COLLEGES WALES / COLEGAU CYMRU

England & Wales · Charity number 1060182

Details

Other names	FFORWM
Status	Registered
Legal form	Charitable company
Company number	02832103
Registered	1997-01-16
Register	View on the Charity Commission register

Contact

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Activities

Objects: THE ADVANCEMENT OF EDUCATION FOR THE BENEFIT OF THE GENERAL PUBLIC IN WALES

Activities: The charity aims are the advancement of education for the benefit of the general public in Wales. There is a key focus on post-14 education, lifelong learning and skills. The prime purpose is to assist member colleges to raise standards. These aims are carried out by representation and support of member colleges, provision of training, research & development work and undertaking relevant projects

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Classification

- **How:** Provides Services, Provides Advocacy/advice/information, Sponsors Or Undertakes Research, Acts As An Umbrella Or Resource Body
- **What:** Education/training
- **Who:** Children/young People, Elderly/old People, People With Disabilities, Other Charities Or Voluntary Bodies

Geography

- **Area of benefit:** WALES
- Throughout Wales

Finances

Period end	Income	Expenditure	Assets	Employees
2025-07-31	£2,380,914	£2,168,560	£2,052,417	16
2024-07-31	£3,053,708	£2,885,609	£2,008,063	16
2023-07-31	£3,399,140	£3,062,236	£1,935,276	16
2022-07-31	£3,257,432	£3,073,278	£1,637,372	15
2021-07-31	£1,732,494	£1,842,136	£925,218	14

Trustees

Name	Role	Appointed
Dr Rhiannon Evans		2021-11-24
Iwan Thomas		2024-08-01
Jonathan Morgan		2025-12-01
Lisa Michelle Thomas		2023-01-04
Paul Smart		2021-01-04
Victoria Jones		2024-08-01

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COLLEGES WALES / COLEGAU CYMRU

England & Wales - Charity number 1060182

Accounts

ColegauCymru
CollegesWales

Annual Report and Consolidated Accounts for the Year Ended 31 July 2025

Charity Number: 1060182
Company Number: 2832103
(England and Wales)

ColegauCymru
CollegesWales

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It is my pleasure to introduce the Annual Report and Accounts for the year ended 31 July 2025. This has been another year of significant progress and challenge for ColegauCymru, as we have continued to champion the advancement of further education across Wales.

Our work has focused on providing a strong voice for the sector and helping members to navigate a world of economic, financial and political uncertainty. We have strengthened our work in the Senedd as we look ahead to the 20026 Senedd Election and we have sought to engage positively and proactively with Medr on their plans for regulatory change.

We have looked to embed our commitment to the ways of working outlined in the Wellbeing of Future Generations, particularly our focus on collaborating with partner organisations, involving learners in our activities and trying to balance the immediate needs of the sector alongside a focus on meeting longer term challenges.

We are proud of the achievements outlined in this report, from supporting the sector to deliver active wellbeing projects and supporting learner mental health, working with colleges to support them with their work to deliver support for Additional Learning Needs, shaping future qualifications and continuing to offer life changing international mobilities to learners and staff in the sector.

Looking ahead, ColegauCymru we will ensure the needs of the sector are reflected in the Senedd Election, that we continue to make the case for investment in high quality college and work-based learning provision for young people and adults, that we continue to promote the Welsh language, and that our colleges are places where everyone feels they belong and can be safe. I would like to thank our Board of Directors, staff and all our partners for their dedication and support throughout the year. Together, we are making a real difference to the lives of learners and the future of further education in Wales.

David Hagendyk
Chief Executive
ColegauCymru

Structure

ColegauCymru is a post-compulsory education charity that represents 11 further education (FE) colleges and two designated FE institutions (FEIs) in Wales. The company was originally incorporated in 1993 as Fforwm Limited and, on 1 June 2009, changed its name to Colleges Wales/Colegau Cymru Limited and was branded as 'ColegauCymru/CollegesWales'. Fforwm Services Limited was established in 1995 and is a wholly owned trading subsidiary of Colleges Wales/Colegau Cymru Limited.

Charitable Objectives

The ColegauCymru charitable objectives and principal activities remained throughout 2024-25, to promote the advancement of education for the benefit of the general public in Wales. ColegauCymru exists through its work to:

- provide a forum for discussion on matters of common interest conducted by all the FE corporations and other institutions receiving post-16 funding from the Welsh Government; and
- make representations on behalf of its members to persons concerned with education and its funding in Wales.

The charity's prime purpose is to raise the profile of further education with key decision-makers to improve educational opportunities for learners in Wales.

Strategic Priorities

During the financial year, ColegauCymru focused on delivering the following key priorities:

1. Delivering services to members
2. Building a stronger sector
3. Advocate for system change
4. Developing the organisation

Achievements and Performance

Political and stakeholder engagement

ColegauCymru represents the views of its members through a range of mechanisms, including policy position statements, briefings, press releases etc. This includes direct engagement with political parties, providing one to one and group briefing on specific policy matters, and providing information and data to inform Senedd debates. ColegauCymru regularly engages with Welsh Government ministers, including the Cabinet Secretary for Education, the Minister for Further and Higher Education, and the Minister for Culture, Skills and Social Partnership. ColegauCymru continues to provide the secretariat to the Senedd's Cross Party Group for Further Education and Skills, and the Cross Party Group for Apprenticeships, which have both met several times through the year focusing on different issues.

As we look ahead to the Senedd election in May 2026, ColegauCymru has proactively engaged with parties across the political spectrum to ensure that the view of the sector are well understood as parties begin to develop their manifesto positions. This political engagement work has included discussions with Education spokespeople, and policy leads in the parties, as well as participation at the party political conferences, hosting fringe meetings, roundtables, and meeting key party figures. ColegauCymru has worked with a range of key stakeholder organisations to deliver different events, including the National Union of Students in Wales, and Universities Wales. ColegauCymru has hosted a range of political visits to colleges to help deepen politicians' understanding of the sector's offer, and its challenges. The visits have enabled a number of elected representatives to meet with learners and staff, and tour the colleges' facilities for teaching, socialising and sports activities etc.

In parallel to ColegauCymru's political engagement work, the organisation works with a range of charities and civic society organisations in Wales. This has included dialogue with the Children's Commissioner for Wales, and the Learning and Work Institute. This wider stakeholder work has also included proactively raising awareness of specific issues, for example, Mental Health Awareness Week as well as participating in the UK wide 'Colleges Week' campaign. To mark the week ColegauCymru: hosted a meeting of the Senedd Cross Party Group for Further education and Skills, focused on Green Skills and Growth, which included contributions from Pobl Housing Association, the Crown Estate Supply Chain offshore wind projects, and Keep Wales Tidy; shared a written briefing with all 60 Members of the Senedd, personalised with information relating to their local college; and published guest articles from Federation of Small Business, Confederation of British Industry, and a celebratory article on our international work. ColegauCymru has participated in a range of external events and conferences, including the Black Leadership Group Annual Conference, a UK wide Nuffield Foundation seminar, a Universities Wales event focused on international, and the national Holocaust Memorial Commemoration event at the Temple of Peace in Cardiff.

On apprenticeships specifically, to mark Apprenticeships Week 2025, ColegauCymru held an 'Apprenticeships Fayre at the Senedd', with over 150 people attending, with almost half of MSs in attendance. Coinciding with the event, ColegauCymru provided written evidence to the Senedd's Economy, Trade and Rural Affairs Committee Apprenticeship Pathways inquiry, and circulated a high level briefing to local authority leaders on apprenticeships, including a cover email with local apprenticeships data for each area.

Consultation Responses

ColegauCymru plays a critical role in representing the sector's voice through both written and oral consultation responses, and at times college visits to complement the evidence provided. During this period ColegauCymru has submitted a variety of responses on a wide range policy matters to Welsh Government, Senedd Committees, and other bodies. These included:

- Coleg Cymraeg Cenedlaethol - Towards Cymraeg 2050 review – FE and Apprenticeships Plan
- Education Workforce Council – revised Code of Professional Conduct and Practice
- Medr - Consultation on a new regulatory system including conditions of registration and funding
- Medr – Consultation om the Strategic Plan
- Qualifications Wales - Learner Journeys
- Senedd Children, Young People and Education Committee - Routes into Post-16 Education and Training
- Senedd Children, Young People and Education Committee - Welsh Language and Education (Wales) Bill
- Senedd Culture, Communications, Welsh Language, Sport, and International Relations Committee - Cymraeg for all?
- Senedd Culture, Communications, Welsh Language, Sport, and International Relations Committee - consultation on the Welsh Government's International Strategy
- Senedd Economy, Trade and Rural Affairs Committee - Apprenticeship Pathways inquiry
- Senedd Economy, Trade and Rural Affairs Committee – Green Economy
- Senedd - Equality and Social Justice Committee - Disability and employment inquiry.
- Senedd Finance Committee - Welsh Government Draft Budget 2025-26
- Social Care Wales - Codes of Professional Practice consultation
- Welsh Government - Data and information to support learning and improvement: for those working within the school system
- Welsh Government - Learner Behaviour Summit
- Welsh Government - Learner Travel Summit
- Welsh Government - Regulating the Inspection of FE and Training
- Welsh Government - Regulation of higher education providers and designation for student support.
- UK Government - UK Covid-19 Public Inquiry – Module 8 (Children and Young People)
- UK Parliament Welsh Affairs Committee - Promoting Wales for Inward Investment

Partnerships and Stakeholder Engagement

ColegauCymru has continued to work closely with our partners and key stakeholders from education and further afield; these include Welsh Government, Medr, Sport Wales, British Council, EWC, Estyn, Qualifications Wales, Learning & Work Institute Wales, NTfW (National Training Federation Wales), Coleg Cymraeg Cenedlaethol, Y Ganolfan Dysgu Cymraeg, awarding organisations, as well as with our colleges, to ensure that the FE sector is well placed in terms of future developments.

Strategic Groups
ColegauCymru's strategic groups, spanning curriculum and quality, work-based learning, MIS, HR, International and Finance, continued to drive sector-wide collaboration, policy development and strategic delivery across Wales' further education landscape. During this period, ColegauCymru identified the need for a new strategic group – learner experience - to ensure an effective response to new regulation and to ensure consistency and collaboration for enhancing the FE learner experience.

Colleges Alliance
ColegauCymru has increased and deepened its engagement with the Association of Colleges led Colleges Alliance, including securing the 2026 International Conference to be hosted in Wales at Coleg Cambria.

Through the Colleges Alliance, ColegauCymru joined together with the Association of Colleges, Colleges Scotland and colleges in Northern Ireland, to publish a joint letter calling on the Prime Minister to prioritise investment in FE and skills at the Comprehensive Spending Review. The letter received significant positive media coverage, including UK wide publications The Independent, The Evening Standard, STV as well as by the Press Association. In Wales, the letter attracted coverage from in Business News Wales, Nation Cymru and The Western Mail.

Annual conference
In October 2025, ColegauCymru delivered its annual conference. The event, held in Cardiff, brought together nearly 200 senior sector leaders, with Welsh Government, Medr and other key organisations. The conference was addressed by the Welsh Government's Minister for Further and Higher Education, Vikki Howells MS, and offered eight different workshops where delegates could delve deeply into a range of topics. The conference was sponsored by City and Guilds. The Conference dinner was sponsored by Agored.

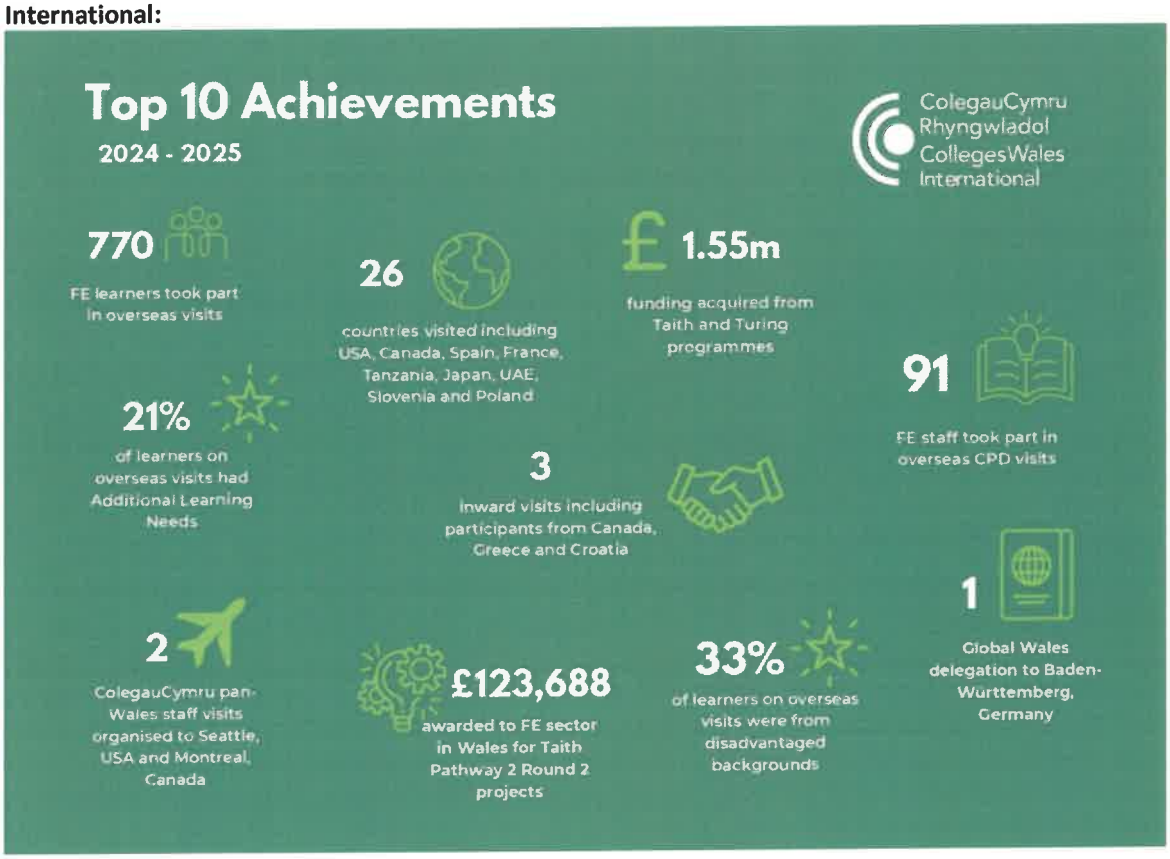
Projects

ColegauCymru has been successful in securing several externally funded projects aimed at enhancing the educational opportunities of learners in Wales and supporting colleges with the implementation of policy into practice. A summary of the range of projects undertaken by the charity, during the period, are outlined below.

Social Partnership

ColegauCymru was awarded grant funding from the Welsh Government to continue its coordination of the national social partnership steering group as part of the FE lecturer workload review. The Workload Phase 4 Continuation project included the evaluation of local action plans, delivery and evaluation of three collaborative projects to improve well-being and workload, and a dissemination conference to share best practice and discuss future priorities for the partnership.

International:



Additional Learning Needs

ColegauCymru, through the Welsh Government funded ALN project, has continued to support and challenge colleges as the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act drew to its completion in August 2025As part of the support to colleges as they implement the Additional learning Needs and Education Tribunal Act, ColegauCymru has:

- Worked with Welsh Government officers, LAs, FEIs, health boards and the third sector within the four regions to promote partnership and consistency.
- Delivered several on-line events to support the development of stakeholder policies and practice.
- Worked with partners to deliver training programmes that enhance the skills of ALN staff.
- Produced and shared a number of key documents to support college ALN development.
- Developed a Hwb project sharing site to ensure all colleges can benefit from the development work going on across Wales.
- Delivered ALN updates to a number of key networks run by ColegauCymru.

- Organised and chaired cluster groups to support colleges with current and future ALN developments.
- Organised and delivered four ALN workshops to support understanding of the ALN Code and regulations.
- Successfully delivered an ALN Conference that focussed on 'Bridging the Gap' through intelligent working.
- Chaired and supported an all-Wales LA Post-16 Officer group to support consistent approaches to meeting their new duties.
- Organised and chaired an online IDP system user group to support the development of an effective management system for ALN.
- Represented colleges on a number of key Welsh Government groups including the ALN Steering Group.
- Worked with multiple sectors to create guidance for FEIs on supporting sensory needs.
- Raised ministerial awareness of the capacity challenges colleges are experiencing due to their new duties.

Independent Living Skills (ILS)

ColegauCymru secured grant funding from Medr to continue the ILS project, supporting colleges with the roll out of the new curriculum for ILS. The project has enabled the development of a set of standards and guidance for the delivery of supported internships as well as further developing a system of peer review for ILS programmes based on RARPA principles. The project also enabled the continuation of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act. Additionally, it created opportunity for ILS staff to share best practice and expertise through the ILS Conference in June 2025.

Credit and Qualifications Framework for Wales (CQFW) Alignment Contract

Welsh Government funding was received from April 2024 – March 2025. The aim of this work is to provide advice and support to the Welsh Government to maintain alignment between the CQFW and the other qualification and regulatory frameworks within the UK and the European Qualifications Framework; establish recommendations, a policy position and systems/processes relating to the recognition of skills, qualifications and experience.

Active Wellbeing in FE Colleges

Making the connection between being active and better wellbeing and mental health

Chwaraeon ColegauCymru CollegesWales Sport

Active Colleges - Active Lives - Active Wales

The Vision

Colleges promote mental health and inclusivity through physical activity and sport by:



- engaging groups of less active learners
- promoting active lifestyles among learners and staff
- tackling inequalities
- adopting preventative approaches to mental health and wellbeing

Key Stats

23% Between 2019-2024, there was a 23% increase in the number of learners taking part in Active Wellbeing activities.

Over 40% of these participants were female.

In 2023/2024, over 5,000 college learners participated in Active Wellbeing activities.

Preventative Health

Demand for mental health support is rising. Active Wellbeing offers a more sustainable approach to promoting mental health and wellbeing through physical activity and sport.

In 2022/23, college wellbeing services dealt with a

40% INCREASE

in internal wellbeing and safeguarding referrals, compared to the previous year.

Tackling Inequality

Colleges provide Active Wellbeing opportunities for a diverse range of traditionally less active groups to try new activities. These include female learners, ESOL learners and those with disabilities.

In 2024/2025, over 300 learners in ILS * groups participated in Active Wellbeing events in colleges.

Future Workforce

Each year, up to 3,000 learners enrol on sports-related courses at college, where volunteering is an integral part of their studies.

Through these opportunities, learners actively support the delivery of community sport across Wales, playing a key role in promoting a more active nation.

Active Wellbeing Events

ColegauCymru delivered inclusive wellbeing events across Wales in 2024/25, including duathlons in Pembrey (400 learners) and Rhyl (100+ learners).

Over 1,000 learners and staff took part this year, with 30 - 40% having additional learning needs (ALN).

Adaptive bikes and equipment ensured accessible, inclusive participation for all.

Collaboration

Active Wellbeing projects collaborate with a range of partners including - Sport Wales, Urdd, Youth Sport Trust, Welsh Triathlon, Disability Sport Wales, Street Games and The Outdoor Partnership.

www.sport.colleges.wales

* Individual Learning Skills courses are courses available for learners with an Individual Development Plan (IDP), helping to enhance their communication skills

Future Plans and Activities

ColegauCymru remains committed to supporting the sector through significant change, including the operational launch of Medr. We will continue to monitor and influence this transition, ensuring that the voice of further education is represented.

Looking ahead to the Senedd elections in 2026, we will develop and present clear sector positions to political parties, advocating for policies that strengthen parity of esteem between vocational and academic routes and secure long-term investment in FE.

Following the UK's exit from the EU, Wales must maintain and expand its international links. ColegauCymru will continue to play an active role in European VET transparency initiatives and advise Welsh Government and Medr on frameworks that connect FE in Wales to global partners. Our international work will be delivered through Taith, the Welsh Government's exchange programme, and the UK's Turing Scheme, alongside participation in Global Wales and delivery of our Internationalisation Strategy.

We will also strengthen our partnership with Sport Wales and other stakeholders to embed active wellbeing across FE settings. This includes projects funded by Welsh Government to promote physical, mental, and emotional wellbeing through creative, sporting, and cultural activities, supported by continued investment from Sport Wales and mental health funding streams.

A key organisational priority is to align resources to emerging challenges, including:

- The squeeze on public spending and deteriorating public finances.
- The establishment of Medr and its implications for funding and regulation.
- The outcomes of the Vocational Qualifications Review and reforms to technical and vocational awarding.

We will work closely with Members to enhance relationships with Ministers and stakeholders, ensuring Members remain informed and focused on delivering priorities for learners and communities.

As the representative body for FE institutions in Wales, we will continue to engage constructively with Joint Trades Unions, working in social partnership to support the FE workforce and deliver the best possible learning experience.

Our Policy and Communications Team will advocate for positive change through consultation responses, briefings, and engagement with Ministers, Cross-Party Groups, and policy organisations.

Finally, as part of our corporate priority to provide public benefit, our Partnerships and Strategic Development Team will deliver programmes that:

- Enhance the skills of the FE workforce.
- Expand international exchange opportunities.
- Promote active wellbeing for staff and learners.
- Establish a leadership programme to strengthen capacity across the sector.

Governance

The Governance Report provides information on the membership of its Board, Committees and recent changes to its constitution and governing document.

Board of Directors



Chair: Lisa Thomas
CEO/Principal, The College Merthyr Tydfil
JOINED: 1 August 2024

Appointed as Principal and Chief Executive at the College Merthyr Tydfil in September 2018, Lisa joined the FE sector as Assistant Principal in September 2012. Lisa is a qualified teacher and has a Masters Degree in Education. Beginning her career as a History teacher in 1993 Lisa has over 25 years experience of leadership and management roles within secondary and further education and local government.
As a member of Colegau Cymru, Lisa has represented the sector on a number of Welsh Government working groups and played an influential role in shaping government policy regarding the FE sector in Wales. She is also an experienced ESTYN peer inspector



Vice Chair: Andrew Cornish
CEO/Principal, Coleg Sir Gar
Joined: 1 August 2024 (stepping down 31st July 2025)

Andrew has been the CEO and Principal of Coleg Sir Gar and Coleg Ceredigion for the last six years. He has worked in Further Education for thirty years and held a number of different managerial and senior post holder positions at the College during that time. He has also worked as a Peer Assessor with Estyn for nearly 25 years, assessing the standards of other FE colleges throughout Wales.
Currently, he is a member of the Public Service Boards in Carmarthenshire (Vice Chair) and Ceredigion and has worked within the SouthWest Wales and Mid Wales regions on skills development for a number of years. Consequently, he sits on both Regional Learning Partnership (RLP) Boards in Carmarthenshire and Ceredigion. He is also a Board member of Global Wales, and chairs the Internationalisation Group for the Further Education (FE) sector in Wales.



Director/Trustee: Dr Paul Smart
Joined: 4 January 2021

Chair of Governing Body Coleg y Cymoedd

Having graduated with a BSc and PhD in Engineering, Paul commenced his career in Operational Research in both the gas and steel industries. He subsequently join the UK manufacturing plant of an International Cosmetics company where he worked as both a Production Manager and Head of Human Resources. He subsequently took a role in the company's headquarters as UK Human Resources Director for Operations, Supply Chain, Finance and IT.

After 37 years with the company, Paul has now retired but still works part-time as the company's Pension Liaison Manager and as a Pension Fund Trustee. Paul has been a Governor of a number of FE colleges over a period of more than 20 years.



Director/Trustee: Dr Rhiannon Evans
Joined: 24 November 2021

Dr Rhiannon Evans is a Senior Lecturer at Cardiff University. She is a member of the executive management team at the DECIPHer research centre, which focuses on the health and wellbeing of children and young people. She has extensive methodological expertise in intervention evaluation research, particularly in educational settings. Her substantive research interests focus on the promotion of mental health and wellbeing, in addition to the prevention of self-harm and suicide. She had led and supported national evaluations of education-based mental health services, including MHFA training for secondary-school staff and counselling provision. She has a particular focus on educational and health inequalities, notably outcomes for care-experienced children and young people.



Director/Trustee: Vicky Jones
Joined: 1 August 2024

Vicky is Deputy Director at The Open University in Wales and has worked in a variety of roles across the institution over the last fifteen years. Within her current portfolio she is accountable for marketing, communications, Government relations, public engagement, Welsh Language Standards, partnerships and civic mission.

Working within the four-nation context of the university, Vicky is a member of the senior leadership team, represents Wales on the UK-wide marketing and communications senior leadership group and has been voted onto Senate, one of the key committees in the OU's governance structure.



Director/Trustee: Iwan Thomas
Joined: 1 August 2024

Chair of Governing Body Pembrokeshire College

Iwan is currently the Chief Executive Officer of PLANED, a community development organisation that has been operational within Pembrokeshire for over 35 years, and under his tenure, has now expanded to both Carmarthenshire and Ceredigion supported by the new vision of 'Empowering Communities'.

Prior to joining PLANED, Iwan was the Regional Programme Manager for the North Wales Economic Ambition Board for five years leading on their Skills and Employment portfolio.

In addition to a Master's Degree in Business Administration, Iwan brings over 20 years of experience from working across the third and public sectors across Wales, working in partnership with many great people, organisations and projects.



Director/Trustee: Donna Ali
Joined: 1 August 2024

Donna Ali is the visionary founder of BE.Xcellence, a Community Interest Company with a mission to enhance the representation of individuals from Black, Asian, and minority ethnic backgrounds in influential positions. Her remarkable journey has been marked by accolades and initiatives aimed at fostering diversity and inclusion. In 2022, Donna received the prestigious 'Outstanding Achievement' award from Cardiff Metropolitan University's Department of Entrepreneurship, recognizing her commitment to diversity. She also earned the Black History Wales award in the same year and continued her journey by winning regional and national accolades for diversity and inclusion in 2023 at the FBS awards.

No director/trustee held any shares in the company at any time during the year.

Committees of the Board of Management

Audit Committee	Paul Smart (Chair), Lynda Astell, Kathryn Robson, and Sharon Bowker
Search Committee	Rhiannon Evans, Paul Smart

The directors of the subsidiary company were appointed by and from the ColegauCymru Board. On 30 November 2020 it was agreed to implement a common board for both companies and this was put into effect on 4 January 2021. The directors of the subsidiary during the period were as follows:

Lisa Thomas (Chair)
Andrew Cornish (Deputy Chair)
Paul Smart
Rhiannon Evans
Victoria Jones
Iwan Thomas
Donna Ali

All directors/trustees give their time voluntarily and receive no personal benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Roles and Key Responsibilities

The Board is collectively responsible for the charity's long-term success. The Board sets its strategic aims, monitors the performance of management against the strategic aims, ensures good governance, assesses its risk appetite and ensures that effective controls are in place in the business.

The Chair, Lisa Thomas plays a key role in helping to ensure a unified Board, facilitating meetings, and ensuring good governance. Meeting agendas are agreed in consultation with the Chief Executive and Company Secretary, although any Director may request that an item be added to the agenda.

Beyond matters reserved for the Board, the Chief Executive, David Hagendyk has primary responsibility for managing the day-to-day affairs of the charity and is supported by a senior team in implementing strategy and day to day management.

Activities

- During 2024-25, the areas of focus for the Board included:
- Review of funding, income, and expenditure to continue to ensure the long-term financial sustainability of the organisation
- Ongoing scrutiny of risk management within the organisation
- Review and update policies to ensure compliance with current statutory responsibilities and a healthy, respectful, and innovative workplace.
- Review of the risk environment and strategic priorities

Constitution

Under the Articles of Association, the Chair and Deputy Chair of the CEO/Principals' Forum are appointed the Chair and Deputy Chair of the charity Board In accordance with the Articles of Association, the Board comprises of a minimum of five and a maximum of seven Trustees which may include up to two Chairs of Governing Bodies and up to three independent external professionals may be appointed Trustees. If there are vacancies, the Board may Co-opt Trustees provided the total number of Trustees does not exceed seven. The Chair and Deputy Chair shall serve concurrently for two years whilst the other Trustees may serve for an initial three years, with the option to seek re-appointment for a further three-year term.

On the 2nd July 2024, the following resolution was proposed and passed by members at the AGM: members resolved to change the commencement date of the term of office for the Chair and Deputy Chair to run for a period of two years from 1st August, as it was in previous years.

The Chair and Deputy Chair of the Board along with an independent member is responsible for conducting the CEO's annual performance review and make recommendations to the Board, which is responsible for setting the CEO's remuneration package.

A common board for both the charity and its subsidiary company, Fforwm Services Ltd, this was put into effect from 4 January 2021.

Induction and Development

The Trustees receive an information pack on their legal obligations under charity and company law. To assist them in carrying out their duties all Trustees are expected to meet the standards set out in the charity's Corporate Governance Code which aims to promote effective and well-informed governance.

Conflicts of Interest

All Trustees must immediately disclose conflicts, or potential conflicts, of interest. In addition, all Trustees sign an annual declaration and disclose their external appointments. Directors also let the Chairperson and Company Secretary know of any pending appointments and announce any new external appointments at the next Board meeting so that all the Board are made aware.

Board Meetings and Attendance

In 2024-25, the Board held three scheduled meetings. All directors are expected to attend meetings of the Board and of those Committees of which they are a member. When a Director is unable to participate in a meeting, the Chair will seek their views on key items ahead of the meeting so that these can be added to the discussion.

Risk Management

The Board has overall responsibility for the operation and effectiveness of the charity's system of internal controls and risk management. The system of controls is designed to manage the risk of failure to achieve business objectives, and comprises audited policies and procedures aimed at identifying and managing the most significant risks faced by the business.

The Trustees are of the view, that there is an ongoing process for identifying, evaluating and managing significant risks faced by ColegauCymru and that this process has been in place during the reporting period.

Delegated authority is granted to the following committees that operate under agreed terms of reference:

Audit Committee - to consider detailed reports together with recommendations for the improvement of systems of internal control and management's responses and implementation plans. The Committee meets at least twice a year, with the external auditors in attendance if requested.

Search Committee - the role of the Committee is to review the succession planning for the Board and to put in place processes to address this, reporting to the main Board.

The Board receives reports from the Chief Executive and the Audit Committee regarding risk and control issues and how it plans to address these issues.

Governing Document

ColegauCymru is a charitable company limited by guarantee and registered as a charity in January 1997. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charity being wound up after all its debts and liabilities have been satisfied and there remains any property, it shall not be paid to or distributed among the Members of the charity. Instead, shall be given or transferred to some other charity or charities having similar objects which prohibits the distribution of its income and property by its charity members at or before the time of dissolution and if that cannot be done then to some other charitable object.

Welsh Language

ColegauCymru is committed to treating Welsh and English equally in all our work, in line with the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards set by the Welsh Language Commissioner. Our Compliance Notice outlines the specific standards we must meet across the areas of Service Delivery, Policy Making, Operations, and Record Keeping.

Promoting and using the Welsh language is an integral part of how we communicate, deliver services, and represent Wales' further education sector.

Service Delivery We continue to ensure that everyone can access our services in Welsh or English according to their preference. This includes but is not limited to bilingual correspondence, signage, and website content.

Policy Making The Welsh language is considered in all policy development and decision-making processes. We conduct impact assessments and consult in Welsh where relevant, ensuring that the language is embedded in our strategic planning.

Operational Standards We support all staff to use Welsh confidently in the workplace, regardless of their ability level. This includes onboarding training for new staff members, bi-annual refresher and awareness training for all staff, practical guidance on bilingual communication, and opportunities for learners to develop their skills in a supportive environment. We also host a weekly Coffi a Chlonc sessions for colleagues to informally use the Welsh they have.

Recruitment We consider Welsh language requirements for all new and vacant posts, and record the number of posts advertised as Welsh essential, desirable, or not required.

Promotion and Facilitation We actively promote the use of Welsh in our communications and activities, marking key dates such as Diwrnod Shwmae Su'mae, Diwrnod Defnyddia dy Gymraeg and Dydd Gŵyl Dewi. Our aim is to create a bilingual working environment where Welsh is used naturally and confidently.

Complaints and Feedback We welcome feedback on our Welsh language services and record and respond to all complaints. Feedback is used to help us continually improve. Our complaints procedure is available in both Welsh and English.

Looking Ahead, we remain committed to strengthening our use of and promoting the Welsh language in the coming year, across all aspects of the organisation's work.

Further information can be found on the Welsh Language Standards page on our website.

Statement of Inclusion

At ColegauCymru we are committed to fostering an inclusive environment where everyone feels valued and respected. Our mission is to support and uplift individuals from all backgrounds, identities, and circumstances.

We believe that diversity enriches our community and enhances our ability to achieve our goals. We strive to:

- **Promote Equality** Ensure equal opportunities for all, overcoming barriers to participation and success
- **Celebrate Diversity** Recognise and celebrate the unique contributions of each individual.
- **Create Safe Spaces** Provide a welcoming and safe environment for everyone, free from racism, discrimination and harassment.
- **Engage with Communities** Actively engage with diverse communities to understand their needs and perspectives.
- **Becoming Anti-racist** Supporting Welsh Government in achieving an Anti-Racist Wales by 2030

Our commitment to inclusion is reflected in our policies, programs, and practices. We continuously work towards creating a more inclusive and equitable organisation, where everyone can thrive.

Financial Review

Total income for the group was £2,380,914, a decrease of £672,794.

The group made a surplus of £44,354 (2024: £72,787) after an actuarial adjustment on the defined benefit pension scheme. No pension asset or liability was recognised at the end of the year.

Principal Funding Sources

ColegauCymru continued to be funded through college subscriptions during the year at a level sufficient to meet the budgetary requirements agreed by the Board. ColegauCymru received £978,883 funding through membership subscriptions from colleges and FE institutions.

Going Concern Accounting Policy

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Investment Policy

In 2008 it was agreed that an investment should be made by the purchase of new office accommodation more suited to the needs of the charity. This took place on 20 August 2008 and constituted a major investment for the charity. However, the trustees are conscious of the need to also retain funds in a liquid form to meet the requirements of the charity. The trustees closely monitor the returns of the investments.

To secure the funds of the charity all investments are made in the company name. The trustees, having considered the operating requirements of the charity and the reserves policy have, for the purpose of security, adopted the policy of holding funds in an interest-bearing account with the balance placed on treasury deposit with a major clearing bank. The use of treasury deposits seeks to achieve the best interest rate possible for the funds with no risk attached, however due to the low rates of return on the current investment the policy is to be reviewed and updated.

Reserves Policy

ColegauCymru is aware of the need to secure its viability beyond the immediate future and is committed to providing services over the longer term. To continue long term operations, it is necessary to be able to absorb unforeseen setbacks and be able to take advantage of opportunities which arise. To fulfil this requirement, the retention of adequate reserves is necessary. The target level of reserves which ColegauCymru should retain have been identified as follows:

Capital Reserve To provide funds to meet the existing and future capital spend requirements of ColegauCymru.

Critical/Closure Costs To retain funds to meet the closure costs which would be incurred should ColegauCymru cease operations. This would allow for a managed cessation of operations and includes

- Notice of termination and redundancy costs for staff
- servicing equipment leasing arrangements
- building insurance
- building maintenance until such time as a sale can be agreed. A two-year period has been allowed for the sale of the property. It is proposed that the sale of the property will be used to meet the liabilities of the LGPS (Local Government Pension Scheme) pension scheme.

Strategic Reserve To meet the costing requirements of any strategic items identified within the designated reserves

Free Reserves To target free reserves equivalent to six months operating costs, currently circa £605,000 to enable the completion or wind up of project and other activities

The ColegauCymru reserves policy is regularly reviewed by the Board of Directors to assess the values contained within and to ensure that it continues to meet the requirements of the charity.

The Directors have recognised the importance to the company of retaining the membership of all the colleges in Wales and of actively pursuing a policy to ensure that the company recognises the needs of the whole sector and caters for them appropriately.

They also recognise the importance to the company of winning bids for projects and research, both in terms of prestige and financial security and conversely the risks involved if the company is unsuccessful in this area.

Where the level of free reserves is likely to fall below the set target of six months operational costs then action will be taken to restore the level of free reserves in line with that target.

Action Plan

Where the level of free reserves falls below the target of six months operating costs then future budgets will be set at a level where it is possible to build up these reserves over an appropriate time period which will be set by the ColegauCymru Board.

Fforwm Services Limited

Fforwm Services was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of service contracts in areas relevant to the parent charity. CPD training for college staff and the wider post-16 education sector, property and equipment leasing. 2023/24 saw the return of the Annual Conference for the first time since Covid 19, the success of the conference was built upon in 2024/25 with a larger event which boosted the performance of the company during the year. The Directors welcome the contribution this has made and are satisfied with the overall performance of the company during the year. Going forward there are plans to continue participating in conference events and also to expand the contracted services to provide additional income whilst supporting its policy objectives.

The company made a profit for the year on ordinary activities of £34,910 (2024: £13,531). A distribution of £34,628 was made to CollegesWales/ColegauCymru during 2025 (2024: £1,000).

During the year the company's turnover increased to £129,311 (2024: £115,044). Building on the success of the 2023 event a larger Annual Conference was held in October 2024 which proved very successful. The success of the conference has continue with a further event in October 2025.

Limited by Guarantee

The company is limited by guarantee and as such has no shareholders. The members of the company are Wales' FE colleges and institutions.

Related Parties

Due to the nature of the organisation, its membership and the composition of the Board, it is inevitable that transactions will take place with company members. All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law that Directors have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make sound judgments and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities (issued March 2005). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Subject to a diligent tendering process, Bevan & Buckland were appointment external auditors for a three period, the ColegauCymru Board formally approved their appointment on 17 November 2022.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities (issued March 2005) and in accordance with the provisions applicable to companies subject to small companies' regime of the Companies Act 2006.

By Order of the Board

Chair of the Board
Date: 25 March 2026
Lisa Thomas

Reference and administrative information

Company Number	2832103
Registered Charity Number	1060182
Registered Office and operational address	Unit 7, Cae Gwyrdd Greenmeadows Springs Cardiff CF15 7AB
Auditors	Bevan Buckland LLP Cardigan House, Castle Court Swansea Enterprise Park Swansea SA7 9LA
Solicitors	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
Bankers	Barclays Bank PLC PO Box 69 Cardiff CF1 1SG

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2025

Opinion

We have audited the financial statements of Colleges Wales / Collegau Cymru Limited (parent charity) and its subsidiary (the 'group') for the year ended 31 July 2025 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United KIngdom Generally Accepted Accounting Practice)

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2025 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

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

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant section of this report.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. if we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2024 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

· enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:
· identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
· detecting and responding to the risks of fraud and whether they have knowledge of any actual. suspected or alleged fraud;

· the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;
· discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:
· Management override of controls
· obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:
· reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

· enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

· reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
· in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

· assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

· evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2025

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in an auidtors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 25 March 2026

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AND CONSOLIDATED INCOME EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2025

	Note	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
INCOME AND ENDOWMENTS FROM					
Charitable activities:	2				
Annual subscriptions		978,883	-	978,883	1,043,991
Advancement of education for the benefit of the general public		36,861	1,163,616	1,200,477	1,863,101
Other trading activities:					
Commercial trading operations	5	129,311	-	129,311	115,044
Investments	3	72,243	-	72,243	31,572
Total income		**1,217,298**	**1,163,616**	**2,380,914**	3,053,708
EXPENDITURE ON					
Charitable activities					
Advancement of education for the benefit of the general public	6	906,456	1,167,074	2,073,530	2,784,680
Other trading activities:					
Commercial trading operations	5	95,030	-	95,030	100,929
Total expenditure		**1,001,486**	**1,167,074**	**2,168,560**	2,885,609
NET INCOME / (EXPENDITURE)		**215,812**	**(3,458)**	**212,354**	168,099
Taxation		**-**	**-**	**-**	(2,312)
NET INCOME		**215,812**	**(3,458)**	**212,354**	165,787
Transfers between funds		**(3,458)**	**3,458**	**-**	-
OTHER RECOGNISED GAINS / (LOSSES)					
Fair Value Adjustment		**(50,000)**	**-**	**(50,000)**	-
Actuarial gain / (loss) on defined benefit scheme		**(118,000)**	**-**	**(118,000)**	(93,000)
Net movement in funds in year		**44,354**		**44,354**	72,787
RECONCILIATION OF FUNDS					
Total funds brought forward	15	**2,008,063**	**-**	**2,008,063**	1,935,276
TOTAL FUNDS CARRIED FORWARD	15	**2,052,417**		**2,052,417**	2,008,063

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

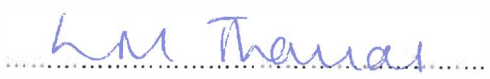
COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO. 2832103
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Tangible assets	10		**269,403**		301,100
Investment Property	11		**250,000**		275,000
			519,403		576,100
CURRENT ASSETS					
Debtors	13	**243,347**		672,685	
Cash at bank and in hand		**1,638,345**		1,807,706	
		1,881,692		2,480,391	
CREDITORS: amounts falling due within one year	14	**(348,678)**		(1,048,428)	
NET CURRENT ASSETS			**1,533,014**		1,431,963
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,052,417**		2,008,063
Defined pension scheme liability	20		-		-
TOTAL ASSETS			**2,052,417**		2,008,063
Represented by:					
FUNDS					
Unrestricted funds	15		**2,052,417**		2,008,063
Restricted funds	15		-		-
			2,052,417		2,008,063

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 32 to 59 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 25 March 2026 and signed on their behalf by:



Lisa Thomas - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
Company Number: 2832103
(Limited by Guarantee)
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £	2025 £	2024 £	2024 £
FIXED ASSETS					
Tangible assets	9		**268,817**		300,544
Investment Property	11		**250,000**		275,000
Investments	12		**100**		100
			518,917		575,644
CURRENT ASSETS					
Debtors	13	**238,951**		653,978	
Cash at bank and in hand		**1,575,312**		1,784,184	
		1,814,263		2,438,162	
CREDITORS: amounts falling due within one year	14	**(302,963)**		(1,027,659)	
NET CURRENT ASSETS			**1,511,300**		1,410,503
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,030,217**		1,986,147
Defined pension scheme (liability) / asset	20				
TOTAL ASSETS			**2,030,217**		1,986,147
Represented by:					
FUNDS					
Unrestricted funds	15		**2,030,217**		1,986,147
Restricted funds	15				-
			2,030,217		1,986,147

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 32 to 59 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 25 March 2026 and signed on their behalf by:

Lisa Thomas - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2025

	Note	2025 £	2024 £
Net cash inflow / (outflow) from operating activities:		**(174,817)**	**326,691**
Cash flows from investing activities:			
Interest received		**16,761**	**7,854**
Capital expenditure		**(11,305)**	**(1,105)**
Net cash used in investing activities		**5,456**	**6,749**
Change in cash and cash equivalents in the reporting period		**(169,361)**	**333,440**
Cash and cash equivalents at the beginning of the reporting period		**1,807,706**	**1,474,266**
Cash and cash equivalents at the end of the reporting period		**1,638,345**	**1,807,706**

1 Reconciliation of net consolidated incoming resources for the year to net cash inflow from operating activities	2025 £	2024 £
Net income for the year before taxation	212,354	168,099
Taxation	-	(2,312)
Depreciation charge	18,003	16,630
(Increase) / Decrease in debtors	429,338	304,532
(Decrease) / Increase in creditors	(699,751)	(44,404)
Interest received	(16,761)	(7,854)
Defined benefit pension scheme contributions	(225,000)	(211,000)
Defined benefit pension scheme operating cost	107,000	103,000
Net finance expenses from the pension scheme	-	-
Net cash inflow / (outflow) from operating activities	**(174,817)**	**326,691**

2 Analysis of changes in net fund	At 31 July 2024 £	Cash Flows £	At 31 July 2025 £
Cash at bank and in hand	1,807,706	(169,361)	**1,638,345**

1 PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting and assessment of going concern
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (Effective 1 January 2019), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the group's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Basis of consolidation
The financial statements consolidate the results of the charity and its wholly owned subsidiary Fforwm Services Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming Resources
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscription fee income is accounted for on an accruals basis and is recognised in the period of membership.

Income from courses and conferences is recognised when the respective event occurs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Allocation of support costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Resources expended
Expenditure is recognised on an accrual basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, and its services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity. All costs allocated between the expenditure categories of the SOFA are on a basis designed to reflect the use of the resources. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. A note of these costs are detailed in note 6.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Tangible Fixed Assets

The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic life of the assets as follows:

Buildings	50 years*
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	10 years

* Buildings - The building was subject to an impairment charge in 2024/25. The revised value of the property continues to be depreciated on a straight line basis over the remaining useful life of the property.

Investment property

Mixed use property are required to be shown between freehold property and Investment property, the proportion of Investment property has been valued based on a square foot use and then adjusted to its fair value.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal

Financial Instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of Financial Liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Basic Financial Liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pension

Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from the employees services. The Charity pension scheme is a defined benefits scheme.

The Charity participates in the Cardiff and Vale of Glamorgan Pension Fund, a defined benefit scheme for employees. The assets of the scheme are held separately from those of the charity. Many of the key financial assumptions are derived from the yields on AA rated corporate bonds or from yields on Government bonds with the objective of reflecting a best estimate of future experience.

The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension scheme assets are valued at the market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

Fund accounting

The various types of funds for which the Charity is responsible and which require separate disclosure, are as follows:

Unrestricted funds

Funds which are expendable at the discretion of the directors in furtherance of the objects of the charity.

Restricted funds

Subscriptions and grants whose use is restricted to purposes specified by the donor. Such purposes are within the overall aims of the organisation.

Irrecoverable VAT

All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Leases
Rentals receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Legal Status of the charity
The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Taxation
The Company is registered as a Charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Its subsidiary company, Fforwm Services Limited, gifts an element of any surplus to its holding company. Any surplus remaining is subject to corporation tax.

Employee Benefits
The group provides a range of benefits to employees, including paid holiday arrangment and defined benefit and defined contirbution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Accounting estimates and key judgements
Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Retirement benefit liabilities - as disclosed in note 20. Year end recognition of the liabilities under these schemes and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, key financial market indicators such as inflation and expectations on future salary growth and asset returns. These assumptions are made by the Charity in conjunction with the schemes' actuaries. For each 0.1% change in the discount rate net of inflation, the carrying amount of pension obligations would change by an estimated £43,000.

2 Charitable Activities - Group	Unrestricted funds £	Restricted funds £	Total 2025 £	Total 2024 £
Annual subscriptions:				
General subscriptions	**839,782**	**-**	**839,782**	904,890
EU/International subscription	**71,786**	**-**	**71,786**	71,786
Sports subscription	**67,315**	**-**	**67,315**	67,315
Advancement of education for the benefit of the general public:				
Representational Activities	**8,361**	**-**	**8,361**	7,663
Research/Project Activities	**28,500**	**1,163,616**	**1,192,116**	1,855,438
Training Activities	**-**	**-**	**-**	-
	1,015,744	**1,163,616**	**2,179,360**	2,907,092

3 Investments - Group	Unrestricted funds	Restricted funds	Total 2025	Total 2024
Gain on Asset Disposal	**-**	**-**	**-**	-
Bank Interest	**16,761**	**-**	**16,761**	7,854
Exchange Rate Gain	**29,971**	**-**	**29,971**	-
Rental Income	**25,511**	**-**	**25,511**	23,718
	72,243	**-**	**72,243**	31,572

4 Results of the Parent Company

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 . The parent company's gross income and deficit for the year are as follows:-

	2025	2024
Gross Income	2,285,600	2,971,565
Surplus before actuarial gains/(losses) on pension scheme	162,070	186,885

5 Commercial trading operations and investment in trading subsidiary

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, development courses and property and equipment leasing. The net assets of the subsidiary are £22,300 (2024: £22,018).

