



colegceredigion

COLEG CEREDIGION
(a company limited by guarantee)

ANNUAL REPORT

FOR THE YEAR ENDED 31 JULY 2018

Company registration no: 08725643

Charity registration no: 154557



Coleg Ceredigion

Annual report for the year ended 31 July 2018

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Coleg Ceredigion

PUBLIC BENEFIT STATEMENT

Charitable Objectives

The College's objective is to provide for the public benefit in the United Kingdom and elsewhere further and higher education and (subject to any consultation with any relevant local authority) secondary education (as defined in each case in section 18(1) of the Further and Higher Education Act 1992 (or any replacement thereof).

In making decisions the trustees have had due regard to public benefit guidance.

Fulfilment of the charitable objectives

Beneficiaries

The beneficiaries are appropriate to the aims as the students in the further, higher and secondary education sector (a sufficient sector of the public to meet the public benefit test) are the direct beneficiaries.

Admissions

The College operates an inclusive admissions policy. However some programmes have specific entry requirements which are reviewed annually and published in the College prospectus.

Student Support/Bursaries/Scholarships

Students at the College are entitled to apply for various packages of support and funding in the same way as anyone studying in further or higher education in Wales.

Further education students between the ages of 16 and 19 can apply for the Education Maintenance Allowance and students who are 19 + can apply for an Assembly Learning Grant. Other bursaries are also available within the College for further and higher education students subject to eligibility.

Financial Contingency Funds are also available within the College which students can apply for to support their studies.

Widening Participation

The College has a broad range of academic and vocational education and training programmes. These range from pre-entry to level 5. It also provides for 14-16 school pupils who attend the College and adult learners. The College delivers across two campuses and in the workplace.

Community Engagement

The College offers other facilities that are available to staff, students and members of the public.

By order of the Board

Signature

Date:


6/12/18

Ms Maria Stedman
Director and Chair

Coleg Ceredigion

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2018

The directors present their strategic report for the year ended 31 July 2018.

Mission

The College's mission as approved by the Board is:

'To be excellent – the College of choice'

Background

Coleg Ceredigion Further Education Corporation was established under the Further Education and Higher Education Act 1992 for the purpose of conducting education and training at Coleg Ceredigion, which is a bilingual further education college with campuses at Aberystwyth and Cardigan.

On 31 December 2013 the Coleg Ceredigion Further Education Corporation (Dissolution) Order 2013 came into force. This order dissolved the further education corporation previously established and transferred all of its properties, rights and liabilities to the new Coleg Ceredigion Company (incorporated on 9 October 2013). The Coleg Ceredigion (Designated Institutions in Further Education) Order 2013 came into force on the same day establishing a new College conducted by a registered company, limited by guarantee. This new Coleg Ceredigion company was a wholly owned subsidiary of University of Wales: Trinity Saint David up until the 1st of August 2017 when ownership transferred to Coleg Sir Gar, another subsidiary of University of Wales: Trinity Saint David

Principal activities

The principal activities of the College are the provision of conducting education and training, within a rural, bilingual further education college situated on campuses in Aberystwyth and Cardigan.

The distance between the two campuses is 40 miles. The college's main catchment area is the county of Ceredigion but the college also attracts a considerable number of students from parts of Pembrokeshire, Carmarthenshire and Powys.

The College has an annual turnover of around £6m and employs 175 staff of whom 68 are employed on a full-time basis. Each year, over 900 learners enrol at the college. This total includes 613 full-time learners, with the majority being school leavers from the ten secondary schools in the college's catchment area (the seven secondary schools in Ceredigion together with the secondary schools located in Machynlleth, Newcastle Emlyn and Crymych).

Ceredigion's population, according to the 2011 census is 75,922. With 43 people per square kilometre, the area is less densely populated than Wales as a whole. In keeping with the rest of Wales 15.7% of the population in the area is of retirement age. The number of 16-19 year olds in the county is projected to decrease significantly over the next 15 years. Consequently, the college takes careful account of this demographic trend in all its decision-making in relation to the college curriculum. According to the 2011 Census 47% of the population in Ceredigion are Welsh speakers, compared with 19% across Wales.

Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

The County

The population is scattered throughout the small towns, villages and hamlets of the county. Aberystwyth is by far the largest town, with a resident population of over 18,000, which increases to approximately 25,000 during university term time. The next largest towns are Cardigan with a population of 4,000 and Lampeter with a resident population of 2,000, which also increases during university term time. The fourth largest town is Aberaeron with a population of 1,500. Coleg Ceredigion's campuses are therefore located in the two largest towns in the county.

Ceredigion is poorly served by public transport. Some main routes have an adequate bus service but public transport is a challenge for many communities. Many learners would not be able to attend Coleg Ceredigion were it not either for their own private transport or for the bus service.

Strategic Vision

Our culture: to be an innovative bilingual College where excellence is achieved and the wellbeing of our learners and staff is at the heart of everything we do.

Our service: to be a College within the Dual Sector University, rooted in our community, that works in partnership with key stakeholders and offers an inspirational curriculum and learner experience.

Our delivery: to achieve innovation and excellence in teaching and learning, that facilitates skills development, progression and employment for our learners.

Our resource: to provide and invest in resources to achieve excellence for learners and staff, while ensuring a strong financial performance.

Strategic Aims

Our Culture

- To ensure learners are the focus of our College.
- To inspire our learners and provide them with an enjoyable and life enriching experience.
- To be a safe and caring College, that promotes equality and diversity, supporting learners from a wide range of backgrounds, ages and ability.
- To promote a culture of respect, environmental awareness and an ethos of global citizenship.
- To promote the Welsh language, a Welsh ethos and a bilingual culture within our College.

Our Service

- To achieve excellent results, progression and employment for our learners.
- To develop learners' skills up to world class standards.
- To deliver a broad range of services, inclusive of 14-19, FE, HE, WBL, ACL, international and commercial training.
- To be responsive to stakeholder needs and contribute to regeneration.
- To develop and sustain effective employer engagement and value adding partnerships.
- To contribute fully to the UWTSD Group, for the benefit of all our learners.

Our Delivery

- To achieve and value excellence in Teaching and Learning.

Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

- To achieve innovation and excellence in all our activities.
- To provide inspirational leadership and governance.
- To secure the highest levels of motivation and team working.
- To ensure access to high quality information to inform our decision making.
- To maintain clarity in communication and consistency in policy, procedure and practice.

Our Resource

- To value and invest in our staff.
- To promote a safe and healthy learning and working environment.
- To create an inspiring physical resource, that embraces modern technology and provides excellent learning and social experiences.
- To minimise the environmental impact of our physical resource.
- To secure diversified income streams.
- To achieve value for money and financial surpluses in order to re-invest in the future of our learners.

FINANCIAL PERFORMANCE

The College's financial objectives are:

- to achieve an annual operating surplus (defined as surplus before FRS 102 non cash pension costs) and positive cash flow
- to diversify income streams and reduce reliance on core funding
- to generate sufficient levels of cash to support the asset base of the College
- to ensure a healthy short term liquidity position
- to fund continued capital investment

The Statement of Comprehensive Income for the period is set out on page 27. The highlights for the period in relation to these are detailed below.

- Total income for the period has increased to £6 million (2018: £5.6 million). Maintaining a significant level of turnover reflects the continued success of the College at further and higher education.
- Staff costs as a percentage of total income decreased from 77% to 72%. The average number of staff employed reduced by 5. Other operating expenses increased as a percentage of total income from 20% to 22%.
- The loss for the year was £148,000 (2017: £360,000 loss).
- The liquidity position remains constant, with the ratio of short-term assets to creditors falling due within one year standing at almost 1.0 (2017: 0.9).
- Net assets have increased from £0.6 million to £1.8 million. Net assets, excluding defined benefit obligations have increased from £2.4 million to £2.5 million. For further details on the accounting standards under which these financial statements are prepared, see the Statement of Principal Accounting Policies and Estimation Techniques on page 31.
- Specific capital grants were applied in line with the College's Strategic Plan towards enhancing effectiveness and providing a quality learning environment.
- The provision for enhanced pensions was reviewed during the period and the balance required at 31 July 2018 has been estimated at £413,000 (2017: £432,000)

Coleg Ceredigion

STRATEGIC REPORT FOR THE PERIOD ENDED 31 JULY 2018 (continued)

Treasury policies and objectives

Treasury management is the management of the College's cash flows, banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

The College has a separate treasury management policy in place.

Short term borrowing for temporary revenue purposes is authorised by the Accounting Officer. All other borrowing requires the authorisation of the Corporation and shall comply with the requirements of the Financial Memorandum.

Cash flows, liquidity and reserves policy

At £0.5 million the net cash flow from operating activities, has improved by £0.6 m from the position in 2017 (Outflow £0.1m). Overall cash balances increased by £ 0.53m (from £0.262m to £0.792m). The College wishes to continue to accumulate cash balances to fund future capital developments. To achieve this, the College has continued its drive for efficiency in the education and training it delivers. This has been, and will be, achieved by thoroughly reviewing its curriculum provision, effective deployment of resources, and best value procurement of goods and services. In addition, the College continues to seek and develop other sources of income. Significant re-investment into the College estate and plant and equipment ensures that learners have quality provision to aid in their educational process.

