,798	6,468	6,468
Accrued income – research grants	42,604	42,604	31,392	31,392
Prepayments and accrued income	15,672	16,022	15,219	15,005
Amounts due from group undertakings	–	–	–	11
	76,270	76,550	62,769	62,398

See note 33 for the detail of the restatement.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Bank overdraft	–	–	397	–
Unsecured loans	5,817	5,817	5,712	5,712
Service concession arrangements	6,495	6,495	6,408	6,408
Trade payables	8,412	8,415	6,481	6,481
Social security and other taxation payable	5,592	5,585	5,232	5,226
Accruals and deferred income	134,521	134,415	90,259	89,770
Amounts due to group undertakings	–	157	–	157
	160,837	160,884	114,489	113,754

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED RESTATED 2021 £000	UNIVERSITY RESTATED 2021 £000
ACCRUALS AND DEFERRED INCOME				
Included with accruals and deferred income are the following items which have been deferred:				
Research grants received in advance	50,596	50,596	39,632	39,632
Funding Council grants received in advance	4,198	4,198	3,526	3,526
Capital grants received in advance	28,883	28,883	10,922	10,922
Other accruals	50,844	50,738	36,179	35,690
	134,521	134,415	90,259	89,770

Capital grants received in advance include £28,883k in relation to the CISM building (2021: £10,634k); there are no other capital grants received in advance at 31st July 2022 (2021: £288k). Capital grants are released to the Income and Expenditure account upon fulfillment of the grant conditions, and usually upon completion of the building.

See note 33 for the detail of the restatement.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Service concession arrangements	112,537	112,537	115,607	115,607
Income in advance	1,723	1,723	1,767	1,767
Unsecured loans	102,141	102,141	107,838	107,838
CREDITORS DUE AFTER MORE THAN ONE YEAR	216,401	216,401	225,212	225,212

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
19. ANALYSIS OF UNSECURED LOANS				
Due within one year or on demand	5,817	5,817	5,712	5,712
Due within one and two years	6,046	6,046	5,818	5,818
Due within two and five years	18,459	18,459	18,114	18,114
Due in five years or more	77,636	77,636	83,906	83,906
TOTAL UNSECURED LOANS REPAYABLE BY 2044	107,958	107,958	113,550	113,550

CONTINUED

Included in the loans are the following:

LENDER	AMOUNT £000	INTEREST RATE	TERM	BORROWER
European Investment Bank	9,167	Fixed 2.576%	June 2033	University
European Investment Bank	10,000	Fixed 2.423%	January 2034	University
European Investment Bank	7,847	Fixed 3.843%	August 2034	University
European Investment Bank	7,866	Fixed 3.964%	January 2035	University
European Investment Bank	8,347	Fixed 4.132%	August 2035	University
European Investment Bank	58,026	Fixed 2.698%	April 2044	University
Sure Loan	6,585	Fixed 0.550%	March 2031	University
Salix	120	Fixed 0%	April 2031	University
TOTAL	107,958			

	OBLIGATION TO FUND DEFICIT ON USS £000	SUPS PENSION SCHEME PROVISION £000	TOTAL PENSION PROVISIONS £000
20. PROVISIONS FOR LIABILITIES			
CONSOLIDATED AND UNIVERSITY			
AT 1ST AUGUST 2021	42,969	61,200	104,169
Utilised in year	(2,624)	(900)	(3,524)
Additions in year	93,919	(23,700)	70,219
AT 31ST JULY 2022	134,264	36,600	170,864

The obligation to fund the past deficit on the Universities Superannuation Scheme (USS) arises from the contractual obligation with the USS to fund deficit payments in accordance with the deficit recovery plan. In calculating this provision, management have estimated future staff levels within the USS scheme for the duration of the contractual obligation and salary inflation.

See note 30 for further information on the SUPS and USS pension scheme.

21. ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments £000	Unrestricted permanent endowments £000	Expendable endowments £000	2022 Total £000	2021 Total £000
BALANCES					
AT 1ST AUGUST 2021					
Capital	4,293	1,757	624	6,674	6,172
Accumulated income	702	62	67	831	809
	4,995	1,819	691	7,505	6,981
New donations and endowments	-	-	30	30	88
Investment income	42	-	2	44	67
Expenditure	(14)	-	(17)	(31)	(45)
(Decrease) in market value of investments	(150)	(88)	(3)	(241)	414
AT 31ST JULY 2022	4,873	1,731	703	7,307	7,505
Represented by:					
Capital	4,143	1,669	651	6,463	6,674
Accumulated income	730	62	52	844	831
	4,873	1,731	703	7,307	7,505

ANALYSIS BY TYPE OF PURPOSE

Lectureships	21	22
Scholarships and bursaries	3,076	3,160
Research support	297	306
Prize funds	877	908
General	3,036	3,109
	7,307	7,505

ANALYSIS BY ASSET

Current asset investments	5,029	5,269
Bank Balance – University	2,278	2,236
	7,307	7,505

The institution has the following individually material endowments:

The University holds over 170 endowments, comprising of permanent and expendable funds. Each endowment has its own specific restriction with spend being controlled by the allocated Budget Managers. The University has one significant endowment worth over £1.0m, being the general endowment fund. This is a permanent endowment holding £1.3m of endowed funds, currently valued at £2.0m within the portfolio. Being a general endowment, any income earned is released back to the University for non-specific purposes. All other endowments are not significant but have specific purposes attached to them.

	Capital Grants Unspent £000	Donations £000	2022 Total £000	2021 Total £000
22. RESTRICTED RESERVES				
Reserves with restrictions are as follows:				
CONSOLIDATED AND INSTITUTION				
BALANCES				
AT 1ST AUGUST 2021	-	-	-	-
New restricted donations	-	53	53	-
Investment Income	-	-	-	-
Expenditure	-	(1)	(1)	-
Total restricted comprehensive income for the year	-	-	-	-
AT 31ST JULY 2022	-	52	52	-

ANALYSIS OF OTHER RESTRICTED FUNDS / DONATIONS BY TYPE OF PURPOSE:

Scholarships	11	-
Hardship	27	-
Campus and sports facilities	3	-
General	11	-
	52	-

	At 1st August 2021 £000	Cash Flows £000	At 31st July 2022 £000
23. CASH AND CASH EQUIVALENTS			
CONSOLIDATED			
Cash and Cash equivalents	141,357	23,338	164,695
Bank overdraft	(397)	397	-
	140,960	23,735	164,695

	2022 £000			
24. CONSOLIDATED RECONCILIATION OF NET DEBT				
NET DEBT 1ST AUGUST 2021	94,605			
Movement in cash and cash equivalents	23,338			
Other non-cash changes	(55,648)			
NET DEBT 31ST JULY 2022	62,295			
CHANGE IN NET DEBT	(32,310)			
	2022 £000		2021 £000	
ANALYSIS OF NET DEBT:				
CASH AND CASH EQUIVALENTS	164,695		141,357	
BORROWINGS: AMOUNTS FALLING DUE WITHIN ONE YEAR				
Unsecured loans	5,817		5,712	
Bank overdraft	–		397	
Service concession arrangements	6,495		6,408	
	12,312		12,517	
BORROWINGS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR				
Service concession liabilities due after one year	112,537		115,607	
Unsecured loans	102,141		107,838	
	214,678		223,445	
NET DEBT	62,295		94,605	
	NOTE	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000
25. FINANCIAL INSTRUMENTS				
FINANCIAL ASSETS				
Financial assets at fair value through Statement of Comprehensive Income		123		354
Financial assets that are equity instruments measured at cost less impairment				
Other investments		115	–	(66)
	13	238	–	288
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents		164,695	164,046	140,960
Other investments	15	5,029	5,029	5,269
Gross Trade receivables		14,460	14,390	11,018
Other receivables	16	5,798	5,798	6,468
		189,982	189,263	163,715
				163,225
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost				
Bank overdrafts	17	–	–	397
Loans	19	107,958	107,958	113,550
Service concessions	17/18	119,032	119,032	122,015
Trade Creditors	17	8,412	8,415	6,481
		235,402	235,405	242,443
				242,046

