

PRIFYSGOL  
**Glyndŵr**  
Wrecsam

**Wrexham**  
**Glyndŵr**  
UNIVERSITY

**GLYNDWR UNIVERSITY**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31<sup>ST</sup> JULY 2019**



**REGISTERED CHARITY NO. 1142048**

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## FOREWORD

With our mission to “inspire and enable: transforming people and places and driving economic, social and cultural success” Wrexham Glyndŵr University is an anchor institution for the region, offers a supportive community to our learners and is dedicated to the social and economic development of North East Wales and to promoting the success and employability of our graduates. We seek to ensure that the opportunities afforded by higher education are available to all who are able to benefit from it. Wrexham Glyndŵr University continues to be number one in England and Wales for social inclusion and first in England and Wales for the number of disabled students.

We, like many other higher education institutions, face a number of uncertainties in the external environment which are outside of our control and which will present financial challenges. Such matters include: the potential impact in Wales of the Augar Review of Student Funding, the UK Government’s decision on the recommendations of which is still awaited; the impact of the Brexit process on the economy, the demographics of our region and, already being felt to some extent, the impact on the number of EU students opting to study with us; and, finally, increases in our pension liabilities, not least the recent court ruling (McCloud) regarding age discrimination arising from public sector pension transition arrangements, which we now need to recognise in our financial statements. We also await the publication of legislation seeking to reform the funding and regulation of tertiary education in Wales, arising out of the Welsh Government’s policy proposals: “Public Good and a Prosperous Wales – Building a Reformed PCET System”.

We have however anticipated some of the potential impacts of these uncertainties and undertaken extensive work to review our structures and costs, to diversify our academic activity to secure new revenue streams, to adopt an even more thorough approach to analysis, planning and risk management and to keep under review the curriculum offering to ensure our programmes remain attractive to potential students and ensure that our graduates are equipped with the skills employers need. We anticipate that these initiatives will ensure the university remains resilient and sustainable for its students, staff and other stakeholders for the future.

The University has returned an operating surplus, for the fourth year running, of £1,286k before taking into account a one-off impairment charge to an asset scheduled for disposal and a range of non-cash adjustments relating to the LGPS pension scheme liabilities mentioned earlier, which all universities operating the LGPS are required to make. This results in a net deficit for 2018/19 of £615k. We remain in a positive cash position and are gradually increasing cash reserves. These excellent results are very much due to the hard work and commitment of the Vice-Chancellor and her team.

There were many highlights during the year of which we are proud, and which are outlined later in this document; among them the successful outcome of the Quality Enhancement Review by the Quality Assurance Agency and the achievement of rising 45 places in the WhatUni Student Choice awards which is an annual celebration of the best universities in the UK voted for by students. Our Campus 2025 Strategy remains a key focus with several refurbishments having been undertaken to contribute to an improved estate and learning environment for our students.

The University’s graduation ceremonies provide a regular reminder to me of the real purpose of the University. The hundreds of graduates who cross the stage each year have invested considerable time, effort and money into earning their awards. Seeing their expressions of pride and those of their families and friends is one of the highlights of my year.

As always behind the success of the University lie the commitment and efforts of its staff, students and governors and I would like to thank them all for their hard work over the year.



**Maxine Penlington OBE**  
Chair of Governors

## WELCOME FROM THE VICE CHANCELLOR

Over the past year 2018-19, we have seen tremendous development at the university, both in terms of investment in new facilities and in new academic provision.

First, a synopsis of progress made with our transformative Campus 2025 programme. Following the opening of our brand new social and collaborative learning space, The Study, in Spring 2018, we have added another exciting space which is open to students and visitors: The Gallery. Against a backdrop of creative arts pieces produced by some of our best graduates, people can relax in comfortable surroundings, meet up with fellow students or academic staff, and access technology resources. We also refurbished lecture rooms and smaller classrooms the full length of B-corridor, which are now of a very high standard and certainly give us an appetite for further investment.

For the further rollout of Campus 2025, we submitted a range of planning applications to Wrexham County Borough Council. All our proposals with regard to development of our campuses were approved. One proposal to dispose of part of our Plas Coch main campus site, which is no longer required, was also approved. However, disposal of two other sites in Wrexham, with the land earmarked for housing development, has not yet been approved and we need to bring these two planning applications through an appeals process. The key arguments underpinning the applications are, firstly, that they will bring much-needed capital receipts which we can re-invest in our facilities, giving students an excellent experience. Investment in our estate is not a luxury. It is long overdue and is essential for keeping the learning environment we offer to our student's current, so that we meet their expectations, enhance their learning and prepare them for their future careers as best we can. Secondly, disposal of our surplus sites can contribute sustainable housing to the town and wider region, where significant shortages have been identified.

In March 2019, we had an extremely successful visit from the QAA panel as part of the Quality Enhancement Review (QER) cycle. Apart from comfortably meeting the baseline criteria, we received two commendations. The panel commended us for “the deliberate and effective monitoring and support of individual students in a personalised way to facilitate their academic development”, and for “the articulation and dissemination of a comprehensive set of coherent strategies to support the enhancement of the student learning experience”. That is a significant vote of confidence in the quality of our academic provision, and for the next five to six years we will be able to display the *QAA Quality Assured* badge. This is helpful in communicating our profile and can be used to differentiate ourselves from English universities, which no longer have such a scheme. This is already proving beneficial – we received congratulatory notes from some of our international partners within days of putting the badge up on our website.

We have seen the successful launch of new academic programmes such as Physiotherapy (a first for North Wales), Degree Apprenticeships in Computing and Engineering, and a range of online master's level programmes where we are seeing student enrolments from around the globe.

Financially, there are challenges for the university and for the wider HE sector. We are seeing increases in our cost base, some of which are outside our control such as mandatory pension contributions and accounting charges. We have therefore taken proactive and proportionate measures, so that the University remains sustainable as a valued provider of quality higher education and research. This has involved some restructuring and targeted efficiency reviews. As a result, the university again achieved a healthy operating surplus, although we are seeing this eroded by exceptional items in the form of ‘non-cash’ adjustments due to the situation which various pension funds find themselves in.

As the Chair outlined in the opening pages of this annual report, we find ourselves in times of great uncertainty. The ramifications of Brexit, possible changes to the funding of higher education and new legislation for the proposed new funding council for tertiary education in Wales are just some of the developments giving everybody in the sector significant food for thought. I am confident, however, that the university is strongly placed to face whatever lies ahead.

In conclusion, it has been a dynamic, rewarding but also a challenging year, and I have no doubt that 2019/20 will also bring many new developments.



A handwritten signature in black ink, which appears to read 'M. Hinfelaar'.

**Professor Maria Hinfelaar**  
**Vice-Chancellor and Chief Executive**

## UNIVERSITY HIGHLIGHTS IN BRIEF

Excellent work has been undertaken during the last academic year and some of the achievements both institutional and individual are highlighted here.

The University remains the most socially inclusive University in England and Wales<sup>1</sup> and also climbed an impressive 45 places in the WhatUni Student Choice Awards. We officially joined the Northern Powerhouse partners programme along with three other Welsh organisations.

We were pleased to win a number of national awards in the last year. Glyndŵr Innovations at The OpTIC Centre won Innovative Product of the year at The Wales Technology Awards. Senior Lecturer in Computing, Richard Hebblewhite, won Community Contributor of the year at the UK Games Fund Awards after being nominated for his outstanding contribution to local and regional games industry development. Richard's games development team's innovative Enterprise Lounge won the Tranzfuser Local Hub of the Year award; and Static Shell Studios, a games studio made up of former Glyndŵr alumni, won the Tranzfuser award which is a talent programme for the games development industry. We were delighted that our Students' Union won Best Team in Wales at the NUS awards and were also awarded the Quality Students' Union mark by the UK NUS.

Dean of the Faculty of Social and Life Sciences, Simon Stewart, was appointed a board member of the Youth Work Board and Dr Wulf Livingston, Reader in Social Science, was amongst five keynote speakers in a panel discussion at the inaugural Alcohol Change UK conference.

A number of our students have had a range of successes, including: Game Art student Sophie-Elisabeth Martinez Nightingale exhibiting her work at one of Japan's most prestigious arts festivals; Complementary Therapies graduate, Paul Jauncey, being named 'Student of the Year' by the Federation of Holistic Therapists' FHT Excellence Awards; 2018 graduate Jose Maria Ortega returning to the University with Bentley to give career advice to current students after securing a full-time position with Bentley Motors; and Masters Art & Design student Carl Edwards making national news on S4C and BBC Radio Wales with his project that devised new Welsh letters to be displayed on road signs across the country.

We launched our reusable cups campaign to encourage the use of reusable cups across our campuses and reduce the number of non-reusable cups going to landfill. Aramark, the university's food service provider, introduced a 20p surcharge for anyone using a non-reusable cup last year which has resulted in us so far being able to purchase 2,000 WGU branded keep cups and prevent over 300kg worth of non-reusable cups going to landfill.

Colin Jackson CBE was announced as our new Chancellor in December 2018 and was officially installed into his new role in February at a ceremony televised by ITV Wales. Colin subsequently gave the keynote speech at our Engage! 2019 Staff Conference and gave an inspirational talk on his successes and challenges in the sporting world. He also presided over the University's graduation ceremonies in October 2019.

We conferred Honorary Fellowships on six deserving individuals at this year's graduation ceremonies – David Jones, Nazir Afzal, Professor Sharon Baurley, Professor Charlotte Williams, Charlie Adlard and Tony Andrews. David was honoured for his services to the community, Nazir for his services to society, Professor Baurley for her services to art, Professor Williams for her services to equal opportunities in Wales, Charlie for his services to the Creative Arts and Tony for his services to Sound & Music Technology.

<sup>1</sup> Source The Times and Sunday Times University league table 2020

March this year saw the launch of the Centre for Photonics Expertise (CPE). Led by the team at OpTIC, this £5.8m three-year project is being delivered in partnership with South Wales, Bangor and Aberystwyth Universities. The group will work with companies throughout Wales supporting all sectors to bring together expertise from across Wales and establish collaborative research projects, to encourage industries to embrace photonics technologies to serve their own product and process development requirements.



March also saw the launch of our brand new apprenticeship offerings across engineering, cyber security and data science plus the launch of our on-line MBA qualifications.

July saw us finally able to have our Campus 2025 planning applications considered. Five of the seven applications were passed including the refurbishments and enhancements of Plas Coch and Regent St campuses. The two applications not passed were for our unused Dean Road and Gatewen sites which the University wishes to dispose of to raise funds to plough back into campus improvements for the benefit of current and future students. We are now in the process of appealing these planning refusals.

The delay in obtaining the necessary permissions to proceed with our plans has not prevented the Campus 2025 project from progressing however and this year has seen the transformation of The Gallery, an open study space, completed in April, refurbishment of teaching space in B Corridor on the main campus and general corridor enhancement, toilets on A Corridor refurbished including the provision of a gender neutral toilet and Changing Places toilet (with the University being one of two organisations locally to provide this type of facility) plus the official opening of Colliers Park which has been developed by the Football Association of Wales as their National Football Development Centre, which will be used by Glyndwr University's students.

Further exciting developments have also been taking place at St Asaph and Northop, with the introduction of teaching space 'Space' at St Asaph – to enable teaching to take place for the first time at St Asaph.

We are also part of a major regeneration masterplan which aims to revitalise the Mold Road gateway into Wrexham. Glyndwr University, Wrexham County Borough Council, the Welsh Government and Wrexham AFC have joined forces to create the Wrexham Gateway Project – a large-scale civic and economic plan which aims to redevelop a large area near the Mold Road corridor. The vision for the project is to provide vibrant regeneration to the area, creating a hub to support investment in business; support academic, housing and sporting infrastructure; and creating a valuable public space linking to Wrexham town centre.

The University continues to offer a vibrant, friendly and supportive community with a personal tutor system to help individuals to reach their potential through academic excellence. It is the contributions from across the whole university, from individual staff members and our graduates that create the successes of the University.



[Illustration of Campus 2025 projects delivered in 2019]

# CHARITY INFORMATION

Glyndŵr University is a registered charity under the terms of the Charities Act 2011 (charity registration number 1142048)

## Registered Office

Mold Road

Wrexham

LL11 2AW

## Bankers

National Westminster Bank plc.