Curriculum Development and Enrichment

There is a wide-ranging curriculum that meets learners' aspirations. The curriculum is flexible and facilitates progression. It is offered in a variety of modes to suit learners' needs. There is a strong vocational focus at the College.

The curriculum is formulated and reviewed in partnership with the College's stakeholders, RSLP, employers, schools, adult community learning and University of Wales: Trinity Saint David. The College has a Curriculum and Quality Committee, reporting to the Board's Advisory Body for Curriculum and Standards. This provides a focus for discussion on curriculum and quality policy and development matters.

The curriculum ranges from pre-entry to higher education level, providing a service to much of the learning community. The College offers further education, adult and community learning, higher education, work-based learning, online learning and commercial training. The College also provides for large numbers 14-19 school pupils who attend the College.

A range of options are available at all levels which offer diversity and choice to learners. Almost the entire curriculum offered by the College is accredited, providing opportunities for learners to attain formal qualifications.

A range of further accredited provision is provided to learners to support learning. Learners also engage in a wide range of activities that enrich their study including work-related experiences, live projects, educational visits, overseas visits, environmental work, visiting speakers, community arts, voluntary work and fundraising.

Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

Partnership and Transformation

The College has excellent partnership arrangements which contribute to an enhanced curriculum and learning experience.

From 31st December 2013, the College became part of the University of Wales: Trinity Saint David group, maximising opportunities for learners and sharing information, expertise and resources. On the 1st of August 2017, ownership was transferred to Coleg Sir Gar, also a subsidiary of University of Wales: Trinity Saint David

The college has played a leading role in developing Partnerships with a broad range of partners within Ceredigion and on a regional level. Some of this work is undertaken in networks such as the 14-19 Network, Growing Mid Wales Partnership, Regional Learning Partnership, and the Ceredigion ACL Partnership. Some work is with a range of FE and HE institutions, the B-WBL Work-based Learning Consortium, voluntary, statutory and specialist agencies, the local economic and the Regeneration Partnership.

Quality and Standards

Further Education performance measures (latest available figures)

Successful completion at CC is unsatisfactory at 80% and is well below the national comparator of 87%.

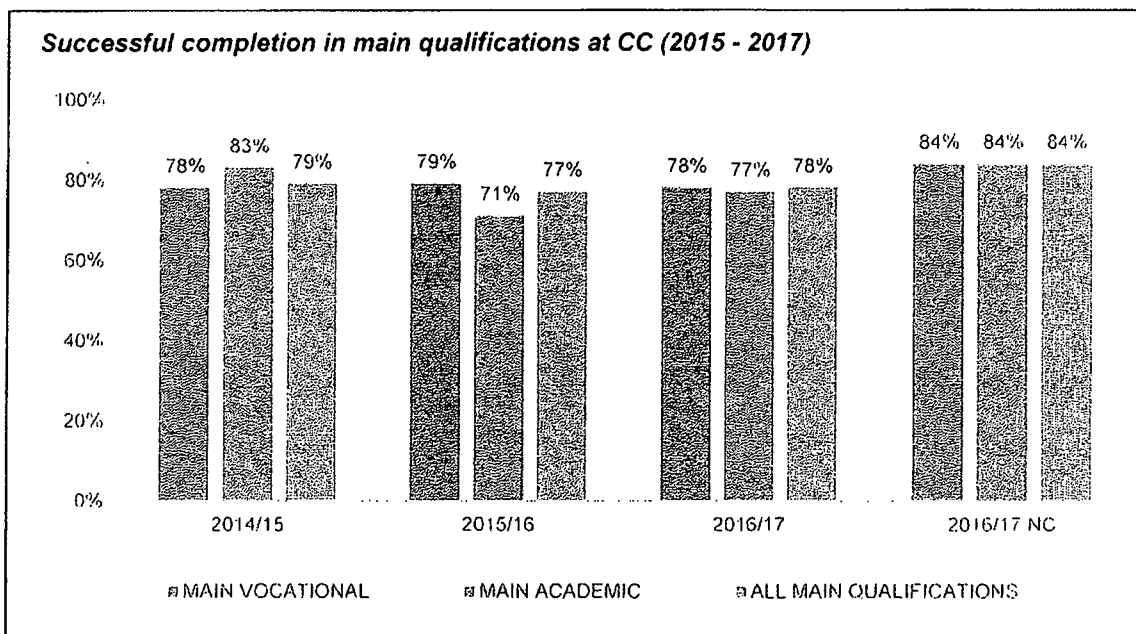
Successful completion at CC (2015 – 2017)	2014/15	2015/16	2016/17
All Sectors	81%	81%	80%
Retail and Commercial Enterprise	88%	82%	80%
Engineering and Manufacturing Technologies	88%	79%	88%
Languages, Literature and Culture	81%	81%	97%
Preparation for Life and Work	76%	85%	88%
Construction, Planning and the Built Environment	83%	82%	84%
Information and Communication Technology	79%	78%	81%
Arts, Media and Publishing	68%	71%	76%
Education and Training	80%	80%	75%
Science and Mathematics	75%	73%	73%
Health, Public Services and Care	83%	80%	69%
Business, Administration and Law	75%	80%	80%

Successful completion in all main academic and vocational qualifications at CC is unsatisfactory at 77% and 78% respectively, and are well below the national comparators of 84%. However, Quality Development Plans are now in place for all curriculum areas with targets for course teams to improve successful completion to national comparators for the 2018-19 year.

Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)



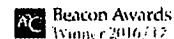
The College delivers qualifications in eleven main Sector Subject Areas (SSAs). Five of its SSAs are performing within the upper sector quartiles and one in the third quartile. Five SSAs (Information and Communication Technology; Arts, Media and Publishing; Science and Mathematics; Health, Care and Public Services; and Business, Administration and Law; and are in the fourth quartile. Improving standards at CC is a strategic priority for the FE Group and interventions have already commenced with an internal quality area review in Health, Care and Public Services; and Business, Administration and Law in May 2018. These findings underpin the quality improvement plans in both areas.

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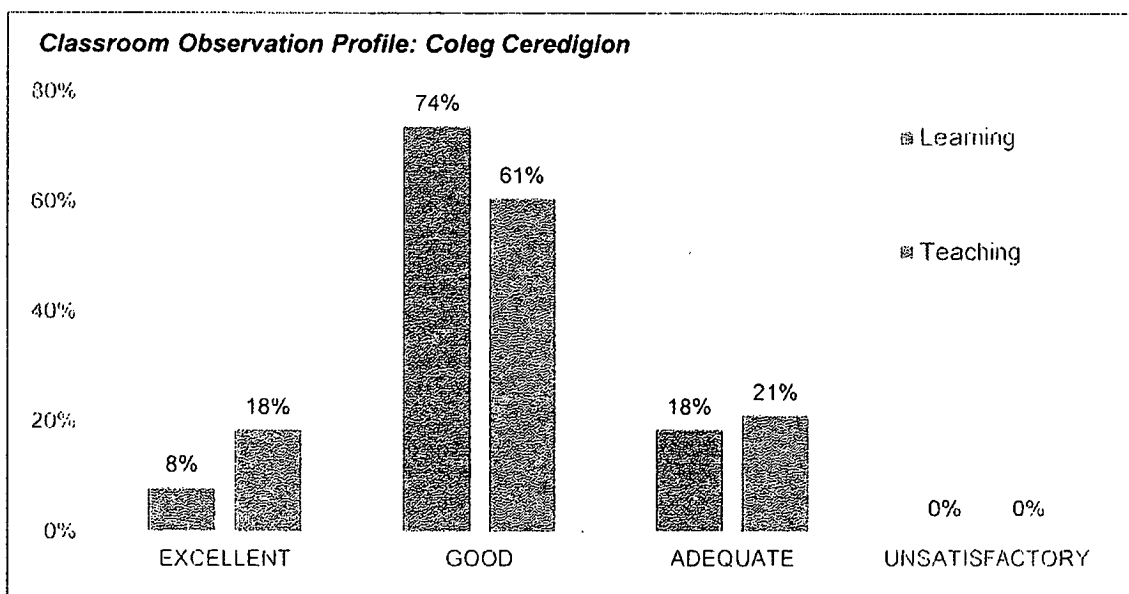
STRATEGIC REPORT FOR THE PERIOD ENDED 31 JULY 2018 (continued)

Quality of Teaching and Learning

The College is participating in a Professional Development Excellence Pathway developed by Coleg Sir Gar (recognised in 2016-17 with a National Association of Colleges Beacon Award).



This project focuses on improving the professional practice of teachers. Fundamental to the process is each teacher undertaking a self-assessment of their performance against key performance criteria. This in turn leads to a teaching profile that indicates bespoke areas for staff development. Attendance at staff development is high and after a period of implementation, self-assessment is undertaken once again. The project has demonstrated that the College has made an overall improvement in teaching and learning standards. The project is Quality assured at all levels.



