



# Annual Report and Accounts 2020-2021









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## Introduction by the Chair of Aberystwyth University Council

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In my introduction to the University's 2019/20 Annual Report, I referred to that year as one of the most challenging in the University's history. Suffice to say, 2020/2021 has been equally remarkable in the challenges it has posed, as the impact of the COVID-19 pandemic has continued to be felt across the institution and the wider community, of which it is such an integral part.

The University Council has been regularly informed of the situation. Our sincere thanks go to the Vice-Chancellor, staff, students and stakeholders, both local and national, for the way they have responded and for everything they have achieved during a period of great uncertainty. Their dedication and commitment in all aspects have been most impressive.

The Council met formally six times during 2020-21, including a special meeting called at short notice as part of the institutional response to the pandemic. Online and remotely, the Council has nevertheless continued its work unabated and overseen a range of developments which will lay the foundations of future success.

The Council has taken several important decisions over the course of the pandemic to ensure that the institution has the additional resources to draw upon in the face of the challenges facing Aberystwyth because of COVID-19.

At the same time, we have taken steps to invest for the future – for example, by endorsing further investment to improve environmental sustainability through the construction of a solar array adjacent to Fferm Penglais as part of the University's de-carbonisation programme.

Work to strengthen our governance arrangements in line with the recommendations contained within the 'Review of Governance of





the Universities in Wales' (the Camm review) has continued during 2020-21. While the changed approach, with meetings being held online, has delayed the realisation of some of the Camm recommendations relating to increased interactions with stakeholders, the gradual return during 2021-22 to holding in-person Council meetings will hopefully provide new opportunities to enhance our arrangements in this respect.

The Council was delighted to note the completion of two major capital projects during the year, that of the Aberystwyth Innovation and Enterprise Campus, now known as AberInnovation, and the iconic Pantycelyn hall of residence. Both projects were delivered on time and on budget amid the most challenging of circumstances.

All members of Council are trustees of the charity which is the University, and all contribute to the discussions and decision-making of the organisation. Independent members do so on an entirely voluntary basis and give of their time freely; the University benefits greatly from their work.

I would like to thank in particular three retiring independent members of Council for their substantial contributions, namely George Ashworth, Samantha Blackie and The Rt Hon Elfyn Llwyd. I am also delighted that Elfyn is continuing his long-standing association with the University as one of its two Pro-Chancellors.

At the beginning of the year, we welcomed three new independent members; Kate Eden, Rhuanedd Richards and Dr William Williams. Drawn from the private and public sectors, they bring a range of experience and professional expertise to the governance of the University. I look forward to working with them and the other Council members as we approach the University's 150th anniversary.

**Dr Emyr Roberts**  
**Chair of Council**





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# Aberystwyth University Council

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In accordance with Aberystwyth University's 2018 Supplemental Royal Charter, the Council is "the supreme governing body of the University". It is responsible for "determining the University's strategic direction and for the conduct of the University's financial, administrative and other affairs, in accordance with its objects".

For the year ended 31 July 2021, and the subsequent period until the Annual Report and Financial Statements were formally approved by the Council, the following were members of the governing body.

## INDEPENDENT MEMBERS

The Council is responsible for formally appointing the Chair, Deputy Chair, and other Independent Members of the governing body.

The institution's Nominations Committee has been tasked with leading on the relevant appointment processes by Council and for making suitable recommendations for appointment by the governing body.

As part of this responsibility, the Nominations Committee is required to ensure that the individuals being appointed are suitably independent (see below).



### Dr Emyr Roberts – Chair of Council

Term of appointment: 01 August 2015 – 31 December 2023  
(Chair 01 January 2018 – 31 December 2023)

Emyr Roberts was the first Chief Executive of Natural Resources Wales, leading the transition from the previous three legacy bodies into a single organisation with wide responsibilities to manage the natural resources and environment of Wales sustainably. Prior to this, he was a senior civil servant within the Welsh Government, managing a number of portfolios; his last posts were Director General for Local Government and Public Service Delivery, and Director General for Education and Skills.



### The Right Honourable Elfyn Llwyd – Deputy Chair of Council

Term of appointment: 01 August 2015 – 31 July 2021  
(Deputy Chair 01 January 2020 – 31 July 2021)

Born in Betws y Coed, Elfyn Llwyd was raised in Llanrwst and later went to University of Wales, Aberystwyth, and Chester Law College. Before becoming a politician, he worked as a solicitor became a barrister in 1997. Elfyn was a Member of Parliament between 1992 and 2015, representing Meirionnydd Nant Conwy in the House of Commons from 1992 to 2010 and Dwyfor Meirionnydd from 2010. He was appointed to the Privy Council in February 2011.



### Meri Huws – Deputy Chair of Council

Term of appointment: 01 May 2019 – 30 April 2022  
(Deputy Chair 01 August 2021 – 30 April 2022)

Until April 2019, Meri Huws was the Welsh Language Commissioner, a role which she held from April 2012. She was Chairman of the Welsh Language Board from 2004 until the Board was abolished in March 2012. An AU graduate in Law and Politics, she previously was a Pro Vice-Chancellor at the University of Wales Trinity St David and Bangor University.



## George Ashworth

Term of appointment: 01 August 2015 – 31 July 2021

A finance business start-up and development specialist, George Ashworth graduated from Aberystwyth University in 1977. A qualified member of the Chartered Institute of Bankers and the Finance Houses Association, he gained an MBA in Corporate Finance at Middlesex University. During his career in the financial services industry, George was Managing Director of ABN AMRO Leasing UK from 2013–15, and more recently Managing Director of Santander Asset Finance from 2016–19.



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## Samantha Blackie

Term of appointment: 01 August 2018 – 31 July 2021

Samantha Blackie is a corporate human resources director with over 29 years' experience. She started her career in retail before holding senior positions across the financial services sector including Group People and Corporate Affairs Director at Royal London, the UK's largest mutual life insurance and pensions company. In addition, Sam has been a trustee of UK and Irish pension schemes and is currently a trustee of the charity Meningitis Now and Non-Executive Director of British Friendly.



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## Kate Eden

Term of appointment: 01 August 2020 – 31 July 2024

Kate Eden is a non-executive director who has over 15 years of experience at senior management level both in the UK and internationally. Born and brought up in north Wales, she studied social and political sciences at King's College, Cambridge. Her expertise in public affairs, policy and strategic communications was gained largely in the pharmaceutical sector. She has also worked on energy and science policy.



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## Owen Evans

Term of appointment: 01 August 2021 – 31 July 2025

A Swansea University Economics graduate, Owen Evans joined Aberystwyth University Management School in 1994, before being appointed Head of Policy for BT Wales in 1998. After nearly 10 years at BT, he joined Business in the Community Wales, before becoming Director of Skills, Higher Education and Lifelong Learning at the Welsh Government. He joined S4C as Chief Executive in 2017 where he has since led the complete overhaul of its digital and marketing capabilities.



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## Professor Simon Green

Term of appointment: 01 September 2021 – 31 September 2025

Prof Simon Green is Pro Vice-Chancellor (Research) at Aston University, where he is responsible for the University's strategy around impactful, collaborative, excellent and sustainable research. He was educated at the universities of Manchester, Heidelberg and Birmingham. In 2011, he was elected as Fellow of the Academy of the Social Sciences. Alongside his academic activities, Professor Green is actively engaged in British-German relations.







## Sharron Lusher

Term of appointment: 01 August 2021 – 31 July 2025

Sharron Lusher has had a fascinating career to date. She steadily progressed within Marks and Spencer, cumulating in her role as company-wide European Logistics Controller, prior to moving into the education sector. Sharron thoroughly enjoyed working in education and remained in the sector as Chief Executive of Pembrokeshire College until her retirement in 2018.

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## Rhuanedd Richards

Term of appointment: 01 August 2020 – 31 July 2024

Rhuanedd Richards studied at Aberystwyth University and Cardiff University's School of Journalism. She started her career with BBC Wales as a journalist before presenting flagship news and political programmes. She left the BBC in 2007 and worked as a special advisor to the Welsh Government, Chief Executive of Plaid Cymru and as a policy advisor for the National Assembly's Presiding Officer. She returned to the BBC in 2018 where she is currently Director of Content and Services.

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## Fiona Sharp

Term of appointment: 01 May 2019 – 30 April 2022

Fiona Sharp is a qualified accountant and has held senior finance positions within the PR and advertising industry, including Group Finance Director of Chime Communications Group. She is a Fellow of the Chartered Association of Certified Accountants. Fiona is currently employed as Group Financial Controller at Midatech Pharma, a drug delivery technology company focused on improving the bio-delivery and bio-distribution of medicines.

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## Mark Tweed

Term of appointment: 01 January 2020 – 31 December 2022

Mark Tweed is currently Group Chief Financial Officer, Director and Head of Legal at Propel Finance. Previously, he was Deputy CFO & Interim Head of Legal for Opel Vauxhall Finance (OVF). A graduate in Industrial Chemistry from Cardiff University, Mark is also an independent Board Member of the Welsh Sports Association. Prior to becoming a member of the University's Council, he served as an independent member on the Resources and Performance, and Investments committees.

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## Professor Sir Robin Williams

Term of appointment: 01 August 2018 – 31 July 2022

Robin Williams was formerly the Vice-Chancellor of Swansea University. More recently, he was a member of the Higher Education Funding Council for Wales from August 2009 to 31 July 2018 and chaired its Research, Innovation and Engagement Committee. He is a former Chair of the Science Advisory Council for Wales and is a Fellow of the Royal Society.





## Dr William Williams

Term of appointment: 01 August 2020 – 31 July 2024

Aberystwyth graduate William Williams is the CEO of Alacrity Foundation. He joined Rothschild in 1990 and spent five years in corporate finance before returning to academia. He has been Dean of Business School at Sohar University in Oman in 2013 and Director of Academic Affairs at a university in Abu Dhabi. Before joining Alacrity, Williams was a Director at the Abu Dhabi Education Council where he led the Higher Education Quality Improvement Division.

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## ELECTED STAFF MEMBERS

Two members are elected from and by the Senate as academic staff members of the Council, while the non-academic staff elect the non-academic staff member.

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## Dr Louise Marshall – Senate Member

Term of appointment: 01 August 2020 – 31 July 2024

Louise Marshall is a Reader in Restoration and Eighteenth-Century Literature and is Head of the Department of English and Creative Writing. Her research interests include theatre, theatrical families, and the representation of national identity.

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## Kath Williams – Non-academic Staff Member

Term of appointment: 01 August 2020 – 31 July 2024

A graduate of the Open University, Kath Williams joined the University in 1999 having previously held the role of Tutor Services Administrator at the OU in Wales. Appointed to the role of Departmental Administrator in the Department of Theatre, Film and Television Studies (TFTS) in 1999, she later became its Departmental Manager. Kath was appointed to the role of Manager for the Faculty of Arts and Social Sciences in 2018.

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## Professor Reyer Zwiggelaar – Senate Member

Term of appointment: 01 August 2020 – 31 July 2024

Reyer Zwiggelaar was born in the Netherlands and moved to the UK to obtain a PhD at UCL in 1993. Since then, he has concentrated on research and the provision of postgraduate teaching. His research concentrates on biometrics and the analysis of cancer in medical images, especially breast and prostate cancer. Initially he concentrated on postgraduate research students, but as Head of the Graduate School he is also responsible for the taught postgraduate students.



## STUDENT MEMBERS

Two members are appointed by Aberystwyth University Students' Union as student members of the Council.

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### **Mared Edwards – UMCA President**

Term of appointment: 01 July 2021 – 30 June 2022

Originally from Church Bay, Anglesey, Mared read Welsh, Drama and Theatre Studies at University. She is currently President of the Urdd for the next two years, as well as President of UMCA and Welsh Culture Officer here in Aberystwyth. Mared had three unforgettable years while studying at Aberystwyth University and is keen to ensure that students have the same experience and opportunities.

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### **Morgan Lewis – UMCA President**

Term of appointment: 01 July 2020 – 30 June 2021

Originally from Lampeter, Morgan studied Geography at Aberystwyth University before being elected to the role of Welsh Culture Officer and UMCA President in the Students Union. He has enjoyed his time at Aberystwyth University and during his time on Council has worked to ensure future students' experiences match his own.

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### **Sabina O'Donoghue – Aberystwyth University Students' Union President**

Term of appointment: 01 July 2021 – 30 June 2022

From the south-west coast of Ireland, Sabina attended an all-Irish speaking boarding school before coming to Aberystwyth University to study Creative Writing and Drama and Theatre Studies Joint Honours. She served on a committee for bee conservation for two years as Social Secretary, as well as being a society representative on Senedd during that time.

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### **Nathaniel Pidcock – Aberystwyth University Students' Union President**

Term of appointment: 01 July 2020 – 30 June 2021

Born in Chester, Nate attended the University of Liverpool to study Pure Maths, before coming to Aberystwyth to study Maths and Theatre Joint Honours. During his time as a student, Nate was an academic representative for theatre and a member of Aberystwyth Lacrosse club. His acting experience has taken him on a six-month theatre tour of Italy, playing Auric Goldfinger in a stage production of James Bond.

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## MEMBERS OF THE UNIVERSITY EXECUTIVE

The Vice-Chancellor, Professor Elizabeth Treasure, serves on the Council in an ex officio capacity along with Professor Tim Woods, a Pro Vice-Chancellor nominated by the Vice-Chancellor. See The University's Executive Group on page 28.

### ATTENDANCE

For the period 01 August 2020 – 31 July 2021, the Council met on six occasions. The attendance of Council members during that period was as follows:

Member	Attendance
Dr Emyr Roberts – Chair	6/6
The Rt Hon Elfyn Llwyd – Deputy Chair	6/6
Meri Huws	6/6
George Ashworth	6/6
Samantha Blackie	5/6
Kate Eden	5/6
Rhuanedd Richards	6/6
Fiona Sharp	6/6
Mark Tweed	5/6
Prof Sir Robin Williams	6/6
Dr William Williams	6/6
Prof Elizabeth Treasure	6/6
Prof Tim Woods	6/6
Dr Louise Marshall	6/6
Kath Williams	5/6
Prof Reyer Zwiggelaar	6/6
Mared Edwards	1/1
Morgan Lewis	5/5
Sabina O'Donoghue	1/1
Nathaniel Pidcock	5/5

### COUNCIL MEMBER INDEPENDENCE

All Council members are expected to provide a creative contribution to the governing body by providing independent oversight, strategic guidance, and constructive feedback to executive management.

Council members must not allow themselves to be captured or unduly influenced by the interests of others associated with the University such as staff, students, alumni, or trade unions. Council members need to be able to challenge effectively and constructively and they cannot do so if they have a vested interest in a matter under discussion.

Council includes within its membership those who are University staff or student representatives, and the above principles apply equally to their contributions to the governing body. However, the majority of the Council membership must be the Independent Members. These are individuals who are appointed to the governing body but who are neither a registered student, a sabbatical officer of the Students' Union, nor a member of University staff.

When considering applications and interviewing prospective new Independent Members for appointment to the Council, the Nominations Committee seeks evidence that individuals:

- demonstrate selflessness, integrity, objectivity, accountability, openness, honesty, and leadership;
- will be able to challenge effectively and constructively;
- will be able to 'stand apart' from inappropriate influence and to be free of managerial capture;
- are free of mandates and any constraints that would prevent a correct course of action being taken; and
- are unrelated to any employee of the University, or of any organisation gaining a pecuniary advantage from the University.

### CONFLICTS OF INTERESTS

All Council members are required to formally declare any interests they may have upon taking up their appointment. All members are also asked to review their declarations on an annual basis.

All declarations of interests made by members of the Council are open to public inspection. A summary version of the Register of Interests for such individuals is published on the University's Governance website.

The Independent Members serving on the Council are required to seek written approval from the Chair of Council prior to engaging in any new external activity or business development which may have a bearing, either direct or indirect, on the work of the University.

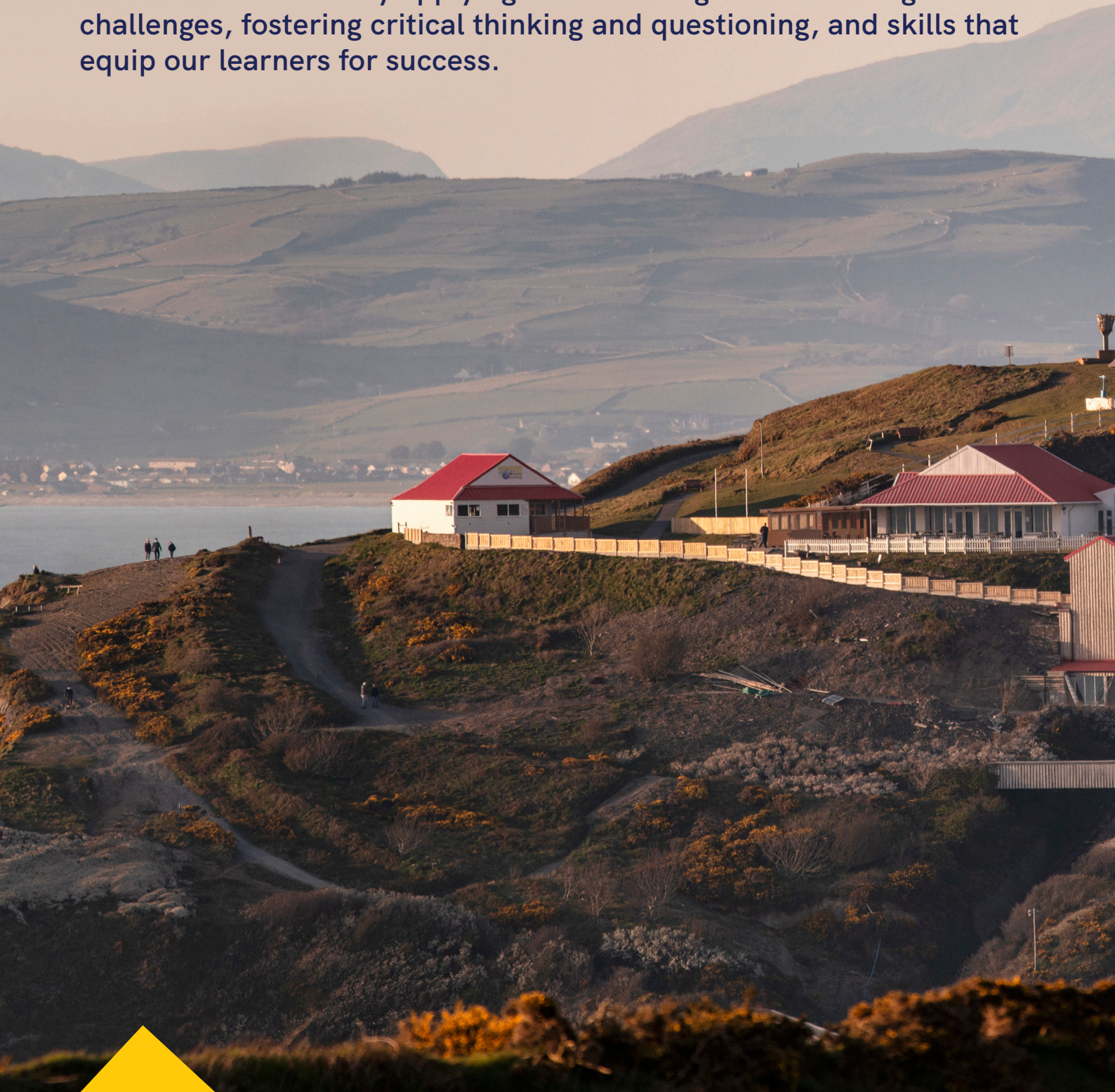


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# Aberystwyth University's Strategic Plan and Objectives

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**Aberystwyth University's mission is to deliver inspirational education and research in a supportive, creative, bilingual, and exceptional environment in Wales. Our vision is that by building on our historic strengths and expertise, we will contribute to society in Wales and the wider world by applying our knowledge to local and global challenges, fostering critical thinking and questioning, and skills that equip our learners for success.**





## OUR VALUES

- **Transformational:** We strive to unlock individual potential by developing enduring personal strengths that enable people's future success. Our staff and students drive positive change by addressing local and global challenges. We encourage innovation from new ideas and actions within an entrepreneurial context.
- **Creative and Innovative:** We encourage imaginative, free, and critical thinking by drawing on our distinct Welsh culture, history, exceptional environment and facilities. We foster the ingenuity of staff and students in problem-solving, adaptation and versatility.
- **Inclusive:** We promote openness and generosity of spirit and cherish the strong sense of community that exists across the University, Aberystwyth and our wider world. We listen and respond to each other's honest opinions with respect. We take pride in the richness of the diversity of cultures, opinions and backgrounds of our staff and students.
- **Ambitious:** We work to enhance our global reputation in discovery, educational quality, and innovation. We are committed to excellence in research, teaching and engagement. We celebrate the achievements and contributions of our staff, students, and alumni.
- **Collaborative:** We are engaged externally, contributing to civic debate, the promotion of the Welsh language and culture, and to the local and wider economy. We work with our students to ensure the continuous improvement of their student experience and learning environment. We communicate the work and worth of the University to the wider world.

## OUR CORE OBJECTIVES

- **Education and student experience:** We will empower students to unlock their own potential as independent learners in a supportive, inclusive, and creative bilingual community. Students will graduate as critical and free thinkers with specific and transferable skills.
- **Research and innovation with impact:** We will support and develop researchers to undertake research with impact of world leading quality, building upon our historic strengths to tackle contemporary challenges facing Wales and the world in the 21st century.
- **Contribution to society:** We have always made a significant contribution to Wales and beyond, benefitting our communities and society through the impact of our research, education and the achievements of our staff, students, and alumni.
- **International engagement:** Aberystwyth is a leading university in Wales with an excellent global reputation. We will be an international destination of choice for those wanting to study here and will encourage our students to spend time studying abroad.
- **Welsh language and culture:** We have a strong and proud history of education and research through the medium of Welsh. We are committed to promoting Welsh language and culture, as well as enabling a greater understanding of its socio-economic needs.