33 Lord Street

Wrexham

LL11 1LP

Barclays Bank plc

Liverpool Lord Street

Leicester

LE87 2BB

Allied Irish Bank (UK) plc

10 Berkeley Square

Mayfair

London

W1J 6AA

**External Auditor**

KPMG LLP  
1 Sovereign Square  
Leeds  
LS1 4DA

**Internal Auditor**

RSM LLP  
Festival Way  
Festival Park  
Stoke-on-Trent  
ST1 5BB

# OPERATING AND FINANCIAL REVIEW

## Steady financial performance

Wrexham Glyndwr University has produced another year of operational surplus despite the many uncertainties and pressures within the HE sector. Total income levels grew by £534k with the direct costs being controlled in line with budgeted targets.

The final reported deficit is significantly lower than originally budgeted. This is primarily due to the inclusion of LGPS past service charges, resultant from the Court of Appeal ruling in respect of transition arrangements affecting judges and firefighter's pensions (McCloud and Sergeant). The impact of this judgement for the University meant that an additional (non-cash) charge (£625k) relating to LGPS past service costs is required to be shown within the Statement of Comprehensive Income and Expenditure (SOCIE).

In addition to the increased pensions costs an impairment charge relating to a land and property asset held for sale further reduced the net surplus by £700k.

Effectively this produces a net deficit of £615k, without the inclusion of the asset impairment and the McCloud provisions cost this would leave a net surplus for the year of £710k. This figure provides a real comparison with the previous year's surplus and show the University having increased its financial performance when compared against 2017/18.

The run up to year-end was a time at which the future operational plan was put into action. With a review of staffing levels, and in particular a large scale review of Strategic Planning and Registry functions, resultant in a downsizing of staffing levels and a move to more efficient and effective automation and self-service functionality being developed within services. This has resulted in the level of fundamental restructuring costs shown within the SOCIE.

This initiative also has helped the University manage the large scale cost increases (a jump of 6.7%) associated with the required rise in employer's contributions to the Teachers' Pension Scheme which came into force from September 2019.

The lack of any indexation within the tuition fee has meant that all cost increases have to be absorbed through either, growth in student numbers, growth in other income generational areas, or cost controls/reductions. The University has continued to adopt this strategy and 2018/19 saw continued growth in the Trans National Education programme and saw the first students enrolling for the newly developed WGU Online programme. Both of these initiatives will continue to expand in 2019/20.

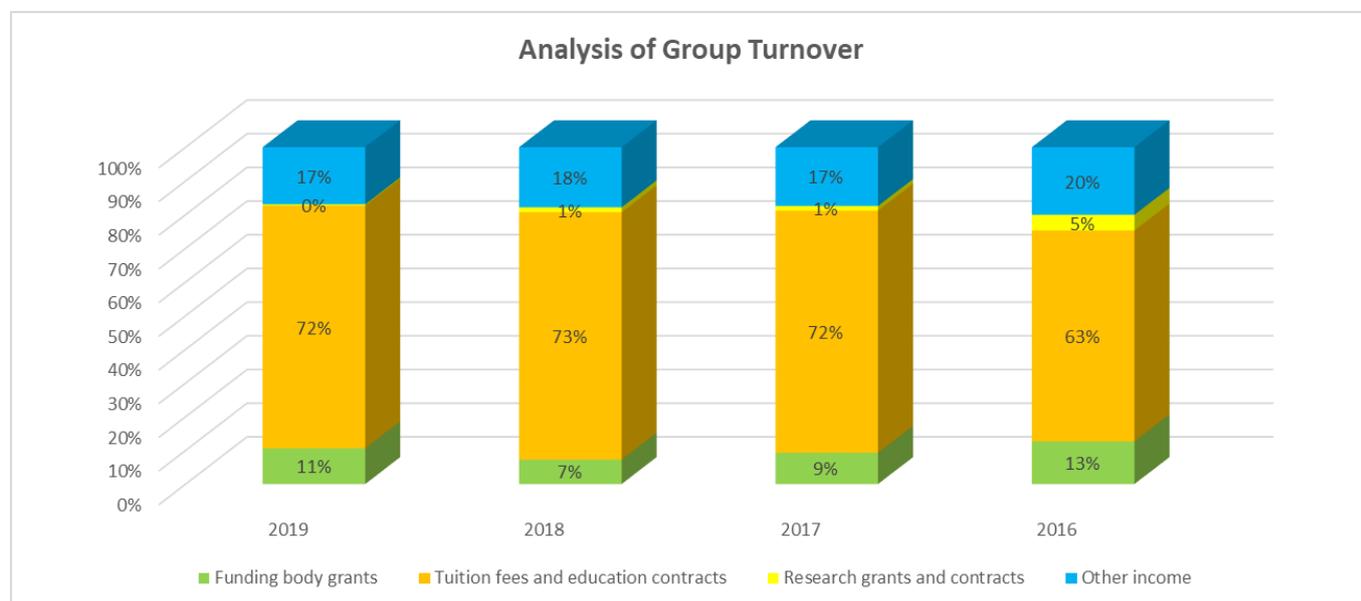
## Historical income & expenditure profile

	2019	2018	2017	2016
	£000's	£000's	£000's	£000's
Total academic income	29,871	29,105	29,486	31,864
Total non-academic income	6,094	6,326	6,230	7,590
<b>Total gross income</b>	<b>35,965</b>	<b>35,431</b>	<b>35,716</b>	<b>39,454</b>
<b>Total Pay costs excluding additional LGPS staff pension costs</b>	<b>(21,431)</b>	<b>(21,887)</b>	<b>(22,984)</b>	<b>(23,493)</b>
<b>Total Non pay costs</b>	<b>(13,248)</b>	<b>(12,239)</b>	<b>(11,425)</b>	<b>(14,424)</b>
<b>Total expenditure excluding additional LGPS staff pension costs</b>	<b>(34,679)</b>	<b>(34,126)</b>	<b>(34,409)</b>	<b>(37,917)</b>
<b>Operating surplus/ (deficit) excluding additional LGPS staff pension costs and asset impairment</b>	<b>1,286</b>	<b>1,305</b>	<b>1,307</b>	<b>1,537</b>
LGPS Pension Costs excluding employer contributions	(1,201)	(893)	(715)	(670)
Impairment of assets	(700)	-	-	-
Loss on disposal of fixed asset to finance lease	-	-	(44)	-
<b>Net (deficit) / surplus</b>	<b>(615)</b>	<b>412</b>	<b>548</b>	<b>867</b>

## Financial key performance indicators

	2019	2018	2017	2016
Total Income	35,965	35,431	35,716	39,454
Net surplus / (deficit) as a % of total income	(1.7%)	1.2%	1.5%	2.2%
Cash balance (£000's)	4,591	4,117	2,827	3,238
Staff costs including additional LGPS staff pension costs as a % of gross income	62.9%	64.3%	64.4%	59.5%

## Income levels



Total group income increased by 1.5% to £36.0m in 2018/19. This was driven by the increase in funding body grants with £389k received in fee mitigation funding.

The University's main source of revenue continues to be derived from tuition fees and education contracts which reduced marginally from 73% to 72% of total group income in 2018/19.

## **Capital Investment**

The University has continued with its ambitious Campus 2025 plans and during the year completed the purchase of Wrexham Village, using an initial term loan. This has provided the University with a modern fit for purpose accommodation offer for our students. In addition, it has freed up the land on the Northern Quarter of the campus, so that this can be sold to fund further Campus 2025 developments. Planning permission for a new build development for the site was obtained and land agents have been instructed to conduct the sale.

The planning applications for Campus 2025 developments were all approved, although two of the enabling disposal sites have initially been refused planning permission and are currently under appeal. The Board will continue to apply capital receipts for reinvestment to deliver the Campus 2025 programme.

## **Cash Flow and Financing**

The year-end saw cash balances of £4.6m this was largely in line with forecasts. The term loan to finance the acquisition of Wrexham Village is reflected on the Statement of Financial Position as an increase in the in the long-term creditors, offset by an increase in fixed assets.

The Statement of Financial Position appears to be weakened by the increased pension's provision now standing at £31,225k. The provision had been £20,159k in 2018 but had previously been £26,130k in 2017, £32,226k in 2016 and £22,559 in 2015. Such fluctuations are totally beyond the University's control and therefore are of limited use when considering the overall financial position.

## **Pensions**

The Group participates in three pension schemes, the Teachers Pensions Scheme (TPS), the Local Government Pension Scheme, Clwyd Pension Fund (LGPS) and the Universities Superannuation Scheme (USS). It has not been possible to identify the institution's share of the underlying assets and liabilities in relation to the TPS and USS scheme; as such they are accounted for as if they were defined contribution schemes. However, under SORP 2015 a liability of £155k has been introduced, following the finalisation of the 2018 valuation, to take account of the deficit within the USS scheme which is currently being repaid with additional agreed contributions.

## **Financial Outlook**

During 2018/2019 the University charged FT home and EU undergraduate students an annual tuition fee of £9,000, as compared to the fee of £9,250 being charged in English institutions. The Welsh Government has provided additional funding to the Funding Council for 2018/19 to compensate for the continued capping of the fee and this has been deployed to institutions in the form of a fee mitigation grant. Currently the cap on the £9,000 fee remains however the fee mitigation grant has been removed for 2019/20. A Review of Post-18 Education and Funding in England (Augar) had been commissioned by the UK Government and reported in 2019. It is possible that this review of the English system will influence future funding decisions in Wales. At present the methodology for the future funding of institutions in both Wales and England is uncertain.

The ongoing implementation of the Finance Strategy will see the University continue with sustained financial health and remain on track in delivering its important mission.

The key financial objectives of the strategy are to:

- 1 To ensure the long term **Financial Sustainability** of the University.
- 2 Maintaining **Solvency**.
- 3 To promote **Efficiency** and **Value for Money**.
- 4 Ensuring high standards of financial **Probity** and **Accountability**.
- 5 Increasing the value and diversity of **Income** from public, private and business sources.
- 6 Ensuring that the **Financial Risks** associated with ongoing activities and new opportunities are communicated and managed appropriately.
- 7 Maintaining a clear and robust approach toward **Financial Planning**, decision making and the **Allocation of Resource**.

The financial statements for 2018/19 show that the University deployed 63% of its income on staff and pensions costs as compared to 64% during the previous year. This is consistent with sector norms and the Financial Strategy targets. When allied with the further efficiency reviews carried out across the summer this exercise has reset the cost base and has strengthened the financial foundations of the university, enabling it to plan for increased accounting and cash surpluses to provide the funding for the ambitious programme of development set out in the Campus 2025 strategy. In order to generate development funding and as a counter to the uncertainty arising from the current fee arrangements, the University has ambitious plans to grow and diversify its income base through the development of new academic programmes and investment in research and innovation activity, both to be provided through new and rejuvenated estate and infrastructure.

## PUBLIC BENEFIT STATEMENT

Glyndŵr University is a registered charity which seeks to provide and advance higher education in North East Wales, Wales, the UK and overseas. Its mission is to *inspire and enable: transforming people and places and driving economic, social and cultural success.*

The University's charitable objectives are to provide higher education and carry out research; and the benefit of these objectives is derived from individuals' participation in research-informed and industry-led courses to provide career-ready professionals who support and meet the needs of the regional, national and international economy. The beneficiaries are the public at large to whom education is open.

Widening access is an integral part of the character of the University founded on a commitment to provide socially inclusive, fair and supportive access to higher education, and to breaking down barriers to accessing Higher Education for people from all sectors of society. The University is number one in England and Wales for social inclusion<sup>[1]</sup>. This ranking includes other notable positions such as 6th in England and Wales for admissions from deprived areas (23.6%), 1<sup>st</sup> in England and Wales for number of disabled students (22.1%), 1<sup>st</sup> in England and Wales for mature students (72.0%) and 2<sup>nd</sup> in England and Wales for state school admissions (99.2%).

Glyndŵr University attracts 57.5% <sup>[2]</sup> of its student population from the North Wales region. Full time Welsh domiciled undergraduate students have access to the Welsh Government Learning Grant and may apply for special support grants and maintenance loans to support their studying. English Students have access to Maintenance Loans. The University itself has a range of other schemes including bursaries and scholarships to help students into higher education including a discretionary fund to help those needing financial assistance to continue their studies. The University is committed to helping young people in and leaving care and provides financial and support packages which can include guaranteed on campus accommodation at a discounted rate for their first year.