The outcomes from the 2017/18 cycle of observations are good with 82% of observed sessions graded as good or excellent for 'learning', and 79% for 'Teaching'. Those members of staff graded as adequate have been referred to the College's Teaching and Learning Mentor for support. This Mentor also provides excellent support and tailored training to new members of staff, and PGCE students. Excellence in teaching is highly valued and celebrated through an annual teaching and learning award ceremony.

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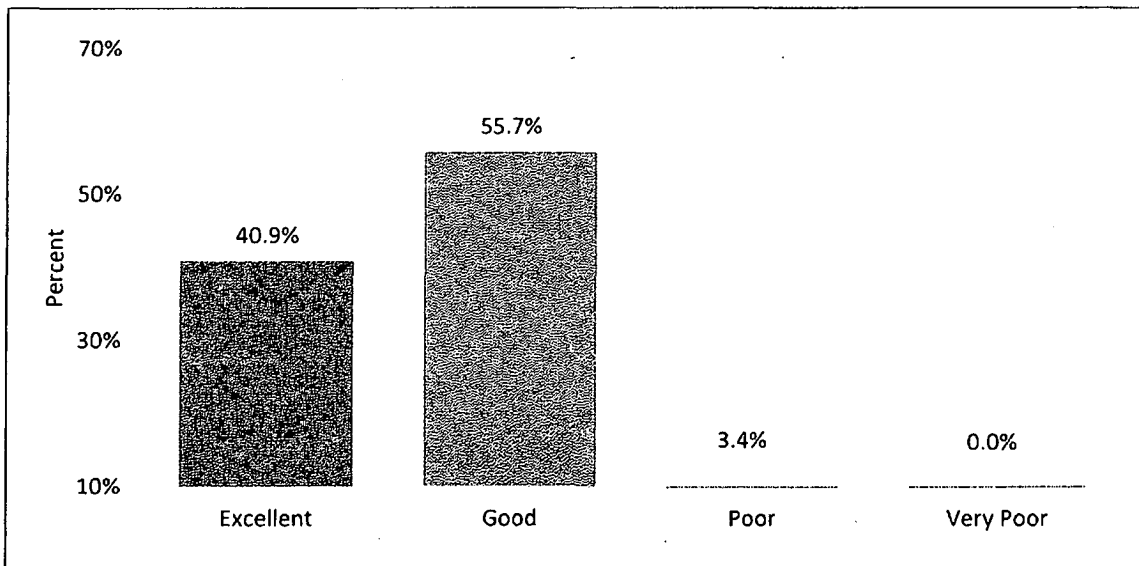
STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

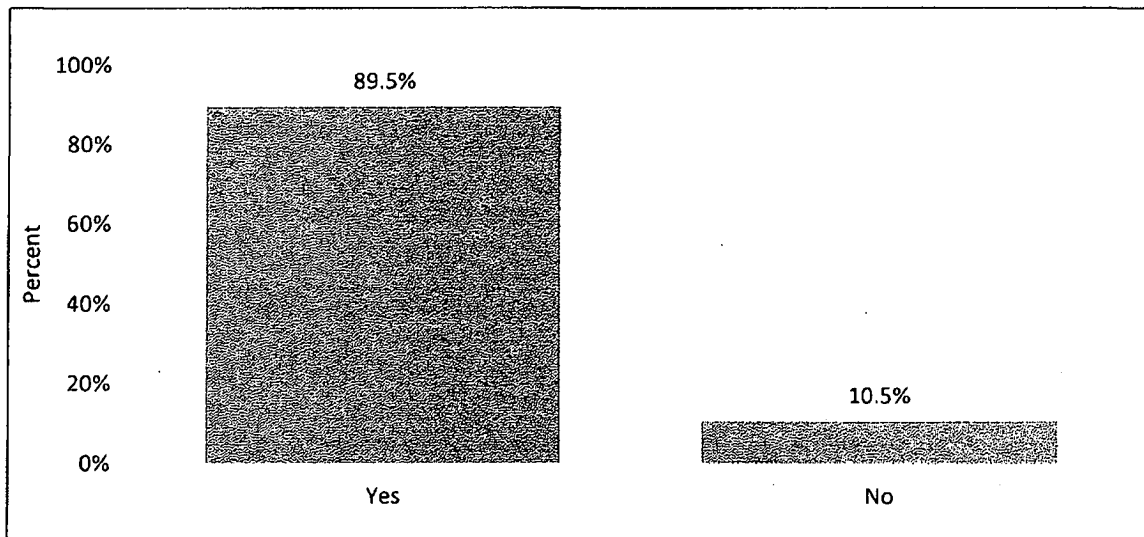
Learner Voice (Further Education)

Learner Voice is an integral process within the College's annual quality improvement calendar. Learner perception of the College is positive with 97% of respondents in the 2018 learner voice survey rating the College as being good or excellent, whilst 89% of respondents stating that they would recommend the College to others.

How do you rate the College?



Would you recommend the College to family and friends?



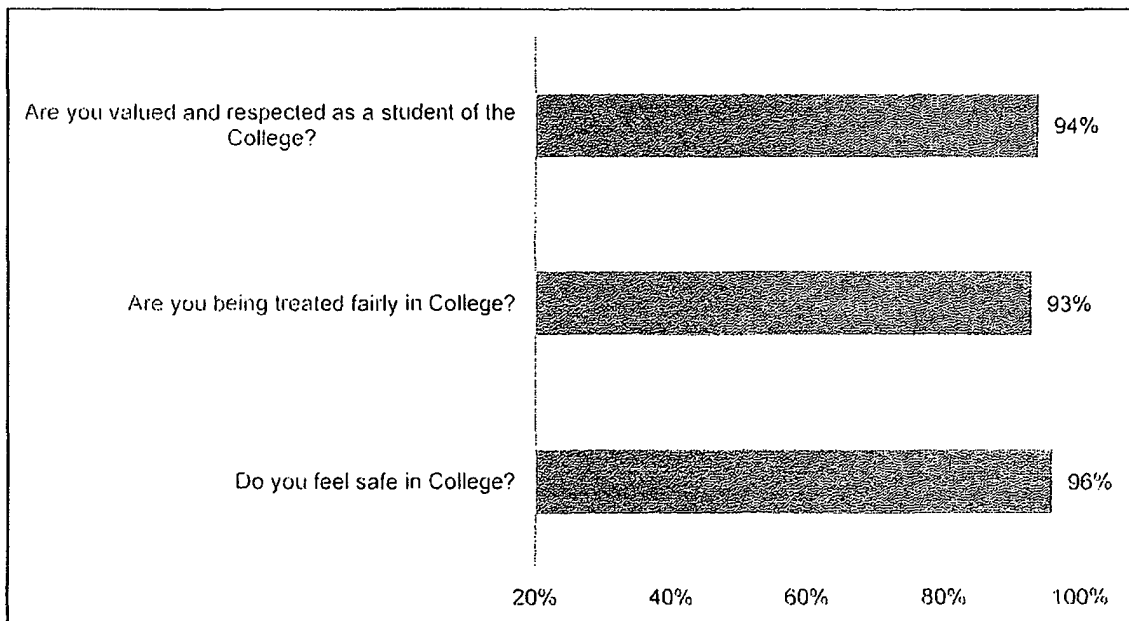
Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

Health and Wellbeing of Learners

The College is committed to providing a healthy environment to improve the wellbeing of all students and staff. Learners feel valued, safe and are treated fairly. Through the Learner Voice process and internal inspections, learners have identified no issues or concerns regarding health and safety at the College.

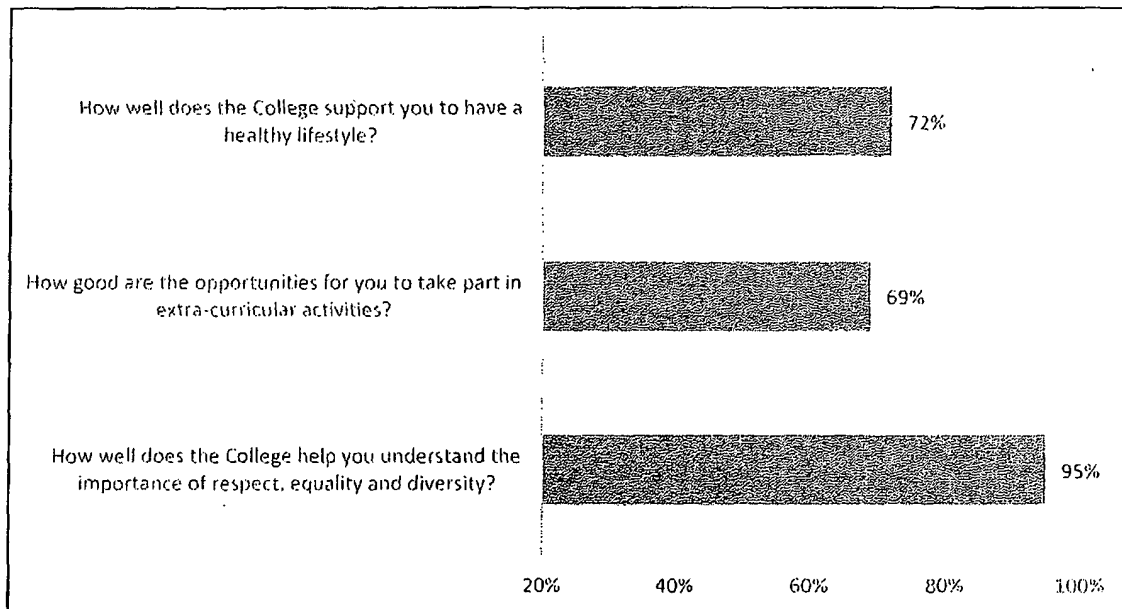


The College has implemented an excellent 'Respect' campaign to promote an ethos of tolerance, equality and diversity across all campuses. The campaign has effectively raised awareness among learners and staff through a wide range of media and activities that are prominently displayed throughout the campuses.