[The full version of Aberystwyth University's Strategic Plan and Mission can be found online here.](#)



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## Vice-Chancellor's Review

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**This year has been a year like no other in the history of this historic institution. It was the year during which the COVID-19 pandemic had its most significant impact on the operations for which we are renowned – our teaching and our research.**

However, the responses to these challenging times have been truly inspiring – by our students, for whom access to campus was limited for periods during the year; and our staff who battled to maintain the educational experience for their students.

It is therefore with great pride and gratitude that I can report on a year during which we prioritised the safety of our students, staff, and our wider community, as well as educational and academic outcomes.

Our determination to progress the academic offer of our University has not been dulled by the circumstances faced. One of our major developments was the historic news that we will from 2022 be offering nursing education

at Aberystwyth. This will provide for much needed skilled health care staff in our region, throughout Wales and further afield. Initially in the areas of mental health and adult nursing, we are responding to the challenges that society faces. This builds on our announcement last year that we would work with Royal Veterinary College to teach veterinary medicine here, opening Wales' only Vet School. This work progressed apace during the year as our new team prepared for the arrival of their first students in September 2021.

These are examples of how our teaching provision here is developing and growing – responding to the needs of society, as well as what students want as they look to enter the workforce. With this in mind, we continued to review our portfolio during the year – streamlining and updating to give the best possible experience to our students.

We are encouraged by the response to these developments from students. For two years we have seen increased student applications and intake. These increases have come in the form of UK domiciled students, and those from the rest of the world. Our efficient strategy to increase international recruitment is now bearing fruit, although it is also important to note that since the UK left the EU, numbers of new students from EU countries have reduced significantly. Based on these trends, we should expect higher total numbers of students at Aberystwyth next year.

We have maintained a firm commitment to enabling students to develop academically through either of Wales' languages. I was delighted to be able to open a newly refurbished Neuadd Pantycelyn hall of residence as a clear demonstration of that commitment. This historic building, which says so much about our rich history at Aberystwyth, now also stands as a symbol of our future as part of a proudly bilingual nation taking on truly global challenges.

Despite the obstacles provided by the pandemic, our academic research has continued



in a wide range of academic disciplines. We have world-leading work ongoing in the areas of animal health, international peace-making, zero carbon and climate change, and furthering our understanding of our cultural history – from Welsh literature to the ongoing development of an Anglo-Norman dictionary. The fact that research income increased during the year is again testament to the ingenuity and tenacity of our researching staff, as well as to the effectiveness of the internal structures we have put in place to support research activity.

Alongside our research is Aberystwyth University's focus on innovation – part of our efforts to support how academic outputs can be developed by industry to help shape our future as a society.

To this end I was delighted that our vision for an innovation and enterprise campus came to fruition. AberInnovation is a multi-million pound development on our Gogerddan campus – a facility which will no doubt play a pivotal role in the development of our local and regional economy for many years to come. Like Neuadd Pantycelyn, AberInnovation is another example of a well-managed and efficiently delivered capital project and I am very grateful to the teams involved.

All this has been achieved within a challenging financial context due to the pandemic. We took on significant additional costs during the year, from the refunding of accommodation fees to students to the implementation of safety measures across campus and the provision of additional teaching resources. With the additional loss of commercial income, we accepted the necessity to make short-term losses. However, it must be recognised that the scale of these losses was reduced by both higher than anticipated student recruitment and the receipt of Welsh Government grants for Higher Education Investment and Recovery to support activity that would otherwise have had to be discontinued. I am grateful to the Welsh Government and to colleagues at the Higher Education Funding Council for Wales for their support.

Over the coming years, we will target further progress in the areas above, and remain determined to respond to new and developing challenges and opportunities. Supporting the wellbeing of our students and staff; maintaining our cybersecurity measures; and finding new and additional ways of helping our graduates to find the very best career opportunities. These are just some of the issues which will occupy minds here and across the higher education sector.

During these challenging times, we have been very fortunate to be able to rely on the support of a number of key local organisations. Colleagues at Ceredigion County Council and Hywel Dda University Health Board have worked tirelessly to keep us as safe as possible during the pandemic, and I am extremely grateful to them. Aberystwyth Students' Union has been a constant companion as we have jointly navigated some previously uncharted territory, and its officers and staff deserve huge respect and thanks.

As ever, this year saw the passing of many friends of this institution – too many to list in this short introduction. However, I would like to mention one in particular who was an outstanding servant of both our University and its community. Lord Elystan Morgan was a former student here, an Honorary Fellow, University President and Chair of Council. His warmth, advice, and unstinting commitment to this University were just a few of the attributes that made him such a special individual who is greatly missed.

When I arrived at Aberystwyth just four years ago, my immediate challenge was to create new and stable financial foundations for this institution. This and so much more has been achieved in a relatively short time and I am very pleased to see the progress chronicled in this report. However, as we approach the 150th anniversary of the foundation of our University in 2022, we will redouble our ambition and our determination to reach new heights.

**Professor Elizabeth Treasure**  
**Vice-Chancellor**



## 1 | Education and student experience

**In what has been a challenging year of adjusting to new ways of learning and teaching for both students and universities across the UK, we are extremely proud to remain as the top University in Wales for the sixth year in succession, according to the National Student Survey 2020.**



Further to this accomplishment, the survey also confirms Aberystwyth University as the best in Wales for student satisfaction as we continue to outperform the UK sector average whilst also remaining within the top 50 universities in the UK.

As a University we have embraced new learning environments and methods ensuring that our students have every opportunity to fulfil their potential. Testament to the impact that our approach to flexible learning has had on our students is our top ranking in the UK for teaching quality and student experience in The Times / Sunday Times Good University Guide this academic year.

We embarked on the academic year with a view to inspire learning and invigorate teaching through our virtual annual conference, which aptly focussed on how we can help students to feel connected as socially distanced learning becomes the new normal.

Whilst embracing our new online resources hub 'Aber Hub', which serves as a collection of information, guidance and resources for students, teachers and parents, we have striven to maintain significant delivery of in-person teaching across our campuses as well as maintaining compliance with all COVID-19 regulations as set out by Welsh Government.

We responded continuously to the pastoral pressures faced by students across a number of areas and were able to offer strong means of support across mental health, finance and digital learning to ensure as much of a positive student experience as possible in the current climate.

Looking to the future and the completion of our new School of Veterinary Science, the first and only of its kind at a university in Wales, means that we can confidently anticipate welcoming our first cohort of students. With considerable focus on health and well-being this year, we are also moving ahead with our plans to educate adult and mental health nurses following our successful contract award with Health Education and Improvement Wales in July.







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“Aberystwyth has topped our analysis of 2020’s National Student Survey for both satisfaction with teaching quality and with the wider university experience.

“It is rare for a university to achieve this double success in student satisfaction scores ... It’s not just the students who think the teaching is good; the university was awarded gold in the Teaching Excellence Framework.”

*The Times / Sunday Times Good University Guide*



## 2 | Research and innovation with impact

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**Research and innovation are instrumental in the making of our University; our wealth of knowledge and expertise driven by these activities has a substantial impact on the economy and environment, as we work collaboratively with industry and society to support and deliver real benefits to the people of Wales and beyond.**

Despite the disruptions caused by the pandemic and the immensely trying circumstances for our students, researchers at Aberystwyth University were successfully awarded 76 new research grants worth over £12 million with 54 research degrees awarded.

Wales' First Minister Mark Drakeford joined the Aberystwyth University bio-research and technology experts and innovative industry representatives as the BEACON project celebrated a decade of investing in green jobs. Since it launched in 2010, the project promotes collaboration to develop a sustainable high-value bio-economy in Wales and has received more than £30 million in European Union funding. It has had success in building a strong skills base in the bio business sector, providing impactful and collaborative R&D support for green Welsh businesses through engagement with Welsh universities. Its success has positioned Wales as a leader in world-class research and innovation into the low carbon economy.

This year saw the opening of our world-leading Innovation and Enterprise Campus, AberInnovation. Offering cutting-edge facilities and expertise within the biotechnology, agri-tech, and food and drink sectors, this complex

build programme is a major investment by the University in collaboration with the Biotechnology and Biological Sciences Research Council (BBSRC) and the Welsh Government. It demonstrates our commitment to working with partners and leveraging our research to address the needs of the economy and society.

The Research Wales Innovation Fund (RWIF) has enabled us to establish a new Enterprise Hub where through shared knowledge and expertise, we can encourage innovation-led growth and continuing professional development for industries and businesses in Wales. The Hub supports business resilience and people development as they navigate their way towards a post-pandemic recovery.

During the year the Institute of Biological Environmental and Rural Sciences at Aberystwyth University joined seven UK universities and research institutes to develop a Centre for Doctoral Training to cultivate the next generation of interdisciplinary food system thinkers. Supported through the Strategic Priorities Fund (SPF) of UK Research and Innovation (UKRI), the £5 million programme focuses on the urgent need to transform the UK food system for health and sustainability by recognising the importance of food systems to economic growth and social wellbeing.

While the pandemic may have frustrated some research efforts in Wales and worldwide, it has also provided new impetus in certain areas. Among the examples of innovative research undertaken at Aberystwyth University was the development of key innovative solutions to tackle COVID-19 issues in supporting recovering stroke patients to be able to exercise more and manage isolation through a Virtual Exercise app powered by artificial intelligence.





*First Minister Mark Drakeford said:*

“I’m pleased that we were able to support the extension of the BEACON+ project in Wales for another two years. This will enable even more businesses to innovate with the help of specialists and capitalise on the bio economy. This will help Wales to build our own expertise in this area.”



## 3 | Contribution to society / sustainability

With the impact of COVID-19 dominating the reporting period, together with partners including Ceredigion County Council, Hywel Dda University Health Board and Public Health Wales, Aberystwyth University committed to support efforts to reduce its effects across the local community.



By offering the use of campus facilities a vaccination centre we were able to provide a safe, secure, and convenient space to deliver this important service for the people of Ceredigion. More than 38,000 local people visited the facility to receive their double vaccinations and will continue to do so as the booster vaccine is rolled out.

The activities delivered through our multi-faceted Aberystwyth Arts Centre and neighbouring sports centre, while naturally curtailed during the period, offered a crucial service to the people of Aberystwyth and its surrounding areas.

In collaboration with Ceredigion County Council, our swimming pool was opened to community use while council facilities remained unavailable, and adapting to changing circumstances, the Oriel Lockdown exhibition at the Arts Centre celebrated the value that the arts have played over the period of the pandemic.

With the majority of the population confined to their local vicinity, a huge amount of people including amateur and professional artists turned to art and creativity to see them through lockdown. To capture a snapshot of this unprecedented time, we decided to make an open call out to submit works that were created during this period. More than 1,000 submissions were received, resulting in a fascinating and eye-opening exhibition of extraordinary personal stories and experiences.

We took a significant step towards our ambitious goal of becoming carbon neutral by 2030, with the announcement of plans to install state of the art solar panels. The four-hectare facility will, once operational, generate approximately 25% of the annual electricity requirements of our Penglais Campus – equivalent to the energy used by more than 500 homes.

We have continued to play a key role in the **Growing Mid Wales** partnership, an initiative which seeks to represent the region’s interests and priorities for improvements to our local economy. Working across the public, private and third sectors in Mid Wales, we recognise the need for developing consensus on priorities for our region, and for a shared vision to progress jobs, growth, and the local economy.

Our work on the redevelopment of one of the jewels in Aberystwyth’s crown, The Old College, continued. An important project for Aberystwyth town centre as well as an historic University site, this exciting development will coincide with the University’s 150th anniversary in the academic year 2022-23.

COVID restrictions have naturally impacted alumni engagement activities but it has been





a busy year nevertheless. Over 900 alumni registered for the University's first virtual global events programme and 270 alumni supported employability initiatives, with 260 alumni mentoring students online and 10 alumni addressed students and staff in a new Masterclass series. Fundraising has continued to grow thanks to the support of over 1,000 donors and this contributes to Student Opportunities and Support, to research and academic developments and very notably to the Old College Appeal, totalling

£3.4 million to date from individuals and from other philanthropic sources.

The University continues to engage with its 60,000 strong global alumni community and benefits from its continued volunteering and fundraising. The University is especially grateful for the continued support of our Honorary Fellows and partner organisations of the Old Students' Association and the Alumni Club of Malaysia, both of whom are celebrating major milestones, 130 years for the OSA and 30 years for the Alumni Club of Malaysia.



## 4 | International engagement

**The international profile of Aberystwyth University is growing as the number of new international applications to the University doubled compared to the previous year. This was achieved despite limitations on student mobility.**

It is both positive and heartening that despite restrictions, Aberystwyth University was able to develop new links and relationships as we continued to raise our profile on an international level.

The University secured a staff presence in India, based in Delhi, adding to our existing staff presences in Malaysia and China, giving

us the ability to capitalise on development and recruitment opportunities in the country. Further early discussions are ongoing to develop closer links with other areas in India and China and this work will be taken forward in partnership with Bangor University. This will enable participating educational institutions to enhance their curriculums of Arts and Commerce subjects aligning to industry standards thus developing their student skills and promoting youth employability.

Even with the effects of the pandemic on student mobility this year, two of our students were able to take part in the prestigious MITACS Globalink Research Internships with Canadian researchers, while Welsh higher education partnership Global Wales initiatives funded four of our postgraduate students awarding scholarships of £10,000 each.







In planning for the next academic year, we were successful in securing more than £400,000 of mobility funds through The Turing Scheme; a UK government initiative that provides funding for international opportunities in education and training across the globe. This funding will enable Aberystwyth students to pursue opportunities to study and work overseas in 2021-2022 and develop new skills, gain an understanding of other cultures, and boost their employability.

It was also announced that these important opportunities will be further enhanced by a new International Learning Exchange Programme, which will run from 2022 to 2026, supported by an investment of £65 million from the Welsh Government. We are committed to working with both schemes to secure the best possible opportunities for our students.

Another notable achievement this academic year in this area included the signing of our agreement with the American University, Washington DC, for a dual degree Masters in International Politics.



## 5 | Welsh language and culture

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**Aberystwyth University has always prided itself on the breadth and depth of its Welsh language undergraduate and postgraduate provision and this academic year marked another significant milestone in the innovative and aspirational journey towards fulfilling the educational and training needs of contemporary Wales.**

We have committed to the development of a new Welsh medium academic strategy that will respond proactively to the challenges of the Aberystwyth University Strategic Plan 2018-2023 and Welsh Government's Cymraeg 2050 strategy.

The University is privileged to have made two key Welsh language appointments following the appointment of Professor Emyr Lewis as Head of the Department of Law and Criminology last year, with Mererid Hopwood, the first woman to win the prestigious National Eisteddfod chair, joining as Professor of Welsh in the Department of Welsh and Celtic Studies, and Iwan Teifion Davies as Director of Music.

We continued to invest in the Welsh language provision internally, taking full advantage of the national schemes funded by the Coleg Cymraeg Cenedlaethol, to grow further opportunities for students to study through the medium of Welsh. This year saw the launch of our new joint veterinary provision in collaboration with the Royal Veterinary College, in which Welsh language provision plays an integral part, fortified by a three-year stimulus grant from the Coleg Cymraeg awarded to stimulate and develop Welsh language content and delivery.

Despite the challenges of the pandemic, the University's Coleg Cymraeg branch launched an online seminar series through which 81 of our Welsh language undergraduate students successfully completed the Coleg's Language Skills certificate with dedicated support from the University's Language and Academic skills officers. Additionally, 151 undergraduate students held both Aberystwyth University and Coleg Cymraeg bursaries. The University was also awarded a Coleg PhD scholarship for an interdisciplinary, cross-departmental project led by Biology and History as well as a PhD award to the Department of Law and Criminology.

Dr Anwen Jones, Pro-Vice-Chancellor of the Faculty of Arts and Social Sciences, was appointed to the Coleg Cymraeg's Board of Directors. Further University staff were rewarded by the Coleg for their excellence and expertise during the year with Professor Rhys Jones, Dr Hywel Griffiths, Dr Ceris Jones, Dr Rhys Dafydd Jones and Dr Anwen Jones receiving awards for services to Welsh language Higher Education.

Aberystwyth University's traditional 'Gwobrau Gŵyl Dewi' awards for St David's Day were held virtually as we honoured those nominated by staff and students for their contribution to the Welsh language.





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*Dr Rhodri Llwyd Morgan,  
Director of Welsh Language and External Engagement, said:*

“I would like to congratulate all those who have won and to those who have received special recognition for their efforts to promote the Welsh language. It is a real pleasure to recognise and celebrate everyone’s special contribution, and we can all be inspired to make similar efforts to embrace the Welsh language and encourage and support its use.”



6 | Our People

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**Unsurprisingly the pandemic has had a substantial impact on how we have been able to engage with our students but at the same time has shone a light on the immense commitment of our staff. Many factors outside of our (and their) control made working seamlessly more difficult – whether it was COVID illness, self-isolation, shielding others, home schooling and many other health and caring implications. It is a great credit to colleagues that we still received very positive feedback from students in both our mini-MEQ survey early in the academic year and in our more recent NSS results.**

Alongside our delivery to students, perhaps the most positive aspects of the year have been how we have helped keep staff safe and infection rates low. We have expanded our cleaning regimes, promoted clear social distancing arrangements, and ensured tight controls on numbers of staff on campus which has balanced essential work with staff and student health and safety.

Our pulse surveys during the pandemic showed that a large majority of respondents said they felt we were taking safety issues seriously. It was encouraging that 68% of colleagues working remotely felt they could effectively carry out their job during this time. There was also a significant appreciation of the Learning & Teaching Enhancement Unit training provided to academic staff so we could provide enhanced teaching and learning on-line.

However, there is no doubt that many struggled with work and caring responsibilities, home teaching and the need to teach multiple times because of socially distanced teaching spaces. Local partners, particularly through the Ceredigion Incident Management Team, have been extremely complimentary of our efforts to keep the whole community safe and we are grateful for their continued support.

Following a period of achieving savings to put the University on a sustainable financial footing, it has been important to keep an eye on our future and re-introducing career opportunities such as academic promotions and mentoring for female academics. We also launched the first full scale staff survey towards the end of the academic year which will give us very helpful insights on what we can do further to improve staff engagement into the long term.

There is no doubt that whilst the whole year was challenging for everyone we have learned a lot about what we do well, what we could do differently in future, and what staff are telling us about what improvements they'd like. These give us a clear platform for activities and initiatives as we move forward with confidence.



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## The University's Executive Group

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The Executive is the University's senior management team and is responsible for the overall management and administration of the University.



### **Professor Elizabeth Treasure**

Vice-Chancellor

Professor Elizabeth Treasure joined Aberystwyth University in April 2017. Previously, she was Deputy Vice-Chancellor of Cardiff University. A Vice-President (Wales) UUK, she is member of the Universities & Colleges Employers Association (UCEA) Board. A graduate of Birmingham University, she has worked in the NHS in both clinical and managerial roles as well as in the University of Otago, New Zealand. Elizabeth is a Fellow of the Learned Society of Wales.



### **Professor Colin McInnes**

Pro Vice-Chancellor for Research, Knowledge Exchange and Innovation

A Fellow of the Academy of Social Sciences and of the Royal Society for the Arts, he is also Chair of the UNESCO UK National Commission. He recently worked with the World Health Organisation developing its advisory framework for civil-military cooperation in health emergencies and is currently a member of the REF2021 panel for Politics and International Studies, as well as serving on the REF2021 interdisciplinary advisory panel.



### **Professor Tim Woods**

Pro Vice-Chancellor for Learning, Teaching and Student Experience

Professor Tim Woods currently oversees quality assurance and student-related matters across the University. He is a reviewer for the Quality Assurance Agency and is HEFCW's nominee to the UK Teaching Excellence Framework Advisory Panel. Recently appointed to chair Advance HE's Fellowship and Accreditation Expert Advisory Group, he represents Aberystwyth University on numerous Universities Wales networks and has led on the project to develop the Aberystwyth School of Veterinary Science.



### **Professor Anwen Jones**

Pro Vice-Chancellor for the Faculty of Arts and Social Sciences

In addition to her role as Pro Vice-Chancellor, Professor Anwen Jones has institutional responsibility for Welsh academic provision, scholarship, and research as well as for the gender strand of the Equality and Diversity agenda. A Professor in Theatre Studies, she is Editor for the Welsh language interdisciplinary scholarly, e-journal, Gwerddon, supported by the Coleg Cymraeg Cenedlaethol, is a National Library of Wales trustee and a Coleg Cymraeg Cenedlaethol Director.



## **Professor Qiang Shen**

Pro Vice-Chancellor for the Faculty of Business and Physical Sciences

Professor Qiang Shen was awarded a PhD in Computing and Electrical Engineering from Heriot-Watt University and a DSC in Computational Intelligence from Aberystwyth University. He was elected as a Fellow of the Learned Society of Wales in 2012. He is a former Head of Department of Computer Science and Director of the Institute of Mathematics, Physics and Computer Science.



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## **Professor Neil Glasser**

Pro Vice-Chancellor for the Faculty of Earth and Life Sciences

In addition to his role as Pro Vice-Chancellor, Professor Glasser has responsibility for Equality, Diversity and Inclusion as well as Environment and Sustainability across the University. A former Fulbright Distinguished Scholar at the National Snow and Ice Data Centre in Boulder, Colorado, he is a member of the NERC Peer Review College and editor on the Journal of Glaciology.