The University offers courses in a range of subject areas including creative and applied arts, built environment, engineering, computing, health sciences and applied social sciences. Over 30 professional bodies accredit the University's courses.

Much of the University's funded research is intended to produce a public benefit, whether in terms of communities of interest or of place. Of 17 externally funded research projects active in 2018/19, 11 were commissioned by public sector and voluntary organisations to support their own public benefit objectives. These organisations included Barnardo's, Addaction, and Betsi Cadwaladr University Health Board, Forces in Mind Trust, the Welsh Government and Cadwyn Clwyd. The research itself covered a range of topics including parenting, alcohol use, and support for armed forces veterans, managing small businesses, personal resilience and employability.

Last year the University's developed a civic engagement strategy, which drives its ambition to be transformative, responsive and demand led. It has been working in partnership in the region to merge teaching, research and engagement with a focus on widening participation and community work, to make a positive socio economic impact across the region. The University is delivering a number of transformational projects across the region under this strategy and further developments include the pledging of a commitment to the National Co-ordinating Centre for Public Engagement's Manifesto for Public Engagement, and also making a pledge to the Civic University Commission to draft a civic university agreement with partners across North Wales.

<sup>[1]</sup> Source The Times and Sunday Times University league table 2020

<sup>[2]</sup> Source HESA Student (FPE) from Heidi+ 17/18 data

Staff at the University gain benefit through their engagement in the research and scholarly activities of the University. This helps to ensure their knowledge and skills are kept up to date and their academic and professional reputations within the UK and internationally are enhanced. The staff also benefit from collaboration with academics in other universities within the UK and internationally. There are also benefits to staff at the partner institutions from engagement with University staff.

Below are examples of specific activity that was undertaken during 2018/19.

- We teamed up with Flying Start Wrexham and Flintshire to encourage staff, students and members of the public to 'Take a Tag' in support of a Christmas initiative at our Wrexham and Northop campuses to support local children whose families were potentially unable to provide Christmas gifts. Staff and members of the public bought over 40 gifts for distribution to deserving children.
- Theatre students, as part of their Theatre, TV and Performance degree worked with the Little Scholars Nursery to develop a play based on ocean themes to experience performing in a community setting.
- A university reader examined the impact of minimum pricing on alcohol in Wales and Scotland and was a key note speaker at the inaugural Alcohol Change UK Charity event.
- Our computing games development team hosted a free two day gaming and tech event 'Level Up Wales 2019' suitable for all ages in conjunction with Games Talent Wales, North Wales Tech, the Welsh Gaming Network, Games Wales and the Charity Everyone Can.
- We have worked with Warm Wales on their 'Healthy Homes, Health People North Wales' project which aims to boost the well-being of people across North Wales. This is an innovative coalition aiming to tackle avoidable health and housing inequalities by 2025. Our BSc Mental Health and Wellbeing students have volunteered their time on work placements attending home visits to support people in four key areas: home and personal safety, income maximisation and personal/family support, affordable warmth and health and wellbeing outcomes.
- A musical event for 100s of pupils from schools across Wrexham County Borough, and run by the Wrexham Music Co-operative, was hosted in our William Aston Hall.
- Young people were invited to events with the university's inclusion team, as part of the Engage to Change project, led by Learning Disability Wales, which supports young people between the ages of 16 to 25 with a learning disability and /or autism into paid work placements lasting six to twelve months, to help them find a job. Our inclusion team showed the young people the personal support and assistive technology available to help them in their day to day lives.
- As part of the Civic Engagement Strategy the University continues to lead on the Community Practice for the Social Prescribing project in partnership with Betsi Cadwalader University Health Board; co-created a new Public Service Leadership programme to support the five ways of working set out by the Well-being of Future Generations Act (Wales) 2015; is involved in the development of a new approach to supporting good mental health across our region supporting the Together for Mental Health delivery plan 2019-2022; and driving a new approach to volunteering across the university with key partners in the community voluntary sector. We have also opened a new Gofod / Space in our St Asaph campus to support civic society coming together.

- We celebrated a rise of 175 place in the Stonewall Equality Index which assesses organisations' progress towards LGBT+ inclusion in the work place.
- The University's enterprise team and lecturers in the North Wales Business School organised a free conference looking at social enterprises which are run as commercial initiatives, focussing on trying to bring positive change to the world by improving social, environmental or financial wellbeing.
- A number of free events were open to the general public to mark World Mental Health Day. Working with community organisations university academic staff ran a variety of interactive talks and sessions including 'art and mental health' and 'the importance of wellbeing'.
- A variety of musical and comedy events and concerts were held as part of the University's public events programme in the William Aston Hall.
- The University chaplaincy organised food bank collections for the Salvation Army to distribute to local families struggling to buy basics provisions for Christmas.
- The Chaplaincy also organised a short series of lunch time lectures for staff, students and members of the community on subject matters such as 'availability, authenticity and presence in the caring relationship' and 'spirituality: I still haven't found what I am looking for'.
- We played a key role in the delivery of Wrexham Singing Streets Festival along with organiser Ian Lucas MP, John Jones Quality Acoustics, Wrexham Community Choir Volunteers, gateway Church and Wrexham Business Group plc.

The University is governed by a non-remunerated Board of Governors/Trustees in common with other charitable higher education institutions in the UK. The majority of governors are independent of the University, and there are staff and student governors

## **Conclusion**

The University has a specific role in society which involves a deep engagement with its region and community. The University's role is clearly articulated not only in its vision and mission, but more particularly in all its actions. Its concentration on vocationally relevant programmes and applied research brings significant public benefit through its core activities, and its role in the community through public events and specific initiatives provide benefit to the wider community through its secondary activities.

The University's Board of Governors as trustees of the University have complied with the duty in section 17 of the Charities Act 2011 having had due regard to the Charity Commission's guidance on the reporting of public benefit.

## RESPONSIBILITIES OF THE UNIVERSITY'S BOARD OF GOVERNORS

In accordance with the Education Reform Act 1988 the Board of Governors of Glyndŵr University is responsible for the administration and management of the affairs of the University and Group and is required to present audited financial statements for each financial year.

The Board of Governors is responsible for ensuring that proper accounting records are kept, which disclose with reasonable accuracy at any time, the financial position of the University and Group and to enable it to ensure that the financial statements are prepared in accordance, with the Statement of Recommended Practice (SORP) on Accounting in Further and Higher Education Institutions and other relevant accounting standards. In addition, within the terms and conditions of a Memorandum of Assurance and Accountability and the Financial Management Code issued by Higher Education Funding Council for Wales, the Board, through its accountable office holder, is required to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the University and Group and of the surplus or deficit, total recognised gains or losses and cash flows for that year.

In preparing these financial statements, the Board of Governors has ensured that:

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

The Board of Governors has taken reasonable steps to:

- ensure that funds from the Higher Education Funding Council for Wales are used only for the purposes for which they have been given and in accordance with the Financial Management Code and any other conditions, which the Funding Council may from time to time prescribe;
- ensure that there are appropriate financial and management controls in place to safeguard public funds and funds from other sources;
- safeguard the assets of the University and prevent and detect fraud;
- secure the economical, efficient and effective management of the University's resources and expenditure.



**Professor Maria Hinfelaar**  
**Vice-Chancellor and Chief Executive**

## CORPORATE GOVERNANCE STATEMENT

Wrexham Glyndŵr University is committed to demonstrating best practice in all aspects of corporate governance. This summary describes the manner in which the University has applied the principles of good governance in the year and up to the date of the approval of the financial statements.

The University has a duty to conduct affairs in a responsible and transparent way, and to take into account the requirements of funding bodies, the standards in public life enunciated by the Nolan Committee, the Combined Code, the UK Corporate Governance Code as it applies to Higher Education, and the Committee of University Chairs' Higher Education Code of Governance (2014) [as amended].

The University's Board of Governors is responsible for the University's and Group's systems of internal control and for reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board of Governors has adopted a statement of primary responsibilities, which is published on the University's website and is reviewed at least every two years. This statement sets out the Board's responsibilities in respect of the proper conduct of public business, strategic planning, monitoring effectiveness and performance, finance, audit, estate management, human resource management, equality and diversity, student welfare, health and safety, the appointment of the University Officers and for ensuring that there are arrangements in place for effective academic governance and the quality and standards of educational programmes.

The Board of Governors meets at least five times per year and has a number of committees: Audit Committee; Strategy and Finance Committee; Human Resources Committee; Remuneration Committee; and Nominations and Governance Committee. All of these committees are formally constituted with terms of reference, which are reviewed annually, and are made up of mainly independent members. Each committee is chaired by an independent governor. All committees review and reflect on their work and provide an annual report to the Board of Governors.

The Strategy and Finance Committee has a financial as well as a strategic remit. In terms of its financial remit, the Committee considers and recommends the University's and Group's annual budgets to the Board of Governors and monitors performance against the budgets. In relation to its strategic remit the Committee monitors strategic matters and advises the Board of Governors on the University's strategic direction as well as giving initial consideration to and advising the Board on business of particular importance or complexity which is not within the remit of other committees of the Board.

The Nominations and Governance Committee meets up to 3 times per year and makes recommendations to the Board of Governors in respect of the appointment of new governors in accordance with the Instrument and Articles of Government and the University's standing orders. The Committee includes one co-opted external member who is not a member of the Board of Governors. On behalf of the Board the Committee monitors the balance of skills, expertise and experience within the membership to ensure that it provides appropriate leadership to the University to exercise effective oversight of its affairs. The Board seeks to remove any barriers that might deter people from expressing an interest in joining the Board and the Committee welcomes applications from people from all backgrounds for consideration for appointment during its search to fill vacancies, with the aim of achieving a balance of membership that reflects the diversity of the University, its activities and the region. The gender balance of the membership at the end of the academic year stood at 45% female and 55% male slightly above the average of

40% of women filling places on UK HEI governing bodies, making it amongst the 55% of governing bodies that are gender balanced with between 40% and 60% female<sup>2</sup>. The Nominations and Governance Committee strives to improve the gender balance and general diversity of the Board in recruiting to vacancies.

The Human Resources Committee meets four times per year and monitors health and safety, equality and diversity matters, and considers staff related data and policies and procedures. The Committee includes one co-opted external member who is not a member of the Board of Governors.

The Remuneration Committee meet twice annually, initially to consider the annual pay policy statement which the University is required to make publically available. The Committee's second meeting in June 2019 considered the remuneration of senior post holders in line with annual practice, and makes a report to the full Board on its decisions.

The Audit Committee meets four times a year, with internal and external auditors in attendance. The Committee includes three external co-opted members from the public and private sector, who are not members of the Board of Governors, who provide externality to the Committee's deliberations. The University's senior managers attend meetings of the Audit Committee as necessary but are not members of it. The Audit Committee considers detailed internal audit reports with recommendations for the improvement of the University's systems of internal control and monitors implementation of the recommendations. At the start of every meeting, the members meet privately with the University's internal and external auditors without officers present. The Audit Committee conducts an annual assessment of its own effectiveness.

A Register of Interests of the Board and Committee co-opted members is maintained and made publicly available; and declarations of conflicts of interest are made at the start of each Committee and Board meeting.

The Board conducts effectiveness reviews, in line with the requirements of the CUC Higher Education Code of Governance, at least every four years; and a review was carried out during 2017/18 by an external facilitator. During 2018/19 the Board has monitored the action plan to implement the recommendations arising from its last full effectiveness and good progress has been made.

Responsibility for embedding risk management across the University and maintaining an overview of the key high level institutional risks rests with the Vice Chancellor's Board which receives reports on identified risks and considers related control issues. The Audit Committee receives and examines the strategic corporate risk register at every meeting, to help inform the rolling internal audit programme. Annually the Audit Committee receives and considers a report from the University's independent audit provider RSM LLP on risk management processes. The corporate risk register has been reviewed by the Board of Governors during the year.

