

Charity Registration Number: 1048771
Company Registration Number: 3091552

**TRINITY COLLEGE CARMARTHEN
FOUNDATION LIMITED
(Limited by Guarantee)**

Consolidated Financial Statements

31 July 2002



**Deloitte & Touche
Cardiff**

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS 2002

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TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Dr M Hughes
Dr R A Brinley Jones
B L V Richards

SECRETARY

G E Pierce

REGISTERED OFFICE

Trinity College
College Road
Carmarthen
SA31 3EP

REGISTERED CHARITY NUMBER

1048771

BANKERS

HSBC plc

INTERNAL AUDITORS

Harris Bassett & Co

EXTERNAL AUDITORS

Deloitte & Touche
Cardiff

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED

(Limited by Guarantee)

DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2002.

INCORPORATION

The Trinity College Carmarthen Foundation was registered by the Charity Commission as a new incorporated charity on 25 August 1995. The new Company Limited by Guarantee (Charity Number 1048771) commenced trading on 1 August 1997. The existing Charity (Registration Number 525786), based on the previous 1981 scheme and representing the permanent endowment, is now vested in the Charity Commission's scheme dated 12 June 1997, which governs the charity known as Trinity College. In essence the incorporated Governing Body, which operates the College, also functions as the trustee holding the permanent endowment. The existence of the two charities with separate registration numbers will require that both the endowment in Trinity College and the assets in the Foundation will be accounted for separately.

ACTIVITIES AND REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS

The company carried on its business as a College. The consolidated results for the year are shown on page 6.

The directors are satisfied the company will continue to trade profitably.

BENCHMARKING

The College continues to assess its relative performance through involvement in a range of benchmarking exercises and related comparative analyses. These include contributing to comparative work undertaken by the Higher Education Purchasing Consortium for Wales (HEPCW), more detailed work arising from a joint project under the auspices of the Association of Managers in Higher Education Colleges (AMHEC) which involves Church-related colleges in England, and the cross-sector database compiled through the Estates Management Statistics (EMS) project.

SPECIAL PROJECTS

Work was completed on two projects under the auspices of Coleg Digidol, one being a grant-funded project to produce training material for digital broadcast, the other a match-funded project to produce web-based training materials in numeracy and literacy for business. Work has continued on a Lottery-funded oral history project undertaken with Merched y Wawr, and the College has been a partner in the European-funded e-College project led by the University of Glamorgan. European funding was also secured for Masters taught programmes in Heritage Tourism and Environmental Education, and also for an IT skills training programme for people in the community and in small enterprises.

CONSTITUTIONAL CHANGES

The incorporated Governing Body, which operates the College through a Company Limited by Guarantee (Charity Number 1048771), also functions as the trustee of the charity holding the permanent endowment (Registration Number 525786). The existence of the two charities with separate registration numbers requires that both the endowment in Trinity College and the assets in the company are accounted for separately.

DIRECTORS

The present membership of the Board is set out on page 1. All directors served throughout the year.

EMPLOYMENT OF DISABLED PERSONS

The College has a policy of employing disabled people in suitable posts and for making arrangements wherever possible to encourage employees who develop a disability to continue working for the institution.

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

DIRECTORS' REPORT (continued)

CONCLUSION

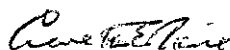
The College's success in developing and marketing an innovative curriculum portfolio has resulted in a significant increase in student numbers outside its Initial Teacher Training programmes. This has brought with it the challenges of resourcing growth within a funding system which only recognises the increased numbers one year later, and of bringing all strategies and systems to a position where they provide a robust basis for taking the College forward in an environment of continual change.

Trinity College continues to strengthen its position as an independent provider of higher education which is alert to the economic, social and cultural needs of its environment. At the same time, it is taking on board the National Assembly's agenda for reconfiguration within the sector, by forging a strategic alliance with the University of Wales Lampeter whilst also developing collaborative arrangements with the larger institutions at Aberystwyth and Swansea.