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## **Mr Stephen Forster**

Director of Finance and Corporate Services

Stephen Forster joined the University in 2018. His current role encompasses strategic oversight and responsibility for Finance & Procurement, Planning & Risk Management, Estates Facilities & Residences and Commercial Services. Formerly of the UK firm of PricewaterhouseCoopers LLP (PwC) where he held roles in Finance, Risk Management & Insurance, Supplier Contract Management and Internal Management Consultancy, he is a fellow of the Chartered Association of Certified Accounts (FCCA).



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## **Dr Rhodri Llwyd Morgan**

Director of Welsh Language and External Engagement

Prior to joining the University, Dr Rhodri Llwyd Morgan worked for BBC Wales, the Welsh Language Board and Ceredigion County Council. He is Chair of the Board for Welsh-medium early years care and education provider Mudiad Meithrin and a member of the Welsh Government's Welsh Language Partnership Council. He also chaired the Welsh Speaking Communities' Task & Finish Group, which published its programme for 'Increasing the Number of Welsh Speaking Communities'.





# Annual Reports from Council committees

## AUDIT, RISK AND ASSURANCE COMMITTEE

For the 2020-21 academic year, the members of this Committee were:

Name	Category	Meetings Attended
George Ashworth (Chair)	Independent Member	4/4
Kate Eden	Independent Member	3/4
Melanie Hamer	Independent Member	4/4
Wojtek Salski	Student Member	2/4
Mark Tweed	Independent Member	4/4
Jacqui Weatherburn	Independent Member	4/4

As permitted by paragraph 122 of the Funding Council's Financial Management Code, Kate Eden served as an Independent Member on both the Audit, Risk and Assurance Committee (ARAC), and the Resources and Performance Committee (RPC). This had been agreed by Council on 10 July 2020 on the basis that the increasing focus on financial viability within the sector deemed cross-representation essential so that the member could hear first-hand from the auditors at ARAC, and then relay to RPC as appropriate. Kate Eden did not serve as Chair of either Committee or as the Chair of the governing body during this period.

Representatives of the University's External and Internal Auditors were present during the Committee meetings held in 2020-21, as were the Director of Finance and Corporate Services, the University Secretary, and the Vice-Chancellor.

The role of the Audit, Risk and Assurance Committee is to advise and assist the governing body in respect of the entire assurance and control environment of the University. Accountable to Council, its overriding duties include:

- Testing and advising Council on the effectiveness of the institution's risk management, culture, control and governance arrangements, and the internal controls and procedures to promote economy, efficiency, and effectiveness;
- Oversight of external and internal audit arrangements, including advising the governing body on the appointment of the audit providers, and oversight of the nature and scope of External and Internal audits and the effectiveness of the audit processes; and

- Oversight of audit aspects of the institution's financial statements, including the External Auditors' opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the External Auditors' management letter.

During 2020-21, the Committee largely focused on scrutinising and advising the Council as appropriate on key business. Where appropriate, decisions were also taken by the Committee in accordance with its terms of reference. The business considered during 2020-21 included:

- the outcome of the External Audit of the Annual Report and Accounts for the year ended 31 July 2020, and the steps taken by the University Executive to address any recommendations raised by the External Auditors;
- the formal appointment of External Auditors for the year ending 31 July 2021, and the approval of the related External Audit Plan;
- the Annual Report and Opinion of the Internal Auditors;
- the Internal Audit Plan for the 2020-21 and 2021-22 academic years and the resulting Internal Audit reports. During 2020-21, Internal Audit reports were received on: UK Visas and Immigration; the Faculty of Arts and Social Sciences; Financial Systems; Corporate Governance; Risk Management; General IT Controls; Research Activities; Transparent Approach to Costing; and the annual follow up of recommendations raised in previous years;
- the progress made by the University Executive in implementing recommendations raised as part of Internal Audit reports over recent years;



- risk management arrangements within the institution, including the review of the Risk Management Policy, and the Risk Appetite Statement and Matrix;
- the management of risks in relation to the University Farms;
- a lessons learned report on the Mauritius Branch campus;
- the annual report on value for money within the institution; and
- alignment with the May 2020 Committee of University Chairs Higher Education Audit Committees Code of Practice.

## GOVERNANCE AND COMPLIANCE COMMITTEE

For the 2020-21 academic year, the members of this Committee were:

Name	Category	Meetings Attended
Samantha Blackie (Chair)	Independent Member	3/3
Morgan Lewis	Student member	2/3
The Rt Hon Elfyn Llwyd	Independent Member	3/3
Sharron Lusher	Independent Member	3/3
Dr Louise Marshall	Senate Member	3/3
David Moyle	Non-academic Staff member	1/3
Rhuanedd Richards	Independent Member	2/3
Dr Emyr Roberts	Chair of Council	3/3
Prof Elizabeth Treasure	Vice-Chancellor	3/3

The Director of Finance and Commercial Services, the Director of Human Resources and Organisational Development, the Health, Safety and Environment Manager, and the University Secretary were also present during all meetings held in 2020-21.

The Governance and Compliance Committee undertakes a scrutiny role and advises the Council on matters including institutional governance; information governance; human resources and staff development; equality and diversity; health and safety; the Welsh language; and compliance with legislation, and with the general requirements of government, HEFCW, and other regulators.

During 2020-21, the Committee largely focused on scrutinising and advising the Council as appropriate on key business, including:

- the employment of University staff, and the associated terms and conditions;
- the development and implementation of a new Organisational Development Plan, initiatives to enhance institutional culture, and proposals to undertake a staff survey during the academic year;
- the institution's Annual Pay Statement, to be published in accordance with the requirements of the Welsh Government;
- compliance with the Prevent Duty, including the institution's annual report on compliance with the Duty and revisions to the Code of Practice on Freedom of Speech;
- revisions to key compliance-related policies, which during the year included the Anti-bribery and the Counter-fraud and Malpractice policies;
- the development and implementation of initiatives to enhance equality and diversity within the institution, both with respect to staff and students; as well as the Annual Equalities Report which the Council is required to agree and publish;
- implementation of the institutional action plan in response to the 2019 Gillian Camm Review of Governance of the Universities in Wales, and any further actions required to align with nationally agreed initiatives in response to the Review;
- implementation of the institutional action plan in response to the 2019 external review of governance effectiveness at the University; and
- the Relationship Agreement in place between the University and Aberystwyth University Students' Union; and testing compliance with Part II of the Education Act 1994.



## NOMINATIONS COMMITTEE

For the 2020-21 academic year, the members of this Committee were:

Name	Category	Meetings Attended
Dr Emyr Roberts (Chair)	Chair of Council	2/2
Samantha Blackie	Independent Member	2/3
Dr Rebecca Edwards	Non-academic Staff Member	3/3
The Rt Hon Elfyn Llwyd	Deputy Chair of Council	3/3
Nathaniel Pidcock	Student Member	3/3
Prof Elizabeth Treasure	Vice-Chancellor	1/2

The University Secretary was also present during all meetings held in 2020-21.

The Nominations Committee considers and agrees recommendations to Council in relation to key appointments, including the appointment and re-appointment of the Chair and Independent Members to the governing body and its sub-committees. The Committee also considers and agrees recommendations in relation to the term of the Vice-Chancellor, and any re-appointment for further terms.

During 2020-21, the Committee was charged with leading on key appointment processes on behalf of and advising the Council according, namely:

- Dr Emyr Roberts' term as Chair of Council, which resulted in Dr Roberts being reappointed for a further, final term of office (Dr Roberts did not participate in the Committee meeting at which this matter was considered, with the Rt Hon Elfyn Llwyd temporarily chairing the meeting);
- Prof Elizabeth Treasure's term as Vice-Chancellor, which resulted in Prof Treasure being reappointed for a further term (Prof Treasure did not participate in the Committee meeting at which this matter was considered); and

- the external recruitment of new independent members to serve on Council and its sub-committees.

In accordance with best practice, when considering applications and interviewing prospective new Independent Members for appointment to the Council, the Nominations Committee sought evidence that individuals:

- demonstrate selflessness, integrity, objectivity, accountability, openness, honesty, and leadership;
- will be able to challenge effectively and constructively;
- will be able to 'stand apart' from inappropriate influence and to be free of managerial capture;
- are free of mandates and any constraints that would prevent a correct course of action being taken; and
- are unrelated to any employee of the University, or of any organisation gaining a pecuniary advantage from the University.



## REMUNERATION COMMITTEE

For the 2020-21 academic year, the members of this Committee were:

Name	Category	Meetings Attended
The Rt Hon Elfyn Llwyd (Chair)	Deputy Chair of Council	1/1
Samantha Blackie	Independent Member	1/1
Nathaniel Pidcock	Student Member	1/1
Dr Emyr Roberts	Chair of Council	1/1
Prof Sir Robin Williams	Independent Member	1/1
Prof Reyer Zwiggelaar	Senate Member	1/1

The Director of Human Resources and Organisational Development, the University Secretary, and the Vice-Chancellor were also present during meetings of the Committee held in 2020-21 (The Vice-Chancellor and the Director of Human Resources and Organisational Development did not participate in any discussions relating to their own remuneration, while the remuneration of the University Secretary does not come within the purview of the Remuneration Committee).

The Remuneration Committee considers and determines matters relating to the remuneration of senior staff at the University, in accordance with the policy approved by Council. The Committee is

independent and competent and has the ability to engage external independent expertise if required.

The challenges posed by the COVID-19 pandemic meant that the Remuneration Committee was not asked to consider any changes to the remuneration of senior staff during 2020-21.

A fuller report on the activities of the Remuneration Committee during 2020-21 is presented on page 50 in the Annual Report, as required by the Committee of University Chairs (CUC) 'Higher Education Senior Staff Remuneration Code' (June 2018).

## RESOURCES AND PERFORMANCE COMMITTEE

For the 2020-21 academic year, the members of this Committee were:

Name	Category	Meetings Attended
Fiona Sharp (Chair)	Independent Member	4/4
Kate Eden	Independent Member	3/4
Dr Rebecca Edwards	Non-academic staff member	4/4
Owen Evans	Independent Member	4/4
Nathaniel Pidcock	Student Member	3/4
Dr Emyr Roberts	Chair of Council	4/4
Prof Elizabeth Treasure	Vice-Chancellor	4/4
Prof Sir Robin Williams	Independent Member	4/4
Dr William Williams	Independent Member	4/4
Prof Reyer Zwiggelaar	Senate member	3/4

The Director of Finance and Commercial Services, and the University Secretary were also present during all meetings held in 2020-21.

The Resources and Performance Committee undertakes a scrutiny role and advises the Council on matters including institutional financial management and sustainability; student recruitment and enrolment, including international activity; income generation; research, knowledge transfer and innovation; estates and the environment.

During 2020-21, the Committee largely focused on scrutinising and advising the Council as appropriate on key business, including:

- the delivery of major projects against agreed schedules and budgets, with a particular focus on the Old College refurbishment project;
  - the current condition of the University's estate, the development of a new Estates Strategy, and proposals to dispose of land and building assets which are deemed surplus to the institution's requirements;
  - institutional performance against its Carbon Management Strategy, proposals to revise that Strategy, and initiatives to improve environmental sustainability; and
  - the performance of the Aberystwyth University Pension and Assurance Scheme, the related investment strategy, and the University's covenants as employer.
- the Annual Report and Accounts for the year ended 31 July 2020, and associated annual sustainability return to the Funding Council;
  - development of the institutional budget for 2021-22, and financial forecasts for the years through to 2025-26;



## SENATE

For the 2020-21 academic year, the members of this Senate were:

Name	Category	Meetings Attended
Prof Elizabeth Treasure (Chair)	Vice-Chancellor	5/5
Dr Cathryn Charnell-White	Departmental Representative	5/5
Prof Hazel Davey	Departmental Representative	4/5
Prysor Davies	Departmental Representative	5/5
Prof Sarah Davies	Departmental Representative	5/5
Prof Iain Donnison	Departmental Representative	5/5
Rebecca Edwards	Non-academic staff member	4/5
Dr Gwion Evans	Departmental Representative	5/5
Dr Patrick Finney	Departmental Representative	4/5
Prof Neil Glasser	Pro Vice-Chancellor	5/5
Dr Sarah Higgins	Departmental Representative	4/5
Dr Aloysius Igboekwu	Departmental Representative	5/5
Penri James	Chair of the University branch of the Coleg Cymraeg Cenedlaethol	4/5
Prof Anwen Jones	Pro Vice-Chancellor	4/5
Dr Ffion Jones	Departmental Representative	5/5
Morgan Lewis	Student Member	4/5
Chris Loftus	Departmental Representative	5/5
Prof Colin McInnes	Pro Vice-Chancellor	3/5
Dr Alex Mangold	Departmental Representative	5/5
Dr Louise Marshall	Departmental Representative	4/5
Prof Robert Meyrick	Departmental Representative	4/5
John Morgan	Departmental Representative	3/5
David Moyle	Non-academic Staff Member	5/5
Nathaniel Pidcock	Student Member	4/5
Prof Eleri Pryse	Departmental Representative	5/5
Prof Phillipp Schofield	Departmental Representative	5/5
Prof Qiang Shen	Pro Vice-Chancellor	4/5
Chloe Wilkinson-Silk	Student Member	4/5
Prof Tim Woods	Pro Vice-Chancellor	5/5
Dr Victoria Wright	Departmental Representative	5/5
Dr Sarah Wydall	Departmental Representative	2/5
Prof Reyer Zwiggelaar	Head of the Graduate School	5/5

The Academic Registrar, the Head of the Vice-Chancellor's Office, and the University Secretary were invited to attend all meetings held in 2020-21, as were the heads of all academic departments where they had not been elected to represent their departments on the Senate.

The Senate is the academic authority of the University and provides assurance to the Council on academic quality in teaching and research, managing and approving the academic portfolio, and managing the regulation of the academic interests of the institution.

During 2020-21, the Senate reviewed and approved revisions to the Student Charter, as well as various academic regulations and procedures. Appropriate measures were also approved in response to COVID-19 to ensure that students were not disadvantaged academically by changes to the delivery of schemes in response to the pandemic.

The Senate also scrutinised and advised Council on relevant decisions to be taken by the governing body, including the annual Quality Assurance Statements, for submission to the Funding Council.

## UNIVERSITY EXECUTIVE

For the 2020-21 academic year, the members of the University Executive were:

Name	Category	Meetings Attended
Prof Elizabeth Treasure (Chair)	Vice-Chancellor	22/22
Stephen Forster	Director of Finance and Corporate Services	21/22
Prof Neil Glasser	Pro Vice-Chancellor	20/22
Prof Anwen Jones	Pro Vice-Chancellor	20/22
Prof Colin McInnes	Pro Vice-Chancellor	17/22
Dr Rhodri Llwyd Morgan	Director of Welsh Language and External Engagement	21/22
Prof Qiang Shen	Pro Vice-Chancellor	21/22
Prof Tim Woods	Pro Vice-Chancellor	20/22

The Director of Human Resources and Organisational Development, the Head of Communications and Public Affairs, the Head of the Vice-Chancellor's Office, and the University Secretary also attended meetings of the University Executive held during 2020-21.

As the institution's senior management team, the University Executive is primarily advisory to the Vice-Chancellor who, as the chief academic, administrative and accounting officer, has been delegated overall responsibility by Council for the management of the University.

The University Executive therefore considered any such matter which was deemed appropriate to:

- advise the Vice-Chancellor on matters for which they have overall responsibility, where the Vice-Chancellor wishes to consult with members of the

University Executive before taking a decision;

- advise other members of the University Executive on matters for which they have specific delegated responsibility, where these core members wish to consult with colleagues before taking a decision; and
- Consider and take decisions on matters specifically delegated to the University Executive as a body, primarily by the University's Charter and Statutes, Ordinances, Regulations, Policies and Procedures.

Where appropriate, the University Executive presented recommendations to Council and its sub-committees for approval - such matters are outlined above as part of the summary of business considered by each committee.



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## Annual Pay Policy Statement and Senior Remuneration

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All staff within the University, regardless of salary, undertake an Effective Contribution Scheme performance review annually, which is then used to inform career development plans and training needs. In addition, we offer a variety of networks and leadership development and mentoring schemes to support career development and progression.

The University has a performance related pay scheme, Individual Contribution Award (ICA) for Grades 1-9 and Individual Contribution Award (Progression Increment) for Grade 10 which is being launched on 21 October 2021. This scheme replaces the Accelerated Increments and Contribution Points (AICP) scheme.

The highest pay point is Point 9 on the [Grade 10 Scale](#), which equates to £100,976 (as at 31 July 2021). There are 10 senior posts with a remuneration package of more than £100,000, based on basic pay plus any allowance for additional responsibility as at 31 July 2021. These salaries take account of relevant benchmarking data from within and outside of the HE sector.

The lowest pay point is Spinal Point 3 on the [Single Pay Spine](#), which equates to £16,736 (as at 31 July 2021). However, individuals on this spinal point in practice receive the prevailing Real Living Wage which is now £18,031 (the University started to pay the Real Living Wage in April 2018 and became an accredited Real Living Wage employer in October 2018).

The University recognises that it operates in a competitive environment and wishes to attract and retain the best staff possible. However, in taking any decisions relating to the remuneration of senior staff, the Remuneration Committee is required to be mindful of the affordability of those decisions and refer to benchmarking data for comparable Universities.

The outcomes of appraisals for senior staff under the institution's Effective Contribution Scheme are subsequently presented to the Remuneration Committee and form the basis of any recommendations to the Remuneration Committee with respect to any changes to the remuneration of the staff in question. All senior post holders at the University automatically receive any 'cost of living' pay awards provided by the University to employees on the nationally-agreed single pay spine.

The Governing Body has approved a Senior Remuneration Framework for the University, which sets out the institution's approach to the remuneration of senior post holders. As set out by the Senior Remuneration Framework, the Remuneration Committee has been delegated the authority by Council to agree matters relating to the remuneration of the Vice-Chancellor; Pro Vice-Chancellors; and Director of Finance and Corporate Services.

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## Joint report on the financial year by the Chair of the Finance Committee and the Director of Finance

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**The University has operated in a challenging financial landscape during 2020-21 and has effectively managed the financial impact of COVID-19. The (£3.2) million deficit underlying operating position for the group is in line with budget expectations and monitoring undertaken throughout the year.**

The result primarily reflects operating within the constraints of COVID-19. Although income has increased, largely due to increased funding body grants and research activity, expenditure has remained largely consistent with previous years. Significant expenditure has been incurred in preparing and maintaining a 'COVID ready campus', underpinning our commitment to students. The University also incurred ongoing reductions in student residential income through refunds of hall fees and associated campus trading operations throughout the year due to reduced footfall on campus. The loss of income was largely unavoidable and was a direct consequence of COVID-19, following on from 2019-20. However, the financial impact was manageable, with the effects of the losses primarily reflected in the revised Income and Expenditure result and a reduction of cash - further information is provided in the sections below.

The financial benefits of the strategic refocus undertaken in recent years have largely been realised, particularly the rebalancing of the University's cost base relative to income and the student population. Those changes have enabled Aberystwyth to operate with more flexibility and to focus resources strategically, as well as navigate the impact of COVID-19. Our 2020-21 budgeted expenditure reflects a cost base that under normal operating circumstances would deliver a moderate surplus - indeed the University has set a surplus operating budget for 2021-22. As in most sizeable organisations, some areas have required further attention during the year and in some cases continue through the normal course of business. Also as expected, minimal cost of change expenditure was incurred during 2020-21, as planned changes were implemented.

Aberystwyth continues to invest to meet its strategic goals, specifically the long-term provision of excellent teaching and research including the associated capital investment that underpins those objectives. Capital development undertaken includes the £40.5 million state-of-the-art research facilities at AberInnovation, with building work completed in 2020-21. Pantycelyn halls of residence were fully refurbished by the start of the 2020-21 academic year, and provided additional student residential accommodation for Welsh speaking students, and returning a historic building to functional use.

Looking forward and in line with the wider sector, key issues faced by the University will relate to current challenges associated with a competitive recruitment environment and the continued need to invest in staff and resources to support high quality research activity.



## Scope of the financial statements

The financial statements for the year ended 31 July 2021 consolidate the results of the University, Aberystwyth Innovation and Enterprise Campus Ltd (AIEC), Aber Trading Ltd and Aber Business Consultancy Ltd, all of which are subsidiary companies.

The table below shows a summary of the Group results. The total comprehensive income for the year includes a number of non-cash accounting entries. The University recognised a £0.6 million gain from a reduction to the University Superannuation Scheme (USS) provision in 2020-21 (2019-20 £10.9 million gain). Secondly, a further review of the University's fixed asset values and valuations in use during the period 2020-21 resulted in a reduction to the carrying values of its fixed assets (impairment charge) totalling £0.9 million (2019-20 £7.7 million charge). The University also recognised an accounting loss of £2.3 million in 2020-21 (2019-20 £11.1 million loss) following a valuation of the assets and liabilities of the pension fund (actuarial valuation) by our independent advisors Mercers. More detail on the University's pensions schemes is shown from page 86.

A summary reconciliation between the Financial Statements and the Management Accounts (underlying operating position) is shown below for completeness. Accounting Standards require the University to include a number of non-cash items in the Statement of Comprehensive Income. The underlying operating position is a (£3.2) million deficit in the group when these items are eliminated, and these are set out in the table below.

	2020-21 £m	2019-20 £m
Total Comprehensive Income	1.9	(16.2)
Impairment charge	(0.9)	7.7
Profit on disposal of fixed assets	(0.2)	(0.0)
Loss / (gain) on investments	(6.0)	2.1
New Endowments	(0.3)	(0.3)
Movement in USS pension during the year	(0.6)	(10.9)
Pension interest charge	0.6	1.1
Movement in AUPAS and LA pensions during the year	2.3	11.1
Underlying Operating Position	(3.2)	(5.4)

The table below provides a summary of group results for the year, further information and detail is available in the Financial Statements.