The Audit Committee receives regular reports from the Group's internal and external auditors and any recommendations they have made for improvement. Progress reports on implementation of recommendations is monitored by the Vice Chancellor's Board as well as the Audit Committee. The Board of Governors' assurance about the effectiveness of the system of risk and internal control is also informed by the work of the senior management within the University, who have responsibility for the development and maintenance of the internal control framework, through consideration by the Audit Committee; and comments made by the internal auditors in their annual report and external auditors in their management letter.

<sup>2</sup> Norma Jarboe OBE/[https://womencountblog.files.wordpress.com/2018/11/womencount-report-2018\\_web-version\\_new-final.pdf](https://womencountblog.files.wordpress.com/2018/11/womencount-report-2018_web-version_new-final.pdf)/2018

## Internal control

The key elements of the Group's system of internal controls, which is designed to discharge the responsibilities set out above included the following:

- Clear definitions of the responsibilities of, and the authority delegated to, senior managers and heads of academic and professional areas.
- A medium and short-term planning process, supplemented by detailed annual income, expenditure, capital and cash flow budgets;
- Regular reviews of student recruitment and regular reviews of financial results involving variance reporting and updates of forecast outturns;
- Clearly defined and formalised requirements for approval and control of expenditure, with investment decisions involving capital or revenue expenditure being subject to formal detailed appraisal and review according to approved levels set by the Board of Governors;
- Comprehensive Financial Regulations, detailing financial controls and procedures, approved by the Board of Governors;
- A professional independent Internal Audit team whose annual programme is approved by the Audit Committee;
- Linking the identification and management of risk to the achievement of the University's strategic objectives through the planning process;
- Evaluating the likelihood and impact of risks becoming a reality as part of that same process and establishing mitigating controls;
- Embedding risk management and internal control processes in the ongoing operation of all academic and professional services departments;
- Regular reporting to Audit Committee, and then to the Board of Governors, on internal control and risk; and
- Reporting to the Board of Governors the principal results of risk identification, evaluation and management review.

The Audit Committee, on behalf of the Board of Governors, has reviewed the effectiveness of the system of internal control of the University.

The Board of Governors adheres to the provisions of the Higher Education Code of Governance (2014) [as amended] issued by the Committee of University Chairs; and the report of the Board's effectiveness review during 2017/18 confirmed this. There were no significant issues arising during 2018/19 in respect of Corporate Governance.

# GOVERNORS AND TRUSTEES OF THE UNIVERSITY

The following people serve as Governors and Trustees of the Charity and each year they declare any interests they have which are made publicly available on the University's website.

## Governors

## Period of Office

Ms M Penlington OBE (Chair)	1 <sup>st</sup> September 2015 (Chair from 13 <sup>th</sup> December 2015) to date
Professor M Hinfelaar Vice-chancellor	1 <sup>st</sup> April 2016 to date
Mr P Barlow (Vice Chair)	1 <sup>st</sup> November 2016 to date
Ms Ebony Banks	1 <sup>st</sup> July 2019 to date
Mr Jim Barclay	1 <sup>st</sup> March 2019 to date
Mrs L Gough	1 <sup>st</sup> December 2017 to date
Mr Angus Hamill-Stewart	1 <sup>st</sup> July 2017 to 30 <sup>th</sup> June 2019
Mr C Heron	1 <sup>st</sup> September 2018 to date
Mr K Irwin	1 <sup>st</sup> July 2018 to date
Mrs C Jenkins	1 <sup>st</sup> May 2015 to date
Mr B Jones	1 <sup>st</sup> November 2016 to 31 <sup>st</sup> July 2019
Professor S Jowett	1 <sup>st</sup> May 2016 to date
Mr P McGrady	1 <sup>st</sup> May 2016 to date
Dr J Mitchell	1 <sup>st</sup> September 2018 to date
Mrs J Owen	1 <sup>st</sup> May 2016 to date
Mr L Robinson	1 <sup>st</sup> March 2018 to 17 <sup>th</sup> May 2019
Mr A Sheibani	1 <sup>st</sup> January 2016 to date
Mr David Sprake	1 <sup>st</sup> April 2019 to date
Dr C Stuhlfelder	14 <sup>th</sup> March 2016 to 31 <sup>st</sup> March 2019
Mr D Subacchi	1 <sup>st</sup> September 2016 to date
Mrs Caroline Whiteley	1 <sup>st</sup> November 2018 to 8 <sup>th</sup> November 2019

## The Clerk to the Board of Governors

Mrs V Butterworth

# INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF GOVERNORS OF GLYNDŴR UNIVERSITY

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Glyndwr University ("the University") for the year ended 31 July 2019 which comprise the Consolidated and University Statement of Comprehensive Income, Consolidated and University Statements of Changes in Reserves, Consolidated and University Statement of Financial Positions, Consolidated Statement of Cash Flows and related notes, including the Statement of Principal Accounting Policies.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the University's affairs as at 31 July 2019, and of the Group's and the University's income and expenditure, gains and losses and changes in reserves, and of the Group's cash flows, for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*, and with the 2015 *Statement of Recommended Practice – Accounting for Further and Higher Education*;
- meet the requirements of HEFCW's Accounts Direction to Higher Education Institutions for 2018/19 issued on 11 July 2019; and
- have been properly prepared in accordance with the requirements of the Charities Act 2011.

### Basis for opinion

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

### The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates and related disclosures made by the Board of Governors and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the group's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardized firm-wide approach in response to that uncertainty when assessing the group's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

### Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Board of Governors' conclusions, we considered the inherent risks to the Group's business model, including the impact of Brexit, and analysed how those risks might affect the Group and the University's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the University will continue in operation.

### **Other information**

The Board of Governors is responsible for the other information, which comprises the Operating and Financial Review, Corporate Governance Statement and Public Benefit Statement. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work, we have not identified material misstatements in the other information.

### **Board of Governors responsibilities**

As explained more fully in their statement set out on page 15, the Board of Governors is responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as it determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the group and parent University's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless it either intends to liquidate the group or the parent University or to cease operations, or has no realistic alternative but to do so.

### **Auditor's responsibilities**

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

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

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the HEFCW Audit Code of Practice issued under the Further and Higher Education Act 1992.

In our opinion, in all material respects:

- funds from whatever source administered by the Group or the University for specific purposes have been properly applied to those purposes and managed in accordance with relevant legislation; and
- funds provided by HEFCW have been applied in accordance with the Memorandum of Assurance and Accountability and any other terms and conditions attached to them.

## MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the operating & financial review is inconsistent in any material respect with the financial statements; or
- the University has not kept sufficient accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

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

This report is made solely to the Board of Governors, in accordance with the University's Articles of Government and section 124B of the Education Reform Act 1988 and in accordance with section 144 of the Charities Act 2011 (or its predecessors) and regulations made under section 154 of that Act. Our audit work has been undertaken so that we might state to the Board of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the University and the Board of Governors for our audit work, for this report, or for the opinions we have formed.



**Clare Partridge**

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

*Chartered Accountants*

1 Sovereign Square

Leeds

LS1 4DA

Date:

*28* November 2019

# Financial accounts

## Statement of principal accounting policies

### Basis of preparation

These financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP): Accounting for Further and Higher Education 2015 and in accordance with Financial Reporting Standard (FRS102), The Financial Reporting Standard applicable in the UK and Republic of Ireland. The University is a public benefit entity and therefore has applied the relevant public benefit requirement of FRS 102. Where relevant the financial statements adhere to the accounting directives of HEFCW.

### Basis of accounting

The financial statements have been prepared under the historical cost convention, as modified by the deemed cost for certain fixed assets as revalued with the introduction of FRS102 reporting.

The Board of Governors has considered the detailed financial forecasts and cash demands of the University and group for the foreseeable future. Taking account of these, the Board of Governors considers that the University Group has adequate resources to continue in operational existence for the foreseeable future and they continue to adopt the going concern basis in preparation of the financial statements.

In reaching this opinion on the financial sustainability of this institution, the following factors have been taken into account:

#### Financial

- regular performance monitoring through monthly reporting, annual budgets and forecasting, including HEFCW forecast submissions
- measurement against the Corporate Strategy and related Key Performance Indicators
- complying with the financial covenants of our lender
- a cash flow strategy which is aligned to the funding regime and which takes into account the peaks and troughs of the funding cycle

#### Non-financial

- measurement against the Corporate Strategy and related Key Performance Indicators
- maintaining a Risk Register which considers both financial and non-financial strategic risks
- continuing to provide governance and legal functions which cover all financial, statutory and regulatory compliance

### Basis of consolidation

The consolidated financial statements include the University and all its subsidiaries for the financial year to 31 July 2019. The results of subsidiaries acquired or disposed of during the period are included in the consolidated statement of income and expenditure from the date of acquisition or up to the date of disposal. Intra-group transactions are eliminated on consolidation.

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

Details of the University's subsidiary undertakings are provided in note 20 to the financial statements.

## **Statement of principal accounting policies (Cont.)**

### **Income recognition**

Funding Council block grants are accounted for in the period to which they relate.

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 for prompt payment, income receivable is shown net of the discount. Bursaries and scholarships are accounted for gross as expenditure and not deducted from income.

### **Governmental Grant Funding**

Recurrent income from grants, contracts and other services rendered is accounted for on an accruals basis and included to the extent the contract or service has been completed; any payments received in advance of such performance are recognised on the Statement of Financial Position sheet as liabilities.

### **Governmental Capital Grants**

Non-recurrent grants received in respect of the acquisition or construction of fixed assets are treated as deferred capital grants. Such grants are credited to deferred capital grants and an annual transfer made to the income and expenditure account over the useful economic life of the asset, at the same rate as the depreciation charge on the asset for which the grant was awarded.

### **Non-Governmental Grant Funding.**

Recurrent income from grants, contracts and other services rendered is accounted for on a performance basis and included to the extent the contract or service has been completed; any payments received in advance of such performance are recognised on the Statement of Financial Position as liabilities.

### **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 other restriction applied to the individual endowment fund.

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

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

## **Statement of principal accounting policies (Cont.)**

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

## **Agency arrangements**

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

During 2017/18 the University entered into an Agency agreement for the supply of Catering services at the Plas Coch campus and which remains in place. All income and expenditure associated have been included within the University Statement of Comprehensive Income and Expenditure as the University retains the risk or reward of the activity under this agency agreement.

## **Leases and hire purchase contracts**

Costs in respect of operating leases are charged on a straight-line basis over the lease term.

Finance leases, which substantially transfer all the benefits and risk of ownership of an asset to the University, are treated as if the asset had been purchased outright. The assets are included in fixed assets and the capital elements of the leasing commitments are shown as obligations under finance leases.

The lease rentals are treated as consisting of capital and interest elements. The capital element is applied in order to reduce outstanding obligations, and the interest element is charged to the income and expenditure account in proportion to the reducing capital element outstanding.

Assets held under finance leases are depreciated over the shorter of the lease term or the useful economic lives of equivalent-owned assets.

The leasing of assets under a finance lease (Racecourse Stadium and Colliers Park) are treated as a short and long term debtor consisting of capital and interest elements. The capital element is applied in order to reduce outstanding debtor obligations, and the interest element is recorded as income in the income and expenditure account in proportion to the reducing capital element outstanding.

## **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 UK Corporation Tax in respect of income or capital gains received within categories covered by section 478-488 of the Corporation Tax Act

## **Statement of principal accounting policies (Cont.)**

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.

All UK subsidiary companies are liable to corporation tax in the same way as any commercial organisation.

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

All UK subsidiary companies are liable to VAT in the same way as any other commercial organisation except that any education or training provided by a university subsidiary is an exempt supply of education.

### **Tangible fixed assets**

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

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

Freehold land is not depreciated. Freehold buildings are depreciated over their expected useful economic life of 50 years. The hockey pitch is depreciated over its expected useful life of 10 years. Capital expenditure applied to existing buildings is depreciated over its estimated useful life of 10 years.

Where buildings are acquired with the aid of specific government grants they are capitalised and depreciated as above. The related grants are credited to a deferred capital grant account and are released to the income and expenditure account over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Fixtures, fittings and equipment costing less than £10,000 per individual item or group of related items is written off to the income and expenditure account in the period of acquisition. All other fixtures, fittings and equipment is capitalised at cost. Motor vehicles are capitalised at cost.