The trading results are shown below :	**2025** **£**	2024 £
Turnover	**129,311**	115,044
Cost of sales	**(88,434)**	(79,499)
Gross profit	**40,877**	35,545
Administrative expenses	**(6,596)**	(21,430)
Operating profit	**34,281**	14,115
Interest receivable and similar income	**629**	1,728
Profit / (loss) on ordinary activities	**34,910**	15,843
Tax on profit on ordinary activities	**-**	(2,312)
Profit / (loss) for the financial year	**34,910**	13,531
Retained earnings at beginning of year	**21,918**	9,387
Dividends	**(34,628)**	(1,000)
Retained earnings at end of year	**22,200**	21,918

These results are wholly included in the consolidated financial statements

6 Resources expended - Group

	Basis of Allocation	Representation & Support	Training	Research & Dev, inc Projects	Management & Governance	2025	2024
						£	£
Costs Directly Allocated to Activities							
Educational Advancement	Direct	**4,350**	**-**	**868,927**	**-**	**873,277**	1,564,753
Staff costs	Direct	**549,359**	**12,702**	**349,234**	**21,903**	**933,198**	867,581
Travel	Direct	**24,695**	**570**	**15,669**	**3,959**	**44,893**	21,474
Support costs Allocated to Activities							
Accommodation	Staff time	**24,357**	**562**	**15,454**	**969**	**41,342**	34,996
Administration & Bank Charges	Staff time	**42,192**	**787**	**21,644**	**1,357**	**65,980**	68,619
Fees and charges	Staff time	**34,199**	**487**	**13,389**	**7,805**	**55,880**	197,491
Directors Liability Insurance	Staff time	**-**	**-**	**-**	**7,889**	**7,889**	
Public affairs and other costs	Staff time	**29,963**	**3,778**	**-**	**-**	**33,741**	13,657
Depreciation	Staff time	**10,210**	**236**	**6,478**	**406**	**17,330**	16,109
Total Resources Expended		**719,325**	**19,122**	**1,290,795**	**44,288**	**2,073,530**	2,784,680

7 Directors and employees - Group

No director received any remuneration for their services to the company in 2025 or 2024.

No directors received travel and subsistence expenses in 2025 (2024 - £nil).

The average number of persons employed by the company during the year was 16 (2024: 16).

Staff costs for the above consisted of :	**2025**	2024
	£	£
Wages and salaries	**469,082**	484,582
Salaries, Social Security & Pension costs allocated to projects	**279,567**	301,894
Pension actuary adjustment	**(118,000)**	(93,000)
Pension costs	**108,314**	104,381
Social security costs	**76,237**	69,723
Recruitment costs		
	815,200	867,580

Emoluments of higher paid employees (excluding pension contributions):	**2025**	2024
£60,000 - £70,000	**1**	1
£70,001 - £80,000	**-**	1
£80,001 - £90,000	**-**	-
£90,001 - £100,000	**-**	-
£100,001 - £110,000	**1**	-
£110,001 - £120,000	**-**	-
£120,001 - £130,000	**-**	1

The Pensions Contributions relating to the highest paid employee amount to £32,635 (2024: £31,531)

During the year the total employee benefits received by key management personnel amounted to £146,223 (2024: £140,685).

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2025	2024
Representation & Support	**9**	9
Research & Development, inc. Projects	**6**	6
Governance	**1**	1
	16	16

8 Net incoming / (outgoing) resources - Group

	2025	2024
	£	£
Net incoming / (outgoing) resources are stated after charging / (crediting) the following :		
Depreciation on owned tangible fixed assets	**18,003**	16,630
Operating lease rental:		
Land and buildings	**44,250**	45,550
Auditors' remuneration:		
Audit work (group & companies)	**14,981**	10,105
Non-audit work	**7,750**	8,260
Legal and professional fees	**123,400**	61,986

9 Analysis of pension costs charged to the Statement of Financial Activities - Group

	2025	2024
	£	£
Current service charge	**113,000**	107,000
Total operating charge to Statement of Financial Activities	**113,000**	107,000

	2025	2024
	£	£
Interest income on scheme assets	**(83,000)**	(203,000)
Interest expense on defined benefit obligation	**77,000**	140,000
Interest charged to Statement of Financial Activities	**(6,000)**	(63,000)
Net cost to Statement of Financial Activities	**107,000**	44,000

10 Tangible fixed assets - Group

	Freehold Property	Office equipment	Fixtures & Fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2024	615,220	42,705	91,047	83,685	832,657
Additions	-	772	-	10,533	11,305
Disposals	-	(11,550)	-	(49,350)	(60,900)
Impairment	(25,000)	-	-	-	(25,000)
At 31 July 2025	590,220	31,927	91,047	44,868	758,062
Depreciation					
At 1 August 2024	331,886	40,692	80,897	78,081	531,556
Charge for the year	8,333	754	2,059	6,857	18,003
Disposals	-	(11,550)	-	(49,350)	(60,900)
Reclassification	-	-	-	-	
At 31 July 2025	340,219	29,896	82,956	35,588	488,659
Net book value					
At 31 July 2025	250,001	2,031	8,091	9,280	269,403
At 31 July 2024	283,334	2,013	10,150	5,604	301,101

10 Tangible fixed assets - Charity

	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2024	615,220	31,904	65,573	68,885	781,582
Additions	-	772	-	9,831	10,603
Disposals	-	(9,312)	-	(38,992)	(48,304)
Impairment	(25,000)	-	-	-	(25,000)
At 31 July 2025	590,220	23,364	65,573	39,724	718,881
Depreciation					
At 1 August 2024	331,886	29,891	55,441	63,820	481,038
Charge for the year	8,333	754	2,041	6,202	17,330
Disposals	-	(9,312)	-	(38,992)	(48,304)
Reclassification	-	-	-	-	-
At 31 July 2025	340,219	21,333	57,482	31,030	450,064
Net book value					
At 31 July 2025	250,001	2,031	8,091	8,694	268,817
At 31 July 2024	283,334	2,013	10,132	5,065	300,544

11 Investment Property - Group

	2025 £	2024
FAIR VALUE		
At 1 August 2024	275,000	275,000
Fair value adjustment	(25,000)	
At 31 July 2024	250,000	275,000

This relates to a proportion of the freehold property held by the charity which is leased out to a third party organisation. Due to a change in accounting standards, the proportion of the property leased out requires to be shown as investment property.

The property was valued by an external valuer, Alder King LLP on 4th November 2025.

12 Fixed asset investments - Company	Charity 2025 £	Charity 2024 £
Investment in subsidiary	**100**	100

Fforwm Services Ltd
Registered office: Unit 7, Cae Gwyrdd, Greenmeadow Springs, Tongwynlais, Cardiff, CF15 7AB
Nature of business: provision of service contracts in areas relevant to the parent charity

Class of share:	% holding
Ordinary	100

Information relating to the charity's trading subsidiary, Fforwm Services Limited, registered in England and Wales and its activities during the year, are shown in note 5.

13 Debtors	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Amounts falling due within one year				
Trade debtors	**31,653**	**12,916**	**47,031**	**47,031**
Accrued income	**160,578**	**160,578**	**583,923**	**568,436**
Amounts due from subsidiary undertaking	**-**	**30,919**	**-**	**12,710**
Prepayments	**51,116**	**34,538**	**41,731**	**25,801**
	243,347	**238,951**	672,685	653,978

14 Creditors : amounts falling due within one year	Group 2025 £	Charity 2025 £	Group 2024 £	Charity 2024 £
Trade creditors	**37,148**	**28,440**	512,853	503,311
Accruals	**129,231**	**125,238**	153,637	149,564
Deferred income	**155,978**	**128,040**	327,766	321,003
Other taxation and social security	**26,321**	**21,245**	54,172	53,781
	348,678	**302,963**	1,048,428	1,027,659

15 Funds - Group

Unrestricted funds	At 01.08.24 £	Incoming resources	Resources expended	Transfer between fund	Other recognised gain/loss	At 31.07.25 £
General Fund	530,936	1,217,298	(983,483)	(14,763)	(118,000)	631,988
Capital Asset Reserve	626,100	-	(18,003)	11,305	(50,000)	569,402
Critical / Closure costs	706,027	-	-		-	706,027
Strategic reserve	125,000	-	-		-	125,000
Capital Spend Reserve	20,000	-	-	-	-	20,000
	2,008,063	1,217,298	(1,001,486)	(3,458)	(168,000)	2,052,417
Restricted funds						
Project Activities	-	1,163,616	(1,167,074)	3,458	-	-
TOTAL FUNDS	2,008,063	2,380,914	(2,168,560)	-	(168,000)	2,052,417

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Professional Learning - 27	-	36,000	36,000	-	-
ALN - Adviser - 223	-	133,832	133,832	-	-
ALN - ILS - 222	-	30,000	30,000	-	-
Active Wellbeing - 239	-	5,000	5,000	-	-
Sport - 201	-	142,636	142,636	-	-
Senior Leadership - 249	-	79,436	79,436	-	-
Sport general - 21	-				-
Turing 238	-	340,192	340,192	-	-
Spare	-	-	-	-	-
Taith - 271	-	53,184	53,184	-	-
Taith - 272	-	65,202	65,202	-	-
Taith - 273	-	11,889	13,082	1,193	-
Taith - 274	-	65,853	65,853	-	-
Taith - 275	-	20,028	20,003	(25)	-
Taith - 276	-	56,145	56,145	-	-
Taith - 278	-	3,571	3,571	-	-
Workload - 235	-	120,648	122,938	2,290	-
	-	1,163,616	1,167,074	3,458	

15 Funds - (Con't)

Funds - Charity

Unrestricted funds	At 01.08.24 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.25 £
General Fund	509,575	1,121,984	(906,456)	(14,061)	(118,000)	593,042
Capital Asset Reserve	625,545	-	-	10,603	(50,000)	586,148
Critical / Closure costs	706,027	-	-	-	-	706,027
Strategic reserve	125,000	-	-	-	-	125,000
Future Capital Reserve	20,000	-	-	-	-	20,000
	1,986,147	1,121,984	(906,456)	(3,458)	(168,000)	2,030,217
Restricted funds						
Research/Project Activities	-	1,163,616	(1,167,074)	3,458	-	-
TOTAL FUNDS	1,986,147	2,285,600	(2,073,530)	-	(168,000)	2,030,217

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer to/from unrestricted funds £	Closing balance £
Professional Learning - 277	-	36,000	36,000	-	-
ALN - Adviser - 223	-	133,832	133,832	-	-
ALN - ILS - 222	-	30,000	30,000	-	-
Active Wellbeing - 239	-	5,000	5,000	-	-
Sport - 201	-	142,636	142,636	-	-
Senior Leadership - 249	-	79,436	79,436	-	-
Sport general - 21	-				-
Turing 238	-	340,192	340,192	-	-
Spare	-	-	-	-	-
Taith - 271	-	53,184	53,184	-	-
Taith - 272	-	65,202	65,202	-	-
Taith - 273	-	11,889	13,082	1,193	-
Taith - 274	-	65,853	65,853	-	-
Taith - 275	-	20,028	20,003	(25)	-
Taith - 276	-	56,145	56,145	-	-
Taith - 278	-	3,571	3,571	-	-
Workload - 235	-	120,648	122,938	2,290	-
	-	1,163,616	1,167,074	3,458	-

15 Funds - (Con't)

Comparatives for movement in funds - Group

Unrestricted funds	At 01.08.23 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.24 £
General Fund	1,043,651	1,201,770	(993,364)	(628,121)	(93,000)	530,936
Capital Asset Reserve	591,625	-	(16,630)	51,105	-	626,100
Strategic reserve	240,000	-	-	466,027	-	706,027
Capital Spend Reserve	40,000	-	-	85,000	-	125,000
International Curriculum Development	20,000	-	-	-	-	20,000
	1,935,276	1,201,770	(1,009,994)	(25,989)	(93,000)	2,008,063
Restricted funds						
Research/Project Activitie	-	1,851,938	(1,877,927)	25,989	-	-
TOTAL FUNDS	1,935,276	3,053,708	(2,887,921)		(93,000)	2,008,063

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Equalities - 248	-	10,049	10,049	-	-
Call Off - 247	-	33,950	33,950	-	-
Social Value - 246	-	55,000	55,000	-	-
ALN - Adviser - 223	-	106,496	106,496	-	-
ALN - ILS - 222	-	35,000	35,000	-	-
Active Wellbeing - 239	-	11,060	11,384	324	-
Sport - 201	-	135,641	135,641	-	-
Senior Leadership	-	5,936	5,936	-	-
Turing	-	593,267	593,267	-	-
Erasmus + Learner 2020	-	374,586	394,723	20,137	-
Taith - 271	-	162,046	162,046	-	-
Taith - 272	-	154,685	154,685	-	-
Taith - 273	-	26,373	27,202	829	-
Taith - 274	-	96,866	96,866	-	-
Taith - 275	-	1,785	2,140	355	-
WG Taith PLF	-	918	918	-	-
Workload		33,202	35,922	2,720	-
Erasmus + Staff 20	-	15,078	16,702	1,624	-
EQF Workplan	-	-	-	-	-
	-	1,851,938	1,877,927	25,989	-

15 Funds - (Con't)

Comparatives for movement in funds - Charity

Unrestricted funds	At 01.08.23 £	Incoming resources	Resources expended	Transfer between fund	Other recognised gains / (losses)	At 31.07.24 £
General Fund	1,035,242	1,085,999	(906,753)	(611,913)	(93,000)	509,575
Existing Capital Reserve	590,648	-	-	34,897	-	625,545
Critical / Closure costs	240,000	-	-	466,027	-	706,027
Strategic Reserve	40,000	-	-	85,000	-	125,000
Future Capital Reserve	20,000	-	-	-	-	20,000
	1,925,890	1,085,999	(906,753)	(25,989)	(93,000)	1,986,147
Restricted funds						
Research/Project Activities	-	1,851,938	(1,877,927)	25,989	-	-
TOTAL FUNDS	1,925,890	2,937,937	(2,784,680)	-	(93,000)	1,986,147

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer to / from unrestricted funds £	Closing balance £
Equalities - 248	-	10,049	10,049	-	-
Call Off - 247	-	33,950	33,950	-	-
Social Value - 246	-	55,000	55,000	-	-
ALN - Adviser - 223	-	106,496	106,496	-	-
ALN - ILS - 222	-	35,000	35,000	-	-
Active Wellbeing - 239	-	11,060	11,384	324	-
Sport - 201	-	135,641	135,641	-	-
Senior Leadership	-	5,936	5,936	-	-
Turing	-	593,267	593,267	-	-
Erasmus + Learner 2020	-	374,586	394,723	20,137	-
Taith - 271	-	162,046	162,046	-	-
Taith - 272	-	154,685	154,685	-	-
Taith - 273	-	26,373	27,202	829	-
Taith - 274	-	96,866	96,866	-	-
Taith - 275	-	1,785	2,140	355	-
WG Taith PLF	-	918	918	-	-
Workload	-	33,202	35,922	2,720	-
Erasmus + Staff 20	-	15,078	16,702	1,624	-
EQF Workplan	-	-	-	-	-
	-	1,851,938	1,877,927	25,989	-

15 Funds - (Con't)

A current year 12 months and prior year 12 months combined position is as follows:

GROUP

Unrestricted funds	At 01.08.23 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.25 £
General Fund	1,043,651	2,419,068	(1,976,847)	(642,884)	(211,000)	631,988
Capital Asset Reserve	591,625	-	(34,633)	62,410	(50,000)	569,402
Critical / Closure costs	240,000	-	-	466,027	-	706,027
Strategic Reserve	40,000	-	-	85,000	-	125,000
Capital Spend Reserve	20,000	-	-	-		20,000
	1,935,276	2,419,068	(2,011,480)	(29,447)	(261,000)	2,052,417
Restricted funds						
Research/Project Activities	-	3,015,554	(3,045,001)	29,447	-	-
TOTAL FUNDS	1,935,276	5,434,622	(5,056,481)	- -	261,000	2,052,417

CHARITY

Unrestricted funds	At 01.08.23 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.25 £
General Fund	1,035,242	2,207,983	(1,813,209)	(625,974)	(211,000)	593,042
Capital Asset Reserve	590,648	-	-	45,500	(50,000)	586,148
Critical / Closure costs	240,000	-	-	466,027	-	706,027
Strategic Reserve	40,000	-	-	85,000	-	125,000
Capital Spend Reserve	20,000	-	-	-		20,000
	1,925,890	2,207,983	(1,813,209)	(29,447)	(261,000)	2,030,217
Restricted funds						
Research/Project Activities	-	3,015,554	(3,045,001)	29,447	-	-
TOTAL FUNDS	1,925,890	5,223,537	(4,858,210)	-	(261,000)	2,030,217

15 Funds - (Con't)

Erasmus+ 2020 (learner) This project ended on 30 December 2023 and we were notified that the final report had been approved on 5 May 2024.

Erasmus+ 2020 (staff) This project ended on 30 December 2023 and we were notified that the final report had been approved on 27 March 2024.

Turing Scheme 2023 (learner) This project ended on 31 August 2024 and we were notified that the final report had been approved on 18 October 2024.

Turing Scheme 2024 (learner) This project's timeframe was from 1/9/24 – 31/8/25. We were notified that the final payment had been approved on 31 October 2025.

Turing Scheme 2025 (learner) This project was approved in July 2025. The project's timeframe is from 1/9/25 – 31/8/26 and the grant value is £258, 234.

Taith Pathway 1 Round 1 (Learner and staff) This project was approved in July 2022, and the end deadline was extended on a couple of occasions. The final report was approved by Taith on 6 May 2025.

Taith Pathway 1 Round 2 (Learner and staff) Funding was approved in February 2023 to enable 143 FE learners to undertake work, study, training and volunteering opportunities overseas. The project ended on 30 November 2024 and the final report was approved by Taith on 30 April 2025.

Taith Pathway 1 Round 3 (Learner and staff) Funding was approved in June 2023 to enable 86 FE learners to undertake work, study, training and volunteering opportunities overseas. The project ended on 28 February 2025, and the final report was approved by Taith on 10 April 2025.

Taith Pathway 1 Round 4 (Learner and staff) Funding was approved in July 2024 to enable 54 FE learners/accompanying staff and 10 staff to undertake work, study, CPD and volunteering opportunities overseas. The project will end on 28 February 2026 and the grant value is £89,204.34.

Taith Pathway 1 Round 5 (Learner and staff) Funding was approved in July 2025 to enable 44 FE learners/accompanying staff and 6 staff to undertake work, study, CPD and volunteering opportunities overseas. The project will end on 28 February 2027. The value of the grant £86,280.

Taith Pathway 2 Round 1 This project started on 1 May 2023 and ended on 31 December 2024. Taith approved the final report on 30 July 2025.

Taith Pathway 2 Round 2 This project started on 1 May 2024 and will end on 31 December 2025. The grant was £68,771.

Taith Pathway 2 Round 3 This project started on 1 May 2025 and will end 31 October 2026. The grant was £46,985.

CQFW Alignment Welsh Government funding was received April 2024 to March 2025 to ensure continued alignment of the Credit and Qualifications Framework for Wales (CQFW) to UK National Frameworks and to keep a watching brief on how the European Qualifications Framework (EQF) will work with UK frameworks.

Active Wellbeing (Sport) – the Sport Wales funded project provides funding for the development of sports and physical activity and aims to increase the participation and volunteering in FE in Wales. The funding is aimed at under-represented groups, including females, ethnic minorities and communities first areas. Typically, the funding will support new activity

15 Funds - (Con't)

Sport Wales In year increase – Additional funding from Sport Wales to reduce the impact of previous Welsh Government budget cuts.

Active Wellbeing Strategy Review – Medr Wellbeing Funding – An independent review of the active wellbeing strategy 2020 – 2025, including stakeholder events and consultation.

ALN – ColegauCymru / CollegesWales is continuing with the Welsh Government funded project to support and challenge colleges as they implement the requirements of the ALNET Act. With the Act due to reach full implementation by August 2025, colleges have been preparing to manage a complex process for large numbers of young people. The ALN Implementation Lead (FEIs) is working closely with the 13 colleges to support the sharing of good practices that use efficient approaches to meeting the requirements of ALNET. They are also working with Medr, the 22 local authorities, and 7 health boards, to encourage effective partnership working. On behalf of Welsh Government, ColegauCymru is also co-ordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to capture and share existing best practice to develop the ILS curriculum and Learning Area Programme (LAP).

Independent Living Skills, ILS - Funding was secured from Welsh Government to support the rollout of the new curriculum for ILS learners. The project enabled the development of a set of standards and guidance for the delivery of supported internships as well as further developing a system of peer review. It enabled continued support of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act, as well as a conference.

Workload – Phase 5 of the project completed 31 March 2025, and included the following strands:

1. To sustain the Workload steering group national social partnership
2. To review the outcomes and evaluation findings of the Workload allocation modeller pilot and agree recommendations
3. To undertake a mapping of pastoral support roles, to include a review of financial sustainability, and make recommendations on the development of a national role with a professional learning pathway
4. To provide a forum to share attendance and behaviour policies across colleges and develop national guidance
5. To provide a forum for skills teachers to share practice and make recommendations for supporting skills
6. To deliver a follow up event with social partner representatives to review progress on the Workload Review

The funding enabled ColegauCymru to appoint a consultant to lead strands 3-5 of the project, which included:

- 36 interviews with a range of pastoral leads/managers, coaches and TU reps/lecturers (85 staff in total)
- Two in-person working group Attendance and Behaviour meetings with all colleges attending (leads and TU reps)
- Two in-person working groups Skills Teaching meetings with all colleges attending (leads, skills teachers and TU reps)
- 'FE Lecturer Workload Review Phase 5' report on the strands written by the consultant
- A follow-up event on the project on 14th March 2025 held in CAVC

As a result, ColegauCymru has been successful in securing further grant funding from Medr for Phase 6 of the FE Lecturer Workload project until 31 July 2025. Phase 6 of the project will enable the continuation of the Workload steering group national partnership and ColegauCymru to appoint consultants to lead on the Community of Practice groups for Pastoral Coaches and Skills Teaching.

Senior Leadership Development Programme (SLDP) - The SLDP programme was funded by WG / Medr and supported by colleges also taking up offers of non – funded places. The programme involved 20 aspiring senior leaders from across the FE sector taking part in three training modules, individual coaching sessions and 360 deg reviews.

15 Funds - (Con't)

The unrestricted funds held by the charity at 31st July 2025 were as follows:

	£	
General Fund	631,988	This represents general unrestricted funds for use within the charity
Existing Capital Reserve	569,402	This represents funds designated for the net book value of capital assets held within the Group at the year end.
Critical / Closure costs	706,027	To meet the potential closure costs which would be incurred should the charity cease.
Strategic reserve	125,000	To meet the costs of strategic expenditure identified within the designated reserves which are funded through income and expenditure account.
Future Capital Reserve	20,000	This represents future plans for capital spend
	2,052,417	

Analysis of assets between funds:

	Unrestricted General Funds	Restricted Funds	Total Funds 2025	Total Funds 2024
	£	£	£	£
Tangible Fixed Assets	519,403	-	519,403	576,100
Current Assets	1,881,692	-	1,881,692	2,480,391
Current Liabilities	(348,678)	-	(348,678)	(1,048,428)
	2,052,417	-	2,052,417	2,008,063

16 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

GROUP ONLY	Properties	Other	2025	2024
	£	£	£	£
Within one year	44,250	3,389	47,639	45,250
Between one and five years	-	3,391	3,391	6,780
	44,250	**6,780**	**51,030**	**52,030**

17 Comparative Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		-	-	-
Charitable activities:				
Annual subscriptions		1,043,991	-	1,043,991
Advancement of education for the benefit of the general public		11,163	1,851,938	1,863,101
Other trading activities:				
Commercial trading operations		115,044	-	115,044
Investments		31,572	-	31,572
Total income		**1,201,770**	**1,851,938**	**3,053,708**
EXPENDITURE ON				
Charitable activities				
Advancement of education for the benefit of the general public		906,753	1,877,927	2,784,680
Other trading activities:				
Commercial trading operations		100,929	-	100,929
Total expenditure		**1,007,682**	**1,877,927**	**2,885,609**
NET INCOME / (EXPENDITURE)		**194,088**	**(25,989)**	**168,099**
Taxation		**(2,312)**	**-**	**(2,312)**
NET INCOME		**191,776**	**(25,989)**	**165,787**
Transfers between funds		**(25,989)**	**25,989**	**-**
OTHER RECOGNISED GAINS / (LOSSES)				
Fair Value Adjustment		-	-	-
Actuarial gain on defined benefit scheme		**(93,000)**	**-**	**(93,000)**
Net movement in funds in year		**72,787**	**-**	**72,787**
RECONCILIATION OF FUNDS				
Total funds brought forward		**1,935,276**	**-**	**1,935,276**
TOTAL FUNDS CARRIED FORWARD		**2,008,063**	**-**	**2,008,063**

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

18 Capital commitments and contingencies

There were no capital commitments as at 31 July 2025 (2024: nil)

19 Pensions

The charity participates in the Cardiff & Vale of Glamorgan pension fund (the "Fund"), which is part of the Local Government Pension Scheme. Colegau Cymru / Colleges Wales participates in the Fund which provides defeined benefits on members' final pensionable salary. In accordance with FRS 102 - Retirement Benefits disclosure defined benefits, of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the year ending 31 July 2025
The Employer's regular contributions to the fund for the year ending 31 July 2026 are estimated to be £0.232M.

Assumptions
The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2022. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	31-Jul-25 (% pa)	31-Jul-24 (% pa)	31-Jul-23 (% pa)
Discount rate	**5.7**	5.0	5.0
RPI inflation	**2.5**	2.6	2.6
CPI inflation	**2.5**	2.6	2.6
Rate of increase to pensions in payment	**2.5**	2.6	2.6
Rate of revaluation of pension accounts	**2.5**	2.6	2.6
Rate of general increase in salaries	**3.5**	3.6	3.6

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

19 Pensions - (Cont'd)

Assumed life expectancy at age 65

Males	**31 July 2025**	31 July 24
Future lifetime from age 65 (current aged 65)	**21.9**	21.8
Future lifetime from age 65 (current aged 45)	**22.2**	22.1
Females	**31 July 2025**	31 July 24
Future lifetime from age 65 (current aged 65)	**24.2**	24.1
Future lifetime from age 65 (current aged 45)	**25.0**	24.9

Asset allocation

	Value at 31 July 2025 (£M)	Value at 31 July 2024 (£M)
Equities	**66.2%**	68.1%
Property	**5.8%**	6.0%
Government bonds	**7.8%**	7.9%
Corporate bonds	**5.2%**	7.0%
Multi Asset Credit	**5.4%**	5.2%
Cash	**0.6%**	4.1%
Other	**9.0%**	1.7%
Total	**100.0%**	100.0%

Reconciliation of funded status to balance sheet

	Value at 31 July 2025 (£M)	Value at 31 July 2024 (£M)
Fair value of fund assets	**5.117**	4.523
Present value of liabilities	**2.839**	2.975
Funded status		
Unrecognised asset	**2.278**	(1.548)
Additional liability due to minimum funding requirement	**(2.278)**	0.000
Pension asset/(liability) recognised on the Balance Sheet	**0.000**	0.000

19 Pensions - (Cont'd)

Amounts recognised in Income Statement	Year ending 31 July 2025 (£M)	Year ending 31 July 2024 (£M)
Operating Cost		
Current service costs	**0.113**	0.107
Past service costs	**0.000**	0.000
Curtailment cost	**0.000**	0.000
Settlement cost	**0.000**	0.000
Financing Cost		
Interest costs	**(0.006)**	(0.063)
Expense recognised in Profit and Loss	**0.107**	0.044

Allowance for administration expenses included in Current Service Cost of £0.003 in 2025 and £0.003m in 2024.

Changes to the present value of liabilities during the year	Year ending 31 July 2025 (£M)	Year ending 31 July 2024 (£M)
Opening present value of liabilities	**2.975**	2.825
Current service cost	**0.113**	0.107
Interest cost	**0.148**	0.140
Contributions by participants	**0.049**	0.047
Actuarial (gains)/losses on liabilities *	**(0.347)**	(0.035)
Net benefits paid out #	**(0.099)**	(0.109)
Past service cost	**0.000**	0.000
Net increase in liabilities from disposals and acquisitions	**0.000**	0.000
Curtailments	**0.000**	0.000
Settlements	**0.000**	0.000
Closing present value of liabilities	**2.839**	2.975

* Includes changes to the actuarial assumptions
# Consists of net cashflow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

19 Pensions - (Cont'd)

Changes to the fair value of assets during the year	Year ending 31 July 2025 (£M)	Year ending 31 July 2024 (£M)
Opening fair value of assets	**4.523**	3.994
Interet income on assets	**0.231**	0.203
Remeasurement gains/(losses) on assets	**0.188**	0.177
Contribution by the employer	**0.225**	0.211
Contribution by participants	**0.049**	0.047
Net benefits paid out #	**(0.099)**	(0.109)
Net increase in assets from disposals and acquisitions	**0.000**	0.000
Settlements	**0.000**	0.000
Closing fair value of assets	**5.117**	4.523

Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance fo rthe expected cost of death in service sums.

Actual return on assets	Year ending 31 July 2025 (£M)	Year ending 31 July 2024 (£M)
Interest income on assets	**0.231**	0.203
Gain/(Loss) on assets	**0.188**	0.177
Actual return on assets	**0.419**	0.380

Analysis of amount recognised in Other Comprehensive Income	Year ending 31 July 2025 (£M)	Year ending 31 July 2024 (£M)
Asset gains/(losses) arising during the period	**0.188**	0.177
Actuarial gains/losses due to changes to financial assumptions	**0.374**	0.000
Actuarial gains/losses due to changes to demographic assumptions	**0.000**	0.026
Actuarial gains/losses due to liability experience	**(0.027)**	0.009
Adjustment due to unrecognised asset	**(0.653)**	(0.321)
Liability gains/(losses) arising during the period	**0.000**	0.016
Total (loss) in OCI	**(0.118)**	(0.093)

20 EFFECT OF PENSION ON THE SURPLUS FOR THE YEAR

	2025 £	2024 £
Surplus before pension adjustment	94,354	60,099
Pension adjustment Included in the Income & expense account		
Employers contributions transferred against liability	(225,000)	(211,000)
Pension adjustment	107,000	103,000
Finance cost	-	-
Surplus per accounts	212,354	168,099

21 Related party transactions

Due to the nature of the charity's activities and the composition of its board of directors and that of its subsidiary undertaking Fforwm Services Limited, (being principals and Governors of Further Education colleges in Wales) it is inevitable that in the course of its normal business activities, the charity will undertake transactions with those Colleges in which a member of the board of the charity, or its subsidiary undertaking will have an interest.

All transactions involving Colleges in which a member of either Board of Directors may have an interest are conducted at arms length and in accordance with the charity's normal financial procedures.

The trustees' of the charity and directors of the trading subsidiary company during the year and their relationship with the respective Colleges were :

Director	College	Relationship
Paul Smart (appointed 04/01/21)	Retired	Trustee
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Trustee
Lisa Thomas (appointed 04/01/23) Chair (01/08/24)	Principal and Chief Executive, The College, Merthyr Tydfil	Trustee
Andrew Cornish (resigned 31/07/25)	CEO/Principal ColegSir Gar/Ceredigion	Trustee
Victoria Davies (appointed 01/08/24)	Deputy Director, Wales, The Open University	Trustee
Iwan Thomas (appointed 01/08/24)	CEO, Planed	Trustee
Donna Ali (appointed 01/08/24)	Director of BE.Xcellence CIC	Trustee
Jonathan Morgan (appointed 01/08/25) Vice Chair	CEO, Coleg y Cymoedd	Trustee

During 2020/21 it was agreed that there should be a common board for both companies and this was put into effect from 04/01/2021

The invoices issued to the relevant colleges during the year were for subscriptions for membership of Colegau Cymru / Colleges Wales and reimbursement of projects costs. Payments made to colleges were for catering at network events, work carried out on project activities.

Sales invoices totalling £15,386 for the annual Conference and dinner were made to members during the year.

21 Related party transactions - (Con't)

Income invoiced to Colleges during the year

	Subs	Sport	EU/Int	Dev	HR	Projects	Total
	£	£	£	£	£	£	£
Bridgend College	50,788	6,025	5,522	-	5,000	872	68,207
Cardiff and Vale College	50,788	6,025	5,522	31,395	5,000	5,202	103,932
Coleg Sir Gar and Coleg Ceredigion	50,788	6,025	5,522	-	5,000	1,629	68,964
Coleg Gwent	50,788	6,025	5,522	-	5,000	4,636	71,971
Coleg y Cymoedd	50,788	6,025	5,522	-	5,000	9,474	76,809
Coleg Cambria	50,788	6,025	5,522	29,703	5,000	5,380	102,418
Gower College Swansea	50,788	6,025	5,522	22,726	5,000	4,868	94,929
Grwp Llandrillo Menai	50,788	6,025	5,522	29,757	5,000	3,956	101,048
The College Merthyr Tydfil Ltd.	31,288	6,025	5,522	-	5,000	376	48,211
NPTC Group of Colleges	50,788	6,025	5,522	42,853	5,000	1,625	111,813
Pembrokeshire College	39,098	6,025	5,522	52,675	5,000	8,313	116,633
Adult Learning Wales	18,688	-	5,522	-	-	376	24,586
St David's Catholic College	22,256	1,040	5,522	-	-	1,836	30,654
Total	**568,422**	**67,315**	**71,786**	**209,109**	**55,000**	**48,543**	**1,020,175**

Payments to Colleges during the year

	Catering/ Accom	Projects	Total
	£	£	£
Bridgend College	-	52,325	52,325
Cardiff and Vale College	-	49,786	49,786
Coleg Sir Gar and Coleg Ceredigion	-	59,821	59,821
Coleg Gwent	-	14,120	14,120
Coleg y Cymoedd	547.00	41,294	41,841
Coleg Cambria	-	64,847	64,847
Gower College Swansea	1,806.00	37,365	39,171
Grwp Llandrillo Menai	346.00	53,205	53,551
The College Merthyr Tydfil Ltd.	-	58,458	58,458
NPTC Group of Colleges	582.00	122,626	123,208
Pembrokeshire College	-	46,554	46,554
St David's Catholic Sixth Form College	-	38,897	38,897
Total	**3,281**	**639,298**	**642,579**

21 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2025:

	£
Cardiff and Vale College	(153)
Coleg Sir Gar and Coleg Ceredigion	600
NPTC Group of Colleges	750
Coleg Gwent	1500
Coleg Cambria	1350
Pembrokeshire College	450
St David's Catholic Sixth Form College	1350
Total	5,847

The following amounts were due to Colleges at 31 July 2025:

	£
Merthyr Tydfil College	7,360
Total	7,360

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited By Guarantee)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2025

	Year ended 31 July 2025		Year ended 31 July 2024	
	£	£	£	£
INCOME				
College subscriptions	978,883		1,043,991	
Grants receivable	1,037,480		1,706,298	
Sports Grant Income	154,636		149,141	
Other income	8,361		7,663	
Bank interest	16,761		7,854	
Exchange rate gain	29,971		-	
Rents received	25,511		23,718	
Staff development activities	84,061		69,494	
Lease rental income	45,250		45,550	
		2,380,914		3,053,709
LESS:				
COST OF SALES				
Other operating leases	44,250		44,250	
Staff development expenditure	44,185		35,249	
		88,435		79,499
EXPENDITURE				
Public affairs and representation	19,589		7,691	
Projects & advisory groups	742,409		1,533,578	
Accomodation costs	42,146		35,710	
Staff costs	1,051,200		867,580	
Office administration	117,789		79,942	
Travel & expenses	57,990		23,982	
Legal & professional fees	123,400		61,986	
Auditors remuneration	14,981		10,105	
Auditors remuneration - non audit fees	7,750		8,260	
Bank charges	2,868		2,832	
Bad Debts	-		121,250	
Exchange rate loss	-		36,567	
Depreciation:				
Freehold property	8,333		8,333	
Fixtures & fittings	2,057		2,923	
Computer equipment	7,613		5,372	
		2,198,125		2,806,111
PROFIT / (DEFICIT) FOR THE YEAR		94,354		168,099

COLLEGES WALES / COLEGAU CYMRU

England & Wales - Charity number 1060182

Accounts

CollegesWales / ColegauCymru Limited

Annual Report and Consolidated Financial Statements for the Year Ended 31 July 2024

Charity Number: 1060182
Company Number: 2832103
(England and Wales)

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ANNUAL REPORT & ACCOUNTS

The Directors/Trustees present their annual report and accounts of Colleges Wales/Colegau Cymru Limited and its subsidiary, fforwm Services Limited for the year ended 31 July 2024.

Structure

ColegauCymru is a post-compulsory education charity that represents 11 further education (FE) colleges and 2 designated FE institutions (FEIs) in Wales. The company was originally incorporated in 1993 as Fforwm Limited and on 1 June 2009 changed its name to Colleges Wales/Colegau Cymru Limited and was branded as 'ColegauCymru/CollegesWales'. Fforwm Services Limited was established in 1995 and is a wholly owned trading subsidiary of Colleges Wales/Colegau Cymru Limited.

Charitable Objectives

The ColegauCymru charitable objectives and principal activities remained throughout 2023-24 to promote the advancement of education for the benefit of the general public in Wales. ColegauCymru exists through its work to:

- provide a forum for discussion on matters of common interest conducted by all the FE corporations and other institutions receiving post-16 funding from the Welsh Government; and
- make representations on behalf of its members to persons concerned with education and its funding in Wales.

The charity's prime purpose is to raise the profile of further education with key decision-makers to improve educational opportunities for learners in Wales.

Strategic Priorities

During the financial year, ColegauCymru focused on delivering the following key priorities:

1. Delivering services to members
2. Building a stronger sector
3. Advocate for system change
4. Developing the organisation

Achievements and Performance

ColegauCymru remains focused on building relationships with key stakeholders and ensuring it is a key influencer on issues affecting the sector. Key achievements are as follows:

- Provided services to members to coordinate all strategic groups to respond to strategic priorities for the sector
- Secured ongoing funding for 2024 – 2027 from Sport Wales for the Active Wellbeing project.
- Delivered Active Wellbeing project activity to 5000+ FE learners in Wales.
- Promoted sport and physical activity through new inclusive events including Rhyl Multisport, Ability Counts football and Power Up FE.
- Successfully applied for Taith and Turing funding on behalf of the FE colleges

- Organised three pan-Wales staff mobility visits to:
  - Norway to explore the dual professionalism of vocational education and training (VET) staff
  - Slovenia to explore active wellbeing strategies to inform provision in Wales
  - Finland to gain insights into the governance, regulation and delivery of vocational qualifications
- Continued to coordinate and support FE participation in the Global Wales 3 programme
- Provided challenge and support to the 13 colleges as they all began to take on their new duties under the ALN Act and Code
- Worked with ALN representatives from FEIs, LAs, health boards and others to promote consistency and partnership working
- Successfully delivered a number of national online events attended by colleges, LAs and health boards to promote a clear and consistent understanding of post-16 ALN legislation.
- Delivered a successful ALN Conference attended by ALN leads and staff from all 13 colleges
- Held face-to-face ALN progress meetings with each of the 13 colleges and used information gained to advise colleges on policy and to produce a report for Welsh Government
- Successfully delivered an ILS Conference attended by staff from 11 colleges
- Continued to work closely with Welsh Government and joint trade unions to facilitate pay negotiations and ensure pay parity for the sector as part of our shared commitment to collective bargaining
- Continued to support social partnership through the National Social Partnership steering group which has achieved significant successes through thematic projects with college and JTU representatives.
- Represented the views of Members through numerous policy position statements and press releases.
- Engaged with political parties, including providing one to one and group briefing on specific policy matters, and providing information to inform Senedd debates.
- Submitted a range of consultation responses on policy matters affecting the decisions of post-16 learners in Wales to Welsh Government, Senedd Committees, and other bodies. Topics covered included:
  - Coleg Cymraeg Cenedlaethol's role in providing advice to Medr
  - Commission for Tertiary Education and Research (now Medr) proposed list of trade unions
  - Commission for Tertiary Education and Research (now Medr) Regulation of higher education providers in Wales
  - Education and Training Foundation - Social value in the FE and Skills sector
  - Estyn's inspection arrangements
  - Future Generations Commissioner Adwaith programme
  - QAA Access to Higher Education Diploma: Review of Regulation and Licensing
  - Qualifications Wales on the proposed approach to designating 14-16 qualifications
  - Senedd Children, Young People and Education Committee consultation on the Welsh Language and Education (Wales) Bill
  - Senedd Culture, Communications, Welsh Language, Sport and International Relations Committee – Impact of a flat budget for Welsh learners in post-16 education
  - Senedd Equality and Social Justice Committee - Anti-Racist Wales
  - Senedd Equality and Social Justice Committee - Disability and Employment
  - Senedd Equality and Social Justice Committee Inquiry into the Welsh Government's Draft Child Poverty Strategy
  - Senedd Economy, Trade and Rural Affairs Committee - Green Economy
  - Senedd Economy, Trade and Rural Affairs Committee - Research and Development
  - Senedd Health and Social Care Committee - Prevention of ill health – obesity
  - Senedd Committees - Welsh Government Draft Budget Proposals for 2024-25
  - Welsh Government - 14 to 16 learning under the Curriculum for Wales
  - Welsh Government draft mental health and wellbeing strategy
  - Welsh Government – ending homelessness in Wales
  - Welsh Government - Just Transition Framework

  - Welsh Government - Modification to Specification of Apprenticeship Standards in Wales
  - Welsh Government – Net Zero Skills
  - Welsh Government - Strategic Equality Plan 2024 to 2028
  - Welsh Government - Proposed changes to the ACL performance measures methodology
  - Welsh Government - The structure of the school year
  - Welsh Government - Wales Essential Skills Toolkit (WEST)
  - UCAS - Allocating Tariff Points to Level 3 Apprenticeships
  - UK Parliament, Welsh Affairs Committee, Defense in Wales Inquiry

- Held regular strategic dialogue meetings with Welsh Government ministers and officials, Senedd Members, and other key stakeholders. This included work to inform and peer review the transition into Medr.
- Produced a range of media and communications products to communicate to key stakeholders both proactive and reactive positions.
- Built on and developed positive working relationships with our stakeholders in Welsh Government, Medr, the Senedd, and the wider sector. Following the General Election, ColegauCymru wrote to all new and returning MPs, which has resulted in a number of campus visits across Wales.
- Continued to work closely with key stakeholders from education and further afield; these include Welsh Government, Medr, Sport Wales, British Council, EWC, Estyn, Qualifications Wales, HEFCW, Learning & Work Institute Wales, NTfW (National Training Federation Wales), Coleg Cymraeg Cenedlaethol, Y Ganolfan Dysgu Cymraeg, and others and with colleges to ensure that the FE sector was well placed in terms of future developments.

Colleges Alliance
ColegauCymru has increased and deepened its engagement with the Association of Colleges led Colleges Alliance, including hosting a study visit at Coleg y Cymoedd. The visit allowed guests from England, Scotland, Northern Ireland and the Republic of Ireland to learn more about the development of Wales' tertiary system and share best practice.

Annual conference
In October 2023, ColegauCymru delivered the first sector annual conference since the pandemic. The event, held in Cardiff, brought together nearly 100 senior sector leaders, with Welsh Government, the Commission for Tertiary Education (now Medr), and other key organisations. The conference was addressed by the then Minister for Education and Welsh Language, Jeremy Miles MS, and offered eight different workshops where delegates could delve deeply into a range of topics. The conference was generously sponsored by City and Guilds.

Projects

ColegauCymru has been successful in securing several externally funded projects aimed at enhancing the educational opportunities of learners in Wales. A summary of the range of projects undertaken by the charity, during the period, are outlined below.

International and European partnerships and learning opportunities
CollegesWales International supports the FE colleges in Wales to integrate international activities into the daily lives of learners and staff to enrich and enhance their teaching and learning experiences.

In 2023/24, CollegesWales International successfully applied for Taith and Turing funding on behalf of FE colleges in Wales enabling them to provide training, work and volunteering opportunities overseas for FE learners, apprentices, college leaders, tutors and support staff. The amount of funding secured in 2023/24 to support these activities was just over £500,000. In addition, CollegesWales International continued to facilitate overseas mobilities through its existing Erasmus+ funding that was acquired in 2021/22. These projects have now finished.

This funding enabled hundreds of FE learners and staff to participate in experiences in 18 countries around the world including Argentina, Canada, Slovenia and Lesotho. Learners and staff from a wide variety of vocational and A level subjects participated in these opportunities.

In addition to facilitating overseas mobilities, CollegesWales International also continued to coordinate and support activities for the FE colleges in the Global Wales 3 programme. The programme is a partnership between Universities Wales, ColegauCymru and Taith and provides a strategic, collaborative approach to international higher and further education in Wales.

CollegesWales International continues to monitor the implementation of its Internationalisation Strategy with the support of the FE International Group that met three times in 2023/24.

Credit and Qualifications Framework for Wales (CQFW) Alignment Contract

Welsh Government funding was received from April 2023 – March 2024 and has a Grant Agreement in place for the period April 2024 to March 2025. The aim of this work is to provide advice and support to the Welsh Government to maintain alignment between the CQFW and the other qualification and regulatory frameworks within the UK and the European Qualifications Framework; establish recommendations, a policy position and systems/processes relating to the recognition of skills, qualifications and experience.

During this reporting period, an additional grant agreement was put in place by the Welsh Government, for ColegauCymru to convene a study visit to Scotland to learn from their approach to the recognition of prior learning (RPL), with a view to ColegauCymru developing a set of high-level principles for RPL, which are to be submitted to Medr for consideration.

Active Wellbeing

In partnership with Sport Wales, ColegauCymru is the lead organisation for sport, physical activity and volunteering in FE colleges in Wales, raising the profile of sport, physical activity and volunteering through college projects and promoting elite college sport.

During 2023/24 further development of Active Wellbeing at a strategic and delivery level continued, this included wider investment from Welsh Government via FE Mental Health and Wellbeing funding.

2023/24 Achievements

- 5000+ FE learners participating in project funded activity - unique attendees.
- WG mental health funding supporting growth in project workforce
- Continued investment from Sport Wales agreed for 3 years 2024 - 2027
- Taith funded staff mobility to Slovenia linked to active wellbeing.
- Representation on the CIMSPA workforce professional development board (Wales).
- New partnership working with Welsh Cycling, Urdd, Street Games, Actif Gogledd Cymruand the Youth Sport Trust.
- Inclusive events including FE MultiSport Pembrey (400+ staff and learners), further partnership work with the Welsh Alliance for Intellectual Impairment, the Outdoor Partnership and Disability Sport Wales.
- New events delivered in North Wales including FE Multisport Rhyl and Ability Counts football competitions.
- Agreement with Youth Sport Trust to host Gold Young Ambassador conferences in FE colleges at a regional level in the Autumn of 2024
- Representing the FE sector as part of Sport Wales CSAP programme moving to the regionalisation of community sport in Wales.

Additional Learning Needs

ColegauCymru, through the Welsh Government funded ALN project, has continued to support and challenge colleges as the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act became live in September 2023. As part of this, the ALN (Additional Learning Needs) Implementation Lead has been employed. On behalf of Welsh Government, ColegauCymru is also coordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to further develop guidance on running supported internships as well as promoting effective quality systems within ILS provision.

As part of the support to colleges as they implement the Additional learning Needs and Education Tribunal Act, ColegauCymru has:

- Worked with Welsh Government officers, LAs, FEIs, health boards and the third sector within the four regions to promote partnership.
- Delivered several on-line events to support the development of stakeholder policies.
- Worked with partners to deliver training programmes that enhance the skills of ALN staff.
- Worked with the sector and others to further improve a national ALN Pathfinder information website.
- Produced and shared a number of key documents to support college ALN development.
- Developed a Hwb project sharing site to ensure all colleges can benefit from the development work going on across the Principality.
- Delivered ALN updates to governing boards and senior management teams across Wales.
- Organised and chaired cluster groups to support colleges with current and future ALN developments.
- Organised ALN legal workshops to support understanding of the ALN Code and regulations.
- Chaired and supported an all-Wales LA Post-16 Officer group to support consistent approaches to meeting their new duties.
- Organised and chaired an online IDP system user group to support the development of an effective management system for ALN.