	2020-21 £m	2019-20 £m
Income	118.8	107.6
Expenditure	(120.8)	(110.6)
<b>Deficit before other gains and losses</b>	(2.0)	(3.0)
Profit on disposal of fixed assets	0.2	0.0
(Loss) / gain on investments	6.0	(2.1)
<b>Deficit before taxation</b>	4.2	(5.1)
Surplus / deficit after taxation	4.2	(5.1)
Actuarial losses on pension schemes	(2.3)	(11.1)
Total comprehensive Income	1.9	(16.2)

The value of the University's own investments is unpredictable due to its dependence on market values. Financial markets have generally strengthened over 2020-21 which has seen a recovery in the reported value of the University's investments. In 2020-21 the University made an unrealised gain of £6.0 million based on the market value of investments (2019-20 £2.1 million loss).

Prior to the COVID-19 pandemic, the University's five-year Financial Plan had forecast a moderate surplus for 2020-21. The impact of the operating conditions on performances is reflected in the underlying operating deficit of £3.2 million, a reflection of unavoidable income losses as well as some additional costs during that period. The pandemic has affected many areas of University operations, including refunded or lost student accommodation income and resultant rental underwriting obligations to third parties (£1.9 million), deteriorating campus trading conditions across all areas including Catering, Sports Facilities, Arts Centre and Conferencing (£1.8 million). Some costs savings were delivered because of reduced activity on campus, although these only partially offset losses.

## Financial health metrics

The University uses a number of Key Performance Indicators to monitor its financial health. Forecast improved operational performance over 2020-21 was significantly disrupted by COVID-19 and its continued impact on the University's operations. While the University's operational cash generation was adversely affected, significant planned capital investment continued in 2020-21 with major projects such as the completion of the Innovation Campus and Pantycelyn halls of residence.

During 2020-21, the wider higher education sector continued to manage operational challenges arising from COVID-19. Aberystwyth's success in delivering key strategic capital projects, coupled with the operational deficit, has meant cash holdings already adversely impacted by the onset of the pandemic remain depressed. Operationally, the position has been mitigated through the planned utilisation of a Revolving Credit Facility (RCF) over this period. The total available balance on the facility was increased to £15 million in November 2020. As at July 2021, £3.0 million had been drawn down. The University remained compliant with the facility covenants in all four quarters of 2020-21 and has agreed a new covenant with its bankers, effective from quarter ending July 2021, which is forecast to be achieved throughout the next two years.

Despite the ongoing operational pressures related to COVID-19, the University's balance sheet grew by £1.9 million during the year to 31 July 2021. Balance sheet and reserves growth was driven by anticipated unrealised gains on the value of University investments (£6.0 million) as financial markets stabilised and recovered over the period. These gains have offset the noted operational losses, primarily related to lost income and increased costs of operating during the pandemic, as well as the actuarial adjustments relating to the AUPAS and local authority pension schemes (£2.3 million). Although uncertainties remain regarding the ongoing impact of COVID-19 on operations, the University has considered the improvement of financial health metrics a key element of its financial planning as recruitment and operations recover in line with pre-pandemic forecasts.

The University's financial strategy is currently under review and will update the target financial health metrics. This work has been delayed due to the pandemic and is due to conclude in early 2022.

FINANCIAL HEALTH METRICS	2020-21	2019-20	2018-19	2017-18
Reserve measures (days)				
Primary (cash) reserve cover	25 days	40 days	66 days	92 days
General (book) reserve cover	238 days	201 days	302 days	451 days
Debt ratio (external debt/cash)	688%	458%	349%	236%
Balance sheet growth ratio	1.9%	(14.2%)	(26.0%)	4.0%
Income replenishment				
Retained result (% of income)	(2.7%)	(5.1%)	(2.1%)	(6.0%)

The Primary (cash) reserve cover has deteriorated from 40 days to 25 days. The metric demonstrates the estimated number of days the University's cash balances at July 2021 could sustain its core operations. Core operations are calculated as expenditure less depreciation, interest, amortisation, non-cash pension adjustments and non-recurring costs. The movement reflects a decrease of £5.0 million in cash and cash equivalents. The detrimental impact of COVID-19 on operations, alongside planned strategic capital investment, are the primary reasons for this reduction, however the University has also drawn less cash from its RCF facility as at July 2021 than planned, leaving capacity within the facility. Following the increase to balance sheet and reserves value, general (unrestricted) reserve cover has increased from 201 days to 238 days. This metric is similar to Primary reserve cover but demonstrates the estimated number of days the University's unrestricted reserves could sustain its core operations.



These cover metrics are below the University's longer-term targets and their forecast improvements will be closely monitored through existing reporting mechanisms.

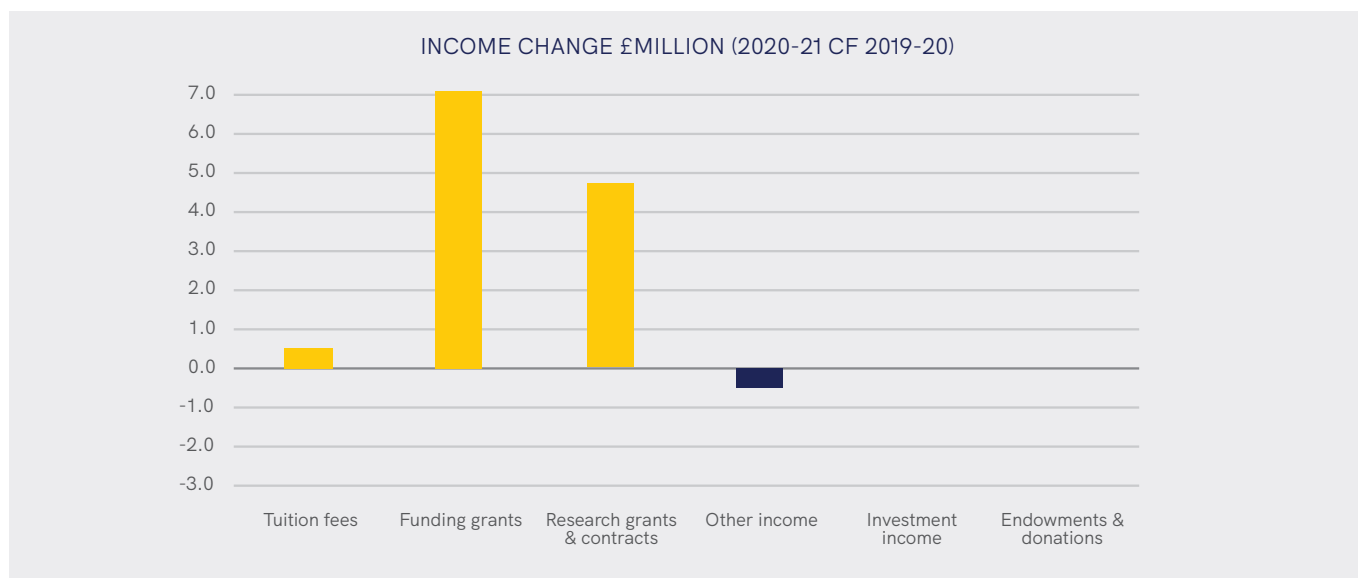
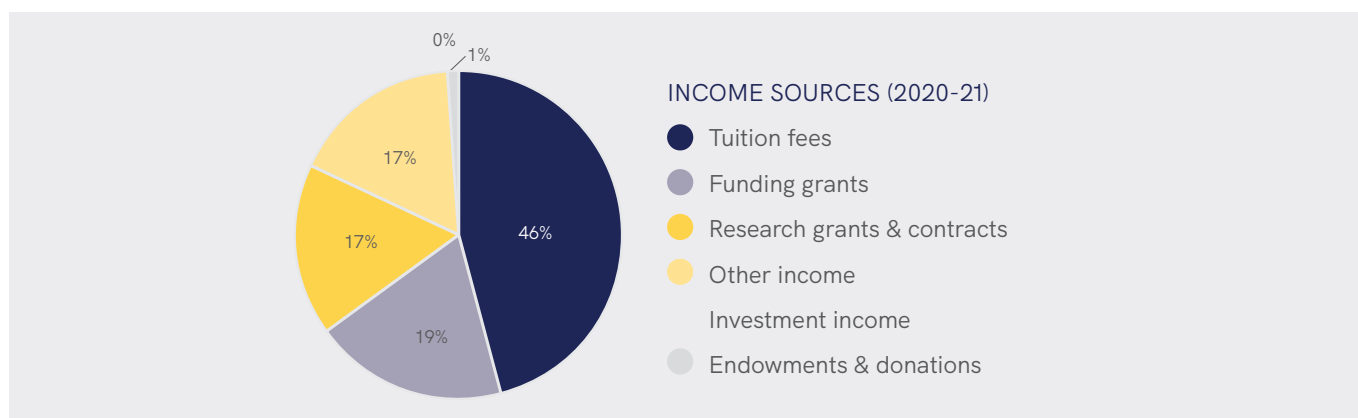
As a result of the decrease in cash noted above, the Debt Ratio has weakened from 458% to 688%. External debt in the debt ratio consists of secured liabilities and an unsecured interest free Salix loan to fund energy efficiency projects. The University robustly monitors its debt obligations and covenant compliance to ensure all are met through its planned financial recovery.

The University's net assets have increased by £1.9 million from £98.0 million to £99.9 million, a growth of 1.9%.

The retained result as a percentage of income metric is negative at (2.7%) and reflects the underlying operating loss of £3.2 million as a proportion of the University's total income. The operating position in 2020-21 has again been impacted by lost turnover arising from trading restrictions and the increased costs of operating safely during the pandemic.

## Income

The University saw increases in tuition fees, research income and most notably Funding Body Grants, which increased by £7.1 million (47.1%). Student residential and trading outlet income reduced by £2.3 million against budget, largely due to refunding a significant portion of accommodation fees to students, coupled with the ongoing closure or reduced activity of retail facilities. The University attracted marginally more students in 2020-21 than in 2019-20, and research grant capture and associated margins were also higher compared with the previous year. As part of the budgeting process, the University had financially planned for the majority of the pre-COVID-19 reductions and these are therefore broadly in accordance with budget expectations. However, most of the increased income in 2020-21 relates to additional support funding received from funding bodies as well as some recovery following significantly reduced income in 2019-20. Our financial strategy continues to match income reductions with necessary cost reductions, delivering financial sustainability.



## Expenditure

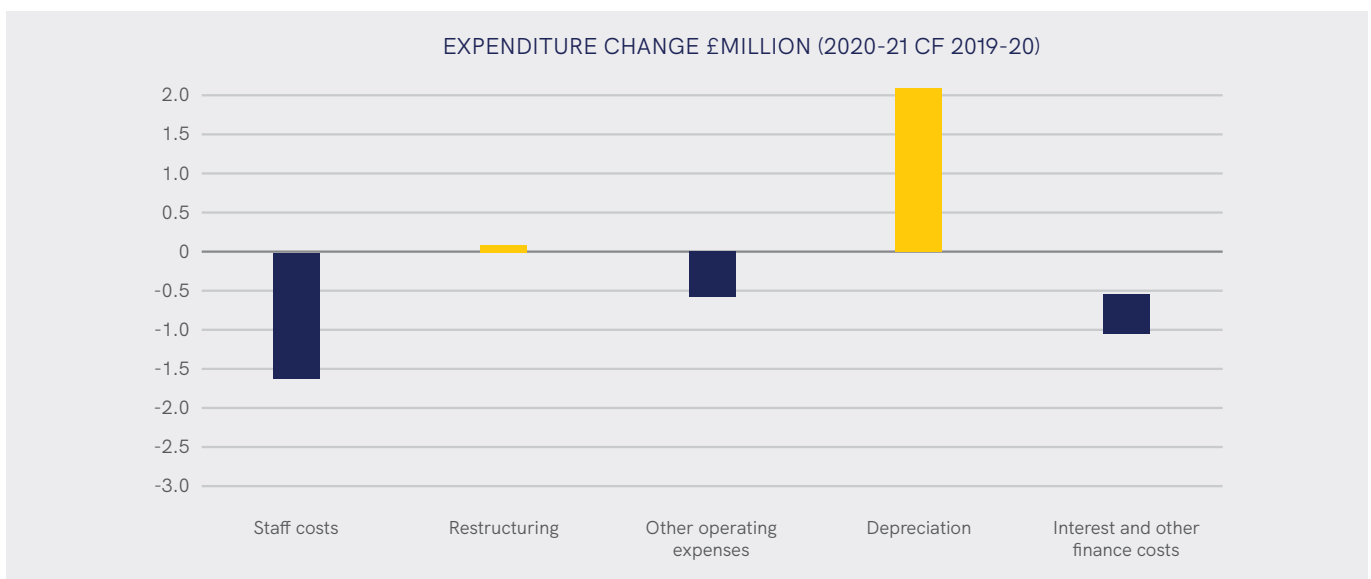
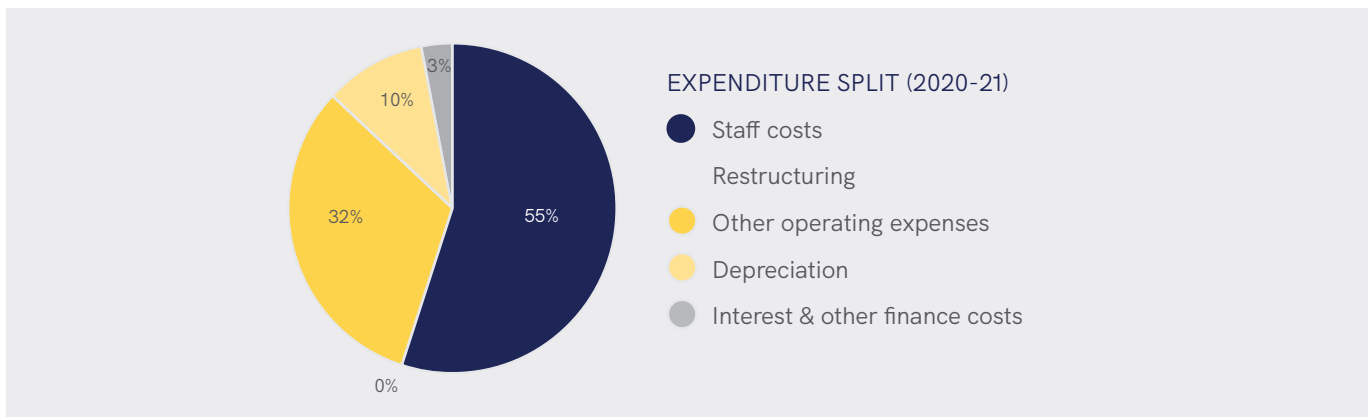
The University continued to carefully manage its cost base in 2020-21, building upon the progress of recent years and fine-tuning key areas. A robust and challenging budget setting process, interlinked with a focus on developmental activities, continues to support this objective. In 2020-21 the University has broadly balanced the cost base in proportion to income generated, albeit there remain business improvements to be made. Staff costs have decreased by some £2.3 million (4.2%) compared with the prior year, illustrating that underlying activity is sustainable. Some change efficiencies were undertaken during the year.

The balanced academic portfolio, supported by proportional professional services, provides for expenditure stability. The development of a staff establishment during 2020-21 has embedded that control environment.

Some minor costs were incurred during 2020-21 as the planned restructuring of the University was completed, however they do not form part of the underlying cost base and as such do not form part of our longer-term planning.

Research expenditure has remained constant compared with 2019-20, and grant capture has improved in 2020-21. Overall research contribution has increased, reflecting strengthening departmental performance in some areas.

Consumable expenditure has also been tightly controlled, facilitated by rigorous budgetary review, as well as the implementation of real time management information for budget holders, driven from the financial reporting system. The rationalisation of some activities because of COVID-19 has also reduced variable operational expenditure in the year as catering and other 'on campus' activity declined. The University has sought to match such expenditure reductions against income reductions to manage the overall impact of the pandemic. The University has recognised that there remain challenges in specific operations and has developed strategic action plans to target those areas.



Note: Staff costs include pension service cost provision gain.



## Balance Sheet

The University's consolidated net assets have increased by £1.3 million from that reported in 2019-20. Non-current assets have increased through continued investment in fixed assets and an increase in the value of University investments. However, this increase has been offset by a reduction in cash and cash equivalents and an increase in creditors due after more than one year linked to capital grant receipts (see below).

£ millions	Fixed Assets	Investments	Bank & Cash	Long Term Creditors	Pension Liability
2020-21	251.6	40.3	7.3	133.1	52.4
2019-20	244.8	33.4	12.3	127.7	52.0
	↑	↑	↓	↑	↑

## Capital Investment

Investment in the University's estate, facilities and student residences reduced in 2020-21 after historically high levels over the previous two years, following completion of several major capital projects. Final expenditure on the £40.5 million AberInnovation campus, which was completed in August 2020, and on the fully refurbished historic Pantycelyn halls of residence fell into the 2020-21 academic year.

During the year £20.9 million (2019-20 £34.2 million) was spent on investment in infrastructure and equipment across the group. The University completed a £2.4 million refurbishment of premises to create facilities for the new School of Veterinary Science, which admitted its first students in September 2021. Pre-construction and enabling works expenditure of £1.3 million (2019-20 £0.7 million) continued upon the Old College site in advance of a significant project, partly funded by the Heritage Lottery Fund, to breathe new life into this historic seafront property. The University continues to invest in projects aimed at reducing the carbon footprint of its operations. Through a combination of a Salix interest-free loan, external funding and its own reserves the University invested £3.0 million on its first phase of planned energy efficiency projects.

Of the total capital expenditure, £1.7 million (2019-20 £1.4 million) relates to new research equipment funded by grants. The remaining expenditure relates to strategic investment in the campus and facilities, reflecting improvements to buildings and the general infrastructure. Approximately £12.8 million (2019-20 £20.4 million) of the total expenditure incurred has been funded from external sources.

## Investments

Over the trailing one-year period to 31 July 2021 the endowment and university investments returned a gain of 15.3% (2019-20 -4.7%) compared to the policy benchmark which returned a gain of 14% (2019-20 -0.3%). The best performing portions of the portfolio were UK Equity (47.5% growth) and Global Developed Equity (26.4%).

## Cash and short-term deposits

The University's liquidity (net current assets / (liabilities)) as at 31 July 2021 remains negative at (£9.7 million), a further reduction from (£2.7) million reported as at 31 July 2020. This reduction is broadly in line with the reduction in cash and cash equivalents from £12.3 million as at 31 July 2020 to £7.3 million as at 31 July 2021. The continued direct impact of COVID-19 on the University's operations, following two years of major capital investment, has reduced the University's cash holdings. The ability to retain cash and improve liquidity metrics, as operations stabilise and the capital programme reduces, remains a primary focus in 2021-22 and beyond.

The University's Revolving Credit Facility (RCF) has enabled the University to navigate planned and short-term volatility in its cashflow profile. In November 2021 the University increased the total available RCF facility from £10 million to £15 million. As planned, the University had drawn down £3 million against the facility as of July 2021, which was a reduction from the £6.5 million drawn down as of July 2020. The RCF assists with short-term cash timing differences only and is not long-term secured loan finance. The University plans a return to operational surpluses and resultant increases to cash retention in its financial plans from 2021-22 onwards.

It will continue to use the RCF to smooth cashflow whilst investing in significant capital projects, with the expectation that balances will be repaid in full by July 2024.

The University carefully monitors compliance with banking covenants and regularly reviews these with its lenders. The financial plans and forecasts indicate that these covenants will continue to be met.

The University robustly monitors its cash balances and commitments through monthly and quarterly reporting and forecasting, whereby risks are highlighted and managed. Although there remains uncertainty across the sector regarding the ongoing impact of COVID-19, the University is optimistic that reduced restrictions will allow operational cash generation and retention to reach levels which were forecast before the pandemic.

The University continues to review and consolidate its asset holdings with a view to disinvesting some assets that are surplus to operational requirements and strategic plans. Across 2020-21, this strategy realised cash proceeds totalling £0.9 million (2019-20 £2.1 million) from asset sales which has been used to support capital improvements and developments that dovetail with the University's strategic direction.

## Principal risks and uncertainties

The University's risk management process recognises a number of areas of risk, including: corporate strategic risks, which identify the most significant risks to achieving the University's objectives; operational risks, which may affect the day to day operations of the institution; risks associated with major development projects, which identify the risks affecting the University's capital investment programme.

All risk registers are recorded in an online tool to facilitate management oversight and the identification of linked risks and are updated on a regular basis and reviewed by the Governing Body. The Audit, Risk and Assurance Committee receives a detailed report on the management of risk at each of its meetings. Risk registers for each academic and professional service department are recorded in the same online tool and are monitored at faculty level.

Sector wide uncertainties remain that will affect all universities, particularly those relating to the UK's relationship with the European Union. All UK universities are exposed to changes in their relationship with the EU and these potential impacts have been incorporated into risk records as appropriate. The COVID-19 pandemic and the subsequent issues relating to student recruitment, particularly for international students, have added an additional layer of uncertainty over fee income. The principal risks to the University and how they have been mitigated are shown in the table below:

Risk Area	Risk Description	Risk Mitigation
Sustainability and Funding	Changes in the funding of Universities from public sources, including the impact of changes in student fees, the funding of research and the Government's response to the Augar review of post 18 education and funding.	The University plans prudently and has incorporated detailed sensitivity analyses of income assumptions within its financial forecasts. Financial plans for the 2021-22 academic year show the University returning to a surplus position.
Recruitment	The University fails to recruit and retain sufficient student numbers.	The University plans realistically for student demand and has recruitment strategies in place, focusing on key areas around the UK and Wales, developing international networks as well as strong links with local schools. The University regularly reviews its portfolio to ensure it continues to meet student and employer needs.
Research	Failure to recruit high quality research staff, develop strategic research partnerships and deliver the Research & Innovation Strategy.	The University's strategic plan has a clear commitment to research and an active engagement with the Ser Cymru programme for fellowships and support for new researchers. Recent developments in the Aberystwyth Innovation and Enterprise Campus, GEOM and Future Foods among others provide new opportunities for building new partnerships with business.
Pensions	Further revaluations to or increases in assessment of deficits in the pension schemes that increase cash outflows from the University, or potentially make Aberystwyth a less attractive employer.	Sector-wide consultation on the USS pension scheme has recently been concluded. Aberystwyth has sought to mitigate the risk of further employer pension contributions by reshaping its cost base to ensure that future commitments can be met from operating activities.
Reputation	The University fails to maintain its international reputation in both teaching and research.	The University invests significantly in the student experience and in world class research. Success in league tables, Teaching Excellence Framework and Research Excellence Framework validates the University's strategies.



