



Cardiff
Metropolitan
University

Prifysgol
Metropolitan
Caerdydd

Annual Report & Financial Statements 2022-2023



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Introduction from the Chair of the Board of Governors

It has been a privilege to be Chair of the Board of Governors over the last year. On behalf of the Board of Governors, I would like to thank the Vice Chancellor, staff and students for their continued energy, dedication, and hard work. It's been a year where clear progress has been achieved.

I was very pleased that the University was awarded the People and Planet 'Number 1 UK University for Sustainability' in December 2022. This highlighted the sustained progress that we have achieved – building upon our success in winning the Times Higher Education 'UK and Ireland University of the Year' title in December 2021. Winning the sustainability award this year clearly resonated with the values of the University and its students and staff.

In December 2022 the University officially launched its new strategic plan 'Strategy 2030' which set out how we will fully achieve our ambition of becoming established as a distinctive and progressive high performing university - with strong vision and values, and high-performance culture firmly in place. Over the course of the year, the University developed and approved Thematic Strategies in support of Strategy 2030 (covering: Learning, Teaching and Student Engagement; Research and Innovation; Global Engagement; and Civic Mission) and Four Enabling Strategies (covering: People; Finance; Estate; and Digital). With accompanying Measures of Success, the University has ambitious, clear, and coherent plans in place to achieve future success.

In view of the challenges caused by high inflation in the UK it was pleasing to see the University achieve good financial growth and sustainability for the year. The University's turnover increased by £16m to £153m, our accounting surplus was £5.6m, and our cash surplus was £16m. The University also achieved good levels of cash on deposit of £55m that can be used for our future growth and investment plans. Further details are included in the Financial Statements for the year.

The University is now well-placed to support our ambitious estate redevelopment plans for both Llandaff and Cyncoed Campuses. Through the Campus 2030 Programme Board our strategic work on the development of our estate masterplan was positively taken forward. The masterplan will transform our campuses to deliver outstanding teaching, research, sporting, living and social spaces for students and staff.



Introduction from the President and Vice-Chancellor

Successful universities are characterised by their talent, resources, leadership and partnerships. Cardiff Met, its staff and students have these characteristics in abundance and, throughout the last year, utilised this wealth to deliver our strategy of diversification, growth and improvement, doing so with purpose, impact and compassion.

Our university's reach and impact are enhanced by our values of creativity, innovation, inclusivity and trust, supported by our behaviours of leadership, courage, accountability and agility. Together, these values and behaviours underpin our purpose and are exemplified to great effect across the University's endeavours and outcomes in 2022/23.

Following the award of the Times Higher Education 'UK and Ireland University of the Year 2021' title in December 2021, Cardiff Met was awarded the People and Planet Green League 'Number 1 UK University for Sustainability' in December 2022. This award recognised Cardiff Met as a leader in ethical and environmental sustainability and was made following the university's implementation of a wide range of sustainability initiatives and the prioritisation, in our Strategy 2030, of becoming a Net Zero University.

Our ethical underpinning was also signalled with the University's reaccreditation, in January 2023, as a University of Sanctuary by City of Sanctuary UK, after becoming Wales' first University of Sanctuary in 2018. In receiving this award, the University was commended on the provision that makes Cardiff Met a place of sanctuary, alongside the work we undertake for scholars and academics at risk, including our partnership with the Council for At-Risk Academics, whose Executive Director, Stephen Wordsworth LVO CMG, became our Chancellor in 2021.

These partnerships and initiatives have been made possible because of Cardiff Met's international outlook as a university that serves both Wales and the wider world with students from over

130 countries. In both September 2022 and January 2023, the University welcomed its largest ever intakes of international students, with Cardiff-based international students forming 23% of the total of almost 13,000 on-campus students. A further 13,000 international students were enrolled on Cardiff Met degree programmes at our 13 partner colleges in 13 countries around the world, including in nations affected by international conflict. Throughout the year staff and students continued to support the provision of education and research at our twin university in Ukraine, Skovoroda National Pedagogic University in Kharkiv, and we welcomed regional and national Ukrainian athletes and gymnasts to our Cyncoed Campus to train for international competitions. Helping to rebuild post-conflict societies, staff and students from our Initial Teacher



The Board of Governors also implemented the final recommendations of the Wales Governance Review and related Charter and our own Board Effectiveness Review. This included introducing our own Governors' Equality, Diversity and Inclusion Plan during the year to promote and achieve greater diversity in Board membership.

The Board of Governors also initiated the search and selection process for the recruitment of a new President and Vice Chancellor following the announcement that Professor Cara Aitchison intended to retire from her role in January 2024. We would like to place on record our thanks to Cara for her energy, passion, and commitment since joining the University in 2016. Board members also provided knowledge and experience in participating in the recruitment of key senior posts within the University in the year – including three professional services Director posts.

I would like to thank both past and present members of the Board of Governors and its various committees for their commitment and contribution to the University. The Board of Governors has continued to provide committed support for the University's aims and ambitions and has ensured that appropriate governance and scrutiny arrangements are in place.

There will undoubtedly be difficult times ahead for the entire higher education sector, but I am confident that the University will cope with the challenges successfully and continue with our impressive development.

John Taylor (CBE)
Chair of the Board of Governors
29th November 2023

The University achieved the required growth in student numbers for September 2022 and January 2023 intakes across a range of domiciles, modes, and levels. This was reflective of the growing reputation of the University and the attractiveness of a variety of new and innovative programmes on offer. The Board of Governors recognises that the student recruitment market is increasingly competitive, challenging and sometimes volatile, and that continued year-on-year growth cannot always be achieved.

The University also made positive progress in its NSS results and Graduate Outcomes results for the year. Our Board of Governors recognises the importance of the 'student experience' at the University and the improved outcomes for those entering the job market or further study.

The Board of Governors was kept regularly informed of developments by Welsh Government to establish the Commission for Tertiary Education and Research. Whilst there are notable challenges to Welsh higher education funding, the University will continue to work positively and constructively with Welsh Government, the new Commission, and the wider sector. We also want to ensure that the emphasis on 'Learner Voice' and 'Civic Mission' are more fully articulated by the Commission and that appropriate arrangements are then put in place by the University.

The Board of Governors agreed proposals to revise its committee structure to ensure that the University's governance arrangements are aligned to the delivery of the new strategy and that Board members provide maximum added value. Our new committee structure will be introduced in early 2024 and will include a new People, Health and Wellbeing Committee. Our new Committee will have the key task of looking at how we are developing our culture across the University and how good health and wellbeing for students and staff can be supported in what are pressurised times with the cost-of-living and other challenges.

Education programmes also helped to build a school in Rwanda following significant fund-raising initiatives.

Increases in student recruitment resulted in the University's highest ever annual turnover of £153m, enabling the generation of a surplus of over £16m, which followed surpluses of over £19.5m in 2021/22 and over £18m in 2020/21.

A strong financial base enabled further investment in Cardiff School of Technologies which launched in 2018 with a range of undergraduate, postgraduate and degree apprenticeship programmes designed to meet student demand and employer need. Education and research in robotics and AI have developed rapidly with strengths in 'service robotics', including collaborative research partnerships designing robots for hospitals and health care settings in Wales and Malaysia. With over 140 robots, the School of Technologies has also now developed an extensive interactive programme of STEM outreach sessions in schools exemplifying colleagues' commitment to widening access to higher education, upskilling industry and employees across Wales, and advancing research and innovation internationally.

The University's research impact was seen in work undertaken across both the Llandaff and Cyncoed Campuses and across all five of the University's Schools, with much of our research developing interdisciplinary solutions in tackling some of society's more entrenched problems.

In Cardiff School of Art and Design, for example, designers worked with health scientists to improve the quality of life for people with advanced dementia by creating and evaluating the efficacy of objects designed for playfulness, creativity, and touch. These include the innovative HUG™, commercialised via a spin-out company and purchased by the NHS and other care providers following its recognised contribution to increased functional and cognitive ability in 87% of patients involved in trials.

In Cardiff School of Management students and staff continue to develop entrepreneurial initiatives including the Circular Economy Innovation Communities (CEIC) programme which has brought together organisations from across Wales to implement crucial Circular Economy principles and

establish collaborative innovation networks to build a more sustainable future. The CEIC programme has supported 45 public and third sector organisations across the Cardiff Capital Region, with over 80 participants working on 17 challenges. Examples of the challenges include retrofitting social housing, accessing land for community growing, repurposing cardboard in the NHS and developing an AI bot to support procurement activity.

In Cardiff School of Sport and Health Sciences colleagues continued to run Stroke Hub Wales and became the first Welsh university in almost 30 years to be awarded Project Grant funding from the Stroke Association to conduct research which aims to provide critical insights into stroke prevention and treatment by analysing biomarkers following a patient's first 'mini-stroke'. This project is an excellent example of collaboration between higher education, the NHS and third sector partners in research that has the potential to have a critical impact on patient care, benefitting the population of Wales and beyond. Commercial sector partnerships continued to be developed and supported by our multi-disciplinary team supporting the generation of new products and new jobs in the Welsh food and drink sector.

In Cardiff School of Education and Social Policy our Diversity and Anti-Racist Professional Learning (DARPL) project was identified by Welsh Government as being 'crucial to delivering the Curriculum for Wales and achieving high standards and aspirations for all' as we work collectively towards an anti-racist Wales by 2030 within the Welsh Government's Anti-Racist Wales Action Plan. The team leading this project was also nominated for a Times Higher Education Award 2022 in the category of Equity, Diversity and Inclusion; this work will continue to be a strategic priority for the University as we develop our submission for the Race Equality Charter mark and embed it within our Strategic Equality Plan.

Students and staff from across the University have contributed to our 'Open Campus' programme which provided physical activity, sport, health and wellbeing opportunities for over 9,000 school children from across Cardiff last year, widening opportunities and raising aspirations. This community-based method of education has been central to Cardiff Met's civic mission and over 1,000 students delivered activities

through Open Campus, engaging with 41 schools, 24 of which were in lower socio-economic areas. In addition, almost 600 on-campus and community-based placements were provided for students, helping to improve graduate prospects across the University to over 77%, 3% above the Welsh average.

In performance sport we saw national and international successes over the course of the year, including one of our students captaining the Welsh women's rugby team at the Rugby World Cup in October 2022 alongside another student being part of the coaching team for the Rugby 7s Deaf World Cup in Argentina. Our Men's cricket team was crowned BUCS National Champions and we saw many of our alumni achieve sporting successes, including a gold medal for Rosie Eccles in Boxing at the 2022 Birmingham Commonwealth Games and success in the 2022 British Athletics Championships with a gold medal for Adele Nicoll in the shot put. I am delighted to report that Cardiff Met has now become Commonwealth Games Wales' Team Wales Higher Education Partner, to develop sport research, technology and digital media, women in sport leadership, student placements and a range of programmes focussed on schools and communities across Wales. The University has also now become the Welsh Rugby Union East Wales Women and Girls Rugby Development Centre; this adds to our selection as one of only four UK centres for Premier Women's Wheelchair basketball the previous year.

Our global outlook, international partnerships and sport connect us to the wider world while reminding us that we are rooted in and for Wales. This last year saw a further increase in the number of students studying through the medium of Welsh with 276 students studying at least 40 credits (a third) of their modules through the medium of Welsh.

As we look to the future, Cardiff Met's staff and students are well-placed to address the social, cultural, economic, and environmental challenges faced by Wales and the wider world. We look to collaborate further with governments, business, industry and the third sector to address the under-funding of higher education, research and innovation, the cost of living crisis, the legacy of both Brexit and the Covid pandemic, and the continuing conflicts around the globe. Within the university we value

our partnerships with the Students' Union and our two recognised Trades Unions, UCU and Unison; it is weaving the golden thread of partnership through all that we do that makes us OneCardiffMet.

I would like to conclude by thanking our partners for putting their trust in Cardiff Met and by thanking our staff for their tremendous hard work in a very challenging economic climate. My colleagues' commitment to Cardiff Met is unwavering and their endeavours over this last year have, as always, been undertaken with the values, purpose, impact and compassion I have come to respect and admire since 2016 when it became my privilege to serve as President and Vice-Chancellor of this great University.

Professor Cara Aitchison
President and Vice-Chancellor
29th November 2023

Key Facts & Figures



Financial Performance

Operating accounting surplus	£6m
Operating accounting surplus as % income	4%
Operational cash surplus	£16m
Long term debt at % income	12%
2023 rounded to the nearest £m or %	



Student Numbers

Postgraduates	4,132
Undergraduates	8,338
Overseas students	22%

Cardiff Met HESA data 2021-22
HESA data 2022-23 unavailable prior to sign-off



Staffing

Total staff	1,523
Academic staff	586

FTE 2022-23



Student Experience

Student Crowd Awards

- Rated 29 out of 140 universities.
- NSS 73 per cent July 2023
- NSS The question 'How good are teaching staff at explaining things?' achieved 89 per cent satisfaction levels July 2023.



Research

Research Excellence Framework
2021 submission

- Results showed that 70% of our overall submission was judged to be either Internationally Excellent or World Leading.



PRES

- Cardiff Met achieved an excellent result in the Advance-HE Postgraduate Research Experience Survey (PRES), with a general satisfaction rate of 90%. This places the University 2nd out of the 58 Higher Education Institutes that took part, 10% above the HEI average. It is the 3rd year in a row that Cardiff Met has been ranked in the top three for general satisfaction 2022-23.



Employability

- Cardiff Met is ranked eighth in the UK for graduate employability and student life by the Uni Compare University Rankings 2023.



Sustainability

- People & Planet green league – ranked best university in the UK for sustainability 2022.



UK Rankings

- 71st in the Complete Uni Guide League Table 2024
- 73rd in the Guardian Good Uni Guide 2023.



World Rankings

The World University Rankings

- Cardiff Met ranked 1201-1500th 2024
- QS World University Rankings 2023
- Ranked 101-140 for Sports related subjects
 - Ranked 151-160 for Hospitality and Leisure Management.

Strategy & Performance

Cardiff Met Strategy 2030: Excellent to Outstanding

Strategy 2030 maintains the momentum established over the last five years so Cardiff Met can fully achieve its ambition of becoming established as a distinctive and progressive high-performing university with a strong reputation, sustainable finances, innovative professional partnerships and significant local, national and global reach and impact.

Strategy 2030 builds on the sense of purpose, professionalism and aspiration developed by the successful strategy launched in 2017. Strategy 2030 will further the institution's focus on values, outstanding learning experiences that equip students for life, and research and innovation with purposeful impact and global reach. We will respond to student demand and employer need to address major local, national and global challenges, as we rebuild our economy and society following the pandemic, while improving the reputation and financial stability of the University and strengthening our reach and impact.

Our Vision

Cardiff Met is a progressive university. We work with purpose, impact and compassion and always in partnership. We make economies more prosperous, societies fairer, cultures richer, environments greener and communities healthier. In partnership with our students, staff and stakeholders we transform individual lives in Wales and the wider world through high-quality, high impact education informed by our cutting-edge research and innovation.

Developed following the award of the title of Times Higher Education 'UK and Ireland University of the Year 2021', Strategy 2030 outlines how we will continue to grow, diversify and improve, aiming to secure our place in the top 50 UK universities by 2030 and enter and climb the QS world ranking which is the key to sustainable high-quality international recruitment. Our reputational enhancement will make Cardiff Met a university of first choice for students studying and academics researching in the fields of:

- art and design
- business and management
- education and public services
- sport and health sciences
- technologies and engineering
- environment and sustainability

Our partnerships extend from our university campuses in Cardiff to further education, business, industry, charities, government and communities throughout Wales and the UK. Our global education partners provide high-quality degrees across the world, while our international research collaborations are working to solve some of the most entrenched global challenges. Such research includes:

- Improving life quality for people with advanced dementia through the award-winning HUG™ therapeutic device,

manufactured and distributed via a spinout company supported by the UK Alzheimer's Society and prescribed on the NHS.

- Reducing the impact of diabetes in Mauritius where our research underpinned a national diabetic foot screening programme which will contribute to saving more than 2,100 lives by 2029.
- Research on the prevention of head injuries in international cricket and rugby - leading to a new British Standard for Head Protectors adopted by all 104 cricketing nations and a mandatory WRU Concussion Education Programme for players, coaches, and referees.

We will develop our international relationships, cultural diplomacy and soft power with our thought leadership and actions as a University of Sanctuary playing a key role in establishing Wales as a Nation of Sanctuary.

We embody a high-performance culture with a low carbon footprint, changing the world while becoming a net zero carbon university across our campuses by 2030.

