



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
- Organised 3 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 facilitate 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 delivery, 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 in the 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 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 prepare for the implementation of ALNET, 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 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.

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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

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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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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.

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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.

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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.

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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.

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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 July 2023, 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:

<i>Capital Reserve</i>	To provide funds to meet the existing and future capital spend requirements of ColegauCymru.
<i>Critical/Closure Costs</i>	<p>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</p> <ul style="list-style-type: none">• 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.
<i>Strategic Reserve</i>	To meet the costing requirements of any strategic items identified within the designated reserves
<i>Free Reserves</i>	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 / Colegau Cymru 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

Guy Lacey

28 March 2024

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 / Colegau 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.

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

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.

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

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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

		2023		2022	
	Note	£	£	£	£
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

		2023		2022	
	Note	£	£	£	£
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)
<i>Net cash used in investing activities</i>		<i>(14,491)</i>	<i>(3,766)</i>
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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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	Cash	At 31 July
	2022	Flows	2023
	£	£	£
Cash at bank and in hand	2,363,899	(889,633)	1,474,266

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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 arrangement and defined benefit and defined contribution 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.

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2 Charitable Activities - Group	Unrestricted funds	Restricted funds	Total 2023	Total 2022
	£	£	£	£
Annual subscriptions:				
<i>General subscriptions</i>	820,483	-	820,483	704,119
<i>EU/International subscription</i>	65,117	-	65,117	61,155
<i>Sports subscription</i>	61,155	-	61,155	65,117
Advancement of education for the benefit of the general public:				
<i>Representational Activities</i>	6,923	-	6,923	5,192
<i>Research/Project Activities</i>	1,349	2,319,799	2,321,148	2,288,670
<i>Training Activities</i>	-	-	-	-
	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

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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

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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

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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
<i>Operating lease rental:</i>		
Land and buildings	45,250	45,250
<i>Auditors' remuneration:</i>		
Audit work (group & companies)	9,650	6,750
Non-audit work	7,550	6,167
Legal and professional fees	9,169	12,334

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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

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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.

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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

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15 Funds - Group	At 01.08.22	Incoming	Resources	Transfer	Other	At 31.07.23
Unrestricted funds	£	resources	expended	between	recognised	£
				fund	gain/loss	
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	Income	Expenditure	Transfer from	Closing
	balance	£	£	unrestricted	balance
	£			funds	£
				£	
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	

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15 Funds - (Con't)

Funds - Charity

	At 01.08.22	Incoming	Resources	Transfer	Other	At 31.07.23
Unrestricted funds	£	resources	expended	between	Recognised	£
				fund	Gain/Loss	
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	Income	Expenditure	Transfer to / from	Closing
	balance	£	£	unrestricted	balance
	£			funds	£
				£	
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	-

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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	-

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15 Funds - (Con't)

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

	At 01.08.21	Incoming	Resources	Transfer	Other	At 31.07.23
	£	resources	expended	between	Recognised	£
Unrestricted funds				fund	Gain/Loss	
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

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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.

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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). In 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.

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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
	<u>1,935,276</u>	

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)
	<u>1,935,276</u>	<u>-</u>	<u>1,935,276</u>	<u>1,637,372</u>

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
	<u>44,250</u>	<u>13,558</u>	<u>54,419</u>	<u>61,197</u>

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
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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 deferred 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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

20 Pensions - (Cont'd)

Assumed life expectancy at age 65

	31 July 23	31 July 22
Males		
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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

20 Pensions - (Cont'd)

Amounts recognised 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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

20 Pensions - (Cont'd)

	Year ending 31 July 2023 (£M)	Year ending 31 July 2022 (£M)
Changes to the fair value of assets during the year		
Opening fair value of assets	3.674	3.652
Interest 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 for the expected cost of death in service sums.

	Year ending 31 July 2023 (£M)	Year ending 31 July 2022 (£M)
Actual return on assets		
Interest income on assets	0.131	0.063
Gain/(Loss) on assets	0.029	(0.151)
Actual return on assets	0.160	(0.088)

	Year ending 31 July 2023 (£M)	Year ending 31 July 2022 (£M)
Analysis of amount recognised in Other Comprehensive Income		
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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
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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.

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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

COLLEGES WALES / COLEGAU CYMRU LIMITED
(Limited by Guarantee)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2023

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	<u>2,380</u>

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	<u>385,865</u>

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	
Accommodation 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