



Swansea University  
Prifysgol Abertawe

# Financial Review

## 2021



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## Message from the Vice-Chancellor

Reflecting upon a year characterised by uncertainty, loss and disruption due to the ongoing impacts of Covid-19, I am compelled to begin by paying tribute to the incredible resilience of both our staff and our students over the past twelve months. Within this most challenging of years for the higher education sector, I am extremely proud of every member of our community who has played a vital role in supporting safety and wellbeing, while ensuring the continuation of our University's core purpose; our civic mission, our learning and teaching, our research, our student experience and our enterprise.

Given the events of the past year, supporting and adapting to the shifting needs of our student community has remained our primary focus. In 2021, the rollout of our new and highly successful January entry programme provided a safety net for those students facing uncertainty about taking up their studies in the autumn term. Despite the inexorable changes to learning environments around the world, we have continued to provide our students with the high quality, research-led

teaching, whether online or in person, 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 complex new challenges, as demonstrated by our improved placement in both the Guardian University Guide 2022 (now 24th in the UK) and the UK Complete University Guide 2022 (now 29th in the UK).

Our University community mobilised swiftly to support our students and ensure that their higher education experience remained a positive one. Throughout the year, we have offered additional academic, wellbeing and financial support to mitigate the effects of the pandemic, including via our own enhanced Student Hardship Fund and by administering the additional £60 million of student support pledged to our sector by Welsh Government. Crucially, we have provided spaces - both online and in-person when possible - for students to come together safely to share mutual interests, with many of our clubs and societies continuing to meet remotely throughout the year.

Our efforts to ensure a first-class, holistic university experience were captured within the results of the 2021 National Student Survey, in which Swansea University was ranked 12th in the UK for overall student satisfaction, on the basis of our own students' feedback.

Along with the pressing demands of a pandemic and the climate emergency, the events of the past year have compelled us to confront societal and systemic inequality. In common with organisations around the world, our University has reflected on our shared values and our responsibility to promote inclusion, diversity and equality to the benefit of all. Our work to promote human rights has taken on new resonance, not least through our Hillary Rodham Clinton Global Challenges Programme sponsored by Sky. During our annual James Callaghan Lecture in 2020, guest speaker Secretary Clinton welcomed our latest cohort of Global Challenges Scholars while announcing the continuation of the Programme. We know that every student of today is a changemaker of tomorrow, and we are proud to amplify their vision of a more equitable, sustainable future for all. During a year which highlighted the importance of research breakthroughs to our daily lives, our academics have balanced their commitment to our students with their vital work to tackle the challenges of our modern world. From supporting the global pandemic response through innovations in vaccine delivery and providing crucial Covid data modelling, to addressing climate change and human rights issues, we know that our researchers, staff and students play a significant role in driving positive global change.

At Swansea University, we believe that such change is only possible through purposeful collaboration, across disciplines, institutions and national borders. We were therefore delighted that our Morgan Advances Studies Institute (MASI) was formally launched by the First Minister of Wales in February 2021. As the first Institute of Advanced Studies in Wales, MASI will drive transformative interdisciplinary research across our University and beyond. Our commitment to fostering cross-institutional and cross-thematic research was also evidenced through our support of the new Wales Innovation Network, which will bring together all Welsh universities to strengthen our research collaboration, and increase

recognition for innovation and knowledge creation in our country. Beyond the UK, we have also consolidated our research partnerships with institutions and organisations across both hemispheres, through a new sports and exercise science partnership with University of Canberra in Australia and an enhanced joint five-year strategy with Université Grenoble Alpes in France.

While we will continue to develop our international relationships to secure new opportunities for students and staff alike, over the past year we have not lost sight of our unique role within the local community which we were founded to serve. Our partnerships with local authorities, health boards and businesses have been strengthened through our working together to meet the challenges of the past eighteen months. We have also continued to share our output, mission and ethos with our local community, through our first wholly-virtual Science Festival in October 2020 and the reopening of our Oriel Science space in 2021, in a brand new city centre location. We have remained proud of our commitment to our local and national community, and to promoting the distinct heritage, culture and language of Wales to our international students, staff and partners alike.

While the world around us has transformed, at Swansea University we have continued to reflect critically upon our place within our community, Wales and the world. Under our new Strategic Vision and Purpose published in 2021, we have reaffirmed our commitments to sustainability, to equality and to our community, while continuing to deliver gold-standard teaching based on our world-class research. The experience of the past year, and all that our staff and students have achieved in spite of the complexity of the challenges faced, gives us confidence that by working together, our University community will rise to meet these ambitious aims.

**Professor Paul Boyle, Vice-Chancellor**  
29 November 2021



has highlighted global inequality. This was encapsulated in the 2021 Urdd Gobaith Cymru Wales Peace and Goodwill message, which was a real highlight of our University year. As the first university to participate in this 99-year tradition, we are delighted that our students chose to promote equality for women and girls within their message, which was shared with young people around the world. Our students of today are the changemakers of tomorrow, and we are proud to nurture and amplify their vision of a more equal future for all. One example of this is our Hillary Rodham Clinton Global Challenges scholarship programme supported by Sky which supports the next generation of leaders committed to addressing urgent global issues including the rights and protection of children online, the climate crisis and cyber security.

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. Finally, 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 strengthen the University's governance arrangements in line with the recommendations contained within the Camm review and its own external review ensuring that we embrace a culture of openness and transparency. These improvements to the University's governance arrangements are evident in the way that the University has been able to respond to the challenges which it and others in the sector have faced and places it in a strong position to address successfully the many challenges which undoubtedly still lie ahead. Together I am confident we will succeed - and succeed well - thanks to the dedication, enthusiasm and character of all our stakeholders acting always in the best interests of our University.

**Mr Bleddyn Phillips, Chair of Council**  
29 November 2021

## Message from the Chair of Council

This has once again been a challenging and difficult year under the shadow of the pandemic, so I would like to begin, on behalf of the Council, by thanking the Vice-Chancellor, staff and students, for their dedication and hard work.

Despite the challenges posed by Covid, and the impact on international student recruitment and research income as a result of Brexit, we have still seen real progress as a University. 2020 saw the launch of our Strategic Vision and Purpose for our second century, as we continue to make a difference on a local, national and global stage through research, enterprise, teaching, student experience and civic engagement.

Swansea academics have made a real difference in the fight against Covid with their research, and I am particularly proud of the way we have been able to support our students at this time; continuing to provide first-class learning and teaching via

a blended approach, as well as focussing even more closely on student wellbeing. We have also been able to support students who have been unwell, or who have had to self-isolate. This work has been reflected in our National Student Survey scores holding up well so that we are still ranked 12th in the UK for student satisfaction. We have also seen a small uplift in our international QS ranking, up 34 places on last year to 440th, as a result of a sustained and successful campaign.

I am always impressed by the close relationship between the University and the Students' Union, and the ongoing and fruitful engagement with the Students' Union's full-time officers, ensuring that student voices are genuinely listened to at Swansea.

The University's commitment to equality and diversity, and to creating a fairer society, is more important than ever as the pandemic



## Our Strategic Vision and Purpose

Following extensive consultation with our community, alumni, regional partners and other stakeholders, we published our University Strategic Vision and Purpose in November 2020. The document sets out our overarching vision for the University, what we stand for and what we aim to achieve for our students and staff, for Swansea and Wales, and for our world. The document focusses on five strategic pillars (Civic Mission, Student Experience, Learning and Teaching, Research, and Enterprise) and is underpinned by a range of cross-cutting enabling themes, including financial and environmental sustainability, internationalisation, leadership and governance, our digital and physical estate, communication, and recruitment.

The document highlights our 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. 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.”

Each of the five strategic pillars contains several priorities and ambitions, but our overarching commitments are:

- 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 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 programme.
- 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.

### RANKINGS AND AWARDS

It has been a successful year for our University in terms of our performance in national and international league tables. We achieved our highest ever position in any UK league table after rising from 31st to 24th in the Guardian University Guide 2021 (published in August 2020) and maintaining this ranking in the 2022 Guide. The Guardian ranks us as the top university in Wales.

We secured our highest ever position in the Complete University Guide League Tables 2022, breaking into the top 30 (29th) in the main table for the first time. The Guide also ranked our Medical School top in the UK.

This year’s edition of the QS World University Rankings (which names the world’s 1,300 best universities) places Swansea as the world’s 440th best university, an improvement of 34 places on last year (the biggest improvement in Wales). The QS Rankings also places Swansea 239th and 271st in the world for its international faculty and international student ratios respectively, demonstrating our growing global reputation and our commitment to being a truly international institution.

Despite the impact of Covid-19 on this year’s National Student Survey, which showed the lowest satisfaction levels ever recorded by the Survey throughout the UK, Swansea performed remarkably well. Overall, we ranked 12th for student satisfaction (second in Wales), with 82 per cent of our students saying that they are satisfied with their course. We increased our ranking for Teaching by 23 places to 21st place overall, and our ranking for Student Voice by 10 places to 18th overall. At subject level, Swansea is ranked top in Wales in 33 subject areas, and in the top 10 for overall satisfaction in 26 of the 59 subjects it appears in across the UK.

Notable accolades and awards achieved in the last year include:

- A silver award in the 2021 WhatUni Student Choice Awards in recognition of our excellence in diversity and inclusion.
- A Green Flag award for our estate’s high environmental standards and our commitment to providing high quality green spaces on both out campuses.
- A gold award for “Best use of content, social or digital”, presented by HEIST for our Marketing Department, and a silver award for Marketing Team of the Year.

### CELEBRATING OUR CENTENARY

2020 should have been a year of celebration marking our University’s Centenary. However, the global pandemic required us to rethink how we recognised this important milestone, and how we acknowledged the people, successes, innovations and impacts that have defined our University since we opened our doors one hundred years ago.

As we could not gather to celebrate our achievements in the way we had planned, we took the difficult decision to postpone all physical centenary events in 2020. Instead, alongside the donations we received from our generous supporters, the money we had previously set aside for our centenary celebrations was used to fight Covid-19 and support our students.

We were able to run several online events to keep our University community entertained and informed during lockdown, and were delighted to receive messages of congratulations and goodwill from around the world, including HRH the Prince of Wales, and former US Secretary of State, Hillary Rodham Clinton.

We also invited students, staff and alumni to share their memories of Swansea and have been able to save some of these for posterity with distinctive navy plaques that are helping to transform our campuses into sites of living history. The plaques celebrate and honour all aspects of university life – from student achievements and social events to research milestones and sporting victories.

## STUDENT EXPERIENCE



### TEACHING EXCELLENCE & STUDENT OUTCOMES FRAMEWORK

The highest award for Teaching Excellence at UK universities



Based on a list of 131 institutions that appear in the Times Good University Guide 2021



The Times Good University Guide 2021

**82.6%**  
OF GRADUATES ARE IN  
PROFESSIONAL EMPLOYMENT  
OR FURTHER STUDY

The Times Good University Guide 2021

GRADUATES OBTAINING  
**1st/2:1s – 83.2%**

2020/21

## RESEARCH AND ENTERPRISE



Research Excellence Framework 2014-2021

**£62.1m**  
RESEARCH INCOME

Financial Statements 2020/21

**924**  
POSTGRADUATE  
RESEARCH STUDENTS

## CIVIC MISSION

**11.6%**  
OF STUDENTS FROM  
DISADVANTAGED (WIDENING  
ACCESS) BACKGROUND

HEFCW National Measures 2019/20

## RECRUITMENT 2020/21

**20,132**  
APPLICATIONS

**17,703**  
UNDERGRADUATE STUDENTS

**4,944**  
POSTGRADUATE STUDENTS

## REPUTATION



The Guardian University Guide 2021



The Times Good University Guide 2021



The Times Good University Guide 2022

## FINANCIAL

**8%**  
SURPLUS AS A  
% OF INCOME

**13%**  
OPERATING CASH INFLOW AS A  
% OF INCOME

**50%**  
STAFF COSTS AS A  
% OF INCOME

**£66m**  
EBITDA  
Earnings before interest, taxes, and amortization

## INTERNATIONAL

**12.9%**  
INTERNATIONAL STUDENTS  
OF THE TOTAL STUDENT  
POPULATION

## PEOPLE AND VALUES



**STAFF**  
MALE **46%**  
FEMALE **53.8%**  
HESA 20/21



## Our People

We have made substantial progress on restructuring our University through the University Transformation Programme, which aims to ensure that we are a more effective, efficient and resilient organisation. We have merged our seven colleges and Schools to create three new Faculties: the Faculty of Medicine, Health and Life Science, Faculty of Humanities and Social Sciences, and Faculty of Science and Engineering, and have appointed leadership teams for each under three new Pro-Vice-Chancellors and Executive Deans.

Our Strategic Vision and Purpose document sets out a series of “People, Values, Culture and Behaviour” priorities, which we are committed to making progress against:

### **Championing a sector-leading approach to equality, diversity and inclusion, closing the gender pay gap and increasing the proportion of female professors.**

We are one of just 20 UK universities, and the only Welsh university, to hold an Athena Swan Silver Institutional Award in recognition of our commitment to advancing gender equality in terms of representation, progression and success for all. During the last year, our Hillary Rodham Clinton School of Law and the College of Arts and Humanities secured their first Bronze

Awards, meaning that all of our eligible academic departments have an Athena Swan award, with four Silver and seven Bronze awards across our University.

56% of our grade 9 colleagues, and 46% 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 our University has more than doubled since 2014, resulting in an 11% increase in the female representation in the professorial community, from 13% to 24%. Our gender pay gap is also decreasing - our mean average pay gap is 18.4% (20.8% in 2018/19) and our median average is 11.1% (13.7% in 2018/19).

55% of our Council members are female (compared with 25% in 2013) while for the first time this year we achieved a representation of BAME Council members comparable to the percentage of BAME colleagues within the University.

We continue to feature in the Stonewall Top 100 Employers (47th in 2020). The number of our

colleagues who have recorded their identity as LGBT+ has continued to increase, from 3.7% to 4.2%, which remains above the Higher Education Sector UK benchmark of 2.6%. The percentage of colleagues identifying as a different sex to that registered at birth is 0.2% which is in line with the UK benchmark.

### **Working with our community to find more ways to reward and recognise colleagues, and to encourage their personal and career development.**

Our University is committed to fairness in pay and is committed to recognise that all colleagues contribute to our success. We decided to voluntarily implement the 2020/21 increase to the Real Living Wage 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.

All of our colleagues, both Professional Services and Academic, have the opportunity to participate in a meaningful conversation about their performance at least twice a year. This year, despite most working remotely, more than 99% of our colleagues participated in their performance reviews.

We were delighted to support the promotion of 67 colleagues this year, representing a 40% increase in successful applications on last year. 45% of successful applicants are female, which is a 25% increase on last year, and 13% are BAME (the same as last year).

### **Implementing a health and wellbeing strategy to ensure that we enable our colleagues to thrive and to flourish.**

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

We have recognised and rewarded the hard work and dedication all our colleagues have shown during the pandemic by awarding additional leave, introducing a quieter Friday initiative, 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 Well-being services, with access to staff Mental Health Advisors, COVID-19 health assessments and counselling services.

### **Speaking up against, and confronting the causes of, discrimination, ensuring that the voices of under-represented groups are heard.**

This past year we have 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 marked were Holocaust Memorial Day, LGBT+ History Month, International Women’s Day, Black History Month (covering a range of speakers inclusive of the Black Lives Matter movement), United Nations International Day of People with Disabilities as well as a range of interfaith events.

Our University has a very active Staff Carers Network and we became the first Welsh HEI to be 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.

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

The most recent Home Office Higher Education Assurance Team (HEAT) Audit of our international recruitment processes concluded with no recommendations or comments, enabling us to continue to recruit and employ world class international colleagues with confidence. The Home Office team also recognised our bespoke suite of real time Management Information as an example of best practice to be shared with other institutions.



## Our Learning and Teaching

The last year has seen the University respond with agility to the demands of the COVID-19 pandemic. Our blended approach to learning and teaching encompassed a mix of live, online teaching, pre-recorded material, and a range of on-campus activities.

Our success in maintaining continuity in learning and teaching and the student experience was one of the five commendations made by the Quality Assurance Agency in its Quality Enhancement Review report, published in February 2021. The QAA highlighted:

- our strategic focus on communication and dialogue with students that builds a strong sense of community.
- our strong focus on student partnership that is embedded at all levels of the institution.
- the agility of our response to the COVID-19 pandemic to maintain continuity in learning and teaching and the student experience.

- our proactive use of well-developed processes and procedures for the effective strategic management and operational development and review of our academic portfolio, and
- the actions we took in response to the pandemic to ensure the continued robustness of quality assurance processes and regulatory matters.

Our approach to learning and teaching in the upcoming academic session will see an increased amount of on campus activity, particularly in respect of smaller group teaching, and laboratory and practical sessions. Larger group lecture-based delivery will for the most part continue to be delivered online, taking account of Welsh Government requirements for class groupings and sizes.

We also recognised that, due to current international travel restrictions, it might be difficult for some overseas students to arrive in Swansea for the start of the new academic year. The recent

change to UK Visa and Immigration (UKVI) regulations means that if international students are unable to travel to the UK by the start of term, they can enrol and engage with their programme online to begin with (subject to programme requirements) provided they arrive as soon as possible and no later than 6th April 2022.

Our Centre for Academic Success (CAS) saw a 104% increase in appointments from 2019/20, supporting 1,787 student interactions. We also saw a 196% increase in attendance at CAS modules and workshops, and a 221% increase in attendance during the CAS Skills Week, with more than 4,000 students participating in workshops. Interest in in-subject skills delivery has also increased, with CAS running more than 75 sessions this year. We anticipate being able to expand this initiative to embed skills into new programmes of study (e.g. Mathematics, English Literature, Osteopathy).

Feedback for our English Language Training Services (ELTS), this year has been overwhelmingly positive, despite the move to predominantly online provision. Our CELTA online programme was recognised as gold standard.

Our Swansea English Language Test (SWELT) remains an important recruitment tool and has seen continued success, with 478 registrations over the summer.

### OTHER RECENT HIGHLIGHTS INCLUDE:

- Students on our Physician Associate course recorded a 100% pass rate in the September PA National Exams for the third year running.
- The Royal Geographical Society has given its backing to our MSc Environmental Dynamics and Climate Change and MSc Geographic Information and Climate Change.
- Our MSc in Cyber Security has received official certification from the National Cyber Security Centre (NCSC), which is part of GCHQ and is the UK's leading expert body in the field. The programme is the first in Wales, and one of only a few in the UK, to have received full and complete certification from the NCSC.

- Our University has been successful in its bid to the Department for Education to recruit 250 extra engineering students as part of a Government drive to provide over 9,000 additional places at UK universities for courses that will deliver vital services, support the economy and create positive outcomes for students.
- The Coleg Cymraeg has appointed five new ambassadors from Swansea University for 2021 to encourage more prospective students to take an interest in Welsh-medium higher education.
- Our Medical School will welcome its first intake of students on its four-year MPharm programme in September. It will also be launching a pharmacy with a foundation year course.
- The Faculty of Medicine, Health and Life Science has also been awarded important new contracts by Health Education and Improvement Wales, recognising the high standard of education provided by our courses for adult, mental health, and child nursing; physician associate studies; midwifery; healthcare sciences portfolio; and paramedic science.
- We are building on our successful collaboration with Trent University in Canada to launch an additional opportunity for transatlantic study. A dual degree pathway into undergraduate programmes in the Medical School will now complement established programmes in Law and in Chemical Engineering.
- Our University has been awarded Welsh Government funding for two Intensive Learning Academies (ILAs) to support the continuing professional development of workers across the health and social care sectors. The Value-Based Health and Care Academy and All-Wales Intensive Learning Academy for Innovation in Health and Social Care are both led by the School of Management.





## Our Student Experience – supporting students through the pandemic

Our students are at the heart of everything we do. This year, recognising the growing concerns caused by the pandemic, our overarching focus has been on supporting student welfare and well-being.

We knew that self-isolating or quarantining students would face challenges in managing

their mental health and sourcing food during their isolation period, and we were committed to ensuring that no student felt they were alone or unsupported. Consequently, we developed a whole-system support approach (MyUniSupport) for students who were required to self-isolate, whether they were living on campus or within the private sector.

During the last academic year, MyUniSupport assisted students who were either Covid positive, in self-isolation or in quarantine. The team dealt with 995 confirmed cases of Covid-19 and 1,715 students self isolating in on-campus accommodation, and provided approximately 900 free food packages and laundry services, as well as authorised Covid-19 advice and testing guidance. We were able to extend this service to students living off-campus with the support of our student-led volunteering programme, Discovery.