Independent Living Skills (ILS)

ColegauCymru secured grant funding from the Welsh Government to continue the ILS project which supports colleges with the roll out of the new curriculum for ILS learners. The project enabled the development of a set of standards and guidance for the delivery of supported internships as well as further developing a system of peer review for ILS programmes based on RARPA principles. The project also enabled the continuation of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act.

Review of FE lecturer workload

ColegauCymru was awarded grant funding from the Welsh Government to continue its coordination of the national social partnership steering group as part of the FE lecturer workload review. The Workload Phase 4 Continuation project included the evaluation of local action plans, delivery and evaluation of three collaborative projects to improve well-being and workload, and a dissemination conference to share best practice and discuss future priorities for the partnership.

Demonstrating the Social Value of FE in Wales

The Welsh Government provided grant funding to ColegauCymru to commission research on the Social Value of the sector in Wales. Cwmpas and the Centre for Local Economic Studies completed the work, mapping the contribution of colleges against Wales wellbeing goals as set out in the Future Generations Act. The report has kick started a new relationship with the Office of the Future Generations Commissioner, and prompted deeper thinking in the sector about how we think about and measure social value.

Future Plans and Activities

ColegauCymru will continue to monitor and influence, as far as possible, the establishment of, and transition of the sector into the Commission for Tertiary Education and Research, following the passage of the Tertiary Education and Research (Wales) Act, along with other emerging legislation or proposals.

Looking ahead to the Senedd elections in 2026, ColegauCymru will be developing and presenting sector positions to political parties to ensure that the voice of the post-compulsory sector is heard and reflected by the political parties.

Since the UK has left the European Union, Wales must continue to maintain and develop international links by playing an active role in the continuous development of a common framework for improving transparency across European VET (Vocational Educational Training) systems. ColegauCymru has played an active role in advising the Welsh Government on developments in these initiatives to ensure that FE in Wales is connected to key regions and partner organisations across the world.

ColegauCymru will continue to extend its international work through Taith, Welsh Government's international exchange programme and The Turing Scheme, the UK government's mobility programme. The FE sector will continue to participate in the Global Wales 3 programme and monitor the achievement of its key strategic priorities within its Internationalisation Strategy.

ColegauCymru will continue to work closely with Sport Wales, key stakeholders, and colleges to ensure that the FE sector is well placed in terms of future developments around active wellbeing. This includes facilitating projects funded by Welsh Government to support FE settings to promote physical, mental, and emotional wellbeing through increased access to creative, sporting, and cultural activities.

A key objective for ColegauCymru for 2023/24 will be to align our resources and activities to new and emerging challenges, including the continuing squeeze on public spending, the establishment of the new Commission for Tertiary Education and Research, and to the outcomes of the Vocational Qualifications Review, whilst also looking ahead to how we influence longer term system change. We will work closely with Members over the coming year to continue to enhance our relationships with Ministers and other key stakeholders. ColegauCymru will ensure that Members are kept abreast of key issues and remain focused on delivering Members' priorities for the benefit of learners and the wider communities in Wales.

As the representative body for FE institutions in Wales, we will continue to engage positively and constructively with the Joint Trades Unions, working in social partnership for the benefit of the FE workforce to provide the best possible learning experience for FE learners.

The ColegauCymru Policy and Communications Team will continue to advocate for position change for learners and staff in the FE sector with consultation responses, briefings, correspondence to and meetings with Ministers, Cross Party Groups and working with a range of other policy organisations.

As a corporate priority in providing public benefit, the Development team will continue to provide a programme that helps colleges to enrich and enhance the post-16 learning experience: by supporting the skills of the FE workforce; through international exchange opportunities; through initiatives that promote the active wellbeing for staff and learners; and by establishing a leadership programme to strengthen leadership capacity across the sector.

GOVERNANCE REPORT

The Governance Report provides information on the membership of its Board, Committees and recent changes to its constitution and governing document.

Board of Directors

	Chair: Lisa Thomas CEO/Principal, The College Merthyr Tydfil JOINED: 1st August 2024 Appointed as Principal and Chief Executive at the College Merthyr Tydfil in September 2018 , Lisa joined the FE sector as Assistant Principal in September 2012. Lisa is a qualified teacher and has a Masters Degree in Education. Beginning her career as a History teacher in 1993 Lisa has over 25 years experience of leadership and management roles within secondary and further education and local government. As a member of Colegau Cymru, Lisa has represented the sector on a number of Welsh Government working groups and played an influential role in shaping government policy regarding the FE sector in Wales. She is also an experienced ESTYN peer inspector Email Address: Lisa Thomas <l.thomas1@merthyr.ac.uk>
	Vice Chair: Andrew Cornish CEO/Principal, Coleg Sir Gar Joined: 1st August 2024 Andrew has been the CEO and Principal of Coleg Sir Gar and Coleg Ceredigion for the last six years. He has worked in Further Education for thirty years and held a number of different managerial and senior post holder positions at the College during that time. He has also worked as a Peer Assessor with Estyn for nearly 25 years, assessing the standards of other FE colleges throughout Wales. Currently, he is a member of the Public Service Boards in Carmarthenshire (Vice Chair) and Ceredigion and has worked within the South West Wales and Mid Wales regions on skills development for a number of years. Consequently, he sits on both Regional Learning Partnership (RLP) Boards in Carmarthenshire and Ceredigion. He is also a Board member of Global Wales, and chairs the Internationalisation Group for the Further Education (FE) sector in Wales.

	Director/Trustee: Dr Paul Smart Joined: 4th January 2021 Chair of Governing Body Coleg y Cymoedd Having graduated with a BSc and PhD in Engineering, Paul commenced his career in Operational Research in both the gas and steel industries. He subsequently join the UK manufacturing plant of an International Cosmetics company where he worked as both a Production Manager and Head of Human Resources. He subsequently took a role in the company's headquarters as UK Human Resources Director for Operations, Supply Chain, Finance and IT. After 37 years with the company, Paul has now retired but still works part-time as the company's Pension Liaison Manager and as a Pension Fund Trustee. Paul has been a Governor of a number of FE colleges over a period of more than 20 years. Email: pmsmart@aol.com
	Director/Trustee: Dr Rhiannon Evans Joined: 24th November 2021 Dr Rhiannon Evans is a Senior Lecturer at Cardiff University. She is a member of the executive management team at the DECIPHer research centre, which focuses on the health and wellbeing of children and young people. She has extensive methodological expertise in intervention evaluation research, particularly in educational settings. Her substantive research interests focus on the promotion of mental health and wellbeing, in addition to the prevention of self-harm and suicide. She had led and supported national evaluations of education-based mental health services, including MHFA training for secondary-school staff and counselling provision. She has a particular focus on educational and health inequalities, notably outcomes for care-experienced children and young people.
	Director/Trustee: Vicky Jones Joined: 1st August 2024 Vicky is Deputy Director at The Open University in Wales and has worked in a variety of roles across the institution over the last fifteen years. Within her current portfolio she is accountable for marketing, communications, Government relations, public engagement, Welsh language standards, partnerships and civic mission. Working within the four-nation context of the university, Vicky is a member of the senior leadership team, represents Wales on the UK-wide marketing and communications senior leadership group and has been voted onto Senate, one of the key committees in the OU's governance structure.

	Director/Trustee: Iwan Thomas Joined: 1st August 2024 Chair of Governing Body Pembrokeshire College Iwan is currently the Chief Executive Officer of PLANED, a community development organisation that has been operational within Pembrokeshire for over 35 years, and under his tenure, has now expanded to both Carmarthenshire and Ceredigion supported by the new vision of 'Empowering Communities'. Prior to joining PLANED, Iwan was the Regional Programme Manager for the North Wales Economic Ambition Board for five years leading on their Skills and Employment portfolio. In addition to a Master's Degree in Business Administration, Iwan brings over 20 years of experience from working across the third and public sectors across Wales, working in partnership with many great people, organisations and projects.
	Director/Trustee: Donna Ali Joined: 1st August 2024 Donna Ali is the visionary founder of BE.Xcellence, a Community Interest Company with a mission to enhance the representation of individuals from Black, Asian, and minority ethnic backgrounds in influential positions. Her remarkable journey has been marked by accolades and initiatives aimed at fostering diversity and inclusion. In 2022, Donna received the prestigious 'Outstanding Achievement' award from Cardiff Metropolitan University's Department of Entrepreneurship, recognizing her commitment to diversity. She also earned the Black History Wales award in the same year and continued her journey by winning regional and national accolades for diversity and inclusion in 2023 at the FBS awards.

No director/trustee held any shares in the company at any time during the year.

Committees of the Board of Management

Audit Committee	Paul Smart (Chair), Lynda Astell, Kathryn Robson, and Sharon Bowker
Search Committee	Rhiannon Evans, Paul Smart

The directors of the subsidiary company were appointed by and from ColegauCymru's Board. On 30 November 2020 it was agreed to implement a common board for both companies and this was put into effect on 4 January 2021. The directors of the subsidiary during the period were as follows:

Lisa Thomas (Chair)
Andrew Cornish (Deputy Chair)
Paul Smart
Rhiannon Evans
Victoria Jones
Iwan Thomas
Donna Ali

All directors/trustees give their time voluntarily and receive no personal benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Roles and Key Responsibilities

The Board is collectively responsible for the charity's long-term success. The Board sets its strategic aims, monitors the performance of management against the strategic aims, ensures good governance, assesses its risk appetite and ensures that effective controls are in place in the business.

The Chair, Lisa Thomas plays a key role in helping to ensure a unified Board, facilitating meetings, and ensuring good governance. Meeting agendas are agreed in consultation with the Chief Executive and Company Secretary, although any Director may request that an item be added to the agenda.

Beyond matters reserved for the Board, the Chief Executive, David Hagendyk has primary responsibility for managing the day-to-day affairs of the charity and is supported by a senior team in implementing strategy and day to day management.

Activities

During 2023-24, the areas of focus for the Board included:

- Review of funding, income, and expenditure to continue to ensure the long-term financial sustainability of the organisation
- Ongoing scrutiny of risk management within the organisation
- Review and update policies to ensure compliance with current statutory responsibilities and a healthy, respectful, and innovative workplace.
- Review of the risk environment and strategic priorities

Constitution

Under the Articles of Association, the Chair and Deputy Chair of the CEO/Principals' Forum are appointed the Chair and Deputy Chair of the charity Board In accordance with the Articles of Association, the Board comprises of a minimum of five and a maximum of seven Trustees which may include up to two Chairs of Governing Bodies and up to three independent external professionals may be appointed Trustees. If there are vacancies, the Board may Co-opt Trustees provided the total number of Trustees does not exceed seven. The Chair and Deputy Chair shall serve concurrently for two years whilst the other Trustees may serve for an initial three years, with the option to seek re-appointment for a further three-year term.

On the 2nd July 2024, the following resolution was proposed and passed by members at the AGM: members resolved to change the commencement date of the term of office for the Chair and Deputy Chair to run for a period of two years from 1st August, as it was in previous years.

The Chair and Deputy Chair of the Board along with an independent member is responsible for conducting the CEO's annual performance review and make recommendations to the Board, which is responsible for setting the CEO's remuneration package.

A common board for both the charity and its subsidiary company, Fforwm Services Ltd, this was put into effect from 4 January 2021.

Induction and Development

The Trustees receive an information pack on their legal obligations under charity and company law. To assist them in carrying out their duties all Trustees are expected to meet the standards set out in the charity's Corporate Governance Code which aims to promote effective and well-informed governance.

Conflicts of Interest

All Trustees must immediately disclose conflicts, or potential conflicts, of interest. In addition, all Trustees sign an annual declaration and disclose their external appointments. Directors also let the Chairperson and Company Secretary know of any pending appointments and announce any new external appointments at the next Board meeting so that all the Board are made aware.

Board Meetings and Attendance

In 2023-24, the Board held three scheduled meetings. All directors are expected to attend meetings of the Board and of those Committees of which they are a member. When a Director is unable to participate in a meeting, the Chair will seek their views on key items ahead of the meeting so that these can be added to the discussion.

Risk Management

The Board has overall responsibility for the operation and effectiveness of the charity's system of internal controls and risk management. The system of controls is designed to manage the risk of failure to achieve business objectives, and comprises audited policies and procedures aimed at identifying and managing the most significant risks faced by the business.

The Trustees are of the view, that there is an ongoing process for identifying, evaluating and managing significant risks faced by ColegauCymru and that this process has been in place during the reporting period.

Delegated authority is granted to the following committees that operate under agreed terms of reference:

Audit Committee - to consider detailed reports together with recommendations for the improvement of systems of internal control and management's responses and implementation plans. The Committee meets at least twice a year, with the external auditors in attendance if requested.

Search Committee - the role of the Committee is to review the succession planning for the Board and to put in place processes to address this, reporting to the main Board.

The Board receives reports from the Chief Executive and the Audit Committee regarding risk and control issues and how it plans to address these issues.

Governing Document

ColegauCymru is a charitable company limited by guarantee and registered as a charity in January 1997. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charity being wound up after all its debts and liabilities have been satisfied and there remains any property, it shall not be paid to or distributed among the Members of the charity. Instead, shall be given or transferred to some other charity or charities having similar objects which prohibits the distribution of its income and property by its charity members at or before the time of dissolution and if that cannot be done then to some other charitable object.

Statement of Inclusion

At ColegauCymru we are committed to fostering an inclusive environment where everyone feels valued and respected. Our mission is to support and uplift individuals from all backgrounds, identities, and circumstances.

We believe that diversity enriches our community and enhances our ability to achieve our goals. We strive to:

- **Promote Equality**: Ensure equal opportunities for all, overcoming barriers to participation and success
- **Celebrate Diversity**: Recognise and celebrate the unique contributions of each individual.
- **Create Safe Spaces**: Provide a welcoming and safe environment for everyone, free from racism, discrimination and harassment.
- **Engage with Communities**: Actively engage with diverse communities to understand their needs and perspectives.
- **Becoming Anti-racist:** Supporting Welsh Government in achieving an Anti-Racist Wales by 2030

Our commitment to inclusion is reflected in our policies, programs, and practices. We continuously work towards creating a more inclusive and equitable organisation, where everyone can thrive.

Financial Review

Total income for the group was £3,053,708, a decrease of £345,432. After a significant increase in 2022/23 the level of grant income received during the year fell due to the end the Erasmus + funded projects.

The group made a surplus of £72,787 (2023: £297,904) after an actuarial adjustment on the defined benefit pension scheme. No pension asset or liability was recognised at the end of the year (2023 a liability of £15,000).

Principal Funding Sources

ColegauCymru continued to be funded through college subscriptions during the year at a level sufficient to meet the budgetary requirements agreed by the Board. ColegauCymru received £1,043,991 funding through membership subscriptions from colleges and FE institutions.

Going Concern Accounting Policy

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Investment Policy

In 2008 it was agreed that an investment should be made by the purchase of new office accommodation more suited to the needs of the charity. This took place on 20 August 2008 and constituted a major investment for the charity. However, the trustees are conscious of the need to also retain funds in a liquid form to meet the requirements of the charity. The trustees closely monitor the returns of the investments.

To secure the funds of the charity all investments are made in the company name. The trustees, having considered the operating requirements of the charity and the reserves policy have, for the purpose of security, adopted the policy of holding funds in an interest-bearing account with the balance placed on treasury deposit with a major clearing bank. The use of treasury deposits seeks to achieve the best interest rate possible for the funds with no risk attached, however due to the low rates of return on the current investment the policy is to be reviewed and updated.

Bank Fraud

In October 2023 the group were a victim of a targeted bank fraud. While working with the Fraud Team at Barclays to stop payments and recover funds taken our systems and security were scrutinised and additional measures put in place to enhance security.

The incident was reported to Action Fraud, our insurance company and other interested parties. A legal firm was engaged to act on our behalf and ultimately a case was put to the Financial Ombudsman. Resolution of this matter has taken some time but in early 2025 we agreed a negotiated settlement with Barclays Bank.

Reserves Policy

ColegauCymru is aware of the need to secure its viability beyond the immediate future and is committed to providing services over the longer term. To continue long term operations, it is necessary to be able to absorb unforeseen setbacks and be able to take advantage of opportunities which arise. To fulfil this requirement, the retention of adequate reserves is necessary. The target level of reserves which ColegauCymru should retain have been identified as follows:

Capital Reserve To provide funds to meet the existing and future capital spend requirements of ColegauCymru.

Critical/Closure Costs To retain funds to meet the closure costs which would be incurred should ColegauCymru cease operations. This would allow for a managed cessation of operations and includes

- Notice of termination and redundancy costs for staff
- servicing equipment leasing arrangements
- building insurance
- building maintenance until such time as a sale can be agreed. A two-year period has been allowed for the sale of the property. It is proposed that the sale of the property will be used to meet the liabilities of the LGPS (Local Government Pension Scheme) pension scheme.

Strategic Reserve To meet the costing requirements of any strategic items identified within the designated reserves

Free Reserves To target free reserves equivalent to six months operating costs, currently circa £605,000 to enable the completion or wind up of project and other activities

The ColegauCymru reserves policy is regularly reviewed by the Board of Directors to assess the values contained within and to ensure that it continues to meet the requirements of the charity.

The Directors have recognised the importance to the company of retaining the membership of all the colleges in Wales and of actively pursuing a policy to ensure that the group recognises the needs of the whole sector and caters for them appropriately.

They also recognise the importance to the group of winning bids for projects and research, both in terms of prestige and financial security and conversely the risks involved if the company is unsuccessful in this area.

Action Plan

Where the level of free reserves falls below the target of six months operating costs then future budgets will be set at a level where it is possible to build up these reserves over an appropriate time period which will be set by the ColegauCymru Board.

Fforwm Services Limited

Fforwm Services Limited was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of service contracts in areas relevant to the parent charity, CPD training for college staff and the wider post-16 education sector, property and equipment leasing. 2023/24 was a further year of change for the organisation and saw a return of the Annual Conference for the first time since Covid 2019, this led to a small profit at the year end. The Directors welcomed this and are satisfied with the overall performance of the company during the year. In future the company plans to continue to participate in contracted services and utilise conference events to provide additional income whilst supporting its policy objectives.

The company made a profit for the year on ordinary activities of £5,525 (2023 loss :£2,429). A distribution of £1,000 (2023: £1,000) has been made to Colleges Wales / ColegauCymru Ltd.

During the year the company's turnover increased to £115,044 (2023: £66,543). Building on success of the 2023 Annual Conference a decision was taken to hold a larger conference in October 2024 which proved very successful.

In October 2023 the companies in the group were victims of a targeted bank fraud. While working with the Fraud Team at Barclays to stop payments and recover funds taken our systems and security were scrutinised and additional measures put in place to enhance security.

The incident was reported to Action Fraud, our insurance company and other interested parties. A legal firm was engaged to act on behalf of the group and ultimately a case was put to the Financial Ombudsman. Resolution of this matter has taken some time but in early 2025 we agreed a negotiated settlement with Barclays Bank.

Limited by Guarantee

The charity is limited by guarantee and as such has no shareholders. The members of the charityy are Wales' FE colleges and institutions.

Related Parties

Due to the nature of the organisation, its membership and the composition of the Board, it is inevitable that transactions will take place with company members. All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law that Directors have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make sound judgments and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities (issued March 2005). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Subject to a diligent tendering process, Bevan & Buckland were appointment external auditors for a three period, the ColegauCymru Board formally approved their appointment on 17 November 2022.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities (issued March 2005) and in accordance with the provisions applicable to companies subject to small companies' regime of the Companies Act 2006.

By Order of the Board



Chair of the Board
Date: 24.03.2025
Lisa Thomas

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number:	2832103
Registered Charity Number:	1060182
Registered Office and operational address:	Unit 7 Cae Gwyrdd Greenmeadow Springs Tongwynlais Cardiff CF15 7AB
Auditors:	Bevan Buckland LLP Cardigan House, Castel Court Swansea Enterprise Park Swansea SA7 9LA
Solicitors:	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
Bankers:	Barclays Bank plc PO Box 69 Cardiff CF1 1SG

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2024

Opinion

We have audited the financial statements of Colleges Wales / Collegau Cymru Limited (parent charity) and its subsidiary (the 'group') for the year ended 31 July 2024 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United KIngdom Generally Accepted Accounting Practice)

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2024 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

· enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

· identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

· detecting and responding to the risks of fraud and whether they have knowledge of any actual. suspected or alleged fraud;

· the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

· discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:

· Management override of controls

· obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

· reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

· enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

· reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and

· in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

· assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

· evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2024

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in an auidtors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: 24th March 2025

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AND CONSOLIDATED INCOME EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2024

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
INCOME AND ENDOWMENTS FROM					
Charitable activities:	2				
Annual subscriptions		1,043,991	-	1,043,991	946,755
Advancement of education for the benefit of the general public		11,163	1,851,938	1,863,101	2,328,071
Other trading activities:					
Commercial trading operations	5	115,044	-	115,044	66,543
Investments	3	31,572	-	31,572	57,771
Total income		**1,201,770**	**1,851,938**	**3,053,708**	3,399,140
EXPENDITURE ON					
Charitable activities					
Advancement of education for the benefit of the general public	6	906,753	1,877,927	2,784,680	2,992,891
Other trading activities:					
Commercial trading operations	5	100,929	-	100,929	69,345
Total expenditure		**1,007,682**	**1,877,927**	**2,885,609**	3,062,236
NET INCOME / (EXPENDITURE)		**194,088**	**(25,989)**	**168,099**	336,904
Taxation		**(2,312)**	**-**	**(2,312)**	-
NET INCOME		**191,776**	**(25,989)**	**165,787**	336,904
Transfers between funds		**(25,989)**	**25,989**	**-**	-
OTHER RECOGNISED GAINS / (LOSSES)					
Fair Value Adjustment		-	-	-	-
Actuarial gain / (loss) on defined benefit scheme		**(93,000)**	**-**	**(93,000)**	(39,000)
Net movement in funds in year		**72,787**		**72,787**	297,904
RECONCILIATION OF FUNDS					
Total funds brought forward	15	**1,935,276**	**-**	**1,935,276**	1,637,372
TOTAL FUNDS CARRIED FORWARD	15	**2,008,063**	**-**	**2,008,063**	1,935,276

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO. 2832103
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible assets	10		**301,100**		316,625
Investment Property	11		**275,000**		275,000
			576,100		591,625
CURRENT ASSETS					
Debtors	13	**672,685**		977,217	
Cash at bank and in hand		**1,807,706**		1,474,266	
		2,480,391		2,451,483	
CREDITORS: amounts falling due within one year	14	**(1,048,428)**		(1,092,832)	
NET CURRENT ASSETS			**1,431,963**		1,358,651
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,008,063**		1,950,276
Defined pension scheme liability	20		**-**		-
TOTAL ASSETS			**2,008,063**		1,950,276
Represented by:					
FUNDS					
Unrestricted funds	15		**2,008,063**		1,935,276
Restricted funds	15		**-**		-
			2,008,063		1,935,276

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 29 to 55 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 24th March 2025 and signed on their behalf by:

.....

Lisa Thomas - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
Company Number: 2832103
(Limited by Guarantee)
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £	2024 £	2023 £	2023 £
FIXED ASSETS					
Tangible assets	9		**300,544**		315,548
Investment Property	11		**275,000**		275,000
Investments	12		**100**		100
			575,644		590,648
CURRENT ASSETS					
Debtors	13	**653,978**		1,033,271	
Cash at bank and in hand		**1,784,184**		1,396,834	
		2,438,162		2,430,105	
CREDITORS: amounts falling due within one year	14	**(1,027,659)**		(1,079,863)	
NET CURRENT ASSETS			**1,410,503**		1,350,242
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,986,147**		1,940,890
Defined pension scheme (liability) / asset	20				(15,000)
TOTAL ASSETS			**1,986,147**		1,925,890
Represented by:					
FUNDS					
Unrestricted funds	15		**1,986,147**		1,925,890
Restricted funds	15				-
			1,986,147		1,925,890

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 29 to 55 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 24th March 2025 and signed on their behalf by:

Lisa Thomas - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2024

	Note	2024 £	2023 £
Net cash inflow / (outflow) from operating activities:		**326,691**	**(875,142)**
Cash flows from investing activities:			
Interest received		**7,854**	**7,524**
Capital expenditure		**(1,105)**	**(22,015)**
Net cash used in investing activities		**6,749**	**(14,491)**
Change in cash and cash equivalents in the reporting period		**333,440**	**(889,633)**
Cash and cash equivalents at the beginning of the reporting period		**1,474,266**	**2,363,899**
Cash and cash equivalents at the end of the reporting period		**1,807,706**	**1,474,266**

1 Reconciliation of net consolidated incoming resources for the year to net cash inflow from operating activities	2024 £	2023 £
Net income for the year before taxation	168,099	336,904
Taxation	(2,312)	-
Depreciation charge	16,630	21,461
(Increase) / Decrease in debtors	304,532	(640,269)
(Decrease) / Increase in creditors	(44,404)	(561,714)
Interest received	(7,854)	(7,524)
Defined benefit pension scheme contributions	(211,000)	(179,000)
Defined benefit pension scheme operating cost	103,000	155,000
Net finance expenses from the pension scheme	-	-
Net cash inflow / (outflow) from operating activities	**326,691**	**(875,142)**

2 Analysis of changes in net fund	At 31 July 2023 £	Cash Flows £	At 31 July 2024 £
Cash at bank and in hand	2,363,899	(556,193)	**1,807,706**

1 PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting and assessment of going concern
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (Effective 1 January 2019), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the group's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Basis of consolidation
The financial statements consolidate the results of the charity and its wholly owned subsidiary Fforwm Services Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming Resources
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscription fee income is accounted for on an accruals basis and is recognised in the period of membership.

Income from courses and conferences is recognised when the respective event occurs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Allocation of support costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Resources expended
Expenditure is recognised on an accrual basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, and its services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity. All costs allocated between the expenditure categories of the SOFA are on a basis designed to reflect the use of the resources. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. A note of these costs are detailed in note 6.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Tangible Fixed Assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic life of the assets as follows:

Buildings	50 years*
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	10 years

* Buildings - The building was subject to an impairment charge in 2014/15. Following this the revised value of the property was depreciated on a straight line basis over the remaining 43 years.

Investment property

Mixed use property are required to be shown between freehold property and Investment property, the proportion of Investment property has been valued based on a square foot use and then adjusted to its fair value.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal

Financial Instruments
The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Basic Financial Liabilities
Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pension
Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from the employees services. The Charity pension scheme is a defined benefits scheme.

The Charity participates in the Cardiff and Vale of Glamorgan Pension Fund, a defined benefit scheme for employees. The assets of the scheme are held separately from those of the charity. Many of the key financial assumptions are derived from the yields on AA rated corporate bonds or from yields on Government bonds with the objective of reflecting a best estimate of future experience.

The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension scheme assets are valued at the market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

Fund accounting
The various types of funds for which the Charity is responsible and which require separate disclosure, are as follows:

Unrestricted funds
Funds which are expendable at the discretion of the directors in furtherance of the objects of the charity.

Restricted funds
Subscriptions and grants whose use is restricted to purposes specified by the donor. Such purposes are within the overall aims of the organisation.

Irrecoverable VAT
All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Foreign Currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Leases
Rentals receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Legal Status of the charity
The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Taxation
The Company is registered as a Charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Its subsidiary company, Fforwm Services Limited, gifts an element of any surplus to its holding company. Any surplus remaining is subject to corporation tax.

Employee Benefits
The group provides a range of benefits to employees, including paid holiday arrangment and defined benefit and defined contirbution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Accounting estimates and key judgements
Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Retirement benefit liabilities - as disclosed in note 20. Year end recognition of the liabilities under these schemes and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, key financial market indicators such as inflation and expectations on future salary growth and asset returns. These assumptions are made by the Charity in conjunction with the schemes' actuaries. For each 0.1% change in the discount rate net of inflation, the carrying amount of pension obligations would change by an estimated £56,000.

2 Charitable Activities - Group	Unrestricted funds £	Restricted funds £	Total 2024 £	Total 2023 £
Annual subscriptions:				
General subscriptions	**904,890**	**-**	**904,890**	820,483
EU/International subscription	**71,786**	**-**	**71,786**	65,117
Sports subscription	**67,315**	**-**	**67,315**	61,155
Advancement of education for the benefit of the general public:				
Representational Activities	**7,663**	**-**	**7,663**	6,923
Research/Project Activities	**3,500**	**1,851,938**	**1,855,438**	2,321,148
Training Activities	**-**	**-**	**-**	-
	1,055,154	**1,851,938**	**2,907,092**	3,274,826

3 Investments - Group	Unrestricted funds	Restricted funds	Total 2024	Total 2023
Gain on Asset Disposal	**-**	**-**	**-**	150
Bank Interest	**7,854**	**-**	**7,854**	7,524
Exchange Rate Gain	**-**	**-**	**-**	26,379
Rental Income	**23,718**	**-**	**23,718**	23,718
	31,572	**-**	**31,572**	57,771

4 Results of the Parent Company

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 . The parent company's gross income and deficit for the year are as follows:-

	2024	2023
Gross Income	3,053,711	3,325,884
Surplus before actuarial gains/(losses) on pension scheme	(88,703)	315,483

5 Commercial trading operations and investment in trading subsidiary

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, development courses and property and equipment leasing. The net assets of the subsidiary are £14,164 (2023: £9,487).

The trading results are shown below :	**2024**	2023
	£	£
Turnover	**115,044**	66,543
Cost of sales	**(79,499)**	(59,975)
Gross profit	**35,545**	6,568
Administrative expenses	**(21,430)**	(9,370)
Operating profit	**14,115**	(2,802)
Interest receivable and similar income	**1,728**	373
Profit / (loss) on ordinary activities	**15,843**	(2,429)
Tax on profit on ordinary activities	**(2,312)**	-
Profit / (loss) for the financial year	**13,531**	(2,429)
Retained earnings at beginning of year	**9,387**	12,816
Dividends	**(1,000)**	(1,000)
Retained earnings at end of year	**21,918**	9,387

These results are wholly included in the consolidated financial statements

6 Resources expended - Group

	Basis of Allocation	Representation & Support	Training	Research & Dev, inc Projects	Management & Governance	2024	2023
						£	£
Costs Directly Allocated to Activities							
Educational Advancement	Direct	**3,656**	**-**	**1,561,097**	**-**	**1,564,753**	1,918,473
Staff costs	Direct	**489,639**	**20,576**	**333,696**	**23,670**	**867,581**	907,633
Travel	Direct	**8,077**	**317**	**5,146**	**7,934**	**21,474**	27,823
Support costs Allocated to Activities							
Accommodation	Staff time	**20,334**	**798**	**12,946**	**918**	**34,996**	32,428
Administration & Bank Charges	Staff time	**42,251**	**1,436**	**23,281**	**1,651**	**68,619**	48,310
Fees and charges	Staff time	**111,634**	**4,298**	**69,647**	**11,912**	**197,491**	25,956
Public affairs and other costs	Staff time	**8,931**	**4,726**	**-**	**-**	**13,657**	11,982
Depreciation	Staff time	**9,357**	**368**	**5,961**	**423**	**16,109**	20,286
Total Resources Expended		**693,879**	**32,519**	**2,011,774**	**46,508**	**2,784,680**	2,992,891

7 Directors and employees - Group

No director received any remuneration for their services to the company in 2024 or 2023.

No directors received travel and subsistence expenses in 2024 (2023 - £nil).

The average number of persons employed by the company during the year was 16 (2023: 16).

Staff costs for the above consisted of :	**2024**	2023
	£	£
Wages and salaries	**484,582**	**404,704**
Salaries, Social Security & Pension costs allocated to projects	**301,894**	**375,425**
Pension actuary adjustment	**(93,000)**	**(39,000)**
Pension costs	**104,381**	**122,032**
Social security costs	**69,723**	**44,282**
Recruitment costs		**190**
	867,580	**907,633**

Emoluments of higher paid employees (excluding pension contributions):	**2024**	2023
£60,000 - £70,000	**1**	-
£70,001 - £80,000	**1**	-
£80,001 - £90,000	**-**	-
£90,001 - £100,000	**-**	-
£100,001 - £110,000	**1**	1

The Pensions Contributions relating to the highest paid employee amount to £31,531 (2023: £8,854)

During the year the total employee benefits received by key management personnel amounted to £140,685 (2023: £102,479).

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2024	2023
Representation & Support	**9**	9
Research & Development, inc. Projects	**6**	6
Governance	**1**	1
	16	16

8 Net incoming / (outgoing) resources - Group

	2024	2023
	£	£
Net incoming / (outgoing) resources are stated after charging / (crediting) the following :		
Depreciation on owned tangible fixed assets	**16,630**	21,461
Operating lease rental:		
Land and buildings	**45,550**	45,250
Auditors' remuneration:		
Audit work (group & companies)	**10,105**	9,650
Non-audit work	**8,260**	7,550
Legal and professional fees	**61,986**	9,169

9 Analysis of pension costs charged to the Statement of Financial Activities - Group

	2024	2023
	£	£
Current service charge	**107,000**	168,000
Total operating charge to Statement of Financial Activities	**107,000**	168,000

	2024	2023
	£	£
Interest income on scheme assets	**(203,000)**	(131,000)
Interest expense on defined benefit obligation	**140,000**	103,000
Interest charged to Statement of Financial Activities	**(63,000)**	(28,000)
Net cost to Statement of Financial Activities	**44,000**	140,000

10 Tangible fixed assets - Group

	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2023	615,220	74,858	104,061	89,807	883,946
Additions	-	824	-	281	1,105
Disposals	-	(27,062)	- 13,169	(6,401)	(46,632)
Reclassification	-	-	-	-	-
At 31 July 2024	615,220	48,620	90,892	83,687	838,419
Depreciation					
At 1 August 2023	323,553	72,803	91,854	79,111	567,321
Charge for the year	8,333	866	2,059	5,372	16,630
Disposals	-	(27,062)	(13,169)	(6,401)	(46,632)
Reclassification	-	-	-	-	
At 31 July 2024	331,886	46,607	80,744	78,082	537,319
Net book value					
At 31 July 2024	283,334	2,013	10,148	5,605	301,100
At 31 July 2023	291,667	2,055	12,207	10,696	316,625

10 Tangible fixed assets - Charity

	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2023	615,220	58,142	72,827	74,733	820,922
Additions	-	824	-	281	1,105
Disposals	-	(27,062)	(7,254)	(6,129)	(40,445)
Impairment	-	-	-	-	-
At 31 July 2024	615,220	31,904	65,573	68,885	781,582
Depreciation					
At 1 August 2023	323,553	56,092	60,655	65,074	505,374
Charge for the year	8,333	861	2,040	4,875	16,109
Disposals	-	(27,062)	(7,254)	(6,129)	(40,445)
Reclassification	-	-	-	-	-
At 31 July 2024	331,886	29,891	55,441	63,820	481,038
Net book value					
At 31 July 2024	283,334	2,013	10,132	5,065	300,544
At 31 July 2023	291,667	2,050	12,172	9,659	315,548

11 Investment Property - Group	**2024** £	**2023**
FAIR VALUE		
At 1 August 2023	275,000	275,000
Fair value adjustment	-	
At 31 July 2024	275,000	275,000

This relates to a proportion of the freehold property held by the charity which is leased out to a third party organisation. Due to a change in accounting standards, the proportion of the property leased out requires to be shown as investment property.

The property was valued by an external valuer, Alder King LLP on 13th September 2022.

The trustees do not believe there to be a material difference of the investment property between the year end date and the date of the valuation.

12 Fixed asset investments - Company	Charity 2024 £	Charity 2023 £
Investment in subsidiary	100	100

Fforwm Services Ltd
Registered office: Unit 7, Cae Gwyrdd, Greenmeadow Springs, Tongwynlais, Cardiff, CF15 7AB
Nature of business: provision of service contracts in areas relevant to the parent charity

Class of share:	% holding
Ordinary	100

Information relating to the charity's trading subsidiary, Fforwm Services Limited, registered in England and Wales and its activities during the year, are shown in note 5.

13 Debtors	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Amounts falling due within one year				
Trade debtors	47,031	47,031	5,801	5,801
Accrued income	583,923	568,436	934,865	929,215
Amounts due from subsidiary undertaking	-	12,710	-	71,587
Prepayments	41,731	25,801	36,551	26,668
	672,685	653,978	977,217	1,033,271

14 Creditors : amounts falling due within one year	Group 2024 £	Charity 2024 £	Group 2023 £	Charity 2023 £
Trade creditors	512,853	503,311	412,179	410,795
Accruals	153,637	149,564	302,618	297,701
Deferred income	327,766	321,003	324,453	317,690
Other taxation and social security	54,172	53,781	53,582	53,677
	1,048,428	1,027,659	1,092,832	1,079,863

15 Funds - Group

Unrestricted funds	At 01.08.23 £	Incoming resources	Resources expended	Transfer between fund	Other recognised gain/loss	At 31.07.24 £
General Fund	1,043,651	1,201,770	(993,364)	(628,121)	(93,000)	530,936
Capital Asset Reserve	591,625	-	(16,630)	51,105	-	626,100
Critical / Closure costs	240,000	-	-	466,027	-	706,027
Strategic reserve	40,000	-	-	85,000	-	125,000
Capital Spend Reserve	20,000	-	-	-	-	20,000
	1,935,276	1,201,770	(1,009,994)	(25,989)	(93,000)	2,008,063
Restricted funds						
Project Activities	-	1,851,938	(1,877,927)	25,989	-	-
TOTAL FUNDS	1,935,276	3,053,708	(2,887,921)	-	(93,000)	2,008,063

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Equalities - 248	-	10,049	10,049	-	-
Call Off - 247	-	33,950	33,950	-	-
Social Value - 246	-	55,000	55,000	-	-
ALN - Adviser - 223	-	106,496	106,496	-	-
ALN - ILS - 222	-	35,000	35,000	-	-
Active Wellbeing - 239	-	11,060	11,384	324	-
Sport - 201	-	135,641	135,641	-	-
Senior Leadership	-	5,936	5,936	-	-
Turing	-	593,267	593,267	-	-
Erasmus + Learner 2020	-	374,586	394,723	20,137	-
Taith - 271	-	162,046	162,046	-	-
Taith - 272	-	154,685	154,685	-	-
Taith - 273	-	26,373	27,202	829	-
Taith - 274	-	96,866	96,866	-	-
Taith - 275	-	1,785	2,140	355	-
WG Taith PLF	-	918	918	-	-
Workload	-	33,202	35,922	2,720	-
Erasmus + Staff 20	-	15,078	16,702	1,624	-
EQF Workplan	-	-	-	-	-
	-	1,851,938	1,877,927	25,989	

15 Funds - (Con't)

Funds - Charity

Unrestricted funds	At 01.08.23 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.24 £
General Fund	1,035,242	1,085,999	(906,753)	(611,913)	(93,000)	509,575
Capital Asset Reserve	590,648	-	-	34,897	-	625,545
Critical / Closure costs	240,000	-	-	466,027	-	706,027
Strategic reserve	40,000	-	-	85,000	-	125,000
Future Capital Reserve	20,000	-	-	-	-	20,000
	1,925,890	1,085,999	(906,753)	(25,989)	(93,000)	1,986,147
Restricted funds						
Research/Project Activities	-	1,851,938	(1,877,927)	25,989	-	-
TOTAL FUNDS	1,925,890	2,937,937	(2,784,680)	-	(93,000)	1,986,147

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer to/from unrestricted funds £	Closing balance £
Equalities - 248	-	10,049	10,049	-	-
Call Off - 247	-	33,950	33,950	-	-
Social Value - 246	-	55,000	55,000	-	-
ALN - Adviser - 223	-	106,496	106,496	-	-
ALN - ILS - 222	-	35,000	35,000	-	-
Active Wellbeing - 239	-	11,060	11,384	324	-
Sport - 201	-	135,641	135,641	-	-
Senior Leadership	-	5,936	5,936	-	-
Turing	-	593,267	593,267	-	-
Erasmus + Learner 2020	-	374,586	394,723	20,137	-
Taith - 271	-	162,046	162,046	-	-
Taith - 272	-	154,685	154,685	-	-
Taith - 273	-	26,373	27,202	829	-
Taith - 274	-	96,866	96,866	-	-
Taith - 275	-	1,785	2,140	355	-
WG Taith PLF	-	918	918	-	-
Workload	-	33,202	35,922	2,720	-
Erasmus + Staff 20	-	15,078	16,702	1,624	-
EQF Workplan	-	-	-	-	-
	-	1,851,938	1,877,927	25,989	-

15 Funds - (Con't)

Comparatives for movement in funds - Group

Unrestricted funds	At 01.08.22 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.23 £
General Fund	746,300	1,079,341	(717,724)	(25,266)	(39,000)	1,043,651
Capital Asset Reserve	591,072	-	(21,461)	22,014	-	591,625
Strategic reserve	240,000	-	-	-	-	240,000
Capital Spend Reserve	40,000	-	-	-	-	40,000
International Curriculum Development	20,000	-	-	-	-	20,000
	1,637,372	1,079,341	(739,185)	(3,252)	(39,000)	1,935,276
Restricted funds						
Research/Project Activitie	-	2,319,799	(2,323,051)	3,252	-	-
TOTAL FUNDS	1,637,372	3,399,140	(3,062,236)		(39,000)	1,935,276

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Erasmus + Staff 2019	-	176	1,487	1,311	-
ILS	-	35,000	35,586	586	-
ALN - Advisor	-	153,038	153,038	-	-
ALN - Advisor	-	29,512	29,512	-	-
Active Wellbeing	-	35,043	35,043	-	-
Construction	-	7,000	7,117	117	-
Sport	-	84,245	84,245	-	-
Sport	-	49,155	49,155	-	-
Sports Guidance	-	9,000	9,000	-	-
SPW SOF	-	37,167	37,167	-	-
Cymraeg Gwaith	-	268,908	268,908	-	-
Turing	-	5,915	5,915	-	-
Taith	-	207,542	207,542	-	-
Taith 2	-	45,483	45,483	-	-
Erasmus + Learner 2020	-	1,193,797	1,193,797	-	-
Four Nations	-	10,000	10,000	-	-
Erasmus + Learner 2019		2,758	2,758	-	-
WG Taith PLF	-	34,890	34,890	-	-
BLG	-	61,550	61,896	346	-
Workload	-	25,000	25,892	892	-
Erasmus + Staff 20	-	24,620	24,620	-	-
	-	2,319,799	2,323,051	3,252	-

15 Funds - (Con't)

A current year 12 months and prior year 12 months combined position is as follows:

Unrestricted funds	At 01.08.22 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.24 £
General Fund	746,300	2,281,111	(1,711,088)	(653,387)	(132,000)	530,936
Capital Asset Reserve	591,072	-	(38,091)	73,119	-	626,100
Critical / Closure costs	240,000	-	-	466,027	-	706,027
Strategic Reserve	40,000	-	-	85,000	-	125,000
Capital Spend Reserve	20,000	-	-	-		20,000
	1,637,372	2,281,111	(1,749,179)	(29,241)	(132,000)	2,008,063
Restricted funds						
Research/Project Activities	-	4,171,737	(4,200,978)	29,241	-	-
TOTAL FUNDS	1,637,372	6,452,848	(5,950,157)	- -	132,000	2,008,063

15 Funds - (Con't)

Erasmus+ 2020 (learner) This project ended on 30 December 2023 and we were notified that the final report had been approved on 5 May 2024.

Erasmus+ 2020 (staff) This project ended on 30 December 2023 and we were notified that the final report had been approved on 27 March 2024.

Turing Scheme 2023 (Learner) This project ended on 31 August 2024 and we were notified that the final report had been approved on 18 October 2024.

Turing Scheme 2024 (learner) Funding was approved in July 2024 to enable 116 FE learners to undertake work, study, training and volunteering opportunities overseas. The project will end on 31 August 2025.

Taith Pathway 1 Round 1 (Learner and staff) Funding was approved in July 2022 to enable 52 FE learners and 288 staff to undertake work, study, training and volunteering opportunities overseas. The project was extended and will end on 28 February 2025.

Taith Pathway 1 Round 1 (Learner and staff) This project enables staff from FE organisations to undertake preparatory and CPD opportunities abroad. The project will end 28 February 2025.

Taith Pathway 1 Round 2 (Learner and staff) Funding was approved in February 2023 to enable 143 FE learners to undertake work, study, training and volunteering opportunities overseas. The project ended on 30 November 2024 and the final report has been submitted to Taith and is currently being reviewed.

Taith Pathway 1 Round 3 (Learner and staff) Funding was approved in June 2023 to enable 86 FE learners to undertake work, study, training and volunteering opportunities overseas. The project will end on 28 February 2025.

Taith Pathway 1 Round 4 (Learner and staff) Funding was approved in July 2024 to enable FE learners to undertake work, study, CPD and volunteering opportunities overseas. The project will end on 28 February 2026.

Taith Pathway 2 Round 1 This project ended on 30 November 2024 and the final report has been submitted to Taith and is currently being reviewed.

Taith Pathway 2 Round 2 Funding was approved in February 2024 and the aim will be to set up a transnational Community of Practice to address issues raised in Estyn's report on 'Peer to peer sexual harrasment amongst 16-19 year olds in FE colleges in Wales.' The project will end on 31 October 2025.

CQFW Alignment Welsh Government funding was received April 2023 to March 2025 to ensure continued alignment of the Credit and Qualifications Framework for Wales (CQFW) to UK National Frameworks and to keep a watching brief on how the European Qualifications Framework (EQF) will work with UK frameworks.

Active Wellbeing (Sport) – the Sport Wales funded project provides funding for the development of sports and physical activity and aims to increase the participation and volunteering in FE in Wales. The funding is aimed at under-represented groups, including females, ethnic minorities and communities first areas. Typically, the funding will support new activity

15 Funds - (Con't)

ALN – ColegauCymru / CollegesWales is continuing with the Welsh Government funded project to support and challenge colleges as they implement the requirements of the ALNET Act. As the first cohort of learners were enrolled in September 2023, the increased pressure on college ALN teams to prepare for this, required additional support from the project. The ALN Implementation Lead (FEIs) is working closely with the 13 colleges, as well as the 22 local authorities and 7 health boards, to encourage effective partnership working. On behalf of Welsh Government, ColegauCymru is also co-ordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to capture and share existing best practice and to develop the ILS curriculum and Learning Area Programme (LAP) including the provision of supported internships.

Workload – Phase 4 of the project completed 31 March 2024, ColegauCymru was then successful in securing £125,000 of grant funding from the Welsh Government for the continuation of Phase 5 of the FE Lecturer Workload Review project until 31 March 2025. Phase 5 includes the following project strands:

1. To sustain the Workload steering group national social partnership

2. To review the outcomes and evaluation findings of the Workload allocation modeller pilot and agree recommendations

3. To undertake a mapping of pastoral support roles, to include a review of financial sustainability, and make recommendations on the development of a national role with a professional learning pathway

4. To provide a forum to share attendance and behaviour policies across colleges and develop national guidance

5. To provide a forum for skills teachers to share practice and make recommendations for supporting skills teachers to reduce workload and improve wellbeing

6. To deliver a follow up event with social partner representatives to review progress on the Workload Review

The grant funding has enabled ColegauCymru to appoint a consultant to lead strands 3-5 of the project on behalf of the national social partnership. A follow up event with social partnership representatives has been scheduled to take place at Cardiff and Vale College on 14th March to review progress and reflect on what further actions might be of benefit if a Phase 6 project is required.

Transfer between Funds
Restricted funds relate to projects which promote the aims of the charity and enhance the learner experience, in some cases it is necessary to support these activities from non-restricted funds in order to achieve the best outcome. When restricted funds are received there are occasions where some costs incurred are higher than those anticipated or where some spend falls outside the scope of the project approval. In the case of Erasmus + Learner 20 this was a very large project which was funded in euros at a set exchange rate, due to Covid the project start date was delayed and changes in the exchange rate led to a lower amount of income being recognised at the end of the project when staff costs were high due to completion of final reports and claims.