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
26. CAPITAL AND OTHER COMMITMENTS				
A provision has not been made for the following capital commitments at 31st July 2022:				
Capital commitments	3,641	3,641	26,445	26,445
	3,641	3,641	26,445	26,445
The significant decrease in capital commitments has resulted from the Centre for Integrative Semiconductor Materials (CISM) nearing completion, with the capital commitment for the CISM building decreasing from £24,401k at July 2021 to £2,508k at July 2022. The only other significant capital commitments is £855k for additional sports facilities on the Bay Campus.				
	£000	£000	£000	£000
27. CONTINGENT LIABILITIES				
Guarantees				
To Lloyds for SMaRT Ltd	–	500	–	500
	–	500	–	500

The University is acting as guarantor for Swansea Materials Research and Testing Limited in relation to the £500k overdraft facility only. The University believe there is only a limited possibility of the guarantee being paid as Swansea Materials Research and Testing Limited is a wholly-owned subsidiary controlled by senior University staff members. The extent of the guarantee being required will depend on the current overdraft in the subsidiary. If paid, there is unlikely to be any reimbursement for this contingent liability.

The University is a member of UMAL, a company limited by guarantee, formed to provide a mutual association for covers. 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 pro-rated share. The potential for a shortfall and the value of a shortfall in any given year is unknown. There is not likely to be any possibility of reimbursement if this guarantee is called upon.

The Institution has given written undertakings to support the subsidiary companies and Wales National Pool Swansea for a period of twelve months from the date of approval of these financial statements.

	2022 Land and Buildings £000	2021 Land and Buildings £000
28. LEASE OBLIGATIONS		
Total rentals payable under operating leases:		
CONSOLIDATED AND INSTITUTION		
Payable during the year	1,190	1,137
Future minimum lease payments due:		
Not later than 1 year	1,088	1,134
Later than 1 year and not later than 5 years	2,472	3,051
Later than 5 years	4,599	4,910
TOTAL LEASE PAYMENTS DUE	9,349	10,232

No new leases were negotiated during 2022, with several leases being in the process of renegotiated. The ward at Singleton Hospital has been handed back, with no rental costs being incurred during 2022 or falling due in future periods.

During the year, the University was tenant on three significant leases, The College, a University joint venture company, Bay Campus Car Park and a unit within Baglan Energy Park. The lease with The College, which is within a building on the Bay Campus, runs until 2038. The car park lease which runs until September 2023 is currently being renegotiated.

Total rentals receivable under operating leases:

The University leases out small areas of space on both Singleton and Bay Campus. Leases include a dental surgery, a doctors surgery, a retail unit for the Students' Union, laboratory space to Swansea Materials Research and Testing Ltd, a wholly owned subsidiary company, and lab space for Natural Resources Wales. The University also leases out small areas and offices to companies working alongside the University. The terms and break periods differ for each lease. The University does not hold any investment properties as part of its portfolio as rental areas are minor areas within larger buildings.

	2022 Land and Buildings £000	2021 Land and Buildings £000
CONSOLIDATED AND INSTITUTION		
Future minimum lease payments due:		
Not later than 1 year	369	311
Later than 1 year and not later than 5 years	1,087	1,011
Later than 5 years	1,404	1,614
TOTAL LEASE PAYMENTS DUE	2,860	2,936

There were no contingent rents receivable during 2022 (2021: £0).

29. EVENTS AFTER THE REPORTING PERIOD

There are no events to report which have occurred after 31st July 2022.