MyUniSupport continues to provide dedicated case management support to international students arriving from red and amber list countries, to track student engagement either in-person or online, and to provide necessary reporting to HEFCW and Welsh Government.

University is about more than just a degree. It is about self-discovery, friendships, and extracurricular opportunities, and we were committed to providing the best student experience possible under the circumstances. For example, we adapted our usual Arrivals Week programme in line with local restrictions but were still able create opportunities for students to socialise safely. We provided an additional £0.2m to fund welfare initiatives and £0.3m was invested in outdoor venues, complying with Government guidance, offering well-being activities during the day, and dining in the evening.

Our International@CampusLife team recorded 40,199 engagements with students, a 42.25% increase on 2019/20. The team also provide 93 opportunities for student social engagement)and set up a virtual 'Swansea Students' Community Homespace' on Facebook, extending an invitation to all international students currently in the UK.

Our Welfare@CampusLife team planned, organised and facilitated 90 student events, and also supported 50 Student Carers with regular 1:1 sessions.

Our Money@CampusLife team administered thousands of applications for one-off financial support, including distributing £6.3m in awards to 9,572 students through the HEFCW-funded Student Financial Support fund, intended to support students facing financial difficulties due to

Covid. The team also made discretionary awards totalling £0.7m to 1,113 students through other hardships funds.

We launched the Sanctuary Scholarship for Postgraduate Taught Masters students: available to people seeking asylum in the UK, this offers full tuition fee support and subsistence payments in kind to support with course costs and local travel expenses.

Our Residential Services team led a comprehensive review of operational activities to ensure safety of students and staff in response to the pandemic, including development of online Health and Safety videos as part of student induction, revised Risk Assessments and Safe Operating Procedures. The team enabled provision of accommodation contracts for the January entry programme, and oversaw the effective management of allocations to quarantine accommodation.

In addition to offering a listening service, meditation sessions and a range of interfaith activities, our Chaplaincy Service helped fund five local community/student-based groups with our community fund, encouraging cohesion between students and long term community members, supporting community wellbeing and preventing further social isolation during the lockdowns.

Additional support included digital food vouchers, foodbank referrals and travel passes, letters to landlords and childcare providers if students struggle to make payments and support for students without family networks. Our Students' Union developed a free period poverty scheme and the campus nursery remained open so students could access affordable childcare whilst studying.

## Our Research and Enterprise

We continue to be a research-intensive University, ranking among the UK's top 10 institutions for balancing excellent teaching with excellent research, as demonstrated by our UK Top 30 performance in REF2014 and our Teaching Excellence Framework Gold Award.

The Royal Academy of Engineering "Spotlight on Spinouts" report published in January 2021 ranks our University 8th in the UK for the number of spinouts it has produced, and we are currently ranked 14th in the UK for the volume of our public funded collaborative research.

Our 2020/21 Higher Education Business and Community Interaction (HEBCI) return to HESA reported an 18% increase in collaborative research income and consultancy, a 45% increase in EU regeneration and development income, and wider improvements including graduate start-up survival rates. As a result, in June 2021, our University was awarded an additional £0.3m from the new HEFCW Innovation and Engagement Fund to accelerate and grow commercial, enterprise and Civic Mission activities. The additional funding takes our total award from to £2.7m and places Swansea ahead of all Welsh institutions for funding allocated from this programme.

The last financial year has seen funding awards for research and innovation reach record levels. Academic colleagues submitted 757 grant applications in 2020/21, with a total value of £146m, and were successful in 407 proposals (surpassing our previous record of 376 successful applications in 2016/17). Funding from sources including the European Union, Research Councils, Charities, Industry and Commerce reached £74.8m this year (exceeding our previous record of £66.4m in 2019/20). We were also pleased to receive the highest level of assurance rating by UKRI, demonstrating that the public funds we received for research are properly safeguarded and managed. Recent major awards include:

- DATAMIND: Data Hub for Mental Health Informatics Research Development (MRC, £2m), a new Hub to provide innovative data resources for mental health research and innovation.

- PATROLS: Physiologically Anchored Tools for Realistic Nanomaterial Hazard Assessment (£1.2m, Horizon 2020), leading a multi-disciplinary approach to develop state-of-the-art tools to more reliably evaluate human health and environmental risks following nanomaterial exposures.
- SUNRISE (£7m, UKRI Global Challenges Research Fund), an international project to address global energy poverty through the development and demonstration of next-generation solar technologies.
- DRAGON-S (Developing Resistance Against Grooming Online – Spot and Shield (\$519,420, United Nations End Violence Fund), developing tools to keep children safe from technology-assisted child abuse.
- AgorIP Project (£20m, EU/ERDF), bringing academics, clinicians and businesses together to pioneer research into cutting-edge technologies and drive commercial success. Since the Project was launched, the team has assisted more than 200 opportunities; helping to create jobs, protect Intellectual Property and bring innovation to the marketplace. The extension means that the Project will now run until June 2023 and can support projects in East Wales in addition to West Wales and the Valleys.

Our new research and innovation strategy is underpinned by a vibrant research environment and a robust approach to ethics and governance, and encompasses four primary objectives:

- Inspiring, empowering and developing our people.
- Building and strengthening our research capacity and culture.
- Embedding and delivering research impact, and
- Establishing Swansea as a global destination of choice.

We have established the first Institute of Advanced Studies in Wales, the Morgan Advanced Studies Institute. MASI was officially launched

by the First Minister of Wales in February, and is the first institute of its kind in Wales that focusses on bringing people together to conduct interdisciplinary research responding to some of the world's most critical opportunities and challenges.

Following several years of intense preparation, we submitted 18 units of assessment to REF2021 in March. In total, we returned 607 staff, 1,409 academic outputs and 59 impact case studies for assessment, and recorded 1,137 PhD completions in the REF census period. The results will be published in April 2022.

Unsurprisingly, we have focussed significant effort on Covid-related research this year. During the pandemic, health and disease control decision making in Wales was devolved to Welsh Government, which convened a Technical Advisory Cell (TAC) to provide emergency scientific advice. TAC identified a priority for bespoke models for Wales, and the "Swansea Modelling Team" was created in response, bringing together expertise across epidemiology, mathematics and software engineering. Our interdisciplinary team rapidly delivered outputs on COVID-19 mathematical modelling, data platforms, and risk to inform health policy decisions by the Welsh NHS and Government, enabling: (1) Early and accurate scenarios for planning hospital capacity, which, across-Wales, provided critical care staffing at safe and efficient levels. (2) Early and accurate scenarios for the Welsh Ambulance Service to accurately predict, and hence plan for, severe call demand. (3) An evidence-base for major national interventions.

We also conducted numerous Covid-related projects to:

- develop a unique device that can provide real-time detection of COVID-19 in common wastewater, meaning that communities could be alerted if there is a suspected outbreak in their area;
- evaluate Welsh healthcare data to understand whether a small number of rare blood clotting disorders, reported in Norway and Germany, had also been observed in vaccinated individuals in Wales;

- develop an open platform for pandemic modelling, to investigate Covid-19 and what it can teach us about coping with future pandemics;
- analyse data to understand how ambulance services responded to suspected Covid-19 calls, alongside outcomes for patients;
- examine the impact of Covid restrictions on prisoners and prisons to see what lessons can be learned;
- understand the relationship between COVID-19 and cardiovascular diseases such as heart attack and stroke on the UK population;
- consider how shielding affected deaths, hospital and intensive care admissions, COVID-19 infections, immunity status, safety, NHS costs, quality-of-life and how people complied with instructions;
- develop a new method to help people recover from Covid-19, using breathing exercises and a hand-held device, are looking for volunteers who have had Covid to help them test it.

We also produced surveys and reports on topics including the impact of Covid-19 on: the Welsh language; children's physical activity, mental health and wellbeing; breastfeeding support for some families; and mental health in family carers for children and adults with intellectual disabilities.

We have managed funding allocations from the UK Research and Innovation COVID-19 Grant Extension Allocation (£1.7m to support costed extensions to research projects affected by the pandemic); and the Higher Education Investment and Recovery (HEIR) Fund: Protecting the Research Base in Wales (c.£2.7m for PhD studentship extensions and projects that had not received other sources of funding).

In terms of our research infrastructure, construction of the Centre for Integrative Semiconductor Materials (CISM) is well-advanced. It will house an industry-leading clean fabrication environment, research laboratories and office facilities to provide vital research and innovation support for the CSCConnected Cluster, a growing network of regional semiconductor industry partners.



## Expanding our international reach

Our University's new 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 for our University. We have identified three global pillars to represent our international ambitions:

### GLOBAL GRADUATES

This year, our aim has been to retain our international market share in the face of increasing threats presented by the Covid-19 pandemic. We were able to maintain our pre-pandemic growth trajectory and grew our market share by strengthening in-country recruitment teams in China, India and Nigeria; by delivering teaching online, and by holding virtual open days. We also introduced January entry opportunities for 133 degree programmes across each of the Faculties, which resulted in 370 international student enrolments. Overall, international applications grew by 40%, from 13,284 in 2019/20 to 18,569 in 2020/21.

In Spring 2021, the UK government launched the Turing Scheme for 2021/22, to mitigate some of the impacts of Brexit on outbound student mobility. Our University secured £0.4m of funding, which will help enable 114 Swansea students to study abroad in 2021/22. The scope of the Turing Scheme only includes outbound students in comparison to the Welsh Government's

International Learning Exchange scheme, which launches in 2022 and runs initially to 2026. The £65m investment from Welsh Government includes HE, FE and schools, inbound and outbound students and staff with reciprocity a key feature of the scheme. We will be applying for funds to help Welsh Government achieve their target of 15,000 outbound and 10,000 inbound students over four years.

### GLOBAL PARTNERSHIPS

We have continued to engage with our strategic partners in Texas and Grenoble, and have also launched an official partnership with the University of Canberra to deliver joint research, teaching and student exchanges, and to broaden our University's international reach and profile for sporting endeavour.

### GLOBAL REPUTATION

In order to strengthen our global reputation, we undertook a review of our brand position to establish ourselves as 'the emerging force in global research', with a research marketing campaign on the theme 'great things happen when ideas collide'. The campaign supports our target to achieve a QS ranking world top 350 position by 2025. In 2021 we achieved a 34-place improvement climbing from 474 to 440, and a 195-place climb in employer reputation ranking.



## Our Physical Estate

Our University's physical estate is managed and governed through the University's Estate Strategy, which encompasses People, Built form, Finance, Sustainability, Innovation, and Governance and Operations. Our focus over the last 18 months has been to seek greater efficiencies through appropriate resourcing and operational interventions, within the context of addressing University needs arising from the Covid-19 pandemic.

From a strategic perspective, we have published our updated Estates Strategy, approved a student accommodation policy relating to the medium to long-term provision of student housing both on and off campus, and have completed the masterplan to inform the future development and operation of the Sketty Lane Sports Village in partnership with Swansea City Council. We also delivered the 'New Normal' operational directive as part of our Covid-19 recovery and return-to-campus

planning, with the aim of driving operational savings from enhanced optimisation and utilisation of the estate.

In terms of ensuring the safe return of students and staff to campus, our primary focus has included recommissioning of all buildings within the estate, undertaking and assisting in the formulation of risk assessments, ensuring adequate catering provision at each campus, implementing appropriate social distancing measures and cleaning regimes, adapting the timetable to cater for the blended learning delivery, ensuring adequate generic study spaces for student on campus, and facilitating appropriate public transport between campuses.

Some of our transformational projects this year include the move to a new catering model, with the catering service function to be outsourced from January 2022.

### SUPPORTING SUSTAINABILITY

We are ranked in the top ten of the People and Planet University League for the third year running, climbing by more than 110 places since 2011 as a result of our sustainability strategies, Biodiversity Action Plan, Carbon Management Plan and Environmental Management System.

This year we published our most ambitious Sustainability Strategy to date, our Sustainability and Climate Emergency Strategy (2021-2025), which 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 University received £5.8m of additional capital funding from HEFCW, £0.4m of which was spent on active decarbonisation projects related to the Sustainability Strategy. These fell into the category of active travel (£31k) and renewable energy (£380k). Further projects are planned including the installation of 1MW of renewable wind electricity and 300KW of renewable solar PV electricity at the Bay Campus, and a further 1MW of renewable solar PV electricity capacity and the installation of 2MW low carbon power and heat capacity at Singleton Campus.

In order to minimise waste, we established the UniGreenScheme, which enables us to collect and re-sell unwanted specialist equipment, with proceeds going directly back to the Faculties. We also participate in a free recycling programme designed for hard to recycle wastes including snack packets, coffee pods and writing instruments, (with proceeds donated to local charitable organisations). We have provided and incentivised reusable or more sustainable alternatives to single-use plastics on campuses, and have banned plastic buffet platters, straws and stirrers. We also participated in a successful city-wide waste and recycling campaign, and Wales' biggest recycling campaign 'Be Mighty, Recycle' launched by WRAP Cymru.

This year, we became the first 'Refill' university in Wales, collaborating with students and the local community to map over 80 publicly accessible free drinking water points across our campuses and in the surrounding area.

Through our SWell app, we engaged more than 50% of staff and have nudged behaviours towards lowering our individual and collective carbon footprints.

Finally, we increased knowledge of wildlife on campus and in the Site of Special Scientific Interest adjacent to the Bay Campus. We delivered a programme of walks, talks and other events, and published wildlife information sheets to encourage our community to get involved in studying and protecting nature on campus.

As a result of our commitment to sustainability, this year we have secured 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.



## Enhancing our digital infrastructure

In a year dominated by the pandemic, it was our digital provision that underpinned our ability to deliver teaching and to support our students and staff with new ways of learning and working. As our staff and students migrated to accessing more services, learning resources and teaching online, we invested in digital infrastructure and platforms to support learning and teaching, and to facilitate improved customer service through automation and increased self-service.

We also made good progress towards defining a blueprint for stable digital foundations, starting with a redesign of our network and a review of our cybersecurity controls to help safeguard the University's future digital delivery.

£5.8m of additional capital funding from HEFCW was used to accelerate investment in a number of estates and digital initiatives relating to the 'New Normal' resulting from COVID-19. £5.4m was used to fund enhancements to AV facilities, accelerate the purchase of PC's and other IT-related equipment. This investment will contribute to a more resilient workforce allowing the University to move to a more flexible and sustainable way of working.

We were also supported by significant investment through the HEFCW Higher Education Investment and Recovery programme, which allocated £0.9m towards digital provision, and which enabled us to accelerate the development and implementation of digital platforms particularly those that support our international student recruitment strategy.

Together, these funds enabled us to modify the design of audio-visual and desktop services and standards, established remote access to educational and administrative systems (with 2,750 PCs available to students remotely), and

introduced new tools to allow remote and hybrid education and administration, such as Panopto for lecture recording (17,860 users), Respondus for remote proctoring (1,748 students), and Calamari for leave and absence management (1,573 staff users).

We also consolidated the use of internet based "soft" phones to support telephone communication, particularly for colleagues working from home, and expanded our use of collaboration tools such as Microsoft Teams and Zoom, which is now supporting 11,337 active users in our University. Zoom has enabled 574,927 meetings and 117 webinars attended by 58,604 participants. We accelerated the implementation of the new Canvas learning environment, which has supported 7,386,888 sessions (a 53.72% increase on the previous year, when we used Blackboard). Our Canvas platform was accessed by colleagues and students from 177 different countries.

We also implemented new Engagement Analytics tools to help keep our students on track, as well as meeting our commitments for UKVI reporting. We addressed issues of digital disadvantage and poverty by increasing our pool of loan devices, as well as defining bandwidth limits for our educational content to help ensure that as many students as possible were able to access them remotely.

As Covid restrictions ease, our digital services will continue to provide the enabling infrastructure that supports us through the recovery, enabling access to blended and online learning opportunities for students, and to support our staff while they continue to work remotely.

## Financial Strategy

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 strategy has worked particularly well during the COVID pandemic as having a good level of cash reserves has helped to mitigate the risks created by the uncertainty during this period.

As we start to transition back to a more normal way of working, we will be directing our attention in the following areas:

- Funding capital investment, particularly in the estate and IT infrastructure, optimising the use of our own cash reserves, partnerships and grant funding.
- Keeping liquidity and debt ratios under close review to ensure we are managing our working capital efficiently.
- Continuing to review our processes and develop systems in order to improve efficiency and cost effectiveness.
- 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.

### FINANCIAL OUTLOOK

The unprecedented circumstances caused by the COVID pandemic, and which affected both 2019/20 and 2020/21, have been effectively managed by the University with an outstanding response from our staff and students. We have successfully transitioned to new ways of teaching and working during 2020/21 and we are now focussing on sustainable business operations.

The multi-year Operational Improvement Programme has delivered the expected outcomes. The work to bring the seven Colleges into three Faculties was implemented during 2020/21 and is driving transformational change across both academic delivery and Professional Service operations enabling further synergy expenditure savings, income growth and improvement in organisational efficiency and effectiveness. The level of strategic investment has been below what was originally forecast for the last two years, and a key objective now is to use the cash that has been generated to implement the estates and digital strategies and create a sustainable environment which is fit for the future.

The Senior Leadership Team has regularly reviewed the potential risks facing the University and these are summarised on pages 34-36.

Recruitment remains a significant risk but despite the impact of grade inflation on the Clearing and Confirmation activity, 2021/22 is looking encouraging with the January entry programmes providing additional opportunities for the forecast income growth, particularly in international students.

However, we have tested the assumptions in our forecasts by creating a number of scenarios which model the potential financial impact of a worst, best and realistic case for recruitment. This work has demonstrated that the University has appropriate mitigations in place to manage the impact of a range of plausible events, specifically sufficient cash reserves and headroom on banking covenants.

In light of this work the University is confident that it has reasonable expectations that it has adequate resources to continue in operation for the foreseeable future. For this reason, it continues to adopt the going concern basis for preparing the accounts.

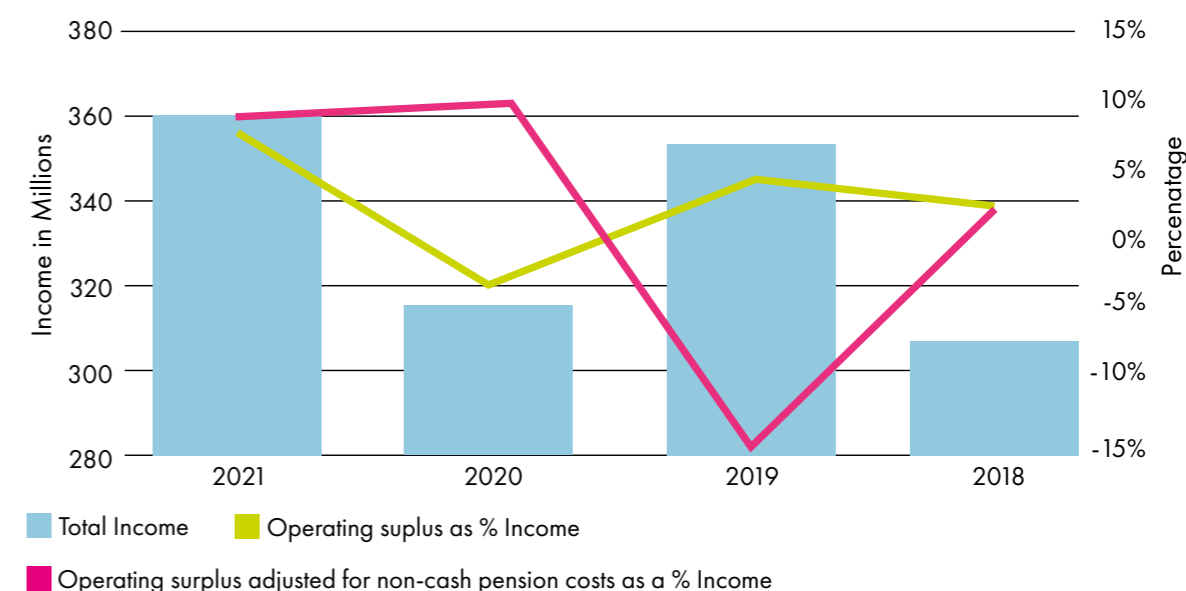
## FINANCIAL HIGHLIGHTS AND KEY FINANCIAL INDICATORS

<b>Income and Expenditure</b>	<b>2021</b>	<b>2020</b>	<b>Key financial indicators</b>	<b>2021</b>	<b>2020</b>
Income	<b>£361m</b>	£318m	Operating surplus as % income	<b>7.7%</b>	10.2%
Expenditure	<b>£333m</b>	£285m			
Operating Surplus	<b>£28m</b>	£32m			
<b>EBITDA</b>	<b>£66m</b>	£14m	EBITDA as % of income	<b>18.2%</b>	4.4%
<b>Cashflow</b>					
Net cash flow from operating activities	<b>£48m</b>	£16m	Net cash flow from operating activities as % of income	<b>13.3%</b>	5.0%
Cash at the end of the year	<b>£141m</b>	£97m	Liquidity days	<b>168</b>	136

### OVERVIEW

The University saw an operating surplus of £27.9m in the year to July 2021. This includes a non-cash pension credit of £4.3m (2020: £39.4m) and represents an increase from an adjusted deficit of £7.7m in 2020. This resulted in a net cash inflow from operating activities of £48.5m and cash increasing by 45% to £141.0m.