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STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)



Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

Capital Investment and Accommodation

The College was invited to bid into funds made available by Welsh Government in 2016-17 under the 21st Century Schools and Education Programme; namely:

- 1) Skills Equipment and Information Technology

The College received approval for an award of £314,000 FE skills equipment grant to fund a wide range of industry standard equipment. Expenditure will occur during 2018/19.

The Future

The College sees a strong future for itself as part of the FE Group, with Coleg Sir Gar, and part of the wider University of Wales: Trinity Saint David ("UWTSD") Dual Sector University. It has made a commitment to continuing to offer a strong further education provision across the county.

A number of key challenges face the College over the next few years, including:

- Continued integration of Coleg Ceredigion into Coleg Sir Gar
- Continuing its improvement in learner outcomes
- Improving teaching and learning
- The development of the Welsh Baccalaureate Qualification
- Developing more Welsh medium provision
- Realising the benefits from merger for learners, staff and the wider community
- Developing a diversified curriculum portfolio across a range of sectors
- Developing more commercial training and international work
- Developing strategies to cope with reductions in further education funding
- Improving and developing its estate in partnership with UWTSD and the County Council

Coleg Ceredigion

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

Principal Risks and Uncertainties

The College operates a strong risk management and internal control framework as described in the corporate governance statement below. This is supported by a specific risk management programme.

The Audit and Risk Management committee undertakes a comprehensive review of all the potential risks facing the College, which are then recorded on the College's risk register and scored in accordance with a set matrix which identifies the likelihood or probability of these risks occurring, and the potential impact on the College if they materialise. The committee must then identify systems, procedures and controls which can be put in place to mitigate the risks in order to reduce the risks to a manageable or acceptable level.

Risk management is a topic covered at each meeting of the Audit and Risk Management committee, which reports its findings periodically to the Board.

An annual review is undertaken to ensure the effectiveness of the risk management system and any weaknesses identified are corrected.

Outlined below are some of the principal risks facing the College for the foreseeable future. Not all of the factors are within the College's control. Other factors besides those listed below may also adversely affect the College.

1. Reduction in real terms of government funding

The College relies on government funding, and the current climate is such that there are continuous pressures on this income stream. Although there was an increase in funding provided by Welsh Government in 2017/18, in real terms this was less than other inflationary pressures suffered by the college.

This risk is mitigated in a number of ways:

- Concerted effort, drive and focus on creating a more diversified income base;
- Specific focus on quality to ensure a high standard of delivery in all education and training endeavours;
- Working closely with Coleg Sir Gar and the UWTSD group to harmonise operations and remove duplication with a view to reducing costs;
- The operation of a Business Development Unit which has a primary objective of building a sustainable commercial income stream that is not reliant on government funding;
- Focusing on priority sectors which are likely to continue to attract public funds;
- Growing and developing the College's work-based learning provision; and
- Building partnerships with schools and business

2. Failure to recruit and retain students

Demographics and a changing environment in which competition is perceived to be intensifying will invariably make it more difficult to recruit and maintain student numbers. This could have an impact on all areas of funding.

The risk is mitigated as follows:

- Partnership working with schools

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STRATEGIC REPORT

FOR THE PERIOD ENDED 31 JULY 2018 (continued)

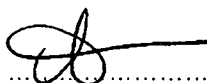
- Focused marketing effort;
- Diversified income streams;
- Partnership with local businesses and other relevant bodies;
- Ensuring high quality delivery of education and training;
- Learner support structures to ensure learners are supported for the whole journey;
- Focus on progression through the levels.

Key Performance Indicators

The College is pleased to confirm that the target of breakeven before defined benefit obligation costs has been surpassed with an actual surplus before defined benefit obligation costs of £126,000 (16/17: deficit of £99,000). The loss for the year after defined benefit obligation costs is £148,000 (loss £360,000 in 16/17), with non-cash adjustments being £274,000 (16/17: £261,000).

Student numbers remained relatively buoyant for the year, but total FE full time numbers were less than was achieved in the prior year. This was mainly due to local area demographics.

This report was approved by the board on 6/12/18 and was signed on behalf of the board by:

Signature 

Date: 6/12/18

Mrs Maria Stedman
Director

Coleg Ceredigion

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

The directors present their report and the audited financial statements of the Company for the year ended 31st July 2018.

Results and future developments

The results for the year, strategy and future developments of the Company are set out in the Strategic Report on pages 3 to 15.

Dividends

The Company is limited by guarantee. No dividends have been paid or are recommended for the year ended 31st July 2018.

Professional advisers

External auditor:	KPMG LLP, Cardiff
Internal auditors:	Mazars LLP, Bristol
Bankers:	Barclays Bank Plc, Swansea
Solicitors:	Eversheds, Hepworth & Chadwick, Cardiff

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

Directors

Mrs Maria Stedman (Chair – resigned 14/12/2017) (re appointed 04/10/18)
Mrs Allison Coleman *# (resigned 09/10/2017)
Mr Kevin Bryan *# (resigned 14/12/2017)
Mr John Edge *# (resigned 14/12/2017) (re appointed 18/10/18)
Mr Hywel Davies *# (resigned 14/12/2017)
Mrs Irfina Jones *# (resigned 14/12/2017)
Mr Barry Liles# (Principal) (resigned 18/10/18)
Mrs Mared Jones*# (resigned 14/12/2017)
Mrs Marion Phillips*# (resigned 14/12/2017)
Mr David Rogers*# (resigned 14/12/2017)
Ms Rachel Walker*# (resigned 14/12/2017)
Mr Roger Evans*# (appointed 13/12/2017) (resigned 18/10/18)
Mr Phillip Owen *# (appointed 13/12/2017) (resigned 18/10/18)
Mrs Sandra Isaac *# (appointed 13/12/2017)
Mr Eifion Griffiths (appointed 18/10/18)
Mr Andrew Cornish (appointed 18/10/18)

(* non – executive directors)
(# Trustees)

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018 (continued)

Directors' indemnities

The directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year, and remains in force as at the date of signing of these financial statements.

Payment performance

The College follows the Better Payments Practice Code in dealing with its suppliers. The four key principles of the code are:

- agree payment terms at the outset of a deal and stick to them;
- explain the payment procedures to suppliers;
- pay bills in accordance with any contract agreed with the supplier, or as required by law; and
- inform suppliers without delay when an invoice is contested and settle quickly on receiving a satisfactory response.

The Late Payment of Commercial Debts (Interest) Act 1998, which came into force on 1 November 1998, requires Colleges, in the absence of agreement to the contrary, to make payments to suppliers within 30 days of either the provision of goods or services or the date on which the invoice was received.

Estate developments

The College regularly invests in the maintenance of the estate with planned annual programmes of maintenance carried out during the summer months. Annual budgets include an allocation for such works.

During 17/18, the college carried out works on Breakout spaces for learners and improvements to the reception areas at both campuses. Total investment will be £225k

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018 (continued)

Equal opportunities

The College is committed to ensuring equality of opportunity for all who learn and work here. We respect and value positively differences in race, gender, sexual orientation, disability, religion or belief and age. We strive vigorously to remove conditions which place people at a disadvantage and we will actively combat bigotry. This policy is resourced, implemented and monitored on a planned basis.

The College's Strategic Equality Plan, although applying generally to employees, has equal relevance to disabled persons as the College would provide training, career development and opportunities for promotion which are, as far as possible, identical to those for other employees.

Stakeholder relationships

The College has many stakeholders. These include, but are not limited to:

- Students;
- Education sector funding bodies;
- Staff;
- Local employers (with specific links);
- Local authorities;
- Local Enterprise Partnerships (LEPs);
- The local community;
- Other FE institutions;
- Trade unions; and
- Professional bodies.

The College recognises the importance of these relationships and engages in regular communication with them through meetings and the College's internet site.

Staff and student involvement

The College systematically provides employees and staff with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. The committee structure provides the formal communication links with representation as appropriate from different staff employment categories and students. Employee and student involvement in the College is encouraged, as achieving a common awareness on the part of all employees and students of the financial and economic factors affecting the College plays a major role in the decision making process.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report and the Directors' Report in accordance with applicable law and regulations.