30. PENSION SCHEMES

Different categories of staff were eligible to join one of the following schemes:

- Universities' Superannuation Scheme (USS)
- Swansea University Pension Scheme (SUPS) – Closed to new members 31st December 2011
- National Employment Savings Trust (NEST) – from 1st January 2012

The University also contributes to the NHS Pension Scheme for a number of its employees. USS and SUPS are both defined-benefits schemes. The assets of both schemes held in separate trustee-administered funds. NEST is a defined-contribution scheme.

	CONSOLIDATED 2022 £000	UNIVERSITY 2022 £000	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000
STATEMENT OF COMPREHENSIVE INCOME				
– NET PENSION COST				
USS	23,329	23,329	22,336	22,336
USS pension deficit charge	93,537	93,537	(4,250)	(4,250)
SUPS	1,270	1,270	12,794	12,794
Other	1,204	1,204	1,160	1,160
	119,340	119,340	32,040	32,040
OTHER COMPREHENSIVE INCOME				
– ACTUARIAL GAIN IN RESPECT OF PENSION SCHEMES				
SUPS	23,700	23,700	12,600	12,600
	23,700	23,700	12,600	12,600
STATEMENT OF FINANCIAL POSITION				
– PENSION SCHEME LIABILITY (NOTE 20)				
USS	134,264	134,264	42,969	42,969
SUPS	36,600	36,600	61,200	61,200
	170,864	170,864	104,169	104,169

(I) THE UNIVERSITIES' SUPERANNUATION SCHEME

The University participates in Universities Superannuation Scheme (USS) which is the main scheme covering most academic and academic-related staff. The Scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund.

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

The total cost charged to the Consolidated Statement of Comprehensive Income is £23,329k (2021: £22,336k) including PensionChoice, but excluding the impact of the change in the deficit recovery plan, as shown in note 7.

Deficit recovery contributions due within one year for the institution are £2,624k (2021: £2,117k).

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

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

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

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

CPI assumption	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves less: 1.1% p.a. to 2030, reducing linearly by 0.1% p.a. to a long term difference of 0.1% p.a. from 2040.
Pension increases (subject to a floor of 0%)	CPI assumption plus 0.05%
Discount rate (forward rates)	Fixed interest gilt yield curve plus: Pre-retirement: 2.75% p.a. Post retirement: 1.00% p.a.
Mortality base table	2020 valuation 101% of S2PMA "light" for males and 95% of S3PFA for females.
Future improvements to mortality	CMI 2019 with a smoothing parameter of 7.5, an initial addition of 0.5% pa and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

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

The current life expectancies on retirement at age 65 are:

	2022	2021
Males currently aged 65 (years)	23.9	24.7
Females currently aged 65 (years)	25.5	26.1
Males currently aged 45 (years)	25.9	26.7
Females currently aged 45 (years)	27.3	27.9

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

	2022	2021
Discount Rate	3.33%	0.89%
Pensionable salary growth	1.11%	1.00%

The employers' contribution rates are as follows:

EFFECTIVE DATE	RATE
1st October 2019 to 30th September 2021	21.10%
1st October 2021 to 31st March 2022	21.40%
1st April 2022 to 31st March 2024	21.60%
1st April 2024 to 30th April 2038	21.40%

SENSITIVITY ANALYSIS

As set out in the accounting policies, there are some critical judgements made in estimating the obligation to fund the USS deficit. The sensitivity of the principal assumptions used to measure the USS deficit provision are set out below:

	APPROXIMATE IMPACT ON PROVISION £000
0.5% pa decrease in discount rate	5,821
0.5% pa increase in salary inflation over duration	5,751
0.5% pa increase in salary inflation year 1 only	642
0.5% increase in staff changes over duration	5,895
0.5% increase in staff changes year 1 only	598

(II) NHS PENSION SCHEME

The Institution also participates in the NHSPS which is contracted out of the State Second Pension (S2P). The notional assets of NHSPS are assessed by the Government Actuary and the benefits are underwritten by the Government.