Income and Operating Surplus as a % of income



**Despite the financial challenges in 2021, the University's income increased by £43.2m to £360.8m.** Tuition fee income rose by 8% from £171.2m to £184.3m following an increase in student numbers, with funding body grants increasing by £23.1m (85%) following the additional grants received to assist both the University and students through COVID. Research income recovered, increasing from £56.2m to £62.1m (10%), after a fall in 2020 when research facilities closed temporarily during the COVID lockdown.

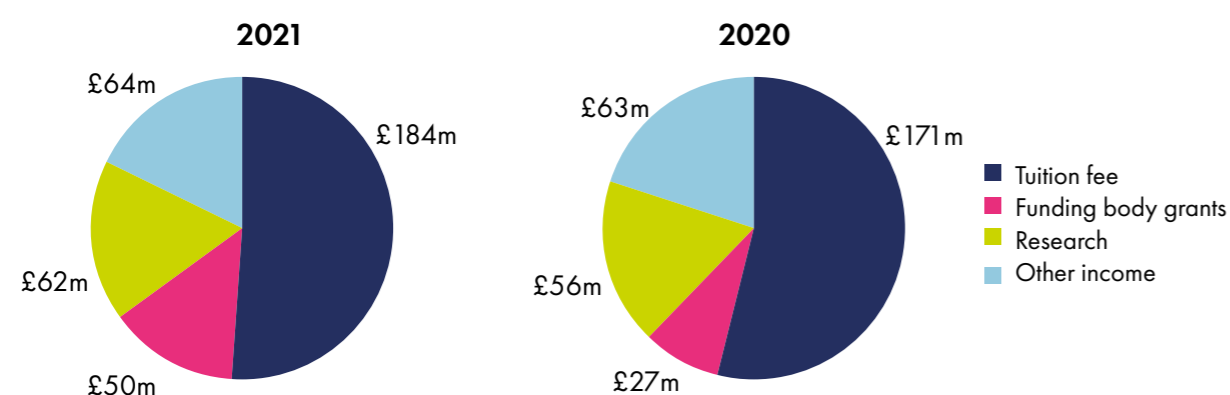
**Expenditure in 2021 was £332.9m which, after adjusting for the USS pension valuation movement, represented an increase of 4% from 2020.** Staff costs decreased in 2021 by 1% to £181.2m from £182.7m in 2020, whilst other operating expenditure increased by 12% from £103.3m to £116.0m.

The receipt of funding body grants totalling £10.6m to specifically support both the University and students through COVID significantly added to the increase in other operating expenditure in the year. Further restructuring costs of £6.0m were incurred during 2021 as the Voluntary Exit Scheme (VES) continued. During the year there was an increase in equipment capitalisation and a corresponding increase in depreciation in the year. Loan interest increased in 2021 due to the renegotiation of the EIB interest rates and the receipt of £7.3m SURE loan from the UK Government, whilst interest in total decreased due to lower pension charges.

**Net Assets increased by £40.5m whilst tangible fixed assets remained constant.** Capital spend on buildings remained at relatively low levels, with the significant spend being research funded, whilst capital spend on equipment increased. The drawdown of the SURE loan increased the loan balance, but the liability for the residential service concession arrangements continued to fall as the liability was unwound. Actuarial gains, changes to expected contributions and actual deficit contributions paid resulted in the pension provisions decreasing by £16.5m.

## INCOME

### Income by category



**Tuition fee income** increased by 8% to £184.3m. Student recruitment was better than expected with 437 students enrolling on 165 programmes made available from January 2021 and 40% of the total overseas postgraduate taught students enrolling for January entry. Overall, home tuition fee income increased by £9.4m mainly due to higher enrolments in September. Overseas fee income increased by £3.6m reflecting the success of the January entry programmes and a 3% average increase in fees.

	2021			2020
	SEPTEMBER ENTRY	JANUARY ENTRY	TOTAL ENTRY	SEPTEMBER ENTRY
Home Undergraduate	12,559	27	12,587	11,856
Home Postgraduate Taught	1,323	59	1,382	1,197
Home Postgraduate Research	641	-	641	610
NHS Commissioned	1,651	-	1,651	1,833
Overseas Undergraduate	1,371	71	1,442	1,498
Overseas Postgraduate Taught	389	280	668	630
Overseas Postgraduate Research	143	-	143	111
<b>Total</b>	<b>18,077</b>	<b>437</b>	<b>18,514</b>	<b>17,735</b>

**Funding body grants** increased by 85% to £50.4m as one off grant funding relating to COVID of £10.6m was received along with £10.6m of capital funding. 10,000 students were supported with a hardship payment from the £6.3m that was received specifically for this purpose. A further £0.8m was received to support students whilst self-isolating and quarantining. The University received £0.7m grant funding to contribute towards COVID including cleaning, PPE, outdoor spaces and a further £0.2m on self-service equipment.

**Research income** increased by £5.9m to £62.1m in the year to 31 July 2021, reflecting the continued success in expanding the research grant capture in recent years. Despite this increase, research work undertaken on individual grants was impacted by COVID reducing the planned amount of research work able to be undertaken in the year.

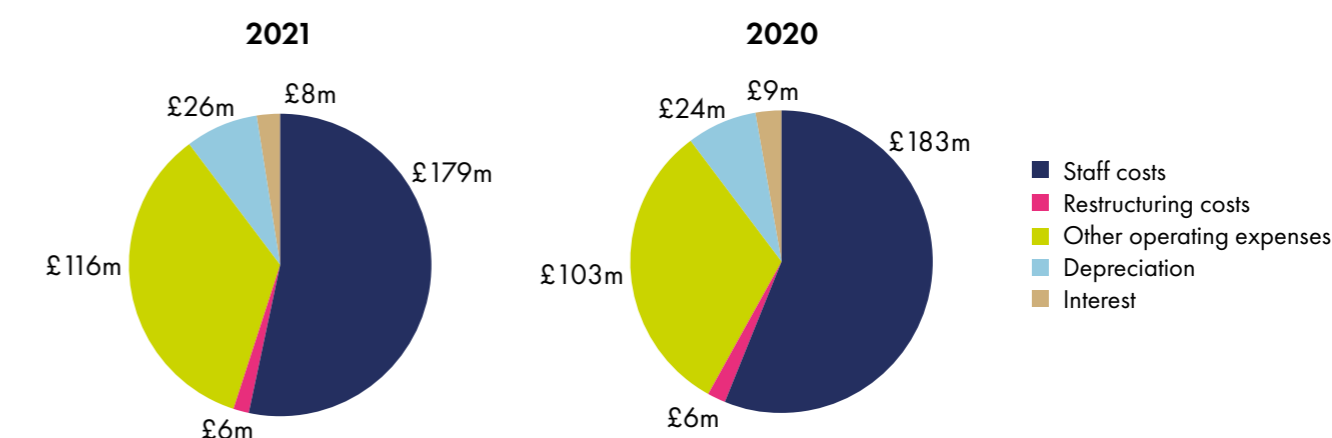
**Other income** reflected the impact of COVID on residences, catering and conference activities with this income decreasing by £1.4m in the year to £22.4m, which was a 19% decrease from 2019. Rent rebates totalling £2.7m were given to students who were unable to occupy their accommodation during the national lockdown from January to March 2021.

During the year the University received £0.4m in Government funding under the Coronavirus Job Retention Scheme (CJRS), a fall of £0.4m from 2020 reflecting the reduction in the number of staff furloughed from September 2020 onwards.

## EXPENDITURE

Expenditure in the year (excluding USS valuation adjustments) increased by £12.7m to £337.2m. Staff costs decreased by 1% following a two-year Voluntary Exit Scheme (VES) programme whilst non-pay expenditure increased by 12%. The University spent a further £6.0m on VES payments to staff during 2021, in addition to the £5.6m paid in 2020.

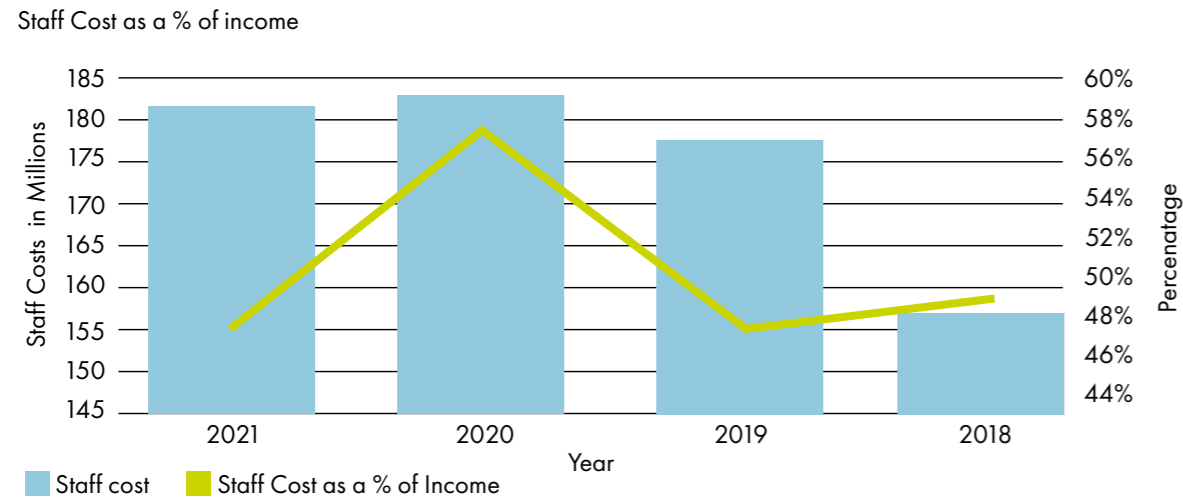
### Expenditure by category



**Staff costs** have reduced from £182.7m to £181.2m in the year to 31 July 2021. Salaries paid decreased by 3% to £128.2m with social security and pension costs remaining consistent with the previous year. Salary costs in the year fluctuate depending on roles given up under VES, pay awards granted by the University and through the NHS and the nature and duration of casual roles required or overtime worked in specific part time roles.

Staff full time equivalent (FTE) numbers remained almost constant at 3,627 with a decrease of 16 FTE in the year. Most of the posts lost through VES were from the 2021/22 year so the impact of this has not yet been seen in the staff numbers.

Staff costs as a percentage of income has decreased in the year from 58% to 50%. This decrease is due to the additional income received, in particular the COVID related funding body grants that was spent largely on non-pay.

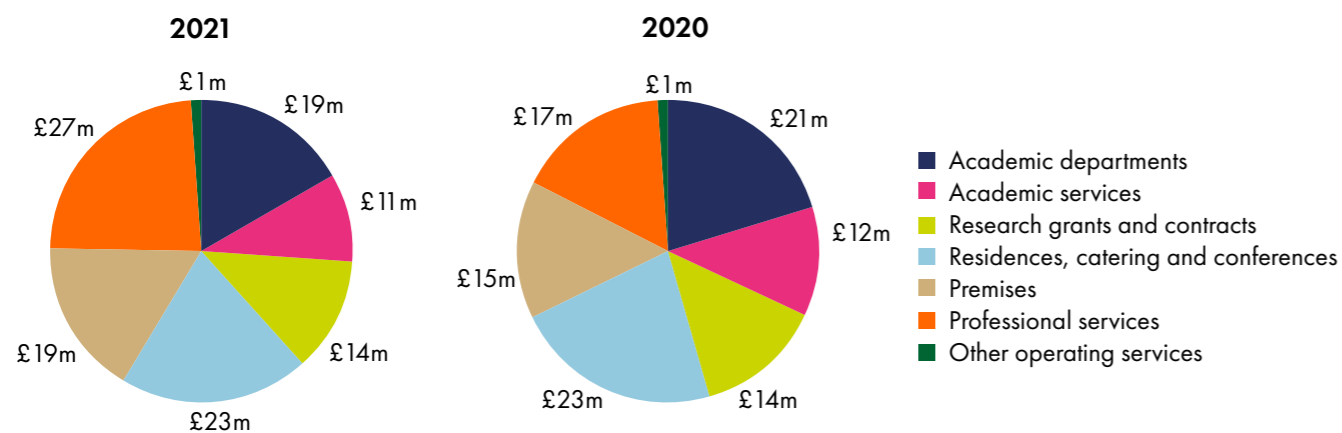


The **USS pension** charge or credit is calculated annually to reflect the estimated change in expected contributions and is based on the valuation and discount rates at 31 July. This is an accounting adjustment and not a cash transaction.

At 31 July 2021 this resulted in a credit and therefore a reduction in expenditure of £4.3m. This follows a USS credit in 2020 of £39.4m and a charge of £57.0m in 2019.

**Non-Pay expenditure** increased by 12.3% to £116.0m at 31 July 2021 from £103.3m in 2019/20. The continuation of the Operational Improvement Programme introduced in 2019 and the impact of COVID resulted in a reduction in the spend of the University's own funds. However, overall expenditure increased due to additional grant funding received in the year to address the expected impacts of COVID.

#### Non pay expenditure by activity



Non pay in Academic Departments decreased by £1.5m in the year mainly as a result of COVID whilst expenditure in Academic Services remained fairly consistent with 2020, along with residences, catering and conferences, albeit at reduced pre-COVID values from 2019.

Premises expenditure on repairs and maintenance in the year increased by £3.7m from the prior year following the freeze during 2020 on all non-critical works.

Non-pay within Professional Services increased significantly in the year from £17.4m to £26.6m. Professional services includes student related spend on health and sports facilities, bursaries, scholarships, and student funding as well as central functions such as Human Resources and Finance. An additional £8.8m was spent in the year on supporting students following grants received from HEFCW, with further HEFCW grant funding of £4.0m to support research related investment and recovery activities. An additional £0.3m was granted to the Students' Union and was used to provide COVID safe social and support initiatives. The University incurred costs of £0.8m relating directly to COVID, mainly on AV equipment, digital works and enhanced cleaning.

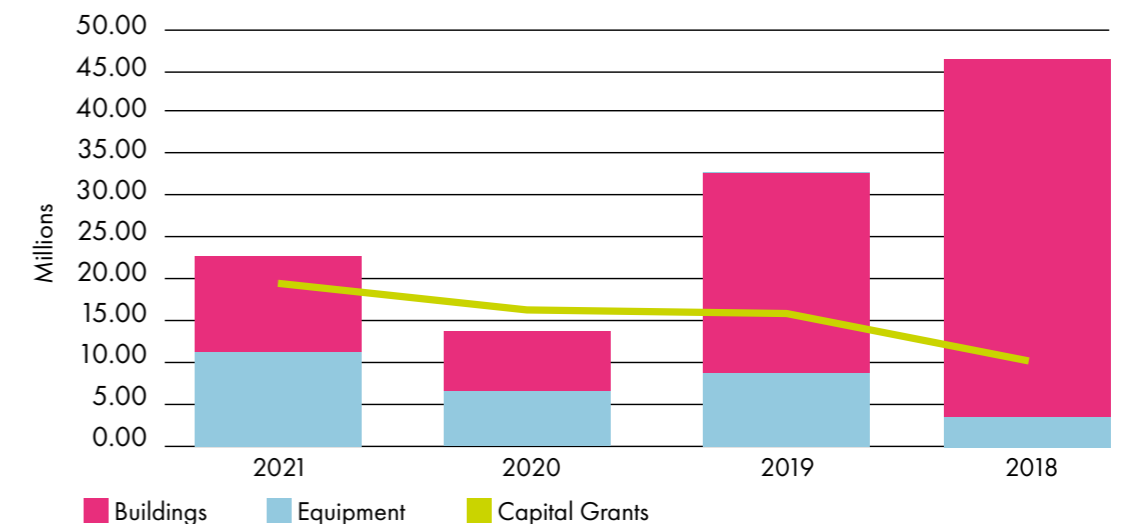
#### BALANCE SHEET

The University has a strong balance sheet with net assets increasing by £40.5m in the year to 31 July 2021. Non-current assets remained constant whilst current assets increased by £50.0m following an increase to both debtors (£6.1m) and cash (£43.7m). A new loan of £7.3m and an increase in grants received in advance of £18.0m contributed towards the increase in creditors of £25.3m, whilst the pension provision decreased by £16.5m.

#### CAPITAL EXPENDITURE AND CAPITAL GRANT RECEIPTS

**Capital expenditure** peaked in the years prior to 2018 with the creation and expansion of the Bay Campus. The Bay Campus continues to be expanded with new grant funded research buildings but at a significantly reduced rate. Non-critical and non-grant funded capital expenditure was frozen in March 2020 to mitigate the impact of COVID; this spend recommenced during 2021, but at a reduced level.

Capital Expenditure and Capital Grant Receipts





The main project during 2021 was the continuation of the build of The Centre for Integrative Semiconductor Materials (CISM) on the Bay Campus, which is a grant funded research facility (£7.7m). On Singleton Park Campus smaller projects were undertaken including work on facilities to teach the new Pharmacy programme (£1.1m) and the Institute of Creative Aging Industries Pilot Lab (£0.8m).

Capital expenditure on equipment increased in 2021 to £11.3m.

## CASH AND DEBT

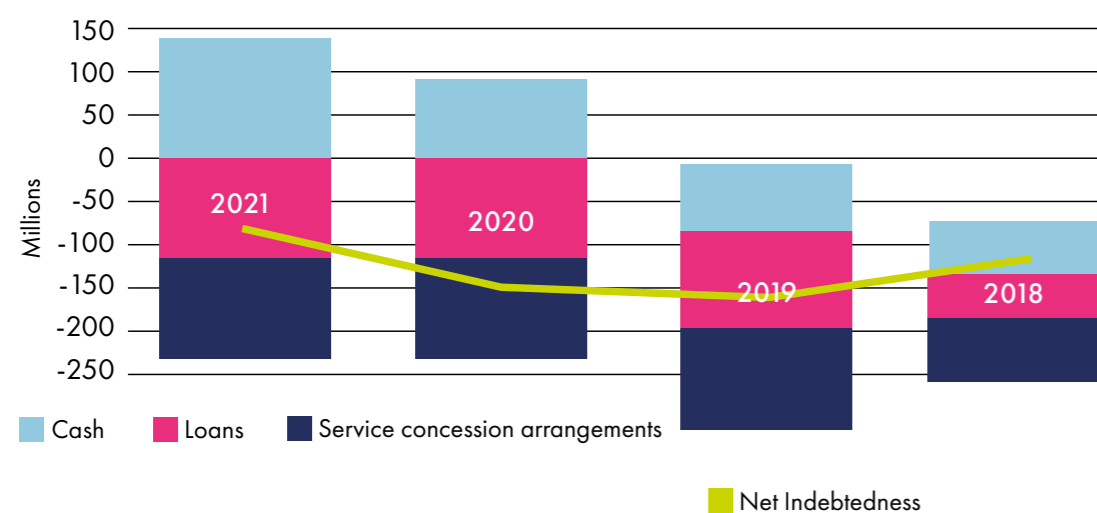
**Cash** increased to £141.0m at 31 July 2021, from £97.1m at 31 July 2020.

The University's financial strategy is to generate sufficient cash to provide resilience and to enable investment in the estate and infrastructure projects. During 2020/21 the University took a cautious approach to incurring costs focussing on essential spend and spend related to measures to support staff and students during the pandemic. The additional, one-off revenue and capital funding from Welsh and UK governments was very welcome and helped to mitigate a significant part of the COVID spend.

Operating expenditure did increase towards the end of the financial year resulting in an increase in accruals and cash, and significant research income was received in advance during the year which also contributed to the increase in cash and year end debtors.