Applicable law requires the directors to prepare financial statements for each financial year. The directors have therefore prepared the financial statements in accordance with applicable law and UK Accounting Standards, including the Statement of Recommended Practice – Accounting for Further and Higher Education 2015, the Accounts Direction for 2017/18 issued by the Welsh Government, and Financial Reporting Standard 102 – the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102).

In addition, within the terms and conditions of the financial memorandum agreed between the College and Welsh Government (WG), the directors are required, through the accounting officer, to prepare financial statements for each financial period which:

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DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018 (continued)

- comply with the College's Instrument and Articles, all statutory requirements relating to the College's financial affairs, the Financial Memorandum, any other requirements of the Welsh Government, and any other regulations relating to the constitution and activities of the College which are relevant to its financial affairs;
- give a true and fair view of the state of affairs of the College, and its surplus or deficit and cash flows for that period.

In preparing the financial statements, the directors are required to:

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

The directors are responsible for keeping adequate and proper accounting records that are sufficient to show and explain the College's transactions and disclose with reasonable accuracy at any time the financial position of the College and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the College and to prevent and detect fraud and other irregularities.

In addition, within the terms and conditions of the financial memorandum agreed between the College and Welsh Government (WG), the directors are responsible for establishing and maintaining a system of controls, financial and otherwise, in order to carry on the operation of the College in an orderly and efficient manner, ensure adherence to management policies, safeguard the assets, ensure that funds have been applied for the purposes for which they were given and secure, as far as possible, the completeness and accuracy of the records.

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

Statement of disclosure of information to auditors

Each of the persons who were directors at the time when the Directors' Report was approved has confirmed that, so far as the directors are aware, there is no relevant audit information (i.e. information needed by the company's auditor in connection with preparing their report), of which the company's auditors are unaware, and the directors have taken all steps that they ought to have taken in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information.

Coleg Ceredigion

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018 (continued)

Independent auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

This report was approved by the Board on 6/12/18 and was signed on behalf of the Board by:

Mrs Maria Stedman
Director



Date: 6/12/18

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT

The Company is committed to exhibiting best practice in all aspects of corporate governance. This summary describes the manner in which the Company has applied the principles set out in the Code of Good Governance for Colleges in Wales, as issued by Colegau Cymru (Colleges Wales). Its purpose is to aid users of the financial statements to understand how the principles have been applied.

In the opinion of the directors, the Company complies with all of the mandatory provisions of the code so far as they apply to the further education sector, and it has complied throughout the year ended 31 July 2018 and up to the date of this report.

The Board of Directors

The members of the Board of Directors are listed on page 16. It is the responsibility of the directors to bring independent judgement to issues of strategy, performance, resources and standards of conduct. The Company recognises that, as a body entrusted with both public and private funds, it has a particular duty to observe the highest standards of corporate governance at all times.

The Board is provided with regular and timely information on the overall financial performance of the Company, together with other information such as performance against funding targets, proposed capital expenditure, quality matters and personnel-related matters such as health and safety and environmental issues. The Board meets four times a year.

The Company conducts its business through a number of committees. Each committee has terms of reference which have been approved by the Board. These committees are Search; Remuneration; Curriculum and Standards; Planning and Resources; and Audit and Risk Management.

The committees are comprised of directors and other advisory body members chosen via the search committee which along with the remuneration committee is comprised entirely of directors - for the knowledge, skills and experience that they bring to the respective committee. For the avoidance of doubt, the advisory body members are not directors of the Company. All decisions taken by the committees have to be subsequently formally approved by the Board.

The committees serve on an advisory basis and report directly to the Board of Directors. As a minimum, the chair of each committee will be a serving director. Details of the composition of each committee are noted under the respective heading below. Formal agendas, papers and reports are supplied to committee members and directors in a timely manner, prior to meetings. Briefings are also provided on an ad-hoc basis.

The Board has a strong and independent non-executive element and no individual or group dominates its decision making process. The Company considers that each of its non-executive members is independent of management and free from any business or other relationship, which could materially interfere with the exercise of their independent judgement.

There is a clear division of responsibility in that the roles of the Chairman (a non-executive director) and Principal (an executive director) are separate.

Appointments to the Board of Directors

Any new appointments to the Board are a matter for the consideration of the Board as a whole. The Search committee is responsible for the selection and nomination of any new member for the Board's consideration. The Board is responsible for ensuring that appropriate training is provided as required.

Search committee

Throughout the year ended 31 July 2018, the Institution's Search committee comprised four members of the Board of Directors. The committee's responsibilities are to make recommendations to the Board on the selection of directors and advisory body committee members, and on matters of governance.

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT

Remuneration committee

The Remuneration committee, comprised of three members of the Board of Directors, reviews and determines the remuneration and conditions of employment of senior post holders, including the Principal. Details of remuneration for the year ended 31 July 2018 are set out in note 7 to the financial statements.

Audit and Risk Management committee

The Audit and Risk Management committee is comprised of seven members. The committee operates in accordance with written terms of reference approved by the Board.

The Audit and Risk Management committee meets on a termly basis and provides a forum for reporting by the Institution's internal and financial statement auditors, who have access to the committee for independent discussion without the presence of Institution management. The committee also receives and considers reports from WG as they affect the Institution's business.

The Company's internal auditor monitors the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input, and report their findings to management and the Audit and Risk Management committee.

Management is responsible for the implementation of agreed audit recommendations, and internal audit undertake periodic follow-up reviews to ensure such recommendations have been implemented.

The Audit and Risk Management committee also advises the Company on the appointment of internal and financial statement auditors, and their remuneration for both audit and non-audit work.

Planning and Resources committee

The Planning and Resources committee is comprised of eight members. The committee operated in accordance with written terms of reference approved by the Board.

The Planning and Resources committee meets on a termly basis to review all aspects of planning and resource utilisation in the Company. This would include budgeting, management and financial accounts, treasury and investments, human resources, and estates development and maintenance.

Curriculum and Standards committee.

The Curriculum and Standards committee is comprised of eight members. The committee operated in accordance with written terms of reference approved by the Board.

The Curriculum and Standards committee meets on a termly basis to review all aspects of curriculum provision, delivery and performance in the Company.

Internal control

Scope of responsibility

The directors are ultimately responsible for the Institution's system of internal control and for reviewing its effectiveness. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated the day-to-day responsibility to the Principal for maintaining a sound system of internal control that supports the achievement of the Institution's policies, aims and objectives, whilst safeguarding the public funds and assets for which they are personally responsible, in accordance with

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT (continued)

the responsibilities assigned to them in the Financial Memorandum between Coleg Ceredigion and WG. The Principal is also responsible for reporting to the Board any material weaknesses or breakdowns in internal control.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Institution policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Coleg Ceredigion for the year ended 31 July 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board reviewed the key risks to which the Institution is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal ongoing process for identifying, evaluating and managing the Institution's significant risks that has been in place for the year ending 31 July 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board.

The risk and control framework

The system of internal control is based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. In particular, it includes:

- Comprehensive budgeting systems with an annual budget, which is reviewed and agreed by the Board;
- Regular reviews by the advisory committee and board of periodic and annual financial reports, which indicate the financial performance against forecasts;
- Setting targets to measure financial and other performance;
- Clearly defined capital investment control guidelines; and
- The adoption of formal project management disciplines, where appropriate.

Coleg Ceredigion engages a firm of professional auditors to provide an internal audit service, which operates in accordance with the requirements of WG. The work of the internal audit service is informed by an analysis of the risks to which the Institution is exposed and annual internal audit plans are based on this analysis. The analysis of risks and the internal audit plans are endorsed by the Board on the recommendation of the audit and risk management committee. The internal auditor provides the governing body with a report on internal audit activity in the institution at least once each year. The report includes the internal auditor's independent opinion on the adequacy and effectiveness of the Institution's system of risk management, controls and governance processes.

Coleg Ceredigion

CORPORATE GOVERNANCE STATEMENT (continued)

Review of effectiveness

The Principal has responsibility for reviewing the effectiveness of the system of internal control. His review of the effectiveness of the system of internal control is informed by:

- the work of the internal auditor;
- the work of the executive managers within the Institution, who have responsibility for the development and maintenance of the internal control framework; and
- comments made by the Institution's financial statements auditor and WG's auditor in their management letters and other reports.

The Principal has been advised on the implications of the result of their review of the effectiveness of the system of internal control by the Audit and Risk Management committee, which oversees the work of the internal auditor, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The senior management team receives reports setting out key performance and risk indicators and considers possible control issues brought to their attention by early warning mechanisms, which are embedded within the departments and reinforced by risk awareness training. The senior management team and the Audit and Risk Management committee also receive regular reports from internal audit, which include recommendations for improvement. The Audit and Risk Management committee's role in this area is confined to a high level review of the arrangements for internal control. The Board's agenda includes a regular item for consideration of risk and control and receives reports thereon from the senior management team and the Audit and Risk Management committee. The emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception. At its December 2018 meeting, the Board carried out the annual assessment for the year ended 31 July 2018 by considering documentation from the senior management team and internal audit, and taking account of events since 31 July 2018.