The NHS Pension Scheme is a defined benefit public service pension scheme, which operates on a pay-as-you-go basis. A new reformed scheme was introduced on 1st April 2015 that calculates pension benefits based on career average earnings. Transitional arrangements permit individuals who on 1st April 2012 were within ten years of normal pension age to continue participating in the old 'final salary' NHS Pension Scheme arrangements (the 1995 and 2008 sections).

An HM Treasury pension scheme valuation for funding purposes was carried out as at March 2012. The Scheme Regulations have been changed to allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate. The contribution rate payable by the Institutions during the year ended 31st July 2018 salaries, was equal to 14.3% of the total pensionable in accordance with the conclusion of the Government Actuary's report on the scheme.

(III) SWANSEA UNIVERSITY PENSION SCHEME

(RETIREMENT BENEFITS) DISCLOSURE FOR THE ACCOUNTING PERIOD ENDING 31ST JULY 2022

The University operates a final-salary defined-benefit pension scheme that non-academic employees of the University can participate in, called the Swansea University Pension Scheme (SUPS). The scheme is externally funded and is contracted out of the State Second Pension (S2P) of pension provision.

The last formal triennial actuarial valuation of the scheme was performed as at 1st August 2019 by a professionally-qualified actuary. The following are based on the results of the 1st August 2019 triennial valuation projected forward with allowance for benefit accrual, expected investment return and actual cashflows and have been adjusted for FRS 102 assumptions detailed below.

During the accounting period, the University paid contributions to the pension scheme at the rate of 23% of pensionable salaries in respect of the future accrual of benefits, death in service premiums and expenses.

ASSUMPTIONS

The financial assumptions used to calculate scheme liabilities under FRS 102 are:	31ST JULY 2022	31ST JULY 2021
Price Inflation (RPI)	3.3%	3.3%
Price Inflation (CPI)	2.9%	2.8%
Rate of increase in salaries	3.2%	3.2%
Rate of increase of pensions in payment for SUPS members	3.3%	3.3%
Increases to deferred pensions before retirement	2.9%	2.8%
Discount rate	3.4%	1.7%

The most significant non-financial assumption is the assumed level of longevity. The table below shows the life expectancy assumptions used in the accounting assessments based on the life expectancy of male and female members at age 65 and non-pensioners who are currently aged 45.

	31ST JULY 2022	31ST JULY 2021
Pensioner – male	20.1	20.1
Pensioner – female	22.4	22.4
Non-pensioner (currently aged 45) – male	21.1	21.0
Non-pensioner (currently aged 45) – female	23.5	23.5

Scheme assets and expected rate of return for SUPS

The expected return on assets has been derived as the weighted average of the expected returns from each of the main asset classes (i.e. equities and bonds). The expected return for each asset class reflects a combination of historical performance analysis, the forward-looking views of the financial markets (as suggested by the yields available) and the views of investment organisations.

	FAIR VALUE AS AT 31ST JULY		
	2022	2021	2020
THE ASSETS IN THE SCHEME WERE:			
	£M	£M	£M
Equities	53.9	54.8	41.2
Corporate bonds	7.9	8.1	7.3
Property	2.0	7.5	9.8
GARS Fund	13.5	14.6	14.1
Other	31.2	36.8	36.1
Total	108.5	121.8	108.5

The tables below include the disclosures for the Swansea University Pension Scheme.

	YEAR ENDED 31ST JULY 2022	YEAR ENDED 31ST JULY 2021
	£000	£000
ANALYSIS OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR SUPS		
Scheme assets	108,500	121,800
Scheme liabilities	(145,100)	(183,000)
DEFICIT IN THE SCHEME – NET PENSION LIABILITY RECORDED WITHIN OTHER COMPREHENSIVE INCOME	(36,600)	(61,200)
Current service cost	(2,200)	(2,500)
Past service costs	–	(2,500)
TOTAL OPERATING CHARGE	(2,200)	(5,000)