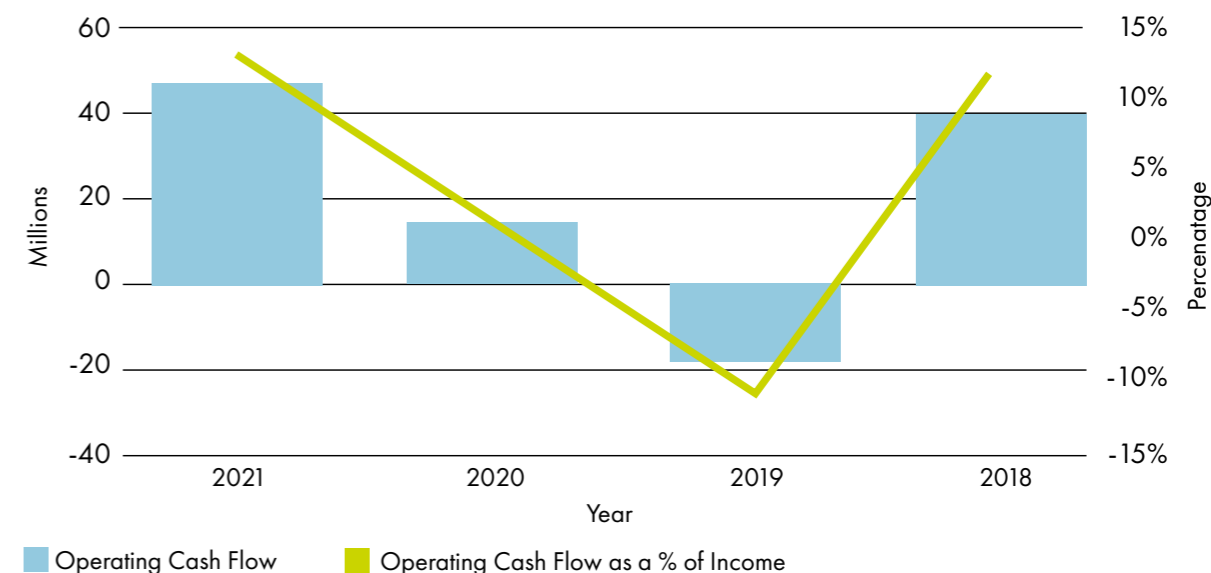
**Net debt** reached a four-year low at £95.0m due to the increase in cash at 31 July 2021 despite taking advantage of a Sustaining Research Expertise (SURE) loan of £7.3m from the Department for Business, Energy and Industrial Strategy.

Cash and debt £m



The service concession arrangement debt on the residences reduced to £122.0m at 31 July 2021 following the unwinding of the lease (£2.9m).

Operating cash flow £m



Net cash inflow from operating activities increased to £48.5m from £15.7m in 2019/20. As a percentage of income this is an increase from 4.9% in 2019/20 to 13.4% in 2020/21.

Net cash from operating activities is highly volatile, being impacted by large movements in debtors and creditors. An increase in creditors of £15.5m at 31 July 2021, was only partially offset by an increase in debtors of £6.6m and contributed towards the cash increase by £8.9m.

## PENSION PROVISIONS

The University is a member of the Universities Superannuation Scheme (USS) which provides pensions for academic and professional staff. As at the last triennial valuation in March 2018, the scheme has a deficit of £3.6bn. During the year the University's share of the deficit decreased from £49.0m to £43.0m following the payment of £2.1m in deficit contributions and a £3.9m movement in the provision to reflect the deficit recovery agreement, less interest costs.

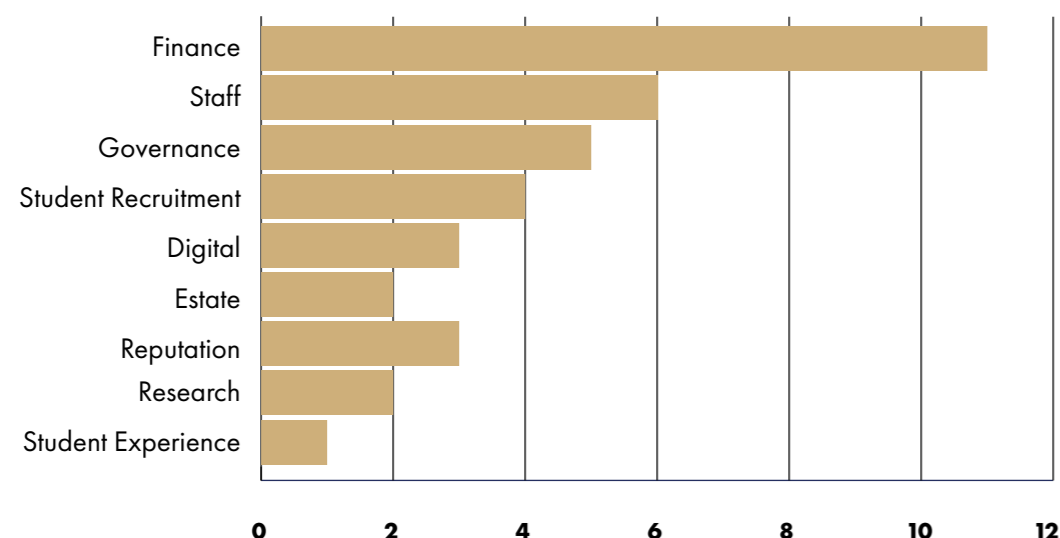
On 1st October 2021 the Trustees approved the latest triennial valuation. The latest valuation increases the University share of the deficit from £43.0m to £130.2m. The increase in the deficit follows a small increase in contribution rates and a longer deficit recovery period as a result of the decision to proceed with benefit change by the JNC.

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). This scheme is closed to new entrants. During the year the SUPS deficit decreased from £71.7m to £61.2m as a £12.6m gain in comprehensive income was recognised and deficit contributions paid.

The institutional risk register is reviewed regularly by the Senior Leadership Team and Audit, Assurance and Risk Committee, on behalf of Council.

The distribution of risks reflects the current external environment, most notably, the ongoing impact of COVID on finances, our operations and on our people.

### Number of University risks by category



However, the highest ranking risks from the University register, according to the residual risk score, reflect the long-term nature of causes such as COVID, changes to pension contributions and benefits, workload pressures, as well as the recognised need to invest in IT infrastructure.

### Key Risks

RISK TITLE	RISK DESCRIPTION	STRATEGIC OBJECTIVE	MITIGATING ACTIONS
IT - service delivery and resilience	Failure to invest in IT staffing, systems, infrastructure and hardware leads to local or widespread service failure, resulting in negative impacts on the delivery of services to staff and students, compliance breaches and damage to the University's reputation	We will expand and enhance our digital infrastructure and experiences that support our academic mission	<ul style="list-style-type: none"> <li>Implementation of the Digital Strategy</li> <li>Business case with options for delivery to be developed</li> <li>Development of IT infrastructure asset management plan</li> <li>Key new posts identified and appointed</li> <li>Creation of IT Disaster Recovery Plan</li> </ul>
Cyber Security	Inadequate information management controls leads to reduced ability to protect, process and access information, resulting in increased successful cyber-attacks, a loss of reputation, compliance breaches, fines and penalties and increased costs, (recovery)	We will expand and enhance our digital infrastructure and experiences that support our academic mission	<ul style="list-style-type: none"> <li>Cyber security review undertaken by external consultants</li> <li>Review of reporting and governance surrounding the information security function</li> <li>Business case with options for delivery to be developed</li> <li>Key new posts identified and appointed</li> <li>Review of access controls</li> </ul>

RISK TITLE	RISK DESCRIPTION	STRATEGIC OBJECTIVE	MITIGATING ACTIONS
Pension schemes	Overall affordability of defined benefit pension schemes – USS and the Swansea University Pension Scheme (SUPS) Potential changes to the USS arising from the 2020 valuation lead to significant increases in contribution rates / reduction in benefits, resulting in staff unrest, industrial action and disruption to service delivery	We will work with our community to find more ways to reward and recognise colleagues, and to encourage their personal and career development	<ul style="list-style-type: none"> <li>Engagement with the USS trustee consultations on the 2020 valuation</li> <li>Engagement with the Swansea University Pension Scheme trustees</li> <li>Continuation of the weekly engagement with campus unions</li> <li>Development of a communication strategy for staff, students and other stakeholders to include webinars, provision of information, case studies and Q &amp; A forum</li> <li>Seeking appropriate independent professional pension advice</li> <li>Review business continuity plans</li> </ul>
Staff morale and wellbeing	Sustained increased workloads arising from COVID, structural changes, the Transformation Programme and other initiatives lead to reduced staff morale, resulting in increased stress, absence and turnover, reduced wellbeing, engagement and productivity	We will work with our community to find more ways to reward and recognise colleagues, and to encourage their personal and career development	<ul style="list-style-type: none"> <li>Clear, timely and transparent communication with staff and Unions</li> <li>Health and wellbeing services being closely monitored</li> <li>'New normal' plans being developed to incorporate flexibility for employees</li> <li>Pulse surveys being carried out to elicit feedback from staff</li> <li>Leadership training being provided to ensure staff have appropriate skills</li> </ul>
Strategic relationships	Lack of centralised oversight, governance and co-ordination leads to failure to appropriately manage key strategic relationships, resulting in failure to optimise benefits and align to strategic objectives	We will build genuine local and regional partnerships that are based upon transparency, accountability and shared purpose, which will drive economic, social and cultural development in Wales and beyond	<ul style="list-style-type: none"> <li>Local registers of key stakeholders</li> <li>University level schedule of key relationships</li> <li>Review of relevant policies and processes to ensure they provide sufficient clarity, particularly around governance and need for transparency</li> </ul>
International student recruitment	Covid-19, Brexit, changes to international tax laws, challenges with internal admissions procedures and increased competition lead to inability to meet forecast international student recruitment numbers, resulting in reduced financial sustainability	We will plan responsibly to ensure that we are financially resilient and able to invest in the foundations that will support our core activities	<ul style="list-style-type: none"> <li>Appointment of PVC International</li> <li>International Strategy produced and approved</li> <li>Further TNE opportunities being explored</li> <li>Ongoing partnership with Navitas</li> <li>Taking advantage of opportunities to diversify markets</li> </ul>

RISK TITLE	RISK DESCRIPTION	STRATEGIC OBJECTIVE	MITIGATING ACTIONS
Home student recruitment	Covid-19, changes to A level exam process and increased competition lead to inability to meet forecast student recruitment numbers, resulting in reduced financial sustainability	We will plan responsibly to ensure that we are financially resilient and able to invest in the foundations that will support our core activities	<ul style="list-style-type: none"> <li>• Overview by the Recruitment and Conversion Strategy Board</li> <li>• Improved levels and targeting of marketing</li> <li>• Strategic move to focus on recruitment in year with less reliance on clearing</li> <li>• Review and renewal of recruitment of those from under-represented groups</li> </ul>
Financial sustainability	Poor implementation of plans leads to failure to generate the net income growth, release savings and improve ways of working, resulting in reduced reputational standing and impacting the financial sustainability of the University	We will plan responsibly to ensure that we are financially resilient and able to invest in the foundations that will support our core activities	<ul style="list-style-type: none"> <li>• Comprehensive business planning process including performance monitoring</li> <li>• Further monitoring via monthly management accounts</li> <li>• Performance reporting to Senior Leadership Team, Finance and Strategy Committee and Council</li> <li>• Dedicated project team supporting delivery of the Transformation programme</li> <li>• Strategic finance support from dedicated Business Partners</li> </ul>
COVID response and recovery	Covid-19 - response and recovery - continue to disrupt work of staff and students, resulting in long term impacts on staffing capacity/capability, student recruitment, teaching, research and financial sustainability	We will plan responsibly to ensure that we are financially resilient and able to invest in the foundations that will support our core activities	<ul style="list-style-type: none"> <li>• Covid-19 Operations Group evolved into Recovery Group, chaired by Registrar and COO to address specific issues</li> <li>• New policies and working practices developed to facilitate resumption of operations</li> <li>• Programme management in place to co-ordinate the work</li> <li>• Financial planning and modelling incorporating impact of scenarios, availability of contingencies and investment decisions</li> </ul>

## Corporate Governance and 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 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, each with clearly defined functions and responsibilities, to oversee and manage its activities:

### COUNCIL

The Council 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 is responsible for determining the strategic direction of the University, and for the finance, property, 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 2020/21, the Council held nine meetings, including five special meetings, that focused on governance, financial and regulatory

matters, extraordinary business and the COVID-19 pandemic. All except one of these meetings was held remotely. The Council has also received regular reports on the University's response to the COVID-19 pandemic.

The Council comprises independent (described as lay), staff and student members appointed in accordance with the Statutes 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. As the University is a registered charity Council also acts as the Board of Trustees and members of Council are also Charity Trustees. 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 role of the Chair of Council, which can only be undertaken by a lay member, is separate from the role of the University's Chief Executive, the Vice-Chancellor.

### 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 revised in 2020. 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 to ensure the Council continued to, and enhanced its alignment with the Code, and to ensure a fit-for-purpose Council. The majority of these have now been implemented including several key recommendations concerning the membership of Council, including reducing the membership of Council from 28 to 19,

which required amendments to the Statutes. These amendments were approved by the Privy Council in March 2021 and have now been implemented. The remaining recommendations will be considered alongside the recommendations from the independent review of governance in Wales, led by Gillian Camm (the Camm Review), published in February 2020. The next independent review of governance effectiveness is scheduled to be conducted during the 2022-23 academic year. In respect of the year ended 31 July 2021, 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 is committed to implementing the recommendations from the Camm Review many of which align with recommendations arising from the Council's own External Effectiveness Review and the action plan identified by HEFCW in December 2019. In September 2020, the Council formally adopted the Governance Charter for Universities in Wales and Commitment to Action published in response to the Camm Review. While some actions have been delayed due to the COVID-19 pandemic, good progress has been made through 2020/21 including:

- in relation to understanding culture, the University has developed a University Strategic Vision and Purpose, through a wide ranging consultation process involving staff and students across the University, which places people, values, culture and behaviour at its heart and has incorporated a Leadership, Cultures and Values work stream in the University Transformation Programme to expand on work already undertaken to align and to create a values approach that promotes Swansea University's culture and reflects the whole University. The University has also enhanced staff engagement through regular and timely communications, SLT webinars and Q&A sessions, Staff Wellbeing Surveys and a new Staff Intranet; and as part of the Internal Audit evaluation process identified areas which would benefit from cultural improvements;

- in relation to stakeholder engagement, the University has continued to engage with its key stakeholders including introducing weekly engagement meetings between the Trade Unions and the Executive and regular external meetings with the Local Authorities and Health Boards. The Council now has monthly informal meetings between the Trade Unions and the Chair of Council, is undertaking a review of the terms of reference of the Staff Consultative Committee in consultation with the Trade Unions, and during 2021/22 will review its practices in light of the anticipated good practice guide on stakeholder engagement. The University's Court also plays an important and influential role on behalf of the University's stakeholders;
- in relation to the size and shape of the Council, with the approval of the Privy Council (as set out above), the Council has amended the University's Statutes concerning the Council membership to reduce the membership, to ensure a lay member majority, to restrict the length of membership terms, and to enhance the Governance and Nominations Committee's role in leading on the appointment of all lay members. The Council has also reviewed and defined its governance roles and responsibilities for its statutory officer roles - the Chair of Council, the Pro-Chancellor and University Treasurer;
- in relation to ensuring effective strategic oversight, the Council has approved the University's new Strategic Vision and Purpose, and, with the agreement of Council, the Senior Leadership Team is developing key performance indicators and other methods through which progress will be measured and monitored. Council also has undertaken a review of Council Committees with reference to regulatory requirements and best practice across the sector. Due to the COVID-19 pandemic no Council away days were held during 2020/21, however, away days held in September and in October 2021 the former of which dealt specifically with the development of key performance indicators;
- in relation to lay governor independence and conflict management, the University implements a robust approach to the

identification and management of conflicts of interest for all staff, Council Members and any individual acting on behalf of the University. As part of the appointment process for prospective lay members of Council, individuals are required to make a declaration of interest which is reviewed by the Governance and Nominations Committee to ensure the individual has no vested interest which may affect their ability to challenge effectively and constructively and/or which may prevent them being appointed as a lay member of Council and/or as a Charity Trustee. Lay members of Council are required to make a declaration of interest on appointment to Council, to update their declaration whenever there is change, and to review their declaration at least annually. 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 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. 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 all 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 University's governing documents currently define 'independent' as not members of staff or registered students of the University. The Council is also reviewing its institutional practices in light of the guide on independence for lay members developed in response to the Camm Review;

- in relation to lay member recruitment, the Council is committed to promoting equality and diversity, and endeavours to be inclusive, valuing the diverse nature of its staff, students and community. The Council, on the recommendation of the Governance and Nominations Committee, has reviewed its recruitment and appointment processes for all members of Council including its lay members to ensure that it is clear and transparent, to enhance its commitment to equality, diversity and inclusivity, and to ensure that it has due regard for the overall skills and experience of the Council, as part of which a new skills and experience matrix for lay members has been introduced. Vacancies for lay members of the Council are advertised externally, with expressions of interest particularly welcome from under-represented groups. The Governance and Nominations Committee is responsible for overseeing the recruitment process, for considering expressions of interest against the Council's current skills and experience matrix to ensure that members possess the skills and experience that meet the Council's requirements, and for recommending new lay members to Council for approval;
- in relation to remuneration governance, following a review of its remuneration governance in July 2018 and Council's adoption of the CUC HE Senior Staff Remuneration Code, a further review its Remuneration Committee's terms of reference has been undertaken in light of the recommendations of the Camm Review and the outcomes of the independent UK review by Advance HE on behalf of CUC of the CUC Remuneration Code undertaken in November 2020;
- in relation to succession planning, following a review of Council Committees, Council has reviewed and enhanced the terms of reference of its Governance and Nominations Committee to include oversight for succession planning including reviewing the University's approach to Council member succession planning and monitoring succession planning for key University roles;
- in relation to diversity and inclusivity, in addition to work around lay member

recruitment (set out above), the University has enhanced the process for collecting and analysing data on the protected characteristics of all members of Council and other Council Committees and developed an enhanced/diversity report to enable the Governance and Nominations Committee to monitor diversity of each committee in order to inform its understanding of where to target activities for improving diversity. The Council's gender balance is currently 44% (male)/56% (female). The Committee will also review its institutional practices in light of the work being undertaken by the sector in Wales around the development of a diversity strategy, and recruitment and induction of Council members, and will report to Council on strategies to ensure that Council is reflective of the community it serves;

- in relation to risk management, the Audit, Assurance and Risk Committee exercises oversight of Internal Audit and risk management and the Council has reviewed and agreed revised terms of reference for the Committee based on guidance in the new CUC HE Audit Committee Code of Practice. During 2020, the University introduced a new risk management policy and framework ensuring that risks are aligned with the Strategic Vision and Purpose and are managed in accordance with the following core principles: clarity, scope, appropriate response, ownership, and responsibility and are assigned as strategic, operational and project. The Senior Leadership Team has also introduced a Strategic Opportunities Project Board which has oversight of all major projects, including their governance, business cases, and monitoring delivery. The Audit, Assurance and Risk Committee exercises oversight of Internal Audit, reviews the Internal Audit Strategy and the Audit Programme in the light of the University risk register, monitors the performance and effectiveness of Internal Audit annually and meets separately with Head of Internal Audit on a regular basis. The effectiveness of the internal audit function is reviewed as part of the External Audit. The Committee and the Chair of the Committee meet regularly with the Head of Internal Audit;
- in relation to whistleblowing, the Audit, Assurance and Risk Committee receives

standing reports at each meeting on actions taken under the University's ethical and other behaviors policies including whistleblowing. The University's Whistleblowing Policy, which is available to all staff on the University's website, has been reviewed to ensure it complies with guidance and legislation, and is fit for purpose, visible, easily accessible and user friendly. The Council will also receive an annual report related to whistleblowing;

- in relation to annual reporting, the University continues to make progress on implementing the new annual reporting template as recommended by the Camm Review;
- in relation to information, the University's Strategic Vision and Purpose sets out the University's overarching vision, as part of a tiered Strategic Plan approach, under which are a number of strategic pillars each of which will be supported by strategic enablers, which set out targets, activities and measures of success. The University is developing key institutional performance indicators to enable Council to evaluate the performance of the University against these targets, activities and measures identified;
- 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 2020/21 academic session, the Senate held three meetings all of which were held remotely. Senate has established five committees to assist it in discharging its responsibilities: Committee for Research and Innovation Strategy, Learning and Teaching Quality Committee, Recruitment and Admissions Committee, Research Integrity, Ethics and Governance Committee and Welsh Language Strategy Group.

### 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 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. Due to the COVID-19 pandemic, the Court last met on 4 February 2020.

### 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.

### COMMITTEES

The Council has established four governance committees, at which much of its detailed work is initially handled: an Audit, Assurance and Risk Committee; a Finance and Strategy Committee; a Governance and Nominations Committee; and a 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.