AUDITORS

A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



G E Pierce
Secretary

Date 28/11/02

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

United Kingdom company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and the group as at the end of the financial year and of the profit or loss of the group for that period. In preparing those 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for the system of internal control, for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)**

We have audited the financial statements of Trinity College Carmarthen Foundation Limited for the year ended 31 July 2002 which comprise the consolidated income and expenditure account, the consolidated statement of total recognised gains and losses, the summary income and expenditure account, the balance sheets, the consolidated cash flow statement and the related notes 1 to 30. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. 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 auditors' 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.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities, the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibility is to audit the financial statements in accordance with relevant United Kingdom legal and regulatory requirements and auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company and other members of the group is not disclosed.

We read the directors' report and the other information contained in the annual report for the above year as described in the contents section and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

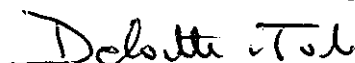
Basis of audit opinion

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company and the group, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 July 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche
Chartered Accountants and Registered Auditors
Cardiff

Date 17 Jun 2003.

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 2002

	Note	2002 £	2001 £
INCOME			
ELWa grants	2a	5,018,873	5,006,731
European grants		249,609	187,942
Amortisation of capital grants		208,321	128,077
Tuition fees	2b	1,499,430	1,414,148
Other operating income	2c	2,326,613	2,166,318
Investment income	3	8,774	7,700
Total income		9,311,620	8,910,916
EXPENDITURE			
Staff costs	4	5,362,974	5,190,414
Other operating charges	5	3,329,999	3,116,977
Interest payable	6	159,426	219,425
Depreciation		359,030	271,725
Total expenditure		9,211,429	8,798,541
Net income	7	100,191	112,375
Income and expenditure brought forward at 1 August		131,559	19,184
Income and expenditure carried forward at 31 July		231,750	131,559

The notes on pages 11 to 23 form part of these accounts.

There were no recognised gains and losses other than those included in the consolidated income and expenditure account.

**RECONCILIATION OF MOVEMENT IN CONSOLIDATED RESERVES AND
ENDOWMENTS**

Year ended 31 July 2002

	2002 £	2001 £
Reconciliation		
Opening reserves and endowments	176,323	63,948
Net income	100,191	112,375
Closing reserves and endowments	276,514	176,323

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

SUMMARY INCOME AND EXPENDITURE ACCOUNT
Year ended 31 July 2002

	2002	2001
	£	£
Total income of continuing operations	9,311,620	8,910,916
Total expenditure of continuing operations	<u>(9,211,429)</u>	<u>(8,798,541)</u>
Net income for the year	<u>100,191</u>	<u>112,375</u>

A detailed analysis of income by source is provided in the consolidated income and expenditure account.

Detailed analyses of the expenditure are provided in the consolidated income and expenditure account.

The summary income and expenditure account is derived from the consolidated income and expenditure account on page 6 which, together with the notes to the accounts on pages 11 to 23, provide full information on the movements during the year on all the funds of the company.

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

CONSOLIDATED BALANCE SHEET
31 July 2002

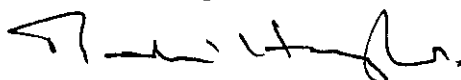
	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	996,669	947,235
CURRENT ASSETS			
Stocks	11	52,808	65,172
Debtors	12	4,763,098	4,761,054
Cash at bank and in hand		140,544	102,619
		4,956,450	4,928,845
CREDITORS: amounts falling due within one year	13	(1,220,446)	(945,546)
NET CURRENT ASSETS		3,736,004	3,983,299
TOTAL ASSETS LESS CURRENT LIABILITIES		4,732,673	4,930,534
CREDITORS: amounts falling due after more than one year	14	(2,684,854)	(2,965,882)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(1,280,378)	(1,328,659)
NET ASSETS		767,441	635,993
Deferred capital grants	16	490,928	459,670
RESERVES			
Farm capital account	17	35,894	35,894
Income and expenditure account	18	231,750	131,559
Higher Education Funding Council for Wales	19	8,870	8,870
		276,514	176,323
		767,441	635,993