15 Funds - (Con't)

The unrestricted funds held by the charity at 31st July 2024 were as follows:

	£	
General Fund	530,936	This represents general unrestricted funds for use within the charity
Existing Capital Reserve	626,100	This represents funds designated for the net book value of capital assets held within the Group at the year end.
Critical / Closure costs	706,027	To meet the potential closure costs which would be incurred should the charity cease.
Strategic reserve	125,000	To meet the costs of strategic expenditure identified within the designated reserves which are funded through income and expenditure account.
Future Capital Reserve	20,000	This represents future plans for capital spend
	2,008,063	

Analysis of assets between funds:

	Unrestricted General Funds	Restricted Funds	Total Funds 2024	Total Funds 2023
	£	£	£	£
Tangible Fixed Assets	576,100	-	576,100	591,625
Current Assets	2,480,391	-	2,480,391	2,451,483
Current Liabilities	(1,048,428)	-	(1,048,428)	(1,107,832)
	2,008,063	-	2,008,063	1,935,276

16 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

GROUP ONLY	Properties	Other	2024	2023
	£	£	£	£
Within one year	45,250	3,389	45,250	44,250
Between one and five years	-	6,780	6,780	10,169
	45,250	**10,169**	**52,030**	**54,419**

17 Comparative Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2024 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		-	-	-
Charitable activities:				
Annual subscriptions		946,755	-	946,755
Advancement of education for the benefit of the general public		8,272	2,319,799	2,328,071
Other trading activities:				
Commercial trading operations		66,543	-	66,543
Investments		57,771	-	57,771
Total income		**1,079,341**	**2,319,799**	**3,399,140**
EXPENDITURE ON				
Charitable activities				
Advancement of education for the benefit of the general public		669,840	2,323,051	2,992,891
Other trading activities:				
Commercial trading operations		69,345	-	69,345
Total expenditure		**739,185**	**2,323,051**	**3,062,236**
NET INCOME / (EXPENDITURE)		**340,156**	**(3,252)**	**336,904**
Transfers between funds		**(3,252)**	**3,252**	**-**
OTHER RECOGNISED GAINS / (LOSSES)				
Fair Value Adjustment		-	-	-
Actuarial gain on defined benefit scheme		**(39,000)**	-	**(39,000)**
Net movement in funds in year		**297,904**	-	**297,904**
RECONCILIATION OF FUNDS				
Total funds brought forward		**1,637,372**	-	**1,637,372**
TOTAL FUNDS CARRIED FORWARD		**1,935,276**	-	**1,935,276**

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

18 Capital commitments and contingencies

There were no capital commitments as at 31 July 2024 (2023: nil)

19 Pensions

The charity participates in the Cardiff & Vale of Glamorgan pension fund (the "Fund"), which is part of the Local Government Pension Scheme. Colegau Cymru / Colleges Wales participates in the Fund which provides defeined benefits on members' final pensionable salary. In accordance with FRS 102 - Retirement Benefits disclosure defined benefits, of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the year ending 31 July 2024
The Employer's regular contributions to the fund for the year ending 31 July 2024 are estimated to be £0.096M. In addition, Strain on Fund Contributions may be required.

Assumptions
The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	31-Jul-24 (% pa)	31-Jul-23 (% pa)	31-Jul-22 (% pa)
Discount rate	**5.0**	5	3.5
RPI inflation	**2.6**	2.6	2.6
CPI inflation	**2.6**	2.6	2.6
Rate of increase to pensions in payment	**2.6**	2.6	2.6
Rate of revaluation of pension accounts	**2.6**	2.6	2.6
Rate of general increase in salaries	**3.6**	3.6	3.6

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

19 Pensions - (Cont'd)

Assumed life expectancy at age 65

Males	**31 July 2024**	31 July 23
Future lifetime from age 65 (current aged 65)	**21.8**	22.0
Future lifetime from age 65 (current aged 45)	**22.1**	22.6
Females	**31 July 2024**	31 July 23
Future lifetime from age 65 (current aged 65)	**24.1**	24.2
Future lifetime from age 65 (current aged 45)	**24.9**	25.3

Asset allocation

	Value at 31 July 2024 (£M)	Value at 31 July 2023 (£M)
Equities	**68.1%**	68.1%
Property	**6.0%**	7.0%
Government bonds	**7.9%**	8.8%
Corporate bonds	**7.0%**	7.5%
Multi Asset Credit	**5.2%**	5.3%
Cash	**4.1%**	3.3%
Other	**1.7%**	0.0%
Total	**100.0%**	100.0%

Reconciliation of funded status to balance sheet

	Value at 31 July 2024 (£M)	Value at 31 July 2023 (£M)
Fair value of fund assets	**4.523**	3.994
Present value of liabilities	**2.975**	2.825
Funded status	**1.548**	1.169
Unrecognised asset	**(1.548)**	(1.169)
Additional liability due to minimum funding requirement	**0.000**	0.015
Pension asset/(liability) recognised on the Balance Sheet	**0.000**	0.015

19 Pensions - (Cont'd)

Amounts recognised in Income Statement	**Year ending 31 July 2024 (£M)**	Year ending 31 July 2023 (£M)
Operating Cost		
Current service costs	**0.107**	0.168
Past service costs	**0.000**	0.000
Curtailment cost	**0.000**	0.000
Settlement cost	**0.000**	0.000
Financing Cost		
Interest costs	**(0.004)**	(0.0030)
Expense recognised in Profit and Loss	**0.103**	0.165

Allowance for administration expenses included in Current Service Cost in 2024 and 2023 £0.003m.

Changes to the present value of liabilities during the year	**Year ending 31 July 2024 (£M)**	Year ending 31 July 2023 (£M)
Opening present value of liabilities	**2.825**	2.962
Current service cost	**0.107**	0.168
Interest cost	**0.140**	0.103
Contributions by participants	**0.047**	0.042
Actuarial (gains)/losses on liabilities *	**(0.035)**	(0.389)
Net benefits paid out #	**(0.109)**	(0.061)
Past service cost	**0.000**	0.000
Net increase in liabilities from disposals and acquisitions	**0.000**	0.000
Curtailments	**0.000**	0.000
Settlements	**0.000**	0.000
Closing present value of liabilities	**2.975**	2.825

* Includes changes to the actuarial assumptions
# Consists of net cashflow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

19 Pensions - (Cont'd)

Changes to the fair value of assets during the year	Year ending 31 July 2024 (£M)	Year ending 31 July 2023 (£M)
Opening fair value of assets	**3.994**	3.674
Interet income on assets	**0.203**	0.131
Remeasurement gains/(losses) on assets	**0.177**	0.03
Contribution by the employer	**0.211**	0.179
Contribution by participants	**0.047**	0.042
Net benefits paid out #	**(0.109)**	(0.061)
Net increase in assets from disposals and acquisitions	**0.000**	0.000
Settlements	**0.000**	0.000
Closing fair value of assets	**4.523**	3.994

Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance fo rthe expected cost of death in service sums.

Actual return on assets	Year ending 31 July 2024 (£M)	Year ending 31 July 2023 (£M)
Interest income on assets	**0.203**	0.131
Gain/(Loss) on assets	**0.177**	0.0
Actual return on assets	**0.380**	0.160

Analysis of amount recognised in Other Comprehensive Income	Year ending 31 July 2024 (£M)	Year ending 31 July 2023 (£M)
Asset gains/(losses) arising during the period	**0.177**	0.029
Actuarial gains/losses due to changes to financial assumptions	**0.000**	0.712
Actuarial gains/losses due to changes to demographic assumptions	**0.026**	0.050
Actuarial gains/losses due to liability experience	**0.009**	(0.373)
Adjustment due to unrecognised asset	**(0.321)**	(0.432)
Liability gains/(losses) arising during the period	**0.016**	(0.015)
Total (loss) in OCI	**(0.093)**	(0.029)

20 EFFECT OF PENSION ON THE SURPLUS FOR THE YEAR

	2024 £	2023 £
Surplus before pension adjustment	60,099	312,904
Pension adjustment Included in the Income & expense account		
Employers contributions transferred against liability	(211,000)	(179,000)
Pension adjustment	103,000	155,000
Finance cost	-	-
Surplus per accounts	168,099	336,904

21 Related party transactions

Due to the nature of the charity's activities and the composition of its board of directors and that of its subsidiary undertaking Fforwm Services Limited, (being principals and Governors of Further Education colleges in Wales) it is inevitable that in the course of its normal business activities, the charity will undertake transactions with those Colleges in which a member of the board of the charity, or its subsidiary undertaking will have an interest.

All transactions involving Colleges in which a member of either Board of Directors may have an interest are conducted at arms length and in accordance with the charity's normal financial procedures.

The trustees' of the charity and directors of the trading subsidiary company during the year and their relationship with the respective Colleges were :

Director	College	Relationship
Guy Lacey (resigned 31/07/24) Chair	CEO/Principal, Coleg Gwent	Trustee/ Director
Louise Casella (resigned 31/5/24)	Director, The Open University in Wales	Trustee/ Director
Jeffrey Greenidge (resigned 31/5/24)	Owner, Ariege Consultancy	Trustee/ Director
Paul Smart (appt 04/01/21)	Retired	Trustee/ Director
Rhiannon Evans (appt 24/11/21)	Senior Lecturer, Cardiff University	Trustee/ Director
Suzy Davies (resigned 31/07/24)	Senedd Member	Trustee/ Director
Lisa Thomas (appt 04/01/23) Chair (01/08/24)	Principal and Chief Executive, The College, Merthyr Tydfil	Trustee/ Director
Andrew Cornish (appt 01/08/24)	CEO/Principal ColegSir Gar/Ceredigion	Trustee/ Director
Victoria Davies (appt 01/08/24)	Deputy Director, Wales, The Open University	Trustee/ Director
Iwan Thomas (appt 01/08/24)	CEO, Planed	Trustee/ Director
Donna Ali (appt 01/08/24)	Director of BE.Xcellence CIC	Trustee/ Director

During 2020/21 it was agreed that there should be a common board for both companies and this was put into effect from 04/01/2021

The invoices issued to the relevant colleges during the year were for subscriptions for membership of Colegau Cymru / Colleges Wales and reimbursement of projects costs. Payments made to colleges were for catering at network events, work carried out on project activities.

21 Related party transactions - (Con't)

Income invoiced to Colleges during the year

	Subs	Sport	EU/Int	Dev	HR	Apprentice Campaign	Projects	Total
	£	£	£	£	£	£	£	£
Bridgend College	48,504	6,025	5,522	-	5,000	-	600	65,651
Cardiff and Vale College	50,788	6,025	5,522	36,421	5,000	2,825	2,400	108,981
Coleg Sir Gar and Coleg Ceredigion	50,788	6,025	5,522	-	5,000	-	838	68,173
Coleg Gwent	50,788	6,025	5,522	-	5,000	-	900	68,235
Coleg y Cymoedd	50,788	6,025	5,522	-	5,000	-	3,150	70,485
Coleg Cambria	50,788	6,025	5,522	36,480	5,000	2,825	2,550	109,190
Gower College Swansea	50,788	6,025	5,522	26,364	5,000	2,825	900	97,424
Grwp Llandrillo Menai	50,788	6,025	5,522	36,835	5,000	2,825	900	107,895
The College Merthyr Tydfil Ltd.	29,914	6,025	5,522		5,000	-	150	46,611
NPTC Group of Colleges	50,788	6,025	5,522	49,714	5,000	2,825	1,200	121,074
Pembrokeshire College	36,201	6,025	5,522	65,861	5,000	2,825	-	121,434
Adult Learning Wales	15,912	-	5,522	-	-	-	-	21,434
St David's Catholic College	21,048	1,040	5,522	-	-	-	-	27,610
Total	**557,883**	**67,315**	**71,786**	**251,675**	**55,000**	**16,950**	**13,588**	**1,034,197**

* Associate member

Payments to Colleges during the year

	Catering/ Accom	Projects	Total
	£	£	£
Bridgend College	-	111,406	111,406
Cardiff and Vale College	-	146,846	146,846
Coleg Sir Gar and Coleg Ceredigion	-	46,526	46,526
Coleg Gwent	-	278,134	278,134
Coleg y Cymoedd	162	124,859	125,021
Coleg Cambria	-	187,378	187,378
Gower College Swansea	229	43,494	43,723
Grwp Llandrillo Menai	-	131,247	131,247
The College Merthyr Tydfil Ltd.	-	190,781	190,781
NPTC Group of Colleges	-	31,590	31,590
Pembrokeshire College	-	31,924	31,924
St David's Catholic Sixth Form College	-	126,552	126,552
Adult Learning Wales	-	-	-
Total	**391**	**1,450,737**	**1,451,128**

21 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2024:

	£
Coleg Sir Gar and Coleg Ceredigion	600
NPTC Group of Colleges	4,025
Pembrokeshire College	150
Total	4,775

The following amounts were due to Colleges at 31 July 2024:

	£	FSL £	£	
Bridgend College	51,879	-	51,879	
Coleg Cambria	23,490	-	23,490	
Cardiff and Vale College	27,480	-	27,480	
Coleg y Cymoedd	37,784	-	37,784	
Coleg Gwent	56,986	-	56,986	
Grwp Llandrillo Menai	69,036	-	69,036	
Gower College Swansea	229	-	229	
Merthyr Tydfil College	42,583	-	42,583	
NPTC Group	3,140	-	3,140	
Pembrokeshire College	-	180	180	Unused credit note
St David's 6th Form College	92,436	-	92,436	
Total	405,043	180	405,223	

20 Post Balance Sheet Events - Adjusting Event

During the year, the group were victim to a cyber fraud resulting in significant cash reserves being misappropriated. Immediate steps were taken to contain the incident including undertaking response plans and engaging both cyber security experts and legal terms to embark on recovering the lost funds.

The group believed that all funds were recoverable, however a post balance sheet event has occurred where a settlement was agreed upon with the bank for the balance of the unrecovered funds. The financial statements have been adjusted to reflect the settlement figure.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited By Guarantee)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2024

	Year ended 31 July 2024		Year ended 31 July 2023	
	£	£	£	£
INCOME				
College subscriptions	1,043,991		946,755	
Grants receivable	1,706,298		2,119,560	
Sports Grant Income	149,141		201,588	
Other income	7,663		6,923	
Bank interest	7,854		7,524	
Disposal of Assets	-		150	
Exchange rate gain	-		26,379	
Rents received	23,718		23,718	
Staff development activities	69,494		21,293	
Lease rental income	45,550		45,250	
		3,053,709		3,399,140
LESS:				
COST OF SALES				
Other operating leases	44,250		44,250	
Staff development expenditure	35,249		15,725	
		79,499		59,975
EXPENDITURE				
Conferences	-		-	
Public affairs and representation	7,691		9,009	
Website development	-		-	
Projects & advisory groups	1,533,578		1,918,341	
Accomodation costs	35,710		33,198	
Staff costs	867,580		907,633	
Office administration	79,942		54,735	
Travel & expenses	23,982		31,036	
Legal & professional fees	61,986		9,169	
Auditors remuneration	10,105		15,500	
Auditors remuneration - non audit fees	8,260		850	
Bank charges	2,832		1,320	
Bad Debts	121,250		-	
Exchange rate loss	36,567		9	
Depreciation:				
Freehold property	8,333		8,333	
Fixtures & fittings	2,923		2,874	
Computer equipment	5,372		10,254	
		2,806,111		3,002,261
PROFIT / (DEFICIT) FOR THE YEAR		168,099		336,904

COLLEGES WALES / COLEGAU CYMRU

England & Wales - Charity number 1060182

Accounts

CollegesWales / ColegauCymru Limited

Annual Report and Consolidated Financial Statements for the Year Ended 31 July 2023

Charity Number: 1060182
Company Number: 2832103
(England and Wales)

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ANNUAL REPORT & ACCOUNTS

The Directors/Trustees present their annual report and accounts of Colleges Wales/Colegau Cymru Limited and its subsidiary, fforwm Services Limited for the year ended 31 July 2023.

Structure

ColegauCymru is a post-compulsory education charity that represents 11 further education (FE) colleges and 2 designated FE institutions (FEIs) in Wales. The company was originally incorporated in 1993 as Fforwm Limited and on 1 June 2009 changed its name to Colleges Wales/Colegau Cymru Limited and was branded as 'ColegauCymru/CollegesWales'. Fforwm Services Limited was established in 1995 and is a wholly owned trading subsidiary of Colleges Wales/Colegau Cymru Limited.

Charitable Objectives

The ColegauCymru charitable objectives and principal activities remained throughout 2022-23 to promote the advancement of education for the benefit of the general public in Wales. ColegauCymru exists through its work to:

- provide a forum for discussion on matters of common interest conducted by all the FE corporations and other institutions receiving post-16 funding from the Welsh Government; and
- make representations on behalf of its members to persons concerned with education and its funding in Wales.

The charity's prime purpose is to raise the profile of further education with key decision-makers to improve educational opportunities for learners in Wales.

Strategic Priorities

During the financial year, ColegauCymru focused on delivering the following key priorities:

1. Providing services to members
2. Providing public benefit
3. Well governed, resilient and sustainable

Achievements and Performance

ColegauCymru remains focused on building relationships with key stakeholders and ensuring it is a key influencer on issues affecting the sector. Key achievements are as follows:

- Provided services to members to coordinate all strategic groups to respond to strategic priorities for the sector
- Successfully applied for close to £1.2m Taith and Turing funding on behalf of the FE colleges
- Organised3 pan-Wales staff mobility visits to Austria to explore the dual-professionalism of vocational education and training (VET) staff; to Spain to integrate overseas opportunities into the new Advanced Skills Baccalaureate Wales qualification and a CPD visit to Thailand to build FE staff confidence when leading learner visits to more remote destinations overseas.
- Continued to coordinate and support FE participation in the Global Wales 3 programme

- Provided challenge and support to the 13 colleges as they all achieved readiness to take on their new duties under the ALN Act and Code
- Worked with ALN representatives from FEIs, LAs, health boards and others to promote consistency and partnership working
- Successfully delivered 12 regional and national online events attended by colleges, LAs and health boards to promote a clear and consistent understanding of post-16 ALN legislation.
- Represented the views of Members through numerous policy position statements and press releases.
- Engaged with political parties, including providing one to one and group briefing on specific policy matters, and providing information to inform Senedd debates.
- Submitted 17 consultation responses on policy matters affecting the decisions of post-16 learners in Wales to Welsh Government, Senedd Committees, and other bodies. Topics covered included: Welsh Government Draft Budget; Promoting and Facilitating Welsh Medium Qualifications; Draft Innovation Strategy; Have Your Say GCSE consultation; Just Transition to New Zero; New registration categories for EWC; Post EU-regional development funding; Full 14-16 Qualifications Offer; and the Welsh Language Education Bill white paper.
- Held regular strategic dialogue meetings with Welsh Government ministers and officials, Senedd Members, and other key stakeholders.
- Built on and developed positive working relationships with our stakeholders in Welsh Government, the Senedd, and the wider sector.
- Continued to work closely with key stakeholders from education and further afield; these include Welsh Government, Sport Wales, British Council, EWC, Estyn, Qualifications Wales, HEFCW, Learning & Work Institute Wales, NTfW (National Training Federation Wales), Coleg Cymraeg Cenedlaethol, Y Ganolfan Dysgu Cymraeg, AoC including developing our participation in the Colleges Alliance, and others and with colleges to ensure that the FE sector was well placed in terms of future developments.
- In line with our commitment to collective bargaining, we continued to work closely with Welsh Government and joint trade union colleagues to facilitate pay negotiations and ensure pay parity for the sector.
- Continued to support social partnership projects including the National Social Partnership steering group which has achieved significant successes through collaborative projects and the strengthening of local social partnership working.

Projects

ColegauCymru has been successful in securing several externally funded projects aimed at enhancing the educational opportunities of learners in Wales. A summary of the range of projects undertaken by the charity, during the period, are outlined below.

International and European partnerships and learning opportunities

CollegesWales International supports the FE colleges in Wales to integrate international activities into the daily lives of learners and staff to enrich and enhance their teaching and learning experiences.

In 2022/23, CollegesWales International successfully applied for Taith and Turing funding on behalf of FE colleges in Wales enabling them to provide training, work and volunteering opportunities overseas for FE learners, apprentices, college leaders, tutors and support staff. The amount of funding secured in 2022/23 to support these activities was close to £1.2m. In addition, CollegesWales International continued to facilities overseas mobilities through its existing Erasmus+ funding and Taith funding that was acquired in 2021/22.

This funding enabled hundreds of FE learners and staff to participate in experiences in 21 countries around the world including Japan, Argentina, United Arab Emirates, Tanzania, Turkey, Sweden and France. Learners and staff from a wide variety of vocational and A level subjects participated in these opportunities.

In addition to facilitating overseas mobilities, CollegesWales International also coordinated and supported the integration of Wales' FE colleges in the Global Wales 3 programme. The programme is a partnership between Universities Wales, ColegauCymru, Welsh Government, British Council Wales and the Higher Education Funding Council for Wales and provides a strategic, collaborative approach to international higher and further education in Wales.

In April 2023, Global Wales and CollegesWales International organised a visit for a delegation of Principals to Montreal, Canada to sign a Memorandum of Understanding (MoU) with Colleges & Institutes Canada (CICan) with a focus on developing strategic partnerships between institutions in Wales and Canada. There was also a senior level visit to Baden-Wuerttemberg, Germany to explore the regional and national strategies in place for green technologies in the German automotive industry.

CollegesWales International has developed an action plan for its Internationalisation Strategy and continues to monitor its implementation with the support of the International Group that met three times in 2022/23.

Social Partnership

Through collective negotiation at the Wales Negotiating Committee for FE (WNCFE), we commissioned an external consultant to review business support pay scales across FE colleges and to advise on the potential development of a national pay scale. The project is due to report its recommendations in 2023/24.

Credit and Qualifications Framework for Wales (CQFW) Alignment Contract

Welsh Government funding was received from April 2022 – March 2023 and has a Grant Agreement in place for the period April 2023 to March 2024.The aim of this work is to provide advice and support to the Welsh Government to maintain alignment between the CQFW and the other qualification and regulatory frameworks within the UK and the European Qualifications Framework; establish recommendations, a policy position and systems/processes relating to the recognition of skills, qualifications and experience.

During this reporting period, the main activities of work have included updating the 'Qualifications Can Cross Boundaries document; ongoing dialogue with 'The Five Countries Alliance (UK nations and the Republic of Ireland); and engagement with the Net Zero Skills Advisory Forum. In addition, great progress has been made on developing resources and information on using 'Recognition of Prior Learning' (RPL), which has included hosting a whole range of open-source resources on the ColegauCymru website.

Active Wellbeing

In partnership with Sport Wales, ColegauCymru is the lead organisation for sport, physical activity and volunteering in FE colleges in Wales, raising the profile of sport, physical activity and volunteering through college projects and promoting elite college sport.

During 2022/23 further development of Active Wellbeing at a strategic and delivery level continued, this included wider investment from Welsh Government via FE Mental Health and Wellbeing funding.

2022/23 Achievements

- 6000+ FE learners participating in project funded activity - unique attendees.
- WG mental health funding supporting growth in project workforce
- Continued investment from Sport Wales agreed for 23/24 of £130k
- Ongoing WG funding for Active Wellbeing national projects (regional forums and events) Managed by CC.
- Regional Active Wellbeing forums in North, South East and South West looking at "next steps" for FE in Wales. Engagement with 250+ staff / learners and external stakeholders.

- Active Wellbeing "Walk and Breakfast" event at Senedd sponsored by Heledd Fychan MS sharing insight from regional forums and project delviery, 7 MS in attendance with college and sector representatives.
- Engagement work including representation on WG Mental Health in FE / HE group chaired by Lynne Neagle MS
- Inclusive events including FE MultiSport Pembrey (400+ staff and learners), ColegauCymru Outdoor Challenge (130 learners), further partnership work with the Welsh Alliance for Intellectual Impairment, the Outdoor Partnership and Disability Sport Wales.
- New events planned for North Wales int e 23/24 academic year including FE Multisport Rhyl and Ability Counts football competitions.
- Agreement with Youth Sport Trust to host Gold Young Ambassador conferences in FE colleges at a regional level in the Autumn of 2023.
- Representing the FE sector as part of Sport Wales CSAP programme moving to the regionalisation of community sport in Wales.

Welsh and Bilingual Projects

Cymraeg Gwaith

The aim of the Cymraeg Gwaith scheme is to strengthen Welsh language skills in the workplace. The scheme is funded by the Welsh Government and developed by the National Centre for Learning Welsh. The Further Education and Higher Education Welsh Language Scheme is co-ordinated by the Coleg Cymraeg Cenedlaethol in partnership with ColegauCymru.

The aim of this scheme is to give staff in universities and colleges of further education the opportunity to develop their language skills to enable them to increase their use of Welsh in the workplace. The scheme is open (and free) to staff of universities and colleges of further education in Wales of all abilities, whether they are new or advanced learners.

Between 1st April 2022 and 31st March 2023, ColegauCymru achieved its project targets. From 1st April 2023, the project was transferred to the Coleg Cymraeg Cenedlaethol.

Additional Learning Needs

ColegauCymru, through theWelsh Government funded ALN project, has continued to support and challenge colleges as theimplementation of the Additional Learning Needs and Education Tribunal (Wales) Act became live in September 2023. As part of this, the ALN (Additional Learning Needs) Implementation Lead has been employed. On behalf of Welsh Government, ColegauCymru is also coordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to further develop guidance on running supported internships as well as promoting effective quality systems within ILS provision.

As part of the support to colleges as they prepare for the implementation of ALNET, ColegauCymru has:

- Worked with Welsh Goverment officers, LAs, FEIs, health boards and the third sector within the four regions to promote partnership.
- Delivered several on-line events to support the development of stakeholder policies.
- Worked with partners to deliver training programmes that enhance the skills of ALN staff.
- Worked with the sector and others to improve a national ALN Pathfinder information website.
- Produced and shared a number of key documents to support college ALN development.
- Developed a Hwb project sharing site to ensure all colleges can benefit from the development work going on across the Principality.
- Delivered ALN updates to governing boards and senior management teams across Wales.

- Established cluster groups to support colleges with current and future ALN developments.
- Organised ALN legal workshops to support understanding of the ALN Code and regulations.
- Chaired and supported an all-Wales LA Post-16 Officer group to support consistent approaches to meeting their new duties.

Independent Living Skills (ILS)
ColegauCymru secured grant funding from the Welsh Government to continue the ILS project to support colleges with the roll out of the new curriculum for ILS learners. The project supported the development of a set of standards and guidance for the delivery of supported internships as well as further developing a system of peer review for ILS programmes based on RARPA principles. The project also enabled the continuation of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act.

Review of FE lecturer workload4
ColegauCymru was awarded grant funding from the Welsh Government to continue its coordination of the national social partnership steering group for workload review.. The Workload Phase 4 project included the continuation of the work of the WNCFE to address the recommendations of phase 2; implementation of the local action plans agreed in phase 3; and the development and delivery of collaborative projects to improve well-being and workload.

Future Plans and Activities

ColegauCymru will continue to monitor and influence, as far as possible, the establishment of, and transition of the sector into the Commission for Tertiary Education and Research, following the passage of the Tertiary Education and Research (Wales) Act, along with other emerging legislation or proposals.

Since the UK has left the European Union, Wales must continue to maintain and develop international links by playing an active role in the continuous development of a common framework for improving transparency across European VET (Vocational Educational Training) systems. ColegauCymru has played an active role in advising the Welsh Government on developments in these initiatives to ensure that FE in Wales is connected to key regions and partner organisations across the world.

ColegauCymru will continue to extend its international work through Taith, Welsh Government's international exchange programme and The Turing Scheme, the UK government's mobility programme. The FE sector will also be included in Global Wales 3 programme alongside Higher Education and will continue to explore avenues to achieve some of the aims within its Internationalisation Strategy.

ColegauCymru will continue to work closely with Sport Wales, key stakeholders, and colleges to ensure that the FE sector is well placed in terms of future developments around active wellbeing. This includes facilitating projects funded by Welsh Government to support FE settings to promote physical, mental, and emotional wellbeing through increased access to creative, sporting, and cultural activities.

A key objective for ColegauCymru for 2023/24 will be to align our resources and activities to new and emerging challenges, including the continuing squeeze on public spending, the establishment of the new Commission for Tertiary Education and Research, and to the outcomes of the Vocational Qualifications Review, whilst also looking ahead to how we influence longer term system change. We will work closely with Members over the coming year to continue to enhance our relationships with Ministers and other key stakeholders. ColegauCymru will ensure that Members are kept abreast of key issues and remain focused on delivering Members' priorities for the benefit of learners and the wider communities in Wales.

As the representative body for FE institutions in Wales, we will continue to engage positively and constructively with the Joint Trades Unions, working in social partnership for the benefit of the FE workforce to provide the best possible learning experience for FE learners.

The ColegauCymru Policy and Communications Team will continue to advocate for position change for learners and staff in the FE sector with consultation responses, briefings, correspondence to and meetings with Ministers, Cross Party Groups and working with a range of other policy organisations.

As a corporate priority in providing public benefit, the Development team will continue to provide a programme that helps colleges to enrich and enhance the post-16 learning experience: by supporting the skills of the FE workforce; through international exchange opportunities; through initiatives that promote the active wellbeing for staff and learners; and by establishing a leadership programme to strengthen leadership capacity across the sector.

GOVERNANCE REPORT

The Governance Report provides information on the membership of its Board, Committees and recent changes to its constitution and governing document.

Board of Directors



CHAIR – GUY LACEY
CEO/PRINCIPAL, COLEG GWENT
JOINED: JULY 2018

Guy was appointed CEO/Principal of Coleg Gwent in August 2015. Guy graduated from Oxford Brookes University and has post graduate qualifications in Secondary Education from Bath University. Guy has spent over 25 years in a number of UK schools and colleges and has gained knowledge of a wide range of approaches to the delivery of skills and training to meet the needs of young people and adults. In addition, Guy worked as a GCSE examiner for the University of Cambridge examinations syndicate and worked as a peer Inspector with Estyn for over ten years.

Email address: Guy.lacey@coleggwent.ac.uk
Tel: 01495 33501



DEPUTY CHAIR – LISA THOMAS
CEO/PRINCIPAL, THE COLLEGE MERTHYR TYDFIL
JOINED: 4 JANUARY 2023

Appointed as Principal and Chief Executive at the College Merthyr Tydfil in September 2018, Lisa joined the FE sector as Assistant Principal in September 2012. Lisa is a qualified teacher and has a Masters Degree in Education. Beginning her career as a History teacher in 1993 Lisa has over 25 years experience of leadership and management roles within secondary and further education and local government.
As a member of Colegau Cymru, Lisa has represented the sector on a number of Welsh Government working groups and played an influential role in shaping government policy regarding the FE sector in Wales. She is also an experienced ESTYN peer inspector

Email address: l.thomas1@merthyr.ac.uk



DIRECTOR/TRUSTEE – JEFF GREENIDGE
CHAIR, LEARNING AND WORK INSTITUTE
JOINED: 1 AUGUST 2019

Jeff's career in education and training began as a teacher in the South Wales Valleys, then as a civil servant developing the National Curriculum for Modern Languages. He spent three years training PGCE students at Swansea University followed by a spell in developing European vocational and mobility initiatives at the WJEC. Jeff joined Ufi in 1999 to help set up the first UK national network of learning online centres (learndirect). After managing the UK online learning delivery, Jeff left learndirect in 2015 to set up coaching and entrepreneurship programmes for Individuals and businesses. He maintains a keen interest in supporting adults in learning and is on the Board of a number of UK Education and Training think Tanks. Since 2021 Jeff is the Director for Diversity jointly for the Education and Training Foundation (ETF) and Association of Colleges (AoC).

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Tel: 07740064663



DIRECTOR TRUSTEE – LOUISE CASELLA
JOINED: 1 AUGUST 2019
RESIGNED – 21 MARCH 2024

Louise joined the OU in January 2018 as Director of The Open University in Wales where she leads the strategic management, development and growth of the OU in Wales and is a member of the Vice Chancellor's Executive.

Prior to joining the OU Louise worked as an independent management consultant and interim manager, and assignments included periods at Stirling University, and at Wrexham Glyndwr University where she was Pro Vice-Chancellor for 18 months, supporting the university's recovery to a position of financial stability and academic vitality. Louise's substantive career was built at Cardiff University, where she held posts as Head of Planning, Senior Executive and Head of the Vice Chancellor's Office, chairing the professional services group and becoming Director of Strategic Development between 2004 and 2012.

Louise has held a variety of national NED, trustee and advisory roles including being a member of the CBI Wales Council for 10 years, a member of the Audit & Risk Committee for Sport Wales, and a trustee of the Millennium Stadium Charitable Trust. She also served on the Ministerial Review of Higher Education in Wales (2008-09) and has been an NED of the Office of the Independent Adjudicator for Higher Education, a member of the Higher Education Bursary and Scholarship Scheme UK board, a Trustee of Wrexham Glyndwr Students Union.

In September 2020, Louise was appointed by the Education Minister in Wales to Chair the Independent Review of Qualifications in Wales to consider arrangements for summer 2021.

Email Address: louise.casella@open.ac.uk

Tel: 07808 581145



DIRECTOR/TRUSTEE – DR PAUL SMART
JOINED: 4 JANUARY 2021

Vice Chair of Governing Body Coleg y Cymoedd
(Chair of Resources Committee)

Having graduated with a BSc and PhD in Engineering, Paul commenced his career in Operational Research in both the gas and steel industries. He subsequently joined the UK manufacturing plant of an International Cosmetics company where he worked as both a Production Manager and Head of Human Resources. He subsequently took a role in the company's headquarters as UK Human Resources Director for Operations, Supply Chain, Finance, and IT.

After 37 years with the company, Paul has now retired but still works part-time as the company's Pension Liaison Manager and as a Pension Fund Trustee.

Paul has been a Governor of several FE colleges over a period of more than 20 years.

Email address: pmsmart@aol.com



DIRECTOR/TRUSTEE – DR RHIANNON EVANS
JOINED: 24 NOVEMBER 2021

Dr Rhiannon Evans is a Senior Lecturer at Cardiff University. She is a member of the executive management team at the DECIPHer research centre, which focuses on the health and wellbeing of children and young people. She has extensive methodological expertise in intervention evaluation research, particularly in educational settings. Her substantive research interests focus on the promotion of mental health and wellbeing, in addition to the prevention of self-harm and suicide. She had led and supported national evaluations of education-based mental health services, including MHFA training for secondary-school staff and counselling provision. She has a particular focus on educational and health inequalities, notably outcomes for care-experienced children and young people.

Email address: EvansRE8@cardiff.ac.uk



DIRECTOR/TRUSTEE – SUZY DAVIES
JOINED: 24 NOVEMBER 2021

Following a career in arts marketing, Suzy Davies worked as a solicitor in Mid Wales. Suzy is a former Senedd member where she served for ten years on several Senedd committees including those covering education, skills, Welsh language and Brexit. She was Shadow Education Minister during the passage of the Curriculum Bill and was directly involved in scrutiny of education legislation and policy during her ten years in Cardiff Bay.

Suzy has volunteered and been a board member for several small Welsh charities and been a school governor. A founder member of the Welsh International Film Festival, she is currently a board member of the international Iris Prize LGBT+ Film Festival and Chair of the Wales Tourism Alliance. A campaigner for more women in public life, she continues to mentor for Women's Equality Network Wales and Ethnic Youth Support Team.

Email address: suzy.davies.private@gmail.com

No director/trustee held any shares in the company at any time during the year.

Committees of the Board of Management

Audit Committee	Jeff Greenidge (Chair) resigned July2023, Paul Smart (Chair) appointed September 2023, Lynda Astell, Kathryn Robson, and Sharon Bowker (appointed September 2023).
Search Committee	Jeff Greenidge, Louise Casella and Rachel Cable

The directors of the subsidiary company were appointed by and from ColegauCymru's Board. On 30 November 2020 it was agreed to implement a common board for both companies and this was put into effect on 4 January 2021. The directors of the subsidiary during the period were as follows:

Guy Lacey (Chair)
Lisa Thomas (Deputy Chair)
Louise Casella
Jeff Greenidge
Paul Smart
Rhiannon Evans
Suzy Davies

All directors/trustees give their time voluntarily and receive no personal benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Roles and Key Responsibilities

The Board is collectively responsible for the charity's long-term success. The Board sets its strategic aims, monitors the performance of management against the strategic aims, ensures good governance, assesses its risk appetite and ensures that effective controls are in place in the business.

The Chair, Guy Lacey plays a key role in helping to ensure a unified Board, facilitating meetings, and ensuring good governance. Meeting agendas are agreed in consultation with the Chief Executive and Company Secretary, although any Director may request that an item be added to the agenda.

Beyond matters reserved for the Board, the Chief Executive, David Hagendyk has primary responsibility for managing the day-to-day affairs of the charity and is supported by a senior team in implementing strategy and day to day management.

Activities

During 2022-23, the areas of focus for the Board included:

- Review of funding, income, and expenditure to continue to ensure the long-term financial sustainability of the organisation
- Ongoing scrutiny of risk management within the organisation
- Review and update policies to ensure compliance with current statutory responsibilities and a healthy, respectful, and innovative workplace.
- Review of the risk environment and strategic priorities

Constitution

Under the Articles of Association, the Chair and Deputy Chair of the CEO/Principals' Forum are appointed the Chair and Deputy Chair of the charity Board In accordance with the Articles of Association, the Board comprises of a minimum of five and a maximum of seven Trustees which may include up to two Chairs of Governing Bodies and up to three independent external professionals may be appointed Trustees. If there are vacancies, the Board may Co-opt Trustees provided the total number of Trustees does not exceed seven. The Chair and Deputy Chair shall serve concurrently for two years whilst the other Trustees may serve for an initial three years, with the option to seek re-appointment for a further three-year term. Due to the continuing impact of Covid-19 it was agreed to extend the term of office for the Chair and Deputy Chair to 31 December 2022. The Chair, Guy Lacey, has since been reappointed for a further term of office and a new Deputy Chair, Lisa Thomas, appointed from January 2023.

On the 15th of June 2022, the following resolution was proposed and passed by members at the AGM held on the 11th of June 2023. Members resolved to change the commencement date of the term of office for the Chair and Deputy Chair to run for a period of two years from 1st of January.

The Chair and Deputy Chair of the Board along with an independent member is responsible for conducting the CEO's annual performance review and make recommendations to the Board, which is responsible for setting the CEO's remuneration package.

A common board for both the charity and its subsidiary company, Fforwm Services Ltd., this was put into effect from 4 January 2021.

Induction and Development

The Trustees receive an information pack on their legal obligations under charity and company law. To assist them in carrying out their duties all Trustees are expected to meet the standards set out in the charity's Corporate Governance Code which aims to promote effective and well-informed governance.

Conflicts of Interest

All Trustees must immediately disclose conflicts, or potential conflicts, of interest. In addition, all Trustees sign an annual declaration and disclose their external appointments. Directors also let the Chairperson and Company Secretary know of any pending appointments and announce any new external appointments at the next Board meeting so that all the Board are made aware.

Board Meetings and Attendance

In 2022-23, the Board held three scheduled meetings. All directors are expected to attend meetings of the Board and of those Committees of which they are a member. When a Director is unable to participate in a meeting, the Chair will seek their views on key items ahead of the meeting so that these can be added to the discussion.

Risk Management

The Board has overall responsibility for the operation and effectiveness of the charity's system of internal controls and risk management. The system of controls is designed to manage the risk of failure to achieve business objectives, and comprises audited policies and procedures aimed at identifying and managing the most significant risks faced by the business.

The Trustees are of the view, that there is an ongoing process for identifying, evaluating and managing significant risks faced by ColegauCymru and that this process has been in place during the reporting period.

Delegated authority is granted to the following committees that operate under agreed terms of reference:

Audit Committee - to consider detailed reports together with recommendations for the improvement of systems of internal control and management's responses and implementation plans. The Committee meets at least twice a year, with the external auditors in attendance if requested.

Search Committee - the role of the Committee is to review the succession planning for the Board and to put in place processes to address this, reporting to the main Board.

The Board receives reports from the Chief Executive and the Audit Committee regarding risk and control issues and how it plans to address these issues.

Governing Document

ColegauCymru is a charitable company limited by guarantee and registered as a charity in January 1997. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charity being wound up after all its debts and liabilities have been satisfied and there remains any property, it shall not be paid to or distributed among the Members of the charity. Instead, shall be given or transferred to some other charity or charities having similar objects which prohibits the distribution of its income and property by its charity members at or before the time of dissolution and if that cannot be done then to some other charitable object.

Financial Review

Total income for the group was £3,399,140, an increase of £141,708.

The group made a surplus of £297,904 (2022: £712,154) after an actuarial adjustment on the defined benefit pension scheme. A pension liability of £15,000 has been recognised at the end of the year in respect of the minimum funding requirement (2022: No asset or liability recognised).

Principal Funding Sources

ColegauCymru continued to be funded through college subscriptions during the year at a level sufficient to meet the budgetary requirements agreed by the Board. ColegauCymru received £946,755 funding through membership subscriptions from colleges and FE institutions.

Going Concern Accounting Policy

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Investment Policy

In 2008 it was agreed that an investment should be made by the purchase of new office accommodation more suited to the needs of the charity. This took place on 20 August 2008 and constituted a major investment for the charity. However, the trustees are conscious of the need to also retain funds in a liquid form to meet the requirements of the charity. The trustees closely monitor the returns of the investments.

To secure the funds of the charity all investments are made in the company name. The trustees, having considered the operating requirements of the charity and the reserves policy have, for the purpose of security, adopted the policy of holding funds in an interest-bearing account with the balance placed on treasury deposit with a major clearing bank. The use of treasury deposits seeks to achieve the best interest rate possible for the funds with no risk attached, however due to the low rates of return on the current investment the policy is to be reviewed and updated.

Reserves Policy

ColegauCymru is aware of the need to secure its viability beyond the immediate future and is committed to providing services over the longer term. To continue long term operations, it is necessary to be able to absorb unforeseen setbacks and be able to take advantage of opportunities which arise. To fulfil this requirement, the retention of adequate reserves is necessary. The target level of reserves which ColegauCymru should retain have been identified as follows:

Capital Reserve — To provide funds to meet the existing and future capital spend requirements of ColegauCymru.

Critical/Closure Costs — To retain funds to meet the closure costs which would be incurred should ColegauCymru cease operations. This would allow for a managed cessation of operations and includes

- Notice of termination and redundancy costs for staff
- servicing equipment leasing arrangements
- building insurance
- building maintenance until such time as a sale can be agreed. A two-year period has been allowed for the sale of the property. It is proposed that the sale of the property will be used to meet the liabilities of the LGPS (Local Government Pension Scheme) pension scheme.

Strategic Reserve — To meet the costing requirements of any strategic items identified within the designated reserves

Free Reserves — To target free reserves, equivalent to six months operating costs, currently circa 498,000 to enable the completion or wind up of project and other activities

The ColegauCymru reserves policy is regularly reviewed by the Board of Directors to assess the values contained within and to ensure that it continues to meet the requirements of the charity.

The Directors have recognised the importance to the company of retaining the membership of all the colleges in Wales and of actively pursuing a policy to ensure that the company recognises the needs of the whole sector and caters for them appropriately.

They also recognise the importance to the company of winning bids for projects and research, both in terms of prestige and financial security and conversely the risks involved if the company is unsuccessful in this area.

Post Balance Sheet Events

During October 2023 the group were victim of a cyber fraud resulting in significant cash reserves been misappropriated. Immediate steps were taken to contain the incident, including undertaking response plans and engaging both cyber security experts and legal teams to embark on recovering the lost funds.

This has been treated as a non-adjusting post balance sheet event and there has been no impact on the financial results reported for the year ended 31 July 2023.

To date 21% of the funds have been recovered and the legal team are confident that the unauthorised transactions are covered under Part 7 of the Payment Services Regulations 2014 (PSR 2017) giving grounds to fully recover the funds, we are continuing to engage with our solicitors on this matter.

Fforwm Services Limited

Fforwm Services Limited was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of service contracts in areas relevant to the parent charity, CPD training for college staff and the wider post-16 education sector, property and equipment leasing. 2022/23 was a further year of change for the organisation with a reduction in the previous year's contract service activity in Fforwm Services Ltd. The Directors are satisfied with the overall performance of the company during the year as the global pandemic restricted opportunities to seek out additional income. In future the company plans to continue to participate in contracted services and utilise conference events to provide additional income whilst supporting its policy objectives.

The company made a loss for the year on ordinary activities of £2,429 (2022: 8,885 profit). A distribution of £1,000 (2022: £8,100) has been made to Colleges Wales / ColegauCymru Ltd.

During the year the company's turnover decreased to £66,543 (2022: £115,340). A decision was taken to hold an annual conference in October 2023 which proved very successful. No CPD events were held during the 2022/23 financial year.

Limited by Guarantee

The company is limited by guarantee and as such has no shareholders. The members of the company are Wales' FE colleges and institutions.

Related Parties

Due to the nature of the organisation, its membership and the composition of the Board, it is inevitable that transactions will take place with company members. All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law that Directors have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make sound judgments and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities (issued March 2005). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Subject to a diligent tendering process, Bevan Buckland LLP were appointed external auditors for a three year period, the ColegauCymru Board formally approved their appointment on 17 November 2022 following the option to extend the contract which was actioned in 2020 and a decision taken by the Board to extend the contract for a further one-year period to cover the 2020/21 financial statements due to the continuing restrictions caused by Covid-19.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities (issued March 2019) and in accordance with the provisions applicable to companies subject to small companies' regime of the Companies Act 2006.

By Order of the Board

Chair of the Board
Date 28 March 2024
Guy Lacey

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number:	2832103
Registered Charity Number:	1060182
Registered Office and operational address:	Unit 7 Cae Gwyrdd Greenmeadow Springs Tongwynlais Cardiff CF15 7AB
Auditors:	Bevan Buckland LLP Ground Floor, Cardigan House Castle Court Swansea Enterprise Park Swansea SA7 9LA
Solicitors:	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
Bankers:	Barclays Bank plc PO Box 69 Cardiff CF1 1SG

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2023

Opinion

We have audited the financial statements of Colleges Wales / Collegau Cymru Limited (parent charity) and its subsidiary (the 'group') for the year ended 31 July 2023 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United KIngdom Generally Accepted Accounting Practice)

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2023 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

· enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

· identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

· detecting and responding to the risks of fraud and whether they have knowledge of any actual. suspected or alleged fraud;

· the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

· discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:

· Management override of controls

· obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

· reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

· enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

· reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and

· in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

· assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

· evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2023

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in an auidtors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: ....09-04-2024.....

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AND CONSOLIDATED INCOME EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2023

	Note	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
INCOME AND ENDOWMENTS FROM					
Charitable activities:	2				
Annual subscriptions		946,755	-	946,755	830,391
Advancement of education for the benefit of the general public		8,272	2,319,799	2,328,071	2,293,862
Other trading activities:					
Commercial trading operations	5	66,543	-	66,543	115,340
Investments	3	57,771	-	57,771	17,839
Total income		**1,079,341**	**2,319,799**	**3,399,140**	3,257,432
EXPENDITURE ON					
Charitable activities					
Advancement of education for the benefit of the general public	6	669,840	2,323,051	2,992,891	2,966,791
Other trading activities:					
Commercial trading operations	5	69,345	-	69,345	106,487
Total expenditure		**739,185**	**2,323,051**	**3,062,236**	3,073,278
NET INCOME / (EXPENDITURE)		**340,156**	**(3,252)**	**336,904**	184,154
Transfers between funds		**(3,252)**	**3,252**	**-**	-
OTHER RECOGNISED GAINS / (LOSSES)					
Fair Value Adjustment		**-**	**-**	**-**	160,000
Actuarial gain / (loss) on defined benefit scheme		**(39,000)**	**-**	**(39,000)**	368,000
Net movement in funds in year		**297,904**		**297,904**	712,154
RECONCILIATION OF FUNDS					
Total funds brought forward	15	**1,637,372**	**-**	**1,637,372**	925,218
TOTAL FUNDS CARRIED FORWARD	15	**1,935,276**	**-**	**1,935,276**	1,637,372

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO. 2832103
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	10		**316,625**		316,071
Investment Property	11		**275,000**		275,000
			591,625		591,071
CURRENT ASSETS					
Debtors	13	**977,217**		336,948	
Cash at bank and in hand		**1,474,266**		2,363,899	
		2,451,483		2,700,847	
CREDITORS: amounts falling due within one year	14	**(1,092,832)**		(1,654,546)	
NET CURRENT ASSETS			**1,358,651**		1,046,301
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,950,276**		1,637,372
Defined pension scheme liability	20		**(15,000)**		-
TOTAL ASSETS			**1,935,276**		1,637,372
Represented by:					
FUNDS					
Unrestricted funds	15		**1,935,276**		1,637,372
Restricted funds	15		**-**		-
			1,935,276		1,637,372

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 28 to 54 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 20/3/2024 and signed on their behalf by:

.....