### 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. The Committee is chaired by the University Treasurer (Mr Goi Ashmore), a lay member of the Council appointed by the Council, and during 2020/21 its membership comprised of the Chair of Council (Mr Bleddyn Phillips), lay members of Council (Professor Edward David and Dr Angus Muirhead), co-opted lay members (Ms Amerjit Barret (from May 2021), Mr Huw Jones (until July 2021), Ms Jeannette McLellan (until January 2021), Mr Steve Smith, and Mr Eifion Williams (until March 2021)), the Vice-Chancellor (Professor Paul Boyle) and the Provost (Professor

Steve Wilks). During the year, three co-opted lay members stood down from the Committee having served for a number of years and one new member was appointed through the recruitment process for new lay members of Council. In line with HEFCW's Financial Management Code, there is no cross-representation between the Finance and Strategy Committee and the Audit, Assurance and Risk Committee.

The Committee normally meets six times a year. During 2020/21, the Committee held eight meetings, two of which were special meetings that focused on the financial issues around the COVID-19 pandemic. All except one of these meetings was held remotely. Attendance at meetings during the year was high with over 90% of members attending seven meetings and 80% attending on the other.

The Finance and Strategy Committee's 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.

During 2020/21, the Committee's business focused on financial sustainability challenges facing the University and the sector largely as a result of the COVID-19 pandemic, the management of key financial risks including cash flow management and financial commitments, business planning processes, strategic investment priorities and opportunities, pensions, facilities management contracts and the Estates Strategy. In response to the potential financial impact of the pension challenges facing the University and the sector, the Committee, with the approval of the Council, established a Pensions Sub-Committee to provide a strategic oversight, guidance and monitoring function in relation to all pensions related matters and to make recommendations to the Senior Leadership Team, Finance and Strategy Committee and Council as appropriate.

## 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. Following a review of Council Committees, Council approved revised terms of reference and membership for the Committee in July 2020 and in February 2021 updated the constitution to increase the number of lay members from two to three to ensure the Committee had a lay majority. The Committee is chaired by the Chair of Council (Mr Bleddyn Phillips) and during 2020/21 its membership comprised of the Pro-Chancellor (Sir Roderick Evans), lay members of Council (Ms Elin Rhys, Professor Keshav Singhal and Ms Anne Tutt), the Vice-Chancellor (Professor Paul Boyle), staff members appointed by Senate (Professor Elwen Evans QC and Professor Ryan Murphy) and the President of the Students' Union (Ffion Davies). The Committee normally meets four times a year. During 2020/21, the Committee held five meetings, one of which was a special meeting that focused on Council membership and recruitment key recommendations arising from the External Effectiveness Review of Council and the Camm Review. All meetings were held remotely. Attendance at meetings during the year was high with over 80% of members attending three meetings and 100% of members attending two meetings.

The Governance and Nominations Committee's 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.

During 2020/21 the Committee's business focussed on the implementation of the recommendations from the External Effectiveness of Council and the Camm Review, and the revised HE CUC Code of Governance. In particular, the Committee implemented revised recruitment and appointment processes for members of Council and Council Committees, oversaw the new declaration of interest processes and register for Council members, reviewed and recommended to Council amendments to the University's Ordinances on the role of the Secretary to Council, and reviewed and recommended to Council a new role descriptor and appointment process for the Pro-Chancellor role including considering the roles and responsibilities of a Senior Independent Governor as identified in the Camm Review.

## REMUNERATION COMMITTEE

The Remuneration 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. The Committee is aligned with the CUC Higher Education Senior Staff Remuneration Code (published in 2018) and publishes an annual report, which is available on the University website. The Committee has a wholly independent membership. It is chaired by a lay member of Council appointed by Council - Dr Angus Muirhead was appointed Chair in September 2020 replacing Mr Gordon Anderson whose term as a lay member of Council was coming to an end - and during 2020/21 its membership comprised of the Chair of Council (Mr Bleddyn Phillips), the Pro-Chancellor (Sir Roderick Evans) and a further lay member of the Council (Ms Elin Rhys). In July 2021, following a review of the constitution of the Committee, Council agreed to increase the number of lay members of Council on the Committee in total from 5 to 6 in line with sector practice and to appoint Professor Edward David and Professor Kathryn Monk as members of the Committee.

The Remuneration Committee's 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.

During 2020/21, the Committee held 4 meetings and the Committee's business focussed on considering and agreeing proposals regarding the remuneration process and remuneration arrangements for senior roles, discussing and agreeing the frequency of Remuneration Committee meetings and receiving reports on severance arrangements. All meetings were held remotely. Attendance at meetings during the year was high with 100% attendance at all four meetings.

## 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. All members of the Committee and its Chair are appointed by Council, on the recommendation of the Governance and Nominations Committee, and all members are independent of the University's management, although senior executives attend meetings as necessary. The Committee is chaired by a lay member of Council appointed by Council - Dr Kerry Beynon was appointed Chair in September 2020 replacing Mrs Rosemary Morgan whose term as a lay member of Council had come to an end - and during 2020/21 its membership comprised of lay members of Council (Mr Gordon Anderson until March 2021), Professor Kathryn Monk and Ms Anne Tutt (from October 2020)) and co-opted lay members (Ms Alison Vickers and Mrs Navjot Kalra (from June 2021)). 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.

The Committee normally meets four times a year. During 2020/21, the Committee held five meetings, one of which was a special meeting focussing on reviewing draft assurance and regulatory reports. All meetings were held remotely. Attendance at meetings during the year

was high with 100% of members attending four meetings.

The Committee's 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.

During 2020/21, the Committee's business focused on ensuring suitable arrangements were in place to ensure the sustainability of the University particularly in relation to the impact of the COVID-19 pandemic, internal and external audit arrangements including approving and monitoring annual audit plans, reviewing risk management arrangements and the implementation of a new risk framework, and overseeing the University's policies related to ethical and other behaviours. The Committee also reviewed its terms of reference and operation in light of the CUC HE Audit Committee Code of Practice published in May 2020, and which were approved by Council in November 2020.

### **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 process 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 an update

on risk at each of its meetings, the Finance and Strategy Committee receives updates on relevant risks at meetings and appropriate reports and recommendations 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.



## 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 our 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 Commissions public benefit guidance and supplementary guidance on the advancement of education.

### OUR COVID-19 RESPONSE

In addition to the research projects described above, we have continued to support our community through the pandemic.

Nearly a thousand of our healthcare and medical students volunteered their time to support the NHS. Our final year medical students were inducted as doctors after the General Medical Council offered early provisional registration, 662 nursing students were placed within the health boards, more than 100 paramedic students signed up to work with the Welsh Ambulance Service, and the entire third year of midwifery degree students assisted qualified midwives. The students' contributions were acknowledged by Santander, through Santander Universities, with a donation of £27,500 to provide vouchers to use in local businesses.

Our University, through the South West Wales Reaching Wider Partnership, helped more than a thousand pupils in South Wales during lockdown by providing educational activity packs and revision-based materials for GCSE students, and running two book clubs. The Swansea University Science for School's Scheme (S4) has also provided science outreach workshops for schools in South Wales and developed video and online content to keep pupils engaged during lockdown. The S4 team also printed and delivered hundreds of science workbooks to schools for Key Stage 3 pupils. We also provided 12 local schools with hand sanitiser produced by the SPECIFIC project team, who temporarily pivoted from producing

solar technology. The team also supplied the NHS, care homes and housing associations. Our student volunteering charity, Discovery SVS, was awarded two grants from Welsh Government, to aid the charity's supported volunteering scheme (which usually pairs student volunteers with disabled adults from the local community) and to create a Covid-secure food distribution scheme with local growers in Siavonga, Zambia.

We made Covid-related hardship payments to about 10,000 students and provided laptops, food parcels and other support through a scheme made possible by funding from the Higher Education Funding Council for Wales. At the start of semester two, the Faculty of Science and Engineering also loaned 3D printers to 70 students on a digital manufacturing module, enabling them to practice with the technology, build their own parts, and produce the work needed to complete their module.

### SUPPORTING WIDENING ACCESS

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. During lockdown, both programmes played an active role in supporting school and college pupils through delivering online sessions and posting out 'hands on' activity packs to pupils' homes including science experiments and wellbeing resources.

The Technocamps initiative delivers hands-on workshops for secondary schools to encourage pupils to take up computing and STEM subjects at GCSE, A-level and beyond. As the lead partner, our new STEM Academy (with funding support from the Welsh Government) hosted a week of free science-based activities on Singleton campus for pupils from Years 7 and 8.



The Further Maths Support Programme Wales provides a full range of activities and events for students in years 9-13 including Maths careers talks, study and revision days, problem solving workshops, as well as A/AS level mathematics and further maths support workshops for teachers. 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.

### **SUPPORTING HEALTH AND WELLBEING**

As the full scale of the pandemic started to evolve in March 2020, the MyUniSupport Team was established as single point of contact for students, staff and external partners in local Test, Trace and Protect teams, centralising the operational provision of all support needs for students, from basic living needs to targeted welfare and wellbeing provision. This provided a clear mechanism for communicating with students identified as COVID positive and those in their accommodation that also needed to isolate.

This support enabled students to continue their studies uninterrupted, while those struggling through illness, anxiety or isolation were provided with direct support. Isolating students received regular and targeted communications on support, with a wide range of well-being activities delivered online. On campus isolating students also received check-ins from Campus Security. Student feedback shows high levels of satisfaction and good levels of engagement levels with online wellbeing activities.

We were also pleased to be able to reopen our Health and Wellbeing Academy osteopathy services to the general public in September. Based at our Singleton Park Campus, the Academy offers a range of affordable and flexible services for a wide range of conditions including back pain, repetitive strain injury, arthritis, sports injuries, neck pain, postural problems and pain during pregnancy.

### **SUPPORTING SPORT AND CULTURE**

One of the overarching commitments set out in Swansea University: Our Strategic Vision and Purpose is to transform the Swansea Bay City

Region as the capital for sport in Wales. While the restrictions imposed during the coronavirus pandemic unfortunately resulted in a greatly reduced 'on field' programme for our student athletes, we used the opportunity to focus on the continued development and implementation of a new Sport Swansea: Active University Strategy. The short-term strategic framework covers the period up to 2023-24 and aims to build on recent performance, consolidate operations and provide a firm basis for sustainable growth and success across student sport. The Strategy is built with a 'sport for all' ethos across three core pillars ensuring our programmes reach everyone in the University community and remove barriers to participation:

**INSPIRE** - High performance sport

**ASPIRE** - Recreational and competitive sport

**ENGAGE** - Introductory activity and active lifestyles

Central to our vision and aspiration is the sport and leisure infrastructure which will provide the environment and catalyst to develop programmes and opportunities for the University and regional community. We have continued to develop our facilities with additional sport provision at the Bay Campus (due for completion in early 2022) including full size, hard surface MUGA and gym annex, and replacement of our water-based hockey pitch at Sketty Lane with an exclusive Tokyo 2020 specification surface, which provides Wales' premier hockey facility. Work is also ongoing to progress a City Deal initiative to develop new facilities for Sport and Exercise Science, Life Sciences and SportsTech innovation at our Swansea Bay Sports Park on Sketty Lane.

We have renewed/continued all our key strategic and performance partnerships with Swansea City AFC, Ospreys, Scarlets, Hockey Wales, Swim Wales, Welsh Rugby Union and Table Tennis Wales. Swansea University was the front of shirt sponsor for Swansea City Football Club in the 2020/21 season, and has renewed its sponsorship for the 2021/22 season. The partnership has secured significant positive publicity for the club and the University, as it is seen as a welcome move away from teams being

sponsored by betting companies. The University also retains its status as Swansea City's exclusive Higher Education partner.

We have secured funding for a Wales-wide research project to help enhance the performance of Welsh athletes. The Welsh Institute of Performance Science, led by Swansea University and involving industry partners, has already been in operation for five years and helped drive the success of Wales's Commonwealth Games athletes. A new grant of £440,000 from Sport Wales will allow its research to continue for a further four years.

A number of our students and alumni represented Great Britain at the Tokyo Olympic Games alumni, and we were also pleased to host the Wales Women's rugby team during their preparations for their Six Nations match against Scotland. Our Futsal team were crowned Welsh Champions and made an inaugural appearance in the UEFA Champions League, and we have appointed James Hook (former Welsh international and British and Irish Lions rugby player) as Attack Coach for our University rugby team.

In terms of our cultural offering, although our theatres and cinema were closed due to the pandemic, we have continued to support initiatives such as the annual Swansea University Dylan Thomas Prize. The University's activity at the Hay Festival, included talks on what the history of influenza can teach us about living with COVID-19, and a conversation between the actor Michael Sheen, former Plaid Cymru leader Leanne Wood, and Professor Daniel G Williams about the life, work, and continued relevance of the writer Raymond Williams.

We were also proud to be part of a landmark project to publish a digital collection of manuscripts, notebooks and photographs relating to Dylan Thomas, in collaboration with the Harry Ransom Center at The University of Texas, which holds the largest collection in the world of transcripts and letters by the Swansea-born poet and dramatist.

### **SUPPORTING PUBLIC ENGAGEMENT**

Our Oriel Science exhibition reopened in May at a new venue in the heart of Swansea city

centre. Open on weekends and during school holidays, the free exhibition highlights some of our University's world-class research.

This year, the Swansea Science Festival, in partnership with the Waterfront Museum, was held online, enabling us to deliver a diverse programme of events to people around the world. More than 30 live and pre-recorded events explored topics ranging from our planet and the future of the universe, to time travel, dreams, machines, and some of the world's deadliest animals. Special guests included Professor Brian Cox, Steve Backshall, David Baddiel, Konnie Huq, Iolo Williams and Lyn Evans.

Our Cultural Institute was chosen as one of four hubs for Being Human 2020, the UK's only national festival of the humanities, which took place in November. This year's theme was 'New Worlds', timed to reflect on the radical global changes of 2020, from the COVID-19 pandemic to the Black Lives Matter protests and the US election.

We were also proud to partner with Amgueddfa Cymru – National Museum Wales to support a free exhibition about the life of actor Richard Burton. The exhibition featured Burton's diaries, papers and personal objects on display for the public for the very first time.

# Independent auditors' report to the Council of Swansea University (the "institution")

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### OPINION

In our opinion, Swansea University's group financial statements and institution financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and the institution's affairs as at 31 July 2021, and of the group's and institution's income and expenditure, gains and losses, and changes in reserves and of the group cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements, included within the Financial Review 2021 (the "Annual Report"), which comprise: the consolidated and institution Statements of Financial Position as at 31 July 2021; the consolidated and institution Statements of Comprehensive Income, the consolidated and institution Statements of Changes in Reserves and the consolidated Statement of Cash Flow for the year then ended; and the Statement of Principal Accounting Policies; and the notes to the financial statements.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the

financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### INDEPENDENCE

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### CONCLUSIONS RELATING TO GOING CONCERN

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and institution's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Council's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group and institution's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Council with respect to going concern are described in the relevant sections of this report.

### REPORTING ON OTHER INFORMATION

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Council is responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly

stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

### ANNUAL REPORT

Under the Charities Act 2011 we are required to report to you if, in our opinion, the information given in the Annual Report is inconsistent in any material respect with the financial statements. We have no exceptions to report arising from this responsibility.

### RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT RESPONSIBILITIES OF THE COUNCIL FOR THE FINANCIAL STATEMENTS

As explained more fully in the Statement of Council's Responsibilities in Respect of the consolidated financial statements set out on page 54, the Council is responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Council is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Council is responsible for assessing the group and institution'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 the Council either intends to liquidate the group and institution or to cease operations, or has no realistic alternative but to do so.

### AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

We are eligible to act and have been appointed as auditors under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the institution and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Charities Act 2011, the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992, the Financial Management Code issued under the Higher Education (Wales) Act 2015 and employment and health and safety legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011, the Statement of Recommended Practice

– Accounting for Further and Higher Education and HEFCW’s Accounts Direction to Higher Education Institutions for 2020/21 (W21/19HE). We evaluated management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed included:

- Discussions with management to enquire of any known instances of non-compliance with Laws and Regulations and Fraud
- Reading board minutes for evidence of breaches of regulations and reading relevant correspondence
- Challenging assumptions and judgements made by management in their significant accounting estimates
- Identifying and testing journal entries, in particular journal entries posted with unexpected account combinations
- Incorporating unpredictability into the nature, timing and/or extent of our testing

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors’ report.

#### USE OF THIS REPORT

This report, including the opinions, has been prepared for and only for the institution’s Council

as a body in accordance with Section 4 of the Charters and Statutes of the institution and section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### OTHER REQUIRED REPORTING OPINION ON OTHER 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 THE FINANCIAL MANAGEMENT CODE ISSUED UNDER THE HIGHER EDUCATION (WALES) ACT 2015

In our opinion, in all material respects:

- the requirements of HEFCW’s accounts direction have been met;
- funds from whatever source administered by the institution for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by HEFCW have been applied in accordance with the HEFCW Financial Management Code, the Memorandum of Assurance and Accountability and any other terms and conditions attached to them; and
- funds provided by HEFCW have been used for the purposes for which they were received.

#### SUFFICIENCY OF ACCOUNTING RECORDS AND INFORMATION AND EXPLANATIONS RECEIVED

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

- sufficient accounting records have not been kept by the institution; or

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

We have no exceptions to report arising from this responsibility.



PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
29 November 2021



## Statement of Council's Responsibilities in respect of the consolidated financial statements

The Council is responsible for preparing the Annual Report and Financial Statements in accordance with applicable law and regulations and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland").

In accordance with the University's Charter and Statutes, the Council is responsible for the administration and management of the affairs of the University, including ensuring an effective system of internal control is in place and maintained, and is required to present audited Financial Statements for each financial year.

The Council is responsible for keeping proper accounting records which disclose with reasonable

accuracy, at any time the financial position of the University and Group, and to ensure that the financial statements are prepared in accordance with the University's Charter and Statutes; the Accounts Direction issued by the Higher Education Funding Council for Wales (HEFCW); the Statement of Recommended Practice on Accounting for Further and Higher Education, the Charities Act 2011 and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability and a Financial Management Code agreed between the Council of the University and HEFCW, the Council, through the Vice-Chancellor as its designated officer, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and Group of the surplus or deficit and cash flows for that year.

In preparing these financial statements, the Council has ensured that:

- suitable accounting policies were selected and applied consistently;
- judgements and estimates were made that were reasonable and prudent;
- applicable accounting standards were followed, subject to any material departures disclosed and explained in the financial statements;
- financial statements were prepared on the going-concern basis, unless it is inappropriate to presume that the University group will continue in operation.

The Council is satisfied that the University and Group has adequate resources to continue in operation for the foreseeable future; for this reason, the going-concern basis continues to be adopted in the preparation of the financial statements.

The Council has taken reasonable steps to:

- ensure that funds from HEFCW are used only for the purposes for which they have been given and in accordance with the Memorandum of Assurance and Accountability with HEFCW, and any other conditions which HEFCW may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources (see further detail under Principal Risk and System of Internal Controls in the Corporate Governance Statement section);
- safeguard the assets of the University and the Group to prevent and detect fraud;
- secure the economical, efficient and effective management of the resources and expenditure of the University and its subsidiaries.

The key elements of the University and the Group's system of internal control, which is designed to discharge the responsibilities set out above, include the following:

- clear definitions of the responsibilities of, and the authority delegated to, heads of academic and professional services departments;
- a comprehensive medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets, the overall budget being approved by the Council;
- regular reviews of financial results involving variance reporting and updates of forecast out-turns;
- clearly defined and formalised requirements for approval and control of expenditure, with significant investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal by the Finance and Strategy Committee;
- comprehensive financial regulations, detailing financial controls and procedures, approved by the Finance and Strategy Committee; and
- a professional Internal Audit service whose annual programme is approved by the Audit, Assurance and Risk Committee and whose head provides the Council, through the Audit, Assurance and Risk Committee with a report on internal audit activity within the University and an opinion on the adequacy and effectiveness of the University's system of internal control, including internal financial control.

Any system of internal control can, however, only provide reasonable, but not absolute, assurance against material misstatement or loss.

The Council has reviewed the key risks to which the University is exposed together with the operating, financial and compliance controls that have been implemented to mitigate these risks. The Council is of the view that there is a formal on-going process for identifying, evaluating and managing the University's significant risks that has been in place for the year ending 31 July 2021 and up to the date of approval of the financial statements.

Mr Bleddyn Phillips, Chair of Council  
29 November 2021

## COUNCIL MEMBERSHIP FOR THE YEAR ENDED 31 JULY 2021

On 31 March 2021 the Privy Council approved amendments to the University's Statutes concerning the membership of Council. The Council membership prior to, and following these amendments being implemented are set out below.