Based on the advice of the Audit and Risk Management Committee and the Principal, the Board is of the opinion that the Company has an adequate and effective framework for governance, risk management and control, and has fulfilled its statutory responsibility for "the effective and efficient use of resources, the solvency of the institution and the body and the safeguarding of their assets".

Statement on regularity, propriety and compliance

The directors have considered their responsibility to notify WG of material irregularity, impropriety and non-compliance with WG's terms and conditions of funding, under the financial memorandum in place between the Company and WG. As part of its consideration, the directors have had due regard to the requirements of the financial memorandum.

We confirm, on behalf of the Company, that after due enquiry, and to the best of our knowledge, the Company believes it is able to identify any material irregular or improper use of funds by the Company, or material non-compliance with WG's terms and conditions of funding under the Company's financial memorandum. We further confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. WG will be notified of any instances identified after the date of this statement.

Going concern

After making appropriate enquiries, the Corporation considers that the Institution has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board Mrs Maria Stedman

Director

Date:


6/12/19

Coleg Ceredigion

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG CERDIGION

Opinion

We have audited the financial statements of Coleg Ceredigion ("the College") for the year ended 31 July 2018 which comprise the Statement of Comprehensive Income, the Statement of Changes in Reserves, the Balance Sheet, the Statement of Cash Flows and related notes, including the Statement of Accounting Policies and Estimation Techniques in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the College's affairs as at 31 July 2018, and of its deficit of income over expenditure for the year then ended; and
- 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* and the *Accounts Direction for 2017/18* issued by the Welsh Government to further education institutions; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 College in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the other information;
- in our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the College, or returns adequate for our audit have not been received from branches not visited by us; or
- the College financial statements are not in agreement with the accounting records and returns; or

Coleg Ceredigion

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COLEG CEREDIGION (continued)

- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 18, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the College'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 they either intend to liquidate the College or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

We are required to report on the following matters under the Further Education Audit Code of Practice 2015 (effective 1 August 2014) issued by the Welsh Government under the Learning and Skills Act 2000.

In our opinion, in all material respects:

- monies expended out of Welsh Government grants and other funds from whatever source administered by the College for specific purposes have been properly applied to those purposes and, if appropriate, managed in compliance with all relevant legislation; and
- income has been applied in accordance with the Financial Memorandum between the Welsh Government and further education institutions.

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Emma Holiday (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
3 Assembly Square
Britannia Quay
Cardiff
CF10 4AX

Date: 14 December 2018

Coleg Ceredigion

Statement of Comprehensive Income for the year ended 31 July 2018

		2018	2017
	Notes	£000	£000
Income			
Funding body grants	2	4,974	4,237
Tuition fees and education contracts	3	410	507
Other grants and contracts	4	201	161
Other income	5	427	424
Endowment and investment income	6	1	-
Total income		6,013	5,644
Expenditure			
Staff costs	7	4,330	4,350
Fundamental restructuring costs	7	-	127
Other operating expenses	8	1,330	1,120
Depreciation	10	457	359
Interest and other finance costs	9	43	48
Total expenditure		6,160	6,004
Deficit before other gains and losses		(147)	(360)
Deficit for the year		(147)	(360)
Actuarial gain(loss) in respect of pension scheme		1,354	503
Total Comprehensive income/(expense) for the year		1,207	143
Represented by:		1,207	143
Unrestricted comprehensive income/(expense)			

All amounts are derived from continuing operations.

The accompanying notes form part of the financial statements.

Coleg Ceredigion

Statement of Changes in Reserves for the year ended 31 July 2018

	Income and Expenditure Account £'000	Revaluation reserve £'000	Total £'000
Balance as at 1 August 2016	(884)	1,368	484
Deficit from the income and expenditure account	(360)	-	(360)
Other comprehensive income	503	-	503
Transfers between revaluation and income and expenditure reserves	43	(43)	-
	186	(43)	143
Balance as at 31 July 2017	(698)	1,325	627
Deficit from the income and expenditure account	(147)	-	(147)
Other comprehensive income	1,354	-	1,354
Transfers between revaluation and income and expenditure reserves	43	(43)	-
	1,250	(43)	1,207
Balance as 31 July 2018	552	1,282	1,834

Coleg Ceredigion

Balance sheet as at 31 July 2018

		2018	2017
	Notes	£'000	£'000
Fixed assets			
Tangible fixed assets	10	4,881	5,253
Current assets			
Stocks		6	8
Trade and other receivables	11	277	476
Cash and cash equivalents	15	792	262
		1,075	746
Less: Creditors: amounts falling due within one year	12	(1,094)	(827)
Net current liabilities		(19)	(81)
Total assets less current liabilities		4,862	5,172
Less: Creditors - amounts falling due after more than one year	13	(1,885)	(2,303)
Provisions			
Defined benefit obligations	18	(730)	(1,810)
Other provisions	14	(413)	(432)
Total net assets		1,834	627
Unrestricted reserves			
Income and expenditure account		552	(698)
Revaluation reserve		1,282	1,325
Total unrestricted reserves, being total reserves		1,834	627

The financial statements on pages 27 to 47 were approved and authorised for issue by the Board on 6/12/18

and were signed on its behalf on that date by:

Chair: 

Director: 

Date: 6/12/18

Date: 6/12/18

Mrs M Stedman

Mr Andrew Cornish

Company registration no: 08725643

Charity registration no: 154557

Coleg Ceredigion

Statement of Cash Flows for the year ended 31 July 2018

	Notes	2018 £'000	2017 £'000
Cash inflow/(outflow) from operating activities			
Deficit for the year		(148)	(360)
Adjustment for non-cash items			
Depreciation		457	359
Decrease in stocks		2	-
(Increase)/Decrease in debtors		200	(294)
Increase/(Decrease) in creditors due within one year		46	167
Increase/(decrease) in creditors due after one year		(308)	(255)
Increase/(decrease) in provisions		(19)	(23)
Pensions costs less contributions payable		274	205
Adjustment for investing or financing activities			
Investment income		-	-
Interest payable		-	56
Net cash flow from operating activities		504	(145)
Cash flows from investing activities			
Investment income		-	-
Payments made to acquire fixed assets		(85)	(828)
Grants received		111	861
		26	33
Increase in cash and cash equivalents in the year		530	(221)
Cash and cash equivalents at beginning of the year	15	262	595
Cash and cash equivalents at end of the year	15	792	262

Coleg Ceredigion

Notes to the financial statements

for the year ended 31 July 2018

1 Statement of accounting policies and estimation techniques

Coleg Ceredigion is a company limited by guarantee and incorporated and domiciled in the United Kingdom

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements.

Basis of preparation

These financial statements have been prepared in accordance with the Companies Act, the Statement of Recommended Practice: Accounting for Further and Higher Education 2015 (the 2015 FE HE SORP), the Accounts Direction for Further Education Colleges in Wales 2017/18 and in accordance with Financial Reporting Standard 102 - "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" (FRS 102). The College is a public benefit entity and has therefore applied the relevant public benefit requirements of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the College's accounting policies.

Basis of accounting

The financial statements are prepared in accordance with the historical cost convention as modified by the use of previous valuations as deemed cost at transition to FRS 102 for certain non-current assets. The accounting rules set out below have been applied consistently.

Going concern

The activities of the College, together with the factors likely to affect its future development and performance are set out in the Strategic Report. The financial position of the College, its cash flow, liquidity and borrowings are presented in the Financial Statements and accompanying notes.

Coleg Sir Gar has provided a letter of support indicating, as the parent company, that it will provide financial support for a period of at least 12 months from the date of signing the 2018 financial statements, to enable the College to settle its obligations as they fall due. In this context the Board has a reasonable expectation that the College has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the financial statements

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Recognition of income

Government revenue grants include funding body recurrent grants and other grants and are accounted for under the accrual model as permitted by FRS 102. Funding body recurrent grants are measured in line with amounts received in year. Any under or over achievement is estimated, adjusted for and reflected in the level of recurrent grant recognised in the income and expenditure account.

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

Government capital grants are capitalised, held as deferred income and recognised in income over the expected useful life of the asset, under the accrual method as permitted by FRS 102. Other capital grants are recognised in income when the College is entitled to the funds subject to any performance related conditions being met.

Income from tuition fees is stated gross of any expenditure which is not a discount and is recognised in the period for which it is received.

Income from contracts and other services rendered is included to the extent of the completion of the contract or service concerned. This is generally equivalent to the sum of the relevant expenditure incurred during the year and any related contributions towards overhead costs

All income from short-term deposits is credited to the income and expenditure account in the period in which it is earned on a receivable basis.

Accounting for post-employment benefits

Post-employment benefits to employees of the College are principally provided by the Teachers' Pension Scheme (TPS) and the Local Government Pension Scheme (LGPS). These are defined benefit plans, which are externally funded and contracted out of the State Second Pension.

The TPS is an unfunded scheme. Contributions to the TPS are calculated so as to spread the cost of pensions over employees' working lives with the College in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of valuations using a prospective benefit method. The TPS is a multi-employer scheme and the College is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution plan and the contributions recognised as an expense in the income statement in the periods during which services are rendered by employees.