	YEAR ENDED 31ST JULY 2022	YEAR ENDED 31ST JULY 2021
	£000	£000
ANALYSIS OF THE AMOUNT CHARGED TO INTEREST PAYABLE/CREDITED TO OTHER FINANCE INCOME FOR SUPS		
Interest cost	(3,100)	(2,500)
Expected return on assets	2,100	1,500
NET CHARGE TO OTHER FINANCE INCOME	(1,000)	(1,000)

	YEAR ENDED 31ST JULY 2022	YEAR ENDED 31ST JULY 2021
	£000	£000
ANALYSIS OF OTHER COMPREHENSIVE INCOME FOR SUPS		
(Loss) / Gain on assets	(14,400)	14,100
Gain / (Loss) on liabilities	38,100	(1,500)
TOTAL OTHER COMPREHENSIVE INCOME BEFORE DEDUCTION FOR TAX	23,700	12,600

	YEAR TO			
	31ST JULY 2022	31ST JULY 2021	31ST JULY 2020	31ST JULY 2019
HISTORY OF EXPERIENCE GAINS AND LOSSES – SUPS				
DIFFERENCE BETWEEN ACTUAL AND EXPECTED RETURN ON SCHEME ASSETS:				
Amount (£000)	(14,400)	14,100	1,000	6,200
% of assets at end of year	(13.3%)	11.6%	0.9%	5.8%
EXPERIENCE (GAINS) / LOSSES ON SCHEME LIABILITIES:				
Amount (£000)	(38,100)	1,500	11,800	19,200
% of liabilities at end of year	(26.3%)	0.8%	6.5%	11.5%

	31ST JULY 2022	31ST JULY 2021
	£000	£000
HISTORY OF EXPERIENCE GAINS AND LOSSES – SUPS		
CUMULATIVE ACTUARIAL LOSS RECOGNISED AS OTHER COMPREHENSIVE INCOME FOR SUPS		
Cumulative actuarial losses recognised at the start of the year	(37,400)	(50,000)
Cumulative actuarial losses recognised at the end of the year	(13,700)	(37,400)
ANALYSIS OF MOVEMENT IN (DEFICIT) FOR SUPS		
DEFICIT AT BEGINNING OF YEAR	(61,200)	(71,700)
Contributions or benefits paid by the University	4,500	4,400
Current service cost	(2,200)	(2,500)
Past service cost	–	(2,500)
Admin costs	(400)	(500)
Other finance charge	(1,000)	(1,000)
Loss / Gain recognised in other comprehensive income	23,700	12,600
DEFICIT AT END OF YEAR	(36,600)	(61,200)
ANALYSIS OF MOVEMENT IN THE PRESENT VALUE OF SUPS		
PRESENT VALUE OF SUPS AT THE START OF THE YEAR	183,000	180,200
Current service cost (net of member contributions)	2,200	2,500
Past service cost	–	2,500
Interest cost	3,100	2,500
Actuarial (gain) / loss	(38,100)	1,500
Actual benefit payments	(5,100)	(6,200)
PRESENT VALUE OF SUPS LIABILITIES AT THE END OF THE YEAR	145,100	183,000
ANALYSIS OF MOVEMENT IN THE FAIR VALUE OF SCHEME ASSETS		
FAIR VALUE OF ASSETS AT THE START OF THE YEAR	121,800	108,500
Expected return on assets	2,100	1,500
Actuarial gain on assets	(14,400)	14,100
Actual contributions paid by University	4,500	4,400
Non investment expenses	(400)	(500)
Actual benefit payments	(5,100)	(6,200)
FAIR VALUE OF SCHEME ASSETS AT THE END OF THE YEAR	108,500	121,800

SUPS assets do not include any of the University's own financial instruments, or any property occupied by the University.