These financial statements were approved by the Board of Directors on 28/xi/2002

Signed on behalf of the Board of Directors

Dr M Hughes

Principal



TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

COMPANY BALANCE SHEET
31 July 2002

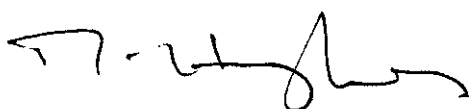
	Note	2002 £	2001 £
FIXED ASSETS			
Tangible assets	9	945,743	889,524
Investments	10	1,000	1,000
		<u>946,743</u>	<u>890,524</u>
CURRENT ASSETS			
Stocks	11	52,808	65,172
Debtors	12	5,916,428	5,505,759
Cash at bank and in hand		33,739	2,279
		<u>6,002,975</u>	<u>5,573,210</u>
CREDITORS: amounts falling due within one year	13	(2,196,233)	(1,536,363)
NET CURRENT ASSETS		<u>3,806,742</u>	<u>4,036,847</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,753,485	4,927,371
CREDITORS: amounts falling due after more than one year	14	(2,684,854)	(2,965,882)
PROVISIONS FOR LIABILITIES AND CHARGES	15	(1,280,378)	(1,328,659)
NET ASSETS		<u>788,253</u>	<u>632,830</u>
Deferred capital grants	16	<u>490,928</u>	<u>459,670</u>
RESERVES			
Income and expenditure account	18	297,325	173,160
		<u>788,253</u>	<u>632,830</u>

These financial statements were approved by the Board of Directors on 23/10/2002

Signed on behalf of the Board of Directors

Dr M Hughes

Principal



TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

CONSOLIDATED CASH FLOW STATEMENT
Year ended 31 July 2002

	Note	2002 £	2001 £
Net cashinflow/(outflow) from operating activities	21	652,348	(2,108)
Returns on investments and servicing of finance	24	(150,652)	(211,725)
Capital expenditure and financial investment	25	(168,885)	(64,543)
Financing activities	26	332,811 (224,644)	(278,376) (170,950)
Increase/(decrease) in cash	22	108,167	(449,326)

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

1. ACCOUNTING POLICIES

Strategic plan

The HEFCW requested the preparation of a five year strategic plan covering the period 2001/2002 to 2005/2006. The forecasts indicate that the College will make a surplus in 2002/2003 and continue to do so after this.

The governors have reviewed the forecasts and consider that, at the time of approval of the financial statements, there is no significant concern that the College will be unable to operate within its current bank and funding facilities for the foreseeable future.

Accounting convention

The financial statements are prepared in accordance with the statement of recommended practice "Accounting in Further and Higher Education Institutions" approved by the Accounting Standards Board and with the requirements of the Companies Act 1985.

Basis of consolidation

The consolidated financial statements include the College, the Farm and Library. Intra entity transactions and balances are eliminated fully on consolidation. Trinity College Carmarthen Foundation Limited has one subsidiary – Trinity College Library and Ancillary Services (Carmarthen) Limited, which runs the College library and acts as a general commercial company.

Recognition of income

Income from contracts and services is included to the extent of the completion of the contract or services concerned. Income in respect of capital items is deferred and amortised over the same period as the assets to which they relate.

Fixed assets

Prior to 1 April 1992 fixed assets were written off on acquisition. From 1 April 1992 items costing over £1,000 were capitalised and depreciated. This limit was raised to £5,000 from 1 August 1995.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost represents the invoiced price of stocks.

Depreciation

Depreciation is provided on a straight line basis, so as to write off the cost of fixed assets over the expected useful economic lives of the assets. The specific rates applied are as follows:

i)	Freehold land and buildings	-	2%
ii)	Motor vehicles	-	25%
iii)	Equipment, fixtures and fittings	-	10-33 1/3%

Pensions

College academic staff are members of the Teachers' Pension Agency and the College contributes 8.35% (2001 – 7.4%) of current academic employees' gross pay. Employees' own contributions to this scheme are deducted from their salaries and paid over to the fund by the College. Administrative non academic staff are members of the Carmarthenshire Local Government Superannuation Scheme and the College contributed 11% (2001 – 10%) of their gross pay. Contributions to the scheme are charged to the income and expenditure account 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.