Guy Lacey - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
Company Number: 2832103
(Limited by Guarantee)
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2023 £	2022 £	2022 £
FIXED ASSETS					
Tangible assets	9		**315,548**		314,867
Investment Property	11		**275,000**		275,000
Investments	12		**100**		100
			590,648		589,967
CURRENT ASSETS					
Debtors	13	**1,033,271**		684,801	
Cash at bank and in hand		**1,396,834**		1,969,924	
		2,430,105		2,654,725	
CREDITORS: amounts falling due within one year	14	**(1,079,863)**		(1,620,135)	
NET CURRENT ASSETS			**1,350,242**		1,034,590
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,940,890**		1,624,557
Defined pension scheme (liability) / asset	20		**(15,000)**		-
TOTAL ASSETS			**1,925,890**		1,624,557
Represented by:					
FUNDS					
Unrestricted funds	15		**1,925,890**		1,624,557
Restricted funds	15				-
			1,925,890		1,624,557

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 28 to 54 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 20/3/2024 ... and signed on their behalf by:

.....

Guy Lacey - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2023

	Note	2023 £	2022 £
Net cash inflow / (outflow) from operating activities:		**(875,142)**	**595,718**
Cash flows from investing activities:			
Interest received		**7,524**	**975**
Capital expenditure		**(22,015)**	**(4,741)**
Net cash used in investing activities		**(14,491)**	**(3,766)**
Change in cash and cash equivalents in the reporting period		**(889,633)**	**591,952**
Cash and cash equivalents at the beginning of the reporting period		**2,363,899**	**1,771,947**
Cash and cash equivalents at the end of the reporting period		**1,474,266**	**2,363,899**

1 Reconciliation of net consolidated incoming resources for the year to net cash inflow from operating activities	2023 £	2022 £
Net income for the year before taxation	336,904	184,154
Depreciation charge	21,461	27,102
Property Impairment	-	71,293
(Increase) / Decrease in debtors	(640,269)	(142,745)
(Decrease) / Increase in creditors	(561,714)	350,889
Interest received	(7,524)	(975)
Defined benefit pension scheme contributions	(179,000)	(156,000)
Defined benefit pension scheme operating cost	155,000	259,000
Net finance expenses from the pension scheme	-	3,000
Net cash inflow / (outflow) from operating activities	**(875,142)**	**595,718**

2 Analysis of changes in net fund	At 31 July 2022 £	Cash Flows £	At 31 July 2023 £
Cash at bank and in hand	2,363,899	(889,633)	**1,474,266**

1 PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting and assessment of going concern
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (Effective 1 January 2019), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the group's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Basis of consolidation
The financial statements consolidate the results of the charity and its wholly owned subsidiary Fforwm Services Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming Resources
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscription fee income is accounted for on an accruals basis and is recognised in the period of membership.

Income from courses and conferences is recognised when the respective event occurs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Allocation of support costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Resources expended
Expenditure is recognised on an accrual basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, and its services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity. All costs allocated between the expenditure categories of the SOFA are on a basis designed to reflect the use of the resources. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. A note of these costs are detailed in note 6.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Tangible Fixed Assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic life of the assets as follows:

Buildings	50 years*
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	10 years

* Buildings - The building was subject to an impairment charge in 2014/15. Following this the revised value of the property was depreciated on a straight line basis over the remaining 43 years.

Investment property

Mixed use property are required to be shown between freehold property and Investment property, the proportion of Investment property has been valued based on a square foot use and then adjusted to its fair value.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal

Financial Instruments
The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Basic Financial Liabilities
Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pension
Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from the employees services. The Charity pension scheme is a defined benefits scheme.

The Charity participates in the Cardiff and Vale of Glamorgan Pension Fund, a defined benefit scheme for employees. The assets of the scheme are held separately from those of the charity. Many of the key financial assumptions are derived from the yields on AA rated corporate bonds or from yields on Government bonds with the objective of reflecting a best estimate of future experience.

The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension scheme assets are valued at the market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

Fund accounting
The various types of funds for which the Charity is responsible and which require separate disclosure, are as follows:

Unrestricted funds
Funds which are expendable at the discretion of the directors in furtherance of the objects of the charity.

Restricted funds
Subscriptions and grants whose use is restricted to purposes specified by the donor. Such purposes are within the overall aims of the organisation.

Irrecoverable VAT
All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Foreign Currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Leases
Rentals receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Legal Status of the charity
The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Taxation
The Company is registered as a Charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Its subsidiary company, Fforwm Services Limited, gifts their surplus to its holding company. Any surplus remaining is subject to corporation tax.

Employee Benefits
The group provides a range of benefits to employees, including paid holiday arrangment and defined benefit and defined contirbution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Accounting estimates and key judgements
Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Retirement benefit liabilities - as disclosed in note 20. Year end recognition of the liabilities under these schemes and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, key financial market indicators such as inflation and expectations on future salary growth and asset returns. These assumptions are made by the Charity in conjunction with the schemes' actuaries. For each 0.1% change in the discount rate net of inflation, the carrying amount of pension obligations would change by an estimated £56,000.

2 Charitable Activities - Group	Unrestricted funds £	Restricted funds £	Total 2023 £	Total 2022 £
Annual subscriptions:				
General subscriptions	**820,483**	**-**	**820,483**	704,119
EU/International subscription	**65,117**	**-**	**65,117**	61,155
Sports subscription	**61,155**	**-**	**61,155**	65,117
Advancement of education for the benefit of the general public:				
Representational Activities	**6,923**	**-**	**6,923**	5,192
Research/Project Activities	**1,349**	**2,319,799**	**2,321,148**	2,288,670
Training Activities	**-**	**-**	**-**	-
	955,027	**2,319,799**	**3,274,826**	3,124,253

3 Investments - Group	Unrestricted funds	Restricted funds	Total 2023	Total 2022
Gain on Asset Disposal	**150**	**-**	**150**	-
Bank Interest	**7,524**	**-**	**7,524**	975
Exchange Rate Gain	**26,379**	**-**	**26,379**	-
Rental Income	**23,718**	**-**	**23,718**	16,864
	57,771	**-**	**57,771**	17,839

4 Results of the Parent Company

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 . The parent company's gross income and deficit for the year are as follows:-

	2023	2022
Gross Income	3,325,884	3,143,060
Surplus before actuarial gains/(losses) on pension scheme	315,483	289,366

5 Commercial trading operations and investment in trading subsidiary

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, development courses and property and equipment leasing. The net assets of the subsidiary are £9,487 (2022: £12,916).

The trading results are shown below :	**2023**	2022
	£	£
Turnover	**66,543**	115,340
Cost of sales	**(59,975)**	(96,129)
Gross profit	**6,568**	19,211
Administrative expenses	**(9,370)**	(10,358)
Operating profit	**(2,802)**	8,853
Interest receivable and similar income	**373**	32
(Loss) / Profit on ordinary activities	**(2,429)**	8,885
Tax on profit on ordinary activities	**-**	-
(Loss) / Profit for the financial year	**(2,429)**	8,885
Retained earnings at beginning of year	**12,816**	12,031
Dividends	**(1,000)**	(8,100)
Retained earnings at end of year	**9,387**	12,816

These results are wholly included in the consolidated financial statements

6 Resources expended - Group

	Basis of Allocation	Representation & Support	Training	Research & Dev, inc Projects	Management & Governance	2023	2022
						£	£
Costs Directly Allocated to Activities							
Educational Advancement	Direct	**1,499**	**-**	**1,916,974**	**-**	**1,918,473**	1,835,971
Staff costs	Direct	**531,337**	**-**	**359,958**	**16,338**	**907,633**	880,130
Travel	Direct	**12,854**	**-**	**8,989**	**5,980**	**27,823**	8,151
Support costs Allocated to Activities							
Accommodation	Staff time	**18,748**	**-**	**13,086**	**594**	**32,428**	20,762
Administration & Bank Charges	Staff time	**29,766**	**-**	**17,739**	**805**	**48,310**	43,566
Fees and charges	Staff time	**12,335**	**-**	**6,367**	**7,254**	**25,956**	63,213
Public affairs and other costs	Staff time	**9,994**	**1,988**	**-**	**-**	**11,982**	18,594
Depreciation	Staff time	**11,728**	**-**	**8,186**	**372**	**20,286**	25,111
Property Impairment	Staff time	**-**		**-**	**-**	**-**	71,293
Total Resources Expended		**628,261**	**1,988**	**2,331,299**	**31,343**	**2,992,891**	2,966,791

7 Directors and employees - Group

No director received any remuneration for their services to the company in 2023 or 2022.

No directors received travel and subsistence expenses in 2023 (2022 - £nil).

The average number of persons employed by the company during the year was 16 (2022: 15).

Staff costs for the above consisted of :	**2023**	2022
	£	£
Wages and salaries	**404,704**	**120,307**
Salaries, Social Security & Pension costs allocated to projects	**375,425**	**362,369**
Pension actuary adjustment	**(39,000)**	**106,000**
Pension costs	**122,032**	**155,071**
Social security costs	**44,282**	**57,543**
Recruitment costs	**190**	**30,092**
	907,633	**831,382**

Emoluments of higher paid employees (excluding pension contributions):	**2023**	2022
£125,000 to £150,000	**1**	1

The Pensions Contributions relating to the highest paid employee amount to £8,854 (2022: £25,923)

During the year the total employee benefits received by key management personnel amounted to £102,479 (2022: £109,957).

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2023	2022
Representation & Support	**9**	9
Research & Development, inc. Projects	**6**	5
Governance	**1**	1
	16	15

8 Net incoming / (outgoing) resources - Group

	2023	2022
	£	£
Net incoming / (outgoing) resources are stated after charging / (crediting) the following :		
Depreciation on owned tangible fixed assets	**21,461**	27,102
Operating lease rental:		
Land and buildings	**45,250**	45,250
Auditors' remuneration:		
Audit work (group & companies)	**9,650**	6,750
Non-audit work	**7,550**	6,167
Legal and professional fees	**9,169**	12,334

9 Analysis of pension costs charged to the Statement of Financial Activities - Group

	2023	2022
	£	£
Current service charge	**168,000**	259,000
Total operating charge to Statement of Financial Activities	**168,000**	259,000

	2023	2022
	£	£
Interest income on scheme assets	**(131,000)**	(63,000)
Interest expense on defined benefit obligation	**103,000**	66,000
Interest charged to Statement of Financial Activities	**(28,000)**	3,000
Net cost to Statement of Financial Activities	**140,000**	262,000

10 Tangible fixed assets - Group

	Freehold Property	Office equipment	Fixtures & Fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2022	615,220	73,905	94,285	85,709	869,119
Additions	-	1,912	9,776	10,327	22,015
Disposals	-	(959)	-	(6,229)	(7,188)
Reclassification	-	-	-	-	-
At 31 July 2023	615,220	74,858	104,061	89,807	883,946
Depreciation					
At 1 August 2022	315,220	72,958	89,784	75,086	553,048
Charge for the year	8,333	804	2,070	10,254	21,461
Disposals	-	(959)	-	(6,229)	(7,188)
Reclassification	-	-	-	-	
At 31 July 2023	323,553	72,803	91,854	79,111	567,321
Net book value					
At 31 July 2023	291,667	2,055	12,207	10,696	316,625
At 31 July 2022	300,000	947	4,501	10,623	316,071

10 Tangible fixed assets - Company

	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2021	615,220	57,189	63,051	70,093	805,553
Additions	-	1,912	9,776	9,277	20,965
Disposals	-	(959)	-	(4,637)	(5,596)
Impairment	-	-	-	-	-
At 31 July 2022	615,220	58,142	72,827	74,733	820,922
Depreciation					
At 1 August 2021	315,220	56,265	58,606	60,595	490,686
Charge for the year	8,333	786	2,049	9,116	20,284
Disposals	-	(959)	-	(4,637)	(5,596)
Reclassification	-	-	-	-	-
At 31 July 2022	323,553	56,092	60,655	65,074	505,374
Net book value					
At 31 July 2022	291,667	2,050	12,172	9,659	315,548
At 31 July 2021	300,000	924	4,445	9,498	314,867

11 Investment Property - Group

	2023 £	2022
FAIR VALUE		
At 1 August 2021	275,000	115,000
Fair value adjustment	-	160,000
At 31 July 2022	275,000	275,000

This relates to a proportion of the freehold property held by the charity which is leased out to a third party organisation. Due to a change in accounting standards, the proportion of the property leased out requires to be shown as investment property.

The property was valued by an external valuer, Alder King LLP on 13th September 2022.

The trustees do not believe there to be a material difference of the investment property between the year end date and the date of the valuation.

12 Fixed asset investments - Company	Company 2023 £	Company 2022 £
Investment in subsidiary	**100**	100

Information relating to the charity's trading subsidiary, Fforwm Services Limited, registered in England and Wales and its activities during the year, are shown in note 5.

13 Debtors	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Amounts falling due within one year				
Trade debtors	**5,801**	**5,801**	**18,847**	**847**
Accrued income	**934,865**	**929,215**	**276,011**	**271,012**
Amounts due from subsidiary undertaking	**-**	**71,587**	**-**	**377,765**
Prepayments	**36,551**	**26,668**	**42,090**	**35,177**
	977,217	**1,033,271**	336,948	684,801

14 Creditors : amounts falling due within one year	Group 2023 £	Company 2023 £	Group 2022 £	Company 2022 £
Trade creditors	**412,179**	**410,795**	**219,828**	**219,327**
Accruals	**302,618**	**297,701**	**668,429**	**650,011**
Deferred income	**324,453**	**317,690**	**742,751**	**730,188**
Other taxation and social security	**53,582**	**53,677**	**23,538**	**20,609**
	1,092,832	**1,079,863**	1,654,546	1,620,135

15 Funds - Group

Unrestricted funds	At 01.08.22 £	Incoming resources	Resources expended	Transfer between fund	Other recognised gain/loss	At 31.07.23 £
General Fund	746,300	1,079,341	(717,724)	(25,266)	(39,000)	1,043,651
Capital Asset Reserve	591,072	-	(21,461)	22,014	-	591,625
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic reserve	40,000	-	-	-	-	40,000
Capital Spend Reserve	20,000	-	-	-	-	20,000
	1,637,372	1,079,341	(739,185)	(3,252)	(39,000)	1,935,276
Restricted funds						
Project Activities	-	2,319,799	(2,323,051)	3,252	-	-
TOTAL FUNDS	1,637,372	3,399,140	(3,062,236)	-	(39,000)	1,935,276

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Erasmus + Staff 2019	-	176	1,487	1,311	-
ILS	-	35,000	35,586	586	-
ALN - Advisor	-	153,038	153,038	-	-
ALN - Advisor	-	29,512	29,512	-	-
Active Wellbeing	-	35,043	35,043	-	-
Construction	-	7,000	7,117	117	-
Sport	-	84,245	84,245	-	-
Sport	-	49,155	49,155	-	-
Sports Guidance	-	9,000	9,000	-	-
SPW SOF	-	37,167	37,167	-	-
Cymraeg Gwaith	-	268,908	268,908	-	-
Turing	-	5,915	5,915	-	-
Taith	-	207,542	207,542	-	-
Taith 2	-	45,483	45,483	-	-
Erasmus + Learner 2020	-	1,193,797	1,193,797	-	-
Four Nations	-	10,000	10,000	-	-
Erasmus + Learner 2019		2,758	2,758	-	-
WG Taith PLF	-	34,890	34,890	-	-
BLG	-	61,550	61,896	346	-
Workload	-	25,000	25,892	892	-
Erasmus + Staff 20	-	24,620	24,620	-	-
	-	2,319,799	2,323,051	3,252	

15 Funds - (Con't)

Funds - Charity

Unrestricted funds	At 01.08.22 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.23 £
General Fund	734,690	1,013,425	(669,840)	(4,033)	(39,000)	1,035,242
Capital Asset Reserve	589,867	-	-	781	-	590,648
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic reserve	40,000	-	-	-	-	40,000
Future Capital Reserve	20,000	-	-	-	-	20,000
	1,624,557	1,013,425	(669,840)	(3,252)	(39,000)	1,925,890
Restricted funds						
Research/Project Activities	-	2,319,799	(2,323,051)	3,252	-	-
TOTAL FUNDS	1,624,557	3,333,224	(2,992,891)	-	(39,000)	1,925,890

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer to / from unrestricted funds £	Closing balance £
Erasmus + Staff 2019	-	176	1,487	1,311	-
ILS	-	35,000	35,586	586	-
ALN - Advisor	-	153,038	153,038	-	-
ALN - Advisor	-	29,512	29,512	-	-
Active Wellbeing	-	35,043	35,043	-	-
Construction	-	7,000	7,117	117	-
Sport	-	84,245	84,245	-	-
Sport	-	49,155	49,155	-	-
Sports Guidance	-	9,000	9,000	-	-
SPW SOF	-	37,167	37,167	-	-
Cymraeg Gwaith	-	268,908	268,908	-	-
Turing	-	5,915	5,915	-	-
Taith	-	207,542	207,542	-	-
Taith 2	-	45,483	45,483	-	-
Erasmus + Learner 2020	-	1,193,797	1,193,797	-	-
Four Nations	-	10,000	10,000	-	-
Erasmus + Learner 2019		2,758	2,758	-	-
WG Taith PLF	-	34,890	34,890	-	-
BLG	-	61,550	61,896	346	-
Workload	-	25,000	25,892	892	-
Erasmus + Staff 20	-	24,620	24,620	-	-
	-	2,319,799	2,323,051	3,252	-

15 Funds - (Con't)

Comparatives for movement in funds - Group

Unrestricted funds	At 01.08.21 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.22 £
General Fund	100,492	980,734	(692,664)	(10,262)	368,000	746,300
Capital Asset Reserve	524,726	-	(98,395)	4,741	160,000	591,072
Strategic reserve	240,000	-	-	-	-	240,000
Capital Spend Reserve	40,000	-	-	-	-	40,000
International Curriculum Development	20,000	-	-	-	-	20,000
	925,218	980,734	(791,059)	(5,521)	528,000	1,637,372
Restricted funds						
Research/Project Activities	-	2,276,698	(2,282,219)	5,521	-	-
TOTAL FUNDS	925,218	3,257,432	(3,073,278)		528,000	1,637,372

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Erasmus + Migrant Sport	-	299	-	(299)	-
Erasmus + Staff 2019	-	21,030	22,572	1,542	-
ILS	-	21,984	21,984	-	-
ALN - Advisor	-	147,177	147,177	-	-
ALN - Advisor	-	28,628	28,628	-	-
Active Wellbeing	-	45,000	45,000	-	-
Active Wellbeing	-	6,227	6,227	-	-
Sport	-	44,954	44,954	-	-
Sport	-	103,569	103,569	-	-
SPW WOW	-	226,100	226,100	-	-
WG WOW	-	30,000	30,000	-	-
WG SOF	-	12,833	12,833	-	-
Cymraeg Gwaith	-	251,539	251,539	-	-
Welsh/Cymraeg Gwaith	-	116,694	116,694	-	-
Turing	-	466,025	466,025	-	-
Transitions (TIP)	-	18,933	18,933	-	-
Erasmus + Learner 2019	-	316,793	316,793	-	-
Workload	-	337,428	337,428	-	-
Workload	-	6,151	6,151	-	-
BFL	-	25,000	26,323	1,323	-
Governance	-	19,500	19,538	38	-
KTS	-	30,000	30,000	-	-
Erasmus + Staff 20	-	-	1,291	1,291	-
EQF Workplan	-	834	834	-	-
Erasmus + Learner 2020	-	-	1,626	1,626	-
	-	2,276,698	2,282,219	5,521	-

15 Funds - (Con't)

A current year 12 months and prior year 12 months combined position is as follows:

Unrestricted funds	At 01.08.21 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.23 £
General Fund	100,492	2,060,075	(1,410,388)	(35,528)	329,000	1,043,651
Capital Asset Reserve	524,726	-	(119,856)	26,755	160,000	591,625
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic Reserve	40,000	-	-	-	-	40,000
Capital Spend Reserve	20,000	-	-	-		20,000
	925,218	2,060,075	(1,530,244)	(8,773)	489,000	1,935,276
Restricted funds						
Research/Project Activities	-	4,596,497	(4,605,270)	8,773	-	-
TOTAL FUNDS	925,218	6,656,572	(6,135,514)	-	489,000	1,935,276

15 Funds - (Con't)

Taith 2022 (staff and learner) - This project is enabling 52 FE learners and over 300 staff to undertake 3 to 14 days study/training/volunteering/work experiences worldwide. The project will end on 31 August 2023.

Turing Scheme 2021 (learner) - This project enabled 183 FE learners to undertake 2 – 3 week study/volunteering/work experiences worldwide. The project ended on 31 August 2022.

Turing Scheme 2023 (learner) - Funding was approved in July 2023 to enable 251 FE learners to undertake 2 – 3 week study/volunteering/work experiences worldwide. The project will end on 31 August 2024.

Erasmus+ 2020 (learner) - Funding was approved in July 2020 to enable 876 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2020 (staff) - Funding was approved in July 2020 to enable 30 staff from FE colleges and other appropriate organisations in Wales to undertake 4-day study visits to Ireland, Norway and Austria. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2019 (learner) - This project enabled 160 learners to undertake 2 week work placements in Europe. The project ended on 31/8/2022.

Erasmus+ 2019 (staff) - This project enabled 17 staff from FE colleges and other appropriate organisations in Wales to undertake a 4-day study visit to Stuttgart, Germany. The project ended on 31 August 2022.

Erasmus+ KA2 - CollegesWales International is a partner in a Key Action 2 project led by CIPFP La Costera in Valencia, Spain. The project ended in October 2022.

CQFW Alignment Contract - Welsh Government funding was received from April 2021 – March 2022 and from April 2022 to March 2023 to ensure continued alignment of the Credit and Qualifications Framework for Wales (CQFW) to the European Qualifications Framework (EQF) and to other UK National Frameworks.

Sport Wales Core funding - This project is based on developing active wellbeing in FE colleges, focus on delivery of physical activity and volunteering initiatives.

Sport Wales Winter of Wellbeing - These are sport projects funded by WG via Sport Wales and form part of the renew and reform funding / covid recovery. The focus is on outdoor activity, holiday camps and upskilling of sports learners.

WG Winter of Wellbeing - This is part of the Wellbeing projects (including active wellbeing) funded directly to CC and colleges from WG. ColegauCymru had a monitoring, evaluation and support role on this project.

Summer of Fun - These sports projects are a follow on from SPW WOW and commenced during the Summer of 2022. The focus is on outdoor activity, holiday camps and upskilling of sports learners.

WG Mental Health - Active Wellbeing - WG funding for research and events linked to Active Wellbeing. ColegauCymru manages this as part of the "National" strand of the funding.

15 Funds - (Con't)

WG Sport Guidance - This project delivers funding to develop resources for FE Sport providers relating to guidance for collaborative activity and events.

Colleges Wales Sport - Competitive sports, events and representative teams for FE Colleges funded by subscriptions.

Cymraeg Gwaith - The Cymraeg Gwaith project aims to strengthen Welsh language skills in the workplace. The scheme is funded by the Welsh Government and developed by the National Centre for Learning Welsh. The Further Education and Higher Education Welsh Language Scheme is co-ordinated by the Coleg Cymraeg Cenedlaethol in partnership with ColegauCymru.

Additional Learning Needs (ALN) - ColegauCymru is running a Welsh Government funded project to support and challenge colleges as they prepare for the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act in September 2023. As part of this, an ALN Implementation Lead has been employed.

Independent Living Skills (ILS) - ColegauCymru secured grant funding from Welsh Government to continue the ILS project to support colleges with the roll out of the new curriculum for ILS learners. The project also enabled the continuation of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act

Review of leadership in PCET - ColegauCymru secured grant funding from the National Academy for Educational Leadership (NAEL) and contracted the Learning and Work Institute to undertake a review leadership in the Post-compulsory Education and Training (PCET) sector and to provide a series of independent recommendations for policy-makers and organisations.

Review of FE lecturer workload phase 3 - ColegauCymru was awarded grant funding from Welsh Government to continue its coordination of the national social partnership steering group for workload review. The workload project phase 3 supported the continuation of the independent consultant to chair a steering group, hosted by ColegauCymru and provide grant funding to each of the further education institutions (FEIs) and support them to create their action plans in collaboration with their local social partnerships.

Knowledge Transfer Scheme - ColegauCymru received funding from the Welsh Government to undertake an evaluation of the Knowledge Transfer Scheme (KTS). TIn addition to the evaluation, ColegauCymru undertook the coordination of the individual projects ensuring alignment with local, regional, and national needs.

Taith Pathway 1 Round 3 (Learner and staff) - Funding was approved in June 2023 to enable 86 FE learners to undertake work, study, training and volunteering opportunities overseas. The project will end on 28 February 2025.

Taith Pathway 2 Round 1 (Strategic Partnerships) - Funding was approved in February 2023 to learn from Finland about how to ensure the seamless integration of governance, funding, and the oversight of post compulsory education in Wales under CTER. The project will end on 30 October 2024.

15 Funds - (Con't)

The unrestricted funds held by the charity at 31st July 2023 were as follows:

	£	
General Fund	1,043,651	This represents general unrestricted funds for use within the charity
Existing Capital Reserve	591,625	This represents funds designated for the net book value of capital assets held within the Charity at the year end.
Critical / Closure costs	240,000	To meet the potential closure costs which would be incurred should the charity cease.
Strategic reserve	40,000	To meet the costs of strategic expenditure identified within the designated reserves which are funded through income and expenditure account.
Future Capital Reserve	20,000	This represents future plans for capital spend
	1,935,276	

Analysis of assets between funds:

	Unrestricted General Funds	Restricted Funds	Total Funds 2023	Total Funds 2022
	£	£	£	£
Tangible Fixed Assets	591,625	-	591,625	591,071
Current Assets	1,418,260	1,033,223	2,451,483	2,700,847
Current Liabilities	(74,609)	(1,033,223)	(1,107,832)	(1,654,546)
	1,935,276	-	1,935,276	1,637,372

16 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

GROUP ONLY	Properties	Other	2023	2022
	£	£	£	£
Within one year	44,250	3,389	44,250	44,250
Between one and five years	-	10,169	10,169	16,947
	44,250	**13,558**	**54,419**	**61,197**

17 Comparative Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		-	-	-
Charitable activities:				
Annual subscriptions		830,391	-	830,391
Advancement of education for the benefit of the general public		17,164	2,276,698	2,293,862
Other trading activities:				
Commercial trading operations		115,340	-	115,340
Investments		17,839	-	17,839
Total income		**980,734**	**2,276,698**	**3,257,432**
EXPENDITURE ON				
Charitable activities				
Advancement of education for the benefit of the general public		684,572	2,282,219	2,966,791
Other trading activities:				
Commercial trading operations		106,487	-	106,487
Total expenditure		**791,059**	**2,282,219**	**3,073,278**
NET INCOME / (EXPENDITURE)		**189,675**	**(5,521)**	**184,154**
Transfers between funds		**(5,521)**	**5,521**	**-**
OTHER RECOGNISED GAINS / (LOSSES)				
Fair Value Adjustment		**160,000**		**160,000**
Actuarial gain on defined benefit scheme		**368,000**	**-**	**368,000**
Net movement in funds in year		**712,154**	**-**	**712,154**
RECONCILIATION OF FUNDS				
Total funds brought forward		**925,218**	**-**	**925,218**
TOTAL FUNDS CARRIED FORWARD		**1,637,372**	**-**	**1,637,372**

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

18 Capital commitments and contingencies

There were no capital commitments as at 31 July 2023 (2022: nil)

19 Post balance sheet events

During October 2023 the group were victim of a cyber fraud resulting in significant cash reserves being misappropriated. Immediate steps were taken to contain the incident including undertaking response plans and engaging both cyber security experts and legal teams to embark on recovering the lost funds.

This has been treated as a non-adjusting post balance sheet event and there has been no impact on the financial results reported for the year ended 31st July 2023. The trustees are confident that this does not impact the going concern status of the charity.

There were no other reportable subsequent events following the balance sheet date.

20 Pensions

The charity participates in the Cardiff & Vale of Glamorgan pension fund (the "Fund"), which is part of the Local Government Pension Scheme. Colegau Cymru / Colleges Wales participates in the Fund which provides defeined benefits on members' final pensionable salary. In accordance with FRS 102 - Retirement Benefits disclosure defined benefits, of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the year ending 31 July 2024
The Employer's regular contributions to the fund for the year ending 31 July 2024 are estimated to be £0.096M. In addition, Strain on Fund Contributions may be required.

Assumptions
The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	31-Jul-23 (% pa)	31-Jul-22 (% pa)	31-Jul-21 (% pa)
Discount rate	**5.0**	3.5	1.7
RPI inflation	**2.6**	2.6	2.6
CPI inflation	**2.6**	2.6	2.6
Rate of increase to pensions in payment	**2.6**	2.6	2.6
Rate of revaluation of pension accounts	**2.6**	2.6	2.6
Rate of general increase in salaries	**3.6**	3.6	3.6

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

20 Pensions - (Cont'd)

Assumed life expectancy at age 65

Males	**31 July 23**	31 July 22
Future lifetime from age 65 (current aged 65)	**22.0**	22.1
Future lifetime from age 65 (current aged 45)	**22.6**	23.2
Females	**31 July 23**	31 July 22
Future lifetime from age 65 (current aged 65)	**24.2**	24.6
Future lifetime from age 65 (current aged 45)	**25.3**	26.0

Asset allocation

	Value at 31 July 2023 (£M)	Value at 31 July 2022 (£M)
Equities	**68.1%**	67.2%
Property	**7.0%**	7.5%
Government bonds	**8.8%**	9.0%
Corporate bonds	**7.5%**	8.0%
Multi Asset Credit	**5.3%**	5.6%
Cash	**3.3%**	2.7%
Other	**0.0%**	0.0%
Total	**100.0%**	100.0%

Reconciliation of funded status to balance sheet

	Value at 31 July 2023 (£M)	Value at 31 July 2022 (£M)
Fair value of fund assets	**3.994**	3.674
Present value of liabilities	**2.825**	2.962
Funded status	**1.169**	0.712
Unrecognised asset	**(1.169)**	0.000
Additional liability due to minimum funding requirement	**0.015**	0.000
Pension asset/(liability) recognised on the Balance Sheet	**0.015**	0.000

20 Pensions - (Cont'd)

Amounts reocgnised in Income Statement	**Year ending 31 July 2022 (£M)**	Year ending 31 July 2021 (£M)
Operating Cost		
Current service costs	**0.168**	0.259
Past service costs	**0.000**	0.000
Curtailment cost	**0.000**	0.000
Settlement cost	**0.000**	0.000
Financing Cost		
Interest costs	**(0.003)**	0.003
Expense recognised in Profit and Loss	**0.165**	0.262

Allowance for administration expenses included in Current Service Cost in 2023 and 2022 £0.003m.

Changes to the present value of liabilities during the year	**Year ending 31 July 2023 (£M)**	Year ending 31 July 2022 (£M)
Opening present value of liabilities	**2.962**	3.914
Current service cost	**0.168**	0.259
Interest cost	**0.103**	0.066
Contributions by participants	**0.042**	0.040
Actuarial (gains)/losses on liabilities *	**(0.389)**	(1.231)
Net benefits paid out #	**(0.061)**	(0.086)
Past service cost	**0.000**	0.000
Net increase in liabilities from disposals and acquisitions	**0.000**	0.000
Curtailments	**0.000**	0.000
Settlements	**0.000**	0.000
Closing present value of liabilities	**2.825**	2.962

* Includes changes to the actuarial assumptions
# Consists of net cashflow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

20 Pensions - (Cont'd)

Changes to the fair value of assets during the year	Year ending 31 July 2023 (£M)	Year ending 31 July 2022 (£M)
Opening fair value of assets	**3.674**	3.652
Interet income on assets	**0.131**	0.063
Remeasurement gains/(losses) on assets	**0.029**	(0.151)
Contribution by the employer	**0.179**	0.156
Contribution by participants	**0.042**	0.040
Net benefits paid out #	**(0.061)**	(0.086)
Net increase in assets from disposals and acquisitions	**0.000**	0.000
Settlements	**0.000**	0.000
Closing fair value of assets	**3.994**	3.674

Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance fo rthe expected cost of death in service sums.

Actual return on assets	Year ending 31 July 2023 (£M)	Year ending 31 July 2022 (£M)
Interest income on assets	**0.131**	0.063
Gain/(Loss) on assets	**0.029**	(0.151)
Actual return on assets	**0.160**	(0.088)

Analysis of amount recognised in Other Comprehensive Income	Year ending 31 July 2023 (£M)	Year ending 31 July 2022 (£M)
Asset gains/(losses) arising during the period	**0.029**	(0.151)
Actuarial gains/losses due to changes to financial assumptions	**0.712**	-
Actuarial gains/losses due to changes to demographic assumptions	**0.050**	-
Actuarial gains/losses due to liability experience	**(0.373)**	-
Adjustment due to unrecognised asset	**(0.432)**	(0.712)
Liability gains/(losses) arising during the period	**(0.015)**	1.231
Total (loss) in OCI	**(0.029)**	0.368

21 EFFECT OF PENSION ON THE DEFICIT FOR THE YEAR

	2023 £		2022 £
Surplus before pension adjustment	312,904		290,154
Pension adjustment Included in the Income & expense account			
Employers contributions transferred against liability	(179,000)		(156,000)
Pension adjustment	155,000		259,000
Finance cost	-		3,000
Surplus/(Deficit) per accounts	336,904		184,154

22 Related party transactions

Due to the nature of the charity's activities and the composition of its board of directors and that of its subsidiary undertaking Fforwm Services Limited, (being principals and Governors of Further Education colleges in Wales) it is inevitable that in the course of its normal business activities, the charity will undertake transactions with those Colleges in which a member of the board of the charity, or its subsidiary undertaking will have an interest.

All transactions involving Colleges in which a member of either Board of Directors may have an interest are conducted at arms length and in accordance with the charity's normal financial procedures.

The trustees' of the charity during the year and their relationship with the respective Colleges were :

Director	College	Relationship
Guy Lacey (appointed 01/07/18) Chair	CEO/Principal, Coleg Gwent	Trustee
Simon Pirotte (appointed 04/01/21, resigned 31/12/22)	CEO/Principal, Bridgend College	Trustee
Louise Casella (appointed 1/8/19)	Director, The Open University in Wales	Trustee
Jeffrey Greenidge (appointed 1/8/19)	Owner, Ariege Consultancy	Trustee
Paul Smart (appointed 04/01/21)	Retired	Trustee
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Trustee
Suzy Davies (appointed 24/11/21)	Senedd Member	Trustee
Lisa Thomas (appointed 04/01/23)	Principal and Chief Executive, The College, Merthyr Tydfil	Trustee

During 2020/21 it was agreed that there should be a common board for both companies and this was put into effect from 04/01/2021

The Directors of the subsidiary undertaking, Fforwm Services Limited, during the year and their relationship with the respective Colleges were:

Director	College	Relationship
Guy Lacey (appointed 01/07/18) Chair	CEO/Principal, Coleg Gwent	Director
Simon Pirotte (appointed 04/01/21, resigned 31/12/22)	CEO/Principal, Bridgend College	Director
Louise Casella (appointed 04/01/21)	Director, The Open University in Wales	Director
Jeffrey Greenidge (appointed 04/01/21)	Owner, Ariege Consultancy	Director
Paul Smart (appointed 04/01/21)	Retired	Director
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Director
Suzy Davies (appointed 24/11/21)	Senedd Member	Director
Lisa Thomas (appointed 04/01/23)	Principal and Chief Executive, The College, Merthyr Tydfil	Director

The invoices issued to the relevant colleges during the year were for subscriptions for membership of Colegau Cymru / Colleges Wales and reimbursement of projects costs. Payments made to colleges were for catering at network events, work carried out on project activities.

22 Related party transactions - (Con't)

Income invoiced to Colleges during the year

	Subs	Sport	EU/Int	Dev	HR	Projects	Other	Total
	£	£	£	£	£	£	£	£
Bridgend College	45,639	5,738	5,259	-	5,000	-	605	62,241
Cardiff and Vale College	48,369	5,738	5,259	29,834	5,000	-	900	95,100
Coleg Sir Gar and Coleg Ceredigion	48,369	5,738	5,259	-	5,000	-	1860	66,226
Coleg Gwent	48,369	5,738	5,259	-	5,000	-	875	65,241
Coleg y Cymoedd	48,369	5,738	5,259	-	5,000	-	5915	70,281
Coleg Cambria	48,369	5,738	5,259	32,495	5,000	-	1975	98,836
Gower College Swansea	48,369	5,738	5,259	24,021	5,000	-	3255	91,642
Grwp Llandrillo Menai	48,369	5,738	5,259	33,891	5,000	-	375	98,632
The College Merthyr Tydfil Ltd.	27,870	5,738	5,259	-	5,000	-	275	44,142
NPTC Group of Colleges	48,369	5,738	5,259	45,278	5,000	-	1630	111,274
Pembrokeshire College	33,282	5,738	5,259	60,412	5,000	-	275	109,966
Adult Learning Wales	14,454		5,259	-	-	-	125	19,838
St David's Catholic College	19,215	1,040	5,259	-	-	-	450	25,964
Total	**527,412**	**64,158**	**68,367**	**225,931**	**55,000**	**-**	**18,515**	**959,383**

* Associate member

Payments to Colleges during the year

	Catering/ Accom.	Training	Other	Projects	Other	Total
	£	£	£	£	£	£
Bridgend College	556	-	-	96,586	-	97,142
Cardiff and Vale College	-	510	350	212,457	-	213,317
Coleg Sir Gar and Coleg Ceredigion	-	-	-	127,128	-	127,128
Coleg Gwent	-	-	-	591,214	-	591,214
Coleg y Cymoedd	202	-	-	188,169	-	188,371
Coleg Cambria	788	-	-	169,103	-	169,891
Gower College Swansea	-	-	-	59,380	-	59,380
Grwp Llandrillo Menai	-	-	-	248,978	-	248,978
The College Merthyr Tydfil Ltd.	-	-	-	133,671	-	133,671
NPTC Group of Colleges	-	-	-	18,500	-	18,500
Pembrokeshire College	-	-	146	36,166	-	36,312
St David's Catholic Sixth Form College	-	-	-	76,334	-	76,334
Adult Learning Wales	-	-	288	2,251	-	2,539
Total	**1,546**	**510**	**784**	**1,959,937**	**-**	**1,962,777**

22 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2023 :

	£
Bridgend College	150
Coleg Sir Gar	110
Coleg Ceredigion	150
Coleg Cymraeg	500
Coleg y Cymoedd	40
Gower College Swansea	830
Grwp Llandrillo Menai	150
Merthyr Tydfil College	150
Neath Port Talbot College	150
Pembrokeshire College	150
Total	2,380

The following amounts were due to Colleges at 31 July 2023

	£
Bridgend College	49,361
Cardiff and Vale College	142,007
Coleg Sir Gar and Coleg Ceredigion	61,615
Coleg Cambria	44,515
Coleg y Cymoedd	60,522
Grwp Llandrillo Menai	11,661
Merthyr Tydfil College	16,184
Total	385,865

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited By Guarantee)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2023

	Year ended 31 July 2023		Year ended 31 July 2022	
	£	£	£	£
INCOME				
College subscriptions	946,755		830,391	
Grants receivable	2,119,560		1,871,214	
Sports Grant Income	201,588		417,456	
Other income	6,923		5,192	
Bank interest	7,524		975	
Disposal of Assets	150		-	
Exchange rate gain	26,379		-	
Rents received	23,718		16,864	
Staff development activities	21,293		70,090	
Lease rental income	45,250		45,250	
		3,399,140		3,257,432
LESS:				
COST OF SALES				
Other operating leases	44,250		44,250	
Staff development expenditure	15,725		51,879	
		59,975		96,129
EXPENDITURE				
Conferences	-		-	
Public affairs and representation	9,009		6,558	
Website development	-		2,043	
Projects & advisory groups	1,918,341		1,835,971	
Accomodation costs	33,198		21,312	
Staff costs	907,633		850,036	
Office administration	54,735		86,878	
Travel & expenses	31,036		8,151	
Legal & professional fees	9,169		42,225	
Auditors remuneration	15,500		6,750	
Auditors remuneration - non audit fees	850		6,123	
Bank charges	1,320		1,314	
Bad Debts	-		-	
Exchange rate loss	9		11,393	
Depreciation:				
Freehold property	8,333		10,314	
Fixtures & fittings	2,874		7,350	
Computer equipment	10,254		9,438	
Property Impairment	-		71,293	
		3,002,261		2,977,149
PROFIT / (DEFICIT) FOR THE YEAR		336,904		184,154

COLLEGES WALES / COLEGAU CYMRU

England & Wales - Charity number 1060182

Accounts

CollegesWales / ColegauCymru Limited

Annual Report and Consolidated Financial Statements for the Year Ended 31 July 2022

Charity Number: 1060182
Company Number: 2832103
(England and Wales)

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ANNUAL REPORT & ACCOUNTS

The Directors/Trustees present their annual report and accounts of Colleges Wales/Colegau Cymru Limited and its subsidiary, fforwm Services Limited for the year ended 31 July 2022.

Structure

ColegauCymru is a post-compulsory education charity that represents 11 further education (FE) colleges and 2 designated FE institutions (FEIs) in Wales. The company was originally incorporated in 1993 as Fforwm Limited and on 1 June 2009 changed its name to Colleges Wales/Colegau Cymru Limited and was branded as 'ColegauCymru/CollegesWales'. Fforwm Services Limited was established in 1995 and is a wholly owned trading subsidiary of Colleges Wales/Colegau Cymru Limited.

Charitable Objectives

The ColegauCymru charitable objectives and principal activities remained throughout 2021-22 to promote the advancement of education for the benefit of the general public in Wales. ColegauCymru exists through its work to:

- provide a forum for discussion on matters of common interest conducted by all the FE corporations and other institutions receiving post-16 funding from the Welsh Government; and
- make representations on behalf of its members to persons concerned with education and its funding in Wales.

The charity's prime purpose is to raise the profile of further education with key decision-makers to improve educational opportunities for learners in Wales.

Strategic Priorities

During the financial year, ColegauCymru focused on delivering the following five strategic priorities:

1. Promote and support high quality provision for learners.
2. Proactively engage with employers and stakeholders to identify and address skills gaps in the Welsh economy.
3. Influence and shape government policy.
4. Ensuring a high profile for education, training and skills in Wales.
5. To be a sustainable and dynamic sector-leading organisation.

Achievements and Performance

ColegauCymru remains focused on building relationships with key stakeholders and ensuring it is a key influencer on issues affecting the sector. Key achievements are as follows:

- Continued to work with the Welsh Government to secure an increase in college core funding for 2021/22 and beyond.
- Worked with colleges and the Welsh Government to secure funding to help address the ongoing problems and impact of Covid-19 in FE and WBL (Work Based Learning).
- Provided services to members to coordinate all strategic groups to respond to strategic priorities for the sector
- Appointed a Strategic Advisor for Work-based Learning (WBL) and Employability to provide advice to the Strategic WBL Group on apprenticeships, PLA, and employability programmes

- Secured additional funding for Winter of Wellbeing from Sport Wales and Welsh Government to support colleges and their learners post covid.
- Research completed into the Wellbeing of learners linked to physical activity and the impact of Covid.
- Secured Taith funding for over 300 FE staff to take part in CPD opportunities overseas and to undertake preparatory visits to improve future learner mobilities
- Organised a pan-Wales staff mobility visit to Stuttgart, Germany to explore the digitalisation of Vocational Education and Training (VET) post-Covid
- Supported FE colleges to achieve over 340 learner mobilities through CollegesWales' Turing and Erasmus+ consortium projects
- Provided challenge and support to the 13 colleges as they prepare for their new duties under the ALN Act and Code
- Worked with ALN representatives from FEIs, LAs, health boards and others to promote partnership working
- Represented the views of Members through numerous policy position statements and press releases.
- Appointed a fixed term Principal Human Resources Policy Officer to provide advice to the Human Resource Directors group on a range of HR matters.
- Engaged with political parties, including providing briefing on specific policy matters, and providing information to inform Senedd debates.
- Submitted 23 consultation responses on policy matters affecting the decisions of post-16 learners in Wales to Welsh Government, Senedd Committees, and other bodies. Topics covered included: post-EU funding arrangements; subordinate legislation under the Curriculum and Assessment (Wales) Act; new registration categories for the Education Workforce Council; the Social Partnership and Procurement Bill; mental health inequalities; and participation in sport in disadvantages areas.
- Held strategic dialogue meetings with Welsh Government ministers and officials, Senedd Members, and other key stakeholders.
- Built on and developed positive working relationships with our stakeholders in Welsh Government, the Senedd, and the wider sector.
- Continued to work closely with key stakeholders from education and further afield; these include Welsh Government, Sport Wales, British Council, EWC, Estyn, Qualifications Wales, HEFCW, Learning & Work Institute Wales, NTfW (National Training Federation Wales), Coleg Cymraeg Cenedlaethol, Y Ganolfan Dysgu Cymraeg, AoC and others and with colleges to ensure that the FE sector was well placed in terms of future developments.
- We continued to work closely with Welsh Government and Joint trade union colleagues to ensure pay parity for the sector.

Projects

ColegauCymru has been successful in securing several externally funded projects aimed at enhancing the educational opportunities of learners in Wales. A summary of the range of projects undertaken by the charity, during the period, are outlined below.

International and European partnerships and learning opportunities

CollegesWales International supports the FE colleges in Wales to integrate international activities into the daily lives of learners and staff to enrich and enhance their teaching and learning experiences. An Internationalisation Strategy was produced in 2021 and provides a framework for international activities in the sector from 2022-26.

CollegesWales International coordinates and submits pan Wales consortium applications for overseas mobility funding on behalf of the FE colleges in Wales. Taith, Welsh Government's new international learning exchange programme, the Turing Scheme, the UK government's programme, and existing Erasmus+ funding (to be used by 31/12/2023) support these opportunities for college leaders, tutors and support staff as well as FE learners and apprentices.

Taith 2022 (staff and blended learner mobilities)
Funding was approved in July 2022 for 340 FE staff and 52 FE learners to undertake overseas mobilities across the world. The project will end on 31 August 2023.

Turing Scheme 2021 (learner)
This project enabled 183 FE learners to undertake 2 – 3 week study/volunteering/work experiences worldwide. The project ended on 31 August 2022.

Erasmus+ 2020 (learner)
Funding was approved in July 2020 to enable 876 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2020 (staff)
Funding was approved in July 2020 to enable 30 staff from FE colleges and other appropriate organisations in Wales to undertake 4-day study visits to Ireland, Norway, and Austria. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2019 (learner)
This project enabled 160 learners to undertake 2-week work placements in Europe. The project ended on 31/8/2022.

Erasmus+ 2019 (staff)
This project enabled 17staff from FE colleges and other appropriate organisations in Wales to undertake a 4-day study visit to Stuttgart, Germany. The project ended on 31 August 2022.

Erasmus+ KA2 – CollegesWales International is a partner in a Key Action 2 project led by CIPFP La Costera in Valencia, Spain. The project runs from December 2019 to October 2022 following an extension due to Covid-19. There are 9 partners in the project that focuses on the development of a partner search web platform called Erasmobility.