Exit from the EU	The University recognises a number of risks associated with exit from the EU, in terms of the potential impact on: recruitment of EU students; loss of access to research programmes and research income; loss of EU staff; increased costs of goods and services; loss of ERASMUS and Exchange programmes.	The University's risk registers have been comprehensively reviewed for the implications of the exit from the EU for the impact on student recruitment, staff recruitment and retention and the implications for supply chains. The University has supported staff affected by the requirements of the EU 'Settled Status' scheme. The University monitors the pipeline of research grant activity and is actively developing links with industry partners on research activity.
COVID-19 pandemic	The University, students, staff and the local community are adversely affected by a high incidence of COVID-19 in our area.	This risk has effectively crystallised resulting in a significant financial impact in the year relating to loss of commercial and conference income. Mitigation measures include a ventilation survey of all teaching spaces, promotion of the availability of vaccination to staff and students and infection control measures related to teaching and research, study, and social activities. Detailed contingency plans are in place in the event of a localised outbreak.

## Sustainability

The University's long-term financial planning to 2025-26 is built on the delivery of excellence for students. The higher education sector continues to be increasingly competitive and although the impact of COVID-19 has detrimentally affected Aberystwyth, we are confident in our assumptions and planning mechanisms for the immediate future.

Aberystwyth continues to refocus marketing and recruitment for both domestic and international students. Our strategies are based around developing a portfolio of high-quality programmes with clearly articulated identities, meaningful relationships with our feeder schools, and an individual and supportive relationship with our applicants. The priorities underpinning the 'growth' component of our plans are to establish a uniformly excellent teaching provision and a leading marketing and recruitment function. Both are embedded in our Financial Strategy for the future and we continue to actively review the teaching and recruiting activities of all University departments.

Student intake in September 2020 was better than budgeted. Our strategic aims are to consolidate and capitalise on this improvement, as well as ensuring that more students choose Aberystwyth University as a place where they can learn and live in an exceptional environment. Our business intelligence and modelling support this assumption, illustrated through increasing applications compared with previous enrolment cycles.

The University continues to make major investments in its estate that will impact upon its financial position over the planning horizon. Whilst liquidity continues to be maintained, the University has again seen a diminution of cash balances in 2020-21 and it remains clear that future financial performance needs to improve to secure long-term sustainability. The University remains on course to achieve this and we will continue to closely monitor cashflow and underlying earnings for continuing operations and to provide the cash basis for our planned further capital investment.

Our Financial Strategy for the next few years will see a major capital programme progressed and our core strengths built upon. Our financial forecasts show a tight budgetary landscape, with the University forecasting a return to an operating surplus in 2021-22. It is hoped that modest surpluses can be delivered throughout the planning horizon. As well as these items, the University has included in its forecasts pay awards, the voluntary living wage and additional employer pension contributions including deficit reduction charges arising from the latest valuation.

The University is a member of a number of pension schemes which contain a degree of risk relating to the outcome of valuation processes. Given these significant uncertainties it remains important that the University delivers an improved financial performance during 2021-22 and beyond. It will continue to carefully control expenditure, particularly those incurred in acquiring fixed assets, ensuring they are in line with capital planning projections. The ongoing emphasis on delivery of Strategic Plan objectives will continue to ensure long-term sustainability by attracting students to study at all levels at the University. Against the wider economic backdrop, there will be challenging times ahead. However, with continuing strong management and staff, the University is confident of successfully making progress in its strategic plans and achieving its objectives.

As part of its approach to financial sustainability, the University undertakes detailed expenditure reviews and has a robust budget monitoring system in place. Additional financial commitments have been reviewed and reduced as necessary, such as phasing some capital expenditure. During 2020-21, the University instigated a comprehensive strategic review of its procurement activities, which could transform how the University purchases goods and services, together with realising long-term sustainable savings. Regular meetings are held to review the financial position, as well as the consideration of mitigating actions, including revenue generation, cost controls, cash management and financing options. There are regular discussions between Marketing, Finance and Planning to model fee income over the longer term planning horizon.

The financial outlook remains uncertain and 2021-22 will be challenging, as we continue to deliver a blended approach to teaching and manage the additional costs and challenges of maintaining a safe campus. There remains an unquantifiable risk of further extensions to the prevailing restrictions or additional future firebreak lockdowns arising from the COVID-19 pandemic. University income remains exposed to this risk, particularly that relating to student residential accommodation. However, our financial and cash management modelling demonstrates that the University remains able to meet its financial commitments, including scenarios that incorporate downside risk. The University has budgeted an operating surplus in 2021-22, as a result of stronger student recruitment and robust cost control.

Notwithstanding these overarching risks which are likely to be relevant for the whole higher education sector, we remain confident that the strategic direction of the University strongly safeguards its long-term sustainability. This Annual report outlines our progress towards our strategic objectives in a variety of key areas, particularly in teaching and learning, and research and innovation which are central to our operations. These, along with our demonstrated commitment to the sustainable management of our finances and risks with continue to make key contributions towards our future success.

**Stephen Forster,**  
Director of Finance and Corporate Services

**Fiona Sharp,**  
Chair of Resources and Performance Committee



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# Public Benefit Statement

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Aberystwyth University is a Registered Charity (No 1145141) in accordance with the terms of the Charities Act 2011. In setting and reviewing the University's objectives and activities, the University Council has due regard for the Charity Commission's general guidance on public benefit and supplementary guidance for charities established for educational purposes.

Since 1872 the University has promoted excellence in research and teaching under its motto 'Nid byd, byd heb wybodaeth – A world without knowledge is no world at all'. We aim to enable the student to develop a passion for academic enquiry, learning and personal development which is both lifelong and life changing. We value innovation and excellence in research in all fields and disciplines and we encourage an inter-disciplinary approach to seek solutions to global issues. We seek to break down barriers to education and work closely with the community to widen access to our provision.

## Teaching

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Our core mission is to produce well-educated, skilled and confident graduates, fully equipped for the world of work and for the work of the world. We provide this through excellent teaching across 19 core academic departments and embedding employability, transferrable skills, and issues of global citizenship into our curriculum. We support a range of projects for learning in the community, including providing a wide range of lifelong learning courses in languages, the sciences, arts and humanities on the University campus as well as in community venues across Wales, and a portfolio of part-time and day courses. We recognise our special responsibility to further Welsh medium engagement and promote the Welsh language, and are active in encouraging Welsh speaking students to pursue their studies through the medium of Welsh. We have recently established the first School of Veterinary Science in Wales and are set to play a key role in training future nurses following our successful tender to offer nursing qualifications for the first time.

## Research

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We have a long and distinguished record of undertaking cutting edge research of international significance, conducting research that addresses the major challenges society faces, including climate and environmental change, global inequality, space research, international economics, artificial intelligence and cultural identities. We are establishing ourselves as a centre for research collaborations with business through our now operational Innovation and Enterprise Campus, AberInnovation. Community engagement with research includes health and wellbeing programmes, robotics workshops, and public lectures.

## Widening Participation

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Our approach to widening access involves targeted projects aimed at raising school leaver aspirations and we work closely with schools and the local community on activities to improve skills, particularly in STEM (Science, Technology, Engineering and Maths) subjects. We provide a comprehensive range of bursaries, scholarships and awards, including bursaries for Postgraduate Research students who are funded via University and alumni-funded endowments. We also provide a range of targeted academic and personal support to students to aid retention and promote student success.

## International Reach

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We are a thriving international community, welcoming staff and students from over 90 countries worldwide and working in partnership with institutions, businesses and organisations across the world. Our International English Centre helps overseas students to gain language skills so that they can be confident members of our safe, inclusive community.

## Sustainability

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We are wholly committed to the enhancement, promotion and development of sustainable practices, with the overarching aim to encourage sustainable growth and practices, both for individuals and for the institution. We have taken several steps to eliminate single-use plastics, including introducing a coffee cup tax, providing free water fountains for staff, students and visitors and introducing compostable takeaway containers. These changes have in turn reduced the University's carbon emissions from the purchasing of single use plastics and increased rates of recycling and reuse. We have also moved ahead with planning permission to install state of the art solar panels at a site adjacent to Fferm Penglais – a renewable energy scheme which would generate approximately 25% of the annual electricity requirements of Penglais Campus.

We are committed to being carbon neutral by 2030 and are prioritising our responsibility to protect the environment from the impact of its operations and activities. The University's Sustainability Policy Statement outlines its commitment to conduct its activities in an environmentally responsible manner.

## Community Engagement

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We engage fully with our local community through our Arts Centre's thriving cultural programmes which include theatre, music, cinema, gallery exhibitions, film and literary festivals, dancing classes, summer projects for school children and evening classes and workshops for adults. We are also proud of our partnership work with the National Library of Wales and with local schools and community groups and charities including the University Charity of the Year, which is chosen by our staff and students. We encourage staff and student volunteering and are proud of the involvement of both in activities such as beach conservation and engagement with St John's Ambulance Brigade. We offer services to regional businesses. We support the local hospital and community health programmes and provide

access to high quality sporting facilities and classes for the local community, including sports classes, sports holiday clubs, and activities to promote health and wellbeing in the over-50s.

## COVID-19

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From research to community support, our staff and students have made vital contributions to the fight against COVID-19. We are committed to working together with our partners, including Ceredigion County Council, Hywel Dda University Health Board and Public Health Wales to reduce the impact of COVID-19 across our communities and provide support planning for the future. In addition to our academic work related to COVID-19, the University has continued to work consistently with our students and staff to raise awareness of changing Welsh Government restrictions and recommended behaviours. We have provided dedicated support in light of the pandemic and facilitated testing as we have prioritised the safety of our students, staff and wider community. We have provided University facilities for delivery of the community vaccination programme, which has meant many thousands of people visiting our campus being vaccinated by local health service staff.



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## Corporate governance and internal control

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**In accordance with Aberystwyth University's Supplemental Royal Charter as revised in 2018, the institution's Council is "the supreme governing body of the University" and is responsible for "determining the University's strategic direction and for the conduct of the University's financial, administrative and other affairs, in accordance with its objects".**

As set out in the University's governing documents, the Council consists of: Independent Members (some serving in an ex-officio capacity); ex-officio staff members; and members elected by the Senate, the non-academic staff, and the students. In total, the membership of the Council shall not exceed 18 voting members. The Council may also appoint additional co-opted members provided the overall number of members is consistent with Statute, although this is not current practice.

The majority of Council members are nonexecutive, Independent Members who are not members of staff or students at the University. Further, the role of the Chair of the Council - which can only be undertaken by an Independent Member - is separated from the role of the University's Chief Executive, the Vice-Chancellor.

Aberystwyth University is committed to promoting equality and diversity, and endeavours to be inclusive, valuing the diverse nature of its staff, students and community. All vacancies for Independent Members on the Council are advertised externally, with expressions of interest particularly welcome from under-represented groups. Such expressions of interest are considered by a Nominations Committee against the Council's current composition to ensure that members possess a range of skills which meet the University's requirements.

The University aims to conduct its activities in an ethical manner in accordance with the seven principles set out in the Nolan Committee's 'Report on Standards in Public Life': selflessness, integrity, objectivity, accountability, openness, honesty, and leadership. The University is also committed to exhibiting best practice in all aspects of corporate governance, applying the core values and associated seven primary elements of governance as set out in

the Committee of University Chairs (CUC) 'Higher Education Code of Governance (September 2020)', as well as the relevant principles detailed in the 'UK Corporate Governance Code' issued by the Financial Reporting Council.

A review of governance effectiveness was commissioned by the Council during the spring 2019. This was undertaken by AdvanceHE, with its final report presented to Council on 28 June 2019. The Council applies an approach of continuous improvement to governance and institutional performance. The recommendations made in the most recent governance effectiveness review are being implemented under the oversight of the Governance and Compliance Committee. The next review of governance effectiveness is scheduled to be conducted during the 2022-23 academic year.

On 19 February 2020, Gillian Camm's independent review of Governance in Wales (A review of Governance of the Universities in Wales) was published, along with the sector's unanimous response, in the form of a Governance Charter for Universities in Wales and a Commitment to Action plan. The University has developed its own action plan in response to the recommendations of the Camm Review, as well as the sector's own Charter and Commitment to Action plan. The University's own action plan was agreed by the Council on 27 April 2020, with progress implementation reports submitted to the Governance and Compliance Committee biannually. Good progress has been made since April 2020 in implementing many of the agreed actions, although the COVID-19 pandemic has led to some actions being delayed owing to all Council and sub-committee meetings being held virtually.

The Council's primary responsibilities are set out in both the University's Statutes and Ordinances. By custom, and under the Financial Management Code agreed with the Higher Education Funding Council of Wales, the Council holds to itself, inter alia, the approval of major development and expenditure, as well as responsibility for the establishment and activities of any subsidiary companies.

The Council met on six occasions during the 2020-21 academic year. Much of the detailed work is initially handled by several sub-committees. The University's main governance sub-committees include: an Audit, Risk and Assurance Committee; a Governance and Compliance Committee; a Remuneration Committee; and a Resources and Performance Committee.

All of these sub-committees report their decisions to the Council and are formally constituted with their own terms of reference and a proportion of their membership drawn from the Independent Members serving on the Council. Detailed information on the membership and responsibilities of these sub-committees can be found on our website.

The Remuneration Committee is constituted to consider and determine matters relating to the remuneration of Senior Staff at the University, within an overall framework approved by the Council. In agreeing any changes to the remuneration of the Vice-Chancellor, the Pro Vice-Chancellors and other defined Senior Staff, the Remuneration Committee is mindful of the affordability of any such determinations. All decisions taken by the Remuneration Committee are reported to the Council.

The University's Council is ultimately responsible for the University's system of internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and will only provide reasonable - and not absolute - assurance against material misstatement or loss.

The Council undertakes an ongoing process for identifying, evaluating, and managing the University's significant risks, and that has been in place for the year ended 31 July 2021, and up to the date of approval of the annual report and financial statements. It is regularly reviewed by the governing body; and it accords with the internal control guidance for Directors on the UK Corporate Governance Code, as amended by the British Universities Finance Directors Group.

The Audit, Risk and Assurance Committee is responsible for meeting with the External Auditors to discuss audit findings, and with the Internal Auditors to consider detailed internal audit reports and recommendations for the improvement of the University's systems of internal control, together with the management's responses and implementation plans. This sub-committee also monitors adherence with regulatory requirements and reviews the University's annual financial statements together with accounting policies. In addition, they may be required to investigate instances of non-compliance with legislation and other regulations. Whilst senior executives attend meetings of the Audit, Risk and

Assurance Committee as necessary, they are not members of the sub-committee, and sub-committee members may meet with the Auditors on their own for independent discussions.

The University's Executive has formal processes in place for evaluating and managing significant risks faced by the institution on an ongoing basis. This involves identifying the types of risks the University faces through a top-down and bottom-up process of identification of risks at both corporate and departmental level. Risks are prioritised in terms of potential impact and likelihood of occurrence in accordance with an established and approved risk management policy. These risks are aligned to the institution's strategic objectives and are monitored along with the associated controls and risk mitigation actions on an ongoing basis by the University Executive. The Audit, Risk and Assurance Committee receives an update on risk at each of its meetings, with appropriate reports and recommendations presented to the University Council.

The University has a process for dealing with significant control issues which involves immediate notification to the Chair of Council and Chairs of the Resources & Performance Committee and the Audit, Risk and Assurance Committee along with notification to the Higher Education Funding Council of Wales and the Charity Commission as appropriate.

The University has an agreed Publication Scheme which sets out the information made publicly available by the institution. Further information can be found on our website. Once formally approved by the Council, this document shall be published on the University's website alongside documents relating to previous academic and financial years.



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## Statement of council responsibilities in respect of the annual report and the financial statements

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### **The Council is responsible for preparing the Annual Report and the financial statements in accordance with the requirements of the Memorandum of Assurance and Accountability issued by the Higher Education Funding Council for Wales (HEFCW) and applicable law and regulations.**

It is required to prepare the group and parent University financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland and the requirements of the Charities Act 2011. The terms and conditions of funding further require the financial statements to be prepared in accordance with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education, in accordance with the requirements of the Accounts Direction to Higher Education Institutions for 2020/21 issued by HEFCW.

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

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

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

The Council is also responsible for ensuring that:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation;
- funds provided by the HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability. The Financial Management Code have been applied in accordance with the terms and conditions attached to them;
- ensuring that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources; and
- securing the economical, efficient and effective management of the University's resources and expenditure.

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

## UNIVERSITY TRUSTEES

The University's Trustees for the year ended 31 July 2021, and subsequently to the Council meeting where these financial statements were formally approved, were:

### Independent Members

#### Ex-officio

Dr Emyr Roberts, Chair of Council (6/6)

The Right Honourable Elfyn Llwyd, Deputy Chair of Council [until 31 July 2021] (6/6)

Ms Meri Huws, Deputy Chair of Council [from 01 August 2021, previously in an appointed Independent Member capacity] (6/6)

#### Appointed

Mr George Ashworth [until 31 July 2021] (6/6)

Mrs Samantha Blackie [until 31 July 2021] (5/6)

Ms Kate Eden (5/6)

Mr Owen Evans [from 01 August 2021]

Prof Simon Green [from 01 September 2021]

Ms Sharron Lusher [from 01 August 2021]

Ms Rhuanedd Richards (6/6)

Ms Fiona Sharp (6/6)

Mr Mark Tweed (5/6)

Prof Sir Robin Williams (6/6)

Dr William Williams (6/6)

### Staff / Student Members

#### Ex-officio

Prof Elizabeth Treasure, Vice-Chancellor (6/6)

Prof Tim Woods, Pro Vice-Chancellor (6/6)

#### Senate Members

Dr Louise Marshall (6/6)

Prof Reyer Zwiggelaar (6/6)

#### Non-academic Staff Member

Ms Kath Williams (5/6)

#### Student Representative Members

Ms Mared Edwards, UMCA President [from 01 July 2021] (1/1)

Mr Moc Lewis, UMCA President [until 30 June 2021] (5/5)

Ms Sabina O'Donoghue, Aberystwyth University Students' Union President [from 01 July 2021] (1/1)

Mr Nate Pidcock, Aberystwyth University Students' Union President [until 30 June 2021] (5/5)

Attendance information is provided for those Council members serving during the year ended 31 July 2021, expressed as the number of Council meetings attended out of a total number of meetings the member was due to attend.



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# Professional advisors

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## External auditor and corporate tax advisors

**KPMG LLP**  
3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX

## Internal auditor

**Deloitte LLP**  
The Pinnacle  
150 Midsummer Boulevard  
Milton Keynes  
Buckinghamshire  
MK9 1FD

## Bankers

**Barclays Bank**  
26 Terrace Road  
Aberystwyth  
Ceredigion  
SY23 2AE

## Solicitors

**Shakespeare Martineau**  
No 1 Colmore Square  
Birmingham  
B4 6AA

## Principal office

**Aberystwyth University**  
Visualisation Centre  
Penglais Campus  
Aberystwyth  
Ceredigion  
SY23 3BF

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# Independent auditor's report to the Council of Aberystwyth University

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## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

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We have audited the financial statements of Aberystwyth University ("the University") for the year ended 31 July 2021 which comprise the Consolidated and University Balance Sheets, the Consolidated and University Statement of Comprehensive Income, the Consolidated and University Statement of Changes in Reserves, the Consolidated Cash Flow Statement and related notes, including the Statement of Principle Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2021, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the 2019 Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

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

### Going concern

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

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

Our conclusions based on this work:

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

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



## Fraud and breaches of laws and regulations – ability to detect

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

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

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

As required by auditing standards, and taking into account possible pressures to meet loan covenants, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that income from research income is recorded in the wrong period and the risk that Group management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

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

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those journals posted to revenue accounts with the corresponding entry being posted to unusual accounts.
- Inspecting cash receipts in the period prior to and following 31 July 2021 to verify research income had been recognised in the correct accounting period.

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

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

As the Group is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity’s procedures for complying with regulatory requirements.

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

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

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

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

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

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

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

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

### **Other information**

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The Council is responsible for the other information, which comprises the Strategic Review and the Report of the Governors and Corporate Governance Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

- based solely on that work, we have identified material misstatements in the other information; and
- in our opinion the information given in the Strategic Review and the Report of the Governors and Corporate Governance Statement is inconsistent in any material respect with the financial statements.

We have nothing to report in these respects.

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

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

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

We have nothing to report in these respects.

### **Council responsibilities**

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As explained more fully in the statement set out on page 56, the Council is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the Group or the parent University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

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

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

In our opinion, in all material respects:

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

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

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

### **Rees Batley**

for and on behalf of KPMG LLP, Statutory Auditor  
Chartered Accountants

3 Assembly Square  
Britannia Quay  
Cardiff  
CF10 4AX  
30 November 2021

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# Financial Statements for the Year ending 31 July 2021

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## 1. BASIS OF PREPARATION

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

The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS102. The financial statements are prepared in accordance with the historical cost convention with the exception of investment properties and the defined benefit pension liabilities which are held at fair value.

The University has presented the Cash Flow Statement of the group only as permitted by the disclosure exemption available in FRS102.

The financial statements have been prepared on a going concern basis.