Pension payments are made by the College to staff who have taken early retirement. Full provision for the expected costs of such payments is made in the year of retirement.

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

1. ACCOUNTING POLICIES (continued)

Leases

Rental costs under operating leases are charged to expenditure in equal annual amounts over the periods of the leases.

Taxation

As an exempt charity, the College benefits by being broadly exempt from corporation tax on income it receives from tuition fees, interest and rents.

Access funds

Funding Council grants are available solely for students. The College acts only as paying agents. The grants and related disbursements are therefore excluded from the income and expenditure account.

2. ANALYSIS OF INCOME

	2002 £	2001 £
(a) ELWa grants		
Recurrent grants	<u>5,018,873</u>	<u>5,006,731</u>
(b) Tuition fees		
Home HE	1,303,104	1,175,132
Home FE	1,889	1,899
Overseas EU	74,550	64,050
Overseas non EU	94,050	93,077
Short courses/day courses	<u>25,837</u>	<u>79,990</u>
	<u>1,499,430</u>	<u>1,414,148</u>
(c) Other operating income		
Catering and residence operations	1,741,451	1,636,685
Other income generating activities	518,024	474,102
Other income	<u>67,138</u>	<u>55,531</u>
	<u>2,326,613</u>	<u>2,166,318</u>

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

3. INVESTMENT INCOME

	2002	2001
	£	£
Bank and other interest received	<u>8,774</u>	<u>7,700</u>

4. STAFF COSTS

	2002	2001
	No.	No.
The average weekly number of persons employed by the College during the year was:		
Teaching departments	110	105
Teaching support services	17	21
Other support services	17	17
Administration and central services	58	51
Premises	17	21
Catering and residence	49	58
	<u>268</u>	<u>273</u>

Staff costs for the above persons:

	£	£
Teaching departments	2,906,339	2,874,342
Teaching support services	274,220	301,165
Other support services	226,256	231,395
Administration and central services	1,205,668	970,176
Premises	225,525	250,466
Catering and residence	501,060	518,556
Redundancy costs	23,906	44,314
	<u>5,362,974</u>	<u>5,190,414</u>

Wages and salaries	4,943,825	4,743,372
Social security costs	337,670	320,030
Other pension costs	57,573	82,698
Redundancy costs	23,906	44,314
	<u>5,362,974</u>	<u>5,190,414</u>

Employment costs for staff on permanent contracts	5,189,140	4,969,072
Employment costs for staff on short-term and temporary contracts	<u>173,834</u>	<u>221,342</u>
	<u>5,362,974</u>	<u>5,190,414</u>
Emoluments of Principal	<u>67,445</u>	<u>71,317</u>

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

4. STAFF COSTS (continued)

The emoluments of the Principal exclude the value of accommodation - £11,061 for 2001/2002 (£11,218 - 2000/2001). The College's pension contributions are paid on his behalf at the same rates as for other academic staff and amounted to £5,594 for 2001/2002 (2000/2001 - £5,364).

Remuneration of other higher paid staff, excluding pension contributions:

			2002 No.	2001 No.
£50,000	-	£59,999	2	1
£70,000	-	£79,999	1	-
£80,000	-	£89,999	-	1

5. OTHER OPERATING CHARGES

	2002 £	2001 £
Teaching departments	464,427	477,402
Teaching support services	266,958	215,113
Administration and central services	1,150,357	1,039,751
Student support services	79,702	64,587
Premises	405,952	366,670
Catering and residence	797,078	761,145
Other expenses	165,525	192,309
	<u>3,329,999</u>	<u>3,116,977</u>