CQFW Alignment Contract
Welsh Government funding was received from April 2020 – March 2021 and from April 2021 to March 2022 to ensure continued alignment of the Credit and Qualifications Framework for Wales (CQFW) to the European Qualifications Framework (EQF) and to other UK National Frameworks.

Active Wellbeing

In partnership with Sport Wales, ColegauCymru is the lead organisation for sport, physical activity and volunteering in FE colleges in Wales, raising the profile of sport, physical activity and volunteering through college projects and promoting elite college sport.

During 2021/22 further development of Active Wellbeing at a strategic and delivery level continued, this included wider investment from Welsh Government via FE Mental Health and Wellbeing funding and the Winter of Wellbeing project.

2021/22 Achievements

- 6000+ FE learners participating in project funded activity - unique attendees.
- Welsh Government mental health funding criteria now supporting Active Wellbeing as an intervention
- Winter of Wellbeing funding – Sport Wales secured £236k, project successfully completed.
- Winter of Wellbeing funding – Welsh Government supported by Colegau Cymru £1.2million, project managed by Colegau Cymru in partnership with colleges.
- Welsh Government funding of £65k for Active Wellbeing national projects (research and events) Managed by Colegau Cymru.
- Strategic guidance leading to colleges employing new staff including students to support project delivery and expanding delivery to new campuses.
- Engagement work with Welsh Government Sport Policy and Post 16 teams including ministerial visits to events.
- Research projects funded by Sport Wales and Welsh Government published – including the impact of the pandemic on sports learners and developing a better understanding of the connection between activity and wellbeing.
- Funding from Welsh Government to further develop Active Wellbeing research as a national strand of the mental health project.
- An increase focus on those groups potentially more affected by the pandemic.
- Strategic level support for colleges on return to sport and physical activity after the pandemic.
- Organising a safe return to competitive sport and events including FE Multisport Pembrey, AoC Sport National Championships, Regional Competitions and WOW related events.

Representing the FE sector as part of Sport Wales CSAP programme moving to the regionalisation of community sport in Wales.

Welsh and Bilingual Projects

Cymraeg Gwaith
The aim of the Cymraeg Gwaith scheme is to strengthen Welsh language skills in the workplace. The scheme is funded by the Welsh Government and developed by the National Centre for Learning Welsh. The Further Education and Higher Education Welsh Language Scheme is co-ordinated by the Coleg Cymraeg Cenedlaethol in partnership with ColegauCymru.

The aim of this scheme is to give staff in universities and colleges of further education the opportunity to develop their language skills to enable them to increase their use of Welsh in the workplace. The scheme is open (and free) to staff of universities and colleges of further education in Wales of all abilities, whether they are new or advanced learners.

During 2021/22 eleven colleges were part of the project with a target of 400 individuals undertaking 120 hours of Welsh during the year. The increase was due to the introduction of the self-study course which offered an additional route for staff to follow. During 21/22 467 staff registered on the course, however not all progressed on the self-study course. Following discussions with the Ganolfan, the completion date for the self-study course was revised and staff now have 15 months to complete. The project funding has been agreed from 1st April 2022 – 31st March 2023.

Additional Learning Needs
ColegauCymru is running a Welsh Government funded project to support and challenge colleges as they prepare for the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act in September 2023. As part of this, an ALN (Additional Learning Needs) Implementation Lead has been employed. On behalf of Welsh Government, ColegauCymru is also coordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to develop guidance on running supported internships as well as promoting effective quality systems within ILS provision.

As part of the support to colleges as they prepare for the implementation of ALNET, ColegauCymru has:

- Worked with transformation leads, LAs, FEIs, health boards and the third sector within the four regions to promote partnership.
- Delivered several on-line events to support the development of stakeholder policies.
- Worked with partners to deliver training programmes that enhance the skills of ALN staff.
- Worked with the sector and others to improve a national ALN Pathfinder information website.
- Worked with a Welsh university to develop a bespoke Masters Certificate in Autism (this has resulted in 70 staff from the 13 colleges achieving this specialist qualification).
- Produced and shared a number of key documents to support college ALN development.
- Developed a Hwb project sharing site to ensure all colleges can benefit from the development work going on across the Principality.
- Delivered ALN updates to governing boards and senior management teams across Wales.
- Established cluster groups to support colleges with current and future ALN developments.
- Organised ALN legal workshops to support understanding of the ALN Code and regulations.

Independent Living Skills (ILS)
ColegauCymru secured grant funding from Welsh Government to continue the ILS project to support colleges with the roll out of the new curriculum for ILS learners. The project supported the development of a set of standards and guidance for the delivery of supported internships as well as developing and implementing a system of peer review for ILS programmes based on RARPA principles. The project also enabled the continuation of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act

Review of leadership in PCET
ColegauCymru secured grant funding from the National Academy for Educational Leadership (NAEL) and contracted the Learning and Work Institute to undertake a review leadership in the Post-compulsory Education and Training (PCET) sector and to provide a series of independent recommendations for policy-makers and organisations. The review focused on the size and characteristics of the leadership population in post-16; recruitment, retention, talent management and succession planning; the nature of the current professional learning 'offer' to leaders – and what is needed; barriers (real and perceived) to entering leadership roles, progressing through to senior leadership, and staying in leadership roles and leaders' experience of their own and others' wellbeing.

The final report was completed in July 2022 and the recommendations were discussed at the Principals' Forum in November.

Review of FE lecturer workload phase 3
ColegauCymru was awarded grant funding from the Welsh Government to continue its coordination of the national social partnership steering group for workload review. The project enabled colleges to co-ordinate an in-depth evaluation to examine the impact of workload issues on the wider workforce. The workload project phase 3 supported the continuation of the independent consultant to chair a steering group, hosted by ColegauCymru and provide grant funding to each of the further education institutions (FEIs) and support them to create their action plans in collaboration with their local social partnerships.

Knowledge Transfer Scheme

ColegauCymru received funding from the Welsh Government to undertake an evaluation of the Knowledge Transfer Scheme (KTS). Delivered by all colleges across Wales, the KTS was a new concept aimed at funding the delivery of 'masterclasses' and/or research projects designed to accelerate and build expertise for staff and increase learners' knowledge and learning experience in subjects such as digital, green skills, retrofit construction and engineering. The aim of KTS was to bring in industry expertise with the express purposes of delivering new content and concepts, as opposed to teaching the current curriculum, this may in turn

lead to development of new programmes of learning and lead to better learner experience. In addition to the evaluation, ColegauCymru undertook the coordination of the individual projects ensuring that there was value for money in each one, identifying and reporting underspends within each project, and ensuring alignment with local, regional, and national needs.

Future Plans and Activities

ColegauCymru will continue to monitor and influence, as far as possible, the establishment of, and transition of the sector into the Commission for Tertiary Education and Research, following the passage of the Tertiary Education and Research (Wales) Act, as well as the Social Partnerships Bill, along with other emerging legislation or proposals.

Since the UK has left the European Union, Wales must continue to maintain and develop international links by playing an active role in the continuous development of a common framework for improving transparency across European VET (Vocational Educational Training) systems. ColegauCymru has played an active role in advising the Welsh Government on developments in these initiatives to ensure that FE in Wales is connected to key regions and partner organisations across the world.

The UK continues to benefit from Erasmus+, until the end of the current budget plan (2014-2020) Following the impact of Covid-19 on overseas travel and, due to project extensions, we will continue to undertake staff and learner Erasmus+ visits until the end of 2023. ColegauCymru will also continue to extend its international work through Taith, Welsh Government's international exchange programme and The Turing Scheme, the UK government's mobility programme. The FE sector will also be included in Global Wales 3 programme alongside Higher Education and will continue to explore avenues to achieve some of the aims within its Internationalisation Strategy.

ColegauCymru will continue to work closely with Sport Wales, key stakeholders, and colleges to ensure that the FE sector is well placed in terms of future developments around active wellbeing. This includes facilitating projects funded by Welsh Government to support FE settings to promote physical, mental, and emotional wellbeing through increased access to creative, sporting, and cultural activities.

A key objective for ColegauCymru for 2022/23 will be to align our resources and activities to new and emerging challenges, including the likelihood of tighter public spending, the establishment of the new Commission for Tertiary Education and Research, and to the outcomes of the Vocational Qualifications Review, whilst also looking ahead to how we influence longer term system change. We will work closely with Members over the coming year to continue to enhance our relationships with Ministers and other key stakeholders. ColegauCymru will ensure that Members are kept abreast of key issues and remain focused on delivering Members' priorities for the benefit of learners and the wider communities in Wales.

The ColegauCymru Policy and Communications Team will continue to advocate for position change for learners and staff in the FE sector with consultation responses, briefings, correspondence to and meetings with Ministers, Cross Party Groups and working with a range of other policy organisations.

GOVERNANCE REPORT

The Governance Report provides information on the membership of its Board, Committees and recent changes to its constitution and governing document.

Board of Directors

	CHAIR – GUY LACEY CEO/PRINCIPAL, COLEG GWENT JOINED: JULY 2018 Guy was appointed CEO/Principal of Coleg Gwent in August 2015. Guy graduated from Oxford Brookes University and has post graduate qualifications in Secondary Education from Bath University. Guy has spent over 25 years in a number of UK schools and colleges and has gained knowledge of a wide range of approaches to the delivery of skills and training to meet the needs of young people and adults. In addition, Guy worked as a GCSE examiner for the University of Cambridge examinations syndicate and worked as a peer inspector with Estyn for over ten years. Email Address: Guy.lacey@coleggwent.ac.uk Tel: 01495 33501
	DEPUTY CHAIR – SIMON PIROTTE CEO/PRINCIPAL, BRIDGEND COLLEGE JOINED: 4 JANUARY 2020, Resigned 31 December 2022 Simon is Principal and Chief Executive of Bridgend College, rated as 'excellent' by Estyn (March 2016). Estyn commented that *"the Principal provides inspiring leadership that has had a significant impact on the transformation of the College"*. Simon is the winner of the 2018 Institute of Directors (UK) Director of the Year for the Public Sector. Bridgend College has achieved several prestigious awards including WhatUni UK FE College of the Year for Higher Education (2018); a UK AoC Beacon Award for Leadership and Governance (2018) and Apprenticeship Provider of the Year for Wales, Scotland, and Northern Ireland (2018). Bridgend College is the highest ranked FE College in the UK in the Times 100 Best Companies to work for in both 2017 and 2020. In 2019, Bridgend College was named Times Educational Supplement College of the Year. He has worked in the education sector for over thirty years. This includes work in the Higher Education, Further Education and School sectors. He has also worked as a Head of Department in Los Angeles, USA on a year long Fulbright Scholarship. Simon sits on the Advisory Board for Academi Wales and is a Board member of National Theatre Wales. Email Address: spirotte@bridgend.ac.uk Tel: 01656 302 405



DIRECTOR/TRUSTEE – JEFF GREENIDGE
CHAIR, LEARNING AND WORK INSTITUTE
JOINED: 1 AUGUST 2019

Jeff's career in education and training began as a teacher in the South Wales Valleys, then as a civil servant developing the National Curriculum for Modern Languages. He spent three years training PGCE students at Swansea University followed by a spell in developing European vocational and mobility initiatives at the WJEC. Jeff joined Ufi in 1999 to help set up the first UK national network of learning online centres (learndirect). After managing the UK online learning delivery, Jeff left learndirect in 2015 to set up coaching and entrepreneurship programmes for individuals and businesses. He maintains a keen interest in supporting adults in learning and is on the Board of a number of UK Education and Training think Tanks.

Email Address: jdgee11@aol.com
Tel: 07740064663



DIRECTOR TRUSTEE – LOUISE CASELLA
JOINED: 1 AUGUST 2019

Louise joined the OU in January 2018 as Director of The Open University in Wales where she leads the strategic management, development and growth of the OU in Wales and is a member of the Vice Chancellor's Executive.

Prior to joining the OU Louise worked as an independent management consultant and interim manager, and assignments included periods at Stirling University, and at Wrexham Glyndwr University where she was Pro Vice-Chancellor for 18 months, supporting the university's recovery to a position of financial stability and academic vitality. Louise's substantive career was built at Cardiff University, where she held posts as Head of Planning, Senior Executive and Head of the Vice Chancellor's Office, chairing the professional services group and becoming Director of Strategic Development between 2004 and 2012.

Louise has held a variety of national NED, trustee and advisory roles including being a member of the CBI Wales Council for 10 years, a member of the Audit & Risk Committee for Sport Wales, and a trustee of the Millennium Stadium Charitable Trust. She also served on the Ministerial Review of Higher Education in Wales (2008-09) and has been an NED of the Office of the Independent Adjudicator for Higher Education, a member of the Higher Education Bursary and Scholarship Scheme UK board, a Trustee of Wrexham Glyndwr Students Union.

In September 2020, Louise was appointed by the Education Minister in Wales to Chair the Independent Review of Qualifications in Wales to consider arrangements for summer 2021.

Email Address: louise.casella@open.ac.uk

Tel: 07808 581145



DIRECTOR/TRUSTEE – DR PAUL SMART
JOINED: 4 JANUARY 2021

Vice Chair of Governing Body Coleg y Cymoedd
(Chair of Resources Committee)

Having graduated with a BSc and PhD in Engineering, Paul commenced his career in Operational Research in both the gas and steel industries. He subsequently joined the UK manufacturing plant of an International Cosmetics company where he worked as both a Production Manager and Head of Human Resources. He subsequently took a role in the company's headquarters as UK Human Resources Director for Operations, Supply Chain, Finance, and IT.

After 37 years with the company, Paul has now retired but still works part-time as the company's Pension Liaison Manager and as a Pension Fund Trustee.

Paul has been a Governor of several FE colleges over a period of more than 20 years.

Email: pmsmart@aol.com



DIRECTOR/TRUSTEE – DR RHIANNON EVANS
JOINED: 24 NOVEMBER 2021

Dr Rhiannon Evans is a Senior Lecturer at Cardiff University. She is a member of the executive management team at the DECIPHer research centre, which focuses on the health and wellbeing of children and young people. She has extensive methodological expertise in intervention evaluation research, particularly in educational settings. Her substantive research interests focus on the promotion of mental health and wellbeing, in addition to the prevention of self-harm and suicide. She had led and supported national evaluations of education-based mental health services, including MHFA training for secondary-school staff and counselling provision. She has a particular focus on educational and health inequalities, notably outcomes for care-experienced children and young people.

Email: EvansRE8@cardiff.ac.uk



DIRECTOR/TRUSTEE – Suzy Davies
JOINED: 24 NOVEMBER 2021

Following a career in arts marketing, Suzy Davies worked as a solicitor in Mid Wales before being elected to the Senedd in 2011. She has served on several Senedd committees including those covering education, skills, Welsh language and Brexit. She was Shadow Education Minister during the passage of the Curriculum Bill and was directly involved in scrutiny of education legislation and policy during her ten years in Cardiff Bay.

Suzy has volunteered and been a board member for several small Welsh charities and been a school governor. A founder member of the Welsh International Film Festival, she is currently a board member of the International Iris Prize LGBT+ Film Festival and Chair of the Wales

	Tourism Alliance. A campaigner for more women in public life, she continues to mentor for Women's Equality Network Wales and Ethnic Youth Support Team. Email: suzy.davies.private@gmail.com
	DEPUTY CHAIR – LISA THOMAS CEO/PRINCIPAL, THE COLLEGE MERTHYR TYDFIL JOINED: 4 JANUARY 2023 Appointed as Principal and Chief Executive at the College Merthyr Tydfil in September 2018, Lisa joined the FE sector as Assistant Principal in September 2012. Lisa is a qualified teacher and has a Masters Degree in Education. Beginning her career as a History teacher in 1993 Lisa has over 25 years experience of leadership and management roles within secondary and further education and local government. As a member of Colegau Cymru, Lisa has represented the sector on a number of Welsh Government working groups and played an influential role in shaping government policy regarding the FE sector in Wales. She is also an experienced ESTYN peer inspector Email: l.thomas1@merthyr.ac.uk

No director/trustee held any shares in the company at any time during the year.

Committees of the Board of Management

Audit Committee	Jeff Greenidge (Chair) appointed August 2019, Lynda Astell, Kath Coughlin (resigned) and Kathryn Robson.
Search Committee	Jeff Greenidge and Louise Casella and Rachel Cable

The directors of the subsidiary company were appointed by and from ColegauCymru's Board. On 30 November 2020 it was agreed to implement a common board for both companies and this was put into effect on 4 January 2021. The directors of the subsidiary during the period were as follows:

Guy Lacey (Chair)
Simon Pirotte (resigned)
Louise Casella
Jeff Greenidge
Paul Smart
Rhiannon Evans
Suzy Davies
Lisa Thomas (appointed 4 January 2023)

All directors/trustees give their time voluntarily and receive no personal benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Roles and Key Responsibilities

The Board is collectively responsible for the charity's long-term success. The Board sets its strategic aims, monitors the performance of management against the strategic aims, ensures good governance, assesses its risk appetite and ensures that effective controls are in place in the business.

The Chair, Guy Lacey plays a key role in helping to ensure a unified Board, facilitating meetings, and ensuring good governance. Meeting agendas are agreed in consultation with the Chief Executive and Company Secretary, although any Director may request that an item be added to the agenda.

Beyond matters reserved for the Board, the Chief Executive, David Hagendyk has primary responsibility for managing the day-to-day affairs of the charity and is supported by a senior team in implementing strategy and day to day management.

Activities

During 2021-22, the areas of focus for the Board included:

- Review of current Corporate Plan and development of a new operational plan
- Review of funding, income, and expenditure to continue to ensure the long-term financial sustainability of the organisation
- Ongoing scrutiny of risk management within the organisation
- Review and update policies to ensure compliance with current statutory responsibilities and a healthy, respectful, and innovative workplace.

Constitution

Under the Articles of Association, the Chair and Deputy Chair of the CEO/Principals' Forum are appointed the Chair and Deputy Chair of the charity Board In accordance with the Articles of Association, the Board comprises of a minimum of five and a maximum of seven Trustees which may include up to two Chairs of Governing Bodies and up to three independent external professionals may be appointed Trustees. If there are vacancies, the Board may Co-opt Trustees provided the total number of Trustees does not exceed seven. The Chair and Deputy Chair shall serve concurrently for two years whilst the other Trustees may serve for an initial three years, with the option to seek re-appointment for a further three-year term. Due to the continuing impact of Covid-19 it was agreed to extend the term of office for the Chair and Deputy Chair to 31 December 2022. The Chair, Guy Lacey, has since been reappointed for a further term of office and a new Deputy Chair, Lisa Thomas, appointed from January 2023.

The Chair and Deputy Chair of the Board along with an independent member is responsible for conducting the CEO's annual performance review and make recommendations to the Board, which is responsible for setting the CEO's remuneration package.

Induction and Development

The Trustees receive an information pack on their legal obligations under charity and company law. To assist them in carrying out their duties all Trustees are expected to meet the standards set out in the charity's Corporate Governance Code which aims to promote effective and well-informed governance.

Conflicts of Interest

All Trustees must immediately disclose conflicts, or potential conflicts, of interest. In addition, all Trustees sign an annual declaration and disclose their external appointments. Directors also let the Chairperson and Company Secretary know of any pending appointments and announce any new external appointments at the next Board meeting so that all the Board are made aware.

Board Meetings and Attendance

In 2021-22, the Board held four scheduled meetings. All directors are expected to attend meetings of the Board and of those Committees of which they are a member. When a Director is unable to participate in a meeting, the Chair will seek their views on key items ahead of the meeting so that these can be added to the discussion.

Risk Management

The Board has overall responsibility for the operation and effectiveness of the charity's system of internal controls and risk management. The system of controls is designed to manage the risk of failure to achieve business objectives, and comprises audited policies and procedures aimed at identifying and managing the most significant risks faced by the business.

The Trustees are of the view, that there is an ongoing process for identifying, evaluating and managing significant risks faced by ColegauCymru and that this process has been in place during the reporting period.

Delegated authority is granted to the following committees that operate under agreed terms of reference:

Audit Committee - to consider detailed reports together with recommendations for the improvement of systems of internal control and management's responses and implementation plans. The Committee meets at least twice a year, with the external auditors in attendance if requested.

Search Committee - the role of the Committee is to review the succession planning for the Board and to put in place processes to address this, reporting to the main Board.

The Board receives reports from the Chief Executive and the Audit Committee regarding risk and control issues and how it plans to address these issues.

Governing Document

ColegauCymru is a charitable company limited by guarantee and registered as a charity in January 1997. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charity being wound up after all its debts and liabilities have been satisfied and there remains any property, it shall not be paid to or distributed among the Members of the charity. Instead, shall be given or transferred to some other charity or charities having similar objects which prohibits the distribution of its income and property by its charity members at or before the time of dissolution and if that cannot be done then to some other charitable object.

Financial Review

Total income for the group was £3,257,432, an increase of £1,524,938. The level of grant income received during the year significantly increased following a fall in the previous year due to the impact of Covid-19

The group made a surplus of £712,154 (2021: 481,358) after an actuarial adjustment on the defined benefit pension scheme. No pension asset or liability was recognised at the end of the year (2021 a liability of £262,000).

Principal Funding Sources

ColegauCymru continued to be funded through college subscriptions during the year at a level sufficient to meet the budgetary requirements agreed by the Board. ColegauCymru received £830,391 funding through membership subscriptions from colleges and FE institutions.

Going Concern Accounting Policy

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Investment Policy

In 2008 it was agreed that an investment should be made by the purchase of new office accommodation more suited to the needs of the charity. This took place on 20 August 2008 and constituted a major investment for the charity. However, the trustees are conscious of the need to also retain funds in a liquid form to meet the requirements of the charity. The trustees closely monitor the returns of the investments.

To secure the funds of the charity all investments are made in the company name. The trustees, having considered the operating requirements of the charity and the reserves policy have, for the purpose of security, adopted the policy of holding funds in an interest-bearing account with the balance placed on treasury deposit with a major clearing bank. The use of treasury deposits seeks to achieve the best interest rate possible for the funds with no risk attached, however due to the low rates of return on the current investment the policy is to be reviewed and updated.

Reserves Policy

ColegauCymru is aware of the need to secure its viability beyond the immediate future and is committed to providing services over the longer term. To continue long term operations, it is necessary to be able to absorb unforeseen setbacks and be able to take advantage of opportunities which arise. To fulfil this requirement, the retention of adequate reserves is necessary. The target level of reserves which ColegauCymru should retain have been identified as follows:

Capital Reserve	To provide funds to meet the existing and future capital spend requirements of ColegauCymru.
Investment Property	Fair value revaluation on Freehold and Investment Property.
Critical/Closure Costs	To retain funds to meet the closure costs which would be incurred should ColegauCymru cease operations. This would allow for a managed cessation of operations and includes

- Notice of termination and redundancy costs for staff
- servicing equipment leasing arrangements
- building insurance
- building maintenance until such time as a sale can be agreed. A two-year period has been allowed for the sale of the property. It is proposed that the sale of the property will be used to meet the liabilities of the LGPS (Local Government Pension Scheme) pension scheme.

Strategic Reserve — To meet the costing requirements of any strategic items identified within the designated reserves

Free Reserves — To target free reserves, equivalent to six months operating costs, currently circa £580,000 to enable the completion or wind up of project and other activities

The ColegauCymru reserves policy is regularly reviewed by the Board of Directors to assess the values contained within and to ensure that it continues to meet the requirements of the charity.

The Directors have recognised the importance to the company of retaining the membership of all the colleges in Wales and of actively pursuing a policy to ensure that the company recognises the needs of the whole sector and caters for them appropriately.

They also recognise the importance to the company of winning bids for projects and research, both in terms of prestige and financial security and conversely the risks involved if the company is unsuccessful in this area.

Fforwm Services Limited

Fforwm Services Limited was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of service contracts in areas relevant to the parent charity, CPD training for college staff and the wider post-16 education sector, property and equipment leasing. 2021/22 was a further year of change for the organisation with an increase in the previous year's contract service activity in Fforwm Services Ltd. The Directors are satisfied with the overall performance of the company during the year as the global pandemic restricted opportunities to seek out additional income. In future the company plans to continue to participate in contracted services and utilise conference events to provide additional income whilst supporting its policy objectives.

The company made a surplus for the year on ordinary activities of £8,885 (2021: loss of £3,326). A distribution of £8,100 (2021: £NIL) has been made to Colleges Wales / ColegauCymru Ltd.

During the year the company's turnover increased to £115,340 (2021: £81,470). A decision was taken not to hold an annual conference or CPD events during the year.

Limited by Guarantee

The company is limited by guarantee and as such has no shareholders. The members of the company are Wales' FE colleges and institutions.

Related Parties

Due to the nature of the organisation, its membership and the composition of the Board, it is inevitable that transactions will take place with company members. All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

TRUSTEES' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law that Directors have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charity SORP
- make sound judgments and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the trustees are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the charitable company's auditors are unaware, and each trustee has taken all the steps that he ought to have taken as a Trustee to make himself aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

Subject to a diligent tendering process, Bevan Buckland LLP were appointment external auditors for a three year period, the ColegauCymru Board formally approved their appointment on 17 November 2022 following the option to extend the contract which was actioned in 2020 and a decision taken by the Board to extend the contract for a further one-year period to cover the 2020/21 financial statements due to the continuing restrictions caused by Covid-19.

This report has been prepared in accordance with the Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and in accordance with the provisions applicable to companies subject to small companies' regime of the Companies Act 2006.

By Order of the Board

Chair of the Board
Date
Guy Lacey

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number:	2832103
Registered Charity Number:	1060182
Registered Office and operational address:	Unit 7 Cae Gwyrdd Greenmeadow Springs Tongwynlais Cardiff CF15 7AB
Auditors:	Bevan Buckland LLP Ground Floor Cardigan House Castle Court Swansea Enterprise Park SA7 9LA
Solicitors:	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
Bankers:	Barclays Bank plc PO Box 69 Cardiff CF1 1SG

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2022

Opinion

We have audited the financial statements of Colleges Wales / Collegau Cymru Limited (parent charity) and its subsidiary (the 'group') for the year ended 31 July 2022 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United KIngdom Generally Accepted Accounting Practice)

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charitable company's affairs as at 31 July 2022 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, 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 under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

· enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

· identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

· detecting and responding to the risks of fraud and whether they have knowledge of any actual. suspected or alleged fraud;

· the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

· discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:

· Management override of controls

· obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

· reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

· enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

· reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and

· in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

· assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

· evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
INDEPENDENT AUDITORS' REPORT
TO THE TRUSTEES OF COLLEGES WALES / COLEGAU CYMRU
FOR THE YEAR ENDED 31 JULY 2022

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in an auidtors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Michael Jones (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: ....17/4/2023.....

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AND CONSOLIDATED INCOME EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

	Note	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
INCOME AND ENDOWMENTS FROM					
Charitable activities:	2				
Annual subscriptions		830,391	-	830,391	660,844
Advancement of education for the benefit of the general public		17,164	2,276,698	2,293,862	979,663
Other trading activities:					
Commercial trading operations	5	115,340	-	115,340	81,470
Investments	3	17,839	-	17,839	10,517
Total income		**980,734**	**2,276,698**	**3,257,432**	1,732,494
EXPENDITURE ON					
Charitable activities					
Advancement of education for the benefit of the general public	6	684,572	2,282,219	2,966,791	1,757,319
Other trading activities:					
Commercial trading operations	5	106,487	-	106,487	84,817
Total expenditure		**791,059**	**2,282,219**	**3,073,278**	1,842,136
NET INCOME / (EXPENDITURE)		**189,675**	**(5,521)**	**184,154**	(109,642)
Transfers between funds		**(5,521)**	**5,521**	**-**	-
OTHER RECOGNISED GAINS / (LOSSES)					
Fair Value Adjustment		**160,000**		**160,000**	-
Actuarial gain / (loss) on defined benefit scheme		**368,000**	-	**368,000**	591,000
Net movement in funds in year		**712,154**		**712,154**	481,358
RECONCILIATION OF FUNDS					
Total funds brought forward	15	**925,218**	-	**925,218**	443,860
TOTAL FUNDS CARRIED FORWARD	15	**1,637,372**	-	**1,637,372**	925,218

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO. 2832103
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	10		316,071		409,724
Investment Property	11		275,000		115,000
			591,071		524,724
CURRENT ASSETS					
Debtors	13	336,948		194,202	
Cash at bank and in hand		2,363,899		1,771,949	
		2,700,847		1,966,151	
CREDITORS: amounts falling due within one year	14	(1,654,546)		(1,303,657)	
NET CURRENT ASSETS			1,046,301		662,494
TOTAL ASSETS LESS CURRENT LIABILITIES			1,637,372		1,187,218
Defined pension scheme liability	20		-		(262,000)
TOTAL ASSETS			1,637,372		925,218
Represented by:					
FUNDS					
Unrestricted funds	15		1,637,372		925,218
Restricted funds	15		-		-
			1,637,372		925,218

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 29 to 55 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 17/4/2023 and signed on their behalf by:

.....

Guy Lacey - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
Company Number: 2832103
(Limited by Guarantee)
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	9		314,867		406,896
Investment Property	11		275,000		115,000
Investments	12		100		100
			589,967		521,996
CURRENT ASSETS					
Debtors	13	684,801		194,763	
Cash at bank and in hand		1,969,924		1,750,410	
		2,654,725		1,945,173	
CREDITORS: amounts falling due within one year	14	(1,620,135)		(1,291,978)	
NET CURRENT ASSETS			1,034,590		653,195
TOTAL ASSETS LESS CURRENT LIABILITIES			1,624,557		1,175,191
Defined pension scheme (liability) / asset	20		-		(262,000)
TOTAL ASSETS			1,624,557		913,191
Represented by:					
FUNDS					
Unrestricted funds	15		1,624,557		913,191
Restricted funds	15				-
			1,624,557		913,191

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 29 to 55 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on ...17/4/2023... and signed on their behalf by:

.....

Guy Lacey - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

	Note	2022 £	2021 £
Net cash inflow / (outflow) from operating activities:		**595,718**	**6,357**
Cash flows from investing activities:			
Interest received		**975**	**247**
Capital expenditure		**(4,741)**	**(1,698)**
Net cash used in investing activities		**(3,766)**	**(1,451)**
Change in cash and cash equivalents in the reporting period		**591,952**	**4,906**
Cash and cash equivalents at the beginning of the reporting period		**1,771,947**	**1,767,041**
Cash and cash equivalents at the end of the reporting period		**2,363,899**	**1,771,947**

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2022

1 Reconciliation of net consolidated incoming resources for the year to net cash inflow from operating activities

	2022 £	2021 £
Net income for the year before taxation	184,154	(109,642)
Depreciation charge	27,102	29,356
Property Impairment	71,293	
(Increase) / Decrease in debtors	(142,745)	41,576
(Decrease) / Increase in creditors	350,889	(67,686)
Interest received	(975)	(247)
Defined benefit pension scheme contributions	(156,000)	(146,000)
Defined benefit pension scheme operating cost	259,000	249,000
Net finance expenses from the pension scheme	3,000	10,000
Net cash inflow / (outflow) from operating activities	**595,718**	**6,357**

2 Analysis of changes in net fund

	At 31 July 2021 £	Cash Flows £	At 31 July 2022 £
Cash at bank and in hand	1,771,947	591,952	**2,363,899**

1. PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting and assessment of going concern
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)' (Effective 1 January 2019), Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the group's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Basis of consolidation
The financial statements consolidate the results of the charity and its wholly owned subsidiary Fforwm Services Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming Resources
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscription fee income is accounted for on an accruals basis and is recognised in the period of membership.

Income from courses and conferences is recognised when the respective event occurs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Allocation of support costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Resources expended
Expenditure is recognised on an accrual basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, and its services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity. All costs allocated between the expenditure categories of the SOFA are on a basis designed to reflect the use of the resources. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. A note of these costs are detailed in note 6.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Tangible Fixed Assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic life of the assets as follows:

Buildings	50 years*
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	10 years

* Buildings - The building was subject to an impairment charge in 2014/15. Following this the revised value of the property was depreciated on a straight line basis over the remaining 43 years.

Investment property

Mixed use property are required to be shown between freehold property and Investment property, the proportion of Investment property has been valued based on a square foot use and then adjusted to its fair value.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal

Financial Instruments
The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial Instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Basic Financial Liabilities
Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pension
Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from the employees services. The Charity pension scheme is a defined benefits scheme.

The Charity participates in the Cardiff and Vale of Glamorgan Pension Fund, a defined benefit scheme for employees. The assets of the scheme are held separately from those of the charity. Many of the key financial assumptions are derived from the yields on AA rated corporate bonds or from yields on Government bonds with the objective of reflecting a best estimate of future experience.

The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension scheme assets are valued at the market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

Fund accounting
The various types of funds for which the Charity is responsible and which require separate disclosure, are as follows:

Unrestricted funds
Funds which are expendable at the discretion of the directors in furtherance of the objects of the charity.

Restricted funds
Subscriptions and grants whose use is restricted to purposes specified by the donor. Such purposes are within the overall aims of the organisation.

Irrecoverable VAT
All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Foreign Currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Leases
Rentals receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Legal Status of the charity
The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Taxation
The Company is registered as a Charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Its subsidiary company, Fforwm Services Limited, gifts their surplus to its holding company. Any surplus remaining is subject to corporation tax.

Employee Benefits
The group provides a range of benefits to employees, including paid holiday arrangment and defined benefit and defined contirbution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Accounting estimates and key judgements
Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Retirement benefit liabilities - as disclosed in note 20. Year end recognition of the liabilities under these schemes and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, key financial market indicators such as inflation and expectations on future salary growth and asset returns. These assumptions are made by the Charity in conjunction with the schemes' actuaries. For each 0.1% change in the discount rate net of inflation, the carrying amount of pension obligations would change by an estimated £56,000.

2 Charitable Activities - Group	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Annual subscriptions:				
General subscriptions	704,119	-	704,119	546,818
EU/International subscription	61,155	-	61,155	57,518
Sports subscription	65,117	-	65,117	56,508
Advancement of education for the benefit of the general public:				
Representational Activities	5,192	-	5,192	63,347
Research/Project Activities	11,972	2,276,698	2,288,670	916,316
Training Activities	-	-	-	-
	847,555	2,276,698	3,124,253	1,640,507

3 Investments - Group	Unrestricted funds	Restricted funds	Total 2022	Total 2021
Bank Interest	975	-	975	247
Rental Income	16,864	-	16,864	10,270
	17,839	-	17,839	10,517

4 Results of the Parent Company

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 . The parent company's gross income and deficit for the year are as follows:-

	2022	2021
Gross Income	3,143,060	1,651,003
Deficit before actuarial gains/(losses) on pension scheme	353,559	(106,314)

5 Commercial trading operations and investment in trading subsidiary

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, development courses and property and equipment leasing. The net assets of the subsidiary are £19,916 (2021: £12,031).

The trading results are shown below :	2022 £	2021 £
Turnover	115,340	81,470
Cost of sales	(96,129)	(74,431)
Gross profit	19,211	7,039
Administrative expenses	(10,358)	(10,386)
Operating profit	8,853	(3,347)
Interest receivable and similar income	32	21
(Loss) / Profit on ordinary activities	8,885	(3,326)
Tax on profit on ordinary activities	-	-
(Loss) / Profit for the financial year	8,885	- 3,326
Retained earnings at beginning of year	12,031	15,357
Dividends	(8,100)	
Retained earnings at end of year	12,816	12,031

These results are wholly included in the consolidated financial statements

6 Resources expended - Group

	Basis of Allocation	Representation & Support	Research & Dev, Inc Projects	Management & Governance	2022	2021
					£	£
Costs Directly Allocated to Activities						
Educational Advancement	Direct	185	1,835,786	-	1,835,971	669,198
Staff costs	Direct	378,219	479,881	22,030	880,130	909,350
Travel	Direct	2,368	3,303	2,480	8,151	1,318
Support costs Allocated to Activities						
Accommodation	Staff time	8,443	11,778	541	20,762	16,006
Administration & Bank Charges	Staff time	19,544	22,968	1,054	43,566	42,464
Fees and charges	Staff time	22,874	31,909	8,430	63,213	79,820
Public affairs and other costs	Staff time	18,594	-	-	18,594	12,012
Depreciation	Staff time	10,212	14,245	654	25,111	27,151
Property Impairment	Staff time	29,230	40,637	1,426	71,293	-
Total Resources Expended		489,669	2,440,507	36,615	2,966,791	1,757,319

7 Directors and employees - Group

No trustees received any remuneration for their services to the company in 2022 or 2021.

No trustees received travel and subsistence expenses in 2022 and 2021.

The average number of persons employed by the company during the year was 15 (2021: 14).

Staff costs for the above consisted of :	**2022**	2021
	£	£
Wages and salaries	**120,307**	**292,520**
Salaries, Social Security & Pension costs allocated to projects	**362,369**	**298,506**
Pension actuary adjustment	**106,000**	**113,000**
Pension costs	**155,071**	**148,361**
Social security costs	**57,543**	**56,961**
Recruitment costs	**30,092**	**-**
	831,382	**909,348**

Emoluments of higher paid employees (excluding pension contributions):	**2022**	2021
£100,000 to £110,000	**1**	1

The Pensions Contributions relating to the highest paid employee amount to £25,923 (2021: £29,837)

During the year the total employee benefits received by key management personnel amounted to £109,957 (2021: £143,202).

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2022	2021
Representation & Support	**9**	9
Research & Development, inc. Projects	**5**	4
Governance	**1**	1
	15	14

8 Net incoming / (outgoing) resources - Group

	2022	2021
Net incoming / (outgoing) resources are stated after charging / (crediting) the following :	**£**	£
Depreciation on owned tangible fixed assets	**27,102**	29,356
Operating lease rental:		
Land and buildings	**45,250**	44,250
Auditors' remuneration:		
Audit work (group & companies)	**6,750**	6,750
Non-audit work	**6,167**	6,167
Legal and professional fees	**12,334**	12,334

9 Analysis of pension costs charged to the Statement of Financial Activities - Group

	2022	2021
	£	£
Current service charge	259,000	249,000
Total operating charge to Statement of Financial Activities	259,000	249,000

	2022	2021
	£	£
Interest income on scheme assets	(63,000)	(42,000)
Interest expense on defined benefit obligation	66,000	52,000
Interest charged to Statement of Financial Activities	3,000	10,000
Net cost to Statement of Financial Activities	262,000	259,000

10 Tangible fixed assets - Group

	Freehold Property	Office equipment	Fixtures & Fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2021	686,513	75,779	94,285	81,847	938,424
Additions	-	162	-	4,579	4,741
Disposals	-	(2,036)	-	(717)	(2,753)
Reclassification	(71,293)	-	-	-	(71,293)
At 31 July 2022	615,220	73,905	94,285	85,709	869,119
Depreciation					
At 1 August 2021	304,906	68,738	88,690	66,365	528,699
Charge for the year	10,314	6,256	1,094	9,438	27,102
Disposals		(2,036)	-	(717)	(2,753)
Reclassification	-	-	-	-	
At 31 July 2022	315,220	72,958	89,784	75,086	553,048
Net book value					
At 31 July 2022	300,000	947	4,501	10,623	316,071
At 31 July 2021	381,606	7,041	5,595	15,482	409,724

10 Tangible fixed assets - Company

	Freehold Property £	Office equipment £	Fixtures & Fittings £	Computer equipment £	Total £
Cost					
At 1 August 2021	686,513	59,025	63,051	66,375	874,964
Additions	-	162	-	4,213	4,375
Disposals	-	(1,998)	-	(495)	(2,493)
Impairment	(71,293)	-	-	-	(71,293)
At 31 July 2022	615,220	57,189	63,051	70,093	805,553
Depreciation					
At 1 August 2021	304,906	52,893	57,534	52,735	468,068
Charge for the year	10,314	5,370	1,072	8,355	25,111
Disposals		(1,998)	-	(495)	(2,493)
Reclassification	-	-	-	-	
At 31 July 2022	315,220	56,265	58,606	60,595	490,686
Net book value					
At 31 July 2022	300,000	924	4,445	9,498	314,867
At 31 July 2021	381,607	6,132	5,517	13,640	406,896

11 Investment Property - Group

	2022 £	2021
FAIR VALUE		
At 1 August 2021	115,000	115000
Fair value adjustment	160,000	-
At 31 July 2022	275,000	115,000

This relates to a proportion of the freehold property held by the charity which is leased out to a third party organisation. Due to a change in accounting standards, the proportion of the property leased out requires to be shown as investment property.

The property was valued by an external valuer, Alder King LLP on 13th September 2022.

The trustees do not believe there to be a material difference of the investment property between the year end date and the date of the valuation.

12 Fixed asset investments - Company	Company 2022 £	Company 2021 £
Investment in subsidiary	100	100

Information relating to the charity's trading subsidiary, Fforwm Services Limited, registered in England and Wales and its activities during the year, are shown in note 5.

13 Debtors	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Amounts falling due within one year				
Trade debtors	18,847	847	2,542	2,542
Accrued income	276,011	271,012	163,960	156,119
Amounts due from subsidiary undertaking	-	377,765	-	15,595
Prepayments	42,090	35,177	27,700	20,507
	336,948	684,801	194,202	194,763

14 Creditors : amounts falling due within one year	Group 2022 £	Company 2022 £	Group 2021 £	Company 2021 £
Trade creditors	219,828	219,327	53,438	52,794
Accruals	668,429	650,011	160,674	154,445
Deferred income	742,751	730,188	1,071,785	1,065,022
Other taxation and social security	23,538	20,609	17,760	19,717
	1,654,546	1,620,135	1,303,657	1,291,978

15 Funds - Group

Unrestricted funds	At 01.08.21 £	Incoming resources	Resources expended	Transfer between fund	Other recognised gain/loss	At 31.07.22 £
General Fund	100,492	980,734	(692,664)	(10,262)	368,000	746,300
Capital Asset Reserve	524,726	-	(98,395)	4,741	160,000	591,072
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic reserve	40,000	-	-	-	-	40,000
Capital Spend Reserve	20,000	-	-	-	-	20,000
	925,218	980,734	(791,059)	(5,521)	528,000	1,637,372
Restricted funds						
Project Activities	-	2,276,698	(2,282,219)	5,521	-	-
TOTAL FUNDS	925,218	3,257,432	(3,073,278)	-	528,000	1,637,372

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Erasmus + Migrant Sport	-	299	-	(299)	-
Erasmus + Staff 2019	-	21,030	22,572	1,542	-
ILS	-	21,984	21,984	-	-
ALN - Advisor	-	147,177	147,177	-	-
ALN - Advisor	-	28,628	28,628	-	-
Active Wellbeing	-	45,000	45,000	-	-
Active Wellbeing	-	6,227	6,227	-	-
Sport	-	44,954	44,954	-	-
Sport	-	103,569	103,569	-	-
SPW WOW	-	226,100	226,100	-	-
WG WOW	-	30,000	30,000	-	-
WG SOF	-	12,833	12,833	-	-
Cymraeg Gwaith	-	251,539	251,539	-	-
Welsh/Cymraeg Gwaith	-	116,694	116,694	-	-
Turing	-	466,025	466,025	-	-
Transitions (TIP)	-	18,933	18,933	-	-
Erasmus + Learner 2019	-	316,793	316,793	-	-
Workload	-	337,428	337,428	-	-
Workload	-	6,151	6,151	-	-
BFL	-	25,000	26,323	1,323	-
Governance	-	19,500	19,538	38	-
KTS	-	30,000	30,000	-	-
Erasmus + Staff 20	-	-	1,291	1,291	-
EQF Workplan	-	834	834	-	-
Erasmus + Learner 2020	-	-	1,626	1,626	-
	-	2,276,698	2,282,219	5,521	

15 Funds - (Con't)

Funds - Charity

Unrestricted funds	At 01.08.21 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.22 £
General Fund	91,295	873,462	(588,171)	(9,896)	368,000	734,690
Capital Asset Reserve	521,896	-	(96,404)	4,375	160,000	589,867
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic reserve	40,000	-	-	-	-	40,000
Future Capital Reserve	20,000	-	-	-	-	20,000
	913,191	873,462	(684,575)	(5,521)	528,000	1,624,557
Restricted funds						
Research/Project Activities	-	2,276,698	(2,282,219)	5,521	-	-
TOTAL FUNDS	913,191	3,150,160	(2,966,794)	-	528,000	1,624,557

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer to / from unrestricted funds £	Closing balance £
Erasmus + Migrant Sport	-	299	-	(299)	-
Erasmus + Staff 2019	-	21,030	22,572	1,542	-
ILS	-	21,984	21,984	-	-
ALN - Advisor	-	147,177	147,177	-	-
ALN - Advisor	-	28,628	28,628	-	-
Active Wellbeing	-	45,000	45,000	-	-
Active Wellbeing	-	6,227	6,227	-	-
Sport	-	44,954	44,954	-	-
Sport	-	103,569	103,569	-	-
SPW WOW	-	226,100	226,100	-	-
WG WOW	-	30,000	30,000	-	-
WG SOF	-	12,833	12,833	-	-
Cymraeg Gwaith	-	251,539	251,539	-	-
Welsh/Cymraeg Gwaith	-	116,694	116,694	-	-
Turing	-	466,025	466,025	-	-
Transitions (TIP)	-	18,933	18,933	-	-
Erasmus + Learner 2019	-	316,793	316,793	-	-
Workload	-	337,428	337,428	-	-
Workload	-	6,151	6,151	-	-
BFL	-	25,000	26,323	1,323	-
Governance	-	19,500	19,538	38	-
KTS	-	30,000	30,000	-	-
Erasmus + Staff 20	-	-	1,291	1,291	-
EQF Workplan	-	834	834	-	-
Erasmus + Learner 2020	-	-	1,626	1,626	-
	-	2,276,698	2,282,219	5,521	-

15 Funds - (Con't)

Comparatives for movement in funds - Group

Unrestricted funds	At 01.08.20 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.21 £
General Fund	98,397	835,626	(903,622)	(520,909)	591,000	100,492
Capital Asset Reserve	45,463	-	(29,356)	508,619	-	524,726
Strategic reserve	240,000	-	-	-	-	240,000
Capital Spend Reserve	40,000	-	-	-	-	40,000
International Curriculum Development	20,000	-	-	-	-	20,000
	443,860	835,626	(932,978)	(12,290)	591,000	925,218
Restricted funds						
Research/Project Activities	-	896,868	(909,158)	12,290	-	-
TOTAL FUNDS	443,860	1,732,494	(1,842,136)		591,000	925,218

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Erasmus + Migrant Sport	-	5,719	-	(5,719)	-
VocTech	-	9,625	9,625	-	-
EQAVET Restricted Call 3	-	38,809	44,818	6,009	-
Erasmus + Staff 2019	-	-	109	109	-
ILS	-	12,840	13,103	263	-
ARAD	-	2,156	2,156	-	-
ALN Advisor	-	144,778	144,947	169	-
Construction	-	219	219	-	-
Sport	-	148,840	148,840	-	-
Erasmus + Staff 18	-	76	933	857	-
Welsh	-	373,300	373,300	-	-
Flexible Adult Learning	-	83,717	85,534	1,817	-
Transitions (TIP)	-	1,067	1,067	-	-
Erasmus + Learner 18	-	4,946	3,789	(1,157)	-
HSC	-	1,470	1,470	-	-
ECVET	-	2,757	2,929	172	-
KA2	-	2,545	2,545	-	-
Erasmus + Learner 2019	-	-	525	525	-
Workload	-	32,546	32,546	-	-
EQF Workplan	-	31,458	40,703	9,245	-
	-	896,868	909,158	12,290	-

15 Funds - (Con't)

A current year 12 months and prior year 12 months combined position is as follows:

Unrestricted funds	At 01.08.20 £	Incoming resources	Resources expended	Transfer between fund	Other Recognised Gain/Loss	At 31.07.22 £
General Fund	98,397	1,816,360	(1,596,286)	(531,171)	959,000	746,300
Capital Asset Reserve	45,463	-	(127,751)	513,360	160,000	591,072
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic Reserve	40,000	-	-	-	-	40,000
Capital Spend Reserve	20,000	-	-	-		20,000
	443,860	1,816,360	(1,724,037)	(17,811)	1,119,000	1,637,372
Restricted funds						
Research/Project Activities	-	3,173,566	(3,191,377)	17,811	-	-
TOTAL FUNDS	443,860	4,989,926	(4,915,414)	-	1,119,000	1,637,372

15 Funds - (Con't)

Taith 2022 (staff and learner) - This project is enabling 52 FE learners and over 300 staff to undertake 3 to 14 days study/training/volunteering/work experiences worldwide. The project will end on 31 August 2023.