### Going Concern

The Consolidated Aberystwyth University Group made a surplus before taxation of £4.2 million (2019-20 deficit £5.0 million) which has resulted in a negative cash outflow of £5.0 million (2019-20 £2.0 million). Additionally the Group has net current liabilities of £9.7 million (Net current liability 2019-20 £2.7 million) and net assets of £100.0 million (2019-20 £98.0 million), of which £68.9 million (2019-20 £62.3 million) is represented by unrestricted reserves. Included within net current assets, are cash and cash equivalents of £7.3 million (2019-20 £12.3 million, £3.7 million of which are restricted) which may be used by the Group to settle its ongoing liabilities and support the Group's Capital Programme.

During the 2020-21 academic year, the University continued to focus on long term sustainability, building upon the successful Sustainability Implementation Plan of recent years. The resource planning system continues to focus on balanced investment, coupled with careful monitoring of key metrics to ensure that the University remains on a sustainable footing for the future. Successful conclusion of the SIP programme, together with previously identified surplus space to enable face to face teaching to continue where possible in a COVID-secure environment and a historically low reliance on income from international students means that the University is well placed to manage any ongoing adverse financial impacts resulting from the COVID-19 pandemic.

Financial forecasts, including cash flow projections, have been prepared for the Group covering the going concern assessment period, being 12 months from the date of approval of these financial statements. These forecasts indicated that the Group will have a consistent net cash outflow during the going concern assessment period. After reviewing these forecasts, the Council is of the opinion that, taking account of severe but plausible downsides, the Group will have sufficient funds to meet its liabilities as they fall due over the period of 12 months from the date of approval of the financial statements.

The Group retains capacity to defer uncommitted capital investment plans, in order to maintain sufficient cash balances and reserves to meet liabilities as they fall due. To support cashflow, Aberystwyth University has in place a £10 million revolving credit facility, which has been set up with a two-tier structure based on the university's requirements. This facility is in place until May 2023, with the agreement of the University's lenders. An additional £5 million Coronavirus Large Business Interruption Loan Scheme (CLBILS) facility which is 80% underwritten by Government guarantee, has also been put in place for a period of three years to further support cash flow. During the year the University agreed a new covenant with its lenders from the quarter ending July 2021 to the quarter ending April 2022. The University remained compliant with the facility covenants in all four quarters of 2020-21. The University has forecasted to achieve its covenant obligations throughout the period to May 2023. Consequently, the Council is confident that the Group and parent University will have sufficient funds to continue to meet their liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.



## 2. BASIS OF CONSOLIDATION

The consolidated financial statements include the University, Aberystwyth Innovation and Enterprise Campus (AIEC) (subsidiary), Aber Trading Ltd (subsidiary), Aber Business Consultancy Ltd (subsidiary) and Aberystwyth Limited (Aberystwyth University Mauritius) (subsidiary) for the financial year to 31 July 2021. The results of the subsidiary during the period are included in the consolidated statement of income and expenditure. 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. Associated companies and joint ventures are accounted for using the equity method.

## STATEMENT OF PRINCIPAL ACCOUNTING POLICIES

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### 3. INCOME RECOGNITION

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

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

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

#### Grant funding

Government revenue grants, including funding council block grant and research grants, are recognised in income over the periods in which the University recognises the related costs for which the grant is intended to compensate. Where part of a government grant is deferred, it is recognised as deferred income within creditors and allocated between creditors due within one year, and due after more than one year as appropriate.

Grants (including research grants) from non-government sources are recognised in income when the University is entitled to the income, and performance related conditions have been met. Income received in advance of performance related conditions being met is recognised as deferred income within creditors on the balance sheet and released to income as the conditions are met.

#### Capital grants

Government capital grants are recognised in income over the expected useful life of the asset. Other 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

Donations and endowments with donor imposed restrictions are recognised in income when the University is entitled to the funds. Restricted endowment income is retained within the endowment 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. Unrestricted endowment income is recognised in the period it is received.

Restricted donations are retained within restricted reserves until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer. Donations with no restrictions are recognised in income when the University is entitled to the funds.

Investment income and appreciation of endowments is recorded in income in the year in which it arises, and as either restricted or unrestricted income. The classification depends on the term and restrictions applied to the individual endowment fund.

There are four main types of donations and endowments identified within reserves:

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

## **4. ACCOUNTING FOR RETIREMENT BENEFITS**

The four principal pension schemes for the University are:

- the Universities Superannuation Scheme (USS), this is a Multi-employer Defined Benefit scheme;
- the Aberystwyth University Pension Provision (AUPP), this is a Defined Contribution Plan; and
- the Aberystwyth University Pension and Assurance Scheme (AUPAS), this is a Defined Benefit Scheme closed to future employee contributions;
- the Dyfed Pension Fund (DPF), this is a Defined Benefit scheme closed to new entrants.

### **Multi-employer Defined Benefit scheme**

Multi-employer Defined Benefit schemes are valued every three years by professionally qualified independent actuaries. Where the University is not able to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis due to the mutual nature of the scheme, the scheme is accounted for as a defined contribution retirement benefit scheme. A liability is recorded within provisions for any contractual commitment to fund any past deficits within the scheme.

### **Defined Contribution Plan**

The University pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the income statement in the periods during which services are rendered by employees.

### **Defined Benefit Scheme**

Under defined benefit schemes the University's obligation is to provide the agreed benefits to current and former employees. The University bears the actuarial risk (that benefits will cost more or less than expected) and the investment risk (that returns on assets set aside to fund the benefits will differ from expectations).

The University recognises 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. Defined benefit schemes are valued every three years by professionally qualified independent actuaries.

## **5. EMPLOYMENT BENEFITS**

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



## 6. FINANCE LEASES

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

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability.

The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

## 7. 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.

Income received in respect of awarding 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.

## 8. FOREIGN CURRENCY

The functional currency of the Aberystwyth University Group is GBP (Sterling).

Transactions in foreign currencies are translated to Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation to the functional currency are recognised in Consolidated Statement of Comprehensive Income.

The assets and liabilities of foreign operations are translated to Sterling at foreign exchange rates ruling at the balance sheet date. The revenues and expenses of foreign operations are translated at an average rate for the year where this rate approximates to the foreign exchange rates ruling at the dates of the transactions. Exchange differences arising from this translation of foreign operations are reported as an item of interest and other finance costs.

## 9. FIXED ASSETS

Fixed assets are stated at deemed cost less accumulated depreciation and accumulated impairment losses. Certain items of fixed assets that had been revalued to fair value on or prior to the date of transition to the 2015 Higher Education SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation.

Where parts of a fixed asset have different useful lives, they are accounted for as separate items of fixed assets. Depreciation methods, useful lives and residual values are reviewed at the date of preparation of each Balance Sheet.

### Land and buildings

The University's freehold property excluding Residences and other trading related buildings, were revalued on a depreciated replacement value basis as at 31 July 2014. These assets are carried at the 2014 valuation. Subsequent additions are held at cost.

Freehold buildings are depreciated on a straight-line basis over their expected useful lives according to their constituent parts as follows:

Long term e.g. foundations & structure	40 to 60 years
Medium Term e.g. services	10 to 30 years
Short Term e.g. internal fittings	5 to 10 years

Costs incurred in relation to land and buildings after initial purchase or construction, are capitalised to the extent that they increase the expected future benefits to the University. No depreciation is charged on assets in the course of construction.

Freehold land is not depreciated as it is considered to have an indefinite useful life. Leasehold land is depreciated over the life of the lease.

### **Equipment**

Equipment costing less than £10,000 per individual item is written off in the year of acquisition. Other equipment is capitalised.

Capitalised equipment is stated at cost and depreciated on a straight-line basis over its expected useful life of five years, other than equipment acquired for specific research projects which is depreciated over the life of the project (generally three years).

### **Software**

Software development costs directly attributable to bringing a computer system or other computer-operated machinery into working condition for use within the business are classified as intangible fixed assets within plant and machinery.

### **Heritage assets**

Heritage assets represent paintings, works of art and ceramics held by the University. They are held and maintained principally for their contribution to knowledge and culture. Those items valued at over £10,000 have been capitalised and recognised at the cost or value of acquisition, where such a cost or valuation is reasonably obtainable. Heritage assets are not depreciated since their long economic life and high residual value mean that any depreciation would not be material.

Any costs incurred relating to the restoration or conservation of these assets is included in the Consolidated Statement of Comprehensive Income in the year in which it is incurred.

## **10. INVESTMENT PROPERTIES**

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

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

## **11. OTHER INVESTMENTS**

Listed investments are valued at fair market value with gains and losses recognised in the Statement of Comprehensive income.

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

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

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

## **12. STOCK**

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

## 13. 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.

## 14. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised in the financial statements when:

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

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

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

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

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

## 15. TAXATION

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

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

Deferred tax would be provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date.

The University's principal activities are exempt from Value Added Tax (VAT) but certain ancillary supplies and services are liable to VAT at various rates. Expenditure includes irrecoverable VAT charged by suppliers to the University.

## 16. RESERVES

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



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

## **17. BASIC FINANCIAL INSTRUMENTS**

### **Trade and other debtors / creditors**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in other operating expenses.

### **Long-term financial liabilities**

Long-term financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. All loans held by the Group are classified as basic financial instruments in accordance with FRS 102 and are held at amortised cost. Loans and investments that are payable or receivable within one year are not discounted.

The University's student accommodation Fferm Penglais, was acquired using finance from Legal & General (L&G) and Balfour Beatty. The building has been recognised at cost. The finance provided by L&G and Balfour Beatty has been recognised under long-term creditors based on the implicit interest rate of the arrangements.

# CONSOLIDATED & UNIVERSITY STATEMENT OF COMPREHENSIVE INCOME

## for the year ended 31 July 2021

	Notes	2021		2020	
		Consolidated	University	Consolidated	University
		£000	£000	£000	£000
<b>INCOME</b>					
Tuition fees and education contracts	1	53,989	53,989	53,514	53,514
Funding body grants	2	22,054	22,054	14,997	14,997
Research grants and contracts	3	20,217	20,217	15,566	15,566
Other income	4	21,707	19,652	22,252	22,366
Investment income	5	233	233	521	521
Total income before endowments and donations		118,200	116,145	106,850	106,964
Donations and endowments	6	642	642	684	684
Total income		118,842	116,787	107,534	107,648
<b>EXPENDITURE</b>					
Staff costs	7/9	66,187	65,734	56,802	56,550
Fundamental restructuring costs	7/9	184	184	103	103
Other operating expenses	9	38,544	37,949	39,278	39,632
Depreciation	10	11,946	10,891	9,884	9,884
Interest and other finance costs	8/9	4,003	4,003	4,484	4,484
Total expenditure	9	120,864	118,761	110,551	110,653
Deficit before other gains losses and share of operating deficit of joint ventures and associates.		(2,022)	(1,974)	(3,017)	(3,005)
Share of operating surplus from joint ventures		-	-	-	-
Gain on disposal of fixed assets		243	243	35	35
Gain / (loss) on investments		6,020	6,020	(2,060)	(2,060)
Surplus/(Deficit) before taxation		4,241	4,241	(5,042)	(5,030)
Taxation		-	-	-	-
Surplus/(Deficit) after taxation		4,241	4,289	(5,042)	(5,030)
Actuarial (loss) in respect of pension schemes	29	(2,298)	(2,298)	(11,147)	(11,147)
Total comprehensive income for the year		1,943	1,991	(16,189)	(16,177)
Represented by:					
Endowment comprehensive income for the year	21	(4,611)	(4,611)	(1,089)	(1,089)
Restricted comprehensive income (expenditure) for the year	22	(7)	(7)	(22)	(22)
Unrestricted comprehensive income for the year		6,561	6,609	(15,078)	(15,066)
		1,943	1,991	(16,189)	(16,177)
Total Comprehensive income for the year attributable to					
Non controlling interest		-	-	-	-
University		1,943	1,991	(16,189)	(16,177)

## CONSOLIDATED AND UNIVERSITY BALANCE SHEET as at 31 July 2021

	Notes	2021		2020	
		Consolidated	University	Consolidated	University
		£000	£000	£000	£000
<b>NON CURRENT ASSETS</b>					
Fixed assets	10	252,144	222,857	244,815	217,380
Heritage assets	11	1,898	1,898	1,347	1,347
Investment properties	12	5,223	5,223	5,723	5,723
Investments	14	37,765	37,765	31,943	31,943
Investment in subsidiaries		-	-	-	-
		297,030	267,743	283,828	256,393
<b>CURRENT ASSETS</b>					
Stock	15	1,684	1,684	1,603	1,603
Trade and other receivables	16	13,387	13,870	15,029	12,515
Investments	17	2,495	2,495	1,487	1,487
Cash and cash equivalents		7,290	6,548	12,325	12,207
		24,856	24,597	30,444	27,812
Less: Creditors: amounts falling due within one year	18	34,582	33,214	33,157	32,124
Net current (liabilities)		(9,726)	(8,617)	(2,713)	(4,312)
Total assets less current liabilities		287,304	259,126	281,115	252,081
Creditors: amounts falling due after more than one year	19	133,149	104,923	127,734	100,299
<b>PROVISIONS</b>					
Pension provisions	20	52,392	52,392	52,046	52,046
Other provisions	20	1,813	1,813	3,328	1,729
Total net assets		99,950	99,998	98,007	98,007
<b>RESTRICTED RESERVES</b>					
Income and expenditure reserve - endowment reserve	21	30,946	30,946	35,557	35,557
Income and expenditure reserve - restricted reserve	22	148	148	155	155
<b>UNRESTRICTED RESERVES</b>					
Income and expenditure reserve - unrestricted		68,856	68,904	62,295	62,295
Total Reserves		99,950	99,998	98,007	98,007

The financial statements were approved by the University Council on 26th November 2021 and were signed on its behalf by:



Dr Emyr Roberts,  
Chair of Council



Professor Elizabeth Treasure,  
Vice-Chancellor



## CONSOLIDATED AND UNIVERSITY STATEMENT OF CHANGES IN RESERVES year ended 31 July 2021

CONSOLIDATED	Income and expenditure account			Total Including Non Controlling Interest
	Endowment £000	Restricted £000	Unrestricted £000	£000
Balance at 1 August 2020	36,646	177	77,373	114,196
Surplus/(deficit) from the statement of comprehensive income	(1,089)	(22)	(15,078)	(16,189)
<b>Total comprehensive income for the year</b>	<b>(1,089)</b>	<b>(22)</b>	<b>(15,078)</b>	<b>(16,189)</b>
Restated balance at 31 July 2020	35,557	155	62,295	98,007
Surplus/(deficit) from the statement of comprehensive income	(4,611)	(7)	6,561	1,943
<b>Total comprehensive income for the year</b>	<b>(4,611)</b>	<b>(7)</b>	<b>6,561</b>	<b>1,943</b>
<b>Balance at 31 July 2021</b>	<b>30,946</b>	<b>148</b>	<b>68,856</b>	<b>99,950</b>

UNIVERSITY	Income and expenditure account			Total Including Non Controlling Interest
	Endowment £000	Restricted £000	Unrestricted £000	£000
Balance at 1 August 2020	36,646	177	77,361	114,184
Surplus/(deficit) from the statement of comprehensive income	(1,089)	(22)	(15,066)	(16,177)
<b>Total comprehensive income for the year</b>	<b>(1,089)</b>	<b>(22)</b>	<b>(15,066)</b>	<b>(16,177)</b>
Restated balance at 31 July 2020	35,557	155	62,295	98,007
Surplus/(deficit) from the statement of comprehensive income	(4,611)	(7)	6,609	1,991
<b>Total comprehensive income for the year</b>	<b>(4,611)</b>	<b>(7)</b>	<b>6,609</b>	<b>1,991</b>
<b>Balance at 31 July 2021</b>	<b>30,946</b>	<b>148</b>	<b>68,904</b>	<b>99,998</b>

There is a non-controlling interest relating to AIEC Ltd that totals £25 and has therefore been rounded to zero and is not shown separately in the note above. The revaluation reserve was created on transition to FRS102 when the properties were recognised at deemed cost. As the Group does not have a policy of revaluing its fixed assets it has deemed that more appropriate presentation is to show this within its Income and Expenditure reserves.

## CONSOLIDATED CASH FLOW STATEMENT for the year ended 31 July 2021

	Notes	2021	2020
		£000	£000
<b>Cash flow from operating activities</b>			
Surplus/(Deficit) for the year		4,241	(5,042)
<b>Adjustment for non-cash items</b>			
Depreciation	11	11,946	9,884
Impairment of fixed assets		897	7,720
(Gain)/loss on endowment investments	21	(3,950)	1,473
(Gain)/loss on other investments		(2,070)	587
(Increase) in stock	15	(81)	(175)
Decrease in debtors	16	1,643	7,347
Decrease/(Increase) in creditors	18/19	1,492	(4,413)
Pension interest cost	29	649	1,130
Contribution to pension greater than current service charge	29	(2,030)	(1,872)
Change in USS deficit reduction plan assumptions	29	(574)	(10,947)
(Decrease)/increase in other provisions	20	(1,516)	511
Share of operating (surplus)/deficit in subsidiaries		41	11
<b>Adjustment for investing or financing activities</b>			
Investment income	6	(233)	(521)
Interest payable	9	3,296	3,290
Endowment income	21	(330)	(291)
Profit on the disposal of fixed assets		(243)	(35)
Capital grant income within research grant	3/5	(3,874)	(2,845)
<b>Net cash inflow from operating activities</b>		<b>9,304</b>	<b>5,812</b>
<b>Cash flows from investing activities</b>			
Proceeds from sales of fixed assets		868	2,059
Capital grants receipts		12,768	20,378
Investment income	6	233	521
Payments made to acquire fixed assets		(20,941)	(34,273)
New non-current asset investments		(810)	31
		(7,882)	(11,284)
<b>Cash flows from financing activities</b>			
Interest paid		(3,287)	(3,282)
New unsecured loans		(3,500)	6,500
Endowment cash received	21	330	291
		(6,457)	3,509
<b>Decrease in cash and cash equivalents in the year</b>		<b>(5,035)</b>	<b>(1,963)</b>
Cash and cash equivalents at beginning of the year	23	12,325	14,288
Cash and cash equivalents at end of the year	23	7,290	12,325

# NOTES TO THE FINANCIAL STATEMENTS

## for the year ended 31 July 2021

	Notes	2021		2020	
		Consolidated	University	Consolidated	University
		£000	£000	£000	£000
<b>1 TUITION FEES AND EDUCATION CONTRACTS</b>					
Full-time home and EU students		46,643	46,643	46,545	46,545
Full-time international students		6,310	6,310	6,017	6,017
Part-time students		752	752	693	693
Research Training Support Grant		284	284	259	259
		53,989	53,989	53,514	53,514
<b>2 FUNDING BODY GRANTS</b>					
Recurrent grant					
Higher Education Funding Council		18,497	18,497	10,876	10,876
Release of HEFCW deferred capital grant		1,172	1,172	676	676
Specific grants					
Strategic Development Fund		405	405	39	39
Welsh Government Department for Education and Skills		1,980	1,980	3,406	3,406
		22,054	22,054	14,997	14,997
<b>3 RESEARCH GRANTS AND CONTRACTS</b>					
Research councils		6,074	6,074	5,529	5,529
Research charities		1,546	1,546	757	757
Government (UK and overseas)		11,293	11,293	7,625	7,625
Industry and commerce		1,296	1,296	1,473	1,473
Other		8	8	182	182
		20,217	20,217	15,566	15,566
<b>4 OTHER INCOME</b>					
Residences, catering and conferences		8,176	8,176	9,351	9,351
Other revenue grants		1,457	459	561	462
Other services rendered		2,948	2,941	3,559	3,559
Arts Centre		1,991	1,991	1,917	1,917
Farms		1,474	1,474	1,472	1,472
Released from deferred capital grants		2,702	1,647	1,865	1,865
Other income		2,959	2,964	3,527	3,740
		21,707	19,652	22,252	22,366
<b>5 INVESTMENT INCOME</b>					
Investment income on endowments	21	33	33	45	45
Investment income on restricted reserves	21	182	182	293	293
Other investment income		18	18	183	183
		233	233	521	521



## NOTES TO THE FINANCIAL STATEMENTS (continued)

	Notes	2021		2020	
		Consolidated	University	Consolidated	University
		£000	£000	£000	£000
<b>6 DONATIONS AND ENDOWMENTS</b>					
New endowments	21	260	260	291	291
Donations with restrictions	22	271	271	340	340
Unrestricted donations		111	111	53	53
		642	642	684	684

<b>7 STAFF COSTS</b>					
Salaries		52,277	51,802	54,075	53,823
Social security costs		4,638	4,638	4,612	4,612
USS pension costs		7,549	7,549	7,376	7,376
Other pension costs		2,319	2,319	1,686	1,686
		66,761	66,308	67,749	67,497
Staff costs - (decrease) in USS pension		(574)	(574)	(10,947)	(10,947)
		66,187	65,734	56,802	56,550
Staff costs - restructuring		184	184	103	103
Emoluments of the Vice-Chancellor (from 1st April 2017)					
Emoluments of the Vice-Chancellor					
Salary			232		232
Non-pensionable allowance			-		-
Bonus			-		-
Taxable benefits in kind			23		23
			255		255
Pension contributions to USS			5		5
			260		260

The amount shown as 'Taxable benefits subsidised accommodation' in table above relates to the accommodation provided by Aberystwyth University at Plas Penglais. The accommodation provision itself has not increased.

On 21 September 2018, the Council approved a Senior Remuneration Framework for the University, which sets out the institution's approach to the remuneration of senior post holders, including the Vice-Chancellor. A copy can be accessed at: <https://www.aber.ac.uk/en/corporate-information/remuneration/>.

The Remuneration Committee been delegated the authority by Council to agree matters relating to the Vice Chancellor's remuneration. There is no bonus scheme in place and no other benefit are provided other than accommodation and being a member of the USS pension scheme as shown in the table above.