6. INTEREST PAYABLE

	2002 £	Consolidated 2001 £
On bank loans, overdrafts and other loans		
Repayable after five years	<u>159,426</u>	<u>219,425</u>

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

7. NET INCOME

	2002 £	2001 £
Net income is after charging		
Depreciation - owned assets	359,030	271,725
Auditors' remuneration		
- external audit	13,750	12,949
- internal audit	10,664	11,200
- other services by external auditors	9,454	6,670
Hire of machinery and equipment	41,942	34,626
	<u> </u>	<u> </u>

8. TAXATION

The company is a registered charity and the directors do not believe the College was liable for any corporation tax arising out of the activities during the year.

9. TANGIBLE FIXED ASSETS

Consolidated	Motor vehicles £	Equipment, fixtures and fittings £	Freehold land and buildings £	Total £
Cost				
At 1 August 2001	95,757	1,963,484	636,202	2,695,443
Additions in the year	-	382,802	25,662	408,464
	<u>95,757</u>	<u>2,346,286</u>	<u>661,864</u>	<u>3,103,907</u>
Accumulated depreciation				
At 1 August 2001	80,258	1,607,016	60,934	1,748,208
Charge for the year	11,608	334,663	12,759	359,030
	<u>91,866</u>	<u>1,941,679</u>	<u>73,693</u>	<u>2,107,238</u>
Net book value				
At 31 July 2002	<u>3,891</u>	<u>404,607</u>	<u>588,171</u>	<u>996,669</u>
At 31 July 2001	<u>15,499</u>	<u>356,468</u>	<u>575,268</u>	<u>947,235</u>

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

9. TANGIBLE FIXED ASSETS (continued)

Company	Motor vehicles £	Equipment, fixtures and fittings £	Freehold land and buildings £	Total £
Cost				
At 1 August 2001	95,757	1,918,423	582,307	2,596,487
Additions in the year	-	377,447	25,661	403,108
At 31 July 2002	95,757	2,295,870	607,968	2,999,595
Accumulated depreciation				
At 1 August 2001	80,258	1,571,717	54,988	1,706,963
Charge for the year	11,608	323,121	12,160	346,889
At 31 July 2002	91,866	1,894,838	67,148	2,053,852
Net book value				
At 31 July 2002	3,891	401,032	540,820	945,743
At 31 July 2001	15,499	346,706	527,319	889,524

10. INVESTMENTS

	Company £
1,000 ordinary £1 shares – Trinity College Library & Ancillary Services (Carmarthen) Limited – at 1 August 2001 and 31 July 2002	1,000
The company owns 100% of the issued share capital of Trinity College Library & Ancillary Services (Carmarthen) Limited.	

11. STOCKS

	Consolidated and Company	
	2002 £	2001 £
Teaching	22,868	22,307
Maintenance	7,364	23,160
Kitchen	18,070	17,492
Other College stocks	4,506	2,213
	52,808	65,172

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
(Limited by Guarantee)

NOTES TO THE ACCOUNTS
Year ended 31 July 2002

12. DEBTORS

	Consolidated		Company	
	2002	2001	2002	2001
	£	£	£	£
Due within one year				
Debtors for goods and services	864,845	886,218	862,122	883,665
Trinity College Library	-	-	1,186,675	764,410
Prepaid expenditure	47,571	24,154	16,949	7,002
	<u>912,416</u>	<u>910,372</u>	<u>2,065,746</u>	<u>1,655,077</u>
Due after one year				
Trinity College	3,850,682	3,850,682	3,850,682	3,850,682
	<u>4,763,098</u>	<u>4,761,054</u>	<u>5,916,428</u>	<u>5,505,759</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Consolidated		Company	
	2002	2001	2002	2001
	£	£	£	£
Bank overdraft	-	70,242	-	70,242
Bank loan	248,384	192,000	248,384	192,000
Creditors for goods and services	507,229	290,724	507,229	290,724
Student indemnity bonds	41,167	39,849	41,167	39,849
Other creditors including tax and social security	175,204	140,224	143,164	129,430
Accruals and deferred income	248,462	212,507	248,462	212,507
Trinity College Library	-	-	1,007,827	601,611
	<u>1,220,446</u>	<u>945,546</u>	<u>2,196,233</u>	<u>1,536,363</u>

The bank overdraft is secured by a fixed and floating charge on the assets of the company.