Turing Scheme 2021 (learner) - This project enabled 183 FE learners to undertake 2 – 3 week study/volunteering/work experiences worldwide. The project ended on 31 August 2022.

Erasmus+ 2020 (learner) - Funding was approved in July 2020 to enable 876 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2020 (staff) - Funding was approved in July 2020 to enable 30 staff from FE colleges and other appropriate organisations in Wales to undertake 4-day study visits to Ireland, Norway and Austria. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2019 (learner) - This project enabled 160 learners to undertake 2 week work placements in Europe. The project ended on 31/8/2022.

Erasmus+ 2019 (staff) - This project enabled 17 staff from FE colleges and other appropriate organisations in Wales to undertake a 4-day study visit to Stuttgart, Germany. The project ended on 31 August 2022.

Erasmus+ KA2 - CollegesWales International is a partner in a Key Action 2 project led by CIPFP La Costera in Valencia, Spain. The project ended in October 2022.

CQFW Alignment Contract - Welsh Government funding was received from April 2021 – March 2022 and from April 2022 to March 2023 to ensure continued alignment of the Credit and Qualifications Framework for Wales (CQFW) to the European Qualifications Framework (EQF) and to other UK National Frameworks.

Sport Wales Core funding - This project is based on developing active wellbeing in FE colleges, focus on delivery of physical activity and volunteering initiatives.

WG Winter of Wellbeing - This is part of the Wellbeing projects (including active wellbeing) funded directly to CC and colleges from WG. ColegauCymru had a monitoring, evaluation and support role on this project.

Summer of Fun - These sports projects are a follow on from SPW WOW and commenced during the Summer of 2022. The focus is on outdoor activity, holiday camps and upskilling of sports learners.

WG Mental Health - Active Wellbeing - WG funding for research and events linked to Active Wellbeing. ColegauCymru manages this as part of the "National" strand of the funding.

WG Sport Guidance - This project delivers funding to develop resources for FE Sport providers relating to guidance for collaborative activity and events.

Colleges Wales Sport - Competitive sports, events and representative teams for FE Colleges funded by subscriptions.

15 Funds - (Con't)

Cymraeg Gwaith - The Cymraeg Gwaith project aims to strengthen Welsh language skills in the workplace. The scheme is funded by the Welsh Government and developed by the National Centre for Learning Welsh. The Further Education and Higher Education Welsh Language Scheme is co-ordinated by the Coleg Cymraeg Cenedlaethol in partnership with ColegauCymru.

Additional Learning Needs (ALN) - ColegauCymru is running a Welsh Government funded project to support and challenge colleges as they prepare for the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act in September 2023. As part of this, an ALN Implementation Lead has been employed.

Independent Living Skills (ILS) - ColegauCymru secured grant funding from Welsh Government to continue the ILS project to support colleges with the roll out of the new curriculum for ILS learners. The project also enabled the continuation of the ILS network to support, share and develop effective curriculum practice and to prepare the sector for the implementation of the ALN Act

Review of leadership in PCET - ColegauCymru secured grant funding from the National Academy for Educational Leadership (NAEL) and contracted the Learning and Work Institute to undertake a review leadership in the Post-compulsory Education and Training (PCET) sector and to provide a series of independent recommendations for policy-makers and organisations.

Review of FE lecturer workload phase 3 - ColegauCymru was awarded grant funding from Welsh Government to continue its coordination of the national social partnership steering group for workload review. The workload project phase 3 supported the continuation of the independent consultant to chair a steering group, hosted by ColegauCymru and provide grant funding to each of the further education institutions (FEIs) and support them to create their action plans in collaboration with their local social partnerships.

Knowledge Transfer Scheme - ColegauCymru received funding from the Welsh Government to undertake an evaluation of the Knowledge Transfer Scheme (KTS). TIn addition to the evaluation, ColegauCymru undertook the coordination of the individual projects ensuring alignment with local, regional, and national needs.

15 Funds - (Con't)

The unrestricted funds held by the charity at 31st July 2022 were as follows:

	£	
General Fund	746,300	This represents general unrestricted funds for use within the charity
Existing Capital Reserve	591,072	This represents funds designated for the net book value of capital assets held within the Charity at the year end.
Critical / Closure costs	240,000	To meet the potential closure costs which would be incurred should the charity cease.
Strategic reserve	40,000	To meet the costs of strategic expenditure identified within the designated reserves which are funded through income and expenditure account.
Future Capital Reserve	20,000	This represents future plans for capital spend
	1,637,372	

Analysis of assets between funds:

	Unrestricted General Funds	Restricted Funds	Total Funds 2022	Total Funds 2021
	£	£	£	£
Tangible Fixed Assets	591,072	-	591,072	524,726
Current Assets	1,667,624	1,033,223	2,700,847	1,966,149
Current Liabilities	(621,323)	(1,033,223)	(1,654,546)	(1,565,657)
	1,637,373	-	1,637,373	925,218

16 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

GROUP ONLY	Properties	Other	2022	2021
	£	£	£	£
Within one year	44,250	3,389	44,250	44,250
Between one and five years	-	13,558	16,947	16,947
	44,250	16,947	61,197	61,197

17 Comparative Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		-	-	-
Charitable activities:				
Annual subscriptions		660,844	-	660,844
Advancement of education for the benefit of the general public		82,795	896,868	979,663
Other trading activities:				
Commercial trading operations		81,470	-	81,470
Investments		10,517	-	10,517
Total income		**835,626**	**896,868**	**1,732,494**
EXPENDITURE ON				
Charitable activities				
Advancement of education for the benefit of the general public		848,161	909,158	1,757,319
Other trading activities:				
Commercial trading operations		84,817	-	84,817
Total expenditure		**932,978**	**909,158**	**1,842,136**
NET INCOME / (EXPENDITURE)		**(97,352)**	**(12,290)**	**(109,642)**
Transfers between funds		**(12,290)**	**12,290**	-
OTHER RECOGNISED GAINS / (LOSSES)				
Fair Value Adjustment		**0**		-
Actuarial gain on defined benefit scheme		**591,000**	-	**591,000**
Net movement in funds in year		**481,358**	-	**481,358**
RECONCILIATION OF FUNDS				
Total funds brought forward		**443,860**	-	**443,860**
TOTAL FUNDS CARRIED FORWARD		**925,218**	-	**925,218**

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

18 Capital commitments and contingencies

There were no capital commitments as at 31 July 2022 (2021: nil)

19 Post balance sheet events

No new leases have been taken out since the year-end.

20 Pensions

The charity participates in the Cardiff & Vale of Glamorgan pension fund (the "Fund"), which is part of the Local Government Pension Scheme. Colegau Cymru / Colleges Wales participates in the Fund which provides defeined benefits on members' final pensionable salary. In accordance with FRS 102 - Retirement Benefits disclosure defined benefits, of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the year ending 31 July 2023
The Employer's regular contributions to the fund for the year ending 31 July 2023 are estimated to be £0.145M. In addition, Strain on Fund Contributions may be required.

Assumptions
The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	31-Jul-22 (% pa)	31-Jul-21 (% pa)	31-Jul-20 (% pa)
Discount rate	3.5	1.7	1.4
RPI inflation	2.6	2.6	2.3
CPI inflation	2.6	2.6	2.3
Rate of increase to pensions in payment	2.6	2.6	2.3
Rate of revaluation of pension accounts	2.6	2.6	2.3
Rate of general increase in salaries	3.6	3.6	3.3

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Assumed life expectancy at age 65

Males	31 July 22	31 July 21
Future lifetime from age 65 (current aged 65)	22.1	22.3
Future lifetime from age 65 (current aged 45)	23.2	23.3

Females	31 July 22	31 July 21
Future lifetime from age 65 (current aged 65)	24.6	24.7
Future lifetime from age 65 (current aged 45)	26.0	26.1

20 Pensions - (Cont'd)

Asset allocation

	Value at 31 July 2022 (£M)	Value at 31 July 2021 (£M)
Equities	67.2%	66.5%
Property	7.5%	6.6%
Government bonds	9.0%	10.1%
Corporate bonds	8.0%	15.2%
Multi Asset Credit	5.6%	0.0%
Cash	2.7%	1.6%
Other	0.0%	0.0%
Total	100.0%	100.0%

Reconciliation of funded status to balance sheet

	Value at 31 July 2022 (£M)	Value at 31 July 2021 (£M)
Fair value of fund assets	3.674	3.652
Present value of liabilities	2.962	(3.914)
Funded status	0.712	(0.262)
Unrecognised asset	(0.712)	0.000
Pension asset/(liability) recognised on the Balance Sheet	0.000	(0.262)

20 Pensions - (Cont'd)

Amounts reocgnised in Income Statement	Year ending 31 July 2022 (£M)	Year ending 31 July 2021 (£M)
Operating Cost		
Current service costs	0.259	0.249
Past service costs	0.000	0.000
Curtailment cost	0.000	0.000
Settlement cost	0.000	0.000
Financing Cost		
Interest costs	0.003	0.010
Expense recognised in Profit and Loss	0.262	0.259

Allowance for administration expenses included in Current Service Cost in 2022 £0.003m and 2021 £0.002m.

Changes to the present value of liabilities during the year	Year ending 31 July 2022 (£M)	Year ending 31 July 2021 (£M)
Opening present value of liabilities	3.914	3.721
Current service cost	0.259	0.249
Interest cost	0.066	0.052
Contributions by participants	0.040	0.039
Actuarial (gains)/losses on liabilities *	(1.231)	(0.0600)
Net benefits paid out #	(0.086)	(0.087)
Past service cost	0.000	0.000
Net increase in liabilities from disposals and acquisitions	0.000	0.000
Curtailments	0.000	0.000
Settlements	0.000	0.000
Closing present value of liabilities	2.962	3.914

* Includes changes to the actuarial assumptions
# Consists of net cashflow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

20 Pensions - (Cont'd)

Changes to the fair value of assets during the year	Year ending 31 July 2022 (£M)	Year ending 31 July 2021 (£M)
Opening fair value of assets	3.652	2.981
Interet income on assets	0.063	0.042
Remeasurement gains/(losses) on assets	(0.1510)	0.53
Contribution by the employer	0.156	0.146
Contribution by participants	0.040	0.039
Net benefits paid out #	(0.086)	(0.087)
Net increase in assets from disposals and acquisitions	0.000	0.000
Settlements	0.000	0.000
Closing fair value of assets	3.674	3.652

Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance fo rthe expected cost of death in service sums.

Actual return on assets	Year ending 31 July 2022 (£M)	Year ending 31 July 2021 (£M)
Interest income on assets	0.063	0.042
Gain/(Loss) on assets	(0.151)	0.531
Actual return on assets	(0.088)	0.573

Analysis of amount recognised in Other Comprehensive Income	Year ending 31 July 2022 (£M)	Year ending 31 July 2021 (£M)
Asset gains/(losses) arising during the period	(0.151)	0.531
Liability gains/(losses) arising during the period	1.231	0.060
Unrecognised Pension Asset	(0.712)	-
Total (loss) in OCI	0.368	0.591

21 EFFECT OF PENSION ON THE DEFICIT FOR THE YEAR

	2022 £	2021 £
Surplus before pension adjustment	290,154	3,358
Pension adjustment included in the income & expense account		
Employers contributions transferred against liability	(156,000)	(146,000)
Pension adjustment	259,000	249,000
Finance cost	3,000	10,000
Surplus/(Deficit) per accounts	184,154	(109,642)

22 Related party transactions

Due to the nature of the charity's activities and the composition of its board of directors and that of its subsidiary undertaking Fforwm Services Limited, (being principals and Governors of Further Education colleges in Wales) it is inevitable that in the course of its normal business activities, the charity will undertake transactions with those Colleges in which a member of the board of the charity, or its subsidiary undertaking will have an interest.

All transactions involving Colleges in which a member of either Board of Directors may have an interest are conducted at arms length and in accordance with the charity's normal financial procedures.

The trustees' of the charity during the year and their relationship with the respective Colleges were :

Director	College	Relationship
Guy Lacey (appointed 01/07/18) Chair	CEO/Principal, Coleg Gwent	Trustee
Simon Pirotte (appointed 04/01/21, resigned 31/1:	CEO/Principal, Bridgend College	Trustee
Louise Casella (appointed 1/8/19)	Director, The Open University in Wales	Trustee
Jeffrey Greenidge (appointed 1/8/19)	Owner, Ariege Consultancy	Trustee
Paul Smart (appointed 04/01/21)	Retired	Trustee
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Trustee
Suzy Davies (appointed 24/11/21)	Senedd Member	Trustee
Lisa Thomas (appointed 04/01/23)	Principal and Chief Executive, The College, Merthyr Tydfil	Trustee

During 2020/21 it was agreed that there should be a common board for both companies and this was put into effect from 04/01/2021

The Directors of the subsidiary undertaking, Fforwm Services Limited, during the year and their relationship with the respective Colleges were:

Director	College	Relationship
Guy Lacey (appointed 01/07/18) Chair	CEO/Principal, Coleg Gwent	Director
Simon Pirotte (appointed 04/01/21, resigned 31/1:	CEO/Principal, Bridgend College	Director
Louise Casella (appointed 04/01/21)	Director, The Open University in Wales	Director
Jeffrey Greenidge (appointed 04/01/21)	Owner, Ariege Consultancy	Director
Paul Smart (appointed 04/01/21)	Retired	Director
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Director
Suzy Davies (appointed 24/11/21)	Senedd Member	Director
Lisa Thomas (appointed 04/01/23)	Principal and Chief Executive, The College, Merthyr Tydfil	Director

The invoices issued to the relevant colleges during the year were for subscriptions for membership of Colegau Cymru / Colleges Wales and reimbursement of projects costs. Payments made to colleges were for catering at network events, work carried out on project activities.

22 Related party transactions - (Con't)

Income invoiced to Colleges during the year

	Subs	Sport	EU/Int	Dev	Projects	Other	Total
	£	£	£	£	£	£	£
Bridgend College	44,768	5,465	5,009	-	-	209	55,451
Cardiff and Vale College	46,066	5,465	5,009	22,372	-	400	79,312
Coleg Sir Gar and Coleg Ceredigion	46,066	5,465	5,009	-	-	309	56,849
Coleg Gwent	46,066	5,465	5,009	-	-	909	57,449
Coleg y Cymoedd	46,066	5,465	5,009	-	-	594	57,134
Coleg Cambria	46,066	5,465	5,009	26,584	-	209	83,333
Gower College Swansea	46,066	5,465	5,009	20,750	-	200	77,490
Grwp Llandrillo Menai	46,066	5,465	5,009	30,989	-	309	87,838
The College Merthyr Tydfil Ltd.	28,049	5,465	5,009	-	-	200	38,723
NPTC Group of Colleges	46,066	5,465	5,009	38,810	-	200	95,550
Pembrokeshire College	32,229	5,465	5,009	53,702	-	209	96,614
Adult Learning Wales	14,472	-	5,009	-	-	-	19,481
St David's Catholic College	17,259	1,040	5,009	-	-	100	23,408
Total	**505,305**	**61,155**	**65,117**	**193,207**	**-**	**3,848**	**828,632**

* Associate member

Payments to Colleges during the year

	Catering/ Accom.	Other	Projects	Other	Total
	£	£	£	£	£
Bridgend College	-	-	88,375	-	88,375
Cardiff and Vale College	-	-	165,171	-	165,171
Coleg Sir Gar and Coleg Ceredigion	-	-	255,721	-	255,721
Coleg Gwent	-	-	71,437	-	71,437
Coleg y Cymoedd	-	-	76,828	-	76,828
Coleg Cambria	-	-	92,850	-	92,850
Gower College Swansea	-	-	91,400	-	91,400
Grwp Llandrillo Menai	-	-	109,783	-	109,783
The College Merthyr Tydfil Ltd.	-	-	54,964	-	54,964
NPTC Group of Colleges	-	-	71,440	-	71,440
Pembrokeshire College	-	-	61,516	-	61,516
St David's Catholic Sixth Form College *	-	-	32,391	-	32,391
Adult Learning Wales	-	-	22,251	-	22,251
Total	**-**	**-**	**1,194,127**	**-**	**1,194,127**

22 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2022 :

	£
Cardiff and Vale College	47
Coleg Gwent	600
Gower College Swansea	200
Total	847

The following amounts were due to Colleges at 31 July 2022

	£
Bridgend College	500
Cardiff and Vale College	66,750
Coleg y Cymoedd	5,000
Coleg Sir Gar and Coleg Ceredigion	102,752
Gower College Swansea	4,500
NPTC Group	6,000
Total	185,502

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited By Guarantee)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2022

	Year ended 31 July 2022		Year ended 31 July 2021	
	£	£	£	£
INCOME				
College subscriptions	830,391		660,844	
Grants receivable	1,871,214		767,476	
Sports Grant Income	417,456		148,840	
Other income	5,192		63,347	
Bank interest	975		247	
Rents received	16,864		10,270	
Staff development activities	70,090		36,220	
Lease rental income	45,250		45,250	
		3,257,432		1,732,494
LESS:				
COST OF SALES				
Other operating leases	44,250		44,250	
Staff development expenditure	51,879		30,182	
		96,129		74,432
EXPENDITURE				
Conferences	-		-	
Public affairs and representation	6,558		9,574	
Website development	2,043		370	
Projects & advisory groups	1,835,971		671,267	
Accomodation costs	21,312		16,561	
Staff costs	850,036		909,348	
Office administration	86,878		45,723	
Travel & expenses	8,151		1,315	
Legal & professional fees	42,225		12,334	
Auditors remuneration	6,750		6,750	
Auditors remuneration - non audit fees	6,123		6,167	
Bank charges	1,314		1,208	
Bad Debts	-		-	
Exchange rate loss	11,393		57,732	
Depreciation:				
Freehold property	10,314		10,314	
Fixtures & fittings	7,350		9,812	
Computer equipment	9,438		9,229	
Property Impairment	71,293		-	
		2,977,149		1,767,704
PROFIT / (DEFICIT) FOR THE YEAR		184,154		(109,642)

Appendix 1

COLLEGES WALES / COLEGAU CYMRU

England & Wales - Charity number 1060182

Accounts

CollegesWales / ColegauCymru Limited

Annual Report and Consolidated Financial Statements for the Year Ended 31 July 2021

Charity Number: 1060182
Company Number: 2832103
(England and Wales)

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ANNUAL REPORT & ACCOUNTS

The Directors/Trustees present their annual report and accounts of Colleges Wales/Colegau Cymru Limited and its subsidiary, Fforwm Services Limited for the year ended 31 July 2021.

Structure

ColegauCymru is a post-compulsory education charity that represents 11 further education (FE) colleges and 2 designated FE institutions (FEIs) in Wales. The company was originally incorporated in 1993 as Fforwm Limited and on 1 June 2009 changed its name to Colleges Wales/Colegau Cymru Limited and was branded as 'ColegauCymru/CollegesWales'. Fforwm Services Limited was established in 1995 and is a wholly owned trading subsidiary of Colleges Wales/Colegau Cymru Limited.

Charitable Objectives

The ColegauCymru charitable objectives and principal activities remained throughout 2020-21 to promote the advancement of education for the benefit of the general public in Wales. ColegauCymru exists through its work to:

- provide a forum for discussion on matters of common interest conducted by all the FE corporations and other institutions receiving post-16 funding from the Welsh Government; and
- make representations on behalf of its members to persons concerned with education and its funding in Wales.

The charity's prime purpose is to raise the profile of further education with key decision-makers to improve educational opportunities for learners in Wales.

Strategic Priorities

During the financial year, ColegauCymru focused on delivering the following five strategic priorities:

1. Promote and support high quality provision for learners.
2. Proactively engage with employers and stakeholders to identify and address skills gaps in the Welsh economy.
3. Influence and shape government policy.
4. Ensuring a high profile for education, training and skills in Wales.
5. To be a sustainable and dynamic sector-leading organisation.

Achievements and Performance

ColegauCymru remains focused on building relationships with key stakeholders and ensuring it is a key influencer on issues affecting the sector. Key achievements are as follows:

- Continued to work with the Welsh Government to secure an increase in college core funding for 2020/21 and beyond.
- Despite the impact of the on-going Covid-19 situation the charity has continued to work to meet the charitable objectives.
- Worked with colleges and the Welsh Government to secure funding to help address the ongoing problems and impact of Covid-19 in FE and WBL (Work Based Learning).
- Represented the views of Members through numerous policy position statements and press releases.
- Produced a policy platform ahead of the Senedd elections in May 2021 - "Further Success: Policy Recommendations for the next Welsh Government" which was supported by a series of detailed briefings and short animated clips to highlight and disseminate the content.

Achievements and Performance (CONT'D)

- Engaged with political parties ahead of the May 2021 Senedd elections, including a fringe event at the Plaid Cymru online conference, meetings with Liberal Democrat candidates as part of their online conference, engagement with Welsh Labour online events as well as a meeting to discuss the Enabling Renewal report with Special Advisors, and discussions with the Welsh Conservative Shadow Minister for Education.
- Submitted 19 consultation responses on policy matters affecting the decisions of post-16 learners in Wales to Welsh Government, Senedd Committees, and other bodies such as EWC (Education Workforce Council) and Qualifications Wales. Topics covered included post compulsory education reform, Covid-19, the new Curriculum for Wales, race equality and social partnerships.
- Held strategic dialogue meetings with Welsh Government Senedd Members and Ministers.
- Built on and developed positive working relationships with new Welsh Government and new and existing Senedd Members, following May 2021 election.
- Continued to work closely with key stakeholders from education and further afield; these include Welsh Government, Sport Wales, British Council, EWC, Estyn, Qualifications Wales, HEFCW, Learning & Work Institute Wales, NTfW (National Training Federation Wales), Coleg Cymraeg Cenedlaethol, Y Ganolfan Dysgu Cymraeg, AoC and others and with colleges to ensure that the FE sector was well placed in terms of future developments.
- Launched the *Enabling Renewal: Further Education and Building Better Citizenship, Occupations and Business Communities in Wales* report, researched and written by a team of authors including professors from Universities of Sydney, Manchester and Cardiff and other leading academics.
- Undertook research with FE learners to better understand the impact of the pandemic on Active Wellbeing and Sport.
- We continued to work closely with Welsh Government and joint trade union colleagues to ensure pay parity for the sector.

Development Projects

ColegauCymru has been successful in securing several externally funded projects aimed at enhancing the educational opportunities of learners in Wales. A summary of the range of projects undertaken by the charity, during the period, are outlined below.

International and European partnerships and learning opportunities
CollegesWales International supports the FE colleges in Wales to integrate international activities into the daily lives of learners and staff to enrich and enhance their teaching and learning experiences.

CollegesWales International coordinates and submits pan Wales consortium applications for funding on behalf of the FE colleges in Wales. Erasmus+ and Turing Scheme funding support opportunities for college leaders, tutors and support staff as well as FE learners and apprentices.

Turing Scheme 2021 (learner)
Funding was approved in July 2021 to enable 528 FE learners to undertake 2 – 3 week study/volunteering/work experiences worldwide. The project will end on 31 August 2022.

Erasmus+ 2020 (learner)
Funding was approved in July 2020 to enable 876 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2020 (staff)
Funding was approved in July 2020 to enable 30 staff from FE colleges and other appropriate organisations in Wales to undertake 4-day study visits to Ireland, Norway and Austria. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid-19.

Erasmus+ 2019 (learner)
Funding was approved in July 2019 to enable 624 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 31 August 2022 (a 12-month extension was granted due to Covid-19) and the final report will be submitted by 31 October 2022.

Development Projects (CONT'D)

Erasmus+ 2019 (staff)
Funding was approved in July 2019 to enable 18 staff from FE colleges and other appropriate organisations in Wales to undertake a 4-day study visit to Stuttgart, Germany. The project will be completed on 31 August 2022 (a 12-month extension was granted due to Covid-19) and the final report will be submitted by 31 October 2022.

Erasmus+ KA2 – CollegesWales International is a partner in a Key Action 2 project led by CIPFP La Costera in Valencia, Spain. The project will run from December 2019 to October 2022 following an extension due to Covid-19. There are 9 partners in the project that focuses on the development of a partner search web platform called Erasmobility.

National Coordination Point for EU initiatives/CQFW Alignment
Welsh Government funding was received from April 2020 – March 2021 and from April 2021 to March 2022 to ensure continued alignment of the Credit and Qualifications Framework for Wales (CQFW) to the European Qualifications Framework (EQF) and to other UK National Frameworks.

EQF Workplan
Funding was approved in July 2018 to enable Wales and Scotland to re-reference their qualifications frameworks to the European Qualifications Framework (EQF). The total value of the project was €167,061. The project was scheduled to run from 1 March 2018 for 34 months ending 31 December 2020. Due to Covid-19, the project was extended to 31 March 2021 and the final report approved by the European Commission in August 2021.

Teaching and Learning Network
The ColegauCymru Teaching and Learning Network produced a series of 18 podcasts to support teaching and learning in the FE sector, covering the five main themes of Resilience, Digital, Differentiation, A level Pedagogy and Bilingualism.

Active Wellbeing

In partnership with Sport Wales, ColegauCymru is the lead organisation for sport, physical activity and volunteering in FE colleges in Wales, raising the profile of sport, physical activity and volunteering through college projects and promoting elite college sport.

During 2020/21 further development of Active Wellbeing at a strategic and delivery continued. The project adapted during the pandemic with new virtual and online provision to support learner wellbeing.

2020/21 Achievements

- 6000+ FE learners participating in project funded activity - unique attendees.
- Support for colleges moving to online delivery during lockdown and return to sport protocol.
- Strategic guidance leading to colleges employing new staff including students to support project delivery and expanding delivery to new campuses.
- Engagement work with Welsh Government Sport Policy and Post 16 teams including ministerial visits to colleges (Virtual).
- Research projects funded by Sport Wales completed – including the impact of the pandemic on sports learners and developing a better understanding of the connection between activity and wellbeing.
- Funding from WG to further develop Active Wellbeing research as a national strand of the mental health project.
- An increase focus on those groups potentially more affected by the pandemic.
- Strategic level support for colleges on return to sport and physical activity after the pandemic.

Representing the FE sector as part of Sport Wales CSAP programme moving to the regionalisation of community sport in Wales.

Welsh and Bilingual Projects

Cymraeg Gwaith

The aim of the Cymraeg Gwaith scheme is to strengthen Welsh language skills in the workplace. The scheme is funded by the Welsh Government and developed by the National Center for Learning Welsh. The Further Education and Higher Education Welsh Language Scheme is co-ordinated by the Coleg Cymraeg Cenedlaethol in partnership with ColegauCymru.

The aim of this scheme is to give staff in universities and colleges of further education the opportunity to develop their language skills to enable them to increase their use of Welsh in the workplace. The scheme is open (and free) to staff of universities and colleges of further education in Wales of all abilities, whether they are new or advanced learners.

During 2020/21 eleven colleges were part of the project with a target of 210 individuals undertaking 120 hours of Welsh during the year. During 20/21 262 staff completed 120 hours, exceeding the target. There has been a focus on priority areas, and during 20/21 50% of those on the project were from these key priority areas. In addition, 81% of the staff on the project were academic staff, as we work to develop the language skills of our FE teaching staff.

Additional Learning Needs

ColegauCymru is running a Welsh Government funded project to support and challenge colleges as they prepare for the implementation of the Additional Learning Needs and Education Tribunal (Wales) Act. As part of this, an ALN (Additional Learning Needs) Transformation Lead has been employed. On behalf of Welsh Government, ColegauCymru is also coordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to develop guidance on running supported internships as well as promoting effective quality systems within ILS provision.

As part of the support to colleges as they prepare for the implementation of ALNET, ColegauCymru has:

- Worked with transformation leads, LAs, FEIs, health boards and the third sector within the four regions to promote collaboration.
- Delivered several on-line events to support the development of stakeholder policies.
- Worked with partners to deliver training programmes that enhance the skills of ALN staff.
- Worked with the sector and others to improve a national FE/ALN information website.
- Worked with a Welsh university to develop a bespoke Masters Certificate in Autism (this has resulted in 70 staff from the 13 colleges achieving this specialist qualification).
- Produced and shared five key documents to support college ALN development.
- Developed a Hwb project sharing site to ensure all colleges can benefit from the development work going on across the Principality.
- Delivered ALN updates to governing boards and senior management teams across Wales.

Flexible Adult Learning

Welsh Government funded three pilot projects that focused on the delivery of flexible adult learning. Coleg Sir Gâr/Coleg Ceredigion, Bridgend College and Coleg Cambria ran the pilot projects. Arad Research undertook an external evaluation of the three projects and produced a final report in March 2021.

Future Plans and Activities

ColegauCymru will continue to monitor and influence, as far as possible, the Welsh Government's Commission for Tertiary Education and Research Bill and the Social Partnerships Bill, along with other emerging legislation or proposals.

Since the UK has left the European Union, Wales must continue to maintain and develop international links by playing an active role in the continuous development of a common framework for improving transparency across European VET (Vocational Educational Training) systems. ColegauCymru has played an active role in advising the Welsh Government on developments in these initiatives to ensure that Wales does not become isolated now we are no longer part of the EU.

The UK continues to benefit from all EU programmes, including Erasmus+, until the end of the current budget plan (2014-2020). This means that the staff and learner mobility projects will continue until the end of 2023, with Turing Scheme mobilities due to begin. We will continue to work with Welsh Government 'Taith' Scheme, which replaces the Erasmus+ programme, to continue to promote the benefit of overseas learning opportunities for young people.

ColegauCymru will continue to work closely with Sport Wales, key stakeholders and colleges to ensure that the FE sector is well placed in terms of future developments around active wellbeing. This includes facilitating projects funded by Welsh Government to support FE settings to promote physical, mental, emotional wellbeing through increased access to creative, sporting and cultural activities.

A key objective for ColegauCymru for 2021/22 will be to continue to support the sector to navigate the ongoing impact of Covid-19, whilst keeping a focus on planning for the medium term. The charity will work closely with Members over the coming year to continue to enhance our relationships with Ministers and other key stakeholders. ColegauCymru will ensure that Members are kept abreast of key issues and remain focused on delivering Members' priorities for the benefit of learners and the wider communities in Wales.

The ColegauCymru Policy and Communications Team will continue to advocate for position change for learners and staff in the FE sector with consultation responses, briefings, correspondence to and meetings with Ministers, Cross Party Groups and working with a range of other policy organisations.

GOVERNANCE REPORT

The Governance Report provides information on the membership of its Board, Committees and recent changes to its constitution and governing document.

Board of Directors



CHAIR – GUY LACEY
CEO/PRINCIPAL, COLEG GWENT
JOINED: JULY 2018

Guy was appointed CEO/Principal of Coleg Gwent in August 2015. Guy graduated from Oxford Brookes University and has post graduate qualifications in Secondary Education from Bath University. Guy has spent over 25 years in a number of UK schools and colleges and has gained knowledge of a wide range of approaches to the delivery of skills and training to meet the needs of young people and adults. In addition, Guy worked as a GCSE examiner for the University of Cambridge examinations syndicate and worked as a peer Inspector with Estyn for over ten years.

Email Address: Guy.lacey@coleggwent.ac.uk
Tel: 01495 33501



DEPUTY CHAIR – SIMON PIROTTE
CEO/PRINCIPAL, BRIDGEND COLLEGE
JOINED: 4 JANUARY 2020

Simon is Principal and Chief Executive of Bridgend College, rated as 'excellent' by Estyn (March 2016). Estyn commented that "*the Principal provides inspiring leadership that has had a significant impact on the transformation of the College*". Simon is the winner of the 2018 Institute of Directors (UK) Director of the Year for the Public Sector. Bridgend College has achieved several prestigious awards including WhatUni UK FE College of the Year for Higher Education (2018); a UK AoC Beacon Award for Leadership and Governance (2018) and Apprenticeship Provider of the Year for Wales, Scotland and Northern Ireland (2018). Bridgend College is the highest ranked FE College in the UK in the Times 100 Best Companies to work for in both 2017 and 2020. In 2019, Bridgend College was named Times Educational Supplement College of the Year.

He has worked in the education sector for over thirty years. This includes work in the Higher Education, Further Education and School sectors. He has also worked as a Head of Department in Los Angeles, USA on a year long Fulbright Scholarship.

Simon sits on the Advisory Board for Academi Wales and is a Board member of National Theatre Wales.

Email Address: spirotte@bridgend.ac.uk
Tel: 01656 302 405



DIRECTOR/TRUSTEE – JEFF GREENIDGE
CHAIR, LEARNING AND WORK INSTITUTE
JOINED: 1 AUGUST 2019

Jeff's career in education and training began as a teacher in the South Wales Valleys, then as a civil servant developing the National Curriculum for Modern Languages. He spent three years training PGCE students at Swansea University followed by a spell in developing European vocational and mobility initiatives at the WJEC. Jeff joined Ufi in 1999 to help set up the first UK national network of learning on line centres (learndirect). After managing the UK online learning delivery, Jeff left learndirect in 2015 to set up coaching and entrepreneurship programmes for Individuals and businesses. He maintains a keen interest in supporting adults in learning and is on the Board of a number of UK Education and Training think Tanks.

Email Address: jdgee11@aol.com
Tel: 07740064663



DIRECTOR TRUSTEE – LOUISE CASELLA
JOINED: 1 AUGUST 2019

Louise joined the OU in January 2018 as Director of The Open University in Wales where she leads the strategic management, development and growth of the OU in Wales and is a member of the Vice Chancellor's Executive.

Prior to joining the OU Louise worked as an independent management consultant and interim manager, and assignments included periods at Stirling University, and at Wrexham Glyndwr University where she was Pro Vice-Chancellor for 18 months, supporting the university's recovery to a position of financial stability and academic vitality. Louise's substantive career was built at Cardiff University, where she held posts as Head of Planning, Senior Executive and Head of the Vice Chancellor's Office, chairing the professional services group and becoming Director of Strategic Development between 2004 and 2012.

Louise has held a variety of national NED, trustee and advisory roles including being a member of the CBI Wales Council for 10 years, a member of the Audit & Risk Committee for Sport Wales, and a trustee of the Millennium Stadium Charitable Trust. She also served on the Ministerial Review of Higher Education in Wales (2008-09) and has been an NED of the Office of the Independent Adjudicator for Higher Education, a member of the Higher Education Bursary and Scholarship Scheme UK board, a Trustee of Wrexham Glyndwr Students Union.

In September 2020, Louise was appointed by the Education Minister in Wales to Chair the Independent Review of Qualifications in Wales to consider arrangements for summer 2021.

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Tel: 07808 581145



DIRECTOR/TRUSTEE – DR PAUL SMART
JOINED: 4 JANUARY 2021

Vice Chair of Governing Body Coleg y Cymoedd
(Chair of Resources Committee)

Having graduated with a BSc and PhD in Engineering, Paul commenced his career in Operational Research in both the gas and steel industries. He subsequently joined the UK manufacturing plant of an International Cosmetics company where he worked as both a Production Manager and Head of Human Resources. He subsequently took a role in the company's headquarters as UK Human Resources Director for Operations, Supply Chain, Finance and IT.

After 37 years with the company, Paul has now retired but still works part-time as the company's Pension Liaison Manager and as a Pension Fund Trustee.

Paul has been a Governor of several FE colleges over a period of more than 20 years.

Email: pmsmart@aol.com



DIRECTOR/TRUSTEE – DR RHIANNON EVANS
JOINED: 24 NOVEMBER 2021

Dr Rhiannon Evans is a Senior Lecturer at Cardiff University. She is a member of the executive management team at the DECIPHer research centre, which focuses on the health and wellbeing of children and young people. She has extensive methodological expertise in intervention evaluation research, particularly in educational settings. Her substantive research interests focus on the promotion of mental health and wellbeing, in addition to the prevention of self-harm and suicide. She had led and supported national evaluations of education-based mental health services, including MHFA training for secondary-school staff and counselling provision. She has a particular focus on educational and health inequalities, notably outcomes for care-experienced children and young people.

Email: EvansRE8@cardiff.ac.uk



DIRECTOR/TRUSTEE – Suzy Davies
JOINED: 24 NOVEMBER 2021

Following a career in arts marketing, Suzy Davies worked as a solicitor in Mid Wales before being elected to the Senedd in 2011. She has served on several Senedd committees including those covering education, skills, Welsh language and Brexit. She was Shadow Education Minister during the passage of the Curriculum Bill and was directly involved in scrutiny of education legislation and policy during her ten years in Cardiff Bay.

Suzy has volunteered and been a board member for several small Welsh charities and been a school governor. A founder member of the Welsh International Film Festival, she is currently a board member of the international Iris Prize LGBT+ Film Festival and Chair of the Wales Tourism Alliance. A campaigner for more women in public life, she continues to mentor for Women's Equality Network Wales and Ethnic Youth Support Team.

Email: suzy.davies.private@gmail.com

No director/trustee held any shares in the company at any time during the year.

Committees of the Board of Management

Audit Committee	Jeff Greenidge (Chair) appointed August 2019, Lynda Astell, Kath Coughlin and Kathryn Robson
Search Committee	Jeff Greenidge and Paul Croke (resigned)

The directors of the subsidiary company were appointed by and from ColegauCymru's Board. On 30 November 2020 it was agreed to implement a common board for both companies and this was put into effect on 4 January 2021. The directors of the subsidiary during the period were as follows:

Guy Lacey (Chair)
Simon Pirotte
Louise Casella
Jeff Greenidge
Paul Smart
Rhiannon Evans
Suzy Davies
Dafydd Evans (former Chair - resigned)
Mike James (resigned)
Paul Croke (resigned)

All directors/trustees give their time voluntarily and receive no personal benefits from the charity. Any expenses reclaimed from the charity are set out in note 6 to the accounts.

Roles and Key Responsibilities

The Board is collectively responsible for the charity's long-term success. The Board sets its strategic aims, monitors the performance of management against the strategic aims, ensures good governance, assesses its risk appetite and ensures that effective controls are in place in the business.

The Chair, Guy Lacey plays a key role in helping to ensure a unified Board, facilitating meetings, and ensuring good governance. Meeting agendas are agreed in consultation with the Chief Executive and Company Secretary, although any Director may request that an item be added to the agenda.

Beyond matters reserved for the Board, the Chief Executive, Iestyn Davies has primary responsibility for managing the day-to-day affairs of the charity and is supported by a senior team in implementing strategy and day to day management.

Activities

During 2020-21, the areas of focus for the Board included:

- Strategic review of ColegauCymru
- Changes to the ColegauCymru constitution
- Covid-19
- Extension of the three-year membership subscription model (2017-18 to 2019-20)
- Revised strategic priorities
- Risk management
- Operational oversight of the ColegauCymru Group

Constitution

Under the Articles of Association, the Chair and Deputy Chair of the CEO/Principals' Forum are appointed the Chair and Deputy Chair of the charity Board In accordance with the Articles of Association, the Board comprises of a minimum of five and a maximum of seven Trustees which may include up to two Chairs of Governing Bodies, up to three independent external professionals may be appointed Trustees. If there are vacancies, the Board may Co-opt Trustees provided the total number of Trustees does not exceed seven. The Chair and Deputy Chair shall serve concurrently for two years whilst the other Trustees may serve for an initial three years, with the option to seek re-appointment for a further three-year term. Due to the outbreak of Covid-19 it was agreed to extend the term of office for the Chair and Deputy Chair to 31 December 2020.

The Chair and Deputy Chair of the Board along with an independent member is responsible for conducting the CEO's annual performance review and make recommendations to the Board, which is responsible for setting the CEO's remuneration package.

During 2020/21 operational year it was agreed that there should be a common board for both the charity and its subsidiary company, Fforwm Services Ltd., this was put into effect from 4 January 2021.

Induction and Development

The Trustees receive an information pack on their legal obligations under charity and company law. To assist them in carrying out their duties all Trustees are expected to meet the standards set out in the charity's Corporate Governance Code which aims to promote effective and well-informed governance.

Conflicts of Interest

All Trustees must immediately disclose conflicts, or potential conflicts, of interest. In addition, all Trustees sign an annual declaration and disclose their external appointments. Directors also let the Chairperson and Company Secretary know of any pending appointments and announce any new external appointments at the next Board meeting so that all the Board are made aware.

Board Meetings and Attendance

In 2020-21, the Board held four scheduled meetings. All directors are expected to attend meetings of the Board and of those Committees of which they are a member. When a Director is unable to participate in a meeting, the Chair will seek their views on key items ahead of the meeting so that these can be added to the discussion.

Risk Management

The Board has overall responsibility for the operation and effectiveness of the charity's system of internal controls and risk management. The system of controls is designed to manage the risk of failure to achieve business objectives, and comprises audited policies and procedures aimed at identifying and managing the most significant risks faced by the business.

The Trustees' are of the view, that there is an ongoing process for identifying, evaluating and managing significant risks faced by ColegauCymru and that this process has been in place during the reporting period.

Delegated authority is granted to the following committees that operate under agreed terms of reference:

Audit Committee - to consider detailed reports together with recommendations for the improvement of systems of internal control and management's responses and implementation plans. The Committee meets at least twice a year, with the external auditors in attendance if requested.

Search Committee - the role of the Committee is to review the succession planning for the Board and to put in place processes to address this, reporting to the main Board.

The Board receives reports from the Chief Executive and the Audit Committee regarding risk and control issues and how it plans to address these issues.

Governing Document

ColegauCymru is a charitable company limited by guarantee and registered as a charity in January 1997. The company was established under a Memorandum of Association which establishes the objects and powers of the charitable company and is governed under its Articles of Association.

In the event of the charity being wound up after all its debts and liabilities have been satisfied and there remains any property, it shall not be paid to or distributed among the Members of the charity. Instead shall be given or transferred to some other charity or charities having similar objects which prohibits the distribution of its income and property by its charity members at or before the time of dissolution and if that cannot be done then to some other charitable object.

Financial Review

Total income for the group was £1,732,494, a decrease of £252,478. The level of grants received during the year was significantly affected by Covid-19 falling by £279,129.

The group made a deficit of £109,642 (2020: deficit of £145,519) after an actuarial loss on the defined benefit pension scheme. The deficit was agreed by the board as part of its planned preparations in the year for the preparation of a policy position for the May 2021 elections.

Principal Funding Sources

ColegauCymru continued to be funded through college subscriptions during the year at a level sufficient to meet the budgetary requirements agreed by the Board. ColegauCymru received £660,844 funding through membership subscriptions from colleges and FE institutions.

Going Concern Accounting Policy

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the charity's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Investment Policy

In 2008 it was agreed that an investment should be made by the purchase of new office accommodation more suited to the needs of the charity. This took place on 20 August 2008 and constituted a major investment for the charity. However, the trustees are conscious of the need to also retain funds in a liquid form to meet the requirements of the charity. The trustees closely monitor the returns of the investments.

To secure the funds of the charity all investments are made in the company name. The trustees, having considered the operating requirements of the charity and the reserves policy have, for the purpose of security, adopted the policy of holding funds in an interest-bearing account with the balance placed on treasury deposit with a major clearing bank. The use of treasury deposits seeks to achieve the best interest rate possible for the funds with no risk attached, however due to the low rates of return on the current investment the policy is to be reviewed and updated.

Reserves Policy

ColegauCymru is aware of the need to secure its viability beyond the immediate future and is committed to providing services over the longer term. To continue long term operations, it is necessary to be able to absorb unforeseen setbacks and be able to take advantage of opportunities which arise. To fulfil this requirement, the retention of adequate reserves is necessary. The target level of reserves which ColegauCymru should retain have been identified as follows:

Capital Reserve — To provide funds to meet the existing and future capital spend requirements of ColegauCymru.

Critical/Closure Costs — To retain funds to meet the closure costs which would be incurred should ColegauCymru cease operations. This would allow for a managed cessation of operations and includes

- Notice of termination and redundancy costs for staff
- servicing equipment leasing arrangements
- building insurance
- building maintenance until such time as a sale can be agreed. A two-year period has been allowed for the sale of the property. It is proposed that the sale of the property will be used to meet the liabilities of the LGPS (Local Government Pension Scheme) pension scheme.

Strategic Reserve — To meet the costing requirements of any strategic items identified within the designated reserves

Free Reserves — To target free reserves equivalent to six months operating costs, currently circa £400,000 to enable the completion or wind up of project and other activities

The ColegauCymru reserves policy is regularly reviewed by the Board of Directors to assess the values contained within and to ensure that it continues to meet the requirements of the charity.

The Directors have recognised the importance to the company of retaining the membership of all the colleges in Wales and of actively pursuing a policy to ensure that the company recognises the needs of the whole sector and caters for them appropriately.

They also recognise the importance to the company of winning bids for projects and research, both in terms of prestige and financial security and conversely the risks involved if the company is unsuccessful in this area.

Fforwm Services Limited

Fforwm Services Limited was established in 1995 and is the charity's trading subsidiary. The company's principal activities include the provision of service contracts in areas relevant to the parent charity, CPD training for college staff and the wider post-16 education sector, property and equipment leasing. 2020/21 was a further year of change for the organisation with a reduction on the previous year's contract service activity in Fforwm Services Ltd. The Directors are satisfied with the overall performance of the company during the year as the reduction in contract activity was expected and the global pandemic affected the opportunities to seek out additional income. In future the company plans to continue to participate in contracted services and utilise conference events to provide additional income whilst supporting its policy objectives.

The company made a loss for the year on ordinary activities of £3,326 (2020: profit of £23,812). No distribution was made in 2021 however a distribution of £21,822 was made to Colleges Wales / ColegauCymru Ltd in 2020.

During the year the company's turnover increased to £81,470 (2020: £78,787). A decision was taken not to hold an annual conference or CPD events during the year and due to the ongoing situation with Covid-19 no events are planned in 2021/22 but additional contracts are anticipated.

Limited by Guarantee

The company is limited by guarantee and as such has no shareholders. The members of the company are Wales' FE colleges and institutions.

Related Parties

Due to the nature of the organisation, its membership and the composition of the Board, it is inevitable that transactions will take place with company members. All transactions involving subsidiaries, company members or organisations in which a member of the Board may have an interest are conducted at arm's length and in accordance with the organisation's financial regulations.

DIRECTORS' RESPONSIBILITIES IN RELATION TO THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law that Directors have elected to prepare the financial statements in accordance with United Kingdom General Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently
- make sound judgments and estimates that are reasonable and prudent
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Companies Act 2006 and the Statement of Recommended Practice, Accounting and Reporting by Charities (issued March 2005). They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

Subject to a diligent tendering process, Bevan Buckland LLP were appointment external auditors for a three period, the ColegauCymru Board formally approved their appointment on 24 October 2017, the option to extend the contract was actioned in 2020. A decision was taken by the Board to extend the contract for a further one-year period to cover the 2020/21 financial statements due to the continuing restrictions because of Covid-19.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by charities (issued March 2005) and in accordance with the provisions applicable to companies subject to small companies' regime of the Companies Act 2006.

By Order of the Board



Chair of the Board
Date 12.04.2022
Guy Lacey

REFERENCE AND ADMINISTRATIVE INFORMATION

Company Number:	2832103
Registered Charity Number:	1060182
Registered Office and operational address:	Unit 7 Cae Gwyrdd Greenmeadow Springs Tongwynlais Cardiff CF15 7AB
Auditors:	Bevan Buckland LLP Cardigan House Castle Court Swansea Enterprise Park Swansea SA7 9LA
Solicitors:	Capital Law Capital Building Tyndall Street Cardiff CF10 4AZ
Bankers:	Barclays Bank plc PO Box 69 Cardiff CF1 1SG

Opinion

We have audited the financial statements of Colleges Wales / Collegau Cymru Limited (parent charity) and its subsidiary (the 'group') for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated Balance Sheet, Charity Balance Sheet, the consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United KIngdom Generally Accepted Accounting Practise), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's affairs as at 31 July 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; 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 under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Trustees.