Learning, Teaching and Student Engagement Strategy

This thematic strategy positions student wellbeing at the forefront of all that we do, working within a curriculum that builds on our previous success in embedding the Cardiff Met EDGE - Ethical, Digital, Global and Entrepreneurial skills which develop confidence, resilience and experiences- extended through a greater emphasis on sustainability and equity.

There are four principles underpinning this Learning, Teaching and Student Engagement Strategy:

- Student experience and outcomes are delivered in both the curricular and co-curricular arenas, with the opportunities of these spaces further informed by choices in the development of portfolio and the pedagogic practice.
- Student experience and outcomes are enhanced through support from a continuous programme of personal tutoring/academic coaching that recognises the challenges of the educational journey and allows students to make informed choices to achieve their developing ambition. This strand of academic coaching activity provides a unique aspect of the Cardiff Met offer, and embeds our disciplinary learnings within the shared practice of our community.
- The ambitions of Strategy 2030 require that we bring multiple frames to the development of our activities in this domain: sustainability, partnership inclusion, wellbeing, environment, Welsh Language opportunity, and research-connectivity.
- Our actions will be data driven, co-constructed with stakeholder groups, developed within appreciation of our identified ways of working, and evaluated against their contribution to performance indicators.

Research and Innovation (R&I)

This thematic strategy builds on the foundations of the previous strategy, and will use an increase in the Quality Related Research (QR) funding and investment of R&I return to recruit and retain a greater volume of high-calibre research-active staff with more workload time devoted to R&I activities.

The four priority areas in the R&I strategy are:

- Increase R&I income
- Increase the volume and quality of research outputs per research-active FTE
- Increase the number of graduate start-ups
- Develop PGR support provision in line with sector best-practice and growth ambitions

Thematic Strategies

There are four thematic elements to Strategy 2030:

Learning, Teaching & Student Engagement

Provide an innovative educational environment to support students in achieving personal and professional ambitions, by identifying and linking their learning from both curricular and co-curricular activities.

Global Engagement

Strengthen global engagement across the breadth of university activities so they deliver with purpose, impact and compassion.



Research & Innovation

Cultivate our research and innovation portfolio by building capacity, enhancing our research environment, improving the quality, intensity, reach and impact of our research and innovation outputs.

Civic Mission

Extend our civic mission activity, building on our current work to enrich the economic, social, environmental and cultural wellbeing of Wales.



Global Engagement

This thematic strategy will enhance the University's standing as an innovative, impactful and inspiring global learning and research community that improves societies, economies and individual lives. It will contribute to the University's ambitions for growth in size, scope and standing throughout the strategy period by strengthening global engagement across the breadth of University's activities

There are five priorities within the Global Engagement strategy, to:

- Deliver an empowering, culturally diverse and inclusive educational environment, equipping our students, staff and alumni to thrive as interculturally effective global citizens.
- Increase and extend high-quality, strategic, international collaborations in research, innovation and knowledge exchange, enhancing our contribution to solving the global challenges of our times.
- Shape our high-quality, strategic, off-campus transnational educational partnerships to extend our impact, reach and reputation as we build capacity overseas and contribute to the wellbeing of individuals, economies and societies globally.
- Proactively manage our international on-campus intakes by developing delivery mechanisms that increase retention, engagement and progress of international students during study, and their engagement as graduate members of active global alumni networks.
- Develop our international activity in socially responsible and environmentally sustainable ways for the benefit of future generations and in alignment with key national and international goals and frameworks.

Civic Mission

The Civic Mission strategy focuses on those aspects of the University's endeavours that bring tangible benefit to a wide range of stakeholders beyond the immediate users and commissioners of the University's education and research provision.

There are five strategic priorities within the Civic Mission Strategy, to:

- Increase social mobility
- Reduce economic inequality
- Promote the Welsh language and culture
- Improve environmental sustainability
- Provide a Sustainable Funding Base

Enabling Strategies

Underpinning the strategy and the four thematic areas are our enabling strategies, which will ensure we are able to deliver our strategic ambition. There are four elements of the enabling strategies which are designed to ensure Cardiff Met achieves its ambitions of working with purpose, impact, and compassion to progress from excellent to outstanding in all that we do:

- Finance: we will continue to seek to grow and diversify our income base, ensuring financial stability and promoting long-term financial sustainability in order to support the transformative investment in the University's human, physical and digital infrastructure.
- Estate: we will transform our estate, to be net zero carbon by 2030, and continue to provide outstanding, innovative and highly sustainable environments for learning, working, living, sport and socialising. This will be achieved

through a mix of new buildings that are sympathetic to our surroundings and the repurposing and revival of our existing estate to ensure maximum sustainability.

- People: we will create a new People Strategy to shape a high-performance culture that is values-driven, supportive and agile, enabling our people to use their talents to thrive and succeed, and to work in partnership so our students have outstanding learning, teaching and research experiences.
- Digital: we will maximise our human centred digital approach to deliver outstanding, sustainable and transformative change. Our Digital Strategy will deliver high-quality and impactful activities through academic delivery and student support, data informed decision making, interdisciplinary research, local and global partnerships, and an integrated digital workplace.

Tracking our Progress

Underpinning the strategy, the thematic and the enabling strategies are 21 measures of success; milestone targets have been mapped out for all the areas and progress towards the targets are monitored by the Board of Governors.



Corporate Governance & Statement of Internal Control

The University is committed to high standards of corporate governance. The University is a higher education corporation formed by statute and has charitable status. The University wants to demonstrate that its governance is undertaken in an open and accountable manner and that it complies with best practice within the higher education sector.

This Statement describes the manner in which the University has applied the principles set out in the UK Corporate Governance Code (published July 2018) both during the year and up to the date of approval of the financial statements. Its purpose is to help the reader of the annual report and financial statements understand how these principles have been applied.

The University's Board of Governors carries the overall responsibility for ensuring there is a sound system of risk management, control and governance. This system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Governors discharge this responsibility through the following elements:

- Effective review by the governing body and relevant committees, particularly, Audit Committee, Governance and Nominations Committee and Resources Committee.
- Ensuring that effective control systems are in place, including policies, objectives and plans, management of key risks and opportunities, monitoring of financial and operational performance, physical safeguarding of assets, segregation of duties, authorisation and approval procedures, and information systems.
- An effective internal and external audit service.
- The identification and management of risk embedded in all business systems.

The University is required to comply with the Committee of University Chairs' Higher Education Code of Governance (published September 2020). The University's approach for the effective management of risk is set out below:

- The University focuses on the active management of risk as an integral part of the management process within all parts of the organisation.
- The University clearly identifies various risks to the achievement of its objectives through its risk management framework. These risks may be strategic or operational and may present potential implications for the University's reputation, its financial position or its routine operations.
- The University integrates risk management into the annual planning process which helps the Executive to determine and co-ordinate the University's academic and other activities.
- The University proactively encourages all managers to consider risk implications of each major decision, contract or project as a normal part of their everyday work.
- The Executive endeavours to identify and focus on immediate and transient risks with strategic implications, as well as on the more permanent and substantial risks which are identified in the University's risk register.
- Managers are expected to link risk identification to action, whether in mitigation of the risk or in response to it.
- The Executive works with the five Deans of School and the Directors of Professional Services departments to encourage and support effective

risk management as part of routine management of the organisation, and specifically to help them identify, evaluate, manage and report risk.

- The Board requires the Audit Committee to review the University's risk register in detail on a termly basis. This is then reported to the Board. The risk register identifies significant risks and contains details of: risk definition; risk owner; risk likelihood; risk impact; overall risk Red Amber Green 'RAG' rating; response to risk – treat, tolerate or terminate; mitigating actions; risk trend – increase, decrease or unchanged; risk manager; and risk proximity.
- The Audit Committee agreed an Audit Strategy for 2022-25 and an Internal Audit Plan for 2022-23 at the start of the financial year with its Internal Auditors. The Internal Audit Plan set out the proposed risk-based approach to internal control, the audit strategy methodology and the rolling programme of audits that covered business, operational and compliance risks as well as financial risk.
- The Audit Committee regularly reviews the adequacy of the process of risk management at the University as it continues to be developed.

The University, through its Audit Committee, appointed new Internal Auditors at the start of the previous financial year for an initial period of three years. The appointment was made following the expiry of the contract with the previous internal audit services provider after a period of six years. Over the course of 2022-23 the professional relationship between the University and its Internal Auditors continued to develop as processes, systems and ways of working were further embedded. The Audit Committee re-approved an Internal Audit Charter as part of its Audit Strategy and Internal Plan for 2022-23. This was in line with Public Sector Internal Audit Standards (PSIAS).

The Internal Auditors conducted 15 planned internal audit reviews during 2022-23 and provided an opinion that the University had achieved a 'reasonable'

level of assurance overall in its risk management arrangements. The Internal Auditors advised that the University had reasonable and effective risk management, control and governance processes in place. This was the same level of assurance as for 2021-22 and an improvement on previous years where a 'moderate' level of assurance had been achieved in 2020-21 and a 'limited' level of assurance had been achieved in 2019-20. The Internal Auditors explained that it would be unusual for an organisation of the University's significant size to achieve the higher 'substantial' level of overall assurance.

The Board is of the view that there was an ongoing process for identifying, evaluating and managing the University's significant risks in place for the year ended 31 July 2023 and that this process is still in place up to the date of approval of the Financial Statements and Annual Review. The process is regularly reviewed by the Board and accords with the internal control guidance for directors on the UK Corporate Governance Code as amended by the British Finance Directors Group.

The University's Internal Auditors directly assessed the University's corporate governance arrangements as part of an Internal Audit review of Strategic Controls during 2022-23. A 'substantial' level of assurance was achieved. This was the same level of assurance that had been achieved in the previous audit in 2020-21. The Board of Governors will continue to keep its risk management and corporate governance arrangements under regular review. This accords with guidance for directors contained within the UK Corporate Governance Code as amended by the British Finance Directors Group.

The University's Board of Governors comprises members appointed in accordance with the University's Articles and Instrument of Government. The Board is comprised of a majority of independent (lay) members, and elected staff and student governors. The Vice-Chancellor is also an ex-officio member. Members who served on the Board during 2022/23, including photos and their attendance, are listed below. All Governors were members of the Board for the entire reporting period other than where indicated.

The majority of Governors are lay independent members with relevant knowledge and experience in business and the professions. The role of the Chair of



the Board is separated from the University's President and Vice Chancellor. Those matters specifically reserved to the Board for decision are set out in the University's Articles and Instrument of Government. This is supported by a wider governance framework which includes the University's agreed Scheme of Delegation, terms of reference for individual committees and financial regulations. The Board holds to itself the responsibilities for the ongoing strategic direction of the University, the effective and efficient use of resources and the approval of major developments, and receives regular reports from senior management.

The University ensures the independence of its Lay Members of the Board of Governors by ensuring that each of these individuals have no material relationship with the University nor any related persons. The University manages conflicts of interest through carrying out an annual review of its Register of Interests, asking members to update their declaration whenever there is a change, and to announce any conflict prior to the start of any Board or Committee meetings. The University asks the following individuals to complete an annual return for the Register of Interests: all members of the Board, all senior University staff at Levels 1 to 3, as well as other key staff who work in close enough proximity to the University's decision-making, contract, or procurement processes.

The Board met seven times during 2022-23. During this time the Board operated six governor-level Committees, these were:

- Audit Committee
- Campus 2030 Programme Board
- Governance and Nominations Committee
- Remuneration Committee
- Resources Committee
- Strategic Planning and Performance Committee

All committees were formally constituted with terms of reference and membership comprised exclusively or mainly of independent members of the Board - with the exception of the Campus 2030 Programme Board which is a joint body of Board and the Executive members.

The Board and its committees had a clear schedule of meetings and an agreed work programme for 2022-23. Additional meetings were convened on an exceptional basis to meet the University's decision-making exigencies as required.

All meetings of the Board were primarily held as in-person meetings during 2022-23. There was also an option for participants to join Board meetings remotely. All meetings of the Campus 2030 Programme Board were held as in-person meetings. An option for participants to join remotely was arranged in the latter part of the year. All other committees continued to be held remotely during 2022-23.

Statement of Internal Control

The Audit Committee reviews the process for ensuring the effectiveness of the financial and other (non-academic) internal control systems. In doing this, the Audit Committee makes recommendations on the appointment of internal audit, reviews their reports, including follow up reports on implementation and the scope and effectiveness of their work. The Audit Committee also makes recommendations on the appointment of external audit and reviews the financial statements of the University prior to submission to the Board. The Audit Committee reviews the management letter and receives and considers progress reports on areas of significant risk identified by the Executive. In addition, the Audit Committee receives and considers reports from the Higher Education Funding Council for Wales as they affect the University's business and monitors adherence with regulatory requirements.

The Chair of Audit Committee is an Independent member of the Board of Governors who is an experienced member of the Committee. In addition to the Chair and two Independent members, the Audit Committee also included two external co-opted members through the course of 2022-23 who were not members of the Board and who thus provided additional externality to the Committee's deliberations. In line with previous years and Financial Management Code requirements, no Audit Committee members were permitted to serve on the Resources Committee. Whilst senior members of the Executive attended meetings of the Audit Committee as and when required, they were not members of the Committee.

The Audit Committee met four times during 2022-23 with attendance by the University's internal and external auditors as appropriate. The Committee also met privately with the University's Internal Auditors before each meeting and also met with the External Auditors as required.

Board Effectiveness Review

The Board commissioned an external periodic review of its effectiveness towards the end of 2019-20 to ensure the University's governance arrangements were efficient, effective and fit for purpose. A comprehensive 'Board Effectiveness Review' was undertaken in 2020-21 by Halpin Partnership Ltd and the Board considered and accepted a detailed report with clear recommendations. Through the course of 2022-23 further progress was made on the implementation of remaining review recommendations with much of the work overseen by the Governance and Nominations Committee, this included:

- Modernisation of the University's Articles of Government and Instrument of Government - the Board approved final versions in October 2023 for formal submission and approval by Privy Council. The Committee and Board considered feedback from Welsh Government and Privy Council on the initial drafts submitted for comment during 2022-23.
- The University's Scheme of Delegation (introduced in July 2021) was further reviewed by the Committee and Board in July 2022 and again in October 2023.
- The Senior Independent Governor (SIG) role within the University's governance arrangements (introduced in October 2021) was reviewed in February 2023. (The role had been introduced in line with HE sector best practice). The Board concluded that the SIG role added value to the University's governance structure. Whilst no referrals had been received by the SIG from Board members on governance related matters it was felt that the role would stand the University in good stead in the event that any concerns or complaints were received in future.

- The Statement of the Relationship Between the Board and the Executive (introduced in February 2022) was reviewed by the Committee at its meetings in January and April 2023. (The Statement had been introduced in line with HE sector best practice). The Board approved a revised version in May 2023 that provided a more positive and clear statement on how the Board and the Executive would work together effectively. This also included induction, training and development joint activity between the Board and the Executive, briefings throughout the year and an awayday in July 2023.
- Arrangements for the Chair and Governors to receive an annual appraisal (introduced in 2022) were repeated in 2023. All appraisals were completed during June, July and August 2023. Arrangements for exit interviews with the Chair were also introduced for Board members who retired/resigned during 2022-23.
- The Board approved a Governors' Equality, Diversity and Inclusion Plan at its meeting in May 2023. The Committee had considered draft versions of the Plan at its meetings in October 2022 and April 2023. The development of the Plan was a key recommendation arising from the Board Effectiveness Review and the Review of Governance in Universities in Wales. The Plan was developed following the publication of Welsh HE sector guidance in the autumn of 2022. The Plan set out actions required to help achieve good EDI representation at Governor level. The Chair of the Committee liaised with various stakeholders, including meetings with the Students' Union and the University's specialist Staff Networks to develop the Plan.
- The Committee has specific responsibility for Board membership, skills, training and development, and received regular reports at each meeting. The Committee ensured the training and development programme provided to Board members continued to be member-led.
- The Committee had oversight of arrangements for the recruitment of five new Independent Governors in readiness for the start of the 2023-24 academic year.
- Improved business management arrangements for Board and Committee meetings were introduced in 2021-22 and continued in 2022-23. This included the establishment of agenda setting pre-meetings with chairs of committees and the introduction of Board and Committee work programmes.
- The Board established a Strategic Planning and Performance Committee to increase the focus on the strategic and cultural aims of the University at the start of 2021-22. The Committee provided effective support to the Board in the development of the University's new Strategic Plan for 2022-2030 titled 'Strategy 2030'. Throughout the 2022-23, SPCC and the Board considered the development of thematic and enabling strategies and accompanying measures of success. These were all approved by Board in July 2023.
- The Board formally adopted the Governance Review of Universities in Wales (Camm Review) and the related Wales Governance Charter in May 2021. The Governance and Nominations Committee reviewed progress on the implementation of Review recommendations at each of its meetings during 2022-23.
- As part of the requirement to keep Board governance arrangements under review the Board approved proposals to revise the committee structure at its meeting in July 2023. The revised structure will be introduced in early 2024 and is designed to reflect the specific requirements of 'Strategy 2030' and ensure that Board members are well placed to add value to the process in delivering against the aims and ambitions of the strategy. The revised structure will also aim to reflect the requirements of the new Commission for Tertiary Education and Research.
- At the time that the Board Effectiveness Review was undertaken in 2020-21 the University's governance arrangements were assessed against a Governance Maturity Framework. The Framework had four levels: (i) Failing; (ii) Improving; (iii) Good; and (iv) Leading Edge. At that time the review highlighted that the University's governance arrangements were rated as '(ii) Improving'. In February 2022 the University's governance arrangements were re-assessed as 'Improving to Good', with strong evidence to indicate that progress to 'Good' could be swiftly achieved.