The LGPS is a funded scheme. The assets of the LGPS are measured using closing fair values. LGPS liabilities are measured using the projected unit credit method and discounted at the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Comprehensive Income and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income.

Actuarial gains and losses are recognised immediately in other comprehensive income.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Short term Employment benefits

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

Enhanced Pensions

The actual cost of any enhanced ongoing pension to a former member of staff is paid by the college annually. An estimate of the expected future cost of any enhancement to the ongoing pension of a former member of staff is charged in full to the College's income in the year that the member of staff retires. In subsequent years a charge is made to provisions in the balance sheet using the enhanced pension spreadsheet provided by the funding bodies.

Non-current Assets - Tangible fixed assets

Tangible fixed assets are stated at cost / 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.

Land and buildings

Freehold buildings are depreciated on a straight line basis over their expected useful lives of 50 years. Freehold land is not depreciated. Where land and buildings are acquired with the aid of specific grants, they are capitalised and depreciated as above. Further building improvements have historically been depreciated over 10 years or over the useful economic life of the asset. The related grants are credited to a deferred income account within creditors, and are released to the income and expenditure account over the expected useful economic life of the related asset on a systematic basis consistent with the depreciation policy. The deferred income is allocated between creditors due within one year and those due after more than one year.

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

On adoption of FRS 102, the College followed the transitional provision to retain the book value of land and buildings, which were revalued in 1996, as deemed cost but not to adopt a policy of revaluations of these properties in the future.

Assets under construction

Assets under construction are accounted for at cost, based on the value of architects' certificates and other direct costs, incurred to 31 July. They are not depreciated until they are brought into use.

Subsequent expenditure on existing fixed assets

Where significant expenditure is incurred on tangible fixed assets after initial purchase it is charged to income in the period it is incurred, unless it increases the future benefits to the College, in which case it is capitalised and depreciated on the relevant basis.

Equipment

Equipment costing less than £3,000 per individual item is written off to the income and expenditure account in the period of acquisition. Grouped items, which are in aggregate above the threshold but individually under, will be reviewed specifically to determine the approach. Capitalised equipment is depreciated on a straight-line basis over its remaining useful economic life as follows:

- motor vehicles and general equipment 4 years
- computer equipment 3 years
- furniture, fixtures and fittings 4 years

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Leased assets

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

Leasing agreements which transfer to the College substantially all the benefits and risks of ownership of an asset are treated as finance leases.

Assets held under finance leases are recognised initially at the fair value of the leased asset (or, if lower, the present value of minimum lease payments) at the inception of the lease. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets.

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charges are allocated over the period of the lease in proportion to the capital element outstanding.

Inventories

Inventories are stated at the lower of their cost and net realisable value, being selling price less costs to complete and sell. Where necessary, provision is made for obsolete, slow-moving and defective items.

Cash and cash equivalents

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

Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of change in value. An investment qualifies as a cash equivalent when it has maturity of three months or less from the date of acquisition

Financial assets, liabilities and equity

Financial assets, liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

Any loans, investments and short term deposits held by the College are classified as basic financial instruments in accordance with FRS 102. These instruments are initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost.

Foreign currency translation

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the end of the financial period with all resulting exchange differences being taken to income in the period in which they arise.

Taxation

The College is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the College is potentially exempt from taxation in respect of income or capital gains received within categories covered by sections 478-488 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The College is partially exempt in respect of Value Added Tax. Irrecoverable VAT on inputs is included in the costs of such inputs and added to the cost of tangible fixed assets as appropriate, where the inputs themselves are tangible fixed assets by nature.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

1 Statement of accounting policies and estimation techniques (continued)

Provisions and contingent liabilities

Provisions are recognised when the College has a present legal or constructive obligation as a result of a past event, it is probable that a transfer of economic benefit will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value using a pre-tax discount rate. The unwinding of the discount is recognised as a finance cost in the statement of comprehensive income in the period it arises.

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

Contingent liabilities are not recognised in the balance sheet but are disclosed in the notes to the financial statements.

Agency arrangements

The College acts as an agent in the collection and payment of discretionary support funds. Related payments received from the funding bodies and subsequent disbursements to students are excluded from the income and expenditure of the College where the College is exposed to minimal risk or enjoys minimal economic benefit related to the transaction.

Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, management have made the following judgements:

- Determine whether leases entered into by the College either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the College's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Tangible fixed assets*

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Local Government Pension Scheme*

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 July 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

2 Funding body grants

	2018	2017
	£000	£000
Recurrent grant	4,352	4,045
Work based learning	184	145
Releases of deferred capital grant:		
Buildings	133	133
Equipment	175	68
Other Revenue Grants	130	161
	4,974	4,552

	2018	2017
	£000	£000
UK Further Education students	142	148
UK Higher Education students	24	11
Total fees paid by or on behalf of individual students	166	159
Higher Education contracts	10	5
Other contracts	234	343
	410	507

4 Other grants and contracts

	2018	2017
	£000	£000
European Commission	201	161

5 Other income

	2018	2017
	£000	£000
Catering and residences	171	140
Other income-generating activities	155	45
Other income	0	0
Non-government capital grants	0	0
Miscellaneous income	101	239
Total	427	424

6 Endowment and investment income

	2018	2017
	£000	£000
Other interest receivable	1	-

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

7 Staff costs

The average number of persons (including key management personal) employed by the College during the year, described as full-time equivalents, was:

	2018 Number	2017 Number
Teaching staff	80	74
Non-Teaching	42	53
	122	127
Staff costs for the above persons		
	2018 £000	2017 £000
Wages and salaries	3,319	3,346
Social security costs	280	288
Other pension costs	731	716
	4,330	4,350
Staff Restructuring	-	127
	4,330	4,477

Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the College. Key management personnel represent the 4 members of the management team

Number of Key management personnel, Accounting Officer	and other higher paid staff	
	2018 No	2017 No
The number of key management personnel including the Accounting Officer was:	4	5

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

7 Staff costs

The number of key management personnel and other staff who received annual emoluments, excluding pension contributions but including benefits in kind, in the following ranges was:

	Key Management Personnel		Other staff	
	2018	2017	2018	2017
	No	No	No	No
£60,001 to £70,000	-	1	-	-
£70,001 to £80,000	-	-	-	-

Key management personnel emoluments are made up as follows:-

	2018 £'000	2017 £'000
Salaries	189	231
Benefits in kind	-	1
	189	232
Pension contributions	30	31
Total emoluments	219	263

Emoluments paid to the highest paid staff member (not included in above)

	2018 £'000	2017 £'000
Salaries	79	65
Benefits in kind	1	1
	80	66
Pension contributions	13	11

Emoluments paid to the highest paid staff member relate to the former Principal of Coleg Ceredigion. The former Principal has been included in the staff headcount but is seconded to UWTSD. Total salary related costs of £102,000 were reimbursed by UWTSD.

£100,000 was recharged by Coleg Sir Gar to recover an element of the Principal, Assistant Principals and Directors, who are on the payroll of Coleg Sir Gar but who's time is spent between Coleg Sir Gar and Coleg Ceredigion. The recharge includes £19,123 towards the payment of the Principal's salary. Further details of the Principal's emoluments can be found in the Coleg Sir Gar financial statements.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

8 Other operating expenses

	2018 £'000	2017 £'000
Teaching costs	293	420
Non-teaching costs	697	449
Premises	340	251
	1,330	1,120

Other operating expenses include:

	2018 £000	2017 £000
Auditor's remuneration:		
Financial statements audit	18	18
Other audit related services	5	5
Tax compliance services	-	3
Internal audit	8	12
Hire of assets under operating leases	36	35

9 Interest and other finance costs

	2018 £000	2017 £000
Pension finance costs (note 17)	43	48

10 Tangible fixed assets

	Land and buildings Freehold £000	Equipment £000	Total £000
Cost or valuation			
At 1 August 2017	7,478	3,642	11,120
Additions	-	85	85
Disposals	-	-	-
At 31 Jul 2018	7,478	3,727	11,205
Depreciation			
At 1 August 2017	3,056	2,811	5,867
Charge for the year	189	268	457
Eliminated on disposal	-	-	-
At 31 Jul 2018	3,245	3,079	6,324
Net book value at 31 July 2018	4,233	648	4,881
Net book value as at 31 July 2017	4,422	831	5,253

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

11 Trade and other receivables

	2018 £'000	2017 £'000
Amounts falling due within one year:-		
Trade receivables	77	51
Amounts owed by group undertaking	44	222
Prepayments and accrued income	156	203
Total	277	476

12 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade payables	115	9
Amounts owed to group undertakings	165	57
Other taxation and social security	139	152
Accruals and deferred income	367	458
Deferred income - government capital grants	308	151
Total	1,094	827

13 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Deferred income - government capital grants	1,885	2,303

14 Provisions

	Enhanced Pensions £'000
At 1 August 2017	432
Expenditure in the year	(32)
Additions in year	13
At 31 July 2018	413

The enhanced pension provision relates to the cost of staff that have already left the College's employ and commitments for reorganisation costs from which the College cannot reasonably withdraw at the balance sheet date. This provision has been recalculated in accordance with guidance issued by the funding bodies.