All assets are depreciated over their estimated useful economic life as follows:

- Fixtures, fittings and equipment – five years
- Motor vehicles – three years

Where equipment is acquired with the aid of specific government grants it is capitalised and depreciated in accordance with the above policy, with the related grant being credited to a deferred capital grant account and released to the income and expenditure account over the expected useful life of the related equipment. It is University policy not to revalue this class of assets.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable.

## **Statement of principal accounting policies (Cont.)**

Any impairments which are due to the clear consumption of economic benefits are recognised in the income and expenditure account in the period when they occur.

Any downward revaluations which are not due to the clear consumption of economic benefits are also recognised in the statement of comprehensive income and expenditure account in the period when they occur.

Expenditure to ensure that a tangible fixed asset maintains its previously recognised standard of performance is recognised in the income and expenditure account in the period it is incurred.

The University has a planned maintenance programme, which is reviewed on an annual basis.

### **Investments**

Listed investments held as endowment assets are shown at market value. Investments in subsidiary undertakings and non-listed entities are shown at the lower of cost or net realisable value.

Current asset investments are included at the lower of cost and net realisable value.

### **Stock**

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

### **Cash and cash equivalents**

Cash flows comprise increases or decreases in cash. Cash includes cash in hand, cash at bank and deposits repayable on demand. Deposits are repayable on demand if they are in practice available within 24 hours without penalty. No other investments, however liquid, are included as cash.

Liquid resources comprise sums on short-term deposit with recognised banks. They exclude any such assets held as endowment assets.

Under FRS102, the exemption from the requirement to prepare a separate cash flow statement for the University has been applied.

### **Foreign currency translations**

Assets and liabilities denominated in foreign currencies are translated to the group's presentational currency (Sterling) at the rates of exchange ruling at the end of the financial year, with all resulting exchange differences being taken to the income and expenditure account in the period in which they arise.

### **Financial instruments**

#### **Risk Management**

The University's principal financial instruments are cash, investments and loans. The core objective of these financial instruments is to meet the financing needs of the University's operations. Additionally, the University has other financial assets and liabilities arising directly from its operations i.e. trade debtors and creditors.

We have assessed the potential impact of Brexit on the organisation at present and consider there to be no material impact or significant risk to going concern.

## **Statement of principal accounting policies (Cont.)**

### **Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the University.

Student and commercial debtors are reviewed on an-ongoing basis and a bad debt provision is made if recovery becomes uncertain. If a debtor is deemed irrecoverable it is written off. The concentration of risk is limited due to a large number of diverse customers across both students and commercial customer populations.

### **Liquidity risk**

Liquidity risk refers to the risk that the University will not be able to meet its financial obligations as they fall due. Regular monitoring of liquidity risk is an essential feature of treasury management activities.

Cash flow forecasts form part of the University 5 year planning process and are revised during the financial year.

Foreign currency risk refers to the risk that unfavourable movement in exchange rates may cause financial loss to the University. The University's principal foreign currency exposure is to the euro. The operating level of euros is reviewed on a regular basis to mitigate the risk of adverse exchange rate movements.

### **Accounting for retirement benefits**

The three principal pension schemes for the University's staff are:

1. Teachers' Pension Scheme (TPS)
2. Universities Superannuation Scheme (USS)
3. Local Government Pension Scheme (LGPS).

All schemes are defined benefit schemes which are externally managed and contracted out of the State Second Pension (S2P), however Glyndwr University's financial element of the TPS and USS cannot be determined and as such these are treated as defined cost schemes under FRS102.

Contributions to the schemes are charged to the income and expenditure account so as to spread the cost of pensions over the employees' working lives with the University in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. Variations from regular costs are spread over the expected average remaining working lifetime of members of the schemes after making allowances for further withdrawals.

The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected unit method. Glyndwr University's financial element of the TPS and USS cannot be determined and as such these are treated as defined cost schemes under FRS 102.

The LGPS surplus or deficit is recognised as an asset or liability on the Statement of Financial Position. The current service cost and the past service costs are recorded within staff costs.

The interest element is calculated based on the year end deficit (net liability) multiplied by the discount rate. All changes in pension surplus or deficit due to changes in actuarial assumptions or differences between actuarial forecasts and the actual out-turn are reported in the statement of Comprehensive Income and Expenditure.

## Statement of principal accounting policies (Cont.)

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

### Provisions, contingent liabilities and contingent assets

Provisions are recognised in the financial statements when

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

The amount recognised as a provision is discounted to present value where the time value of money is material.

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

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

Contingent assets and liabilities are not recognised in the Statement of Financial Position but are disclosed by way of a note.

### Accounting judgements and estimates

The following key judgements and estimates have been applied in these financial statements.

- USS Pension Scheme accounting judgements have been applied using the BUFDG standard USS modelling tool at a discount rate consistent with BUFDG guidance and in line with the University group's future salary roll increase expectations.
- Local Government Pension scheme accounting judgements have been supplied by our scheme actuaries Mercers.

During the year the University received planning permission approval for a housing development on the Northern Quarter of the Plas Coch campus. Work is being undertaken to progress the sale of this land with interested parties. It is currently estimated that this asset is being held at £700k higher than the likely sale proceeds and as such an impairment adjustment has been made to the asset value to reflect this.

- Holiday pay accrual was estimated using a direct sample methodology from the University Group's (academic and non-academic) departments taking actual leave levels as at 31<sup>st</sup> July 2019 and applied as a percentage basis.

### Reserves

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

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

# Consolidated and University Statement of Comprehensive Income and Expenditure

Year Ended 31 July 2019

	Notes	Year Ended 31 July 2019		Year Ended 31 July 2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Income</b>					
Tuition fees and education contracts	1	25,911	25,911	26,018	26,018
Funding body grants	2	3,817	3,817	2,568	2,568
Research grants and contracts	3	143	143	519	193
Other income	4	5,983	3,933	6,222	4,375
Investment income	5	111	111	104	104
<b>Total income</b>		<b>35,965</b>	<b>33,915</b>	<b>35,431</b>	<b>33,258</b>
Donations and endowments	6	-	-	-	-
<b>Total income</b>		<b>35,965</b>	<b>33,915</b>	<b>35,431</b>	<b>33,258</b>
<b>Expenditure</b>					
Staff costs	6	17,845	16,818	18,248	17,257
Other pensions costs	6	1,601	1,450	1,665	1,523
LGPS Employer Pension	6	2,081	2,081	2,278	2,278
LGPS Past service costs	6	625	625	-	-
Other operating expenses	8	10,727	9,775	10,345	9,730
Depreciation	10	1,502	1,487	1,261	1,245
Impairment of fixed assets	10	700	700	-	-
Interest and other finance costs	7	851	851	604	604
Fundamental restructuring costs	6	648	643	618	603
Movement of intercompany debt on closure of Subsidiary companies	8	-	-	-	(101)
<b>Total expenditure excluding net interest costs</b>		<b>36,580</b>	<b>34,430</b>	<b>35,019</b>	<b>33,139</b>
<b>Operating result before impairment and one off pensions impact</b>		<b>710</b>	<b>810</b>	<b>412</b>	<b>119</b>
<b>Surplus before impairment adjustment</b>		<b>85</b>	<b>185</b>	<b>412</b>	<b>119</b>
<b>(Deficit) / surplus before tax</b>		<b>(615)</b>	<b>(515)</b>	<b>412</b>	<b>119</b>
Taxation	9	-	-	-	-
<b>(Deficit) / surplus for the year</b>		<b>(615)</b>	<b>(515)</b>	<b>412</b>	<b>119</b>
Actuarial (loss)/gain in respect of pension schemes	21	(9,710)	(9,710)	6,958	6,958
<b>Total comprehensive income for the year</b>		<b>(10,325)</b>	<b>(10,225)</b>	<b>7,370</b>	<b>7,077</b>
<b>Represented by:</b>					
Endowment comprehensive income for the year		-	-	-	-
Unrestricted comprehensive expenditure for the year		(10,325)	(10,225)	7,370	7,077
Attributable to the University Group		<b>(10,325)</b>	<b>(10,225)</b>	<b>7,370</b>	<b>7,077</b>
<b>(Deficit) / Surplus for the year attributable to:</b>					
Non controlling interest		-	-	-	-
University Group		(615)	(515)	412	119

All items of income and expenditure relate to continuing activities

## Consolidated and University Statement of Changes in Reserves Year Ended 31 July 2019

<b>Consolidated</b>	<i>Restricted</i>	<i>Unrestricted</i>	<b>Total excluding Non Controlling Interest</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 August 2017</b>	200	22,931	23,131	23,131
Surplus from the income and expenditure statement	-	412	412	412
Actuarial gain in respect of pension scheme	-	6,958	6,958	6,958
<b>Total comprehensive income for the year</b>	-	7,370	7,370	7,370
<b>Balance at 1 August 2018</b>	200	30,301	30,501	30,501
Deficit from the income and expenditure statement	-	(615)	(615)	(615)
Actuarial loss in respect of pension scheme	-	(9,710)	(9,710)	(9,710)
<b>Total comprehensive income for the year</b>	-	(10,325)	(10,325)	(10,325)
<b>Balance at 31 July 2019</b>	200	19,976	20,176	20,176
<b>University</b>			<b>Total excluding Non Controlling Interest</b>	<b>Total</b>
	<i>Restricted</i>	<i>Unrestricted</i>	<b>£'000</b>	<b>£'000</b>
	<b>£'000</b>	<b>£'000</b>		
<b>Balance at 1 August 2017</b>	200	23,400	23,600	23,600
Surplus from the income and expenditure statement	-	119	119	119
Actuarial gain in respect of pension scheme	-	6,958	6,958	6,958
<b>Total comprehensive income for the year</b>	-	7,077	7,077	7,077
<b>Balance at 1 August 2018</b>	200	30,477	30,677	30,677
Deficit from the income and expenditure statement	-	(515)	(515)	(515)
Actuarial loss in respect of pension scheme	-	(9,710)	(9,710)	(9,710)
<b>Total comprehensive income for the year</b>	-	(10,225)	(10,225)	(10,225)
<b>Balance at 31 July 2019</b>	200	20,252	20,452	20,452

# Consolidated and University Statement of Financial Position

## As at 31 July

	Notes	2019		2018	
		Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>Non-current assets</b>					
Fixed assets	10	64,404	63,875	53,018	52,972
		<u>64,404</u>	<u>63,875</u>	<u>53,018</u>	<u>52,972</u>
<b>Current assets</b>					
Stock	11	21	12	22	12
Trade and other receivables : amounts falling due within one year	12	3,552	3,790	2,726	2,873
Investments	13	0	0	12	12
Cash and cash equivalents	18	4,591	4,459	4,117	3,952
		<u>8,164</u>	<u>8,261</u>	<u>6,877</u>	<u>6,849</u>
Less: Creditors: amounts falling due within one year	14	(5,434)	(5,210)	(4,354)	(4,123)
<b>Net current assets</b>		<u>2,730</u>	<u>3,051</u>	<u>2,523</u>	<u>2,726</u>
<b>Total assets less current liabilities</b>		<u>67,134</u>	<u>66,926</u>	<u>55,541</u>	<u>55,698</u>
Trade and other receivables : amounts falling due after more than one year	15	1,652	1,652	1,652	1,652
Creditors: amounts falling due after more than one year	16	(16,501)	(16,020)	(6,004)	(6,004)
<b>Provisions</b>					
Pension provisions	17	(31,225)	(31,225)	(20,159)	(20,159)
Other provisions	17	(885)	(881)	(529)	(510)
<b>Total net assets</b>		<u>20,176</u>	<u>20,452</u>	<u>30,501</u>	<u>30,677</u>
<b>Restricted Reserves</b>					
Income and expenditure reserve - endowment reserve	25	0	0	0	0
Income and expenditure reserve - restricted reserve		200	200	200	200
<b>Unrestricted Reserves</b>					
Income and expenditure reserve - unrestricted		19,976	20,252	30,301	30,477
Revaluation reserve		0	0	-	-
		<u>20,176</u>	<u>20,452</u>	<u>30,501</u>	<u>30,677</u>
Non-controlling interest		0	0	-	-
<b>Total Reserves</b>		<u>20,176</u>	<u>20,452</u>	<u>30,501</u>	<u>30,677</u>

The financial statements were approved by the Governing Body on 22nd November 2019 and were signed on its behalf on that date by:

Maria Hinfelaar, Vice-Chancellor



Maxine Penlington, Chair of Governors



David Elcock, Finance Director



# Consolidated Cash Flow as at 31 July

	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
<b>Cash flow from operating activities</b>		
(Deficit) / Surplus for the year	<b>(615)</b>	<b>412</b>
<b>Adjustment for non-cash items</b>		
Depreciation	1,502	1,261
Decreases / (Increase) in stock	1	(5)
(Increase) / Decrease in debtors < 1 Yr	(826)	168
(Increase) in debtors > 1 Yr	0	(302)
(Decrease) / Increase in creditors < 1 Yr	(356)	708
Increase / (Decrease) in creditors > 1 Yr	1,144	(406)
Increase in pension provision	1,356	987
Increase / (Decrease) in other provisions	356	(392)
Disposal of fixed asset to finance lease	0	302
Impairment of fixed asset	700	0
<b>Adjustment for investing or financing activities</b>		
Investment income	(111)	(104)
Interest payable	363	2
Interest element of finance lease	6	11
Capital grant income	(750)	0
<b>Net cash inflow from operating activities</b>	<b>2,770</b>	<b>2,642</b>
<b>Cash flows from investing activities</b>		
Capital grants receipts	750	0
Withdrawal of deposits	12	11
Investment income	111	104
Payments made to acquire fixed assets	(13,591)	(1,083)
	<b>(12,718)</b>	<b>(968)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(363)	0
Interest element of finance lease	(6)	(11)
New secured loans	11,000	0
Unsecured loans	0	(271)
Repayments of amounts borrowed	(125)	0
Capital element of finance lease	(84)	(102)
	<b>10,422</b>	<b>(384)</b>
<b>Increase in cash and cash equivalents in the year</b>	<b>474</b>	<b>1,290</b>
Cash and cash equivalents at beginning of the year	<b>4,117</b>	<b>2,827</b>
Cash and cash equivalents as at 31 July	<b>4,591</b>	<b>4,117</b>

# Notes to the Accounts

## Year Ended 31 July 2019

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>1 Tuition fees and education contracts</b>				
Full-time home and EU students	21,432	21,432	21,687	21,687
Full-time international students	1,218	1,218	851	851
Part-time students	1,881	1,881	2,202	2,202
Academic Contracts	1,380	1,380	1,278	1,278
	<b>25,911</b>	<b>25,911</b>	<b>26,018</b>	<b>26,018</b>
<b>2 Funding body grants</b>				
<b>Recurrent grant</b>				
Higher Education Funding Council	2,752	2,752	1,909	1,909
<b>Specific grants</b>				
Higher Education Funding Other	479	479	110	110
Higher Education Funding Council Quality Research	251	251	215	215
Capital grant Buildings	333	333	334	334
Equipment	2	2	-	-
	<b>3,817</b>	<b>3,817</b>	<b>2,568</b>	<b>2,568</b>
<b>3 Research grants and contracts</b>				
Research councils	21	21	21	21
Research charities	64	64	99	99
Government (UK and overseas)	50	50	60	60
Industry and commerce	8	8	339	13
	<b>143</b>	<b>143</b>	<b>519</b>	<b>193</b>
<b>4 Other income</b>				
Residences, catering and conferences	2,450	2,202	1,835	1,562
Other capital grants	57	57	57	57
Other income	3,476	1,674	4,330	2,756
	<b>5,983</b>	<b>3,933</b>	<b>6,222</b>	<b>4,375</b>
<b>5 Investment income</b>				
Investment income on finance lease	100	100	100	100
Other investment income	11	11	4	4
	<b>111</b>	<b>111</b>	<b>104</b>	<b>104</b>

## Notes to the Accounts

### Year Ended 31 July 2019

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>6 Staff costs</b>				
Staff Costs :				
Salaries	16,288	15,336	16,633	15,709
Social security costs	1,557	1,482	1,615	1,548
<b>Staff Costs</b>	<b>17,845</b>	<b>16,818</b>	<b>18,248</b>	<b>17,257</b>
Other pension costs	1,601	1,450	1,665	1,523
LGPS Employer Pension Contributions	1,985	1,985	1,974	1,974
LGPS Current service costs	96	96	304	304
LGPS Past service costs	625	625	-	-
<b>Pensions Costs</b>	<b>4,307</b>	<b>4,156</b>	<b>3,943</b>	<b>3,801</b>
Restructuring costs	648	643	618	603
<b>Total Staff Costs</b>	<b>22,800</b>	<b>21,617</b>	<b>22,809</b>	<b>21,661</b>

Atypical staff costs (subsidiary, agency, self employed and non-contract staff costs) were £57k in year (£56k in 17/18).

#### Past service costs (McCloud)

The decisions of the Court of Appeal in the Sargeant/McCloud cases (generally referred to for the LGPS as "McCloud") have ruled that the transitional protections afforded to older members when the Public Service Pension Schemes were amended constituted unlawful age discrimination. At this stage it is uncertain whether or not there will be an issue for the LGPS and its employers, nor is it clear what the exact extent would be of any required changes, but this note sets out some approximate effects of the costs if the transitional protections need to be extended to younger members.

The actuaries have carried out some costings of the potential effect of McCloud as at 31 July 2019, based on the individual member data for this employer as supplied to us for the 31 March 2016 actuarial valuation, and the results of those calculations based on the IAS19/FRS102 assumptions used for the University are set out below. The approach to the calculations is as instructed by the administering authority after consideration of the categories of members potentially affected, but in very broad terms calculates the cost of applying a 'final salary underpin' (on a member by member basis) to those active members who joined the Fund before 1 April 2012 and would not otherwise have benefited from the underpin.

IAS19/FRS102 liabilities which we have used in our calculations is:	<b>£'000</b>
	82,554

Applying the above calculations to our estimated active member liabilities and service cost at 31 July 2019 gives the following:

Additional past service liabilities as at 31 July 2019:	<b>£'000</b>
	625
Additional projected service cost for the year commencing 1 August 2019:	118

The additional costs are very sensitive to the assumptions made. For example, the above figures are based on an assumed future real pay growth of 1.25% p.a. above CPI. Were the assumed future real pay growth instead to be set at zero then the potential additional costs in relation to McCloud would not be significant and could be taken as zero. Figures for other levels of real pay growth could be obtained approximately by interpolation from the above. For example, assuming future real pay growth of 0.75% p.a. above CPI would result in (approximate) additional past service of liabilities as at 31 July 2019 of £375,000 and an additional projected service cost for the year commencing 1 August 2019 of £71,000.

	2019	2018
	£	£
<b>Emoluments of the Vice-Chancellor:</b>		
Salary	200,000	190,214
Contribution to relocation costs	-	-
<b>Total emoluments excluding pension contributions</b>	<b>200,000</b>	<b>190,214</b>
Pension contributions to TPS	32,960	31,347
<b>Total emoluments including pension contributions</b>	<b>232,960</b>	<b>221,561</b>

The emoluments were paid to the Vice-Chancellor, Professor Maria Hinfelaar, who has been remunerated in line with her contractual terms.

The Vice-Chancellor's basic salary is 5.68 times the median pay of staff (2018 - 5.35 times), where the median pay is calculated on a full time equivalent basis for the salaries paid by the University and its subsidiaries to its staff.

The Vice-Chancellor's total remuneration is 5.36 times the median total remuneration of staff (2018 - 5.18 times), where the median total remuneration is calculated on a full time equivalent basis for the total remuneration by the University and its subsidiaries to its staff. Total remuneration includes basic pay and employer pension contributions.

The median calculations do not include agency staff who are not employees of the University or its subsidiaries where the cost is accounted for within Other Operating Expenses.

# Notes to the Accounts

## Year Ended 31 July 2019

### 6 Staff costs (continued)

#### Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the University. Staff costs include compensation paid to key management personnel.

#### 2019

Key management are the Universities Executive team who consist of Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor Partnerships, Pro Vice-Chancellor Research, Director of Finance, Director of HR and Director of Operations.

#### 2018

Key management are the Universities Executive team who consist of Vice-Chancellor, Deputy Vice-Chancellor, Pro Vice-Chancellor Partnerships, Pro Vice-Chancellor Research, Director of Finance, Director of HR and Director of Operations.

Compensation consists of salary and benefits including any employer's pension contribution.

	2019	2018 Restated
	£	£
Key management personnel compensation	<u>929,043</u>	<u>883,728</u>

Remuneration of other higher paid staff, excluding employer's pension contributions:

	2019	2018
	No.	No.
£120,000 to £124,999	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

	2019	2018
	No.	No.
Average staff numbers by major category :		
Teaching Departments & Academic Support	189	187
Administraton & Central Services	204	212
Premises	<u>18</u>	<u>17</u>
	<u>411</u>	<u>416</u>

## Notes to the Accounts

### Year Ended 31 July 2019

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>7 Interest and other finance costs</b>				
Loan interest	363	363	2	2
Finance lease interest	6	6	11	11
Net charge on USS pension scheme	2	2	2	2
	<u>371</u>	<u>371</u>	<u>15</u>	<u>15</u>
Net charge on LGPS pension scheme	480	480	589	589
	<u>480</u>	<u>480</u>	<u>589</u>	<u>589</u>
	<u>851</u>	<u>851</u>	<u>604</u>	<u>604</u>

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
<b>8 Analysis of operating expenditure by activity</b>				
Academic & Related Expenditure	3,452	3,143	2,690	2,378
Administration & Central Services	2,328	2,328	2,690	2,690
Premises	3,048	2,703	2,959	2,678
Residences, Catering & Conferences	1,236	1,139	965	862
Research Grants & Contracts	83	83	(130)	116
Other Expenses	580	379	1,171	1,006
	<u>10,727</u>	<u>9,775</u>	<u>10,345</u>	<u>9,730</u>
Impairment of intercompany debtor on closure of subsidiary	-	-	-	(101)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101)</u>
	<u>10,727</u>	<u>9,775</u>	<u>10,345</u>	<u>9,629</u>

Additional analysis has improved the clarity of the data for 2018-19 - no comparatives have been adjusted.

#### Other operating expenses include:

External auditors remuneration in respect of audit services	65	50	72	58
External auditors remuneration in respect of non-audit services	2	-	2	-
Depreciation	1,502	1,487	1,261	1,245

#### Operating lease rentals

Land and buildings	-	-	241	241
Other	6	6	6	6

	2019	2018
	Consolidated £'000	Consolidated £'000
<b>9 Taxation</b>		
<b>Recognised in the statement of comprehensive income</b>		
<b>Current tax</b>		
Current tax expense	-	-
Adjustment in respect of previous years	-	-
<b>Current tax expense</b>	<u>-</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	-
Reduction in tax rate	-	-
Recognition of previously unrecognised tax losses	-	-
<b>Deferred tax expense</b>	<u>-</u>	<u>-</u>
<b>Tax on surplus on ordinary activities</b>	<u>-</u>	<u>-</u>

In the opinion of the Board of Governors, the criteria of the s505 ICTA 1998 and s256 TCGA 1992 are fulfilled and there is no Corporation Tax liability arising on the University's activities for the period ended 31 July 2019 or 31 July 2018.