Governance Charter for Universities in Wales and Commitment to Action

The University has adopted the Governance Charter and Commitment to Action for Universities in Wales (published February 2020) and has implemented all of the recommendations of the Charter.

The Governance and Nominations Committee reviewed progress against recommendations at its meetings during 2022-23.

The Committee led on work to develop a Governors' Equality, Diversity and Inclusion Plan. The Plan was developed following the publication of Welsh HE sector guidance in the autumn of 2022. The Plan set out actions required to help achieve good EDI representation at Governor level. The Chair of the Committee liaised with various stakeholders, including meetings with the Students' Union and the University's specialist Staff Networks to develop the Plan. The development of the Plan was the final key recommendation from the Board Effectiveness Review and the Review of Governance in Universities in Wales and related Governance Charter. The Committee considered draft versions of the Plan at its meetings in October 2022 and April 2023. The Board approved the Plan at its meeting in May 2023 for implementation.

Confirmation of Compliance with the CUC Code

The University confirms that it is compliant with the requirements of the CUC Code of Governance (published September 2020) and the related CUC HE Senior staff Remuneration Code (published November 2021).

Board of Governors - membership

Board member	Category	Attendance
John Taylor CBE	Independent (Chair)	6/6
Dr Christopher Turner	Independent (Vice-Chair)	6/6
Nick Capaldi OBE	Independent (Senior Independent Governor)	5/6
Alison Thorne	Independent	5/6
Scott Waddington	Independent	4/6
David Warrender	Independent	3/6
Róisín Connolly	Independent	6/6
Karen Fiagbe	Independent	4/6
Sheila Hendrickson-Brown	Independent (retired April 2023)	2/4
Paul Matthews	Independent	4/6
Professor Myra Nimmo	Independent (retired June 2023)	5/5
Professor Kelechi Nnoaham	Independent (resigned April 2023)	1/4
Menai Owen-Jones	Independent	5/6
Christopher Pilgrim	Independent	3/6
Matthew Tossell	Independent	4/6
Professor Cara Aitchison	President and Vice-Chancellor	6/6
Dr Malcolm James	Academic Staff Governor	6/6
Kirsty Palmer	Academic Board representative Governor	5/6
Denn Yearwood	Professional Services Staff Governor (retired Nov 2022)	1/1
Charlie Bull	Professional Services Staff Governor (from Nov 2022)	5/5
Venky Gonavaram	Student Governor	6/6
Natalia-Mia Roach	Student Governor	6/6



John Taylor CBE



Dr Christopher Turner



Nick Capaldi OBE



Alison Thorne



Scott Waddington



David Warrender



Róisín Connolly



Karen Fiagbe



Sheila Hendrickson-Brown



Paul Matthews



Professor Myra Nimmo



Professor Kelechi Nnoaham



Menai Owen-Jones



Christopher Pilgrim



Matthew Tossell



Professor Cara Aitchison



Dr Malcolm James



Kirsty Palmer



Denn Yearwood



Charlie Bull



Venky Gonavaram



Natalia-Mia Roach

Audit Committee

On behalf of the Board of Governors, the Audit Committee’s purpose is to oversee the effectiveness of the University’s risk management, control and governance arrangements, including whistleblowing; the effectiveness of the arrangements to promote economy, efficiency and effectiveness; internal and external audit arrangements; the audit aspects of the University’s financial statements; and to scrutinise whether ethical and value for money arrangements have been considered in the University’s investments and procurement.

The Committee met four times in 2022/23 and considered the following key items of business:

- The Annual Report and Finance Statements and Annual External Audit Statement of Opinion.
- The Annual Internal Audit Plan/ Programme and progress on the implementation of internal audit recommendations
- The Corporate Risk Report and University Risk Register
- Review of the Whistleblowing Policy

Membership of the Audit Committee as follows:

Member	Meetings Attended
Scott Waddington (Chair and Independent Governor)	4/4
Adrian Piper (Vice-Chair and External Co-opted Member of Audit Committee)	4/4
Menai Owen-Jones (Independent Governor)	3/4
Matthew Tossell (Independent Governor)	3/4
Lisa Winstone (External Co-opted Member of Audit Committee)	3/4

The Chair, Staff and Student members of the Board of Governors are not members of Audit Committee. Furthermore, Audit Committee members are not members of the Resources Committee.

Campus 2030 (Programme Board)

Established in July 2022, on behalf of the Board of Governors and the President and Vice-Chancellor, the Campus 2030 Board Programme Board is a joint body that ensures the development and delivery of the University’s vision for an outstanding Campus-based environment for living, learning, working, sporting activity and socialising. This vision aligns with Strategy 2030 and seeks to place Cardiff Met as a university of first choice for students, staff and partners.

The Committee met five times in 2022/23 and considered the following key items of business:

- Development of Campus Identity and Vision.
- Consideration of two options for investment in the University’s sporting estate.
- Consideration of options for the development of the University’s residential estate.
- Development of Estates Masterplan and related timeline for completion.
- Development of proposals on the acquisition of additional sites to accommodate growth.

Membership of the Campus 2030 Programme Board as follows:

Member	Meetings Attended
Alison Thorne (Chair and Independent Governor)	5/5
Professor Cara Aitchison (Vice-Chair and Vice-Chancellor)	5/5
Mark Barry (Director of Commercial Services)	4/5
Professor Jacqui Boddington (Pro Vice-Chancellor Student Engagement)	4/5
Paul Davies (Assistant Director Environment and Estates)	5/5
Karen Fiagbe (Independent Governor)	1/5
Will Fuller (CEO of the Students’ Union)	5/5
Professor Sheldon Hanton (Pro Vice-Chancellor Research & Innovation)	5/5
Professor Rachael Langford (Deputy Vice-Chancellor)	5/5
David Llewellyn (Chief Officer (Resources))	5/5
Paul Matthews (Independent Governor)	4/5
Ben O’Connell (Director of Sport)	4/5
Emma Potts (Interim University Secretary) – from March 2023	2/2
Matthew Tossell (Independent Governor)	5/5
Scott Waddington (Independent Governor)	5/5

Governance and Nominations Committee

The Governance and Nominations Committee is responsible to the Board of Governors for the oversight of corporate governance arrangements to ensure the University is pursuing best practice. The role of the Committee is in part to ensure a more effective governing body, supporting the recruitment of skilled governors, considering succession planning to help meet skills gaps, developing a framework for the appraisal of governors, and working with the Chairs of other Committees to assess Committee performance and make recommendations for improving practice.

The Committee met four times in 2022/23 and considered the following key items of business:

- Review of Governance and Committee Structure: revising the Strategic Planning and Performance Committee’s Terms of Reference, and to shift the focus of Resources Committee towards financial sustainability, new revenue streams, digital approaches,

start-ups, and alumni. The Committee also agreed to establish a People, Health, and Wellbeing Committee to address people-related matters, staff and student health, wellbeing, and Equality, Diversity, and Inclusion (EDI) matters.

- Implementing the recommendations from the Board Effectiveness Review and the Camm Review
- Development of a Governors’ Equality, Diversity, and Inclusion Plan (EDI Plan)
- Revision of the Articles and Instrument of Government
- Review of the Statement of Relationship between the Board and the Executive
- Review of the Senior Independent Governor Role

Membership of the Governance and Nominations Committee as follows:

Member	Meetings Attended
Nick Capaldi OBE (Chair and Independent Governor)	4/4
Professor Cara Aitchison (President and Vice-Chancellor)	3/4
Charlie Bull (Professional Services Staff Governor) (from December 2022)	2/3
Sheila Hendrickson-Brown (Independent Governor) (until April 2023)	2/3
Paul Matthews (Independent Governor)	4/4
Kirsty Palmer (Academic Board Representative Governor)	2/4
David Warrender (Independent Governor)	4/4
Denn Yearwood (Professional Services Staff Governor) (until November 2022)	1/1

Where required, the Chair of the Board also attended in support of the work of the Committee.

Remuneration Committee

The Remuneration Committee undertakes a scrutiny role and advises the Board on matters including the appointment, appraisal, suspension, dismissal and for determining the terms and conditions of service of the holders of senior posts, and the setting of a framework for the pay and conditions of service of all staff. The committee ensures remuneration arrangements for all senior posts support the University’s strategic aims and enable the recruitment, motivation and retention of senior staff while also complying with the requirements of regulation and best practice.

The Committee met four times in 2022/23 and considered the following key items of business:

- Annual Review of Pay and Performance for Level 1 and Level 2 Staff.
- Annual Pay Report for 2021-22 and Annual Pay Policy Statement for 2021-22.
- Senior Staff Remuneration and Policy Framework for 2022-23.
- Review of Senior Staff Severance Policy.
- Proposals on changes to the President and Vice Chancellor’s Executive Group.
- Gender, Ethnicity and Disability Pay Gap Report for 2022.
- Level 3 Pay Review.
- Recruitment of a new President and Vice Chancellor.

Membership of the Remuneration Committee as follows:

Member	Meetings Attended
Dr Chris Turner (Chair and Independent Governor)	4/4
Professor Myra Nimmo (Independent Governor) - until June 2023	3/3
Christopher Pilgrim (Independent Governor)	4/4
John Taylor CBE (Chair of the Board and Independent Governor)	4/4
Alison Thorne (Independent Governor)	2/4

Resources Committee

The Resources Committee advises the Board on matters relating to institutional financial, physical, human and digital resources, including financial management, income generation and sustainability; People Services, including health and safety and wellbeing; estates and the environment; and any other of the University's resources. The Committee also has a role in ensuring value for money in procurement and in non-executive oversight and monitoring of the strategic management of the University's resources to support its strategic priorities. In relation to capital projects, the Committee will consider the capital plans as the University implements them in line with the agreed strategy.

The Committee met three times in 2022/23 and considered the following key items of business:

- Annual Budget Proposals, prior to final approval by the Board of Governors.
- Regular updates on the University's financial performance
- Students' Union (SU): oversight of the SU's Annual Audited Accounts, monitoring of financial performance and review of the Provisional Budget for the following academic year
- Annual Review of the Financial Regulations (including the Financial Management code) to ensure robust financial and management control systems within the University.
- Equality and Diversity annual monitoring report
- Procurement: regular review of procurement activity and Annual Report.

Membership of the Resources Committee as follows:

Member	Meetings Attended
David Warrender (Chair and Independent Governor)	3/3
Professor Cara Aitchison (President and Vice-Chancellor)	2/3
Venky Gonavaram (Student Governor)	1/3
Sheila Hendrickson-Brown (Independent Governor) (until April 2023)	1/2
Dr Malcolm James (Academic Staff Governor)	2/3
Professor Kelechi Nnoaham (Independent Governor) (until April 2023)	1/2
Kirsty Palmer (Academic Board Representative Governor)	1/3

The Chair of the Board and/or Vice-Chair of the Board also attended to support the work of the Committee.

Strategic Planning and Performance Committee

The Strategic Planning and Performance Committee advises the Board on matters relating to strategic planning; the monitoring and evaluation of strategic priorities and performance against the strategic plan; the evaluation of progress relating to the overarching agenda of growth, diversification and improvement; and horizon scanning. The Committee also has a role in giving initial recommendations and advice to the Board on Master planning.

The Committee met five times in 2022/23 and considered the following key items of business:

- Development of Thematic and Enabling Strategies in support of Strategy 2030. The Committee had a significant role in the oversight and development of the University's new Strategic Plan, and in 2022/23 specifically, it played an integral role in shaping the thematic and enabling strategies.

- Development of Measures of Success in support of Strategy 2030. The Measures of Success were developed following consultation with various stakeholders and benchmarks.
- Monitoring of Student Recruitment activity
- Annual Quality Assurance Report and other reports covering academic quality and performance. A key role of the Committee is their delegated responsibility for Governor-level consideration of academic assurance. This included confirmation of six statements on academic quality on behalf of Board of Governors that was included in the Annual Assurance Review submission.

Membership of the Strategic Planning and Performance Committee as follows:

Member	Meetings Attended
John Taylor CBE (Chair and Independent Governor)	5/5
Professor Cara Aitchison (President and Vice Chancellor)	4/5
Nick Capaldi OBE (Independent Governor)	4/5
Roísín Connolly (Independent Governor)	3/5
Venky Gonavaram (Student Governor)	4/5
Paul Matthews (Independent Governor)	2/5
Professor Myra Nimmo (Independent Governor) (until June 2023)	4/5
Dr Christopher Turner (Independent Governor)	4/5

Academic Board

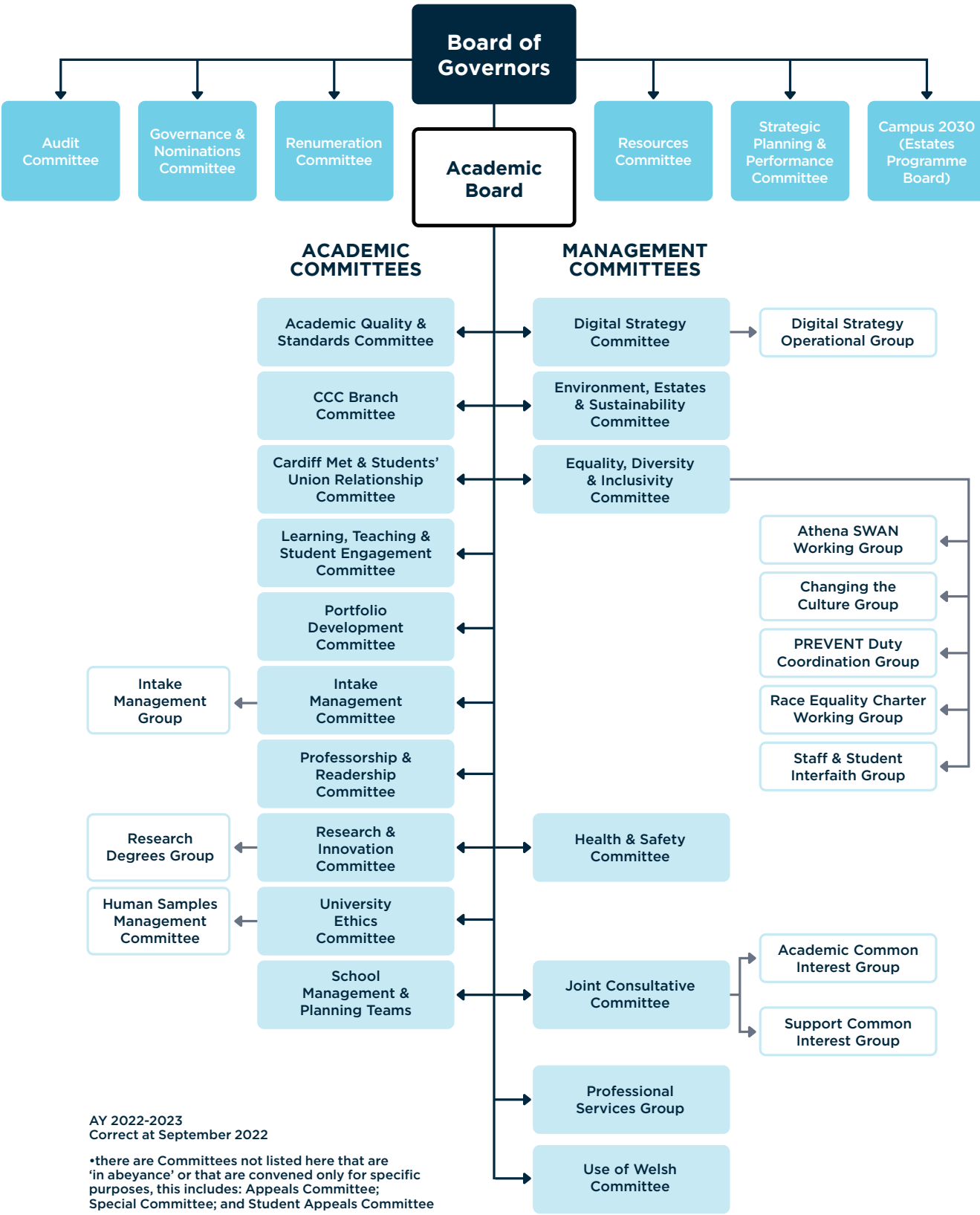
The Academic Board, established under the University’s Articles of Government, is a Committee of the Board of Governors and is responsible for advising the Vice-Chancellor and the Board of Governors. The Academic Board is both the University’s academic authority and its senior decision-making body for resources which support the University at a strategic level. Academic Board met eight times in 2022/23.