The University recognises that it operates in a competitive environment and wishes to attract and retain the best staff possible. However, in taking any decisions relating to the remuneration of senior staff, the Remuneration Committee is required to be mindful of the affordability of those decisions and refer to benchmarking data for comparable Universities. For the Vice-Chancellor's remuneration, benchmarking data is drawn from the annual Universities and Colleges Employer Association (UCEA) Senior Staff Remuneration Survey, and the annual Committee of University Chairs (CUC) Vice-Chancellor Salary Survey. The salary paid is consider to be in line with similar roles within other institutes of similar size and stacher.

All senior post holders at the University - including the Vice-Chancellor - automatically receive any 'cost of living' pay awards provided by the University to employees on the nationally-agreed single pay spine.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 STAFF COSTS (continued)

The Vice-Chancellor is also required to participate in the institution's Effective Contribution Scheme appraisal process. This annual appraisal is conducted by the Chair of Council, and the process takes account of how the institution as a whole is performing against the Key Performance Indicators (KPIs) which had been agreed by Council to monitor the delivery of the institutional Strategic Plan. The outcome of this appraisal is subsequently presented to the Remuneration Committee and forms the basis of any recommendations to the Remuneration Committee with respect to any changes to the Vice-Chancellor's remuneration.

Additional information regarding the Annual Pay Policy Statement and Senior Remuneration and Remuneration Committee can be found on pages 37 and 50 respectively.

The Vice-Chancellor's basic salary, expressed as a multiple of all other employees, is 6.77 times (2019-20 6.83 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University of its staff.

The Vice-Chancellor's total salary, expressed as a multiple of all other employees, is 7.55 times (2019-20 7.65 times) the median pay of staff, where the median pay is calculated on a full-time equivalent basis for the salaries paid by the University of its staff.

The emoluments of the Vice-Chancellor are shown on the same basis as for higher paid staff. The University's contributions to USS are paid at the same rate as for other academic staff.

Remuneration of other higher paid staff, excluding employer's pension contributions (subject to relevant accounts direction) is shown below. All remunerations shown before any salary sacrifice:

	Number of Staff 2021	Number of Staff 2020
£100,001-£105,000	5	4
£105,001-£110,000	2	2
£110,001-£115,000	-	-
£115,001-£120,000	1	1
£120,001-£125,000	1	1
£125,001-£130,000	-	-
£130,001-£135,000	-	-
£135,001-£140,000	1	1
	10	9

AVERAGE STAFF NUMBERS BY MAJOR CATEGORY	2021	2020
Academic	391	377
Research	126	140
Management & specialist	344	328
Technical	135	135
Other	398	399
	1,394	1,379

### KEY MANAGEMENT PERSONNEL

Key management personnel relate to those members of the executive board of the University only which is made up of eight members.

	2021	2020
	£000	£000
Key management personnel compensation	1,295	1,282

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 7 STAFF COSTS (continued)

#### Council Members

No member of Council has received any remuneration or waived payments from the University for acting as a member of Council during the year (2019-20 £Nil). Members of the University staff appointed to the Council do not receive any additional remuneration in respect of their membership of the Council.

No member of Council has received payment for other services provided to the University, other than under a contract of employment for members of Council who are also University employees, during the year (2019-20: £Nil).

The total expenses paid to or on behalf of one Council member was £400 (2019-20 £6,709 to 8 Council members). This represents travel and subsistence expenses incurred in attending Council and other meetings in their official capacity.

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
<b>8 INTEREST AND OTHER FINANCE COSTS</b>				
Interest on Fferm Penglais Students Accommodation	3,295	3,295	3,290	3,290
Exchange differences	59	59	64	64
Interest cost on USS pension liability	135	135	658	658
Net charge on pension scheme	514	514	472	472
	4,003	4,003	4,484	4,484

### 9 UNIVERSITY ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY

	Staff costs			Other		Total 2020	Total 2019
	Operational staff costs	Restructuring costs	Depreciation	Other Operating expenses	Interest Payable		
Academic Department	27,479	-	845	4,374	-	32,698	31,670
Academic Services	5,976	-	211	2,319	712	9,218	9,616
Research Grants & Contracts	11,315	-	669	8,105	-	20,089	15,228
Residences, Catering & Conference	4,935	-	1,429	4,332	-	10,696	12,330
Premises	1,171	-	7,109	5,515	3,291	17,086	15,808
General Education Expenditure	4,017	-	29	3,161	-	7,207	6,653
Central Administration & services	4,732	184	268	5,212	-	10,396	914
Student & staff facilities & amenities	2,263	-	61	2,603	-	4,927	2,936
Impairment of fixed assets	-	-	-	(907)	-	(907)	7,720
Other services rendered	1,726	-	17	1,429	-	3,172	2,994
Arts Centre	1,604	-	126	478	-	2,208	2,334
Farms	490	-	127	1,128	-	1,745	2,175
Auditor's remuneration	-	-	-	140	-	140	142
Other Expenses	26	-	-	60	-	86	133
	65,734	184	10,891	37,949	4,003	118,761	110,653



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 9 CONSOLIDATED ANALYSIS OF TOTAL EXPENDITURE BY ACTIVITY (continued)

	Staff costs			Other		Total 2021	Total 2020
	Operational staff costs	Restructuring costs	Depreciation	Other Operating expenses	Interest Payable		
Academic Department	27,479	-	845	4,374	-	32,698	31,670
Academic Services	5,976	-	211	2,319	712	9,218	9,616
Research Grants & Contracts	11,315	-	669	8,105	-	20,089	15,228
Residences, Catering & Conference	4,935	-	1,429	4,332	-	10,696	12,330
Premises	1,171	-	7,109	5,515	3,291	17,086	15,808
General Education Expenditure	4,017	-	29	3,161	-	7,207	6,653
Central Administration & services	5,185	184	1,323	5,793	-	12,485	799
Student & staff facilities & amenities	2,263	-	61	2,603	-	4,927	2,936
Impairment of fixed assets	-	-	-	(907)	-	(907)	7,720
Other services rendered	1,726	-	17	1,429	-	3,172	2,994
Arts Centre	1,604	-	126	478	-	2,208	2,334
Farms	490	-	127	1,128	-	1,745	2,175
Auditor's remuneration	-	-	-	154	-	154	155
Other Expenses	26	-	-	60	-	86	133
	66,187	184	11,946	38,544	4,003	120,864	110,551

AUDITOR'S REMUNERATION INCLUDES	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
External auditors remuneration in respect of audit services	70	56	66	53
External auditors remuneration in respect of non-audit services:				
All other assurance services	31	31	20	20
All other non-audit services	53	53	69	69

#### Voluntary Severance

The obligation to fund voluntary severance included in restructuring costs relates to arrangements that have been agreed and costs are expected to be incurred within one year.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 10 FIXED ASSETS

Consolidated					
	Freehold Land and Buildings	Leasehold Land and Buildings	Plant and Machinery	Assets in the Course of construction	Total
	£000	£000	£000	£000	£000
<b>COST AND VALUATION</b>					
At 1 August 2020	226,842	53,156	47,314	48,772	376,084
Additions	8,460	-	7,025	5,456	20,941
Transfers	36,685	-	962	(37,647)	-
Disposals	(125)	-	(841)	-	(966)
At 31 July 2021	271,862	53,156	54,460	16,581	396,059
<b>DEPRECIATION</b>					
At 1 August 2020	74,734	7,348	41,717	7,470	131,269
Charge for the year	7,768	1,347	2,831	-	11,946
Impairment	1,444	-	-	-	1,444
Disposals	-	-	(744)	-	(744)
At 31 July 2021	83,946	8,695	43,804	7,470	143,915
<b>Net book value</b>					
At 31 July 2021	187,916	44,461	10,656	9,111	252,144
At 31 July 2020	152,108	45,808	5,597	41,302	244,815
<b>UNIVERSITY</b>					
<b>Cost and valuation</b>					
At 1 August 2020	226,842	53,156	47,314	21,337	348,649
Additions	8,460	-	4,124	5,450	18,034
Transfers	9,812	-	400	(10,212)	-
Disposals	(125)	-	(841)	-	(966)
At 31 July 2021	244,989	53,156	50,997	16,575	365,717
<b>DEPRECIATION</b>					
At 1 August 2020	74,734	7,348	41,717	7,470	131,269
Charge for the year	6,895	1,347	2,649	-	10,891
Impairment	1,444	-	-	-	1,444
Disposals	-	-	(744)	-	(744)
At 31 July 2021	83,073	8,695	43,622	7,470	142,860
<b>Net Book Value</b>					
At 31 July 2021	161,916	44,461	7,375	9,105	222,857
At 31 July 2020	152,108	45,808	5,597	13,867	217,380

Included within freehold land and buildings is £3,132,000 (2019-20 £9,327,000) that relates to endowment property (see note 21)..

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 11 FIXED ASSETS - HERITAGE ASSETS

University and Consolidated

	Heritage Assets	Total
	£000	£000
<b>COST AND VALUATION</b>		
At 1 August 2020	1,347	1,347
Additions	724	724
At 31 July 2021	2,071	2,071
<b>DEPRECIATION</b>		
At 1 August 2020	-	-
Impairment	173	173
At 31 July 2021	173	173
<b>Net book value</b>		
At 31 July 2021	<b>1,898</b>	<b>1,898</b>
At 31 July 2020	1,347	1,347

The last full valuation external valuation of heritage assets was completed by Webb Valuations Fine Art Ltd in March 2011 for the year ending 31 July 2011. During this year a review of all heritage assets with a value greater than £10,000 has been undertaken at the year end 31 July 2021 by experienced staff within the 'School of Art' department of the University. Although this review was limited to internal staff, they have a vast experience in dealing with these items and keep up to date with their current market value. It was deemed not to be value for money to have these assets revalued externally when our own staff are closer to the current market values for our assets. Any asset that has decreased in value since the full valuation back in 2011 have been impaired and the reduction in value has been recorded in the Consolidated Statement of Comprehensive Income for the year. Asset that had increased in value were not adjusted from the value recorded at the full valuation in 2011. Any new assets not included in the 2011 full valuation have been included at the above figures as additions during the year.

### 12 FIXED ASSETS - INVESTMENT PROPERTIES

University and Consolidated

	Freehold investment Land and Buildings	Total
	£000	£000
<b>Valuation</b>		
At 1 August 2020	5,723	5,723
Transfers	-	-
Fair valuation movement	-	-
Disposals	(500)	(500)
At 31 July 2021	5,223	5,223

#### Freehold Investment land and buildings

The last full valuation of these assets was completed by Cooke & Arkwright in July 2016 for the year ending 31 July 2016. During the year a review of all investment properties was undertaken at the 31 July 2021 and it was not considered value for money to have these assets revalued externally, therefore no gains or losses were recorded in the Consolidated Statement of Comprehensive Income for the year. An impairment review was undertaken on assets that had been deemed surplus to requirement by the estates department and were reclassified as assets available for sale. For additional information please see note 30.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 13 INVESTMENTS IN UNIVERSITY SUBSIDIARY COMPANIES

Company	Principal Activity	Status	Shareholding
Aberystwyth University Innovation and Enterprise Campus Limited (AIEC)	Provision of research in food, nutrition & energy security, renewable energies & biotechnologies in UK	75% owned	75 Class A shares
Aber Trading Limited	Provider of consultancy and research work in UK	100% owned	1 Ordinary share
Aberystwyth Limited	Provide Aberystwyth University education in Mauritius	100% owned	100,000 Ordinary share
Aber Bangor Consultancy Limited	Provider of consultancy work in UK	100% owned	2 Ordinary share
Ceredigion Limited	Dormant company setup to provide education in Mauritius	100% owned	1,000 Ordinary shares
IOMICS Limited	Research & experimental development on biotechnology in UK	15% owned	150 Ordinary shares

#### Investment in Aberystwyth Limited

As at the year-end the company was dormant and is in the process of being dissolved.

#### Investment in Ceredigion Limited

Since its incorporation the company has not traded and it is the intention of the board to dissolve this company within the current financial year.

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000

### 14 NON-CURRENT INVESTMENTS

Fixed interest stocks	5,430	5,430	5,412	5,412
Non-equity investments	108	108	108	108
Equities	22,386	22,386	17,938	17,938
Absolute returns	7,791	7,791	6,547	6,547
Property unit trust	2,050	2,050	1,938	1,938
	37,765	37,765	31,943	31,943

Non-current investments include £22,702,000 (2019-20 £22,139,000) that relate to endowments (see note 21) and £15,063,000 (2019-20 £9,804,000) that relate to non-endowment investments held by Aberystwyth University.

The University has undertaken an internal review and rationalisation of the endowment funds to ensure that they reflect the purpose and intentions of the donors' wishes.

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000

### 15 STOCK

General consumables	1,684	1,684	1,603	1,603
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## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
<b>16 TRADE AND OTHER RECEIVABLES</b>				
Amounts falling due within one year:				
Research grants receivables	6,902	6,902	6,551	6,551
Other trade receivables	2,970	2,936	6,701	3,443
Taxation asset RDEC credit	16	16	16	16
Prepayments and accrued income	3,499	3,499	1,761	1,761
Amounts due from subsidiary companies	-	517	-	744
	13,387	13,870	15,029	12,515

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
<b>17 CURRENT INVESTMENTS</b>				
Treasury bills	2,495	2,495	1,487	1,487

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
<b>18 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>				
Payment received on account	6,622	6,622	4,765	4,765
Research grant balances	6,647	6,863	7,331	5,779
Deferred income from Student Village Lease	680	680	680	680
Salix Loan	182	182	-	-
Short-term employee benefit	1,841	1,841	2,055	2,055
Trade payables	5,678	5,678	3,393	3,393
Social security and other taxation payable	2,856	2,900	2,222	2,796
Rolling Credit Facility	3,000	3,000	6,500	6,500
Accruals and deferred income	2,559	1,986	3,262	3,207
Deferred capital grants less than 1 year	4,517	3,462	2,949	2,949
	34,582	33,214	33,157	32,124

## NOTES TO THE FINANCIAL STATEMENTS (continued)

	2021		2020	
	Consolidated	University	Consolidated	University
<b>19 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>				
Deferred income from Student Village lease	4,071	4,071	4,750	4,750
Salix Loan	1,636	1,636		
Secured liabilities				
- L&G finance	45,008	45,008	44,840	44,840
- Balfour Beatty deferred consideration	5,163	5,163	5,065	5,065
Deferred capital grants greater than 1 year	77,271	49,045	73,079	45,644
	133,149	104,923	127,734	100,299
<b>Analysis of secured and unsecured loans:</b>				
Due in five years or more	50,171	50,171	49,905	49,905
Total secured and unsecured loans	50,171	50,171	49,905	49,905
Secured loans repayable by 2048	50,171	50,171	49,905	49,905
	50,171	50,171	49,905	49,905

Both the L&G and Balfour Beatty liabilities are repaid through annual payments that increase by RPI until 2048. The implicit interest rates are 6% (2019-20 6%) for the L&G finance and 12.6% (2019-20 12.5%) for Balfour Beatty.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 20 PROVISIONS FOR LIABILITIES AT 31 JULY 2020

	Obligation to fund deficit on USS pension	Defined benefit obligations	Total pensions provisions	Tax	Voluntary severance	Other	Total other
<b>Consolidated</b>	£000	£000	£000	£000	£000	£000	£000
At 1 August 2020	18,459	33,587	52,046	1,859	44	1,425	3,328
Utilised in year	-	-	-	(1,599)	(44)	-	(1,643)
Movement on pension scheme	(1,229)	1,575	346	-	-	-	-
Additions in 2020-21	-	-	-	-	27	101	128
At 31 July 2020	17,230	35,162	52,392	260	27	1,526	1,813
<b>University</b>							
At 1 August 2020	18,459	33,587	52,046	260	44	1,425	1,729
Utilised in year	-	-	-	-	(44)	-	(44)
Movement on pension scheme	(1,229)	1,575	346	-	-	-	-
Additions in 2020-21	-	-	-	-	27	101	128
At 31 July 2021	17,230	35,162	52,392	260	27	1,526	1,813

#### USS Deficit

The obligation to fund the past deficit on the University's Superannuation Scheme (USS) arises from the contractual obligation with the pension scheme for total payments relating to benefits arising from past performance. Management have assessed projections for future employees within the USS scheme and projections for salary payment over the period of the contracted obligation in assessing the value of this provision. More detail can be found in note 29.

#### Tax Provision

This tax provision is in respect of an ongoing taxation review resulting in a payment that is expected to be incurred within one year.

#### Other Provision

Of the total £1,526,000, £1,326,000 of the other provision relates to backlog maintenance on leased property which the University is contractually obliged to restore back to its original condition for which payments are expected to be incurred within one to five years. This value is based on current expected costs.

These outflows of economic resources are deemed probable and therefore a provision has been made rather than a contingent liability.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21 ENDOWMENT RESERVES

Restricted net assets relating to endowments are as follows:

	Restricted permanent endowments	Unrestricted permanent endowments	Expendable endowments	Total
	£000	£000	£000	£000
Restated capital brought forward	24,077	8,476	400	32,953
Restated accumulated income brought forward	2,595	-	9	2,604
Restated balances at 1 August 2020	26,672	8,476	409	35,557
(Loss) on disposal of fixed assets	44	-	-	44
Increase (decrease) in investment land and building	-	-	-	-
New endowments	10	-	250	260
Investment income	182	23	10	215
Transfers	(863)	(8,898)	865	(8,896)
Expenditure	(146)	(5)	(33)	(184)
Increase in market value of investments	3,479	404	67	3,950
<b>Total endowment comprehensive income for the year</b>	<b>2,706</b>	<b>(8,476)</b>	<b>1,159</b>	<b>(4,611)</b>
Balances at 31 July 2021	29,378	-	1,568	30,946
Capital carry forward	26,824	-	1,505	28,329
Accumulated income carry forward	2,554	-	63	2,617
At 31 July 2020	29,378	-	1,568	30,946

In addition to the increase in market value of the investments (£3,950,000) during the year (2019-20 decrease £1,373,000) included in the above, there has been a movement in the market value of investment properties (Nil) (2019-20 £100,000) other than the disposal and revaluation shown above.

	2021		2020	
	Consolidated	University	Consolidated	University
<b>Analysis by type of purpose:</b>	£000	£000	£000	£000
Lectureships	2,242	2,242	1,957	1,957
Scholarships and bursaries	18,837	18,837	16,547	16,547
Research support	6,380	6,380	5,536	5,536
Prize funds	1,426	1,426	1,269	1,269
General	2,061	2,061	10,248	10,248
	30,946	30,946	35,557	35,557
<b>Analysis by asset:</b>	£000	£000	£000	£000
Investment	22,702	22,702	22,139	22,139
Land and Buildings	3,132	3,132	9,327	9,327
Endowment cash and treasury bills	5,112	5,112	4,091	4,091
	30,946	30,946	35,557	35,557

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 21 ENDOWMENT RESERVES (CONTINUED)

The accumulated income relating to the following permanent endowments is currently in deficit. In all cases income to cover these deficits is expected to be received by 31 July 2022.

	Capital	Income
	£000	£000
<b>Balances at 31 July 2021</b>		
Evan Morgan	1,431	(33)
Glaxo Book Prize (Biochemistry)	1	(1)
Open Scholarship Fund	2,544	(360)
	3,976	(394)

The Institution has the following individually material endowments all of which are restricted in their use.