Responsibilities of trustees
As explained more fully in the Statement of Trustees Responsibilities set out on page 11, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements
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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

We identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, and then, design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

We discussed our audit independence complying with the Revised Ethical Standard 2019 with the engagement team members whilst planning the audit and continually monitored our independence throughout the process.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

· enquiring of management, including obtaining and reviewing supporting documentation, concerning the charity's policies and procedures relating to:

· identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;

· detecting and responding to the risks of fraud and whether they have knowledge of any actual. suspected or alleged fraud;

· the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations;

· discussing among the engagement team how and where fraud might occur in the Financial Statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in the following areas:

· Management override of controls

· obtaining an understanding of the legal and regulatory frameworks that the group operates in, focusing on those laws and regulations that had a direct effect on the Financial Statements or that had a fundamental effect on the operations of the group, The key laws and regulations we considered in this context included the UK Companies Act and relevant tax legislation.

Audit response to risks identified

In addition to the above, our procedures to respond to risks identified included the following:

· reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations;

· enquiring of management concerning actual and potential litigation and claims; performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

· reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and

· in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments;

· assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and

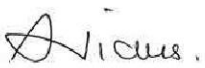
· evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in an auidtors' 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 group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.



Alison Vickers (Senior Statutory Auditor)
for and on behalf of Bevan Buckland LLP
Chartered Accountants
And Statutory Auditors
Ground Floor
Cardigan House
Castle Court
Swansea Enterprise Park
Swansea
SA7 9LA

Date: .12.04.2022

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
AND CONSOLIDATED INCOME EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2021

	Note	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
INCOME AND ENDOWMENTS FROM					
Charitable activities:	2				
Annual subscriptions		660,844	-	660,844	632,161
Advancement of education for the benefit of the general public		82,795	896,868	979,663	1,258,792
Other trading activities:					
Commercial trading operations	5	81,470	-	81,470	78,787
Investments	3	10,517	-	10,517	15,232
Total income		**835,626**	**896,868**	**1,732,494**	1,984,972
EXPENDITURE ON					
Charitable activities					
Advancement of education for the benefit of the general public	6	848,161	909,158	1,757,319	2,051,490
Other trading activities:					
Commercial trading operations	5	84,817	-	84,817	79,001
Total expenditure		**932,978**	**909,158**	**1,842,136**	2,130,491
NET INCOME / (EXPENDITURE)		**(97,352)**	**(12,290)**	**(109,642)**	(145,519)
Transfers between funds		**(12,290)**	**12,290**	**-**	-
OTHER RECOGNISED GAINS / (LOSSES)					
Fair Value Adjustment					22,932
Actuarial gain / (loss) on defined benefit scheme		**591,000**	**-**	**591,000**	(357,000)
Net movement in funds in year		**481,358**		**481,358**	(479,587)
RECONCILIATION OF FUNDS					
Total funds brought forward	15	**443,860**	**-**	**443,860**	923,447
TOTAL FUNDS CARRIED FORWARD	15	**925,218**	**-**	**925,218**	443,860

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
COMPANY NO. 2832103
CONSOLIDATED BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	10		**409,726**		437,384
Investment Property	11		**115,000**		115,000
			524,726		552,384
CURRENT ASSETS					
Debtors	13	**194,202**		235,778	
Cash at bank and in hand		**1,771,947**		1,767,041	
		1,966,149		2,002,819	
CREDITORS: amounts falling due within one year	14	**(1,303,657)**		(1,371,343)	
NET CURRENT ASSETS			**662,492**		631,476
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,187,218**		1,183,860
Defined pension scheme liability	20		**(262,000)**		(740,000)
TOTAL ASSETS			**925,218**		443,860
Represented by:					
FUNDS					
Unrestricted funds	15		**925,218**		443,860
Restricted funds	15		**-**		-
			925,218		443,860

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 28 to 54 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 12.04.2022 and signed on their behalf by:

Guy Lacey

Guy Lacey - Director & Trustee

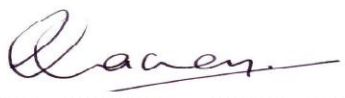
COLLEGES WALES / COLEGAU CYMRU LIMITED
Company Number: 2832103
(Limited by Guarantee)
CHARITY BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £	2021 £	2020 £	2020 £
FIXED ASSETS					
Tangible assets	9		**406,896**		432,549
Investment Property	11		**115,000**		115,000
Investments	12		**100**		100
			521,996		547,649
CURRENT ASSETS					
Debtors	13	**194,763**		315,919	
Cash at bank and in hand		**1,750,410**		1,664,711	
		1,945,173		1,980,630	
CREDITORS: amounts falling due within one year	14	**(1,291,978)**		(1,359,774)	
NET CURRENT ASSETS			**653,195**		620,856
TOTAL ASSETS LESS CURRENT LIABILITIES			**1,175,191**		1,168,505
Defined pension scheme (liability) / asset	20		**(262,000)**		(740,000)
TOTAL ASSETS			**913,191**		428,505
Represented by:					
FUNDS					
Unrestricted funds	15		**925,010**		428,505
Restricted funds	15				-
			925,010		428,505

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies.

The notes on pages 28 to 54 form part of these accounts.

The Financial Statements were approved by the Board of Trustees on 12.04.2022 and signed on their behalf by:



Guy Lacey - Director & Trustee

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2021

	Note	2021 £	2020 £
Net cash inflow / (outflow) from operating activities:		**6,357**	**(21,899)**
Cash flows from investing activities:			
Interest received		**247**	**4,060**
Capital expenditure		**(1,698)**	**(24,568)**
Net cash used in investing activities		**(1,451)**	**(20,508)**
Change in cash and cash equivalents in the reporting period		**4,906**	**(42,407)**
Cash and cash equivalents at the beginning of the reporting period		**1,767,041**	**1,809,448**
Cash and cash equivalents at the end of the reporting period		**1,771,947**	**1,767,041**

1 Reconciliation of net consolidated incoming resources for the year to net cash inflow from operating activities	2021 £	2020 £
Net income for the year before taxation	(109,642)	(145,519)
Depreciation charge	29,356	23,451
(Increase) / Decrease in debtors	41,576	113,938
(Decrease) / Increase in creditors	(67,686)	(55,709)
Interest received	(247)	(4,060)
Defined benefit pension scheme contributions	(146,000)	(131,000)
Defined benefit pension scheme operating cost	249,000	172,000
Net finance expenses from the pension scheme	10,000	5,000
Net cash inflow / (outflow) from operating activities	**6,357**	**(21,899)**

2 Analysis of changes in net fund	At 31 July 2020 £	Cash Flows £	At 31 July 2021 £
Cash at bank and in hand	1,767,041	4,906	**1,771,947**

1 PRINCIPAL ACCOUNTING POLICIES

Basis of Accounting and assessment of going concern
The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value.

The financial statements are prepared on a going concern basis. There are no material uncertainties in respect of the group's ability to continue as a going concern for the foreseeable future, based on latest strategic plans and financial budgets.

Basis of consolidation
The financial statements consolidate the results of the charity and its wholly owned subsidiary Fforwm Services Ltd on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the charity has not been presented because the Charity has taken advantage of the exemption afforded by section 408 of the Companies Act 2006.

Incoming Resources
All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, any performance conditions attached to the item(s) of income have been met, it is probable that the income will be received and the amount can be measured reliably.

Income from government and other grants, whether 'capital' grants or 'revenue' grants, is recognised when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Subscription fee income is accounted for on an accruals basis and is recognised in the period of membership.

Income from courses and conferences is recognised when the respective event occurs.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the bank.

Allocation of support costs
Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. These costs have been allocated between cost of raising funds and expenditure on charitable activities.

Resources expended
Expenditure is recognised on an accrual basis as a liability is incurred. Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities, and its services for its beneficiaries. Governance costs include those costs associated with meeting the constitutional and statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity. All costs allocated between the expenditure categories of the SOFA are on a basis designed to reflect the use of the resources. Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include back office costs, finance, personnel, payroll and governance costs which support the Charity's activities. A note of these costs are detailed in note 6.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Tangible Fixed Assets
The cost of tangible fixed assets is their purchase cost, together with any incidental costs of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic life of the assets as follows:

Buildings	50 years*
Computer equipment	3 years
Office equipment	5 years
Fixtures and fittings	10 years

* Buildings - The building was subject to an impairment charge in 2014/15. Following this the revised value of the property was depreciated on a straight line basis over the remaining 43 years.

Investment property

Mixed use property are required to be shown between freehold property and Investment property, the proportion of Investment property has been valued based on a square foot use and then adjusted to its fair value.

Investment property are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in the statement of comprehensive income.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal

Financial Instruments
The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic Financial Assets
Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of Financial Liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Basic Financial Liabilities
Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Pension
Pension costs are accounted for on the basis of charging the cost of providing pensions over the period during which the company benefits from the employees services. The Charity pension scheme is a defined benefits scheme.

The Charity participates in the Cardiff and Vale of Glamorgan Pension Fund, a defined benefit scheme for employees. The assets of the scheme are held separately from those of the charity. Many of the key financial assumptions are derived from the yields on AA rated corporate bonds or from yields on Government bonds with the objective of reflecting a best estimate of future experience.

The fund is valued at least every three years by a professionally qualified independent actuary with the rates of contribution payable being determined by the trustees on the advice of the actuary. In the intervening years, the actuary reviews the progress of the scheme. Pension scheme assets are valued at the market value at the balance sheet date. The pension scheme deficit is recognised in full on the balance sheet.

Fund accounting
The various types of funds for which the Charity is responsible and which require separate disclosure, are as follows:

Unrestricted funds
Funds which are expendable at the discretion of the directors in furtherance of the objects of the charity.

Restricted funds
Subscriptions and grants whose use is restricted to purposes specified by the donor. Such purposes are within the overall aims of the organisation.

Irrecoverable VAT
All resources expended are classified under activity headings that aggregate all costs related to the category. Irrecoverable VAT is charged against the category of resources expended for which it was incurred.

Foreign Currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

PRINCIPAL ACCOUNTING POLICIES - (Cont'd)

Leases
Rentals receivable under operating leases are charged to the income statement on a straight-line basis over the term of the relevant lease.

Legal Status of the charity
The Charity is a company limited by guarantee and has no share capital. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

Taxation
The Company is registered as a Charity and as such tax exemption applies to the income arising from and expended on charitable activities and to its investment income and gains.

Its subsidiary company, Fforwm Services Limited, gifts their surplus to its holding company. Any surplus remaining is subject to corporation tax.

Employee Benefits
The group provides a range of benefits to employees, including paid holiday arrangment and defined benefit and defined contirbution pension plans.

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Accounting estimates and key judgements
Critical accounting estimates and judgements - Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Retirement benefit liabilities - as disclosed in note 20. Year end recognition of the liabilities under these schemes and the valuation of assets held to fund these liabilities require a number of significant assumptions to be made, relating to levels of scheme membership, key financial market indicators such as inflation and expectations on future salary growth and asset returns. These assumptions are made by the Charity in conjunction with the schemes' actuaries. For each 0.1% change in the discount rate net of inflation, the carrying amount of pension obligations would change by an estimated £100,000.

2 Charitable Activities:	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Annual subscriptions:				
General subscriptions	**546,818**	**-**	**546,818**	521,165
EU/International subscription	**57,518**	**-**	**57,518**	54,996
Sports subscription	**56,508**	**-**	**56,508**	56,000
Advancement of education for the benefit of the general public:				
Representational Activities	**63,347**	**-**	**63,347**	27,303
Research/Project Activities	**19,448**	**896,868**	**916,316**	1,231,489
Training Activities	**-**	**-**	**-**	-
	743,639	**896,868**	**1,640,507**	1,890,953

3 Investments	Unrestricted funds	Restricted funds	Total 2021	Total 2020
Bank Interest	**247**	**-**	**247**	4,060
Rental Income	**10,270**	**-**	**10,270**	11,172
	10,517	**-**	**10,517**	15,232

4 Results of the Parent Company

A separate statement of financial activities and income and expenditure account are not presented for the charity itself following the exemptions afforded by section 408 of the Companies Act 2006 . The parent company's gross income and deficit for the year are as follows:-

	2021	2020
Gross Income	1,652,002	1,903,981
Deficit before actuarial gains/(losses) on pension scheme	(105,315)	(40,566)

5 Commercial trading operations and investment in trading subsidiary

The company has a wholly owned trading subsidiary, Fforwm Services Limited incorporated in England and Wales, which it acquired on 14 July 1995. Fforwm Services Limited was established to conduct the business activities of Colleges Wales / Colegau Cymru Limited, its parent company. These activities currently comprise the provision of professional training, development courses and property and equipment leasing. The net assets of the subsidiary are £12,031 (2020: £15,357).

The trading results are shown below :	**2021** **£**	2020 £
Turnover	**81,470**	78,787
Cost of sales	**(74,431)**	(68,152)
Gross profit	**7,039**	10,635
Administrative expenses	**(10,386)**	(10,849)
Operating profit	**(3,347)**	(214)
Interest receivable and similar income	**21**	24,026
(Loss) / Profit on ordinary activities	**(3,326)**	23,812
Tax on profit on ordinary activities	**-**	-
(Loss) / Profit for the financial year	**(3,326)**	23,812
Retained earnings at beginning of year	**15,357**	13,367
Dividends	**-**	(21,822)
Retained earnings at end of year	**12,031**	15,357

These results are wholly included in the consolidated financial statements

6 Resources expended

	Basis of Allocation	Representation & Support	Research & Dev, inc Projects	Management & Governance	2021	2020
					£	£
Costs Directly Allocated to Activities						
Educational Advancement	Direct	**9,924**	**659,274**	**-**	**669,198**	1,037,764
Staff costs	Direct	**439,215**	**435,721**	**34,414**	**909,350**	797,752
Travel	Direct	**204**	**232**	**882**	**1,318**	18,391
Support costs Allocated to Activities						
Accommodation	Staff time	**7,109**	**8,147**	**750**	**16,006**	21,620
Administration & Bank Charges	Staff time	**20,495**	**20,117**	**1,852**	**42,464**	49,505
Fees and charges	Staff time	**32,358**	**37,083**	**10,379**	**79,820**	64,352
Public affairs and other costs	Staff time	**12,012**	**-**	**-**	**12,012**	40,124
Depreciation	Staff time	**12,059**	**13,820**	**1,272**	**27,151**	21,982
Total Resources Expended		**533,376**	**1,174,394**	**49,549**	**1,757,319**	2,051,490

7 Directors and employees

No trustees received any remuneration for their services to the company in 2021 or 2020.

No trustees received travel and subsistence expenses in 2021 (2020 £nil).

The average number of persons employed by the company during the year was 14 (2020: 14).

Staff costs for the above consisted of :	**2021**	2020
	£	£
Wages and salaries	**292,520**	**298,115**
Salaries, Social Security & Pension costs allocated to projects	**298,506**	**263,296**
Pension actuary adjustment	**113,000**	**46,000**
Pension costs	**148,361**	**125,558**
Social security costs	**56,961**	**53,413**
Recruitment costs	**-**	**11,370**
	909,348	797,752

Emoluments of higher paid employees (excluding pension contributions):	**2021**	2020
£100,000 to £110,000	**1**	1

The Pensions Contributions relating to the highest paid employee amount to £29,837 (2020: £23,666)

During the year the total employee benefits received by key management personnel amounted to £143,202 (2020: £133,486).

The average number of employees during the year, calculated on the basis of full time equivalents, was as follows:

	2021	2020
Representation & Support	**9**	9
Research & Development, inc. Projects	**4**	4
Governance	**1**	1
	14	14

8 Net incoming / (outgoing) resources

	2021	2020
	£	£
Net incoming / (outgoing) resources are stated after charging / (crediting) the following :		
Depreciation on owned tangible fixed assets	**29,356**	23,451
Operating lease rental:		
Land and buildings	**44,250**	47,658
Auditors' remuneration:		
Audit work (group & companies)	**6,750**	6,650
Non-audit work	**6,167**	4,566
Legal and professional fees	**12,334**	12,841

9 Analysis of pension costs charged to the Statement of Financial Activities

	2021	2020
	£	£
Current service charge	**249,000**	172,000
Total operating charge to Statement of Financial Activities	**249,000**	172,000

	2021	2020
	£	£
Interest income on scheme assets	**(42,000)**	(62,000)
Interest expense on defined benefit obligation	**52,000**	67,000
Interest charged to Statement of Financial Activities	**10,000**	5,000
Net cost to Statement of Financial Activities	**259,000**	177,000

10 Tangible fixed assets - Group

	Freehold Property	Office equipment	Fixtures & Fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2020	686,513	75,625	94,285	80,304	936,727
Additions	-	155	-	1,543	1,698
Disposals	-		-	-	
Reclassification	-	-	-	-	
At 31 July 2021	686,513	75,780	94,285	81,847	938,425
Depreciation					
At 1 August 2020	294,592	60,019	87,597	57,135	499,343
Charge for the year	10,314	8,720	1,093	9,229	29,356
Disposals			-	-	
Reclassification	-	-	-	-	
At 31 July 2021	304,906	68,739	88,690	66,364	528,699
Net book value					
At 31 July 2021	381,607	7,041	5,595	15,483	409,726
At 31 July 2020	391,921	15,606	6,688	23,169	437,384

10 Tangible fixed assets - Company

	Freehold Property	Office equipment	Fixtures & Fittings	Computer equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2020	686,513	58,891	63,051	65,011	873,466
Additions	-	134	-	1,364	1,498
Disposals	-		-	-	
Reclassification	-	-	-	-	
At 31 July 2021	686,513	59,025	63,051	66,375	874,964
Depreciation					
At 1 August 2020	294,592	45,275	56,462	44,586	440,915
Charge for the year	10,314	7,618	1,072	8,149	27,153
Disposals			-	-	
Reclassification	-	-	-	-	
At 31 July 2021	304,906	52,893	57,534	52,735	468,068
Net book value					
At 31 July 2021	381,607	6,132	5,517	13,640	406,896
At 31 July 2020	391,921	13,616	6,589	20,425	432,551

11 Investment Property

	2021	2020
	£	
FAIR VALUE		
At 1 August 2020	115,000	
Reclassification	-	92,068
Fair value adjustment	-	22,932
At 31 July 2021	115,000	115,000

This relates to a proportion of the freehold property held by the charity which is leased out to a third party organisation. Due to a change in accounting standards, the proportion of the property leased out requires to be shown as investment property.

The property was valued by an external valuer, Alder King LLP on 2nd November 2020.

12 Fixed asset investments	Company 2021 £	Company 2020 £
Investment in subsidiary	**100**	100

Information relating to the charity's trading subsidiary, Fforwm Services Limited, registered in England and Wales and its activities during the year, are shown in note 5.

13 Debtors	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Amounts falling due within one year				
Trade debtors	**2,542**	**2,542**	**2,460**	**2,256**
Accrued income	**163,960**	**156,119**	**214,930**	**201,913**
Amounts due from subsidiary undertaking	**-**	**15,595**	**-**	**100,519**
Prepayments	**27,700**	**20,507**	**18,388**	**11,231**
	194,202	**194,763**	235,778	315,919

14 Creditors : amounts falling due within one year	Group 2021 £	Company 2021 £	Group 2020 £	Company 2020 £
Trade creditors	**53,438**	**52,794**	**61,806**	**59,654**
Accruals	**160,674**	**154,445**	**244,913**	**241,638**
Deferred income	**1,071,785**	**1,065,022**	**1,039,986**	**1,033,223**
Other taxation and social security	**17,760**	**19,717**	**24,638**	**25,259**
	1,303,657	**1,291,978**	1,371,343	1,359,774

15 Funds - Group

Unrestricted funds	At 01.08.20 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain on pension	At 31.07.21 £
General Fund	98,397	835,626	(903,622)	(520,909)	591,000	100,492
Capital Asset Reserve	45,463	-	(29,356)	508,619	-	524,726
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic reserve	40,000	-	-	-	-	40,000
Capital Spend Reserve	20,000	-	-	-	-	20,000
	443,860	835,626	(932,978)	(12,290)	591,000	925,218
Restricted funds						
Research/Project Activities	-	896,868	(909,158)	12,290	-	-
TOTAL FUNDS	443,860	1,732,494	(1,842,136)	-	591,000	925,218

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
Erasmus + Migrant Sport	-	5,719	-	(5,719)	-
VocTech	-	9,625	9,625	-	-
EQAVET Restricted Call 3	-	38,809	44,818	6,009	-
Erasmus + Staff 2019	-	-	109	109	-
ILS	-	12,840	13,103	263	-
ARAD	-	2,156	2,156	-	-
ALN Advisor	-	144,778	144,947	169	-
Construction	-	219	219	-	-
Sport	-	148,840	148,840	-	-
Erasmus + Staff 18	-	76	933	857	-
Welsh	-	373,300	373,300	-	-
Flexible Adult Learning	-	83,717	85,534	1,817	-
Transitions (TIP)	-	1,067	1,067	-	-
Erasmus + Learner 18	-	4,946	3,789	(1,157)	-
HSC	-	1,470	1,470	-	-
ECVET	-	2,757	2,929	172	-
KA2	-	2,545	2,545	-	-
Erasmus + Learner 2019	-	-	525	525	-
Workload	-	32,546	32,546	-	-
EQF Workplan	-	31,458	40,703	9,245	-
	-	896,868	909,158	12,290	-

15 Funds - (Con't)

Funds - Company

Unrestricted funds	At 01.08.20 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain on pension	At 31.07.21 £
General Fund	87,877	754,135	(809,187)	(520,711)	591,000	103,114
Capital Asset Reserve	40,628	-	(27,153)	508,421	-	521,896
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic reserve	40,000	-	-	-	-	40,000
Future Capital Reserve	20,000	-	-	-	-	20,000
	428,505	754,135	(836,340)	(12,290)	591,000	925,010
Restricted funds						
Research/Project Activities	-	896,868	(909,158)	12,290	-	-
TOTAL FUNDS	428,505	1,651,003	(1,745,498)	-	591,000	925,010

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer to / from unrestricted funds £	Closing balance £
Erasmus + Migrant Sport	-	5,719	-	(5,719)	-
VocTech	-	9,625	9,625	-	-
EQAVET Restricted Call 3	-	38,809	44,818	6,009	-
Erasmus + Staff 2019	-	-	109	109	-
ILS	-	12,840	13,103	263	-
ARAD	-	2,156	2,156	-	-
ALN Advisor	-	144,778	144,947	169	-
Construction	-	219	219	-	-
Sport	-	148,840	148,840	-	-
Erasmus + Staff 18	-	76	933	857	-
Welsh	-	373,300	373,300	-	-
Flexible Adult Learning	-	83,717	85,534	1,817	-
Transitions (TIP)	-	1,067	1,067	-	-
Erasmus + Learner 18	-	4,946	3,789	(1,157)	-
HSC	-	1,470	1,470	-	-
ECVET	-	2,757	2,929	172	-
KA2	-	2,545	2,545	-	-
Erasmus + Learner 2019	-	-	525	525	-
Workload	-	32,546	32,546	-	-
Erasmus + Staff 20	-	-	-	-	-
EQF Workplan	-	31,458	40,703	9,245	-
	-	896,868	909,158	12,290	-

15 Funds - (Con't)

Comparatives for movement in funds

Unrestricted funds	At 01.08.19 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain/(Loss) on pension	At 31.07.20 £
General Fund	35,110	777,642	(866,578)	509,223	(357,000)	98,397
Capital Asset Reserve	528,337	-	(23,451)	(459,423)	-	45,463
Critical / Closure costs		-	-	(22,932)	22,932	-
Strategic reserve	240,000	-	-		-	240,000
Capital Spend Reserve	40,000	-	-		-	40,000
International Curriculum Development	80,000	-	-	(60,000)	-	20,000
	923,447	777,642	(890,029)	(33,132)	(334,068)	443,860
Restricted funds						
Research/Project Activitie:	-	1,207,330	(1,240,462)	33,132	-	-
TOTAL FUNDS	923,447	1,984,972	(2,130,491)		(334,068)	443,860

The restricted funds received during the year were as follows:

	Opening balance £	Income £	Expenditure £	Transfer from unrestricted funds £	Closing balance £
VocTech	-	15,375	15,375	-	-
EQAVET Restricted Call 3	-	20,460	22,495	2,035	-
Erasmus + Staff 2019	-	-	1,129	1,129	-
ALN - both	-	30,673	30,673	-	-
ARAD	-	3,364	3,364	-	-
ALN - Advisor	-	135,260	135,260	-	-
Construction	-	27,355	27,355	-	-
Sport	-	115,360	115,360	-	-
Erasmus + Staff 18	-	15,950	18,901	2,951	-
Cymraeg Gwaith	-	398,001	398,001	-	-
Flexible Adult Learning	-	225,765	225,765	-	-
Erasmus + Staff 2017	-	(452)	758	1,210	-
Erasmus + Learner 18	-	148,722	148,722	-	-
ECVET	-	1,950	1,950	-	-
KA2	-	3,951	3,951	-	-
Erasmus + Learner 2017	-	(5,978)	12,138	18,116	-
Erasmus + Learner 2019	-	22,624	26,808	4,184	-
Erasmus + Migrant Sport	-	17,828	17,828	-	-
EQF Workplan	-	14,249	17,756	3,507	-
Mental Health	-	16,873	16,873	-	-
	-	1,207,330	1,240,462	33,132	-

15 Funds - (Con't)

A current year 12 months and prior year 12 months combined position is as follows:

Unrestricted funds	At 01.08.19 £	Incoming resources	Resources expended	Transfer between fund	Actuarial Gain/(Loss) on pension	At 31.07.21 £
General Fund	35,110	1,613,268	(1,770,200)	(11,686)	234,000	100,492
Capital Asset Reserve	528,337	-	(52,807)	49,196	-	524,726
Investment property	-	-	-	(22,932)	22,932	-
Critical / Closure costs	240,000	-	-	-	-	240,000
Strategic Reserve	40,000	-	-	-	-	40,000
Capital Spend Reserve	80,000	-	-	(60,000)	-	20,000
	923,447	1,613,268	(1,823,007)	(45,422)	256,932	925,218
Restricted funds						
Research/Project Activities	-	2,104,198	(2,149,620)	45,422	-	-
TOTAL FUNDS	923,447	3,717,466	(3,972,627)	-	256,932	925,218

15 Funds - (Con't)

Erasmus + Curricular Pathways for Migrant Empowerment through Sport CPMES - partners in a collaborative sports project looking at curriculum developments in sport and non formal education. The project will utilise ETS (Education Through Sport) to support this principle.

VocTech - ColegauCymru were successful in applying for £25,000 of UFI VocTech project funding to run a short project responding to using technology in the vocational classroom. The project ran from May - October 2020 focusing on developing staff skills, creating engaging digital content for students and a round table event to encourage collaboration and sharing good practice within the sector.

EQAVET restricted call 3 – CollegesWales was successful in applying for funding to undertake research into tracking of VET graduates in other European regions. The project started on 1 April 2019 and will end on 31 March 2021.

Erasmus+ 2019 – staff - Funding was approved in July 2019 to enable 18 staff from FE colleges and other appropriate organisations in Wales to undertake a 4-day study visit to Stuttgart, Germany. The project end date is 31 August 2021. Due to the travel restrictions imposed by Covid19, a 12-month extension has been requested and ColegauCymru is waiting for confirmation of this from the UKNA.

ALN – ColegauCymru / CollegesWales is running a Welsh Government funded project to support colleges as they prepare for the implementation of the ALNET Act. As part of this, an ALN Transformation Lead has been employed. On behalf of Welsh Government, ColegauCymru is also co-ordinating a series of projects on provision and practice in the Independent Living Skills (ILS) curriculum area. We are working with representatives from colleges and wider stakeholders to capture and share existing best practice to develop the ILS curriculum and Learning Area Programme (LAP).

Agriculture, Land based and Rural development Research – Arad Ltd were contracted to conduct initial research into this area on behalf of the six colleges with provision. Completion November 2020.

Construction and Building Services Engineering Qualification Reform - ColegauCymru secured grant funding for £28,000 from Qualifications Wales to undertake a research exercise to scope the provision of specialist trade areas; to quantify demand for specialist trade areas by region; and to produce a list of Further Education colleges committed and/or with an appetite and ability to continue/begin to deliver specialist low uptake trade training and identify a timescale for development. To include a discussion of innovation in approach to delivery to support learning in specialist trade areas. ColegauCymru contracted Dr. Ian Rees to undertake the research project and present the findings. Completion August 2020.

Sports – the project provides funding for the development of sports and physical activity and aims to increase the participation and volunteering in Fe in Wales. The funding is aimed at under-represented groups, including females, ethnic minorities and communities first areas. Typically, the funding will support new activity

Erasmus+ 2018 – staff - Funding was approved in May 2018 to enable 32 staff from FE colleges and other appropriate organisations in Wales to undertake a 4-day study visit to Helsinki, Finland and Montecatini, Italy. The visit to Italy took place in October 2019. The project closed on 31 August 2020, the final report submitted by 31 October 2020 and this was approved by the UK National Agency on 4 December 2020.

15 Funds - (Con't)

Cymraeg Gwaith – The project aims to increase Welsh/bilingual provision in the post 16 sector by giving colleges the opportunity to develop the bilingual stills of their teaching staff. The project plans to provide lecturers and assessors with 120 hours of Welsh teaching for approximately 210 staff members with a focus on academic staff including lecturers and assessors.

Flexible Adult Learning - Welsh Government is funding 3 pilot projects on FE colleges' preparedness for Brexit. Colegau Cymru is managing the three projects and they will all focus on the delivery of flexible adult learning. Coleg Sir Gâr/Coleg Ceredigion, Bridgend College and Coleg Cambria are running the pilot projects that were due to run from September 2019 to March 2020. Due to Covid19, the project deadlines were extended and the project will now end in March 2021.

Transition - Supported by the Welsh Government, ColegauCymru has coordinated Phase One of the Transition Information Project to conduct a scoping study to examine transition for learners moving from school to further education during Covid-19 for September 2021. The project ran from the 10th June 2021 until December 2021. Reference groups were set up with both FE and School representatives with a report written with the findings.

Erasmus+ 2018 – learner - Funding was approved in May 2018 to enable 536 vocational learners and apprentices to undertake 2-week work placements in Europe. The project was closed on 31 August 2020, the final report submitted by 31 October 2020 and this was approved by the UK National Agency on 7 January 2021.

Health and Social Care and Childcare Qualification Reform Grant - To provide support for the continuation of the HSC network to the end of the academic year and to undertake a final evaluation report summarising the feedback from the sector on the delivery and preparations for the new HSC qualifications.

ECVET – This is a 12-month annual project that runs from 1 January to 31 December 2020. The UK National Agency for Erasmus+ manages the project and ColegauCymru has been involved in attending training days, leading workshops and producing training videos as part of these projects.

Erasmus+ KA2 – ColegauCymru is a partner in this Erasmus+ Key Action 2 project let by CIPFP La Costera in Valencia, Spain. The project has been extended due to Covid19 and will end in December 2022.

Erasmus+ 2019 – learner - Funding was approved in July 2019 to enable 624 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 31 August 2022 (a 12 month extension was granted due to Covid19) and the final report will be submitted by 31 October 2022.

Workload – To undertake an evidence based review of FE workload, the establishment and running of a Workload Steering group and the production of a scoping report with details of initial analysis and agreed recommendations for phases 2 and 3, signed off by the steering group.

Erasmus+ 2020– staff - Funding was approved in July 2020 to enable 30 staff from FE colleges and other appropriate organisations in Wales to undertake 4-day study visits to Ireland, Norway and Austria. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid19

15 Funds - (Con't)

Erasmus+ 2020 (learner) - Funding was approved in July 2020 to enable 876 vocational learners and apprentices to undertake 2-week work placements in Europe. The project will be completed on 30 December 2023 following the approval of a 12-month extension by the UK National Agency due to Covid19.

EQF Workplan - Funding was approved in July 2018 to enable Wales and Scotland to re-reference their qualifications frameworks to the European Qualifications Framework (EQF). The total value of the project was €167,061. The project was scheduled to run from 1 March 2018 for 34 months ending 31 December 2020. Due to Covid19, the project was extended to 31 March 2021 and the final report approved by the European Commission in August 2021.

The unrestricted funds held by the charity at 31st July 2021 were as follows:

	£	
General Fund	100,492	This represents general unrestricted funds for use within the charity
Existing Capital Reserve	524,726	This represents funds designated for the net book value of capital assets held within the Charity at the year end.
Critical / Closure costs	240,000	To meet the potential closure costs which would be incurred should the charity cease.
Strategic reserve	40,000	To meet the costs of strategic expenditure identified within the designated reserves which are funded through income and expenditure account.
Future Capital Reserve	20,000	This represents future plans for capital spend
	925,218	

Analysis of assets between funds:

	Unrestricted General Funds	Restricted Funds	Total Funds 2021	Total Funds 2020
	£	£	£	£
Tangible Fixed Assets	524,726	-	524,726	552,384
Current Assets	932,926	1,033,223	1,966,149	2,002,819
Current Liabilities	(532,434)	(1,033,223)	(1,565,657)	(2,111,343)
	925,218	-	925,218	443,860

16 Leasing agreements

Minimum lease payments under non-cancellable operating leases fall due as follows:

GROUP ONLY	Properties	Other	2021	2020
	£	£	£	£
Within one year	44,250	-	44,250	84,439
Between one and five years	-	16,947	16,947	16,947
	44,250	**16,947**	**61,197**	**101,386**

17 Comparative Statement of Financial Activities

	Note	Unrestricted funds £	Restricted funds £	Total 2020 £
INCOME AND ENDOWMENTS FROM				
Donations and legacies		-	-	-
Charitable activities:				
Annual subscriptions		632,161	-	632,161
Advancement of education for the benefit of the general public		51,462	1,207,330	1,258,792
Other trading activities:				
Commercial trading operations		78,787	-	78,787
Investments		15,232	-	15,232
Total income		**777,642**	**1,207,330**	**1,984,972**
EXPENDITURE ON				
Charitable activities				
Advancement of education for the benefit of the general public		811,028	1,240,462	2,051,490
Other trading activities:				
Commercial trading operations		79,001	-	79,001
Total expenditure		**890,029**	**1,240,462**	**2,130,491**
NET INCOME / (EXPENDITURE)		**(112,387)**	**(33,132)**	**(145,519)**
Transfers between funds		**(33,132)**	**33,132**	**-**
OTHER RECOGNISED GAINS / (LOSSES)				
Fair Value Adjustment		**22,932**		**22,932**
Actuarial gain on defined benefit scheme		**(357,000)**	**-**	**(244,000)**
Net movement in funds in year		**(479,587)**	**-**	**(479,587)**
RECONCILIATION OF FUNDS				
Total funds brought forward		**923,447**	**-**	**923,447**
TOTAL FUNDS CARRIED FORWARD		**443,860**	**-**	**443,860**

The statement of financial activities includes all gains and losses in the year. All incoming resources and resources expended derive from continuing activities.

18 Capital commitments and contingencies

There were no capital commitments as at 31 July 2021 (2020: nil)

19 Post balance sheet events

No new leases have been taken out since the year-end.

20 Pensions

The charity participates in the Cardiff & Vale of Glamorgan pension fund (the "Fund"), which is part of the Local Government Pension Scheme. Colegau Cymru / Colleges Wales participates in the Fund which provides defeined benefits on members' final pensionable salary. In accordance with FRS 102 - Retirement Benefits disclosure defined benefits, of certain information concerning assets, liabilities, income and expenditure relating to pension schemes is required.

Contributions for the year ending 31 July 2022
The Employer's regular contributions to the fund for the year ending 31 July 2022 are estimated to be £0.156M. In addition, Strain on Fund Contributions may be required.

Assumptions
The latest actuarial valuation of Colleges Wales liabilities took place as at 31 March 2019. Liabilities have been estimated by the independent qualified actuary on an actuarial basis using the projected unit credit method. The principal assumptions used by the actuary in updating the latest valuation of the Fund for FRS 102 purposes were:

	31-Jul-21 (% pa)	31-Jul-20 (% pa)	31-Jul-19 (% pa)
Discount rate	**1.7**	1.4	2.1
RPI inflation	**2.6**	2.3	3.3
CPI inflation	**2.6**	2.3	2.3
Rate of increase to pensions in payment	**2.6**	2.3	2.3
Rate of revaluation of pension accounts	**2.6**	2.3	2.3
Rate of general increase in salaries	**3.6**	3.3	3.3

Mortality Assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

Assumed life expectancy at age 65

Males	**31 July 21**	31 July 20
Future lifetime from age 65 (current aged 65)	**22.3**	22.2
Future lifetime from age 65 (current aged 45)	**23.3**	23.2
Females	**31 July 21**	31 July 20
Future lifetime from age 65 (current aged 65)	**24.7**	24.6
Future lifetime from age 65 (current aged 45)	**26.1**	26.0

20 Pensions - (Cont'd)

Asset allocation

	Value at 31 July 2021 (£M)	Value at 31 July 2020 (£M)
Equities	**66.5%**	61.1%
Property	**6.6%**	8.2%
Government bonds	**10.1%**	12.0%
Corporate bonds	**15.2%**	17.1%
Cash	**1.6%**	1.4%
Other	**0.0%**	0.2%
Total	**100.0%**	100.0%

Reconciliation of funded status to balance sheet

	Value at 31 July 2021 (£M)	Value at 31 July 2020 (£M)
Fair value of fund assets	**3.652**	2.981
Present value of liabilities	**(3.914)**	(3.721)
Funded status	**(0.262)**	(0.740)
Unrecognised asset	**0.000**	0.000
Pension asset/(liability) recognised on the Balance Sheet	**(0.262)**	(0.740)

20 Pensions - (Cont'd)

Amounts reocgnised in Income Statement	Year ending 31 July 2021 (£M)	Year ending 31 July 2020 (£M)
Operating Cost		
Current service costs	**0.249**	0.172
Past service costs	**0.000**	0.000
Curtailment cost	**0.000**	0.000
Settlement cost	**0.000**	0.000
Financing Cost		
Interest costs	**0.010**	0.005
Expense recognised in Profit and Loss	**0.259**	0.177

Allowance for administration expenses included in Current Service Cost in 2021 £0.002m and 2020 £0.002m.

Changes to the present value of liabilities during the year	Year ending 31 July 2021 (£M)	Year ending 31 July 2020 (£M)
Opening present value of liabilities	**3.721**	3.229
Current service cost	**0.249**	0.172
Interest cost	**0.052**	0.067
Contributions by participants	**0.039**	0.035
Actuarial (gains)/losses on liabilities *	**(0.060)**	0.295
Net benefits paid out #	**(0.087)**	(0.077)
Past service cost	**0.000**	0.000
Net increase in liabilities from disposals and acquisitions	**0.000**	0.000
Curtailments	**0.000**	0.000
Settlements	**0.000**	0.000
Closing present value of liabilities	**3.914**	3.721

* Includes changes to the actuarial assumptions
# Consists of net cashflow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance for the expected cost of death in service lump sums.

20 Pensions - (Cont'd)

Changes to the fair value of assets during the year	Year ending 31 July 2021 (£M)	Year ending 31 July 2020 (£M)
Opening fair value of assets	**2.981**	2.892
Interet income on assets	**0.042**	0.062
Remeasurement gains/(losses) on assets	**0.531**	(0.062)
Contribution by the employer	**0.146**	0.131
Contribution by participants	**0.039**	0.035
Net benefits paid out #	**(0.087)**	(0.077)
Net increase in assets from disposals and acquisitions	**0.000**	0.000
Settlements	**0.000**	0.000
Closing fair value of assets	**3.652**	2.981

Consists of net cash-flow out of the Fund in respect of the employer, excluding contributions and any death in service lump sums paid, and including an approximate allowance fo rthe expected cost of death in service sums.

Actual return on assets	Year ending 31 July 2021 (£M)	Year ending 31 July 2020 (£M)
Interest income on assets	**0.042**	0.062
Gain/(Loss) on assets	**0.531**	(0.062)
Actual return on assets	**0.573**	0.000

Analysis of amount recognised in Other Comprehensive Income	Year ending 31 July 2021 (£M)	Year ending 31 July 2020 (£M)
Asset gains/(losses) arising during the period	**0.531**	(0.062)
Liability gains/(losses) arising during the period	**0.060**	(0.295)
Total (loss) in OCI	**0.591**	(0.357)

21 EFFECT OF PENSION ON THE DEFICIT FOR THE YEAR

	2021 £		2020 £
(Deficit) before pension adjustment	3,358		(99,519)
Pension adjustment Included in the Income & expense account			
Employers contributions transferred against liability	(146,000)		(131,000)
Pension adjustment	249,000		172,000
Finance cost	10,000		5,000
(Deficit) per accounts	(109,642)		(145,519)

22 Related party transactions

Due to the nature of the charity's activities and the composition of its board of directors and that of its subsidiary undertaking Fforwm Services Limited, (being principals and Governors of Further Education colleges in Wales) it is inevitable that in the course of its normal business activities, the charity will undertake transactions with those Colleges in which a member of the board of the charity, or its subsidiary undertaking will have an interest.

All transactions involving Colleges in which a member of either Board of Directors may have an interest are conducted at arms length and in accordance with the charity's normal financial procedures.

The trustees' of the charity during the year and their relationship with the respective Colleges were :

Director	College	Relationship
Guy Lacey (appointed 01/07/18) Chair	CEO/Principal, Coleg Gwent	Trustee
Simon Pirotte (appointed 04/01/21)	CEO/Principal, Bridgend College	Trustee
Paul Croke (appointed 1/8/19, resigned 31/10/21)	Chair, Bridgend College	Trustee
Louise Casella (appointed 1/8/19)	Director, The Open University in Wales	Trustee
Jeffrey Greenidge (appointed 1/8/19)	Owner, Ariege Consultancy, Chair Bridgend College	Trustee
Paul Smart (appointed 4/1/21)	Retired	Trustee
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Director
Suzy Davies (appointed 24/11/21)	Senedd Member	Director
Iestyn Morris (Resigned 31/12/20)	Partner, Capital Law	Trustee

During 2020/21 it was agreed that there should be a common board for both companies and this was put into effect from

The Directors of the subsidiary undertaking, Fforwm Services Limited, during the year and their relationship with the respective Colleges were:

Director	College	Relationship
Guy Lacey (appointed 01/07/18) Chair	CEO/Principal, Coleg Gwent	Director
Simon Pirotte (appointed 04/01/21)	CEO/Principal, Bridgend College	Director
Paul Croke (appointed 1/8/19, resigned 31/10/21)	Chair, Bridgend College	Director
Louise Casella (appointed 4/1/21)	Director, The Open University in Wales	Director
Jeffrey Greenidge (appointed 4/1/21)	Owner, Ariege Consultancy, Chair Bridgend College	Director
Paul Smart (appointed 4/1/21)	Retired	Director
Rhiannon Evans (appointed 24/11/21)	Senior Lecturer, Cardiff University	Director
Suzy Davies (appointed 24/11/21)	Senedd Member	Director
Mike James (Resigned 31/12/20)	CEO/Principal, Cardiff and Vale College	Director
Dafydd Evans (Resigned 31/12/20)	CEO/Principal, Grŵp Llandrillo Menai	Director

The invoices issued to the relevant colleges during the year were for subscriptions for membership of Colegau Cymru / Colleges Wales and reimbursement of projects costs. Payments made to colleges were for catering at network events, work carried out on project activities.

22 Related party transactions - (Con't)

Income invoiced to Colleges during the year

	Subs	Sport	EU/Int	Dev	Projects	Other	Total
	£	£	£	£	£	£	£
Bridgend College	41,344	5,138	4,709	-	920	280	52,391
Cardiff and Vale College	43,307	5,138	4,709	11,303	1,500	280	66,237
Coleg Sir Gar and Coleg Ceredigion	43,307	5,138	4,709	-	920	280	54,354
Coleg Gwent	43,307	5,138	4,709	-	920	280	54,354
Coleg y Cymoedd	43,307	5,138	4,709	-	-	280	53,434
Coleg Cambria	43,307	5,138	4,709	11,303	920	-	65,377
Gower College Swansea	43,307	5,138	4,709	11,303	-	304	64,761
Grwp Llandrillo Menai	43,307	5,138	4,709	11,303	920	280	65,657
The College Merthyr Tydfil Ltd.	26,369	5,138	4,709	-	-	280	36,496
NPTC Group of Colleges	43,307	5,138	4,709	11,303	920	280	65,657
Pembrokeshire College	29,144	5,138	4,709	11,303	-	280	50,574
Adult Learning Wales	14,653	-	4,709	-	-	-	19,362
St David's Catholic College *	15,763	1,000	-	-	-	-	16,763
Total	**473,729**	**57,518**	**56,508**	**67,818**	**7,020**	**2,824**	**665,417**

* Associate member

Payments to Colleges during the year

	Catering/ Accom.	Other	Projects	Other	Total
	£	£	£	£	£
Bridgend College	-	-	57,083	-	57,083
Cardiff and Vale College	-	-	68,000	-	68,000
Coleg Sir Gar and Coleg Ceredigion	-	-	105,795	-	105,795
Coleg Gwent	-	-	45,100	-	45,100
Coleg y Cymoedd	-	-	30,000	-	30,000
Coleg Cambria	-	-	66,600	-	66,600
Gower College Swansea	-	-	59,000	-	59,000
Grwp Llandrillo Menai	-	-	60,000	-	60,000
The College Merthyr Tydfil Ltd.	-	-	15,000	-	15,000
NPTC Group of Colleges	-	-	51,600	-	51,600
Pembrokeshire College	-	-	40,600	-	40,600
St David's Catholic Sixth Form College *	-	-	600	-	600
Adult Learning Wales	-	-	-	1,710	1,710
Total	**-**	**-**	**599,378**	**1,710**	**601,088**

22 Related party transactions - (Con't)

The following amounts were receivable from Colleges at 31 July 2021 :

	£
Cardiff and Vale College	1,347
Coleg Gwent	280
Gower College Swansea	540
Merthyr Tydfil College	375
Total	2,542

The following amounts were due to Colleges at 31 July 2021

	£
Cardiff & Vale College	14,000
Coleg Gwent	2,500
Coleg Sir Gar and Coleg Ceredigion	14,001
Coleg Cambria	4,000
Llandrillo College	4,000
Merthyr Tydfil College	3,000
Total	41,501

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited By Guarantee)
CONSOLIDATED INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 JULY 2021

	Year ended 31 July 2021		Year ended 31 July 2020	
	£	£	£	£
INCOME				
College subscriptions	660,844		632,161	
Grants receivable	767,476		1,116,129	
Sports Grant Income	148,840		115,360	
Other income	63,347		27,303	
Bank interest	247		4,060	
Rents received	10,270		11,172	
Staff development activities	36,220		32,986	
Lease rental income	45,250		45,801	
		1,732,494		1,984,972
LESS:				
COST OF SALES				
Other operating leases	44,250		47,658	
Staff development expenditure	30,182		20,494	
		74,432		68,152
EXPENDITURE				
Conferences	-		840	
Public affairs and representation	9,574		7,852	
Website development	370		18,152	
Projects & advisory groups	671,267		1,090,317	
Accomodation costs	16,561		22,520	
Staff costs	909,348		797,752	
Office administration	45,723		53,266	
Travel & expenses	1,315		19,127	
Legal & professional fees	12,334		12,841	
Auditors remuneration	6,750		6,550	
Auditors remuneration - non audit fees	6,167		4,566	
Bank charges	1,208		1,234	
Bad Debts	-		(370)	
Exchange rate loss	57,732		4,240	
Depreciation:				
Freehold property	10,314		10,314	
Fixtures & fittings	9,812		9,964	
Computer equipment	9,229		3,174	
		1,767,704		2,062,339
DEFICIT FOR THE YEAR		(109,642)		(145,519)