Membership of Academic Board as follows:

Member	Meetings Attended
Professor Cara Aitchison (President and President and Vice Chancellor) (Chair)	4/8
Professor Rachael Langford (Deputy Vice Chancellor) (Vice Chair)	8/8
Professor Jacqui Boddington (Pro Vice Chancellor Student Engagement)	8/8
Professor Sheldon Hanton (Pro Vice Chancellor Research and Innovation)	6/8
David Llewellyn (Chief Officer Resources)	6/8
Emma Potts (Interim University Secretary) (from March)	3/3
Professor David Brooksbank (Dean of Cardiff School of Management)	7/8
Dr Bethan Gordon (Acting Dean of Cardiff School of Art & Design)	7/8
Professor Julia Longville (Dean of Cardiff School of Education and Social Policy)	6/8
Professor Jon Platts (Dean of Cardiff School of Technologies)	7/8
Professor Katie Thirlaway (Dean of Cardiff School of Sport & Health Sciences)	7/8
Mark Barry (Director of Commercial Services)	8/8
Sukh Chonk (Interim Director of Marketing and External Relations) (until December 2022)	3/3
Ashley Flaherty (Director of People Services)	8/8
Professor Steve Gill (Director of Research)	7/8
Dr Joanna Hendy (Director of Learning Enhancement)	6/8
Ben O’Connell (Director of Sport)	7/8
Kirsty Palmer (Director of Student Services)	7/8
Ben Rogers (Director of Registry Services)	7/8
Matthew Taylor (Director of Innovation)	8/8
Anna Dukes (Interim Head of Global Engagement)	6/8
Mairwen Harris (Head of Strategy, Planning and Performance)	8/8
Mark Hughes (Head of Library Services)	6/8
Meryl Hopwood (Elected Academic Staff Representative)	8/8
Mark Lester (Elected Professional Services Staff Member)	8/8
Dr Ram Patra (Elected Academic Staff Representative)	7/8
Professor Andrew Walters (Elected Professoriate Staff Member)	4/8
Venky Gonavaram (Students’ Union President)	7/8
Natalia-Mia Roach (Students’ Union Vice President)	7/8

Several Committees and Working Groups reported to Academic Board (as the parent body) during 2022/23. These were designated as either Academic or Management Committees and are detailed in the structure chart below.

Full Board & Committee Structure Chart



Vice-Chancellor's Executive Group

The Vice-Chancellor's Executive Group (VCEG) is the senior leadership team of the University and assists the Vice-Chancellor in providing strategic leadership for all the Executive portfolios. VCEG members include the President and Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor (Student Engagement), Pro Vice-Chancellor (Research & Innovation), University Secretary, and Chief Officer (Resources).

VCEG meets at least bi-weekly and focuses on the monitoring of financial performance, including budget setting, alongside general monitoring and oversight of strategy, operational performance and policy development.



Report from Remuneration Committee

Introduction

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

The Remuneration Committee comprises independent lay members of the Board of Governors who possess relevant knowledge and expertise. The Vice-Chancellor and Director of People Services are in attendance at Remuneration Committee meetings, but the Vice-Chancellor is not in attendance for and does not play a part in the discussions and decisions of their own remuneration. Furthermore, no member of staff is present for the discussion of their own remuneration.

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

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

The Remuneration Committee ensures that it complies with its terms of reference and the requirements of the Committee of University Chairs (CUC) Higher Education Senior Staff Remuneration Code, focusing on the three key elements: a) a fair, appropriate and justifiable level of remuneration; b) procedural fairness and c) transparency and accountability.

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

Approach to Remuneration

The University's approach to the remuneration of senior post holders is detailed in a [Senior Staff Remuneration Policy Framework](#). The Framework is reviewed annually by the Remuneration Committee and was reviewed in October 2022.

Remuneration 2022-2023

Each year the Director of People Services prepares for the Remuneration Committee a paper benchmarking the base salary of the Vice-Chancellor and other senior postholders against the annual salary of institutions of comparable size and scope. This data is drawn from the annual Universities and colleges Employer Association (UCEA) Senior Staff Remuneration Survey, and the annual CUC Vice-Chancellor Salary Survey.

The Remuneration Committee considers a number of factors when considering performance reward proposals. These include but are not limited to:

- Performance in support of the University's strategic objectives in the areas of teaching; research; innovation and engagement; leadership and management; leadership of staff; partnerships and external relations internationally, nationally and locally; major initiatives and projects
- The size and complexity of the University
- The nature of the HE markets and issues of recruitment and retention
- The University's objectives in relation to the diversity of the workforce; and
- Salary benchmarking data

The senior postholder jobs are supported by the Hay Job evaluation methodology and the posts were last reviewed in 2022. The Hay job evaluation methodology is the most widely used job evaluation scheme in the world.

During the year 2022-23 the Remuneration Committee awarded a 3% cost of living salary increase to the Vice-Chancellor and the Senior staff and a further 2% cost of living salary increase in February 2023. This was in line with the nationally agreed HE sector pay award for staff who are on the National Framework Agreement (NFA) pay spine and covered by the University’s Grading structure which consists of 8 grades. These grades are supported by the Higher Education Role Analysis (HERA) job evaluation methodology.

A £750 ‘Cost of Living’ one off payment was made to all University employees in 2022-23 to help with the high cost of fuel and high inflation situation being experienced in the UK. The Remuneration Committee also awarded this payment to the Vice-Chancellor and senior staff.

Vice-Chancellor Remuneration

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

In meeting the University’s vision as a progressive university, working with purpose, impact and compassion to make economies more prosperous, societies fairer, cultures richer, environment greener and communities healthier, it is essential that the university offers a competitive remuneration package for the Vice-Chancellor role. This also recognises the diverse and complex nature of the organisation with over 25,000 student enrolments, over 1,500 paid staff and an income of over £150m.

The Vice-Chancellor’s Reward package is detailed below.

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

The Vice-Chancellor’s performance is assessed by the Chair of the Board of Governors after taking soundings and feedback from all members of the Board of Governors. It is based on leadership, the achievement of key strategic objectives, measurement against agreed targets, the overall performance of the University and the external context in which the university operates. Each year the Remuneration committee receives a report by the Chair of the Board of Governors on the Vice-Chancellor’s Performance and Development Review and agreed objectives for the following year.

The Vice-Chancellor’s base salary is reviewed in line with national pay awards for the Higher Education sector. Where supported by evidence, the Remuneration Committee may, at its discretion, agreed a consolidated increase to the Vice-Chancellor’s base pay. Any such increase would be reported through the financial accounts in the following year.

The University does not operate a performance related bonus scheme.

The Vice-Chancellor’s basic salary in 2022-23 is 6.4 times the median pay of staff, compared to 6.5 times in 2021-22. The staff median salary in 2022-23 is £41,931.

The Vice-Chancellor’s total remuneration is 7.5 times the median pay of staff, which is the same as in 2021-22. The staff median total remuneration in 2022-23 is £42,647.

The Vice-Chancellor is under opt out arrangements within the Universities Superannuation Scheme (the USS).

Senior Staff Remuneration

The performance of Senior members of staff is assessed by the Vice-Chancellor, after taking soundings and feedback from the Chair and members of the Board of Governors. It is based on leadership, the achievement of key strategic objectives, measurement against agreed targets, the overall performance of the University and the external context in which the university operates. Each year the Remuneration Committee receives a report by the Vice-Chancellor on the Senior Staff Performance and Development Reviews and agreed objectives for the following year.

The base salary for Senior staff is reviewed in line with national pay awards for the Higher Education sector. Where supported by evidence, the Remuneration Committee may, at its discretion, agree a consolidated increase to the Senior Staff’s base pay.

In 2022-23 the Remuneration Committee considered the pay of four members of Senior staff; the Deputy Vice-Chancellor; the Pro Vice-Chancellor (Research and Innovation); the Pro Vice-Chancellor (Student Engagement); and the Chief Officer Resources. All were awarded a base pay increase of 3%. In addition, some senior staff members received a 2% non-consolidated award in recognition of the delivery of key strategy initiatives.

The numbers of staff paid above £100k per annum are published in the financial statements (note 7), broken down into £5k pay bands. In 2022-23 there were 12 members of staff with a basic salary over £100k per annum, compared with nine in 2021-22.

Remuneration for other staff groups

The majority of other staff are on the national Framework Agreement (NFA) pay spine and covered by the University’s Grading Structure which consist of nine grades. These grades are supported by the Higher Education Role Analysis (HERA) role evaluation methodology.

Staff on NFA pay scales gain pay increases annually based on incremental skills, knowledge and experience, until they reach the top of the grade’s range. They are also subject to any nationally agreed pay awards.

The University offers a comprehensive range of both financial and non-financial workplace benefits.

Living Wage Employer

The University is an accredited Living Wage employer and as a result all staff receive at least the Living Wage foundation rate of pay.

Exit Policy

All settlement agreements, including voluntary severance, for senior staff are agreed by the Remuneration Committee. Any redundancies related to academic and senior staff are subject to the University’s redundancy processes.

	Year Ended 31 July 2023	Year Ended 31 July 2022
Emoluments of the Vice-Chancellor	£	£
Salary	268,476	257,500
Payments in lieu of pension contributions	49,719	47,346
	318,195	304,846

Operating & Financial Review

Scope of the Financial Statements

These financial statements relate to the year ended 31 July 2023 and represent the thirty first Annual Report of the University since its incorporation in April 1992. The financial statements consolidate the main activity of the University with that of its subsidiary companies and have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS) 102.

Principal Activities

The principal activity of the University is the provision of higher education from campuses in Cardiff and through collaborative activities elsewhere in the UK and overseas. The University's portfolio extends across undergraduate, postgraduate and research activities and is complemented by training, consultancy and other commercial spin offs which are provided to local, national, and international organisations. The University also provides conferencing and residential services, together with sports and catering facilities, for students and external users. Many of these commercial activities are carried out through a subsidiary company Cardiff Met Company Ltd, which gifts any taxable profit back to the University through the Gift Aid scheme.

Financial and Investment Strategy

The University approved its revised and updated Finance Strategy during July 2023. The Strategy has the key objectives of growing and diversifying income; ensuring financial stability; and promoting long-term financial sustainability. The Strategy includes challenging performance objectives in support of the University's aspirations for the future. The Finance Strategy is one of four enabling strategies that together with the People, Estates and Digital strategies support the University 2030 Strategy.

Results for the Year

The University delivered a very strong financial performance during the year, with the group's income increasing by £16m to £153.2m (2022: £137.2m). The financial results for the year show that the group delivered an accounting surplus of £5.6m (2022: deficit of £0.7m) and generated an operational cash surplus (as defined below) of £16m (2022: £19.5m).

In the period since the introduction of FRS102 during 2015- 2016 there has been a presentational divergence between the strength of the University's operational cash generation and its accounting result. This distortion of the financial results resulted from the need to account for non-cash pension deficit charges in relation to two of the University's three staff pension schemes, namely, the Cardiff and Vale of Glamorgan Pension Scheme (CVGPS), and the University Superannuation Scheme (USS). The combined impact of the pension deficit charges arising from these two schemes culminated in an accounting charge of £14.8m in 2022. The change in economic conditions has seen the pension deficit charges for the current year reduced to £4.4m in 2023, a change driven predominantly by an increase in the discount rate (the amount by which future liabilities are discounted). High levels of inflation during the year resulted in increased interest rates which in turn resulted in a significantly increased discount rate.

The group's main income stream is derived from tuition fees from UK and EU undergraduate and postgraduate students that together amounted to £70.2m (2022: £67.1m) and accounted for 46% (2022: 49%) of total income. When international fees and educational contracts are included, this rises to £115.7m (2022: £100.6m) and 76% (2022: 73%) of income. Full time undergraduate tuition fees for UK students remained capped at £9k during the year, resulting in no inflationary uplift to the value of the fee.

The group invested £18.2m (2022: £10.7m) in its infrastructure during the year. Of this, £9.9m was invested in the estate, and included refurbishment and improvement investments in academic,

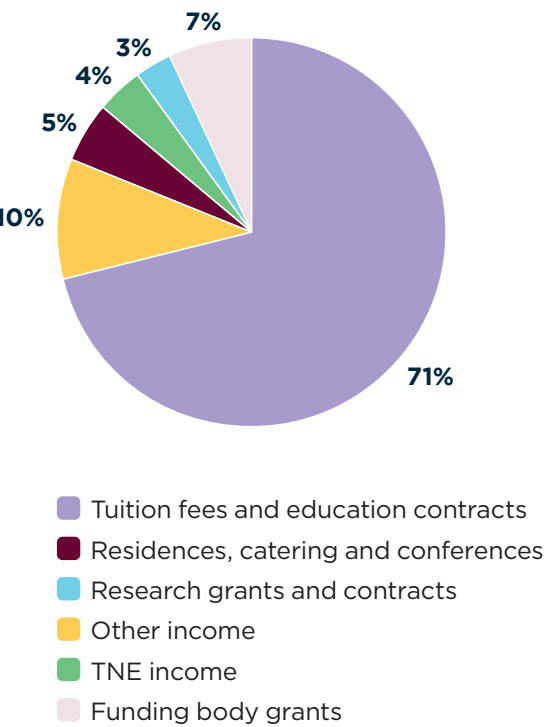
residential, professional service, and sporting facilities. Expenditure amounting to £8.3m was also invested in equipment, fixtures and fittings, IT infrastructure, and corporate digital systems.

Net assets increased by £51.9m to £188.3m (2022: £136.4m). The increase in net assets was the result of two factors, namely, a reduction in the university's pension provisions of £42.5m to £6.2m (2022: £48.7m); and a net increase in the asset base of £9.4m brought about by the strong financial performance during the year.

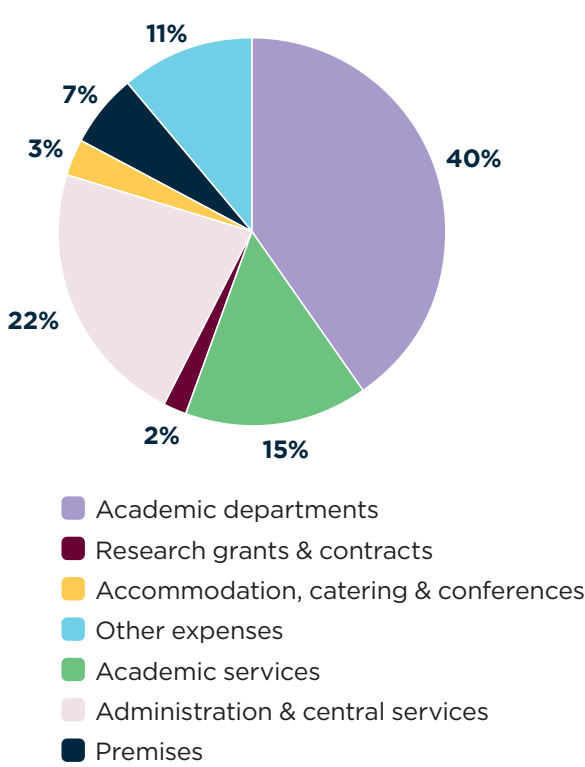
Summary of Consolidated Results

	2022/2023 £000	2021/2022 £000
Income	153,234	137,176
Expenditure	147,638	137,885
Surplus/(Deficit) for the year	5,596	(709)
Add back		
Depreciation	5,979	4,822
Pension Provision Charges	4,171	14,837
Annual Leave Accrual Movement	299	589
Operational Cash Surplus	16,045	19,539

Income Analysis 2022-23



Expenditure Analysis 2022-23



Liquidity & Cash

The group's cash and short-term investment resources at the year-end amounted to £55.2m (2022: £62.4m). Investments in the estate and infrastructure during the year were funded entirely by cash generated from operating activities. Loan repayments during the year totalled £1.8m thereby reducing the group's long-term debt from £21.0m to £19.2m. This resulted in an improved gearing ratio, with long term debt as a % of income reducing to 12.5% (2022: 15.3%). The strong cash base provides a solid and stable operating base.