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Consolidated and Company	
	2002	2001
	£	£
Bank loan	<u>2,684,854</u>	<u>2,965,882</u>

The bank loan was originally advanced on 21 May 1996 to Trinity College (previously Trinity College Carmarthen Foundation). On 31 July 1998 the loan was repaid by Trinity College from an advance made from Trinity College Carmarthen Foundation Limited who then entered into a new loan for the same amount and same repayment terms.

The loan is repayable on demand but it is intended that it will be repayable over a term of 20 years. Interest is charged at the rate of 1% over the bank's base rate.

The loan is secured by a legal charge on student accommodation blocks owned by Trinity College.

TRINITY COLLEGE CARMARTHEN FOUNDATION LIMITED
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NOTES TO THE ACCOUNTS
Year ended 31 July 2002

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

Bank loans are repayable as follows:

	Consolidated and Company	
	2002	2001
	£	£
Due within		
One year	248,384	192,000
After one year		
One to two years	260,803	192,000
Two to five years	863,291	652,000
After five years	1,560,760	2,121,882
	<u>2,684,854</u>	<u>2,965,882</u>
Total	<u>2,933,238</u>	<u>3,157,882</u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

	Consolidated and Company	
	2002	2001
	£	£
Pension provision	<u>1,280,378</u>	<u>1,328,659</u>
Pensions		
Balance at 1 August	1,328,659	1,351,515
Payments in year	(105,854)	(105,554)
Charge for the year	<u>57,573</u>	<u>82,698</u>
Balance at 31 July	<u>1,280,378</u>	<u>1,328,659</u>

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16. DEFERRED CAPITAL GRANTS

	Consolidated and Company	
	2002	2001
	£	£
Grants received		
At 1 August	459,670	313,703
Reclassified from revenue	-	38,685
Reclassified to revenue	-	(20,199)
Received in year	239,579	255,558
Amortisation for year	(208,321)	(128,077)
At 31 July	<u>490,928</u>	<u>459,670</u>

17. FARM CAPITAL ACCOUNT

	Consolidated £
Balance at 1 August 2001 and 31 July 2002	<u>35,894</u>

18. INCOME AND EXPENDITURE ACCOUNT

	Consolidated		Company	
	2002	2001	2002	2001
	£	£	£	£
Balance brought forward	131,559	19,184	173,160	51,077
Net income for the year	<u>100,191</u>	<u>112,375</u>	<u>124,165</u>	<u>122,083</u>
Balance carried forward	<u>231,750</u>	<u>131,559</u>	<u>297,325</u>	<u>173,160</u>

19. ELWa

	Consolidated £
Capital sums received to eliminate bank overdraft at 1 August 2001 and 31 July 2002	<u>8,870</u>

The capital sum represents the permanent capital of the farm attributable to ELWa.

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NOTES TO THE ACCOUNTS
Year ended 31 July 2002

20. FINANCIAL COMMITMENTS

At 31 July 2002 the group had annual commitments under non-cancellable operating leases as follows:

	Other £
Leases expiring between two and five years inclusive	32,231

**21. RECONCILIATION OF OPERATING SURPLUS TO NET CASH INFLOW/(OUTFLOW) FROM
OPERATING ACTIVITIES**

	Consolidated 2002 £	2001 £
Surplus for the year	100,191	112,375
Decrease in provisions	(48,281)	(22,856)
Depreciation	359,030	271,725
Amortisation of grants	(208,321)	(148,276)
Decrease in stocks	12,364	19,446
Increase in debtors	(2,044)	(359,729)
Increase/(decrease) in creditors	288,757	(86,518)
Interest paid	159,426	219,425
Interest received	(8,774)	(7,700)
Net cash inflow/(outflow) from operating activities	652,348	(2,108)

22. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase/(decrease) in cash	108,167	(449,326)
Cash flow from decrease in debt	224,644	170,950
Change in net debt resulting from cash flows	332,811	(278,376)
Net debt at 1 August	(3,125,505)	(2,847,129)
Net debt at 31 July	(2,792,694)	(3,125,505)

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NOTES TO THE ACCOUNTS
Year ended 31 July 2002

23. ANALYSIS OF NET DEBT

	31 July 2001 £	Change in year £	31 July 2002 £
Cash at bank and in hand	102,619	37,925	140,544
Bank overdraft	(70,242)	70,242	-
	<u>32,377</u>	<u>108,167</u>	<u>140,544</u>
Bank loan	(3,157,882)	224,644	(2,933,238)
	<u>(3,125,505)</u>	<u>332,811</u>	<u>(2,792,694)</u>

24. RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2002 £	2001 £
Interest paid	(159,426)	(219,425)
Interest received	<u>8,774</u>	<u>7,700</u>
Net cash outflow from returns on investments and servicing of finance	<u>(150,652)</u>	<u>(211,725)</u>

25. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2002 £	2001 £
Purchase of tangible fixed assets	(408,464)	(320,101)
Capital grants received	<u>239,579</u>	<u>255,558</u>
Net cash outflow from capital expenditure and financial investment	<u>(168,885)</u>	<u>(64,543)</u>

26. FINANCING

	2002 £	2001 £
Loan repayments	(224,644)	(170,950)
Net cash outflow from financing	<u>(224,644)</u>	<u>(170,950)</u>

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27. ACCESS FUNDS

	2002 £	2001 £
Unspent at 1 August	212	1,568
Funding Council grants	217,053	99,162
Interest earned	3,340	1,428
	<hr/>	<hr/>
Disbursed to students	220,605 (217,794)	102,158 (101,946)
	<hr/>	<hr/>
Balance unspent at 31 July	2,811	212
	<hr/>	<hr/>

Funding Council grants are available solely for students. The College acts only as paying agents. The grants and related disbursements are therefore excluded from the income and expenditure account.

During the 2001/2002 academic year the College received £217,053 (2000/2001 - £99,162) from ELWa as earmarked access funds. The funds were administered in accordance with the terms and conditions specified by the Council. At 31 July 2002 the College held £2,811 (31 July 2001 - £212) of funds not distributed.

28. PGCE INCENTIVE SALARIES

	2002 £	2001 £
Incentives received	602,150	127,200
Disbursed to students	(602,150)	(127,200)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

PGCE incentive salaries are available for PGCE students. The College acts only as paying agents. The incentives and related disbursements are therefore excluded from the income and expenditure account.

During the year the College received £602,150 (2001 - £127,200) from the National Assembly for Wales as earmarked PGCE incentives. The funds were administered in accordance with the terms and conditions specified by the council. All incentives were paid out in the year.

29. PARENT COMPANY

As permitted by section 230 of the Companies Act 1985, the income and expenditure of the parent company is not presented as part of the financial statements. The parent company's profit for the financial year amounted to £124,165 (2001 - £122,083).

30. PENSION SCHEMES

There are two pension schemes in operation via the College for its staff: the Teachers' Pension Scheme for academic staff, and the Dyfed Pension Fund (LGSS) for support staff.

LGSS

The last full actuarial valuation was performed on 31 March 2001 at which date the market value of the assets of the scheme was £437.8 million. The actuarial value of the assets represented 103% of the fund's accrued liabilities after allowing for future increase in earnings.