The principal assumptions for this calculation are:

	2018	2017
Price inflation	3.5%	3.5%
Discount rate	1.7%	1.7%

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

15 Cash and cash equivalents

	At 1 August 2017	Cash flows	Other changes	At 31 July 2018
	£'000	£'000	£'000	£'000
Cash and cash equivalents	262	530	0	792

16 Lease Obligations

At 31 July the College had minimum lease payments under non-cancellable operating leases as follows:

	2018 £'000	2017 £'000
Future minimum lease payments due		
Other than land and buildings		
Not later than one year	31	36
Later than one year and not later than five years	32	46
	63	82

17 Defined benefit obligations

The College's employees belong to two principal post-employment benefit plans: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Dyfed Pension Scheme (LGPS) for non-teaching staff, which is managed by Mercer Limited. Both are multi-employer defined-benefit plans.

Total pension cost for the year	2018 £'000	2017 £'000
Teachers' Pension Scheme: contributions paid	299	292
Local Government Pension Scheme:		
Contributions paid	195	211
FRS 102 (28) charge	274	205
Charge to the Statement of Comprehensive Income	469	416
Enhanced pension charge to Statement of Comprehensive Income	13	8
Total Pension Cost for Year	781	716

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest formal actuarial valuation of the TPS was 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £40,000 (2017: £40,000) were payable to the TPS scheme and £23,000 (2017: £25,000) were payable to the LGPS scheme at the year-end and are included in creditors.

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

17 Defined benefit obligations (continued)

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. 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 teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' 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 actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education (the Department) on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.48% of pensionable pay;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £14.9 billion;
- an employer cost cap of 10.9% of pensionable pay.

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/2014/06/publication-of-the-valuation-report.aspx>

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

17 Defined benefit obligations (continued)

Scheme Changes

Following the Hutton report in March 2011 and the subsequent consultations with trade unions and other representative bodies on reform of the TPS, the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

Regulations giving effect to a reformed Teachers' Pension Scheme came into force on 1 April 2014 and the reformed scheme commenced on 1 April 2015.

The pension costs paid to TPS in the year amounted to £299,000 (2017: £292,000).

FRS 102 (28)

Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension scheme. The College is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the College has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The College has set out above the information available on the plan and the implications for the College in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined-benefit plan, with the assets held in separate funds administered by Carmarthenshire Local Authority. The total contribution made for the year ended 31 July 2018 was £271,000, of which employer's contributions totalled £195,000 and employees' contributions totalled £76,000. The agreed contribution rate for future years is 16.2% for employers. Employee contributions range from 5.5% to 7.5% cent, depending on salary.

Principal Actuarial Assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2017 updated to 31 July 2018 by a qualified independent actuary

	2018	2017
Rate of increase in salaries	3.70%	3.70%
Future pensions increases	2.30%	2.20%
Discount rate for scheme liabilities	2.90%	2.50%
Inflation assumption (CPI)	2.20%	2.20%

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

17 Defined benefit obligations (continued)

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

Retiring today	Males	Females	years	2018	2017
	22.80	25.50			
	22.90	25.60			
	25.10	27.90			
	25.00	27.80			

The College's share of the assets in the plan and the expected rates of return were:

Long-term rate of return at 31 July 2018	Long-term rate of return expected at 31 July 2017	Fair Value at 31 July 2018	Fair Value at 31 July 2017	of return expected at 31 July 2018	Equities	Government Bonds	Other Bonds	Property	Cash	Total market value of assets	Actual return on plan assets
		7,407	6,878	70.60%	9.20%	9.50%	9.70%	0.40%	10.90%	10,492	998
		913	893	8.70%	9.20%	9.50%	9.70%	0.40%	10.90%	9,702	998
		986	922	9.40%	9.20%	9.50%	9.70%	0.40%	10.90%	9,702	998
		1,144	941	10.90%	9.20%	9.50%	9.70%	0.40%	10.90%	9,702	998
		42	68	0.40%	9.20%	9.50%	9.70%	0.40%	10.90%	9,702	998
		£'000	£'000								

The amount included in the balance sheet in respect of the defined benefit pension plan is as follows:

2018	2017	Fair value of plan assets	Present value of plan liabilities	Net pensions (liability)
£'000	£'000	10,492	(11,222)	(730)
2017	2017	9,702	(11,512)	(1,810)

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

17 Defined benefit obligations (continued)

Amounts recognised in the Statement of Comprehensive Income in respect of the plan are as follows:

	2018 £'000	2017 £'000
Amounts included in staff costs		
Current services cost	(419)	(416)
Administration charge	(7)	(8)
Operating cost	(426)	(424)
Amounts included in interest and other finance		
Net interest	(43)	(48)

Amounts recognised in Other Comprehensive Income

Return on pension plan assets	662	714
Changes in assumptions underlying the present value of plan liabilities	692	(211)
Amount recognised in Other Comprehensive income/(expense)	1,354	503

Movement in net defined benefit (liability)/asset during the year

	2018 £'000	2017 £'000
Deficit in scheme at 1 August	(1,810)	(2,052)
Movement in year:		
Current service cost	(419)	(416)
Employer contributions	196	211
Net interest on the defined (liability)/asset	(43)	(48)
Administration charge	(7)	(8)
Actuarial gain(loss)	1,354	503
Net defined benefit pension liability asset at 31 July	(730)	(1,810)

Asset and liability reconciliation

	2018 £'000	2017 £'000
Changes in the present value of defined benefit obligations		
Defined benefit obligations at start of year	11,512	10,861
Current Service cost	419	416
Interest cost	284	268
Contributions by Scheme participants	76	83
Changes in financial assumptions	(692)	211
Estimated benefits paid	(377)	(327)
Defined benefit obligations at end of year	11,222	11,512

Coleg Ceredigion

Notes to the financial statements for the year ended 31 July 2018 (continued)

17 Defined benefit obligations (continued)

Reconciliation of assets

	2018	2017
	£'000	£'000
Fair value of plan assets at start of year	9,702	8,809
Interest on plan assets	241	220
Return on plan assets	662	714
Employer contributions	195	211
Administration Charge	(7)	(8)
Contributions by Scheme participants	76	83
Estimated benefits paid	(377)	(327)
Assets at end of year	10,492	9,702

On 26 October 2018, the High Court handed down a judgment involving the Lloyds Banking Group's defined benefit pension schemes. The judgment concluded the schemes should be amended to equalise pension benefits for men and women in relation to guaranteed minimum pension benefits, "GMP". The Government will need to consider this outcome in conjunction with the Government's recent consultation on GMP indexation in public sector schemes before concluding on any changes required to LGPS schemes.

18 Related party transactions

Owing to the nature of the College's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the College's financial regulations and normal procurement procedures.

The total expenses paid to or on behalf of the Governors during the year was £295; 4 governors (2017: £950; 4 governors). This represents travel and subsistence expenses and other out of pocket expenses incurred in attending Governor meetings and charity events in their official capacity.

No Governor has received any remuneration or waived payments from the College or its subsidiaries during the year (2017: None).

The following transactions were undertaken during the year and balances held with related parties at the year-end:

University of Wales: Trinity Saint David - Parent

Receivable £44,391 (2017 £222,194) Payable £9,936 (2017 £57,672)

Total Income for the year £255,208 (2017 £224,494)

Total Purchases for the year £10,084 (2017 £67,975)

Coleg Sir Gar - Group Member

Receivable £0 (2017 £nil) Payable £155,024 nil (2017 £nil)

Total Income for the year £1,500 (2017 £nil)

Total Purchases for the year £155,024 (2017 £4,922)

Fforwm Services Limited – Barry Liles is a director

Total income for the year £13,500 (2017: £11,296)

Total purchases for the year £nil (2017: £7,909)

Note : Transactions for group companies are for services rendered during the year. FForwm , is a subscription charge for membership

Coleg Ceredigion

Notes to the Financial Statements

For the year ended 31 July 2018 (Continued)

19 Amounts disbursed as agent

FINANCIAL CONTINGENCY FUND

	2018 £'000	2017 £'000
Balance b/f	16	6
Grant Received	130	130
	146	136
Disbursed to students	(129)	(116)
Administration costs	(4)	(4)
Balance unspent as at 31 July, included in creditors	13	16

Funding body grants are available solely for students. In the majority of instances, the College only acts as a paying agent. In these circumstances, the grants and related disbursements are therefore excluded from the Statement of Comprehensive Income.

20 Ultimate parent undertaking

The ultimate parent undertaking and controlling party is the University of Wales: Trinity Saint David, a Higher Education Corporation. The results of the Company have been incorporated in the University of Wales: Trinity Saint David consolidated financial statements, which form the largest and smallest group for which the Company's statements are consolidated, copies of which are obtained from the following address:

University of Wales: Trinity Saint David
Carmarthen Campus
Carmarthen
SA31 3EP