The Financial Outlook

During 2022-2023 the University charged FT home undergraduate students an annual tuition fee of £9,000 compared to the fee of £9,250 being charged in English institutions. The FT home undergraduate tuition fee remains capped for 2023-2024 at £9,000 in Wales for the twelfth consecutive year and at £9,250 in England.

The real value of the FT undergraduate fee continues to erode, a process that has accelerated during the past year due to high levels of inflation and which is expected to continue into the future, due to inflation being predicted by the Bank of England to be higher for longer. High inflation has had a detrimental impact on the cost base (pay and non-pay) of the University and on the living standards of staff and students; and continues to put pressure on salary costs and industrial relations across the sector. The continuing lack of indexation on one of the University's main income streams poses funding challenges for both the University and the HE sector in general. At present there is no indication that any indexation will be applied to the FT undergraduate fee, or that the fee charged by Welsh institutions will be aligned to that charged by English institutions. Similarly, after a long period of record low interest rates, the recent upward movement in interest rates has significantly increased the cost of borrowing. Should the University increase its borrowings in the future, it is anticipated that the interest rate will be significantly higher than that pertaining in the recent past.

In order to operate sustainably in these circumstances, the University has updated its Strategy for the period 2022 to 2030, with a continuing focus on the growth and diversification of its income base through the development of new academic programmes and through further investment in research and innovation activity, all such activity to be supported by a programme of investment in a new and rejuvenated estate and infrastructure.

Charitable Status

The University became a Registered Charity (No. 1140762) on 10 March 2011.

Membership of the Board of Governors

The membership of the Board for the year 1 August 2022 to 31 July 2023 is set out on Page 20 of this report.

Over the reporting period, governors claimed £4,262 in expenses. This covered items such as mileage, public transport and parking fees to enable travel to meetings and other activities on behalf of the University. No other payments are made to trustees. Information about related third party transactions can be found in note 7.

Independent Auditors

The external independent auditors for the year were PricewaterhouseCoopers LLP. The internal auditors for the year were TIAA Ltd.

Equality of Opportunity

The University works to ensure compliance with equality legislation and is committed to proactively integrating the principles of equality into all its activities. A Strategic Equality Plan has been agreed and implemented. The University is active in widening access to education, and in providing an inclusive approach to learning, teaching, and research.

Health and Safety at Work

The health, safety and welfare of staff and students are essential to the success of the University. The University's Health & Safety Committee considers all relevant aspects of health, safety and welfare. The Committee receives regular monitoring reports of periodic audits of schools/units' health & safety management arrangements and of initiatives and/or issues emanating from school/unit health & safety meetings. Additionally, the Committee disseminates updates on legislation and guidance on good practice and monitors accident levels and staff sickness. The Minutes of the Committee are presented to the Academic Board and health & safety reports also feature at the University's Audit Committee. An Annual Health & Safety Report is provided to the Board of Governors through Resources Committee, to enable it to meet its statutory obligation to ensure compliance with health & safety legislation.

Modern Slavery and Human Trafficking Statement

Cardiff Metropolitan University is committed to improving our business practices to combat modern slavery or human trafficking in our supply chains or in any part of our business to ensure we are not complicit in any human rights violations. The University's policies and procedures demonstrate its commitment to acting ethically and with integrity in all its business activities, ensuring compliance with the requirements of the Modern Slavery Act. The procurement function has had an 'Ethical Supply Chains' Policy in place since 2011. The Policy was reviewed and updated in 2022 to ensure it continues to reflect relevant good practice.

The University's workplace policies and procedures have been reviewed and amended to ensure they reflect the intent of the Welsh Government 'Ethical Employment in Supply Chain' Code of Practice. These policies and procedures demonstrate the University's commitment to acting ethically and with integrity in all its business relationships by ensuring that modern slavery and human trafficking do not occur within its UK and international workforces or business activities.

During the year covered by this report, the University committed to ensure that all staff pay grades are at or above the Real Living Wage. The University was accredited as a Living Wage employer by the Living Wage Foundation in November 2019 and has paid the Living Wage rate as a minimum to all staff since August 2018.

Criminal Finance Act Statement

Cardiff Metropolitan University and its subsidiary companies commit to ensuring that its employees, agents, and other associated persons acting on its behalf are not facilitating tax evasion by another party. The University regularly reviews its risks and associated processes and procedures to ensure that all steps are taken to prevent tax evasion. The University includes the risk of tax evasion on its Risk Register. The risk is reviewed and updated three times a year. This includes the review of controls to mitigate risks. The University reviews its policies and guidance in relation to the Criminal Finance Act on a regular basis, in line with similar policies (Anti-Bribery, Counter Fraud and Corruption, Anti-Money Laundering policies and Financial Regulations).

Climate Impact Statement

Cardiff Metropolitan University is committed to minimising its impact on the climate and the environment. We are continuously looking at ways to reduce our impact with our Environmental Management System (EMS) (ISO 14001) which covers all University activities from energy and utilities to waste management and recycling. Most significantly, the work includes embedding education for sustainable development in the curriculum, into research and enterprise activities and through behavioural change and awareness.

One of the key opportunities to reduce our impact is through efficient management of energy consumption across the estate. Energy Management within the Estates and Environment team means providing comfortable working, teaching and learning environments for all staff and students, while at the

same time closely controlling the energy used. A network of electricity, gas and water sub-meters allows us to understand energy consumption within individual buildings.

The University is committed to reporting on its progress towards meeting the targets set out in the Sustainability Policy and Strategy. The Sustainability Strategy provides a framework to cohere our ambitions and actions in relation to sustainability and sustainable development supported by the Sustainability Engagement Strategy.

Climate Impact Public Benefit Statement

The University continued its focus on engagement as a key change mechanism, using its Community Days as a central piece to bring together the campus community with neighbours and local communities. The ‘Community Days’ promote sustainability partnerships, and include many charities and small businesses, a local Farmers Market, student entrepreneur traders, Cardiff Council Waste Management and University information stalls.

- Repair Cafes are held at both University campuses on a monthly basis, providing staff, students and the local community with the opportunity to have broken items repaired for free. The cafes also provide advice and volunteering opportunities, together with cycle servicing and security marking by a local charity and South Wales Police.
- The University is delighted to be designated as a Litter Pick Hub for the local area with Keep Wales Tidy. This provides individuals and groups the opportunity to borrow litter picking equipment for events in the city. Cardiff Met also hosts its own weekly Litter Picking events.
- The University is a key sponsor of the city’s public cycle network, hosting cycle hubs at each of its campuses and providing 5,000 memberships

for its community. Electric bike and car charging facilities continue to be expanded.

- The University continues to support and provide funding towards the City’s Student Liaison Officer, Cardiff Digs, a role that supports Cardiff’s universities and provides volunteering opportunities in the city, helping in local communities with neighbourly support and advice.
- The University has Fairtrade University status, supporting both Fairtrade Cardiff and Fairtrade Wales networks. The award recognises a broad range of activities undertaken which work towards a more just, equitable and sustainable world for all. This includes working to raise awareness with students of the issues of ethical and sustainable consumption, and increasing the availability of Fairtrade products in outlets.
- Cardiff Metropolitan University celebrated after being placed 1st in the UK Green League table. This is the only comprehensive and independent league table of UK universities ranked by environmental and ethical performance.

Commitment to Sustainability

In July 2022 the University Board approved a new University Strategy. A key element of this is ensuring our commitment to sustainability and net zero remains at the forefront of our work, in our estate, operations, teaching and research.

The University continues planning to meet its commitment to be a net zero campus by 2030. A new Estates Masterplan and Carbon Management plan are currently in development to contribute to the University’s Campus 2030 aspiration – providing a high quality, innovative and sustainable campus. Substantial investment in the coming years will focus on refurbishing and repurposing our current buildings and facilities, rather than building new, so reducing our carbon footprint.

Cardiff Met is an integral part of Cardiff Council Climate emergency board and works closely with Welsh Government Energy Services to develop a cost estimate of existing buildings to be net zero. This information is being fed into our new Carbon Management Plan alongside our Master Plan.

The University takes its environmental responsibilities seriously and aims to manage its operations in ways that are environmentally sustainable, economically feasible and socially responsible. It continues to embed and raise environmental awareness through the development and training of its employees and enabling students to explore and develop values, skills, and knowledge of sustainability through research, curricula, and extra curricula activities. The aim is to develop a socially cohesive, environmentally responsible, and all-inclusive work and study environment, which looks to engage staff, students, and the wider community.

During 2022/23 we significantly improved our position in the annual university Green League, rising to 1st place in the UK out of 153 Universities. This highlights our success in a number of fields, including sustainability policy, environmental auditing and management, energy management, carbon reduction and sustainability engagement with our staff and students.

We remain committed to improving the sustainability of our campus through a range of policies covering Business Travel, Ethical Investment & Banking, Ethical Supply Chains, Fairtrade, Sustainable Procurement, Clean Air, Energy and Carbon Management, Environment and Sustainability, Sustainable Food and Sustainable Seafood.

We continue to invest in several buildings on our campuses, all focusing on improving student experience whilst reducing carbon emissions. These include improved glazing, insulation, and heating in a 1960s repurposed building, a comprehensive programme of investment in LED lighting, mechanical ventilation and the replacing of gas water heating with electric point of use heaters and more efficient boilers and heating systems across all campuses.

The University is a member of EAUC (the Environmental Association of Universities and Colleges), IEMA (Institute of Environmental Management and Assessment) and the One Cardiff Climate Emergency Board, working with partners throughout the region.

We have continued to grow our range of sustainability engagement initiatives for our staff and students, including Repair Workshops, Community Days, Green Workshops and Litter Picks. Carbon Literacy training courses have also been successfully piloted with staff and students.

Public Benefit Statement

Cardiff Metropolitan University delivers professionally recognised degrees, together with impactful research and innovation, in art and design, business and management, education and public services, sport and health sciences, and technologies and engineering. Cardiff Metropolitan University is proud to have been awarded the Times Higher UK and Ireland University of the Year for 2021- 22 and ranked as the No.1 university in the UK for sustainability, in the People and Planet’s Green League 2022/23, the only comprehensive and independent league table of all UK universities ranked by environmental and ethical performance.

The University seeks to advance higher education and research within South-East Wales, Wales, the UK and internationally. Its charitable objective is to inspire and enable individuals, organisations and communities to succeed through innovation in high quality learning, research and enterprise. The benefit of this charitable objective is derived through the intellectual development of individuals and by providing the opportunity for them to enter professional life in many fields of public and private provision. The beneficiaries are the public at large to whom education is open. The University’s provision has been aligned with the Welsh Government’s strategy for higher education and serves the public benefit by contributing to regional regeneration, preservation of the environment and promotion of social justice.

The University offers courses in a range of subjects including health and social care, teacher education and environmental management with over 50 professional bodies accrediting its courses. It also engages with partners in business, the public sector and communities in a variety of ways. Specifically, during 2022/23 the University:

- Undertook Sport Development for Cardiff City Council. The University, through Cardiff Met Sport, is working with the Council, Sport Wales National Governing Bodies of Sport and professional sport clubs to increase sports participation and the quality of the experience across the city. The project, which places particular emphasis upon addressing key themes, including disability, gender, and disadvantaged groups, is also contributing to the strengthening of Cardiff Met's relationships with all the city's primary and secondary schools and supports thousands of hours of student work placement and volunteering opportunities.
- Continued the development of our Open Campus programme, which is a partnership between Met Sport, CSSHS and Cardiff City Council. This year alone the programme engaged 11,000 pupils from across the city.
- Participated, as a part of its widening access programme, in the Reaching Wider Initiative which encourages the importance of learning amongst lower quartile Welsh Index of Multiple Deprivation areas and schools in South-East Wales.
- Administered and supported a £12m pan-Wales advisory and implementation service in food technology related initiatives, including areas such as technical, microbiological, hygiene and product development to help clients (SMEs) achieve measurable outputs and clear financial, environmental and skill-based benefits and to maximise business performance.

- Worked with Welsh Government to provide Knowledge Transfer Partnerships as an effective interface between academia and Welsh business - providing access to research, development, expertise, facilities and knowledge to a wide range of technology led businesses.
- Used its sports facilities to provide junior sport programmes for local children and training facilities for all levels of athlete, thereby supporting world class participants in a range of national and international sports. The University expanded its Learn to Swim and School Swimming programmes on our Cyncoed campus to cater for over 160 swimmers.
- Operated a Community Borrower Scheme, which provides the public with direct access to the University's library collections, enabling them to borrow books or other audio-visual education materials.
- Actively promoted the National Young Ambassador programme which aims to inspire young people to become leaders through sport and physical activity.
- Hosted Community Days which bring together and engage the campus community with its neighbours and surrounding communities. These events raise awareness and promote partnership working with local traders, charities and small businesses operating alongside university activities. Cardiff Met also offers students, staff and the community the opportunity to attend free Repair Cafes, and to participate in litter picks in the areas surrounding each Campus.
- The University is a key sponsor of the city's public cycle network OVO bikes, hosting cycle hubs at each of its campuses and providing 5,000 memberships for its community.
- Continued support and funding towards the city's Student Liaison Officer, a role that supports Cardiff's universities and

provides volunteering opportunities in the city, helping in local communities.

- Continued support for the Food and Fun (previously known as School Holiday Enrichment) Programme which provides food and nutrition education, physical activity, enrichment sessions and healthy meals to children in areas of social deprivation during the school summer holidays. Since the programme's launch in 2016, the number of schools enrolled has continued to grow year-on-year.
- Secured funding through Cardiff & Vale University Health Board to improve the provision of Exercise Referral across Cardiff, strengthening the relationship between primary care, social prescribing, exercise referral and community physical activity. The programme contributes towards the Healthy Weight, Healthy Wales Strategy and Move More Eat Well strategy across Cardiff and the Vale of Glamorgan.
- Participated in Step In - an innovative project developed between Cardiff Met Sport and the Police & Crime Commissioner office. The programme diverts young people aged 11 to 18 away from youth justice services and into more positive opportunities via sport and physical activity.
- In partnership with Public Health Wales, Met Sport delivered the Move More community health programme which included the Falls Management Exercise Programme, National Exercise Referral

programme and the Active Leisure Scheme. All programmes are targeted at encouraging older adults to move more and improve their physical and mental health.

- This year our teams also launched the Move More strategy in partnership with Cardiff City Council and Public Health Wales. Move More is the first Physical Activity and Sport Strategy for the city and is adopting a whole-systems based approach to drive sustainable and meaningful change across Wales Capital City.

During the year, Welsh domiciled students of the University were able to access the Assembly Learning Grant and English domiciled students were able to access the Maintenance Grant; the University also offered its own bursaries. Various other schemes were also available to assist students to access higher education and the University administered a discretionary contingency fund for those who required financial support to continue their studies. The University offered a wide range of accredited taster sessions at outreach centres and bespoke projects designed to raise the aspirations amongst disadvantaged/under-represented communities.

In common with other charitable higher education corporations in the UK, the University is overseen by a Board of Governors, the majority of whom are non-remunerated and otherwise independent of the University. The Board of Governors includes staff and student representation.

Independent auditors’ report to the Governing Body of Cardiff Metropolitan University (the “university”)

Report on the audit of the financial statements

Opinion

In our opinion, Cardiff Metropolitan University’s group financial statements and university financial statements (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 2023, and of the group’s and 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland”, and applicable law);
- have been properly prepared in accordance with the requirements of the Statement of Recommended Practice – Accounting for Further and Higher Education; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

We have audited the financial statements, included within the Annual Report & Financial Statements (the “Annual Report”), which comprise: the Consolidated & University Statements of Financial Position as at 31 July 2023; the Consolidated & University Statements of Comprehensive Income and Expenditure, the Consolidated & University Statements of Changes in Reserves for the year then ended and the Consolidated Cash Flow Statement for the year then ended; and the Statement of Principal Accounting Policies; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors’ responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

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

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

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

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

Reporting on other information

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

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

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

Report of the Board of Governors

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

Responsibilities for the financial statements and the audit

Responsibilities of the Governing Body for the financial statements

As explained more fully in the Responsibilities of the Board of Governors set out on page 46, the Governing Body is responsible for the preparation of the

financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Governing Body is also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governing Body is responsible for assessing the group and university’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the Governing Body either intends to liquidate the group and university or to cease operations, or has no realistic alternative but to do so.