### Council membership prior to 30 March 2021

MEMBER CATEGORY	ROLE	MEMBER	START TERM	END OF TERM	ATTENDANCE <sup>1</sup>
Lay	Chancellor	Professor Dame Jean Thomas	01.01.18	31.12.21	(7/7)
Lay	Pro-Chancellor and Chair of Council	Mr Bleddyn Phillips	13.12.19	12.12.23	(7/7)
Lay	Pro-Chancellor	Sir Roderick Evans	01.04.17	31.03.21	(5/7)
Lay	Treasurer	Mr Goi Ashmore	01.08.20	31.07.24	(7/7)
Staff	Vice-Chancellor	Professor Paul Boyle	26.07.19	25.07.24	(7/7)
Staff	Pro-Vice-Chancellors	Provost Professor Steve Wilks Professor Martin Stringer	30.12.18 01.09.19	31.12.22 31.08.23	(7/7) (5/7)
Lay	Six Members appointed by and from the Court of Swansea University	Mr Gordon Anderson Mrs Jill Burgess Professor Edward David Professor Kathryn Monk Ms Elin Rhys	30.01.17 30.01.18 04.02.20 27.01.18 04.02.20	31.01.21 31.01.22 03.02.24 26.01.22 03.02.24	(7/7) (7/7) (7/7) (6/7) (7/7)
Staff	Four members of the academic staff appointed by and from Senate	Professor Nuria Lorenzo-Dus Professor Joy Merrell Dr Ryan Murphy Dr Sian Rees	01.12.18 19.10.16 04.07.19 04.07.19	30.11.22 18.10.20 03.07.23 03.07.23	(6/7) (7/7) (7/7) (6/7)
Lay	Six members co-opted by the Council of Swansea University	Dr Kerry Beynon Mrs Rosemary Morgan Dr Angus Muirhead Ms Anne Tutt Mrs Marcia Sinfield Professor Keshav Singhal	04.02.20 10.09.19 21.03.20 06.07.20 01.12.20 01.12.20	03.02.24 10.09.20 20.03.24 05.07.24 30.11.24 30.11.24	(6/7) (0/1) (7/7) (7/7) (3/4) (4/4)
Staff	Two employees of Swansea University nominated by the University's recognised Trades Unions	Mr Adrian Jenkins Professor Sue Jordan	27.09.19 11.09.19	29.07.21 10.09.23	(7/7) (7/7)
Staff	President and Sports Officer of the Students' Union	Ms Ffion Davies	01.07.20	30.06.21	(7/7)

### Council membership from 31 March 2021

MEMBER CATEGORY	ROLE	MEMBER	START TERM	END OF TERM	ATTENDANCE <sup>2</sup>
Lay	Pro-Chancellor and Chair of Council	Mr Bleddyn Phillips	13.12.19	12.12.23	(2/2)
Lay	Pro-Chancellor	Sir Roderick Evans	01.04.21	31.03.25	(2/2)
Lay	Treasurer	Mr Goi Ashmore	01.08.20	31.07.24	(1/2)
Staff	Vice-Chancellor	Professor Paul Boyle	26.07.19	25.07.24	(2/2)
Staff	Two members of the academic staff appointed by Senate	Professor Nuria Lorenzo-Dus Dr Sian Rees	01.12.18 04.07.19	30.11.22 03.07.23	(2/2) (2/2)
Lay	Nine Members co-opted by the Council	Dr Kerry Beynon Professor Edward David Professor Kathryn Monk Dr Angus Muirhead Ms Elin Rhys Ms Anne Tutt Mrs Marcia Sinfield Professor Keshav Singhal	04.02.20 04.02.20 27.01.18 21.03.20 04.02.20 06.07.20 01.12.20 01.12.20	03.02.24 03.02.24 26.01.22 20.03.24 03.02.24 05.07.24 30.11.24 30.11.24	(2/2) (2/2) (2/2) (2/2) (2/2) (2/2) (2/2) (2/2)
Staff	Two employees of Swansea University as prescribed by the Ordinances	Mr Adrian Jenkins Professor Sue Jordan	27.09.19 11.09.19	29.07.21 10.09.23	(2/2) (2/2)
Student	President of Students' Union and one other member appointed by the Students' Union	Ms Ffion Davies Ms Theresa Ogbekhiulu Ms Katie Phillips Ms Liza Leibowitz	01.07.20 31.03.21 01.07.21 01.07.21	30.06.21 30.06.21 30.06.22 30.06.22	(1/1) (1/1) (0/1) (1/1)

# Statement Of Principal Accounting Policies

## 1. 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**

## 2. 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 (2020 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 31 July 2021, 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.

## 3. 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 31 July 2021. 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.

Joint ventures 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.

## 4. 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.

## 5. 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 31 July 2021.

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.

## 6. 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.

## 7. 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.

The group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan. 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.

## 8. 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 31 July is recognised as a creditor for administrative staff. There is no creditor for unused annual leave for academics as no obligation exists.

## 9. 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.

## 10. 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.

## 11. 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.

## 12. 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.

## 13. 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 FRS102 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.

## 14. 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.

## 15. 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 31 July each year.

## 16. 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.

## 17. STOCK

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

## 18. 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.

## 19. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

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

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

A contingent liability arises from a past event that gives the University a possible obligation



whose existence will only be confirmed by the occurrence or otherwise of 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.

## **20. ACCOUNTING FOR JOINT OPERATIONS, JOINTLY CONTROLLED ASSETS AND JOINTLY CONTROLLED OPERATIONS**

The University accounts for its share of joint ventures 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.

## **21. 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.

## **22. 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.

## **23. 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 FRS102. 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 FRS102 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 30.

Management 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 funding plan in existence at the date of approving the 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 2017 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.

# Financial Statements for the year ended 2021

## CONSOLIDATED AND INSTITUTION STATEMENTS OF COMPREHENSIVE INCOME YEAR ENDED 31ST JULY 2021

	NOTES	CONSOLIDATED		UNIVERSITY	
		YEAR ENDED 31 JULY 2021	YEAR ENDED 31 JULY 2021	YEAR ENDED 31 JULY 2020	YEAR ENDED 31 JULY 2020
		£000	£000	£000	£000
<b>INCOME</b>					
Tuition fees and education contracts	1	184,265	184,265	171,197	171,197
Funding body grants	2	50,416	50,416	27,310	27,310
Research grants and contracts	3	62,074	62,074	56,184	56,184
Other income	4	63,572	62,787	61,934	61,047
Investment income	5	87	87	631	631
Donations and Endowments	6	339	339	249	249
<b>Total income</b>		<b>360,753</b>	<b>359,968</b>	317,505	316,618
<b>EXPENDITURE</b>					
Staff costs	7	181,194	180,887	182,735	182,376
USS change in contributions	7	(4,250)	(4,250)	(39,368)	(39,368)
Restructuring costs	7	5,952	5,952	5,612	5,612
Other operating expenses		116,010	115,267	103,303	102,820
Depreciation	11	26,401	26,270	23,871	23,738
Interest and other finance costs	8	7,613	7,610	8,936	8,934
<b>Total expenditure</b>	9	<b>332,920</b>	<b>331,736</b>	285,089	284,112
<b>Surplus before other gains, losses and share of operating of joint ventures and associates</b>		<b>27,833</b>	<b>28,232</b>	32,416	32,506
Gain/ (Loss) on disposal of tangible assets		68	68	(530)	(530)
Gain/ (loss) on investments	14/22	250	(111)	82	181
Share of operating (deficit) in associate	14	(236)	(236)	(254)	(254)
<b>Surplus before taxation</b>		<b>27,915</b>	<b>27,953</b>	31,714	31,903
Taxation	10	(14)	-	(14)	-
<b>Surplus for the year</b>		<b>27,901</b>	<b>27,953</b>	31,700	31,903
<b>Other Comprehensive Income/(Expense)</b>					
Actuarial gain/(loss) in respect of pension schemes	31	12,600	12,600	(10,800)	(10,800)
<b>Total comprehensive income for the year</b>		<b>40,501</b>	<b>40,553</b>	20,900	21,103
<b>Represented by:</b>					
Endowment comprehensive income for the year	22	524	524	207	207
Unrestricted comprehensive income for the year		41,009	41,061	21,725	21,928
Revaluation reserve comprehensive (expense) for the year		(1,032)	(1,032)	(1,032)	(1,032)
		<b>40,501</b>	<b>40,553</b>	20,900	21,103

All items of income and expenditure relate to continuing activities.  
The accompanying notes and policies on pages 68 to 93 form part of these financial statements

## CONSOLIDATED AND INSTITUTION STATEMENTS OF CHANGE IN RESERVES YEAR ENDED 31ST JULY 2021

	INCOME AND EXPENDITURE RESERVE		REVALUATION RESERVE	TOTAL
	ENDOWMENT	UNRESTRICTED	£000	£000
	£000	£000	£000	£000
<b>CONSOLIDATED</b>				
<b>At 1 August 2019</b>	6,774	105,905	45,718	<b>158,397</b>
Surplus from the income and expenditure statement	207	31,493	-	<b>31,700</b>
Other comprehensive expense	-	(10,800)	-	<b>(10,800)</b>
Transfers between revaluation and income and expenditure reserve	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	-	-	-	-
<b>At 31 July 2020</b>	<b>6,981</b>	<b>127,630</b>	<b>44,686</b>	<b>179,297</b>
<b>At 1 August 2020</b>	<b>6,981</b>	<b>127,630</b>	<b>44,686</b>	<b>179,297</b>
Surplus from the income and expenditure statement	569	27,332	-	<b>27,901</b>
Other comprehensive income	-	12,600	-	<b>12,600</b>
Transfers between revaluation and income and expenditure reserve	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	(45)	45	-	-
<b>Total comprehensive Income/(expense) for the year</b>	<b>524</b>	<b>41,009</b>	<b>(1,032)</b>	<b>40,501</b>
<b>At 31 July 2021</b>	<b>7,505</b>	<b>168,639</b>	<b>43,654</b>	<b>219,798</b>
<b>UNIVERSITY</b>				
<b>At 1 August 2019</b>	6,774	106,294	45,718	<b>158,786</b>
Surplus from the income and expenditure statement	207	31,696	-	<b>31,903</b>
Other comprehensive expense	-	(10,800)	-	<b>(10,800)</b>
Transfers between revaluation and income and expenditure reserve	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	-	-	-	-
<b>At 31 July 2020</b>	<b>6,981</b>	<b>128,222</b>	<b>44,686</b>	<b>179,889</b>
<b>At 1 August 2020</b>	<b>6,981</b>	<b>128,222</b>	<b>44,686</b>	<b>179,889</b>
Surplus from the income and expenditure statement	569	27,384	-	<b>27,953</b>
Other comprehensive income	-	12,600	-	<b>12,600</b>
Transfers between revaluation and income and expenditure reserve	-	1,032	(1,032)	-
Release of endowment and restricted funds spent in the year	(45)	45	-	-
<b>Total comprehensive income/(expense) for the year</b>	<b>524</b>	<b>41,061</b>	<b>(1,032)</b>	<b>40,553</b>
<b>At 31 July 2021</b>	<b>7,505</b>	<b>169,283</b>	<b>43,654</b>	<b>220,442</b>

**CONSOLIDATED AND INSTITUTION STATEMENTS OF FINANCIAL POSITION AT 31ST JULY 2021**

	NOTES	CONSOLIDATED 31 JULY 2021 £000	UNIVERSITY 31 JULY 2021 £000	CONSOLIDATED 31 JULY 2020 £000	UNIVERSITY 31 JULY 2020 £000
<b>NON-CURRENT ASSETS</b>					
Tangible assets	11	451,533	450,590	451,902	450,834
Heritage assets	11	945	945	945	945
Investments	14	288	-	452	-
Investments in subsidiaries	14	-	1,929	-	2,389
Investments in associates	14	1,780	1,780	2,016	2,016
		<b>454,546</b>	<b>455,244</b>	<b>455,315</b>	<b>456,184</b>
<b>CURRENT ASSETS</b>					
Stocks	15	124	28	158	13
Trade and other receivables	17	45,680	45,309	39,551	39,127
Investments	16	5,269	5,269	4,855	4,855
Cash and cash equivalents		140,960	140,638	97,389	97,117
		<b>192,033</b>	<b>191,244</b>	<b>141,953</b>	<b>141,112</b>
Less creditors falling due within one year	18	(97,400)	(96,665)	(70,640)	(70,076)
<b>NET CURRENT ASSETS</b>		<b>94,633</b>	<b>94,579</b>	<b>71,313</b>	<b>71,036</b>
<b>Total assets less current liabilities</b>		<b>549,179</b>	<b>549,823</b>	<b>526,628</b>	<b>527,220</b>
Creditors: amounts falling due after more than one year	19	(225,212)	(225,212)	(226,657)	(226,657)
<b>PROVISIONS</b>					
Pension provision	21	(104,169)	(104,169)	(120,674)	(120,674)
<b>Total net assets</b>		<b>219,798</b>	<b>220,442</b>	<b>179,297</b>	<b>179,889</b>
<b>RESTRICTED RESERVES</b>					
Income and expenditure reserve - endowment reserve	22	7,505	7,505	6,981	6,981
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve - unrestricted		168,639	169,283	127,630	128,222
Revaluation reserve		43,654	43,654	44,686	44,686
<b>Total reserves</b>		<b>219,798</b>	<b>220,442</b>	<b>179,297</b>	<b>179,889</b>

The financial statements were approved by Council on 29 November 2021 and were signed on its behalf on that date by:  
The accompanying notes and policies form part of these financial statements.



Professor P Boyle (Vice-Chancellor)



B. Phillips (Chair of Council)

**CONSOLIDATED STATEMENT OF CASH FLOW YEAR ENDED 31ST JULY 2021**

	NOTES	2021 £000	2020 £000
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Surplus for the year before taxation		27,915	31,714
<b>ADJUSTMENT FOR NON-CASH ITEMS</b>			
Depreciation	11	26,401	23,871
Service Concession Income		(9,466)	(9,466)
Service Concession Interest		3,141	3,221
Gain on Investments		(250)	(82)
Decrease/(increase) in stock		34	(32)
(Increase)/decrease in debtors		(6,565)	12,838
Increase/(decrease) in creditors		15,477	(10,559)
Decrease in pension provisions		(3,905)	(38,704)
Share of operating deficit in associate		236	254
<b>ADJUSTMENT FOR INVESTING OR FINANCING ACTIVITIES</b>			
Investment income		(87)	(631)
Capital grant income		(10,552)	(3,538)
Interest payable		6,251	6,299
Endowment Income		(88)	(4)
(Gain) / Loss on the sale of tangible assets		(68)	530
<b>Cash flows from operating activities</b>		<b>48,474</b>	<b>15,711</b>
Taxation		(14)	(14)
<b>Net cash inflow from operating activities</b>		<b>48,460</b>	<b>15,697</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Capital grant receipts		19,262	16,296
Proceeds from sales of tangible assets		350	-
Payments made to acquire tangible assets		(22,890)	(14,308)
Proceeds from disposal of non-current investments		-	40
Investment income		87	631
		<b>(3,191)</b>	<b>2,659</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(3,110)	(3,078)
Interest element of finance lease and service concession arrangements		(3,141)	(3,221)
New endowments		88	4
Liquidation of endowments		-	225
New unsecured loans		7,297	-
Repayment of amounts borrowed		(2,976)	(2,093)
		<b>(1,842)</b>	<b>(8,163)</b>
<b>Increase in cash and cash equivalents in the year</b>		<b>43,427</b>	<b>10,193</b>
Cash and cash equivalents at beginning of the year		97,136	86,943
Cash and cash equivalents at end of the year		<b>140,563</b>	<b>97,136</b>

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 ST JULY 2021

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>1 TUITION FEES AND EDUCATION CONTRACTS</b>				
Full - time home and EU students	126,333	126,333	116,697	116,697
Full - time international students	40,115	40,115	36,027	36,027
Part - time students	2,919	2,919	3,719	3,719
Educational contracts with the NHS	14,664	14,664	14,439	14,439
Non-accredited course fees	234	234	315	315
	<b>184,265</b>	<b>184,265</b>	171,197	171,197

To generate the full - time home and EU tuition fee the University has spent £4.1 million (2020: £5.4 million) in relation to bursaries in accordance with the fee plan.

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>2 FUNDING BODY GRANTS</b>				
Grant received in year - recurrent	23,379	23,379	21,294	21,294
	<b>23,379</b>	<b>23,379</b>	21,294	21,294
<b>Specific grants received in year</b>				
Student Hardship	8,805	8,805	-	-
Higher Education Investment Recovery Fund - digital	1,494	1,494	-	-
Other	6,186	6,186	2,268	2,268
Capital	10,552	10,552	3,748	3,748
	<b>27,037</b>	<b>27,037</b>	6,016	6,016
	<b>50,416</b>	<b>50,416</b>	27,310	27,310

Income from capital grants includes £2,473k in respect of buildings (2020: £3,478) and £8,079k in respect of equipment (2020: £0k). There was no released of deferred capital grants brought forward (2020: £0).

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>3 RESEARCH GRANTS AND CONTRACTS</b>				
Research Councils	20,248	20,248	16,071	16,071
UK-based charities	2,359	2,359	2,644	2,644
UK industry and commerce	3,500	3,500	3,293	3,293
Government (UK and overseas)	33,981	33,981	32,414	32,414
Other	1,986	1,986	1,762	1,762
	<b>62,074</b>	<b>62,074</b>	56,184	56,184

There is no income from capital grants in respect of buildings within Research grants and contracts in 2021 (2020: £0)

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>4 OTHER INCOME</b>				
Residences, catering and conferences	22,383	22,383	23,746	23,746
Other services rendered	3,493	3,493	3,957	3,957
Other capital grants	-	-	1,353	1,353
Income from service concession agreements	9,466	9,466	9,466	9,466
Other income	15,564	14,779	14,639	13,752
NHS income in respect of the College of Medicine	11,837	11,837	8,279	8,279
Research Council full-time Doctoral/Collaborative Training Award	829	829	494	494
	<b>63,572</b>	<b>62,787</b>	61,934	61,047

During the year, the University received £595k from the Coronavirus Job Retention Scheme (2020: £1,041k).

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>5 INVESTMENT INCOME</b>				
Investment income on endowments	92	92	141	141
Interest from short-term investments	(5)	(5)	490	490
	<b>87</b>	<b>87</b>	631	631

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>6 DONATIONS AND ENDOWMENTS</b>				
New endowments	88	88	4	4
Unrestricted donations	251	251	245	245
	<b>339</b>	<b>339</b>	249	249

	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>7 STAFF COSTS</b>				
<b>The staff costs for the financial year were:</b>				
Salaries	130,679	130,372	132,358	131,999
Social security costs	14,225	14,225	14,035	14,035
Other pension costs	36,290	36,290	36,342	36,342
<b>Total staff costs</b>	<b>181,194</b>	<b>180,887</b>	182,735	182,376
<b>USS change in contributions</b>	<b>(4,250)</b>	<b>(4,250)</b>	(39,368)	(39,368)
<b>Restructuring costs</b>	<b>5,952</b>	<b>5,952</b>	5,612	5,612

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 £5,952k (2020: £5,612K) includes all requests that had been approved by the Registrar, Director of Finance, Director of HR and Head of Legal Services and accepted by the individual member of staff at 31 July 2021.

A further breakdown of pension costs has been included in note 31, Pensions Schemes.

	2021 £000	2020 £000
<b>Total remuneration of the Vice-Chancellor:</b>		
Salary	303	293
Employer pension contributions	6	6
	<b>309</b>	<b>299</b>
<b>Other Taxable Benefits:</b>		
Subsidised accommodation and associated costs	20	19
University car and associated costs	-	24
Other benefits	5	9
	<b>25</b>	<b>52</b>

## 7 STAFF COSTS - CONTINUED

Decisions on the reward of the Vice-Chancellor are made by the University's Remuneration Committee taking account of the breath of leadership and financial responsibilities and delivery against the University's strategic objectives. Benchmarking against comparator universities is also undertaken.

The University took the decision not to pay any performance related pay during 2020/21. The Vice-Chancellors salary remains unchanged from the previous year.

On 23 April 2020, the Council of the University agreed to dispose of the Vice-Chancellor's Residence and consequently the Remuneration Committee agreed that from 22 March 2021, the University will pay to the Vice-Chancellor an accommodation allowance of £15,000 per annum. 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 (2020: 8.3 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 9.3 times the median total remuneration of staff (2020: 9.9 times), where the median total remuneration is calculated on a full-time equivalent basis for the total remuneration by the University to its staff.