	Nature and purpose	Assets	Liabilities	Income	Expenditure
	£000	£000	£000	£000	£000
<b>Balances at 31 July 2021</b>					
Gregynog Gift Fund	(a)	6,366	-	28	48
Wilson Chair of International Politics	(b)	1,896	-	15	24
Open Scholarship Fund	(c)	2,544	-	20	5
David & Eleanor James Research Studentship	(d)	2,447	-	19	24
		13,253	-	82	101

- (a) Gregynog Gift Fund - Funds are to be allocated to Geography, Welsh and Celtic Studies, Music, Extra Mural studies for public lectures and travelling grants for students.
- (b) Wilson Chair of International Politics - Paying for a Professor to teach International Politics, assist with travelling for the professor, purchase books to assist with lectures and students. Cover the cost of printing and publishing books. Scholarships tenable to undergraduates and postgraduates and prizes for students.
- (c) Open Scholarship Fund - The Charity Commissioners approved in February 1984 pooling of income from the dormant endowment funds.
- (d) David & Eleanor James Research Studentship - The purpose of the gift is to establish The David and Eleanor James Research Studentship Fund to fund at least three-year periods of study for students undertaking research at the university and who satisfy at least one of the following four criteria:
- Has undertaken his/her secondary education in Wales
  - Has lived in Wales for at least 10 years
  - Graduated from the University
  - Was born in Wales



## NOTES TO THE FINANCIAL STATEMENTS (continued)

<b>22 RESTRICTED RESERVES</b>				
Reserves with restrictions are as follows:	2021		2020	
	Consolidated & University		Consolidated & University	
	Donations	Total	Donations	Total
Capital brought forward	116	116	116	116
Accumulated income brought forward	39	39	61	61
At 1 August 2020	155	155	177	177
New donations	271	271	340	340
Investment income	-	-	-	-
Expenditure	(278)	(278)	(362)	(362)
Total restricted comprehensive income for the year	(7)	(7)	(22)	(22)
Capital carry forward	116	116	116	116
Accumulated income carry forward	32	32	39	39
At 31 July 2021	148	148	155	155
Analysis of other restricted funds and donations by purpose:				
Lectureships	-	-	-	-
Scholarships and bursaries	110	110	120	120
Research support	-	-	-	-
Prize funds	2	2	2	2
General	36	36	33	33
	148	148	155	155

## 23 CONSOLIDATED RECONCILIATION OF NET DEBT

	At 1st August 2020	Cash flow	At 31st July 2021
Consolidated	£000	£000	£000
Cash available to university	7,969	(4,417)	3,552
Restricted endowment cash	4,356	(618)	3,738
Revolving credit facility	(6,500)	3,500	(3,000)
	5,825	(1,535)	4,290

## NOTES TO THE FINANCIAL STATEMENTS (continued)

24 FINANCIAL INSTRUMENTS	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
<b>Financial assets</b>				
Financial assets at fair value through Statement of Comprehensive Income				
Listed investments	37,654	37,654	31,830	31,830
	37,654	37,654	31,830	31,830
Financial assets that are equity instruments measured at cost less impairment				
Other investments	111	111	113	113
	111	111	113	113
Financial assets that are debt instruments measured at amortised cost				
Cash and cash equivalents	7,290	6,548	12,325	12,207
Other investments	2,495	2,495	1,487	1,487
Other debtors	15,071	15,554	16,632	14,118
	24,856	24,597	30,444	27,812
<b>Financial liabilities</b>				
Financial liabilities at fair value through Statement of Comprehensive Income				
Bank overdraft	-	-	-	-
Loans RCF - Natwest	3,000	3,000	6,500	6,500
Loans Selix	1,818	1,818	-	-
Legal & General Loan	45,008	45,008	44,840	44,840
Balfour Beatty deferred consideration	5,163	5,163	5,065	5,065
Deferred income from Student Village lease	4,071	4,071	4,750	4,750
Deferred Capital Grant	81,788	52,507	76,028	48,593
Trade payables	5,678	5,678	3,393	3,393
Other creditors	21,204	20,891	20,315	25,782
	167,730	138,136	160,891	138,923

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 25 FINANCIAL RESPONSIBILITY SUPPLEMENT SCHEDULE

The following extracts of the three tables illustrate an approach of using the two left-most columns to reflect the required local customisation for both page numbers and referencing of primary statements/notes/line items in an institution's own accounts:

PRIMARY RESERVE RATIO			2021		2020	
Page	Line item/related disclosures	Expendable Net Assets	£000	£000	£000	£000
67	Net assets no restriction	Unrestricted Reserves		68,904		62,295
67	Net assets with donor restriction	Restricted Reserves		31,094		35,712
80 & 82	Restricted in perpetuity	Note 21 & 22		(29,526)		(35,303)
74 & 75	PPE	Note 10, 11 & 12		(229,978)		(224,450)
	Annuities	-		-		-
	Term endowments	-		-		-
	Life income funds	-		-		-
	Goodwill	-		-		-
77	Remove pre-implementation lease right-of-use asset liability	Note 16		9,105		13,867
	Lease - right of use, net			-		-
79	Pension liability	Note 20		52,392		52,046
	Line of credit - short term for CIP	-		-		-
	Notes payable	-		-		-
78	Line of credit for long term purposes	Note 19		104,923		100,299
	Modify for post implementation debt not related to purchase of assets	-		-		-
	Lease right-of-use asset liability	-		-		-
	Remove pre-implementation lease right-of-use asset	-		-		-
	Related party receivable	-		-		-
				6,914		4,466

### EQUITY RATIO

Page	Total Expenses and Losses without Donor Restrictions		
72	Total operating expenses	Note 9 less Depreciation, interest & pension change in assumptions	116,157
68	Other components of net periodic pension cost	Cashflow Statement	(2,030)
	Change in value of split-interest agreements		-
	Other gains (losses)		-
			114,127

Page	Modified Net Assets		
67	Net Assets without Donor Restriction	Unrestricted Reserves	68,904
67	Net Assets with Donor Restrictions	Restricted Reserves	31,094
	Goodwill		-
	Related party receivable		-
			99,998



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 25 FINANCIAL RESPONSIBILITY SUPPLEMENT SCHEDULE (CONTINUED)

#### NET INCOME RATIO

Page		Modified Assets		
67	Total Assets	Balance sheet	292,340	284,205
	Goodwill			
	Related party receivable			
74	Pre-implementation Lease asset	Assets in the Course of construction	(9,105)	(13,867)
			283,235	270,338
Page		Change in Net Assets Without Donor Restrictions		
65	Change in net assets without donor restrictions	Trading I&E adjusted for pension changes in assumptions	9,497	20,608
			9,497	20,608
Page		Total Revenues and Gains Without Donor Restrictions		
65	Total operating revenue - unrestricted	Total income on I&E	116,787	107,648
65	Investment return appropriated for spending	Note 5 & 6, unrestricted investment income and donations	(400)	(576)
65	Sale of fixed assets	Disposals of fixed assets	243	35
			116,630	107,107

### 26 CAPITAL AND OTHER COMMITMENTS

	2021		2020	
	Consolidated	University	Consolidated	University
	£000	£000	£000	£000
Capital commitments	118	118	4,909	2,915
	118	118	4,909	2,915

### 27 CONTINGENT LIABILITIES AND ASSETS

There are no contingent liabilities or assets at the end of the period

### 28 EVENTS AFTER THE REPORTING PERIOD

As set out in Note 29 in respect of the USS pension scheme, since the year-end, following the completion of the 2020 actuarial valuation, a new dual rate schedule of contributions has been agreed (subject to member consultation), with an effective date of 1 October 2021. Recalculating the USS provision on the basis of these contributions would result in an increased obligation to fund the deficit of £63,620,085, an increase of £46.40 million from the provision in these financial statements.

A further change to deficit recovery contributions will become applicable under the 2020 valuation if the Joint Negotiating Committee recommended deed on benefit changes has not been executed by 28 February 2022. In this scenario, higher deficit recovery contributions will commence from 1 October 2022 at 3% and then increase every six months until they reach 20% at 1 October 2025. They remain at this level until 31 July 2032. Recalculating the USS provision on the basis of these contributions, and assuming all other assumptions used to calculate the provision remained unchanged, would result in a revised obligation to fund the deficit of £81,423,584 as at 31 July 2021. Negotiations continue and an increase to this level is considered remote.

If the Schedule of Contributions remains unchanged, the University's Financial Statements for the year ended 31 July 2022 will reflect these changes to the provision, subject to any other changes in financial and operational assumptions.

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 29 UNIVERSITY AND CONSOLIDATED PENSION SCHEMES

The University participates in four different schemes:

Aberystwyth University Pension Plan (AUPP)	defined contribution
Universities' Superannuation Scheme (USS)	defined benefit multi-employer
Aberystwyth University Pension Assurance Scheme (AUPAS)	defined benefit closed
Dyfed Pension Fund (DPF)	defined benefit closed to new entrants

AUPAS has been closed to further member contributions since April 2015. The Dyfed Pension Fund is not open to new members.

IMPACT ON CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	2021	2020
<b>Operating charge in staff costs</b>	£000	£000
AUPP	-	1,671
USS	6,975	(3,571)
AUPAS	-	-
DPF	16	15
Total pension charge in staff costs	6,991	(1,885)
<b>Interest costs</b>		
USS	135	658
AUPAS	500	466
DPF	14	6
Total interest costs	649	1,130
<b>Actuarial gain/(loss) in respect of pension schemes</b>		
AUPAS	(3,336)	(10,440)
DPF	1,038	(707)
Total actuarial gain/(loss)	(2,298)	(11,147)
<b>Impact on Balance Sheet</b>		
Pension Provision		
USS	17,230	18,459
AUPAS	35,240	32,559
DPF	(78)	1,028
Total pension liability	52,392	52,046

#### (i) ABERYSTWYTH UNIVERSITY PENSION PLAN

The Aberystwyth University Pension Plan is a defined contribution pension plan which is administered by Legal & General. All employee and Institute contributions are invested in a Legal & General Group Personal Pension Plan. The University contributes 10% of salary into the pension scheme. The total contribution in 2020-21 was £1,065,000 (2019-20 £1,671,000).

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 29 PENSION SCHEMES (continued)

#### (ii) THE UNIVERSITIES SUPERANNUATION SCHEME

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

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

The total adjustment charge to the Consolidated Statement of Comprehensive Income is £6,975,000 (2019-20 credit

£3,571,000) 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 £8,338,697 (2019-20 £8,018,234)

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%.

#### Assumptions

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

Discount rate Forward rates)	Years 1-10: CPI + 0.14% reducing linearly to CPI - 0.73% Years 11-20: CPI + 2.52% reducing linearly to CPI + 1.55% by year 21 Years 21 +: CPI + 1.55%
Pension increases (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 Pre-retirement	71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females.
Mortality base table Post-retirement	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% p.a. for males and 1.6% p.a. for females.



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 PENSION SCHEMES (continued)

THE CURRENT LIFE EXPECTANCIES ON RETIREMENT AT AGE 65 ARE:	2021	2020
Males currently aged 65 (years)	24.6	24.4
Females currently aged 65 (years)	26.1	25.9
Males currently aged 45 (years)	26.6	26.3
Females currently aged 45 (years)	27.9	27.7

The funding position of the scheme has since been updated on an FRS 102 basis:

	2021	2020
Scheme assets	£67.3bn	£66.5bn
Total scheme liabilities	£70.9bn	£79.4bn
FRS 102 total scheme deficit	£3.6bn	£12.9bn
FRS 102 total funding level	95%	84%

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.

Discount rate	2.55%	2.55%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.05%	2.05%

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 (PBSE if signed before the financial statements).

	2021	2020
	£000	£000
Opening deficit	(18,459)	(29,390)
Current service cost	(7,549)	(7,376)
Change in deficit reduction plan assumptions	574	10,947
USS Pension cost in the Consolidated Income Statement	(6,975)	3,571
Net interest cost	(135)	(658)
Contribution from University	8,339	8,018
Closing deficit	(17,230)	(18,459)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 PENSION SCHEMES (continued)

#### (iii) ABERYSTWYTH UNIVERSITY PENSION AND ASSURANCE SCHEME

The University maintains a closed final salary defined benefit pension scheme called the Aberystwyth University Pension and Assurance Scheme. The scheme is externally funded. The last formal triennial actuarial valuation of the scheme was performed as at 1 August 2020 by a professionally qualified actuary.

During the accounting period, the University paid contributions of £1,156,000 (2019-20 £1,146,000 ) to the pension scheme as a contribution to reduce the value of the deficit. The scheme is closed and no contributions were made by members.

ASSUMPTIONS	2021	2020
The financial assumptions used to calculate scheme liabilities under FRS102 are:		
	%pa	%pa
Price inflation (RPI)	3.20	2.85
Price inflation (CPI)	2.75	2.40
Rate of increase in salaries	3.25	2.90
Rate of increase of pensions in payment for AUPAS members	2.10	2.10
Deferred pension revaluation	2.70	2.40
Discount rate	1.65	1.55

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.

Males currently aged 65 (years)	21.6	21.6
Females currently aged 65 (years)	24.0	24.0
Males currently aged 45 (years)	23.2	23.3
Females currently aged 45 (years)	25.8	25.8

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 PENSION SCHEMES (continued)

SUMMARY OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR AUPAS	2021	2020
	£000	£000
Scheme assets	105,192	102,274
Scheme liabilities	140,432	134,833
Net pension liability	35,240	32,559
<b>Analysis of movement in the present value of AUPAS liabilities</b>		
Present value of AUPAS liabilities at the start of the year	134,833	123,818
Current service cost (net of member contributions)	-	-
Loss on curtailments/changes	5	-
Interest cost	2,059	2,552
Actual member contributions (including notional contributions)	-	-
Actuarial (gain)/loss due to changes in assumptions	4,534	13,013
(Gain) / loss on curtailments/change/introduction	-	-
Actuarial (gain)/loss due to effect of experience adjustment	2,926	-
Actual benefit payments	(3,925)	(4,550)
Present value of AUPAS liabilities at the end of the year	140,432	134,833
<b>Analysis of movement in the present value of AUPAS liabilities</b>		
Fair value of assets at the start of the year	102,274	101,019
Expected interest income on plan assets	1,564	2,086
Actual return on plan assets (excluding interest income)	4,123	2,573
Actual contributions paid by University	1,156	1,146
Actual member contributions (including notional contributions)	-	-
Actual benefit payments	(3,925)	(4,550)
Administrative expenses paid from plan assets	-	-
Fair value of scheme assets at the end of the year	105,192	102,274
<b>Fair value of AUPAS scheme assets</b>		
Cash and cash equivalents	12,655	295
Equity instruments	16,733	22,809
Debt instruments	45,158	45,604
Real estate	5,063	9,249
Other	25,583	24,317
Total fair value of AUPAS scheme assets	105,192	102,274
AUPAS 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>		
Expected return on scheme assets	1,564	2,089
Asset gain/(loss)	4,124	2,573
Actual return on scheme assets	5,688	4,662
Percentage return on scheme assets at start of year	5.6%	4.6%



## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 26 PENSION SCHEMES (continued)

#### (IV) DYFED PENSION FUND

The University is an admitted member of the Dyfed Pension Fund which is a multi-employer Local Government Pension Scheme regulated by statute. The last full actuarial valuation was carried out at 31 March 2016 by a qualified independent actuary. An approximate actuarial valuation was carried out at 31 July 2020 by a qualified independent actuary.

ASSUMPTIONS	2021	2020
The financial assumptions used to calculate scheme liabilities under FRS102 are:		
	%pa	%pa
Price inflation	2.3	2.3
Rate of increase in salaries	3.8	3.8
Rate of increase of pensions in payment for DPF members	2.4	2.4
Discount rate	1.5	2.0

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.

Males currently aged 65 (years)	23.1	23.0
Females currently aged 65 (years)	25.0	24.9
Males currently aged 45 (years)	24.7	24.5
Females currently aged 45 (years)	27.2	27.1

ANALYSIS OF THE AMOUNT SHOWN IN THE CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR DPF	2021	2020
	£000	£000
Pension cost within surplus/deficit before other gains/losses		
Current service cost	16	15
Total operating charge in staff costs	16	15
<b>Interest on plan assets</b>	79	114
Interest on pension liabilities	93	120
Net interest cost	14	6
Administrative cost	-	-
Total pension cost within surplus/deficit before other gains/losses	30	21
Actuarial gain/(loss) in respect of pension schemes		
(Loss)/gain on assets	1,063	(406)
Gain/(loss) on liabilities	25	(301)
Net Actuarial gain/(loss) in respect of pension schemes	1,038	(707)
Total Comprehensive income/(cost) for the year	1,008	(728)

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 29 PENSION SCHEMES (continued)

SUMMARY OF THE AMOUNT SHOWN IN THE BALANCE SHEET FOR DPF	2021	2020
	£000	£000
Scheme assets	6,355	5,340
Scheme liabilities	6,277	6,368
Net pension (liability) / asset	78	(1,028)
<b>Analysis of movement in the present value of DPF liabilities</b>		
Present value of DPF liabilities at the start of the year	6,368	6,128
Current service cost (net of member contributions)	16	15
Interest cost	93	120
Actual member contributions (including notional contributions)	2	2
Past service costs	0	16
Actuarial (gain) / loss due to changes in assumptions	25	301
Actual benefit payments	(227)	(214)
Present value of DPF liabilities at the end of the year	6,277	6,368
<b>Analysis of movement in the fair value of scheme assets</b>		
Fair value of assets at the start of the year	5,340	5,747
Expected interest income on plan assets	79	114
Actual return on plan assets (excluding interest income)	1,063	(406)
Actual contributions paid by University	98	97
Actual member contributions (including notional contributions)	2	2
Actual benefit payments	(227)	(214)
Fair value of scheme assets at the end of the year	6,355	5,340
<b>Fair value of DPF scheme assets</b>		
Cash and cash equivalents	108	21
Equity instruments	4,767	3,829
Debt instruments	635	748
Real estate	661	635
Other	184	107
Total fair value of DPF scheme assets	6,355	5,340
<b>Actual return on scheme assets</b>		
Expected return on scheme assets	79	114
Asset gain	1,063	(406)
Actual return on scheme assets	1,142	(292)
Per cent return on scheme assets at start of year	18.0%	5.1%

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 30 UNIVERSITY AND CONSOLIDATED LEASE OBLIGATIONS

	Land and Buildings	Plant and Machinery	Other leases	Total 2021	Total 2020
	£000	£000	£000	£000	£000
Payable during the year	263	-	114	377	378
<b>Future minimum lease payments due</b>					
Not later than 1 year	262	-	108	370	362
Later than 1 year and not later than 5 years	859	-	6	865	1,012
Later than 5 years	995	-	-	995	1,229
<b>Total lease payments due</b>	<b>2,116</b>	<b>-</b>	<b>114</b>	<b>2,230</b>	<b>2,603</b>

### 31 SIGNIFICANT JUDGEMENTS & SOURCES OF ESTIMATION UNCERTAINTY

The Statement of Accounts contains estimated figures that are based on assumptions made by the University regarding the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates.

The items in the University's Balance Sheet at 31 July 2021 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

ITEM	Uncertainties	Effect if actual results differ from assumptions
Pension liability	<p>A firm of consulting actuaries (Mercers) were engaged to provide expert advice about the pension assumptions to be applied.</p> <p>The estimation of the net pension liability depends on a number of complex judgements including the discount rate used, the rate of inflation, and mortality rates.</p>	<p>The effects on the net pensions liability of changes in individual assumptions can be measured.</p> <p>A 0.25% change in the discount rate assumption changes the AUPAS pension liability by £6.1 million. An increase in discount rate reduces the liability, a fall in the discount rate increases the liability.</p> <p>A 0.25% change in the inflation rate assumption changes the AUPAS pension liability by £6.4 million. An increase in inflation rate increases the liability, a fall in the inflation rate reduces the liability</p> <p>A change of one year in life expectancy changes the AUPAS pension liability by £5.3 million. An increase in life expectancy increases the liability, a fall in life expectancy reduces the liability.</p> <p>A 0.25% change in the discount rate changes the USS pension liability by £0.2 million. An increase in discount rate reduces the liability, a fall in discount rate increases the liability.</p>

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### 31 SIGNIFICANT JUDGEMENTS & SOURCES OF ESTIMATION UNCERTAINTY (continued)

ITEM	Uncertainties	Effect if actual results differ from assumptions
Investment property	<p>Investment properties were valued at £5.7 million by a Chartered Surveyor and Registered Valuer under the RICS Valuer Registration Scheme (Cooke and Arkwright) for the year ending 2020. The decision was taken not to revalue these assets in 2021 due to the little change in the value of such properties in the local area, and the cost involved in having them revalued annually. The value of the investments properties has decreased by £0.5 million during the year, this is due to the disposal of four properties.</p> <p>They have been valued at fair value which is the value for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction. The property market in Aberystwyth and surrounding area is less liquid and the values of property are subject to the demand for a specific property.</p>	<p>If the value of the investment properties is determined to be lower, and any gains or losses on disposal will be recognised as a charge to the University's Consolidated Statement of Comprehensive Income. If the value of investment properties is determined to be higher, this will be recognised as a gain in the University's Consolidated Statement of Comprehensive Income.</p>

### 32 RELATED PARTY TRANSACTIONS

The University's Council, Senate and Senior Staff members are the Trustees for charitable law purposes. Due to the nature of the University's operations and the composition of the trustees, it is inevitable that transactions will take place with organisations in which a member of the Trustees may have an interest. All transactions involving organisations in which a member of the Trustees may have an interest, including those identified below, are conducted at arms' length and such transactions are undertaken in accordance with the University's Financial Regulations and usual procurement procedures.

	Income	Expenditure	Debtor	Creditor
	£000	£000	£000	£000
<b>Members of Council</b>			-	-
University of Wales Trinity St Davids - (Elfyn Llwyd)	5	(93)	-	-
Public Health Wales - (Kate Eden)	63	(9)	-	-
National Library of Wales - (Ms Meri Huws)	1	(1)	-	-
Coleg Cymraeg Cenedlaethol - (Ms Meri Huws)	-	(18)	-	(9)
<b>Senior Staff Members</b>				
UCAS Media Limited - (Prof Elizabeth T Treasure)	-	(347)	-	(186)
UCAS - (Prof Elizabeth T Treasure)	-	(67)	-	-
UCEA - (Prof Elizabeth T Treasure)	-	(20)	-	(9)

Mr Nate Pidcock and Mr Moc Lewis (until 30 June 2021) and Ms Mared Edwards and Ms Sabina O'Donoghue (from 01 July 2021), in addition to being University Trustees were also members of the Aberystwyth University Students' Union.



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## NOTES TO THE FINANCIAL STATEMENTS (continued)

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### 32 RELATED PARTY TRANSACTIONS (continued)

#### Investment in Aberystwyth University Innovation and Enterprise Campus Limited (AIEC)

During the year the University invoiced AIEC for expenditure the University had incurred on behalf of AIEC totalling £630,647 (2019-20 £570,974) and AIEC invoiced the University £49,958 (2019-20 £429,339). The University also advanced cash to AIEC to the value of £2,265,000 (2019-20 £9,100,000) which has incurred an interest rate of 5%. At the year-end AIEC had a long-term creditor to the University which includes cash advances of £469,960 (2019-20 £676,406). The non controlling interest is £25 and therefore does not show up in the consolidated and university balance sheet as the figures are shown in thousands. AIEC is a 75% owned subsidiary.

#### Aberystwyth University Pension and Assurance Scheme (AUPAS)

The University runs a payroll service on behalf of AUPAS for which no administrative cost recharges are made. The Pension Scheme debtor at the year-end was £365,461 (2019-20 £344,146) which relates to PAYE payments made by Aberystwyth University on behalf of AUPAS during the year, which is now owed to the University.

#### Aberystwyth Students Union

Aberystwyth University Students' Union (AUSU) is a separate entity funded by the University by the provision of a grant. It is administered by elected student officers for the benefit of the students.

The University's grant to AUSU amounted to £782,586 (2019-20 £691,663).

The Students Union occupies premises owned by the University for which no rent is charged and received payroll services from the University for which no fee is charged. At the year-end the University was owed £233 (2019-20 £3,758).