Auditors’ responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the institution/industry, we identified that the principal risks of non-compliance with laws and regulations related to UK health & safety

and employment legislation together with the Higher Education Funding Council for Wales ('HEFCW') Financial Management Code, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Charities Act 2011 and HEFCW Accounts Direction (W21/19HE). We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate transactions designed to overstate the financial performance and/or position of the group or university.

Audit procedures performed included:

- Reviewing the minutes of meetings of those charged with governance and holding discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Using computer based audit techniques to identify and test higher risk journal entries, in particular those we considered to have unusual account combinations;
- Reviewing the appropriateness of the assumptions used in estimating the valuation of the defined benefit pension scheme;
- Obtaining third party confirmations of all of the group's banking and financing arrangements.

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

A further description of our responsibilities for the audit of the financial statements is located on the

Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the university's Governing Body as a body in accordance with Article 13(2) of the university's Articles of Government and section 124B of the Education Reform Act 1988 as amended by section 71 of the Further and Higher Education Act 1992 and section 151 of the Charities Act 2011 and regulations made under section 154 of that Act (Part 4 of The Charities (Accounts and Reports) Regulations 2008) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinion on other matters prescribed in the Higher Education Funding Council for Wales ('HEFCW') Audit Code of Practice issued under the Further and Higher Education Act 1992 and the Financial Management Code issued under the Higher Education (Wales) Act 2015

In our opinion, in all material respects:

- the requirements of HEFCW's accounts direction have been met;
- funds from whatever source administered by the 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, the HEFCW Financial Management Code and any other terms and conditions attached to them; and
- funds provided by HEFCW have been used for the purposes for which they were received.

Sufficiency of accounting records and information and explanations received.

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

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

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff
29 November 2023

The Board of Governors' Responsibilities in Respect of the Annual Report & the Financial Statements

In accordance with the Education Reform Act 1988 the Board of Governors are responsible for the effective and efficient use of resources, the solvency of the University and for safeguarding its assets. To this end, the Board is responsible for keeping adequate accounting records sufficient to show and explain the University's transactions and disclose the financial position of the University. It has responsibility for setting out the internal controls necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities which may occur.

Articles of Government and the Instrument of Government are the legal documents which govern the way Cardiff Met conducts itself and carries out its operation. These documents set out key responsibilities of the Board of Governors, Vice-Chancellor, and Academic Board, and the basis of which these responsibilities can be delegated, as well as procedural rules.

The Board has adopted a Statement of Primary Responsibility, as recommended by the Committee of University Chairs, which is published on the University's website. It sets out the primary responsibilities of the Board of Governors at Cardiff Met.

The Board is responsible for approving the Annual Budget, the Annual Financial Statements, and the Corporate Strategic Plan. The Board of Governors has established a Resources Committee which has delegated authority from the Board in relation to financial matters. However, the Board cannot delegate the approval of the Annual Budget or its principal responsibility for the solvency of the University. The President & Vice Chancellor is the designated Accounting Officer for the University and is responsible to the Board for preparing annual budgets and financial statements and for the management of resources within those budgets. Except when provided to the contrary, the President & Vice Chancellor may delegate functions in line with

the Scheme of Delegation which is approved by the Board of Governors, but may not delegate ultimate responsibility and accountability, to other staff.

The Board is responsible for preparing the Annual Report and the Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and applicable law), the Accounts Direction issued by HEFCW, the Statement of Recommended Practice: Accounting for Further and Higher Education Institutions (2019), the Charities Act 2011 and other relevant accounting standards.

The Board of Governors is required to prepare financial statements which give a true and fair view of the financial position of the Group and University and of their income and expenditure, gains and losses and changes in reserves for that period. In preparing each of the financial statements, the university is required to:

- ensure suitable accounting policies are selected and consistently applied.
- that judgements and estimates are reasonable and prudent.
- state that applicable UK accounting standards and the Statement of Recommended Practice have been applied, subject to disclosure and explanation in the financial statements of any material departures.
- that the going concern basis of accounting is appropriate.

In addition, the Board is responsible for ensuring:

- funds from external sources, administered by the University for specific purposes have been properly managed and applied.
- income, has been applied in accordance with HEFCW's Financial Management Code.
- Funding Council grants have been applied in accordance with the terms and conditions attached to them and used for the purposes for which they were received.
- the University's resources and expenditure are secure and controlled, with economic, efficient, and effective management.
- the assets of the University are safeguarded to prevent and detect fraud and other irregularities.

- appropriate financial and management controls are in place to safeguard public and other funds.
- The University provides internal Financial Regulations defining delegated responsibilities, with clearly defined and formalised requirements for approval and control of expenditure, with investment decisions being subjected to detailed appraisal and review. Completes comprehensive planning, and budgeting processes, which integrate the preparation of annual income, expenditure, and capital budgets. Regular reviews of the performance of each of the University's planning and budgetary units are undertaken, including monthly reviews of financial results involving variance reporting and the updating of forecasts.

Statement of Principal Accounting Policies

1 | Basis of Preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Further and Higher Education 2019 and in accordance with Financial Reporting Standard (FRS) 102; the Accounts Direction issued by the Higher Education Funding Council for Wales and the Charities Act 2011. 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 (modified by the revaluation of fixed assets). The principal accounting policies have been applied consistently except as where described otherwise and are set out below.

2 | Basis of Consolidation

The consolidated financial statements include Cardiff Metropolitan University and its wholly owned subsidiary undertakings, Cardiff Met Company Ltd and Cardiff Metropolitan Education Services (Beijing) Ltd. In addition, the University holds a majority (55%) share interest in a spin out company Fovo Technology Ltd, the balance of the shares being held by two of the University's academics. This company's activity is also consolidated into these financial statements. However, the non-controlling interest of the minority shareholders in the net assets and surplus of the company are highly immaterial to the University group. These non-controlling interests have therefore not been presented. The consolidated financial statements do not include the income and expenditure of the Students' Union as the University does not exert control or significant influence over policy decisions. Intra-group sales and profits are eliminated fully on consolidation.

3 | Going Concern

The Financial Statements of the University are prepared on a going concern basis. The University is in a position of strong liquidity, cash balances are high and it utilises low level borrowing facilities.

Together with strong expenditure controls, the University will have sufficient funds to continue to meet its liabilities as they fall due.

4 | Income Recognition

Income from the sale of goods or services is credited to the Consolidated 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 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, income receivable is shown net of the discount. Fee scholarships are treated as a discount and are deducted from income.

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

a) Grant Funding

Grant funding including funding council grants; research grants from government sources; and grants (including research grants) from non-government sources are recognised as income when the University is entitled to the income and 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 Consolidated Statement of Financial Position and released to income as the conditions are met.

b) Donations and Endowments

Non exchange transactions without performance related conditions are donations and endowments. Donations and endowments with donor-imposed restrictions are recognised in income when the University is entitled to the funds.

Income is retained within the restricted reserve until such time that it is utilised in line with such restrictions at which point the income is released to general reserves through a reserve transfer.

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

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

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

- Restricted donations - the donor has specified that the donation must be used for a particular objective;
- 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;
- 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;
- 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.

c) Capital Grants

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

5 | Accounting for Retirement Benefits

The University operates three pension schemes for University staff; the Cardiff and Vale of Glamorgan Pension Fund (CVGPF), the Teachers' Pension Scheme (TPS) and the Universities Superannuation Scheme (USS). The CVGPF and USS are funded schemes.

The CVGPF is valued every three years by a professionally qualified actuary using the projected unit method, the rate of contribution payable being

determined by the Administering Authority on the advice of the actuary.

The TPS is subject to an actuarial valuation every five years by the Government Actuarial Department using the age entry method. The rate of contribution for the TPS is determined by the Teachers' Pension Agency on the advice of the actuary.

The USS is a multi-employer scheme for which it is not possible to identify the assets and liabilities attributable to the University at member level due to the mutual nature of the scheme and therefore this scheme is accounted for as a defined contribution retirement benefit scheme.

However, in accordance with FRS102, a liability is recorded within provisions for any contractual commitment to fund past deficits within the USS scheme.

a) Defined Contribution Plan

A defined contribution plan is a post-employment benefit plan under which 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. Given the nature of the TPS, contributions to that scheme are accounted for on this basis.

b) Defined Benefit Plan

Defined benefit plans are post-employment benefit plans other than defined contribution plans. Under defined benefit plans, the University's obligation is to provide the agreed benefits to current and former employees, and actuarial risk (that benefits will cost more or less than expected) and investment risk (that returns on assets set aside to fund the benefits will differ from expectations) are borne, in substance, by the University. The group should recognise a liability for its obligations under defined benefit plans net of plan assets. This net defined benefit liability is measured as the estimated amount of benefit that employees have earned in return for their service in the current and prior periods, discounted to determine its present value, less the fair value (at bid price) of

plan assets. The calculation is performed by a qualified actuary using the projected unit credit method. Where the calculation results in a net asset, recognition of the asset is limited to the extent to which the University is able to recover the surplus either through reduced contributions in the future or through refunds from the plan.

c) CVGPF – Local Government Scheme

The Cardiff and Vale of Glamorgan Pension Fund is a defined benefits scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 and currently provides benefits based on career average revalued earnings. Contributions are set every three years as a result of the actuarial valuation of the fund required by the regulations. The latest actuarial valuation of the fund was carried out as at 31 March 2022 and has set contributions for the period 1 April 2023 to 31 March 2026.

The actuary has completed calculations for pension accounting purposes based on the following items of data, which were received from the Cardiff and Vale of Glamorgan Pension Fund.

- The results of the valuation as at 31 March 2022, which was carried out for funding purposes and the results of the 31 July 2023 FRS102 report, which was carried out for accounting purposes.
- Estimated whole fund income and expenditure items for the period to 31 July 2023.
- Fund investment returns for the period to 30 April 2023 and market returns (estimated where necessary) thereafter for the period to 31 July 2023.
- Estimated fund income and expenditure in respect of the employer for the period to 31 July 2023.
- Details of any new early retirements for the period to 31 July 2023 that have been paid out on an unreduced basis, which are not anticipated in the normal employer service cost; and
- Details of any settlements for the period to 31 July 2023.

The assets of the Fund are not segregated or separately allocated to employers within the fund. The asset balance included in the financial statements is therefore a notional allocation estimated by the actuary using the information referred to above. The allocation is rolled forward from that agreed when the employer was admitted to the Fund and is not recalculated at each triennial valuation.

6 | Employment Benefits

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

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.

8 | Foreign Currency

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Consolidated Statement of Financial Position date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in Surplus or Deficit. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

9 | Fixed Assets

a) Land and Buildings

Certain items of land and buildings that had been revalued to fair value on or prior to the date of transition to the 2015 FE HE SORP, are measured on the basis of deemed cost, being the revalued amount at the date of that revaluation, less accumulated depreciation, and accumulated impairment losses.

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

Freehold land is not depreciated as it is considered to have an indefinite useful life. Freehold buildings are depreciated on a straight-line basis over their expected useful lives of between 20 and 75 years.

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

b) Equipment

Equipment costing less than £10,000 per individual item is written off to the Consolidated Statement of Income and Expenditure in the year of acquisition. All other equipment is capitalised at cost. Capitalised equipment is depreciated on a straight-line basis over its useful economic life of between 3 and 10 years.

Equipment purchased for research projects is treated and depreciated on the same basis as other equipment expenditure.

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

c) Borrowing costs

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

10 | Intangible Assets

Software development costs are capitalised and amortised on the straight-line basis over an estimated useful life of between five and ten years. Amortisation of such developments commences when brought into use.

Intellectual property: The Group is developing software technology relating to new ways of creating and interacting with digital images. Costs that are directly attributable to the design and testing of the technology are recognised as an intangible asset when the following criteria are met;

- It is technically feasible to complete the underlying software so that the technology will be available for use,
- Management intends to complete the development and to sell or licence the use of the technology,
- It can be demonstrated that the technology will generate probable future economic benefits at least equal in value to the Consolidated Statement of Financial Position carrying value,
- Adequate technical and financial resources to complete the development and to sell or licence the technology are available, and
- The expenditure attributable to the development of the technology can be reliably measured.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Intellectual property is amortised over its estimated useful life commencing at the date that development is complete, and the technology is available for sale or licensing.

11 | Investments

Non-current asset investments are held on the Consolidated Statement of Financial Position at amortised cost less impairment.

Investments in subsidiaries are carried at cost less impairment in the University's financial statements.

Current asset investments are held at on the Consolidated Statement of Financial Position at amortised cost less impairment.

12 | Stock

Stocks are stated at the lower of cost or net realisable value and is measured using an average cost formula.

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, with a notice period of 3 months or less, 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:

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

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

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

Contingent assets and liabilities are not recognised in the Consolidated Statement of Financial Position 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 receives no similar exemption in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs. Any irrecoverable VAT allocated to fixed assets is included in their cost.

The University's subsidiaries are liable to Corporation Tax in the same way as any other commercial organisation. No charge for taxation has been included in respect of the Subsidiary Companies' activities since the entire taxable profit of these companies is transferred to the University under the Gift Aid scheme.

Deferred tax is provided in full on timing differences which result in an obligation at the Consolidated Statement of Financial Position date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

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

17 | Critical accounting judgements and estimation uncertainty

Pension schemes: assumptions used in the calculation of the USS and C&VPF pension deficit provisions represent a key accounting estimate based on the sensitivity of assumptions (note 19 and note 24).

Recoverability of Debtors: The University makes an estimate for the recoverable value of outstanding debt. In arriving at this value, the University considers the age profile of debts, knowledge of individual debtors and an assessment of prevailing economic conditions.

Employee Leave Accrual: under FRS102 the University recognises a liability for employee holiday pay at the financial year end. A number of departments and schools within the University have been sampled to derive typical holiday usage, this has then been applied to the University as a whole. There is a level of uncertainty when applying the sample to the whole. The leave accrual is contained within creditors less than 1 year (note 16).

Intangible assets, critical judgements: The Group is developing software technology relating to new ways of creating and interacting with digital images. The criteria used for the recognition of development and other costs as an intangible asset requires an assessment of future events including the technical feasibility that the technology will be available for use such that future economic benefits will be generated. The Group considers that the testing performed to date and the initial feedback from potential users of the technology supports the recognition of the intangible asset.

Intangible assets, key accounting estimates and assumptions: The Group considers whether its intangible assets are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation at market value or the future cash flows and the selection of appropriate discount rates in order to calculate the net present value of those cash flows.

Current assets, key accounting estimates and assumptions: The Group considers whether its current assets are impaired. Where an indication of impairment is identified a provision against expected future write off is established.

Consolidated & University Statements of Comprehensive Income and Expenditure

year ended 31 July 2023

	Note	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Income					
Tuition fees and education contracts	1	115,724	115,718	100,635	100,623
Funding body grants	2	10,859	10,859	13,344	13,344
Research grants and contracts	3	4,279	3,942	3,752	3,536
Other income	4	21,087	17,999	19,223	17,210
Investment income	5	1,273	1,273	199	199
Donations	6	12	2	23	21
Total income		153,234	149,793	137,176	134,933
Expenditure					
Staff costs	7	93,162	89,817	91,504	89,089
Other operating expenses		45,887	44,473	38,447	37,523
Depreciation	10	5,979	5,979	4,822	4,794
Impairment of investment in subsidiary	12	-	700	-	3,850
Impairment of intercompany receivable	14	-	3,348	-	-
Interest and other finance costs	8	2,610	2,610	3,112	3,112
Total expenditure	9	147,638	146,927	137,885	138,368
Surplus/(Deficit) for the year		5,596	2,866	(709)	(3,435)
Actuarial gain in respect of pension schemes	24	46,330	46,330	85,640	85,640
Total comprehensive income for the year		51,926	49,196	84,931	82,205
Represented by:					
Unrestricted total comprehensive income for the year attributable to the Group and University		51,926	49,196	84,931	82,205
		51,926	49,196	84,931	82,205

All items of income & expenditure relate to continuing activities.