	YEAR TO 31ST JULY 2022	YEAR TO 31ST JULY 2021
	£000	£000
ACTUAL RETURN ON SCHEME ASSETS		
Expected return on scheme assets	2,100	1,500
Asset (loss) / gain	(14,400)	14,100
	(12,300)	15,600

Estimated contributions for SUPS in the Financial Year 2022–23 is £1,200k (2021–22 £1,300k) assuming the contribution rate of 23.2% plus £2,369k PA fixed contribution (2021–22 21.7% plus £2,300k PA).

Recent changes in global and UK economic pressures and tightening of monetary policy have had a significant impact on asset markets and corporate bonds yields, which are key to the FRS 102 assessment of the net pension asset or liability. In particular, AA corporate bond yields, used to set the FRS 102 discount rate, have increased significantly since 31st July 2022, with corresponding falls in asset values. The markets have been exceptionally volatile and therefore while both gross DBOs and assets will have fallen, it is difficult to estimate the impact of these changes on the net balance sheet position.

31. RELATED PARTY TRANSACTIONS

Due to the nature of the Institution's operations and the composition of its Council (being drawn from local public and private sector organisations) and Senior Leadership Team, it is inevitable that transactions will take place with organisations in which a member of Council or the Senior Leadership Team may have an interest. All such transactions are conducted at arm's length and in accordance with the Institution's financial regulations and normal procurement procedures. The Institution has taken advantage of the exemption within FRS 102 Section 33 'Related Party Disclosures' and has not disclosed transactions with other wholly owned group entities.

	INCOME FROM RELATED PARTY	EXPENDITURE TO RELATED PARTY	BALANCE DUE FROM RELATED PARTY
Wales National Pool Swansea	538	582	142
Swan Global Education LLP	573	5,024	316
	1,111	5,606	458

Throughout the year and at the Balance Sheet date the University held 50% investments in the associated companies Wales National Pool Swansea (2021: 50%) and Swan Global Education LLP (2021: 50%). The relationship with both companies are accounted for using the equity method such that 50% of the companies gross assets and liabilities are incorporated into the consolidated balance sheet of the University and 50% the net income is reported in the University's consolidated income and expenditure account.

The Students' Union is not controlled or owned by the University and is a separate legal entity, however the University provides grant funding to the Union to support the students. During the year the University provided the Students' Union with the main block grant of £927k and a further £195k which included contributions towards nurses funding, nursery costs, and funding bids. The University also provided the Students' Union with £212k from a HEFCW grant for wellbeing and health.

COUNCIL MEMBERS

The Institution's Council members are the trustees for charitable law purposes. Due to the nature of the Institution's operations and the compositions of the Council, many of whom are 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, including those below, are conducted at arms length and in accordance with the Institution's Financial Regulations and usual procurement procedures. The University has a robust Declarations of Outside Interests Policy and each member of Council is required to declare all interests openly, which are reviewed in line with the Institutions procedures. Third party transactions identified during the 2021/22 financial year in which trustees have declared an interest are: JISC £2.4m; Scarlets Regional Rugby Club, £30,800 for advertising (course, recruitment and other) and the trustee is one of the Directors of the Board; Natural Resources Wales, £2,564 for Laboratory Chemicals, waste disposal and treatment, and recycling, and the trustee is a former employee; Golwg cyf, £6,306 for advertising (course, recruitment and other) and the trustee is one of the Directors of the Board; Swansea University Students' Union, £231,355 for various transactions, with the two student members of Council being trustees of SUSU.

No Council Member has received any remuneration or waived payments during the year (2021 – £0).

During the year £4.5k of expenses were paid to Members of Council, and £1k of payments were made on Council members behalf (mainly travel costs) (2021: £0k).

32. US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE

In satisfaction of its obligations to facilitate students' access to US federal financial aid, the University is required, by the US Department of Education, to present the following Supplemental Schedule in a prescribed format.

- prepared under the historical cost convention
- prepared using United Kingdom generally accepted accounting practice, in accordance with Financial Reporting Standard 102 (FRS 102) and the Statement of Recommended Practice: Accounting for Further and Higher Education (2019 edition)
- presented in pounds sterling

The schedules set out how each amount disclosed has been extracted from the financial statements. As set out above, the accounting policies used in determining the amounts disclosed are not intended to and do not comply with the requirements of accounting principles generally accepted in the United States of America.