## Notes to the Accounts

### Year Ended 31 July 2019

#### 10 Fixed Assets

##### Consolidated

	Freehold Land and Buildings	Fixtures, Fittings and Equipment	Assets in the Course of Construction	Total
	£'000	£'000	£'000	£'000
<b>Deemed Cost</b>				
At 1 August 2018	56,484	5,076	775	62,335
Additions	12,205	402	984	13,591
Disposals	-	(242)	-	(242)
<b>At 31 July 2019</b>	<b>68,689</b>	<b>5,236</b>	<b>1,759</b>	<b>75,684</b>
<b>Depreciation</b>				
At 1 August 2018	4,656	4,661	-	9,317
Charge for the year	1,324	178	-	1,502
Impairment	700	-	-	700
Disposals	-	(239)	-	(239)
<b>At 31 July 2019</b>	<b>6,680</b>	<b>4,600</b>	<b>-</b>	<b>11,280</b>
<b>Net book value</b>				
<b>At 31 July 2019</b>	<b>62,009</b>	<b>636</b>	<b>1,759</b>	<b>64,404</b>
<b>At 31 July 2018</b>	<b>51,828</b>	<b>415</b>	<b>775</b>	<b>53,018</b>

# Notes to the Accounts

## Year Ended 31 July 2019

### 10 Fixed Assets

University	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
<b>Deemed Cost</b>				
At 1 August 2018	56,484	4,998	775	62,257
Additions	12,205	392	493	13,090
Disposals	-	(238)	-	(238)
<b>At 31 July 2019</b>	<b>68,689</b>	<b>5,152</b>	<b>1,268</b>	<b>75,109</b>
<b>Depreciation</b>				
At 1 August 2018	4,656	4,629	-	9,285
Charge for the year	1,324	163	-	1,487
Impairment	700	-	-	700
Disposals	-	(238)	-	(238)
<b>At 31 July 2019</b>	<b>6,680</b>	<b>4,554</b>	<b>-</b>	<b>11,234</b>
<b>Net book value</b>				
<b>At 31 July 2019</b>	<b>62,009</b>	<b>598</b>	<b>1,268</b>	<b>63,875</b>
<b>At 31 July 2018</b>	<b>51,828</b>	<b>369</b>	<b>775</b>	<b>52,972</b>

During the year the University entered into a development agreement and 99 year finance lease with the Football Association of Wales to lease Colliers park training ground. This has been removed from fixed assets and is now represented within finance lease assets / finance leases. See note 19.

During the 2016/17 year the University entered into a 99 year finance lease with WST Assets Limited, Wrexham AFC Limited and Wrexham Football Supporters Society Limited to lease the Racecourse football stadium. This has been removed from fixed assets and is now represented within finance lease assets / finance leases. See note 19.

During the year the University received planning permission approval for a housing development on the Northern Quarter of the Plas Coch campus. Work is being undertaken to progress the sale of this land with interested parties. It is currently estimated that this asset is being held at £700k higher than the likely sale proceeds and as such an impairment adjustment has been made to the asset value to reflect this.

At 31 July 2019, freehold land and buildings included £6.1m (2018 - £5.3m) in respect of freehold land and is not depreciated.

#### Leased assets included above:

	Freehold Land and Buildings £'000	Fixtures, Fittings and Equipment £'000	Assets in the Course of Construction £'000	Total £'000
Net Book Value:				
At 31 July 2019	-	196	-	196
At 31 July 2018	-	196	-	196

Consolidated fixtures, fittings and equipment include assets held under finance leases as follows:

	<b>Year Ended 31 July 2019 £'000</b>
Cost B/fwd	470
Accumulated depreciation B/fwd	(274)
Charge for year	(94)
<b>Net book value</b>	<b>102</b>

# Notes to the Accounts

## Year Ended 31 July 2019

### 11 Stock

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
General consumables	21	12	22	12
	<u>21</u>	<u>12</u>	<u>22</u>	<u>12</u>

### 12 Trade and other receivables : amounts falling due within one year

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Trade receivables	3,035	1,928	2,002	1,572
Prepayments and accrued income	517	501	724	697
Amounts due from subsidiary companies	-	1,361	-	604
Amount due from finance lease	-	-	-	-
	<u>3,552</u>	<u>3,790</u>	<u>2,726</u>	<u>2,873</u>

### 13 Current Investments

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Short term deposits	-	-	12	12
	<u>-</u>	<u>-</u>	<u>12</u>	<u>12</u>

These deposits are held with Kaupthing Singer Friedlander bank (Iceland) and are subject to repayment as part of the creditors agreement.

### 14 Creditors : amounts falling due within one year

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Secured loans	1,500	1,500	-	-
Obligations under finance leases	38	38	102	102
Trade payables	1,538	1,453	1,360	1,313
Social security and other taxation payable	412	389	392	373
Other Creditors	149	123	342	310
Accruals and deferred income	1,266	1,186	1,577	1,444
Holiday Pay	188	188	194	194
Amounts due to subsidiary companies	-	-	-	-
Deferred Capital Grants	343	333	387	387
	<u>5,434</u>	<u>5,210</u>	<u>4,354</u>	<u>4,123</u>

### 15 Trade and other receivables : amounts falling due after more than one year

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Amount due from finance lease	1,652	1,652	1,652	1,652
	<u>1,652</u>	<u>1,652</u>	<u>1,652</u>	<u>1,652</u>

## Notes to the Accounts

### Year Ended 31 July 2019

#### 16 Creditors : amounts falling due after more than one year

	2019		2018	
	Consolidated £'000	University £'000	Consolidated £'000	University £'000
Deferred Capital Grants	7,053	6,572	5,901	5,901
Obligations under finance lease	68	68	88	88
Secured loans	9,375	9,375	-	-
Energy efficiency loan scheme (SALIX)	5	5	15	15
	<b>16,501</b>	<b>16,020</b>	<b>6,004</b>	<b>6,004</b>
Analysis of secured and unsecured loans:				
<b>Due within one year or on demand (Note 14)</b>	<b>1,500</b>	<b>1,500</b>	-	-
Due between one and two years	8,375	8,375	-	-
Due between two and five years	1,000	1,000	-	-
Due in five years or more	-	-	-	-
<b>Due after more than one year</b>	<b>9,375</b>	<b>9,375</b>	-	-
<b>Total secured and unsecured loans</b>	<b>10,875</b>	<b>10,875</b>	-	-
Secured loans repayable by 22nd August 2023	9,875	9,875	-	-
	<b>9,875</b>	<b>9,875</b>	-	-

Included in loans are the following:

Lender	Amount £'000	Term	Interest rate %	Borrower
AIB	9,875	Aug-21	LIBOR + 2.8%	University
WVL	1,000	Aug-23	Barclays Base + 4%	University
<b>Total</b>	<b>10,875</b>			

#### 17 Provisions for liabilities

Consolidated	Obligation to fund deficit on USS Pension £'000	Pension enhancements on termination £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Redundancy £'000	Part-time Credit clawback provision £'000	Total Other £'000
At 1 August 2018	94	2,516	17,549	20,159	120	409	529
Utilised/released in year	-	-	-	-	(120)	(175)	(295)
Additions in 2019	155	-	10,911	11,066	552	333	885
Unused amounts reversed in 2019	-	-	-	-	-	(234)	(234)
<b>At 31 July 2019</b>	<b>249</b>	<b>2,516</b>	<b>28,460</b>	<b>31,225</b>	<b>552</b>	<b>333</b>	<b>885</b>
<b>University</b>							
University	Obligation to fund deficit on USS Pension £'000	Pension enhancements on termination £'000	Defined Benefit Obligations £'000	Total Pensions Provisions £'000	Redundancy £'000	Part-time Credit clawback provision £'000	Total Other £'000
At 1 August 2018	94	2,516	17,549	20,159	101	409	510
Utilised/released in year	-	-	-	-	(101)	(175)	(276)
Additions in 2019	155	-	10,911	11,066	548	333	881
Unused amounts reversed in 2019	-	-	-	-	-	(234)	(234)
<b>At 31 July 2019</b>	<b>249</b>	<b>2,516</b>	<b>28,460</b>	<b>31,225</b>	<b>548</b>	<b>333</b>	<b>881</b>

Deferred pension obligations are covered in more detail in note 21.

The provision for redundancy has been provided for expected early retirement costs to be incurred in 18/19.

Part time credit claw back provision is established to allow for the repayment to HEFCW of unused allocated funding for the 2016/17 and 2017/18 years, the utilisation in year relates to the repayment to HEFCW of 2014/15 and 2015/16 unused funding.

The timing of payments in relation to the above is uncertain but indications are that cash outflows could arise during 2018/19.

#### Pension enhancement

The assumptions for calculating the provision for pension enhancements on termination under FRS 102, are as follows:

	Consolidated
Discount rate	5.10
Inflation	3.10

#### USS deficit

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

# Notes to the Accounts

## Year Ended 31 July 2019

### 18 Cash and cash equivalents

	At 1st August 2018 £'000	Cash Flows £'000	At 31st July 2019 £'000
Consolidated			
Cash and cash equivalents	4,117	474	4,591
	<u>4,117</u>	<u>474</u>	<u>4,591</u>

### 19 Lease obligations

#### Total rentals payable under operating leases:

	Land and Buildings £'000	Plant and Machinery £'000	31 July 2019 Total £'000	31 July 2018 Total £'000
Payable during the year	-	6	6	247
<b>Future minimum lease payments due:</b>				
Not later than 1 year	30	6	36	36
Later than 1 year and not later than 5 years	120	18	138	144
Later than 5 years	2,820	-	2,820	2,820
<b>Total lease payments due</b>	<u>2,970</u>	<u>24</u>	<u>2,994</u>	<u>3,000</u>

#### Total rentals payable under financing leases:

	31 July 2019 IT Lease £'000	31 July 2018 IT Lease £'000
Payable during the year	92	102
<b>Future minimum lease payments due:</b>		
Not later than 1 year	43	102
Later than 1 year and not later than 5 years	68	88
Later than 5 years	-	-
<b>Total lease payments due</b>	<u>111</u>	<u>190</u>

#### Total rental receivable under financing leases:

	Consolidated and University			
	Asset receipt £'000	Interest receipts £'000	31 July 2019 Total lease receipts £'000	31 July 2018 Total lease receipts £'000
Racecourse Stadium / Colliers Park Leases				
Receiveable during the year	-	100	100	100
<b>Future minimum lease receipts due:</b>				
Not later than 1 year	-	130	130	130
Later than 1 year and not later than 5 years	-	520	520	520
Later than 5 years	1,652	10,268	11,920	12,020
<b>Total lease receipts due</b>	<u>1,652</u>	<u>10,918</u>	<u>12,570</u>	<u>12,670</u>

As at 4th June 2018 the University entered into a development agreement and 99 year full repairing finance lease with the Football Association of Wales to lease Colliers Park training ground. The training ground asset has been removed from fixed assets and is now represented above. The lease has an implicit interest rate of 9.9% with annual payments of £30,000 over the 99 year term. The present value of total lease payments is £302.4k.

As at 1st August 2016 the University entered into a 99 year full repairing finance lease with WST Assets Limited, Wrexham AFC Limited and Wrexham Football Supporters Society Limited to lease The Racecourse football stadium. The stadium asset has been removed from fixed assets and is now represented above. The lease has an implicit interest rate of 7.4% with annual payments of £100,000 over the 99 year term. The present value of total lease payments is £1,350k.

# Notes to the Accounts

## Year Ended 31 July 2019

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### 20 Subsidiary undertakings

The subsidiary companies (all of which are registered in England & Wales), wholly-owned or effectively controlled by the University, are as follows:

<b>Company</b>	<b>Principal Activity</b>	<b>Status</b>
Glyndwr Innovations Ltd	Consultancy, commercial technical contracts, incubation	100% owned
North Wales Science	Science discovery centre	Limited by guarantee

All of the above subsidiaries operate to the same financial year end as the University.

During the previous year Optic Glyndwr Limited was closed. The associated intercompany balances which remained following their closure with Glyndwr University were impaired in year. This impacted on the 2017-18 University accounts with an in year benefit of £101k for Optic Glyndwr Limited. There was no in year impact to the Group accounts due to impairment following removal on consolidation.

A new wholly-owned subsidiary, Glyndwr Services Limited was incorporated on 1st August 2019. The principal activity of the company is private security activities and combined facilities support activities.

# Notes to the Accounts

## Year Ended 31 July 2019

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### 21 Pension Schemes

Retirement benefits for employees of the University are provided by defined benefit schemes which are funded by contributions from the University and employees.

Payments are made to the Teachers' Pension Scheme (TPS) for academic and related staff, the Local Government Pension Scheme (LGPS) for non-academic staff and the Universities Superannuation Scheme for pre-existing members. These are all independently administered schemes.

The total pension cost for the period was £4,307k (2018- £4,167k). The expected costs for 2019/20 for the LGPS are £2,060k finance charge and £2,016k contributions in addition to contributions to TPS and USS schemes.