Consolidated & University Statements of Changes in Reserves

year ended 31 July 2023

Consolidated	Total Reserves £'000
Balance at 1 August 2021	51,431
Deficit for the year	(709)
Other comprehensive income	85,640
Total comprehensive income for the year	84,931
Balance at 31 July and 1 August 2022	136,362
Surplus for the year	5,596
Other comprehensive income	46,330
Total comprehensive income for the year	51,926
Balance at 31 July 2023	188,288
University	
Balance at 1 August 2021	54,169
Deficit for the year	(3,435)
Other comprehensive income	85,640
Total comprehensive income for the year	82,205
Balance at 31 July and 1 August 2022	136,374
Surplus for the year	2,866
Other comprehensive income	46,330
Total comprehensive income for the year	49,196
Balance at 31 July 2023	185,570

All reserves are unrestricted

Consolidated & University Statements of Financial Position

year ended 31 July 2023

	Note	Year ended 31 July 2023		Year ended 31 July 2022	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
Non-current assets					
Tangible assets	10	180,850	180,850	168,643	168,643
Intangible assets	11	2,403	-	1,834	-
Investment in subsidiaries	12	-	-	-	-
Current assets					
Stock	13	99	99	83	83
Trade and other receivables	14	13,203	13,045	11,056	13,229
Investments	15	45,046	45,046	30,278	30,278
Cash and cash equivalents	20	10,138	9,166	32,164	31,211
		68,486	67,356	73,581	74,801
Less: Creditors: amounts falling due within one year	16	(39,440)	(38,625)	(39,836)	(39,210)
Net current assets		29,046	28,731	33,745	35,591
Total assets less current liabilities		212,299	209,581	204,222	204,234
Creditors: amounts falling due after more than one year	17	(17,806)	(17,806)	(19,192)	(19,192)
Provisions					
Pension provisions	19	(6,205)	(6,205)	(48,668)	(48,668)
Total net assets		188,288	185,570	136,362	136,374
Unrestricted reserves					
Income and expenditure reserve		188,288	185,570	136,362	136,374
Total reserves		188,288	185,570	136,362	136,374

The Financial Statements on pages 54 to 57 were approved by the Board of Governors on 29th November 2023 and signed on its behalf by.

John Taylor (CBE)
Chair of the Board of Governors

Professor C Carmichael Aitchison
President & Vice-Chancellor

Consolidated Cash Flow Statement

year ended 31 July 2023

	Year ended 31 July 2023 £'000	Year ended 31 July 2022 £'000
Cash flow from operating activities		
Surplus/(Deficit) for the year	5,596	(709)
Adjustment for non-cash items		
Depreciation	5,979	4,822
Increase in stock	(16)	(51)
Increase in debtors	(2,147)	(1,141)
Increase in creditors	50	10,932
Difference between pension charge and cash contributions	2,319	12,568
Adjustment for investing or financing activities		
Investment income	(1,273)	(199)
Interest payable	2,610	3,111
Capital grant income	(884)	(2,562)
Net cash inflow from operating activities	12,234	26,771
Cash flows from investing activities		
Capital Grants receipts	884	2,562
Redemption of investments	30,279	23,855
Investment income	1,273	199
Payments made to acquire fixed assets	(18,756)	(11,187)
Purchase of investments	(45,046)	(30,279)
Net cash outflow from investing activities	(31,366)	(14,850)
Cash flows from financing activities		
Interest paid	(1,062)	(1,135)
Repayments of amounts borrowed	(1,832)	(1,826)
Net cash outflow from financing activities	(2,894)	(2,961)
(Decrease)/Increase in cash and cash equivalents in the year	(22,026)	8,960
Cash and cash equivalents at beginning of the year	32,164	23,204
Cash and cash equivalents at end of the year	10,138	32,164
(Decrease)/Increase in cash and cash equivalents in the year	(22,026)	8,960
Reconciliation of net cash flow to movement in net funds		
(Decrease)/Increase in cash in the year	(22,026)	8,960
Increase in short term deposits	14,767	6,424
Repayments of amounts borrowed	1,832	1,826
Movement in net funds in the year	(5,427)	17,210
Net funds at 1 August	41,860	24,650
Net funds at 31 July	36,433	41,860

Notes to the Financial Statements

year ended 31 July 2023

1 Tuition fees and education contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Full-time home and EU students	68,415	68,415	66,050	66,050
Full-time & part time international students	35,191	35,191	24,009	24,009
Part-time home and EU students	1,739	1,739	1,068	1,068
Transnational education income	5,979	5,979	5,344	5,344
Education contracts with NHS & Coleg Cymraeg	3,875	3,875	3,610	3,610
Research training support grants	525	519	554	542
	115,724	115,718	100,635	100,623

2 Funding body grants

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Recurrent grant				
Higher Education Funding Council for Wales	6,515	6,515	6,983	6,983
Specific grants	4,344	4,344	6,361	6,361
Specific initiative grants	10,859	10,859	13,344	13,344

3 Research grants and contracts

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Research councils	548	548	438	438
Research charities (UK and overseas)	182	172	56	47
Government (UK and overseas)	3,101	2,899	2,892	2,819
Industry and commerce (UK and overseas)	448	323	366	232
	4,279	3,942	3,752	3,536

4 Other income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Other services rendered	10,688	8,723	10,146	8,670
Residences operations	5,233	5,233	4,810	4,810
Catering and conferencing operations	2,234	1,927	1,499	1,383
Other EU grant income	344	344	357	357
Other operating income	2,588	1,772	2,411	1,990
	21,087	17,999	19,223	17,210

Included in the 'Other services rendered' figure above is an amount of £67k (2022: £44k) relating to the Turing Scheme. The Turing Scheme is the UK government's global programme to study and work abroad. The scheme provides funding for international opportunities in education and training across the world, supporting the government's Global Britain objectives.

5 Investment income

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Other investment income	1,273	1,273	199	199
	1,273	1,273	199	199

6 Donations

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Donations	12	2	23	21
	12	2	23	21

7 Staff costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Salaries	70,171	67,443	60,656	58,733
Social security costs	7,490	7,247	6,480	6,298
Other pension costs	12,878	12,504	11,507	11,197
Movement on USS provision	(940)	(940)	2,238	2,238
CVGPF costs in excess of contributions	3,563	3,563	10,623	10,623
	93,162	89,817	91,504	89,089

	Year ended 31 July 2023	Year ended 31 July 2022
Average staff numbers by major category:	No.	No.
Academic	649	580
Administrative, support and projects	828	779
Technicians	29	30
Ancillary	68	61
	<u>1,574</u>	<u>1,450</u>

	Year ended 31 July 2023	Year ended 31 July 2022
Emoluments of the Vice-Chancellor	£	£
Salary	268,476	257,500
Payments in lieu of pension contributions	49,719	47,346
	<u>318,195</u>	<u>304,846</u>

Vice-Chancellor remuneration as a multiple of the median	Year ended 31 July 2023 University		Year ended 31 July 2022 University	
	Basic Salary	Total Remuneration	Basic Salary	Total Remuneration
Vice-Chancellor	£268,476	£318,195	£257,500	£304,846
Median salary	£41,931	£42,647	£39,739	£40,650
Pay multiple	6.4	7.5	6.5	7.5

The median total remuneration is calculated on a full-time equivalent basis for the total remuneration paid by the University to its staff. Agency and atypical staff have been excluded from the above calculations, as full-time equivalent data is not available.

Higher Paid Staff	Year ended 31 July 2023	Year ended 31 July 2022
	No.	No.
£100,000 to £104,999	4	1
£105,000 to £109,999	-	2
£110,000 to £114,999	2	2
£120,000 to £124,999	1	-
£130,000 to £134,999	-	1
£140,000 to £144,999	2	1
£145,000 to £149,999	-	1
£160,000 to £164,999	1	1
£165,000 to £169,999	1	-
£170,000 to £174,999	1	-
	<u>12</u>	<u>9</u>

Payment of compensation for loss of office to higher paid staff was as follows;

	Year Ended 31 July 2023	Year Ended 31 July 2023	Year Ended 31 July 2022	Year Ended 31 July 2022
	£'000	Number of staff	£'000	Number of staff
Higher paid staff: loss of office	103	1	-	-

The Key Management Personnel are the University President & Vice Chancellor's Executive Group. In 2022-23 the group comprised; the President & Vice Chancellor, Deputy President & Vice Chancellor, PVC (Research and Innovation), PVC (Student Engagement), Chief Officer (Resources), and the Secretary & Clerk to the Board of Governors.

Higher Paid Staff	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Key management personnel remuneration (excludes pension costs)	950	941

Due to the nature of the University's operations and the composition of the Board, it is inevitable that transactions will take place with organisations in which a Member of the Board or a senior member of staff may have an interest. The financial regulations require an individual to declare an interest and to withdraw from discussions should a conflict of interest potentially arise. Written assurances are obtained annually from all Governors and key personnel in respect of themselves and their close family. For the financial year to 31 July 2023 the returns state that there has been no undue influence between the University and related parties (as defined by FRS102).

8 Interest and other finance costs

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Loan interest	1,062	1,062	1,136	1,136
Net charge on pension scheme	1,548	1,548	1,976	1,976
	2,610	2,610	3,112	3,112

9 Analysis of total expenditure by activity

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated	University	Consolidated	University
	£'000	£'000	£'000	£'000
Academic and related expenditure	80,991	81,302	67,894	67,894
Administration and central services	32,516	30,180	29,266	27,754
Premises (including service concession cost)	9,589	9,589	9,005	9,005
Residences, catering, and conferences	5,000	4,737	4,225	4,074
Research grants and contracts	2,978	2,832	2,693	2,553
Other expenses	16,567	18,290	24,386	26,672
HEFCW Covid-19 grant expenditure	(3)	(3)	416	416
	147,638	146,927	137,885	138,368

Other operating expenses include:	£'000	£'000	£'000	£'000
External independent auditors' remuneration in respect of audit services	94	58	73	45
External independent auditors' remuneration in respect of non-audit services	10	10	28	28

Included in the 'Administration and central services' figure above is an amount of £67k (2022: £44k) relating to the Turing Scheme. The Turing Scheme is the UK government's global programme to study and work abroad. The scheme provides funding for international opportunities in education and training across the world, supporting the government's Global Britain objectives.

10 Tangible Fixed Assets

		Freehold Land and Buildings	Fixtures, Fittings and Equipment	Total
		£'000	£'000	£'000
Consolidated				
Cost or valuation	At 1 August 2022	192,225	26,988	219,213
	Additions	9,855	8,331	18,186
	At 31 July 2023	202,080	35,319	237,399
Consisting of valuation at:	1 August 2014	72,268	-	72,268
	Cost	129,812	35,319	165,131
		202,080	35,319	237,399
Accumulated Depreciation	At 1 August 2022	32,388	18,182	50,570
	Charge for the year	2,840	3,139	5,979
	At 31 July 2023	35,228	21,321	56,549
Net book value	At 31 July 2023	166,852	13,998	180,850
	At 31 July 2022	159,837	8,806	168,643
University				
Cost or valuation	At 1 August 2022	192,225	26,700	218,925
	Additions	9,855	8,331	18,186
	At 31 July 2023	202,080	35,031	237,111
Consisting of valuation at:	1 August 2014	72,268	-	72,268
	Cost	129,812	35,031	164,843
		202,080	35,031	237,111
Accumulated Depreciation	At 1 August 2022	32,388	17,894	50,282
	Charge for the year	2,840	3,139	5,979
	At 31 July 2023	35,228	21,033	56,261
Net book value	At 31 July 2023	166,852	13,998	180,850
	At 31 July 2022	159,837	8,806	168,643

As at 31 July 2023, freehold land and buildings included £52.598m (2022: £52.598m) in respect of freehold land and is not depreciated.

11 Intangible Assets

	Consolidated £'000	University £'000
Cost of Intellectual Property		
At 1 August 2021	1,347	-
Additions	487	-
At 31 July 2022	1,834	-
Cost of Intellectual Property		
At 1 August 2022	1,834	-
Additions	569	-
At 31 July 2023	2,403	-
Net book value		
At 31 July 2023	2,403	-
Net book value		
At 31 July 2022	1,834	-

No amortisation has been charged in the year ended 31 July 2023. The additional intangible asset of £569k in 2022/23 represents the capitalisation of the intellectual property developed in Fovo Technology Ltd.

12 Investment in Subsidiaries

	University £'000
Cost or valuation and net book value	
At 1 August 2022	-
Additions	700
Impairment	(700)
At 31 July 2023	-
Cost or valuation and net book value	
At 1 August 2021	3,150
Additions	700
Impairment	(3,850)
At 31 July 2022	-

The investments represent shares in group undertakings (note 23). During the financial year 2022/23 the University bought shares in Cardiff Met Company Ltd for £700k and impaired them to NIL.

13 Stock

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables (Catering & other)	99	99	83	83
	99	99	83	83

14 Trade and other receivables

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amounts falling due within one year:				
Trade receivables	8,900	8,531	6,674	6,436
Prepayments and accrued income	4,303	4,173	4,382	4,210
Amounts due from subsidiary companies	-	341	-	2,583
	13,203	13,045	11,056	13,229

During the year the University impaired the intercompany receivable of £3.3m with Cardiff Met Company Ltd to NIL.

15 Investments

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Term deposits	24,548	24,548	10,097	10,097
Corporate Bonds	20,498	20,498	20,181	20,181
	45,046	45,046	30,278	30,278

16 Creditors: amounts falling due within one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	102	102	536	536
Unsecured loans	1,284	1,284	1,296	1,296
Trade payables	6,234	6,380	5,550	5,493
Social security and other taxation payable	1,990	1,982	1,737	1,723
Accruals and deferred income	29,830	28,877	30,717	30,162
	39,440	38,625	39,836	39,210

17 Creditors: amounts falling due after more than one year

	Year ended 31 July 2023		Year ended 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	306	306	408	408
Unsecured loans	17,500	17,500	18,784	18,784
	17,806	17,806	19,192	19,192

Analysis of secured and unsecured loans:

Due within one year or on demand	1,386	1,386	1,832	1,832
Due between one and two years	1,352	1,352	1,386	1,386
Due between two and five years	3,954	3,954	4,056	4,056
Due in five years or more	12,500	12,500	13,750	13,750
Due after more than one year	17,806	17,806	19,192	19,192
Total secured and unsecured loans	19,192	19,192	21,024	21,024

18 Lender: secured and unsecured loans

		Amount as at 31 July 2023	Amount as at 31 July 2022	Repayable by	Interest	Borrower
		£'000	£'000	£'000	£'000	£'000
NatWest	Secured loan	408	510	2027	Variable	University
NatWest	Secured loan	-	434	2023	7.69	University
Barclays	Unsecured loan	9,000	9,600	2038	5.10	University
Santander	Unsecured loan	9,750	10,400	2038	5.10	University
Salix	Unsecured loan	-	13	2022	0.00	University
Salix	Unsecured loan	34	67	2024	0.00	University

19 Pension Provisions

	Obligation to fund deficit on USS Pension	Pension enhancement on termination	Defined Benefit Obligations (Note 24)	Total Pensions Provisions
	£'000	£'000	£'000	£'000
Consolidated and University				
At 1 August 2022	(4,058)	(2,620)	(41,990)	(48,668)
Utilised in year	248	310	-	558
(Addition)/release in year	555	(80)	(4,900)	(4,425)
Actuarial gain in year	-	190	46,140	46,330
At 31 July 2023	(3,255)	(2,200)	(750)	(6,205)

The obligation to fund the past service deficit of the University's Superannuation Scheme (USS) arises from a contractual obligation to fund benefits arising from past performance. This obligation is reassessed every three years using the scheduled triennial valuation of the scheme. In reassessing the value of the required provision during the current year management has used the March 2020 valuation of the scheme. The latest available actuarial valuation of the scheme at 31 July 2023 was the March 2020 valuation.

20 Cash and cash equivalents

	At 1 August 2022 £'000	Cash Flows £'000	At 31 July 2023 £'000
Consolidated			
Cash and cash equivalents	32,164	(22,026)	10,138
	32,164	(22,026)	10,138

	At 1 August 2021 £'000	Cash Flows £'000	At 31 July 2022 £'000
Cash and cash equivalents			
Consolidated			
Cash and cash equivalents	23,204	8,960	32,164
	23,204	8,960	32,164

21 Capital commitments

	At 31 July 2023		At 31 July 2022	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Commitments contracted for	2,690	2,690	4,050	4,050
	2,690	2,690	4,050	4,050

22 Commitments under operating leases

At 31 July Cardiff Metropolitan University had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £'000	2022 £'000
Not later than 1 year	226	196
Later than 1 year and not later than 5	93	242
	319	438

23 Subsidiary undertakings

Company	Principal Activity	Status
Cardiff Metropolitan Company Ltd	Undertakes non primary purpose trading activities which are non-charitable.	100% owned
Cardiff Metropolitan Education Services (Beijing) Ltd	Holding company for China Wholly Foreign-Owned Enterprise.	100% owned
Cardiff Metropolitan Education Consulting Service (Beijing) Ltd	Develop strategic partnerships with Chinese institutions.	100% owned
Fovo Technology Ltd	Developing a new technology that improves the nature of visual experience.	55% owned

24 Pension Obligations

The University participates in three separate pension schemes, each of which has its own membership eligibility criteria. The three schemes are; the Cardiff & Vale of Glamorgan Pension Fund (CVGPF) (principally administration and support staff); the Teachers' Pension Scheme (TPS) (principally academic staff); and the Universities Superannuation Scheme (USS) (a mixture of administrative and academic staff). All three schemes are defined-benefit schemes.