Primary Reserve Ratio

Page	Line item / disclosure		CONSOLIDATED 2022 £000	CONSOLIDATED 2021 £000
65.	Unrestricted reserve and revaluation reserve	Net assets no restriction	156,558	212,293
65.	Endowment reserve	Net assets with donor restriction	7,359	7,505
81.	Endowment total	Term endowments	(7,307)	(7,505)
74.	Fixed assets less service concession arrangements	PPE	(357,432)	(340,637)
74.	Service concession arrangements	Lease – right of use, net	(108,202)	(111,841)
74.	Service concession arrangements at pre-implementation	Remove pre-implementation lease right-of-use asset	108,202	111,841
80.	Total pension provision	Pension liability	170,864	104,169
79.	Total unsecured loans	Line of credit for long term purposes	107,958	113,550
78/79.	Service concession arrangements	Lease right-of-use asset liability	119,032	122,015
	Service concession arrangements at pre-implementation	Remove pre-implementation lease right-of-use liability	(119,032)	(122,015)
			78,000	89,375
64.	Total expenditure (excluding USS change in contributions)	Total operating expenses	354,592	337,170
64.	Other gains (losses)	Other gains (losses)	1,747	(236)
			355,839	336,934

Equity Ratio

Page	Line item / disclosure		CONSOLIDATED 2022	CONSOLIDATED 2021
65.	Unrestricted reserve and revaluation reserve	Net assets without donor restriction	156,558	212,293
65.	Endowment reserve	Net assets with donor restrictions	7,359	7,505
			163,917	219,798
66.	Non-current assets plus current assets	Total Assets	712,019	663,668
		Less		
74.	Service concession arrangement asset	Pre-implementation lease asset	(108,202)	(111,841)
			603,817	551,827

Net Income Ratio

Page	Line item / disclosure		CONSOLIDATED 2022 £000	CONSOLIDATED 2021 £000
64.	Total comprehensive income	Change in net assets without donor restrictions	(55,735)	40,501
64.	Total income	Total operating revenue – unrestricted	370,003	360,753
		Less		
64.	Investment income	Investment return appropriated for spending	(812)	(87)
64.	Gain / (loss) on disposal of tangible assets	Sale of fixed assets	–	68
			369,191	360,734

33. PRIOR YEAR ADJUSTMENT

During the preparation of the 2021/22 accounts it was identified that where both research debtors and creditors existed for the same funder across different projects, these debtors and creditors were incorrectly being shown as a net figure. A prior period adjustment has been posted to reclassify the gross debtors and creditors. The adjustment only impacts the debtors and creditors within the financial statements, including on the balance sheet and within the cash flow movement.

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

	Year ended 31st July 2021 Consolidated			Year ended 31st July 2021 University		
	As previously reported £000	Adjustments £000	As restated £000	As previously reported £000	Adjustments £000	As restated £000
TRADE AND OTHER RECEIVABLES						
Accrued income – research grants	14,303	17,089	31,392	14,303	17,089	31,392
	14,303	17,089	31,392	14,303	17,089	31,392
ACCRUALS AND DEFERRED INCOME						
Research grants received in advance	(22,543)	(17,089)	(39,632)	(22,543)	(17,089)	(39,632)
	(22,543)	(17,089)	(39,632)	(22,543)	(17,089)	(39,632)
Total	(8,240)	–	(8,240)	(8,240)	–	(8,240)

BALANCE SHEET IMPACT

Trade and other receivables	45,680	17,089	62,769	45,309	17,089	62,398
Creditors falling due within one year	(97,400)	(17,089)	(114,489)	(96,665)	(17,089)	(113,754)

CASH FLOW IMPACT

(Increase) in debtors	(6,565)	(17,089)	(23,654)
Increase in creditors	15,477	17,089	32,566