### 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:

	UNIVERSITY 2021 NUMBER	UNIVERSITY 2020 NUMBER
--	------------------------------	------------------------------

### In 2021 there were 59 higher paid members of staff (2020: 61)

£100,000 - £104,999	10	13
£105,000 - £109,999	7	9
£110,000 - £114,999	12	4
£115,000 - £119,999	4	7
£120,000 - £124,999	7	3
£125,000 - £129,999	1	4
£130,000 - £134,999	3	2
£135,000 - £139,999	-	7
£140,000 - £144,999	1	-
£145,000 - £149,999	1	2
£150,000 - £154,999	2	1
£155,000 - £159,999	2	1
£160,000 - £164,999	1	1
£165,000 - £169,999	1	1
£170,000 - £174,999	-	-
£175,000 - £179,999	1	1
£180,000 - £184,999	2	2
£185,000 - £189,999	-	-
£190,000 - £194,999	1	1
£195,000 - £199,999	1	2
£200,000 - £204,999	1	-
£205,000 - £209,999	1	-
Compensation totaling £1,005k was payable during the year to higher paid earners (2020: £0), split between ten higher paid staff.		
<b>Compensation for loss of office payable to higher paid staff:</b>	<b>£000</b>	<b>£000</b>
Compensation and severance paid to University higher paid staff	<b>1,005</b>	-
Number of University higher paid staff who received compensation or severance	<b>10</b>	-

## 7 STAFF COSTS - CONTINUED

### Average number of staff

The average number of staff employed during the year expressed as FTE (full-time equivalents):

	2021 NUMBER FTE	2020 NUMBER FTE
Academic	1,128	1,111
Research	490	452
Management and specialist	956	972
Technical	156	159
Other	897	949
	<b>3,627</b>	<b>3,643</b>

### 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, Provost, Pro-Vice-Chancellors, the Registrar, Director of Finance and the Faculty Deans.

	2021 £000	2020 £000
	<b>1,703</b>	<b>954</b>

### KEY MANAGEMENT PERSONNEL

The Key Management Personnel comprise of the members of the Senior Management Team. Following the creation of Faculties, three new Executive Dean PVCs were created, heading up each Faculty. This increased the members of the Senior Leadership Team from six to nine. One further PVC joined the Senior Leadership team in August 2021 taking the current number of Key Management Personnel to ten.

During the year, there were a number of changes to the Senior Leadership Team. The Three Executive Dean PVCs were appointed to their new roles in September 20 joining the Senior Leadership Team, along with the PVC for Research who joined the University in August 20. The Registrar left the University in May 2021, with the Interim Registrar commencing work in July 2021.

	NOTES	CONSOLIDATED 2021 £000	UNIVERSITY 2021 £000	CONSOLIDATED 2020 £000	UNIVERSITY 2020 £000
<b>8 INTEREST AND OTHER FINANCES</b>					
Loan interest		3,110	3,107	3,078	3,076
Finance leases including service concession arrangements		3,141	3,141	3,221	3,221
Unwinding of USS discount factor		362	362	1,437	1,437
Net pension interest cost	31	1,000	1,000	1,200	1,200
		<b>7,613</b>	<b>7,610</b>	<b>8,936</b>	<b>8,934</b>

9 ANALYSIS OF EXPENDITURE BY ACTIVITY

	CONSOLIDATED 2021					UNIVERSITY 2021					CONSOLIDATED 2020					UNIVERSITY 2020				
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	
	Pay	Non Pay	Interest	Depreciation	Total	Pay	Non Pay	Interest	Depreciation	Total	Pay	Non Pay	Interest	Depreciation	Total	Pay	Non Pay	Interest	Depreciation	Total
Academic departments	92,577	19,277	-	3,279	115,133	92,577	19,277	-	3,279	115,133	97,238	20,757	3	2,600	120,598	97,238	20,757	4	2,600	120,599
Academic services	12,124	11,500	-	1,197	24,821	12,124	11,500	-	1,197	24,821	13,057	11,960	-	-	25,017	13,057	11,960	-	-	25,017
Research grants and contracts	32,912	14,469	-	7,077	54,458	32,912	14,469	-	7,077	54,458	32,004	13,993	-	6,995	52,992	32,004	13,993	-	6,995	52,992
Residences, catering and conferences	1,925	23,438	-	-	25,363	1,925	23,438	-	-	25,363	2,895	23,349	-	-	26,244	2,895	23,349	-	-	26,244
Premises	4,334	18,686	3,100	7,632	33,752	4,334	18,686	3,100	7,632	33,752	5,159	15,047	3,071	7,079	30,356	5,159	15,047	3,071	7,079	30,356
Professional services	33,046	26,589	6	22	59,663	33,046	26,589	6	22	59,663	30,055	17,420	-	-	47,475	30,055	17,420	-	-	47,475
USS change in contributions	(4,250)	-	362	-	(3,888)	(4,250)	-	362	-	(3,888)	(39,368)	-	1,437	-	(37,931)	(39,368)	-	1,437	-	(37,931)
Other operating expenses	10,228	2,051	4,145	7,194	23,618	9,921	1,308	4,142	7,063	22,434	7,939	777	4,425	7,197	20,338	7,580	294	4,422	7,064	19,360
<b>Total expenditure</b>	<b>182,896</b>	<b>116,010</b>	<b>7,613</b>	<b>26,401</b>	<b>332,920</b>	<b>182,589</b>	<b>115,267</b>	<b>7,610</b>	<b>26,270</b>	<b>331,736</b>	<b>148,979</b>	<b>103,303</b>	<b>8,936</b>	<b>23,871</b>	<b>285,089</b>	<b>148,620</b>	<b>102,820</b>	<b>8,934</b>	<b>23,738</b>	<b>284,112</b>

OTHER OPERATING EXPENSES INCLUDE:

2021  
£000

2020  
£000

Service concession arrangements	10,204	10,283
Restructuring costs	5,952	5,612

During the year the Institution undertook significant restructuring which resulted in £5,936k (2020: £5,612k) in compensation for loss of office (see note 7).

EXTERNAL AUDITORS REMUNERATION	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2021	2021	2020	2020
	£000	£000	£000	£000
Audit of the University and its subsidiaries	96	73	107	83
Audit related assurance services	16	16	52	52
Taxation compliance services	7	-	6	-
Taxation advisory services	7	7	21	21
<b>Total non-audit services</b>	<b>30</b>	<b>23</b>	<b>79</b>	<b>73</b>

NOTES CONSOLIDATED UNIVERSITY CONSOLIDATED UNIVERSITY  
2021 2021 2020 2020  
£000 £000 £000 £000

10 TAXATION

Recognised in the statement of comprehensive income

CURRENT TAX

Current tax expense	14	-	14	-
<b>Total tax expense</b>	<b>14</b>	<b>-</b>	<b>14</b>	<b>-</b>

## 11 NON-CURRENT ASSETS - FIXED ASSETS - CONSOLIDATED

	FREEHOLD LAND AND BUILDINGS	SERVICE CONCESSION ARRANGEMENTS	FIXTURES, FITTINGS AND EQUIPMENT	VESSELS	ASSETS IN THE COURSE OF CONSTRUCTION	HERITAGE ASSETS	TOTAL
	£000	£000	£000	£000	£000	£000	£000
<b>COST</b>							
At 1 August 2020	369,361	154,202	44,031	1,566	4,302	945	574,407
Additions	-	3,424	9,570	-	13,320	-	26,314
Transfers	2,457	-	347	-	(2,804)	-	-
Disposals	(350)	-	-	-	-	-	(350)
<b>At 31 July 2021</b>	<b>371,468</b>	<b>157,626</b>	<b>53,948</b>	<b>1,566</b>	<b>14,818</b>	<b>945</b>	<b>600,371</b>
<b>CONSISTING OF VALUATION AS AT:</b>							
At 31 July 2021	43,654	-	-	-	-	-	43,654
Cost	327,814	157,626	53,948	1,566	14,818	945	556,717
<b>At 31 July 2021</b>	<b>371,468</b>	<b>157,626</b>	<b>53,948</b>	<b>1,566</b>	<b>14,818</b>	<b>945</b>	<b>600,371</b>
<b>ACCUMULATED DEPRECIATION</b>							
At 1 August 2020	52,746	38,722	30,019	73	-	-	121,560
Charge for year	11,536	7,063	7,739	63	-	-	26,401
Disposals	(68)	-	-	-	-	-	(68)
<b>At 31 July 2021</b>	<b>64,214</b>	<b>45,785</b>	<b>37,758</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>147,893</b>
<b>CARRYING AMOUNT</b>							
At 31 July 2021	<b>307,254</b>	<b>111,841</b>	<b>16,190</b>	<b>1,430</b>	<b>14,818</b>	<b>945</b>	<b>452,478</b>
At 1 August 2020	<b>316,615</b>	<b>115,480</b>	<b>14,012</b>	<b>1,493</b>	<b>4,302</b>	<b>945</b>	<b>452,847</b>

## NON - CURRENT ASSETS - FIXED ASSETS - UNIVERSITY

	FREEHOLD LAND AND BUILDINGS	SERVICE CONCESSION ARRANGEMENTS	FIXTURES, FITTINGS AND EQUIPMENT	VESSELS	ASSETS IN THE COURSE OF CONSTRUCTION	HERITAGE ASSETS	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>COST</b>							
At 1 August 2020	369,361	154,202	42,035	1,566	4,302	945	572,411
Additions	-	3,424	9,564	-	13,320	-	26,308
Transfers	2,457	-	347	-	(2,804)	-	-
Disposals	(350)	-	-	-	-	-	(350)
<b>At 31 July 2021</b>	<b>371,468</b>	<b>157,626</b>	<b>51,946</b>	<b>1,566</b>	<b>14,818</b>	<b>945</b>	<b>598,369</b>
<b>CONSISTING OF VALUATION AS AT:</b>							
31st July 2014	43,654	-	-	-	-	-	43,654
Cost	327,814	157,626	51,946	1,566	14,818	945	554,715
<b>At 31 July 2021</b>	<b>371,468</b>	<b>157,626</b>	<b>51,946</b>	<b>1,566</b>	<b>14,818</b>	<b>945</b>	<b>598,369</b>
<b>ACCUMULATED DEPRECIATION</b>							
At 1 August 2020	52,746	38,722	29,091	73	-	-	120,632
Charge for year	11,536	7,063	7,608	63	-	-	26,270
Disposals	(68)	-	-	-	-	-	(68)
<b>At 31 July 2021</b>	<b>64,214</b>	<b>45,785</b>	<b>36,699</b>	<b>136</b>	<b>-</b>	<b>-</b>	<b>146,834</b>
<b>CARRYING AMOUNT</b>							
At 31 July 2021	<b>307,254</b>	<b>111,841</b>	<b>15,247</b>	<b>1,430</b>	<b>14,818</b>	<b>945</b>	<b>451,535</b>
At 1 August 2020	<b>316,615</b>	<b>115,480</b>	<b>12,944</b>	<b>1,493</b>	<b>4,302</b>	<b>945</b>	<b>451,779</b>

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 31 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. At 31st July 2021, freehold land and buildings included £16.5 million (2020: £16.5 million) in respect of freehold land which is not depreciated.

Following review of tangible assets, no impairment was considered necessary in 2021 (2020: £0)

## 12 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

## 13 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 31 July 2021 is £111,841k (31 July 2020 £115,480K).

The reduction of £3,639k is as a result of £7,063K 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 31 July 2021 were £122,015K (31 July 2020 £124,916K). Liabilities were reduced by £6,325K 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 £2,901K.

### 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	6,408	12,838	102,769	122,015
Finance charge	3,058	11,329	40,170	54,557
	<b>9,466</b>	<b>24,167</b>	<b>142,939</b>	<b>176,572</b>

Prior to conversion of the Financial Statements to reflect FRS102, 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.

### 13 SERVICE CONCESSION ARRANGEMENTS - CONTINUED

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.

### 14 NON-CURRENT INVESTMENTS

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2021	2021	2020	2020
	£000	£000	£000	£000
Investment in associates	1,780	1,780	2,016	2,016
Investment in subsidiaries	-	1,929	-	2,389
Other investments	288	-	452	-
	<b>2,068</b>	<b>3,709</b>	<b>2,468</b>	<b>4,405</b>

#### INVESTMENT IN ASSOCIATE

The Institution holds the following 50% investments in both Swan Global Education LLP (2020: 50%) and Wales National Pool Swansea (2020: 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.

At 1 August 2020	2,016	2,016	2,270	2,270
Share of (loss) retained by associate	(236)	(236)	(254)	(254)
At 31 July 2021	1,780	1,780	2,016	2,016

#### INVESTMENT IN SUBSIDIARY

At 1 August 2020	-	2,389	-	2,389
Additions	-	65	-	-
Impairment	-	(525)	-	-
At 31 July 2021	-	1,929	-	2,389

The £65k addition relates to capital investment in the wholly owned subsidiary SU Pathway College Ltd.

The Dylan Thomas Prize Ltd ceased trading on 31st July 2021 with all assets being donated to the University as a restricted gift prior to this date.

### 14 NON-CURRENT INVESTMENTS - CONTINUED

#### OTHER INVESTMENTS

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2021	2021	2020	2020
	£000	£000	£000	£000
At 1 August 2020	452	-	591	-
Additions	117	-	-	-
Disposals	(50)	-	(25)	-
Impairment	-	-	69	-
Revaluations	(231)	-	(183)	-
At 31 July 2021	<b>288</b>	<b>-</b>	<b>452</b>	<b>-</b>

#### OTHER INVESTMENTS CONSIST OF:

At fair value:				
Market securities	181	-	354	-
At cost less impairment:				
Group investments in spin outs	107	-	98	-
	<b>288</b>	<b>-</b>	<b>452</b>	<b>-</b>

#### 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 ADDRESS	PRINCIPLE ACTIVITY	HOLDING	SHAREHOLDING
Gower Innovations Ltd	Swansea University, SA1 8EN	Other manufacturing not elsewhere classified	Ordinary shares	20%
SPMicrotech Ltd	C/O Azets, SA7 9FS	Dormant	Ordinary shares	20%
Trovinos Ltd	C/O Azets, SA7 9FS	Dormant	Ordinary shares	20%
Grove Nanomaterials Ltd	C/O Azets, SA7 9FS	Dormant	Ordinary shares	20%
Reflex Ltd	C/O Azets, SA7 9FS	Dormant	Ordinary shares	20%
PulmonIR Ltd	Swansea University, SA2 8PP	Other research and experimental development on natural sciences and engineering	Ordinary shares	24%
Trameto Ltd	C/O Azets, SA7 9FS	Manufacture of electronic components	Ordinary shares	25%
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.



## 15 STOCKS

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Stock	28	28	13	13
Work in progress	96	-	145	-
	<b>124</b>	<b>28</b>	<b>158</b>	<b>13</b>

## 16 CURRENT INVESTMENTS

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Short-term investments in shares	2,236	2,236	1,832	1,832
Short-term bonds	2,382	2,382	2,295	2,295
Other short-term investments	325	325	472	472
Short-term deposits	326	326	256	256
	<b>5,269</b>	<b>5,269</b>	<b>4,855</b>	<b>4,855</b>

The increase in fair value of short-term deposits in the year was £414k (2020: decrease of £44k)

Deposits are held with banks and building societies operating in the London market and licenced 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 31 July 2021, the weighted average interest rate of these fixed deposits was 0.95% (2020: 1.0%). The fair value of these deposits was not materially different from their book value. The yield decreased in the year due to the Covid-19 pandemic as companies massively reduced their dividend pay-outs. The yield is therefore not an accurate reflection of what the actual yield should have been had the pandemic not occurred.

## 17 TRADE AND OTHER RECEIVABLES

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade Debtors	11,018	10,850	6,965	6,799
Less trade debtor impairment provision	(1,328)	(1,328)	(987)	(987)
Net trade debtors	9,690	9,522	5,978	5,812
Research grant claims receivable	6,468	6,468	6,827	6,827
Accrued income - Research grants	14,303	14,303	12,831	12,831
Prepayments and other accrued income	15,219	15,005	13,915	13,656
Amounts due from group undertakings	-	11	-	1
	<b>45,680</b>	<b>45,309</b>	<b>39,551</b>	<b>39,127</b>

## 18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Bank overdraft	397	-	253	-
Unsecured loans	5,712	5,712	2,976	2,976
Service concession arrangements	6,408	6,408	6,325	6,325
Trade payables	6,481	6,481	7,122	7,122
Social security and other taxation payable	5,232	5,226	5,833	5,827
Accruals and deferred income	73,170	72,681	48,131	47,692
Amounts due to group undertakings	-	157	-	134
	<b>97,400</b>	<b>96,665</b>	<b>70,640</b>	<b>70,076</b>

## 18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - CONTINUED

### ACCRUALS AND DEFERRED INCOME

Included with accruals and deferred income are the following items which have been deferred:

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Research grants received in advance	22,543	22,543	13,590	13,590
Other services rendered received in advance	1,594	1,594	927	927
Funding Council grants received in advance	3,526	3,526	3,405	3,405
Other grants received in advance	10,922	10,922	2,647	2,647
Other accruals	34,585	34,096	27,562	27,123
	<b>73,170</b>	<b>72,681</b>	<b>48,131</b>	<b>47,692</b>

Capital grants received in advance include £10,634k in relation to the CISM building (2020: £2,538k) and £288k for Legal Innovation Laboratory (2020: £110k). Capital grants are released to the Income and Expenditure account upon fulfilment of the grant conditions, and usually upon completion of the building.

## 19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Service concession arrangements	115,607	115,607	118,591	118,591
Income in advance	1,767	1,767	1,812	1,812
Unsecured loans	107,838	107,838	106,254	106,254
Creditors due after more than one year	<b>225,212</b>	<b>225,212</b>	<b>226,657</b>	<b>226,657</b>

## 20 ANALYSIS OF UNSECURED LOANS:

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY	31 <sup>ST</sup> JULY
	2021	2021	2020	2020
	£000	£000	£000	£000
Due within one year or on demand	5,712	5,712	2,976	2,976
Due within one and two years	5,818	5,818	5,001	5,001
Due within two and five years	18,114	18,114	15,621	15,621
Due in five years or more	83,906	83,906	85,632	85,632
<b>Total unsecured loans repayable by 2044</b>	<b>113,550</b>	<b>113,550</b>	<b>109,230</b>	<b>109,230</b>

Continued

LENDER	AMOUNT £000	INTEREST RATE	TERM	BORROWER
European Investment Bank	10,000	Fixed 2.46600%	June 2033	University
European Investment Bank	10,833	Fixed 2.31300%	January 2034	University
European Investment Bank	8,310	Fixed 3.7330%	August 2034	University
European Investment Bank	8,325	Fixed 3.8540%	January 2035	University
European Investment Bank	8,785	Fixed 4.0220%	August 2035	University
European Investment Bank	60,000	Fixed 2.4480%	April 2044	University
Sure Loan	7,297	Fixed 0.5500%	March 2031	University
<b>Total</b>	<b>113,550</b>			

## 21 PROVISIONS FOR LIABILITIES

CONSOLIDATED AND UNIVERSITY	OBLIGATION TO FUND DEFICIT ON USS	SUPS PENSION SCHEME PROVISION	TOTAL PENSION PROVISIONS
	£000	£000	£000
At August 2020	48,974	71,700	120,674
Utilised in year	(2,117)	2,100	(17)
Additions in year	(3,888)	(12,600)	(16,488)
<b>At 31 July 2021</b>	<b>42,969</b>	<b>61,200</b>	<b>104,169</b>

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. Key assumptions are set out below and further information is provided in note 31.

Following the completion of the 2018 actuarial valuation, a deficit recovery plan was agreed which requires deficit payments of 2% of salaries from 1 October 2019 to 30 September 2021 and then payments of 6% of salaries from 1 October 2021 to 31 March 2028. The 2021 actuarial valuation had not been completed by the balance sheet date, or by the date of signing the financial statements.

The major assumptions used to calculate the USS obligation are:

	2021	2020
Discount Rate	0.89%	0.74%
Pensionable salary growth	1.00%	3.20%
<b>Sensitivity Analysis - USS</b>		
Approximate impact on provision		
	£000	£000
0.5% pa decrease in discount rate	863	1,191
0.5% pa increase in salary inflation over duration	842	1,149
0.5% pa increase in salary inflation year 1 only	210	237
0.5% increase in staff changes over duration	876	1,202
0.5% increase in staff changes year 1 only	224	235

## 22 ENDOWMENT FUNDS

Restricted net assets relating to endowments are as follows:

	RESTRICTED PERMANENT ENDOWMENTS	UNRESTRICTED PERMANENT ENDOWMENTS	EXPENDABLE ENDOWMENTS	2021 TOTAL	2020 TOTAL
	£000	£000	£000	£000	£000
<b>BALANCES</b>					
<b>At 1 August 2020</b>					
Capital	4,036	1,606	530	6,172	5,987
Accumulated income	678	62	69	809	787
	4,714	1,668	599	6,981	6,774
<b>At 31 July 2021</b>	<b>4,995</b>	<b>1,819</b>	<b>691</b>	<b>7,505</b>	<b>6,981</b>
<b>Represented by:</b>					
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

## 22 ENDOWMENT FUNDS - CONTINUED

	2021 TOTAL	2020 TOTAL
	£000	£000
<b>Analysis by type of purpose:</b>		
Lectureships	22	21
Scholarships and bursaries	3,160	2,935
Research support	306	290
Prize funds	908	862
General	3,109	2,873
	<b>7,505</b>	<b>6,981</b>
<b>Analysis by Asset</b>		
Current asset investments	5,269	4,855
Bank Balance - University	2,236	2,126
	<b>7,505</b>	<b>6,981</b>

## 23 RESTRICTED RESERVES

No restricted reserves were held during the year (2020: NIL).