The contributions payable to the scheme were

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Contribution for TPS	6,641	5,664
Contribution for CVGPF	5,450	4,908
Contribution for USS	865	936
	<u>12,956</u>	<u>11,508</u>

The costs recognised within the University's staff costs for the year were

	Year ended 31 July 2023	Year ended 31 July 2022
	£'000	£'000
Cost for TPS	6,641	5,664
Cost for CVGPF	8,935	15,530
Cost for USS	(75)	3,174
	<u>15,501</u>	<u>24,368</u>

Cardiff & Vale of Glamorgan Pension Fund (CVGPF)

CVGPF is a local government superannuation scheme. The most recent full actuarial valuation was carried out as at 31 March 2022 and has been updated by independent actuaries to the Cardiff & Vale of Glamorgan Pension Fund to take account of the requirements of FRS102 in order to assess the liabilities of the Fund as at 31 July 2023. The next triennial valuation of the fund is expected to be reported during December 2025.

The principal assumptions used for the purposes of FRS102 are as follows

	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2021
Discount rate	4.9%	3.4%	1.7%
CPI inflation	2.6%	2.5%	2.6%
Rate of increase to pensions in payment	2.6%	2.5%	2.6%
Rate of revaluation of pension accounts	2.6%	2.5%	2.6%
Rate of increase in deferred pensions	2.6%	2.5%	2.6%
Rate of general increase in salaries	3.6%	3.5%	3.6%

Mortality assumption

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for future mortality improvements. Sample life expectancies at age 65 resulting from these mortality assumptions are shown below.

	Year ended 31 July 2023	Year ended 31 July 2022	Year ended 31 July 2021
Assumed life expectancy at 65 years			
- retiring today male/(female)	22.0 (24.2)	22.1 (24.6)	22.3 (24.7)
- retiring in 20 years male/(female)	22.6 (25.3)	23.2 (26.0)	23.3 (26.1)

Asset Allocation

	Value at 31 July 2023	Value at 31 July 2022
Equities	68.1%	67.0%
Property	7.0%	8.1%
Government bonds	8.8%	9.0%
Corporate bonds	7.5%	7.8%
Multi Asset Credit	5.3%	5.2%
Cash	3.3%	2.9%
Total	<u>100.0%</u>	<u>100.0%</u>

Amounts recognised in income statement

	Year ended 31 July 2023		Year ended 31 July 2022	
	£'000		£'000	
	Funded	Unfunded	Funded	Unfunded
Operating cost				
- current service cost	9,020	-	15,570	-
Financing Cost				
- interest on net defined benefit liability	1,330	80	1,910	50
Pension expense recognised in income statement	<u>10,350</u>	<u>80</u>	<u>17,480</u>	<u>50</u>

Changes to the fair value of assets

	2023		2022	
	£'000		£'000	
	Funded	Unfunded	Funded	Unfunded
Opening value	141,620	-	143,020	-
Interest income on assets	4,900	-	2,470	-
Remeasurement gains/(losses) on assets	2,250	-	(7,710)	-
Contributions by the employer	5,450	310	4,950	290
Contributions by participants	2,170	-	1,930	-
Net benefits paid out	(2,810)	(310)	(3,040)	(290)
Closing value	153,580	-	141,620	-

Changes to the present value of the defined benefit obligation

	2023		2022	
	£'000		£'000	
	Funded	Unfunded	Funded	Unfunded
Opening value	183,610	2,620	257,890	3,090
Current service cost	9,020	-	15,570	-
Interest expense on defined benefit obligation	6,230	80	4,380	50
Contributions by participants	2,170	-	1,930	-
Actuarial (gains) on liabilities	(43,890)	(190)	(93,120)	(230)
Net benefits paid out	(2,810)	(310)	(3,040)	(290)
Closing value	154,330	2,200	183,610	2,620

Reconciliation of funded status to Consolidated Statement of Financial Position

	At 31 July 2023		At 31 July 2022	
	£'000		£'000	
	Funded	Unfunded	Funded	Unfunded
Fair value of assets	153,580	-	141,620	-
Present value of defined benefit obligation	(154,330)	(2,200)	(183,610)	(2,620)
Liability	(750)	(2,200)	(41,990)	(2,620)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme took place, in line with directions issued by HM Treasury and using membership data as at 31 March 2020. As a result of the 2020 valuation, TPS employers have been notified that contributions will increase to 28.68% (effective April 2024) from a rate of 23.68 which has been in effect since September 2019 following the 2016 valuation. The contribution rate prior to this was 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The Government's remedy to address this discrimination against younger members of such pension schemes (The McCloud remedy) came into effect for the TPS from 1 October 2023 and include provision for the cost of this remedy.

Universities Superannuation Scheme

The University participates in the Universities' Superannuation Scheme. The Scheme is a hybrid pension scheme which provides benefits based on final pensionable salary for Final Salary members until 2016 (closed to new entrants in 2011); Career Revalued Benefits (CRB) up to an indexed salary threshold for new entrants since 2011 and for Final Salary members since 2016; and defined contribution benefits above the same salary threshold and for members wishing to make additional contributions. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the scheme's assets are not hypothecated to individual institutions and a scheme-wide contribution rate is set.

As a result, the University is exposed to actuarial risks associated with other institutions' employees and is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis and therefore, as required by section 28 of FRS102 "Employee benefits", accounts for the scheme as if it were a wholly defined-contribution scheme. The amount charged to the Consolidated Statement of Comprehensive Income and Expenditure represents the contributions payable to the scheme for the year. A liability is also recorded within provisions for any contractual commitment to fund past deficits within the scheme. Movements in this provision can also give rise to charges to the Consolidated Statement of Comprehensive Income and Expenditure as shown in note 19 above.

The appointment of directors to the board of trustees is determined by the Company's Articles of Association. Four of the directors are appointed by Universities UK; three are appointed by the University and College Union, of whom at least one must be a USS pensioner member; and a minimum of three and a maximum of five are independent directors appointed by the board.

Under the scheme trust deed and rules, the employer contribution rate is determined by the trustee, acting on actuarial advice.

The latest available complete actuarial valuation for the scheme was published during September 2021, valuing the assets and technical provisions as at 31 March 2020 (the valuation date). The 2020 valuation was the sixth valuation 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 2020 valuation date, the value of the assets of the scheme was £66.5 billion and the valuation of the scheme's technical provisions was £80.6 billion (based on the assumed implementation of the Joint Negotiating Committee's (JNC) recommendation. This represents a shortfall of £14.1 billion, up from the shortfall of £3.6 billion at the 2018 valuation date. The assets were therefore sufficient to cover 82.5% of the benefits which had accrued to members after allowing for expected future increases in earnings, as compared to 94.7% at the 2018 valuation date.

To address the deficit, the JNC formally voted to introduce a suite of reforms to the scheme in February 2022. As part of these reforms, the employer's contribution to the scheme was raised to 21.6%, from 21.1% at the 2018 valuation.

The 2023 valuation process is current ongoing, with a legislative deadline for completion of 30 June 2024. The latest indications are that the scheme will report a surplus position. There is likely to be a reduction in employer contribution rates and a restoration of employee benefits to pre-April 2022 levels.

Creditor Balances

Cardiff Metropolitan University's balances as at 31 July for each scheme are as follows:

	2023	2022
	£'000	£'000
TPS	838	-
CVGPF	648	585
USS	108	-
	1,594	585

US Federal Loans – Supplementary Schedule

25 Conversion to US GAAP format

This schedule has been compiled from the Section 3 Example Financial Statements included in the FederalRegister / Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations

Line	Statement of Financial Position	2022-23	2021-22
		£'000	£'000
1	Cash and cash equivalents	55,184	62,442
2	Accounts receivable, net	8,900	6,674
3	Other debtors and Prepaid expenses	4,303	4,382
4	Related party receivables	-	-
5	Contributions receivable, net	-	-
6	Student loans receivable, net	-	-
7	Investments in subsidiaries	-	-
8	Property, plant and equipment, net (includes Investment property & Heritage assets)	180,850	168,643
9	Lease right-of-use asset, net	-	-
10	Goodwill	-	-
	Other intangible assets	2,403	1,834
11	Inventories	99	83
12	Total assets	251,739	244,058
13	Line of credit - short term	-	-
14	Line of credit - short term for CIP	-	-
15	Accrued expenses/Accounts payable	8,224	7,287
16	Accruals and Deferred revenue	29,830	30,717
17	Post-employment and pension liability	6,205	48,668
18	Line of credit - operating	-	-
19	Other liabilities	-	-
20	Notes payable	-	-
21	Lease right-of-use asset liability	-	-
22	Line of credit for long term purposes	19,192	21,024
23	Total liabilities	63,451	107,696
24	Net assets without donor restrictions	188,288	136,362
	Net Assets with Donor Restrictions		
25	Annuities	-	-
26	Term endowments	-	-
27	Life income funds	-	-
28	Other restricted by purpose and time	-	-

Line	Statement of Financial Position	2022-23 £'000	2021-22 £'000
29	Restricted in perpetuity	-	-
30	Total Net Assets with Donor Restrictions	-	-
31	Total Net Assets	188,288	136,362
32	Total Liabilities and Net Assets	251,739	244,058
	Changes in Net Assets Without Donor Restrictions		
	Operating Revenue and Other Additions		
33	Tuition and fees, net	115,724	100,635
34	Funding body income	10,859	13,344
35	Investment return appropriated for spending	1,273	199
36	Other income	21,099	19,246
37	Research income	4,279	3,752
38	Total Operating Revenue and Other Additions	153,234	137,176
	Operating Expenses and Other Deductions		
39	Education and research expenses	139,049	129,951
40	Depreciation and Amortization	5,979	4,822
41	Interest expense	2,610	3,112
42	Auxiliary enterprises	-	-
43	Total Operating Expenses	147,638	137,885
44	Changes in Net Assets from Operations	5,596	(709)
	Non-Operating changes		
45	Investments, net of annual spending, gain (loss)	-	-
46	Other components of net periodic pension costs	46,330	85,640
47	Pension-related changes other than net periodic pension costs	-	-
48	Change in value of split-interest agreements	-	-
49	Other gains (losses)	-	-
50	Sale of fixed assets, gains (losses)	-	-
	Taxation	-	-
	Total Non-Operating Changes	46,330	85,640
51	Total Change in Net Assets	51,926	84,931
	Change in Net Assets with Donor Restrictions		
52	Contributions	-	-
53	Net assets released from restriction	-	-
54	Change in Net Assets with Donor Restrictions	-	-
55	Change in Net Assets without restrictions	51,926	84,931
56	Net Assets, Beginning of Year	136,362	51,431
57	Net Assets, End of Year	188,288	136,362

Line	Statement of Financial Position	2022-23 £'000	2021-22 £'000
Note for Line 9 - Lease right-of-use assets			
A	Lease right-of-use assets - pre-implementation	-	-
B	Lease right-of-use assets - post-implementation	-	-
	Total	-	-
Note for Line 21 - Lease right-of-use asset liability			
A	Lease right-of-use asset liability - pre-implementation	-	-
B	Lease right-of-use asset liability - post-implementation	-	-
	Total	-	-
Note for Line 8 - Net Property, Plant and Equipment			
A	Pre-implementation Property, Plant and Equipment	162,663	157,942
B	Post-implementation Property, Plant and Equipment purchased with debt	-	-
	FH LH L&B	-	-
	LH improvements	-	-
	Equipment	-	-
	Investment property	-	-
	Heritage assets	-	-
C	Const'n in P'gress	-	-
D	Post-implementation Property, Plant and Equipment - no debt	-	-
	Total	162,663	157,942
A	This is the ending balance on the last financial statement submission prior to the implementation of the regulations - Less and depreciation or disposals		
B	This is the balance of assets purchased after the implementation of the regulations that was purchased by obtaining debt		
C	Asset value of the Construction work in progress		
D	Post-implementation Property, Plant and Equipment with no outstanding debt		
Note for Line 14,20 and 22 - Long-term debt for long term purposes			
A	Pre-implementation Long-term Debt	19,192	21,024
B	Allowable Post-Implementation Long-term Debt:		
	FH LH L&B	-	-
	LH improvements	-	-
	Equipment	-	-
	Investment property	-	-
	Heritage assets	-	-
C	Construction in progress - debt	-	-
D	Long-term debt not for the purchase of Property, Plant and Equipment or liability greater than assets value	-	-
	Total	19,192	21,024

Line	Statement of Financial Position	2022-23 £'000	2021-22 £'000
A	This is the ending balance on the last financial statement submission prior to the implementation of the regulations - Less in repayments		
B	This is the lessor of actual outstanding debt or each asset value or the value of the asset		
C	All debt associated with Construction in progress up to the asset value for construction in process is included		
D	Long-term debt not for the purchase of Property, Plant and Equipment		

Supplementary schedule - Sterling £ '000 **2022-23** **2021-22**

This schedule has been compiled from the Section 2 Example Financial Statements included in the Federal Register/Vol. 84, No. 184 / Monday, September 23, 2019 / Rules and Regulations

Lines	Expendable Net Assets		
24	Net assets without donor restrictions	188,288	136,362
30	Net assets with donor restrictions	0	0
4	Secured and Unsecured related party receivable	0	0
4	Unsecured related party receivable	0	0
8	Property, plant and equipment, net (includes Construction in progress)	180,850	168,643
FS Note line 8A	Property, plant and equipment - pre-implementation	162,663	157,942
FS Note line 8B	Property, plant and equipment - post-implementation with outstanding debt for original purchase	0	0
FS Note line 8D	Property, plant and equipment - post-implementation without outstanding debt for original purchase	0	0
FS Note line 8C	Construction in progress	0	0
9	Lease right-of-use asset, net	0	0
Excluded Line 9 Note Leases	Lease right-of-use asset pre-implementation	0	0
M9 Note Leases	Lease right-of-use asset post-implementation	0	0
10	Intangible assets	0	0
10	Intangible assets	2,403	1,834
17	Post-employment and pension liabilities	6,205	48,668
14,20,22	Long-term debt - for long term purposes	19,192	21,024
M24, 20, 22, Note Debt A	Long-term debt - for long term purposes pre-implementation	19,192	21,024
M24, 20, 22, Note Debt B	Long-term debt - for long term purposes post-implementation	0	0
M24, 20, 22, Note Debt C	Line of Credit for Construction in process	0	0

Line	Statement of Financial Position	2022-23 £'000	2021-22 £'000
21	Lease right-of-use asset liability	0	0
Excluded Line 21 Note Leases	Pre-implementation right-of-use leases	0	0
Line 21 Note Leases	Post-implementation right-of-use leases	0	0
25	Annuities with donor restrictions	0	0
26	Term endowments with donor restrictions	0	0
27	Life income funds with donor restrictions	0	0
29	Net assets with donor restrictions: restricted in perpetuity	0	0
	Total Expenses and Losses		
43	Total expenses without donor restrictions - taken directly from Statement of Activities	147,638	137,885
(35), 45, 46, 47, 48, 49	Non-Operating and Net Investment (loss)	(47,603)	(85,839)
(35), 45	Net investment losses	(1,273)	(199)
47	Pension-related changes other than net periodic costs	0	0

Modified Net Assets

24	Net assets without donor restrictions	188,288	136,362
30	Net assets with donor restrictions	0	0
10	Intangible assets	0	0
4	Secured and Unsecured related party receivable	0	0
4	Unsecured related party receivable	0	0
	Modified Assets		
12	Total Assets	251,739	244,058
Excluded Line 9 Note Leases	Lease right-of-use asset pre-implementation	0	0
Excluded Line 21 Note Leases	Pre-implementation right-of-use leases	0	0
10	Intangible assets	0	0
4	Secured and Unsecured related party receivable	0	0
4	Unsecured related party receivable	0	0
	Net Income Ratio		
55	Change in Net Assets Without Donor Restrictions	51,926	84,931
38, (35), 50	Total Revenue and Gains	151,961	136,977



Cardiff
Metropolitan
University

Prifysgol
Metropolitan
Caerdydd

Charity Name:
Cardiff Metropolitan University

Charity Registration Number:
1140762

Registered Office:
Maritime House
Llandaff Campus
Cardiff
CF5 2YB

cardiffmet.ac.uk