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NOTES TO THE ACCOUNTS
Year ended 31 July 2002

30. PENSION SCHEMES (CONTINUED)

An approximate actuarial valuation of the scheme was carried out at 31 July 2002 by a qualified independent actuary. The major assumptions used by the actuary were:

	2002 %	2001 %
Rate of increase in salaries	4.0	4.0
Rate of increase in pensions	2.5	2.5
Discount rate	6.0	6.0
Rate of inflation	2.5	2.5

The split of scheme assets between investment categories and the expected rate of return were:

	2002		2001	
	Rate of return %	Split %	Rate of Return %	Split %
Equities	8.0	61.3	8.0	64.7
Bonds	6.0	36.7	6.0	33.3
Other	4.0	2.0	4.0	2.0
		<u>100.0</u>		<u>100.0</u>

The following amounts at 31 July 2002 were measured in accordance with the requirements of FRS 17:

	2002 £'000	2001 £'000
Market value of assets	4,442	4,797
Liabilities	<u>(5,148)</u>	<u>(4,706)</u>
(Deficit)/surplus in the scheme/net pension (liability)/asset	<u>(706)</u>	<u>91</u>

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30. PENSION SCHEMES (continued)

If the above amounts had been recognised in the financial statements, the College's net assets would be as follows:

	2002 £'000	2001 £'000
Net assets excluding pension (liability)/assets	4,746	4,565
Pension (liability)/asset	(706)	91
	<u>4,040</u>	<u>4,656</u>

Additionally, if the pension costs had been recognised in accordance with FRS 17, the following components of the pension charge would have been recognised in the income and expenditure account and statement of recognised gains and losses for the year ended 31 July 2002:

	2002 £'000
Analysis of amounts charged to income and expenditure account	
Current service cost	184
Post service cost	-
Curtailment cost	-
Operating cost	<u>184</u>
Analysis of amounts credited to financing of provisions	
Expected return on assets	353
Interest on pension liabilities	(287)
Net finance return	<u>66</u>
Analysis of amounts recognised in the statement of total recognised gains and losses	
Difference between actual and expected return on scheme assets	(844)
Experience gains arising on scheme liabilities	-
Effects of changes in assumptions underlying the present value of scheme liabilities	-
Actuarial loss	<u>(844)</u>
Movement in the College's share of the scheme's surplus during the year	
Surplus on scheme at 1 August 2001	91
Current service cost	(184)
Net finance return	66
Contributions	165
Actuarial loss	(844)
Deficit on scheme at 31 July 2002	<u>(706)</u>

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30. PENSION SCHEMES (continued)

The tax credits associated with UK equity dividends were abolished with effect from 2 July 1997. This has the effect of reducing the overall expected investment return in the long term. The actuary of the LGSS has reported that to allow for this reduction in return would require an increase in the Common Contribution of 1.2% of pensionable pay.

Teachers' Pension Scheme

The College is a member of the Teachers' Pension Scheme (TPS) which is a defined benefit scheme. The TPS is an unfunded scheme. Contributions on a "pay-as-you-go" basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972. Actuarial valuations are carried out on a notional set of investments. Under the definitions set out in the Financial Reporting Standard 17 Retirement Benefits, the TPS is a multi-employer pension scheme. The TPS is unable to provide for the College an identification of its share of the underlying (notional) assets and liabilities of the scheme. Accordingly, the College has taken advantage of the exemption in FRS 17 and has accounted for its contribution to the scheme as if it were a defined contribution scheme. Set out below is the information available on the deficit in the scheme and the implications for the College in terms of the anticipated contribution rates.

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of contribution levels are as follows:

Latest actuarial valuation	31 March 1996
Actuarial method	prospective benefits
Investment returns per annum	8.5% per annum
Salary scale increase per annum	6.5% per annum

Value of notional assets at date of last valuation: £61,710 million (estimated future contributions together with notional investments held at latest valuation).

Proportion of members' accrued benefits covered by actuarial value of the assets: 94%.

Following implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2001 the government actuary carried out a further review on the level of employer's contributions. For the period from 1 April 2001 to 31 March 2002 the employer contribution will be 7.2% plus 0.2% in respect of benefit improvements to the scheme. From 1 April 2002 there will be a further increase of 0.95%.