## 24 CASH AND CASH EQUIVALENTS

	AT 1 AUGUST 2020	CASH FLOWS	AT 31 JULY 2021
	£000	£000	£000
<b>CONSOLIDATED</b>			
Cash and Cash equivalents	97,642	43,715	141,357
Bank overdraft	(253)	(144)	(397)
	<b>97,389</b>	<b>43,571</b>	<b>140,960</b>

## 25 CONSOLIDATED RECONCILIATION OF NET DEBT

	31 JULY 2021	31 JULY 2020
	£000	£000
<b>Net debt 1 August 2020</b>	<b>136,757</b>	
Movement in cash and cash equivalents	43,715	
Other non-cash changes	(85,867)	
Net debt 31 July 2021	94,605	
<b>Change in net debt</b>	<b>(42,152)</b>	
	<b>31 JULY 2021</b>	<b>31 JULY 2020</b>
	<b>£000</b>	<b>£000</b>
<b>Analysis of net debt:</b>		
<b>Cash and cash equivalents</b>	<b>141,357</b>	<b>97,642</b>
<b>Borrowings: amounts falling due within one year</b>		
Unsecured loans	5,712	2,976
Bank overdraft	397	253
Service concession arrangements	6,408	6,325
	<b>12,517</b>	<b>9,554</b>
<b>Borrowings: amounts falling due after more than one year</b>		
Service concession liabilities due after one year	115,607	118,591
Unsecured loans	107,838	106,254
	<b>223,445</b>	<b>224,845</b>
<b>Net debt</b>	<b>94,605</b>	<b>136,757</b>

## 26 FINANCIAL INSTRUMENTS

	NOTE	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		2021	2021	2020	2020
		£000	£000	£000	£000
<b>FINANCIAL ASSETS</b>					
Financial assets at fair value through Statement of Comprehensive Income		354	-	354	-
Financial assets that are equity instruments measured at cost less impairment					
Other investments		(66)	-	98	-
	14	<b>288</b>	<b>-</b>	<b>452</b>	<b>-</b>
Financial assets that are debt instruments measured at amortised cost					
Cash and cash equivalents		140,960	140,638	97,389	97,117
Other investments	16	5,269	5,269	4,855	4,855
Trade receivables	17	11,018	10,850	6,965	6,799
Other receivables	17	6,468	6,468	6,827	6,827
		<b>163,715</b>	<b>163,225</b>	<b>116,036</b>	<b>115,598</b>

	NOTE	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
		2021	2021	2020	2020
		£000	£000	£000	£000
<b>FINANCIAL LIABILITIES</b>					
Financial liabilities measured at amortised cost					
Bank overdrafts	18	397	-	253	-
Loans	20	113,550	113,550	109,230	109,230
Service concessions	18/19	122,015	122,015	124,916	124,916
Trade Creditors	18	6,481	6,481	7,122	7,122
		<b>242,443</b>	<b>242,046</b>	<b>241,521</b>	<b>241,268</b>

## 27 CAPITAL AND OTHER COMMITMENTS

A provision has not been made for the following capital commitments at 31 July 2021:

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2021	2021	2020	2020
	£000	£000	£000	£000
Capital commitments:	<b>26,445</b>	<b>26,445</b>	1,256	1,256
	<b>26,445</b>	<b>26,445</b>	1,256	1,256

The increase in capital commitments is due to the commencement of the building of the Centre for Integrative Semiconductor Materials (CISM). CISM will deliver a bespoke, integrated facility for semiconductor research and technology development on the Bay Campus. The capital commitment relating to CISM at 31st July 2021 totals £24,401k and is largely grant funded.

## 28 CONTINGENT LIABILITIES

	CONSOLIDATED	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2021	2021	2020	2020
	£000	£000	£000	£000
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 & 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 insurance risks. Under the terms of its membership, each member acts as insurer and insured. If the association as a whole suffers a shortfall in any underwriting year, the members are liable for their pro-rated share, spread using an internal loan facility over seven years. 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 at twelve months from the date of approval of these financial statements.

## 29 LEASE OBLIGATIONS

Total rentals payable under operating leases:

	2021	2020
CONSOLIDATED AND INSTITUTION	LAND AND BUILDINGS	LAND AND BUILDINGS
	£'000	£'000
Payable during the year	1,137	1011
Future minimum lease payments due:		
Not later than 1 year	1,134	694
Later than 1 year and not later than 5 years	3,051	1,697
Later than 5 years	4,910	5,072
<b>Total lease payments due</b>	<b>10,232</b>	<b>8,474</b>

During the year new leases were agreed and some existing leases renegotiated increasing the amount payable in the year and total future lease payments due. Significant leases undertaken or renegotiated during the year include the Bay Campus Car park with an annual cost of £267k expiring in September 2023 and units within Baglan Energy Park used for research purposes costing £120k per annum, expiring in August 2027.

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.

**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.

	2021	2020
CONSOLIDATED AND INSTITUTION	LAND AND BUILDINGS	LAND AND BUILDINGS
	£'000	£'000
Future minimum lease payments due:		
Not later than one year	311	360
Later than one year and not later than five years	1,011	1,032
Later than five years	1,614	1,826
<b>Total lease payments due</b>	<b>2,936</b>	<b>3,218</b>

There were no contingent rents receivable during 2020/21 (2019/20: £0).

### 30 EVENTS AFTER THE REPORTING PERIOD

In November 2020 the University committed to draw down a Government loan from Salix Finance of £2.4m. This loan is to improve energy efficiency, reduce carbon emissions and lower energy bills.

Since the year-end, following completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. As at 31 July 2021 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £130,154k, an increase of £87,186k from the current year-end provision.

### 31 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 31 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	UNIVERSITY	CONSOLIDATED	UNIVERSITY
	2021	2021	2020	2020
	£000	£000	£000	£000
<b>Statement of comprehensive income - net pension cost</b>				
USS	22,336	22,336	22,149	22,149
USS pension deficit charge	(4,250)	(4,250)	(39,368)	(39,368)
SUPS	12,794	12,794	13,038	13,038
Other	1,160	1,160	1,155	1,155
	<b>32,040</b>	<b>32,040</b>	<b>(3,026)</b>	<b>(3,026)</b>
<b>Other comprehensive income - actuarial gain in respect of pension schemes</b>				
SUPS	12,600	12,600	(10,800)	(10,800)
	<b>12,600</b>	<b>12,600</b>	<b>(10,800)</b>	<b>(10,800)</b>
<b>Statement of Financial Position - pension scheme liability (note 21)</b>				
USS	42,969	42,969	48,974	48,974
SUPS	61,200	61,200	71,700	71,700
	<b>104,169</b>	<b>104,169</b>	<b>120,674</b>	<b>120,674</b>

#### (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 £22,336k (2020: £22,149k) 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 £2,117 (2020: £1,772k)

The latest available complete actuarial valuation of the Retirement Income Builder section of the Scheme is at 31 March 2018 ("the valuation date"), which was carried out using the projected unit method.

The 2018 valuation was the fifth valuation for USS under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £63.7 billion and the value of the scheme's technical provisions was £67.3 billion indicating a shortfall of £3.6 billion and a funding ratio of 95%.

The key financial assumptions used in the 2018 valuation are described below. More detail is set out in the Statement of Funding Principles.

### 31 PENSION SCHEMES - CONTINUED

Discount rate (forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73%
	Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21
	Years 21 +: CPI + 1.55%
Pension increase (CPI)	Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2018 actuarial valuation. The mortality assumptions used in these figures are as follows:

Mortality base table	2018 VALUATION	2017 VALUATION
	<b>PRE-RETIREMENT:</b>	
	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.	
	<b>Post-retirement:</b>	
	97.6% of SAPS S1NMA "light" for males and 102.7% of RFV00 for females.	
Future improvements to mortality	CMI_2017 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.	
	<b>2018 VALUATION</b>	<b>2017 VALUATION</b>
<b>The current life expectancies on retirement at age 65 are:</b>		
Males currently aged 65 (years)	24.4	24.6
Females currently aged 65 (years)	25.9	26.1
Males currently aged 45 (years)	26.3	26.6
Females currently aged 45 (years)	27.7	27.9

A new deficit recovery plan was put in place as part of the 2018 valuation, which requires payment of 2% of salaries over the period 1 October 2019 to 30 September 2021 at which point the rate will increase to 6%, until 31 March 2028. The 2021 deficit recovery liability reflects this plan. The liability figures have been produced using the following assumptions:

	2021	2020
Discount Rate	0.89%	0.74%
Pensionable salary growth	1.00%	3.20%

In the year ended 31 July 2020, the liability was based on the previous deficit recovery plan, which required payment of 5% of salaries over the period 1 April 2020 to 30 June 2034.

A further full valuation as at 31 March 2020 is currently underway. There is still work to be done agreeing the technical provisions assumptions, the extent of future investment risk, the duration of the deficit period and the level of deficit contributions. Rule changes in respect of strengthening the employer covenant are also in progress including restrictions on employer exits, debt monitoring and pari passu arrangements. The valuation has not met its statutory deadline of 30 June 2021. It is anticipated that there will be an increase in the deficit provision and impact on cashflow as a consequence of the new schedule of contributions.

Since the year-end, following completion of the 2020 actuarial valuation, a new deficit recovery plan has been agreed. As at 31 July 2021 and with all other assumptions used to calculate the provision unchanged, this would have resulted in a revised provision of £130,154k, an increase of £87,186k from the current year-end provision.

#### (ii) Swansea University Pension Scheme

(Retirement Benefits) Disclosure for the accounting period ending 31 July 2021.

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 1 August 2019 by a professionally-qualified actuary. The following are based on the results of the 1 August 2019 triennial valuation projected forward with allowance for benefit accrual, expected investment return and actual cashflows and have been adjusted for FRS102 assumptions detailed below.

During the accounting period, the University paid contributions to the pension scheme at the rate of 17.5% of pensionable salaries in respect of the future accrual of benefits, death in service premiums and expenses.

A number of potential issues associated with the Swansea University Pension Scheme have been identified. These relate to the documenting and implementing of decisions that have been made in respect of the Scheme and they have the potential to result in an increased liability for the Scheme. At this point it is impracticable to estimate the timing and financial impact of any outflow as there is significant additional information required in order to fully understand the implications.

### 31 PENSION SCHEMES - CONTINUED

#### Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are

	AT 31 JULY 2021	AT 31 JULY 2020
Price Inflation (RPI)	3.3%	3.0%
Price Inflation (CPI)	2.8%	2.2%
Rate of increase in salaries	3.2%	2.9%
Rate of increase of pensions in payment for SUPS members	3.3%	3.0%
Increases to deferred pensions before retirement	2.8%	2.2%
Discount rate	1.7%	1.4%

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.

	AT 31 JULY 2021	AT 31 JULY 2020
Pensioner - male	20.1	20.0
Pensioner - female	22.4	22.3
Non-pensioner (currently aged 45) - male	21.0	21.1
Non-pensioner (currently aged 45) - female	23.5	23.4

#### 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.

#### The assets in the scheme were:

	FAIR VALUE AS AT 31 JULY		
	2021	2020	2019
	£m	£m	£m
Equities	54.8	41.2	43.0
Government bonds	-	-	-
Corporate bonds	8.1	7.3	9.2
Property	7.5	9.8	10.5
GARS Fund	14.6	14.1	13.6
Other	36.8	36.1	31.3
<b>Total</b>	<b>121.8</b>	<b>108.5</b>	<b>107.6</b>

### 31 PENSION SCHEMES - CONTINUED

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

	YEAR ENDED 31 JULY 2021	YEAR ENDED 31 JULY 2020
	£000	£000
<b>ANALYSIS OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR SUPS</b>		
Scheme assets	121,800	108,500
Scheme liabilities	183,000	180,200
<b>Deficit in the scheme – net pension liability recorded within Statement of Financial Position</b>	<b>(61,200)</b>	<b>(71,700)</b>
Current service cost	(2,500)	(2,800)
Past service costs	(2,500)	-
<b>Total operating charge:</b>	<b>(5,000)</b>	<b>(2,800)</b>

<b>Analysis of the amount charged to interest payable/credited to other finance income for SUPS</b>		
Interest cost	(2,500)	(3,300)
Expected return on assets	1,500	2,100
Interest on net deficit	-	-
<b>Net charge to other finance income</b>	<b>(1,000)</b>	<b>(1,200)</b>

<b>Analysis of other comprehensive income for SUPS</b>		
Gain on assets	14,100	1,000
Experience gain / loss on liabilities	-	-
Loss on liabilities	(1,500)	(11,800)
<b>Total other comprehensive income before deduction for tax</b>	<b>12,600</b>	<b>(10,800)</b>

	YEAR TO			
	31 JULY 2021	31 JULY 2020	31 JULY 2019	31 JULY 2018
<b>History of experience gains and losses – SUPS</b>				
<b>DIFFERENCE BETWEEN ACTUAL AND EXPECTED RETURN ON SCHEME ASSETS:</b>				
Amount (£000)	14,100	1,000	6,200	1,300
% of assets at end of year	11.6%	0.9%	5.8%	1.3%
<b>Experience (gains)/losses on scheme liabilities:</b>				
Amount (£000)	1,500	11,800	19,200	700
% of liabilities at end of year	0.8%	6.5%	11.5%	0.5%

### 31 PENSION SCHEMES - CONTINUED

	31 JULY 2021 £000	31 JULY 2020 £000
<b>Cumulative actuarial loss recognised as other comprehensive income for SUPS</b>		
Cumulative actuarial losses recognised at the start of the year	(50,000)	(39,200)
Cumulative actuarial losses recognised at the end of the year	(37,400)	(50,000)
<b>Analysis of movement in surplus/(deficit) for SUPS</b>		
<b>Deficit at beginning of year</b>	<b>(71,700)</b>	<b>(59,900)</b>
Contributions or benefits paid by the University	4,400	3,500
Current service cost	(2,500)	(2,800)
Past service cost	(2,500)	-
Admin costs	(500)	(500)
Other finance charge	(1,000)	(1,200)
Loss / Gain recognised in other comprehensive income	12,600	(10,800)
<b>Deficit at end of year</b>	<b>(61,200)</b>	<b>(71,700)</b>
<b>Analysis of movement in the present value of SUPS</b>		
<b>Present value of SUPS at the start of the year</b>	<b>180,200</b>	<b>167,500</b>
Current service cost (net of member contributions)	2,500	2,800
Interest cost	2,500	3,300
Actuarial loss/(gain)	1,500	11,800
Actual benefit payments	(6,200)	(5,200)
<b>Present value of SUPS liabilities at the end of the year</b>	<b>180,500</b>	<b>180,200</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	<b>108,500</b>	<b>107,600</b>
Expected return on assets	1,500	2,100
Actuarial gain on assets	14,100	1,000
Actual contributions paid by University	4,400	3,500
Non Investment expenses	(500)	(500)
Actual benefit payments	(6,200)	(5,200)
<b>Fair value of scheme assets at the end of the year</b>	<b>121,800</b>	<b>108,500</b>
SUPS assets do not include any of the University's own financial instruments, or any property occupied by the University.		
<b>Actual return on scheme assets</b>	<b>1,500</b>	<b>2,100</b>
Expected return on scheme assets	14,100	1,000
<b>Asset gain/(loss)</b>	<b>15,600</b>	<b>3,100</b>

Estimated contributions for SUPS in the Financial Year 2021–22 is £1,500k (2020-21 £1,700k) assuming the contribution rate of 21.7% plus £2,300k PA fixed contribution (2020-21 21.7% plus £1,312K PA).

### 32 RELATED PARTY TRANSACTIONS

During the year the group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and balances outstanding at 31 July 2021, are as follows:

The Institution has taken advantage of the exemption within FRS 102 and has not disclosed transactions with other group entities where it holds 100% of the voting rights.

	INCOME FROM RELATED PARTY £'000	EXPENDITURE TO RELATED PARTY £'000	BALANCE DUE FROM RELATED PARTY £'000
Wales National Pool Swansea	196	558	118
Swan Global Education LLP	163	2,499	187
	<b>359</b>	<b>3,057</b>	<b>305</b>

Throughout the year and at the Balance Sheet date the University held 50% investments in the associated companies Wales National Pool Swansea (2020: 50%) and Swan Global Education LLP (2020: 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 £900k and a further £480k which included contributions towards outdoor spaces, support for students and a HEFCW grant of £50k.

#### 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, 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 identified below, are conducted at arms length and in accordance with the Institution's Financial Regulations and usual procurement procedures. Transactions totalling £18k, relating to the provision of services for productions, advertising and translations took place with Teledu Telesgop cyf, Glowg and Mener a Business respectively, in which a member of Council has declared interest as a director (Teledu Telesgop cyf) and a non-executive director (Glowg, Mener a Business).

No Council Member has received any remuneration or waived payments during the year (2020 - £0).

No expenses were paid to any Member of Council during the year (2020: £5K split between the Council Members representing expenses incurred in their official capacity as Council Members).

### 33 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.

The amounts presented within the schedules have been:

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.

**33 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE - CONTINUED**
**Primary Reserve Ratio**

PAGE	LINE ITEM / DISCLOSURE		CONSOLIDATED	CONSOLIDATED
			2021	2020
			£000	£000
67.	Unrestricted reserve and revaluation reserve	Net assets no restriction	212,293	172,316
67.	Endowment reserve	Net assets with donor restriction	7,505	6,981
		Less		
		Restricted in perpetuity	-	-
		Annuities	-	-
83.	Endowment total	Term endowments	(7,505)	(6,981)
		Life income funds	-	-
		Goodwill	-	-
76.	Fixed assets less Service concession arrangements	PPE	(340,637)	(337,367)
76.	Service concession arrangements	Lease - right of use, net	(111,841)	(115,480)
76.	Service concession arrangements at pre-implementation	Remove pre-implementation lease right-of-use asset	111,841	115,480
82.	Total pension provision	Pension liability	104,169	120,674
		Line of credit - short term for CIP	-	-
		Notes payable	-	-
81.	Total unsecured loans	Line of credit for long term purposes	113,550	109,230
		Modify for post implementation debt not related to purchase of assets	-	-
80/ 81.	Service concession arrangements	Lease right-of-use asset liability	122,015	124,916
	Service concession arrangements at pre-implementation	Remove pre-implementation lease right-of-use liability	(122,015)	(124,916)
		Related party receivable	-	-
			89,375	64,853
66.	Total expenditure (excluding Uss change in contributions)	Total operating expenses	337,170	324,457
		Other components of net periodic pension costs	-	-
		Change in value of split-interest agreements	-	-
66.	Share of operating (deficit) in associate	Other gains (losses)	(236)	(254)
			336,934	324,203

PAGE	LINE ITEM / DISCLOSURE		CONSOLIDATED	CONSOLIDATED
			2021	2020
			£000	£000

**Equity Ratio**

67.	Unrestricted reserve and revaluation reserve	Net Assets without Donor Restriction	212,293	172,316
67.	Endowment reserve	Net Assets with Donor Restrictions	7,505	6,981
			219,798	179,297
68.	Non-current assets plus current assets	Total Assets	646,579	597,268
		Less		
76.	Service concession arrangement asset	Preimplementation Lease asset	(111,841)	(115,480)
			534,738	481,788

**33 US DEPARTMENT OF EDUCATION FINANCIAL RESPONSIBILITY SUPPLEMENTAL SCHEDULE - CONTINUED**
**Net Income Ratio**

PAGE	LINE ITEM / DISCLOSURE		CONSOLIDATED	CONSOLIDATED
			2021	2020
			£000	£000
66.	Total comprehensive income	Change in net assets without donor restrictions	40,501	20,900
66.	Total income	Total operating revenue - unrestricted	360,753	317,505
		Less		
66.	Investment income	Investment return appropriated for spending	(87)	(631)
66.	Gain / (loss) on disposal of tangible assets	Sale of fixed assets	68	(530)
			360,734	316,344