#### (i) Teachers Pension Scheme

##### The Teachers' Pension Budgeting and Valuation Account

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

##### Valuation Of The Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

# Notes to the Accounts

## Year Ended 31 July 2019

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### 21 Pension Schemes

#### **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 case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

#### **(ii) The Universities Superannuation Scheme**

The institution participates in Universities Superannuation Scheme. The scheme is a hybrid pension scheme, providing defined benefits (for all members), as well as defined contribution benefits. The assets of the scheme are held in a separate trustee-administered fund. Because of the mutual nature of the scheme, the assets are not attributed to individual institutions and a scheme-wide contribution rate is set. The institution is therefore 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. As required by Section 28 of FRS 102 "Employee benefits", the institution therefore accounts for the scheme as if it were a wholly defined contribution scheme. As a result, the amount charged to the profit and loss account represents the contributions payable to the scheme. Since the institution has entered into an agreement (the Recovery Plan) that determines how each employer within the scheme will fund the overall deficit, the institution recognises a liability for the contributions payable that arise from the agreement (to the extent that they relate to the deficit) and therefore an expense is recognised.

# Notes to the Accounts

## Year Ended 31 July 2019

### 21 Pension Schemes

#### (ii) The Universities Superannuation Scheme (continued)

##### Critical accounting judgements

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

##### Pension Costs

The total cost charged to the profit and loss account is £208,703 (2018: £1,764 ) as shown in notes 6 and 7.

The latest available complete actuarial valuation of the Retirement Income Builder is at 31 March 2017 (the valuation date), which was carried out using the projected unit method. A valuation as at 31 March 2018 is underway but not yet complete.

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

The 2017 valuation was the fourth valuation for the scheme under the scheme-specific funding regime introduced by the Pensions Act 2004, which requires schemes to adopt a statutory funding objective, which is to have sufficient and appropriate assets to cover their technical provisions. At the valuation date, the value of the assets of the scheme was £60.0 billion and the value of the scheme's technical provisions was £67.5 billion indicating a shortfall of £7.5 billion and a funding ratio of 89%.

Due to the small number of members the University has in the scheme an indicative estimate of the crystallisation of the Section 75 debt was sought from USS. Estimated Section 75 debt as at 31 July 2019 - Glyndwr University's proportion of the whole scheme debt; i.e. 0.00521% of £64.0bn was £3.3m.

The key financial assumptions used in the 2017 valuation are described below.

Pension increases (CPI) Term dependent rates in line with the difference between the Fixed Interest and Index Linked yield curves, less 1.3% p.a.

Discount rate (forward rates)

Years 1-10: CPI – 0.53% reducing linearly to CPI – 1.32%

Years 11-20: CPI + 2.56% reducing linearly to CPI + 1.7% by year 21

Years 21 +: CPI + 1.7%

The main demographic assumption used relates to the mortality assumptions. These assumptions are based on analysis of the scheme's experience carried out as part of the 2017 actuarial valuation. The mortality assumptions used in these figures are as follows:

	2019	2018
Mortality base table	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Pre-retirement:</u> 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.	<u>Pre-retirement:</u> 71% of AMC00 (duration 0) for males and 112% of AFC00 (duration 0) for females. <u>Pre-retirement:</u> 96.5% of SAPS S1NMA "light" for males and 101.3% of RFV00 for females.
Future improvements to mortality	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.	CMI_2016 with a smoothing parameter of 8.5 and a long term improvement rate of 1.8% pa for males and 1.6% pa for females.

The current life expectancies on retirement at age 65 are:

	2019	2018
Males currently aged 65 (years)	24.6	24.5
Females currently aged 65 (years)	26.1	26.0
Males currently aged 45 (years)	26.6	26.5
Females currently aged 45 (years)	27.9	27.8

A new deficit recovery plan was put in place as part of the 2017 valuation, which requires payment of 5% of salaries over the period 1 April 2020 to 30 June 2034. The 2019 pension liability provision reflects this plan. The provision figures have been produced using the following assumptions as at 31 March 2018 and 2019.

	2019	2018
Discount rate	2.44%	2.64%
Pensionable salary growth	n/a	n/a
Pension increases (CPI)	2.11%	2.02%

# Notes to the Accounts

## Year Ended 31 July 2019

### 21 Pension Schemes (continued)

#### (iii) LGPS

#### (Retirement Benefits) Disclosure for the accounting period ending 31 July 2019

The following information is based upon the last formal triennial actuarial valuation of the scheme was performed as at 31 March 2016 and updated at 31 July 2019 by an independent qualified actuary.

#### Assumptions

The financial assumptions used to calculate scheme liabilities under FRS102 are:

	At 31 July 2019 %pa	At 31 July 2018 %pa
Price Inflation (CPI)	2.20%	2.10%
Rate of increase in salaries	3.45%	3.35%
Rate of increase of pensions in payment for LGPS members	2.30%	2.20%
Discount rate	2.20%	2.90%

\* Excluding ex-gratia pensions for non-academics, which are subject to fixed 3% pa increases.

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

Pensioner	At 31 July 2019		At 31 July 2018	
	Non-pensioner (currently aged 45)		Pensioner	Non-pensioner (currently aged 45)
23.2 (25.7) years	25.9 (28.4) years		23.1 (25.6) years	25.7 (28.3) years

# Notes to the Accounts

## Year Ended 31 July 2019

### 21 Pension Schemes (continued)

#### Scheme assets for LGPS

	Year Ended 31 July 2019 £'000	Year Ended 31 July 2018 £'000
<b>Analysis of the amount shown in the statement of financial position for LGPS</b>		
Scheme assets	54,719	50,219
Scheme liabilities	<u>(83,179)</u>	<u>(67,768)</u>
<b>Deficit in the scheme – net pension liability recorded within pension provisions (Note 17)</b>	<b><u>(28,460)</u></b>	<b><u>(17,549)</u></b>
Current service cost	2,000	2,198
Administration expenses	81	80
Past service cost (loss)	625	-
Effect of curtailments	<u>-</u>	<u>-</u>
Total operating charge:	<b><u>2,706</u></b>	<b><u>2,278</u></b>
<b>Analysis of the amount charged to interest payable/credited to other finance income for LGPS</b>		
Interest cost	1,949	1,794
Expected return on assets	(1,469)	(1,205)
Interest on net deficit	<u>-</u>	<u>-</u>
<b>Net charge to other finance income</b>	<b><u>480</u></b>	<b><u>589</u></b>
<b>Total profit and loss charge before deduction for tax</b>		
<b>Analysis of other comprehensive income for LGPS :</b>		
Gain on assets	(2,273)	(2,447)
Experience loss on liabilities	-	-
Loss/(gain) on liabilities	11,983	(4,511)
<b>Total other comprehensive income before deduction for tax</b>	<b><u>9,710</u></b>	<b><u>(6,958)</u></b>

# Notes to the Accounts

## Year Ended 31 July 2019

### 21 Pension Schemes (continued)

	At 31-Jul 2019 £'000	At 31-Jul 2018 £'000
<b>Cumulative actuarial loss recognised as other comprehensive income for LGPS</b>		
Cumulative actuarial gains recognised at the start of the year	6,958	7,091
Cumulative actuarial losses recognised at the end of the year	(2,752)	6,958
<b>Analysis of movement in surplus/(deficit) for LGPS</b>		
<b>Deficit at beginning of year</b>	<b>(17,549)</b>	<b>(23,614)</b>
Contributions or benefits paid by the University	1,985	1,974
Current service cost	(2,000)	(2,198)
Administration expenses	(81)	(80)
Curtailments	(625)	-
Other finance charge	(480)	(589)
(Loss)/gain recognised in other comprehensive income	(9,710)	6,958
<b>Deficit at end of year</b>	<b>(28,460)</b>	<b>(17,549)</b>
	<b>Year to 31 July 2019 £'000</b>	<b>Year to 31 July 2018 £'000</b>
<b>Analysis of movement in the present value of LGPS</b>		
<b>Present value of LGPS at the start of the year</b>	<b>67,768</b>	<b>69,671</b>
Current service cost (net of member contributions)	2,000	2,198
Interest on member liabilities	1,949	1,794
Curtailments	-	-
Actual member contributions (including notional contributions)	474	474
Past service cost (McCloud)	625	-
Actuarial loss	11,983	(4,511)
Actual benefit payments	(1,620)	(1,858)
<b>Present value of LGPS at the end of the year</b>	<b>83,179</b>	<b>67,768</b>
	<b>Year to 31 July 2019 £'000</b>	<b>Year to 31 July 2018 £'000</b>
<b>Analysis of movement in the fair value of scheme assets</b>		
<b>Fair value of assets at the start of the year</b>	<b>50,219</b>	<b>46,057</b>
Interest on plan assets	1,469	1,205
Administration expenses	(81)	(80)
Remeasurements (assets)	2,273	2,447
Actual contributions paid by University	1,985	1,974
Actual member contributions (including notional contributions)	474	474
Actual benefit payments	(1,620)	(1,858)
<b>Fair value of scheme assets at the end of the year</b>	<b>54,719</b>	<b>50,219</b>

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

The University Group acts as guarantor for the LGPS payments of those staff that were transferred during the year, under

### 22 Events after the reporting period

As at the signing date of these accounts, the management are not aware of any events after the reporting period which would materially change the results for the period 1st August 2017 to 31st July 2018.

A new wholly-owned subsidiary, Glyndwr Services Limited was incorporated on 1st August 2019. The principal activity of the company is private security activities and combined facilities support activities.

#### USS 2017 and 2018 recovery plans

The University has accounted for the USS Pensions 2017 recovery plan in these 2018-19 financial statements based on the agreed valuation and repayment plan at the 31st July 2019.

The 2017 valuation and recovery plan has resulted in a movement in provision in 2018-19 of £(144,565)

The 2018 valuation and recovery plan has now been completed and this would result in a movement in provision of £(57,513). As a result of this improvement in position, a benefit of £87,052 will be reported in the Group & University SOCIE for 2019-20.

# Notes to the Accounts

## Year Ended 31 July 2019

### 23 Related party transactions

Due to the nature of the University's operations and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the Board of Governors may have an interest.

All transactions involving organisations in which a member of the Board of Governors, their closely related family members or dependants may have an interest are conducted at arm's length and in accordance with the University's financial regulations and normal procurement procedures. All members of the Board of Governors and senior post holders are required annually to declare any interests and disclose all related party transactions, where appropriate.

Included within the financial statements are the following transactions with related parties :

	Income £'000	Expenditure £'000	Balance at 31 July 2019 £'000
<b>Deeside Business Forum Ltd</b>	0.0	0.2	0.0
Unit 108, 10th Avenue, Deeside Industrial Park, Deeside, Flintshire, CH5 2UA			
<b>Comtek Network Systems Ltd</b>	(1.0)	0.0	0.0
Unit 108, 10th Avenue, Deeside Industrial Park, Deeside, Flintshire, CH5 2UA			
<b>BI Wales</b>	0.0	3.0	0.0
2 Caspian Way, Cardiff CF10 4DQ			
<b>Energy Institute</b>	0.0	1.0	0.0
61 New Cavendish St, Marylebone, London W1G 7AR			
<b>Wrexham County Borough Council</b>	(6.2)	138.8	(2.2)
The guildhall, Wrexham, LL11 1AY			
<b>Do-Well Ltd</b>	0.0	52.8	0.0
Casa Old School House Lane, Winwick, Warrington, Cheshire, WA2 8SQ			
<b>Chartered Institute of Public Finance and Accountancy</b>	0.0	0.1	0.0
77 Mansell Street, London E1 8AN			
<b>Wrexham Glyndwr's Students' Union</b>	(0.4)	319.5	(31.0)
Wrexham Glyndwr University Plas Coch, Mold Road, Wrexham, Wales, LL11 2AW			
<b>Federation of Small Businesses (FSB)</b>	(0.2)	0.0	(0.3)
Sir Frank Whittle Way, Blackpool Business Park, Blackpool, Lancashire, FY4 2FE			
<b>University of Chester</b>	0.0	26.2	0.0
Parkgate Road, Chester, CH1 4BJ			
<b>Llangollen International Musical Eisteddfod</b>	0.1	0.0	0.0
Royal International Pavilion, Abbey Rd, Llangollen LL20 8SW			
<b>St Kentigern Hospice</b>	(6.2)	0.0	0.0
Upper Denbigh Road, St Asaph, Denbighshire, LL17 0RS			
<b>Airbus</b>	(2.6)	21.0	22.2
Pegasus House Aerospace Avenue, Filton, Bristol, BS34 7PA			
<b>Transport for Wales</b>	(0.1)	0.0	0.0
South Gate House, Wood Street, Cardiff, CF10 1EW			